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MEETING SUMMARY
Governor's Commission on Climate Change (GCCC)
Plenary Group (PG) Meeting #4
Montpelier, Vermont
March 22, 2007

Attending:

GCCC: Ernie Pomerleau, Theresa Alberghini DiPalma, Brian Searles, Elizabeth Courtney, Parker Riehle

PG: David Lewis, David Epstein, Roger Allbee, Jennifer Jenkins, Edward Mahoney, Janet Doyle (for Thomas Jagielski), Scott Johnstone, Don Gilbert, Chris Kilian, Neale Lunderville, James Moore, David O'Brien, Dale Rocheleau, William Sayre, David Hill, John Casella

DEC: Jeff Wennberg, Dick Valentinetti, Harold Garabedian, Jeff Merrell

CCS: Ken Colburn, Sivan Kartha, Bob McKinstry, Will Schroeer, Marianne Tyrrell, Steve Roe (by telephone)

Others: Debra Baslow, Amos Baehr, Phil Benedict, Colin High, Elaine Wang, Deb Sachs, Paul Lilly, Ross Wizlek, Tucker Lyman, Aaron Smith, Erin Quigley, Andrew Mallon, Colleen Hertz, Kate Kanelstein, Polly McMurtry, Gina Campoli, Chris Yates, Riley Allen, Scott Sawyer, Netaka White, Jake Brown, Adrian Walter, J. Robin

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

1. Notice and Agenda
2. Meeting Summary from Plenary Group Meeting #3
3. Power Point Presentation
4. CCS Catalog of State Actions
5. Memo with first draft policy descriptions
6. Memo on Early Consensus Policy Options

Discussion and conclusions:

1. Welcome and Introductions

- GCCC Chair Ernie Pomerleau opened the meeting, welcomed the Plenary Group (PG) members and members of the public. The attendees went around the room with self-introductions.
- Ken Colburn reviewed the agenda.

- Mr. Pomerleau reviewed the interaction with the Legislature and the early consensus options approved by the Plenary Group and forwarded to the Legislature in a March 21, 2007 memo. Mr. Colburn reviewed and provided clarification of the five PG option approved as early consensus options:
 - State Inventory & Forecast
 - GHG Reporting
 - GHG Registry
 - Public Education and Outreach
 - Adaptation

In addition, the PG memo offered other suggestions for Legislative consideration, including:

- A Legislative summer study committee on climate change
- A state-sponsored symposium on the economic dimensions of climate change
- College and university challenge.

2. Review and Approval of Meeting #3 Summary

Mr. Colburn asked for and received approval of the Plenary Group #3 Meeting Summary.

3. Update on recent Climate Development & State Actions

- Mr. Colburn reviewed recent state climate actions, including:
 - The Western Regional Climate Action Initiative (the “5-state agreement”)
 - Progress regarding the national Climate Registry
 - Other states recently launched climate change processes (e.g., Washington and New Jersey)
 - The upcoming IPCC Working Group II report regarding the impacts of climate change
- A PG member mentioned that Vermont’s court case, regarding the adoption of California’s Clean Car Standards, is the first court case on this issue.

4. Review GCCC-PG Process

Mr. Colburn reviewed the ten-step GCCC-PG process and indicated that today’s meeting would target approval by the PG of draft straw design proposals from the TWGs.

5. Review and Approval of Straw Policy Design Proposals for Priority Policy Options

Mr. Colburn identified that at this meeting the TWGs will report their recommended draft straw design proposals and indicated that the PG should provide any guidance or input regarding goals, timing, etc. before the TWGs proceed to quantification of the options.

Mr. Colburn reviewed the format of the Policy Template that will be used by the TWGs to comprehensively describe each policy option. After the next Plenary Group meeting, quantification information should be available to help evaluate solutions.

Agriculture, Forestry and Waste (AFW) TWG: Steve Roe, CCS, reviewed the AFW straw policy design. The AFW discussions and decisions are listed below.

AFW-1: Programs to Support Local Farming/Buy Local: After some discussion, it was decided to have the TWG continue quantifying this solution. The PG would like to see more details at the next meeting to consider if the Governor's long-term goals are achievable.

AFW-2: Agricultural Soil Carbon Management Programs: Authorized without objection as discussed.

AFW-3: Manure Management Methods to Achieve GHG Benefits: Authorized without objection as discussed, including a recommendation that an economic breakeven point and an indication of a need for technology development be included in the goal.

AFW-4: Preserve Open Space/Agricultural Land: Authorized without objection with the following change: the wording in the title should be changed from "Preserve" to "Protect." The TWG will report back on current levels of conversion at the next meeting.

AFW-5: Forestry Programs to Enhance GHG Benefits: Authorized without objection as discussed.

AFW-6: Increased Forest Biomass Energy Use: After some discussion, it was decided to have the TWG assess the overlap with AFW-12 and report back at the next meeting. The TWG will review this issue as part of the quantification of benefits and costs for this option, as well as in the Feasibility section of the policy template. The PG also asked the TWG to review the 30% increase in biomass utilization goal in light of new research being conducted by the VT Biomass Energy Research Center (BERC). Some PG members thought the goal might be too low.

AFW-7: Forest Protection – Reduced Clearing and Conversion to Non-forest Cover: As with AFW-4, the TWG will report back on current levels of conversion at the next meeting. Authorized without objection, as discussed.

AFW-8: Expanded Use of Durable Wood Products (especially from VT sources): Authorized without objection, as discussed.

AFW-9: Advanced/Expanded Recycling and Composting: Authorized without objection as discussed, including a recommendation that the ambitiousness of the goals be increased.

AFW-10: Programs to Reduce Waste Generation: Authorized without objection as discussed.

AFW-11: Waste Water Treatment - Energy Efficiency Improvements: Authorized without objection with a recommendation to include micro-hydro from waste water treatment facilities in this option.

AFW-12: Increase In-State Biofuels Production: Authorized without objection as discussed. The TWG will need to assess overlap of feedstock needs with AFW-6.

Energy Supply and Demand (ESD) TWG: Sivan Kartha, of CCS, explained that the ESD TWGs approach is to set policy option goals to achieve the Governor's 2028 target of 50% reduction below 1990 emission levels, and for the PG to then assess what was achievable. The discussions and decisions are listed below.

ESD-1: Evaluation and continuation/expansion of existing DSM for electricity and natural gas: Authorized without objection as discussed.

ESD-2: Evaluation and expansion of DSM to Other Fuels: Authorized without objection as discussed, including a recommendation that goals be set high.

ESD-3: Building Efficiency Codes, Training, and Tracking: This option is broken into three parts.

- EDS-3a: Codes: Authorized without objection as discussed.
- ESD-3b: Assistance to Builders to operate at peak: Authorized without objection as discussed.
- ESD-3c: Training of Builders: Authorized without objection as discussed.

ESD-4: Evaluate Potential for Contracting Nuclear Power: Authorized without objection as discussed.

ESD-5: Support for Combined Heat and Power: Authorized without objection as discussed, including a recommendation that the description be edited to remove references to programs that are already in place in Vermont.

ESD-6: Incentives and/or Mandate for Clean Electricity: Authorized without objection as discussed, including recommendations to: (1) set graduated RPS goals from 2017 to 2028 and (2) consider creating a two-tier definition of the RPS, specifically so the TWG can explore large hydro.

ESD-7: GHG Cap & Trade and/or Carbon Tax: Authorized without objection, with the following change: the wording in the title should be changed to "GHG" from "Carbon."

ESD-8: Incentives for Clean Consumer Technologies for Electricity or Heat: Authorized without objection with the following change: the wording in the title should be changed from "Consumer" to "Distributed." The PG also recommended that the TWG consider dividing this into two options: (1) demand and (2) implementation mechanisms.

ESD-9: Wind-specific Support Measures: Authorized without objection as discussed, including a recommendation to review and/or remove the current language used in the “parties involved” section (i.e., “utility and non-utility”).

ESD-10: Hydro-specific Support Measures: Authorized without objection as discussed, including a recommendation to review and/or remove the current language used in the “parties involved” section (i.e., “utility and non-utility”).

Transportation, and Land Use (TLU) TWG: Will Schroer of CCS explained that most of the TLU options have well-developed implementation mechanisms and will take into consideration existing programs. He further clarified that while the baseline goal is to achieve 50% reduction per the Governor’s order, the actual goals for this TWG’s straw proposals will be presented at the next meeting because the TWG is looking for the PG’s recommendation regarding how far to stretch the goals beyond the baseline.

TLU-1: Compact and Transit-Oriented Development Bundle: Authorized without objection as discussed.

TLU-2: Alternatives to Single-Occupancy Vehicles (SOVs): Authorized without objection, including a recommendation that this option be expanded to include workplace participation in Rideshare, carpool, and vanpool programs.

TLU-3: Vehicle Emissions Reductions Incentives: Authorized without objection as discussed.

TLU-4: Pay As You Drive Insurance: Authorized without objection as discussed.

TLU-5: Alternative Fuels and Infrastructure: Authorized without objection as discussed, including a recommendation that the TWG suggest broader goals, not just percentage of increases by a certain year.

TLU-6: Regional Intermodal Transportation System – Freight and Passenger: Authorized without objection as discussed, including a recommendation that goals be set high.

TLU-7: Commuter Choice/Parking Cash Out: Authorized without objection as discussed.

TLU-8: Plug-in Hybrids: Authorized without objection as discussed with the following change: the goal should be changed from “increase” market share to “establish” market share.

TLU-9: Fuel Tax Funding Mechanism: After extended discussion and with some objections, authorized as discussed, including recommendations to clarify whether all transportation fuels are included and to consider using this option as an implementation strategy in a Cap and Trade program.

Cross-Cutting Issues: Ken Colburn of CCS presented the following policy options.

CC-1: GHG Inventories and Forecasting: Previously approved by the PG as an “early consensus” policy option; authorized without objection as discussed.

CC-2: GHG Reporting: Previously approved by the PG as an “early consensus” policy option; authorized without objection as discussed.

CC-3: GHG Registry: Previously approved by the PG as an “early consensus” policy option; authorized without objection as discussed.

CC-4: Public Education and Outreach: Previously approved by the PG as an “early consensus” policy option; authorized without objection as discussed.

CC-5: Adaptation: Previously approved by the PG as an “early consensus” policy option; authorized without objection as discussed.

CC-6: GHG Reduction Goals and Targets: The TWG indicated that it would have to wait until the next meeting to make recommendations on this option, when quantification results will be available from the other TWGs.

CC-7: State GHG Emissions: Authorized without objection as discussed.

6. Updates regarding the Vermont Greenhouse Gas Emissions Inventory & Forecast (I&F)

DEC is currently reviewing and providing comments and updates. This will be posted once the DEC’s review and any necessary modifications are complete. TWG input remains welcome.

7. Next Steps for Technical Work Groups

The next steps for the TWGs were reviewed and include the following:

- Refine straw proposals for priority policy options based on GCCC-PG input. A number of policy options require further clarification and definition in order to ensure that there is thorough understanding of the policy to be analyzed and evaluated.
- Develop initial GHG reduction estimates and costs/savings for priority policy options.
- Review and suggest revisions, if any, to the inventory and forecast.

8. Public Input and Announcements

There was discussion about the following:

- As the PG defines implementation strategies, it should think about how to empower the localities as well.
- It is important compare adaptation costs against mitigation costs, because the state is also committed to adaptation.
- Market logic must match environmental logic (e.g., in Germany, a gas tax of 15-20% was implemented to reduce demand as the War on Iraq began, with proceeds going 100% to social security, so people would not object to the tax).

- Some discussion centered around the fact that the PG still had numerous “hard decisions” to reach. Some suggested extending the next meetings to two days in order to allow more time for details, discussions and focus.

9. Agenda, Time and Date for the Next Meeting

- The next Plenary Group Meeting will be held May 17, 2007. Specific time and location will be announced.
- The next steps for the PG were reviewed. They include a review and approval of the initial TWG quantification of GHG reductions and costs/savings of priority policy options and the review and approval of any TWG-suggested updates to the inventory and forecast.