Vermont Governor's Commission on Climate Change

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Memo

To:	Vermont Plenary Group Members
From:	The Center for Climate Strategies
CC:	Governor's Climate Change Commission, Vermont Department of Environmental Conservation
Subject:	Preparation for the Third Meeting of the Vermont Plenary Group Meeting
Date:	January 18, 2007

At our third meeting of the Vermont Plenary Group (PG) on Thursday, January 18, 2007, we will focus on review and approval of the draft "priority for analysis" policy options. Based on this discussion and any adjustments made by the PG, the Technical Work Groups (TWGs) will begin work on straw proposals for future development and quantification of these policy options. At our meeting, the PG will also briefly review ongoing work on the draft Vermont greenhouse gas emissions inventory and forecast.

As preparation for our meeting, please review the attached lists of TWG suggested draft policy option "priorities for analysis" and other background documents posted to the project website at: www.vtclimatechange.us.

In terms of overall progress, the PG has completed key milestones since its launch on September 7, 2006, including:

- Identification of a full range of potential Vermont options for mitigation of greenhouse gas emissions, including over 300 possible state actions.
- TWG identification, by balloting, of 35 initial priorities for analysis of draft policy options.
- Review and revisions to the statewide inventory and forecast of greenhouse gas emissions.

The next stages of the PG process will include completion of the following milestones:

- Approval of a full range of initial priorities for analysis of draft policy options.

- Formulation of "straw proposals" for the design of these initial draft policy options for consideration by the PG at its fourth meeting.
- Completion of the first round of economic analysis of draft policy options by CCS, and identification of early consensus recommendations.
- Review and revision of policy option design, analysis, and draft options as needed.
- Final approval of PG policy option recommendations.
- Final approval of the statewide inventory and forecast of greenhouse gas emissions.

Summary of PG Progress and Next Steps:

Status of Draft Policy Options	
Original Number of Potential Options Presented to the PG from the CCS Catalog of States Actions	251
Updated Number of Potential Options on the CCS Catalog of States Actions, Including PG Additions	300+
Current Number of Draft Potential Priority Policy Options for Analysis	35
• Energy Supply and Demand (Residential, Commercial and Industrial)	10
• Transportation and Land Use	7
• Agriculture, Forestry and Waste	11
• Cross Cutting Issues	7

Next Steps	
Approve Straw Proposals for Draft Policy Option Design	PG Meeting #4
Present First Round of Analysis of Draft Policy Options and Identify Early Consensus Recommendations	PG Meeting #5
Approve Final PG Policy Option Recommendations	PG Meeting #6
Deliver Final Report to GCCC	July 2007

Table 1.

Energy Supply and Demand Technical Work Group

Summary List of Recommended Priority Policy Options for Analysis

Proposed Option #	Proposed Option Name	# From Catalog of State Actions
ESD-1	Evaluation and continuation/expansion of existing DSM for electricity and natural gas	RCI-1.1, 1.2, 9.2
ESD-2	Evaluation and expansion of DSM to Other Fuels	RCI-1.1, 1.2, 9.2
ESD-3	Building Efficiency Codes, Training, Tracking	RCI-1.1, 1.2, 9.2
ESD-4	Evaluate Potential for Contracting Nuclear Power	ES-4.2
ESD-5	Support for Combined Heat and Power	RCI-6.2; ES-2.1, 2.2
ESD-6	Incentives and/or Mandate for Clean Electricity	ES-1.1, 1.2, 1.4, 6.5
ESD-7	GHG Cap and Trade and/or CO2 tax	ES-5.2, 5.3
ESD-8	Incentives for Clean Consumer Technologies for Electricity or Heat	RCI-6.1, 8.1
ESD-9	Wind-specific support measures	ES-1.11
ESD-10	Hydro-specific support measures	ES-1.13

Table 2.
Transportation and Land Use Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Proposed Option #	Proposed Option Name	# From Catalog of State Actions
TLU-1	Compact and Transit-Oriented Development Bundle	2.1.1, 2.1.2, 2.1.3, 2.1.4.
TLU-2	Alternatives to SOV	2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.13, 2.2.14, 4.2
TLU-3	Vehicle Emissions Reductions Incentives	1.3.2. 1.3.3. 1.3.4
TLU-4	Pay As You Drive Insurance	2.3.3
TLU-5	Alternative Fuels and Infrastructure	2.4.3, 2.4.4
TLU-6	Regional Intermodal Transportation Systems – freight and passenger	4.1, 4.2
TLU-7	Commuter Choice / Parking Cash Out	2.3.1

Table 3.
Agriculture, Forestry, and Waste Management Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Proposed Option #	Proposed Option Name	# From Catalog of State Actions
AFW-1	Programs to Support Local Farming/Buy Local	5.3
AFW-2	Agricultural Soil Carbon Management Programs	3.1, 3.5
AFW-3	Manure Management Methods to Achieve GHG Benefits	1.1, 2.2, 2.3
AFW-4	Preserve Open Space/Agricultural Land	4.2, 4.3
AFW-5	Forestry Programs to Enhance GHG Benefits	6.5, 6.6, 6.8, 6.11, 6.12, 6.15, 6.16
AFW-6	Increased Forest Biomass Energy Use	9.1, 9.2, 9.6
AFW-7	Forest Protection – Reduced Clearing and Conversion to Nonforest Cover	6.1
AFW-8	Expanded Use of Durable Wood Products (especially from VT sources)	8.3, 8.4
AFW-9	Advanced/Expanded Recycling and Composting	10.1
AFW-10	Programs to Reduce Waste Generation	10.5, 10.3
AFW-11	Waste Water Treatment - Energy Efficiency Improvements	12.1, 12.3

Table 4.
Cross-Cutting Issues Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Proposed Option #	Proposed Option Name	# From Catalog of State Actions
CC-1	Inventories and Forecasting	CC-1
CC-2	GHG Reporting	CC-2
CC-3	GHG Registry	CC-3
CC-4	Public Education and Outreach	CC-4
CC-5	Adaptation	CC-5
CC-6	GHG Reduction Goals and Targets	CC-6
CC-7	State GHG Emissions	CC-7

SAMPLE DRAFT POLICY OPTION TEMPLATE

AFW-x Policies to Promote Ethanol Production

Policy Description

Trees, crops and other plants convert atmospheric carbon to carbohydrate or fiber stocks that can be converted to liquid fuels, such as ethanol. The use of these renewable, biological fuels can offset fossil fuel use and reduce associated net carbon dioxide emissions. Production incentives for the conversion of crops, forest sources, animal waste and other sources to ethanol through existing or new technologies can increase the level of ethanol use in future markets.

Policy Design

- **Goals:** Several projects are being proposed in Vermont that would result in the production of x million gallons of ethanol annually in Vermont by 200x. Production incentives could increase this amount by x% beyond expected levels in 20xx, and x% by 20xx.
- **Timing:** Startup in 20xx and ramp up to higher levels in 20xx and 20xx, consistent with goals.
- **Parties involved:** Suppliers of feedstocks, ethanol producers, and distributors. Associated agencies would include: xxx...
- **Other:** As needed, identify incentives that encourage the growing and supply of feedstocks and the utilization of ethanol in transportation markets across the state.

Implementation Mechanisms

TBD

Related Policies/Programs in Place

TBD

Types(s) of GHG Reductions

Net reduction in CO2 emissions.

Estimated GHG Reductions and Costs (or Cost Savings)

TBD

- **Data Sources:** TBD
- **Quantification Methods:** Full life-cycle analysis with supply/demand equilibrium adjustments.

- **Key Assumptions:** TBD

Key Uncertainties

TBD

Additional Benefits and Costs

TBD

Feasibility Issues

TBD

Status of Group Approval

TBD

Level of Group Support

TBD

Barriers to Consensus

TBD