

Fifth ESSB 6001 Rule Stakeholder Meeting Notes
SeaTac Airport, November 13, 2007, 9:00 am to 4:00 pm

Following is the agenda that guided the group's discussion; however the order of discussion was changed to accommodate some attendee's schedules.

Overall Goal of the Committee's Work:

To provide input to the Department of Ecology (DOE) about issues, concerns and recommendations related to ESSB 6001. The input will inform the writing of rules that DOE will then propose for adoption.

Overall Outcome:

A report of stakeholder recommendations and noted concerns about how the rules will deal with:

- ◆ The implementation and enforcement of the Emission Performance Standard (EPS)
- ◆ Criteria for evaluating carbon sequestration plans
- ◆ An output-based methodology for calculating emissions of greenhouse gases (GHGs) for cogeneration facility.

Today's Meeting Objectives:

- 1) Learn about and discuss concerns & recommendations regarding what is written in ESSB 6001 about:
 - a) How is the definition of baseload applied to contracts?
 - b) How will Ecology enforce the EPS?
 - c) How will CTED consider the effects of the GHG EPS on system reliability and overall costs to electricity customers (ESSB 6001 Section 5(8))?
- 2) Review the draft language that has been shared with the stakeholders to date (The drafts are available on the rule webpage).
- 3) Identify next meeting topic and prep work.

<i>Time</i>	<i>Topic</i>
9:00	Welcome, Overall Purpose Review & Agenda
9:10	Brief (Re-) Introductions
9:30	Applying the definition of baseload power to contracts (Nancy/Allen)
10:15	Break
10:30	Enforcement of the EPS (Sarah)
11:30	Effects of the EPS on system reliability and overall costs to electricity customers (CTED – Greg)
12:00	Get Lunch & return
12:30	Review the draft rule sections that the Stakeholder Committee has had the opportunity to provide comments on: <ul style="list-style-type: none"> ▪ WAC 173-218: <ul style="list-style-type: none"> ➤ Geologic Sequestration (John) ▪ WAC 173-407:

	<ul style="list-style-type: none"> ➤ Work in Unison (Tom) ➤ Policy and Purpose (Nancy / Tom) ➤ Definitions: <ul style="list-style-type: none"> ○ Permanent Sequestration (Nancy) ○ Other definitions in draft (Nancy/ Al/ Tom) ➤ Sequestration Plan Requirements (Tom) <p>Relationship of Ecology with PUD Commissions and WUTC (Tom)</p>
3:30	Summary – Where are we on this topic? What’s next?
3:40	Next Meeting Agenda Plan & Prep
4:00	Adjourn

Stakeholder Members Present:

Dave Arbaugh, Marcia Baker, William Bridges, Jessica Coven, Kyle Davis, Carrie Dolwick, Peggy Duxbury, Keith Faretra, Audrey Chang (for Mo McBroom), Pete McGrail, Dave Norman, Chris Smith Towne, Greg Nothstein (for Tony Usibelli), and Dave Warren

Others in Attendance:

Tom Wood

Staff Members Present:

Dept. of Ecology: Tom Todd, Nancy Pritchett, John Stormon, Alan Newman, Sarah Rees, and Cathy Carruthers.

Wa. State Attorney General’s Office: Leslie Seffern

Facilitator:

Debbie Rough-Mack

Applying the Definition of Baseload Power to Contracts

Nancy Pritchett, Env. Planner with DOE’s Air Quality Program, prepared the decision matrix to guide the discussion and seek input from the committee. Notes taken from that discussion appear in a separate matrix, attached. The matrix will also be available as a .pdf on the DOE website at http://www.ecy.wa.gov/laws-rules/activity/wac173407_218.html

Enforcement of the EPS

Sarah Rees, Section Manager for DOE’s Program Development Section, was the client for this discussion. Sarah briefly introduced some of the complexities of the topic – such as when there are two “authorities” involved, how should that be handled? Dave Warren (WPUDA) indicated that this would be a topic of great interest to utilities, since there is currently a clear chain of authority. He proposed (and the group agreed) that we should include greater representation of organizations who would be impacted by any enforcement practices in our next meeting discussion.

Sarah will send out draft language or ideas about enforcement practices before the next meeting, so that we have a focus for our discussion.

Effects of the EPS on System Reliability and Overall Costs to Electricity Customers

Greg Nothstein from CTED's Energy Policy Division was the client for this discussion. He indicated that CTED has a short time frame and lacks staffing and budget to do the analysis related to RCW 80.80.040(8) under the timeline for this rule proposal, and would therefore likely use existing reliability data to extrapolate projected costs. Greg is interested in receiving related data and resource links that might help support his rule section. His email is gregn@cted.wa.gov. The group offered the following considerations:

- Keep in the mind the long-term vs. short-term effects, especially compared to long term risk impacts
- Language such as "further study should continue..." can provide some flexibility
- Unintended consequences may play a role (such as forced fuel switches)
- The University of Washington has capstone research projects available (and in progress) which may be a resource now or in the future

Geologic Sequestration – Draft Language

John Stormon, hydrogeologist with DOE's Water Quality Program, was the client for this discussion. The Stakeholder Committee reviewed draft language for WAC 173-218 related to geologic sequestration that was circulated for comment from Sept. 28 through Oct. 23, 2007. Feedback captured during this discussion appears in a separate table, attached, and is also available as a .pdf on the DOE website at http://www.ecy.wa.gov/laws-rules/activity/wac173407_218.html

Work in Unison – Draft Language

Tom Todd, Unit Manager in DOE's Air Quality Program, was the client for this discussion. The stakeholder committee reviewed draft language related to work in unison, proposed as WAC 173-407-005 in the working draft. The first draft was circulated for comment from Oct. 22 through Nov. 9, 2007. Feedback captured during this discussion appears in a separate table, attached, and is also available as a .pdf on the DOE website at http://www.ecy.wa.gov/laws-rules/activity/wac173407_218.html

Policy and Purpose

Tom Todd was the client for this discussion. The stakeholder committee reviewed draft language related to policy and purpose, proposed as WAC 173-407-100 in the working draft. Feedback captured during this discussion appears in a separate table, attached, and is also available as a .pdf on the DOE website at http://www.ecy.wa.gov/laws-rules/activity/wac173407_218.html

Definitions

Nancy Pritchett was the client for the discussion on the definition of Permanent Sequestration, which generated considerable discussion. The stakeholder committee reviewed draft language related to permanent sequestration, proposed under WAC 173-407-110 in the working draft. The first draft was circulated for comment from Oct. 22 through Nov. 9, 2007. Feedback captured during this discussion appears in a separate table, attached, and is also available as a .pdf on the DOE website at http://www.ecy.wa.gov/laws-rules/activity/wac173407_218.html

Other definitions will likely be reviewed at the next meeting.

Sequestration Plan Requirements

Tom Todd was the client for this discussion. The stakeholder committee reviewed draft language related to sequestration plan requirements, proposed as WAC 173-407-160 in the working draft. The first draft was circulated for comment from Oct. 18 through Nov. 9, 2007. Feedback captured during this discussion appears in a separate table, attached, and is also available as a .pdf on the DOE website at http://www.ecy.wa.gov/laws-rules/activity/wac173407_218.html

Relationship of Ecology with PUD Commissions and WUTC

Tom Todd was the client for this discussion. The stakeholder committee reviewed draft language related to this topic, proposed as WAC 173-407-180 in the working draft. The first draft was circulated for comment from Oct. 22 through Nov. 9, 2007. Feedback captured during this discussion appears in a separate table, attached, and is also available as a .pdf on the DOE website at http://www.ecy.wa.gov/laws-rules/activity/wac173407_218.html

Actions, Next Steps

The deadline for additional comments related to the topics/draft rules that were addressed at today's meeting is December 4th. Comments related to geologic sequestration (WAC 173-218) should go to John at jsto461@ecy.wa.gov. All other topic comments should go to Nancy at npri461@ecy.wa.gov

The next meeting is scheduled for December 6, 2007 at SeaTac. However, some stakeholder members have conflict with that date so we are considering options for rescheduling. Nancy will be in touch with the best option, based on room availability and committee members' schedules.

John will submit a preview of ESSB 6001 and this committee's work to EPA's workshop scheduled for Dec. 3-4 for comment, and share feedback with this group.

DOE staff members will meet and determine additional agenda items for our next meeting. The group recommended they consider:

- Enforcement of the EPS (Sara will send information prior to the meeting), and related to that...
- Relationship between DOE and publicly and privately owned power facilities
- "Unspecified sources"
- Cogeneration
- Other definitions ("Permanence" again!)
- The overview: How do the rules hang together?