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MEETING SUMMARY
Governor's Commission on Climate Change (GCCC)
Plenary Group (PG) Meeting #2
Montpelier, Vermont
November 8, 2006

Attending:

GCCC: Ernie Pomerleau (Chair), Theresa Alberghini-DiPalma, Elizabeth Courtney, Don DeHayes, Parker Riehle, Brian Searles

PG: Riley Allen (for David O'Brien), Paul Cameron, Gina Campoli (for Neale Lunderville), John Casella, Rep. Robert Dostis, Chris Dutton, David Hill, Thom Jagielski, Jennifer Jenkins, Scott Johnstone, Steve Kerr, Sen. Ginny Lyons, James Moore, Dale Rocheleau, Jim Saudade, Bill Sayre, Shane Sweet (for Sean Cota), Marc Teixeira (for Don Gilbert)

DEC: Jeff Wennberg, Harold Garabedian, Jeff Merrell, George Little

CCS: Ken Colburn, Sivan Kartha (via telephone) Stephen Roe, Will Schroeer, Randy Strait

Others: Debra Baslow, Alan Betts, Jake Brown, Andrea Cohen, Colin High, Dave Lamont, Debra Sachs

Background documents: (all posted at www.vtclimatechange.us)

1. Notice and Agenda
2. Meeting Summary from Plenary Group Meeting #1
3. Power Point Presentation
4. CCS Catalog of State Actions

Discussion and conclusions:

1. GCCC Chair Ernie Pomerleau opened the meeting, welcomed the PG members and members of the public, and attendees went around the room with self-introductions.
2. Ken Colburn of CCS provided the schedule for the rest of the PG meetings to be held for the GCCC process (see the Power Point presentation for the meeting). Mr. Colburn then provided information on recent climate change developments, including mitigation plan development in other U.S. states (AZ and NM), California's AB-32 program, the Stern Review from the United Kingdom, potential linkages between the California statewide cap and the northeast's Regional Greenhouse Gas Initiative

(RGGI), and other developments. Dr. Alan Betts offered a brief update on recent scientific developments and provided a handout for PG members.

3. Mr. Colburn then led a discussion of the State's climate change goals. The goals embodied in Gov. Douglas' Executive Order and incorporated into Act 168 last year by the Vermont Legislature seek to achieve GHG emissions levels that are 25% below 1990 levels by 2012; 50% below 1990 levels by 2028; and 75% below 1990 levels by 2050. Mr. Colburn noted that these targets are more aggressive than many states and that the GCCC-PG process is developing recommended actions for maximum achievable results. Mr. Colburn indicated that, if necessary, the PG could make a recommendation to the GCCC regarding Vermont's goals (e.g., whether they should be modified and if so, how). The PG asked if CCS could also provide additional context by looking at what other countries are doing. CCS mentioned that developed countries under Kyoto have emission reduction targets that are typically 5-7% below 1990 emission levels.
 4. Mr. Colburn then reviewed the ten-step GCCC-PG process. The catalog of about 250 climate change mitigation actions was then described. This catalog will serve as the starting point for identifying priority policy options for achieving Vermont's emission reduction goals. The process for identifying priority policy options was then reviewed. The PG asked if the PG should incorporate the costs of inaction. CCS responded that this was beyond the scope of this project; but that it could be considered within the Cross Cutting group, particularly with respect to whether the PG should make a policy recommendation concerning adaptation.
 5. CCS' Will Schroeer provided a review of transportation policy options in the Catalog. PG members suggested several additional potential policy options for consideration, including:
 - hydraulic hybrids for heavy-duty vehicles;
 - fuel cell vehicles;
 - options for insuring Pavley-like GHG reductions from light duty vehicles in the event that automakers' lawsuit against California's Pavley standards prevails;
 - voluntary premiums on gasoline to fund renewable fuels or other offset programs (analogous to green power premiums in the electric sector).
- Cross-border issues for Heavy-Duty Diesel Vehicles were discussed, and the potential benefits of reducing imports into Vermont of all kinds. The need for additional commuter rail (e.g., for out-of-state travellers) and inter-city rail, and the importance of sufficient telecommunication infrastructure to achieve high reductions in VMT and accompanying GHG reductions, were also raised. Gina Campoli indicated that VTTrans has several progressive planning processes underway (e.g., rail, bike-pedestrian) and provided relevant materials to Mr. Schroeer.
6. CCS' Sivan Kartha provided a review of energy supply (ES) and residential, commercial, and industrial (RCI) energy use policy options:
 - RCI – PG members suggested the creation of a specific entity for DSM programs for fossil fuels (i.e., to echo Efficiency Vermont in electricity under RCI 1.1); funding for building efficiency programs, especially building

retrofits, e.g., energy efficient mortgages (included in RCI 1.1/1.2?); extending Option 3.4 to the local level rather than just the state level; requiring “time of sale” energy upgrade requirements (whether done by seller or buyer); disclosure of building efficiency (like miles-per-gallon labeling for cars); discussion of the Vermont “Five Star” program and overlap; and education and engagement of the public via Department of Public Service advertisements or public service announcements. (CCS explained that this type of education is handled in the CC TWG.). PG members also raised the idea of periodically reassessing building energy efficiency, perhaps during property tax reassessments; and adding “commercial” as well as industrial audits in Option 9.2. Recycling or “take back” requirements for electronic goods, consideration of upstream GHG emissions, and buyback programs were also discussed. CCS noted that these are typically handled under AFW, but there is some overlap.

- ES – Chris Dutton noted the importance of steps to preserve existing hydropower and suggested that it be included in the catalog. Additional upgrades are needed in-state and at hydro-Quebec, and PG members wondered how we might incorporate this into our process (i.e., it doesn't result in any new renewable power, but would prevent a future with less renewable energy). CCS explained that this may be indirectly included as a result of other options, e.g. EPS, by crediting existing sources just as new sources). The PG also suggested a procurement standard for energy by public sector entities, and encouraging municipalities to develop their own renewable energy supply sources (which would require regulatory reform and incentives). Support for District “Energy” (not just heating) was also raised as a policy that should be included in catalog. Modifications of net metering provisions was mentioned. The question was raised of whether there is adequate T&D infrastructure in Vermont to really encourage substantial interconnection of DG resources. This discussion expanded to interconnection issues more broadly; incentives for off-grid producers at all levels in RCI (including residential); and potential disincentives for T&D losses (reflecting greater losses for power purchased from distant sources). Elimination of current financing (e.g., mortgage lenders) barriers for off-grid buildings was cited. A carbon tax was also raised, followed by discussion as to whether it should be included in the CC TWG if applied on an economy-wide basis? PG members suggested exploring Colorado's “REM” approach as a carbon tax option. PG members also suggested that we may want to quantify the co-benefit of reduced NOx and/or other pollutants. A further suggestion was made to expand scope of RGGI mechanism to include smaller sources (<25 MW) and facilities other than electric power plants.
7. CCS' Stephen Roe provided a review of agriculture, forestry and waste resource management options. Questions and comments from the PG addressed during this review included:
- Agriculture: Option 1.1 will include food waste management; Option 1.3 includes pelletized fuels.

- Forestry: Include a new AFW category for non-forest trees / urban forestry, to include such actions as median strip and related afforestation; urban canopy goals; climate-change appropriate urban forestry; urban tree-planting; and residential soil carbon management. These and other tree planting actions could provide a co-benefit of improved stormwater handling as well. CCS responded that stormwater concerns may be best handled under climate change adaptation.
 - Waste Resource Management: “Zero-waste strategies” was added to the notes under the Waste Management Strategies category; source reversion was added to the Source Reduction option (whereby manufacturers “take back” waste from their own products).
8. CCS’ Randy Strait and Mr. Roe then provided a review of changes to the draft inventory and forecast (I&F). Issues discussed included:
- CCS will check the electricity consumption estimates in various slides. One showed 1.5 MMt in 2020, while another showed about 1 MMt. One PG member indicated that the ISO-NE fuel mix is much different now than in 1996-2000. CCS responded that the estimates are based on the latest data available (year 2000 EPA eGRID data);
 - PG members requested that the forecast be extended to at least 2028 to reflect the Governor’s and Legislative goals. CCS will review this issue and respond to the PG.
 - A question was asked regarding the decrease of residential sector emissions: What are the underlying assumptions used by EIA in the AEO projections? CCS responded that this was likely due to a decrease in Vermont’s projected population, but will look into the issue.
 - It was mentioned that the Biomass Energy Resource Center in Vermont could have more information on current and projected biomass energy consumption and opportunities.
9. The next steps in the process were reviewed, wherein the TWGs next effort will be to select priority policy options for further analysis. The TWGs will provide recommendations to the PG on priority options. The next steps on the draft inventory and forecast will be to finish the written report and distribute it to the PG and TWGs for review and revision as needed.
10. Members of the public were invited to make comments and raise questions, but there were none.
11. The meeting was adjourned.