



www.vtclimatechange.us

MEETING SUMMARY
Governor's Commission on Climate Change (GCCC)
Plenary Group (PG) Meeting #5
Montpelier, Vermont
May 17, 2007

Attending:

GCCC: Ernie Pomerleau, Theresa Alberghini DiPalma, Brian Searles, Parker Riehle, Don DeHayes

PG: Thom Jagielski, Jen Jenkins, Bill Sayre, Jon Isham, Paul Comey, Don Gilbert, Deb Sachs, Robert Dostis, Scott Johnstone, Jackie Folsom, Edward Mahoney, David O'Brien, David Hill, Richard Cowart, Dale Rocheleau, Ginny Lyons, David Lewis, James Moore, Phil Benedict (for Roger Allbee), Gina Campoli (for Neale Lunderville), Matt Cota (for Sean Cota), Sandra Levine (for Chris Kilian),

DEC: Jeff Wennberg, Dick Valentinetti, Jeff Merrell

CCS: Tom Peterson, Ken Colburn, Sivan Kartha, Robert McKinstry, Will Schroeer, Steve Roe (by telephone)

Others: Elaine Wang, Debra Baslow, Ryan Salmon, Tom Horn, Nadine Barnicle, Thomas Weiss, Carl Etnier, Alan Betts, Colin High, Charles Mark, Riley Allen

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

1. Notice and Agenda
2. Meeting Summary from Plenary Group Meeting #4
3. Power Point Presentation
4. Memo to the Plenary Group Regarding Policy Options

Discussion and conclusions:

1. Welcome and Introductions

- GCCC Chair Ernie Pomerleau opened the meeting and welcomed the Plenary Group (PG) members and members of the public.
- Pomerleau thanked the members for their work so far, and asked Ken Colburn to review the process ground rules for policy options. Colburn indicated that policy

options selected by the Plenary Group as priority options from the catalog represented options that had been fleshed out and in most cases were now being quantified for the Plenary Group's evaluation. Having been selected by the Plenary Group, they won't be removed from the list of priority options until the final voting by the Plenary Group, where they will be categorized as (1) Unanimous Consent if there are no objections to recommending them to the GCCC; (2) Supermajority if there are no more than five objections from the Plenary Group; (3) Majority if they are recommended to the GCCC by only a simple majority; or (4) not recommended by the Plenary Group if there are a majority of objections (i.e., a minority of support) to forward them to the GCCC.

- Pomerleau indicated that after hearing from the Plenary Group at its fourth meeting, and following consultations with VT DEC and CCS, an additional Plenary Group meeting has been scheduled for June 21, 2007 to enable the Plenary Group to receive more thorough quantification of options from the TWGs and to allow it to have additional discussion as a group regarding policy option recommendations.
- Pomerleau also welcomed Jackie Folsom, President of the VT Farm Bureau and owner of a small dairy farm in Cabot as a new member of the Plenary Group.
- The Plenary Group did self-introductions going around the room.

2. Review of Agenda

- Ken Colburn reviewed the agenda for the meeting, which was dedicated to discussing initial quantification of policy options and additional clarification and explanation of policy option straw proposals where needed.

3. Review and Approval of the Meeting #4 Summary

- Ken Colburn asked for any changes or corrections to the summary for Plenary Group meeting #4. None were offered, and the summary was approved by consensus.

4. Update on Recent State Climate Policy Actions

- Attorney Robert McKinstry from CCS, a participant in crafting one of the briefs to the U.S. Supreme Court in Massachusetts et al v. EPA, described the April decision by the Court that EPA can and should regulate CO2 emissions.
- VT DEC Commissioner Jeff Wennberg reported on the progress of Vermont's Clean Car litigation. The thinking had been that California's requirement would likely be litigated first, but plaintiffs evidently favored Vermont as an initial venue in which to go to court. There are three cases pending, in CA, VT and MN.
- Colburn reported that all three of the Working Groups of the U.N. Intergovernmental Panel on Climate Change (IPCC) have now been released, confirming the reality, impacts, and need to mitigate climate change. A synthesis report will be forthcoming from IPCC later this summer.
- Colburn also reported that The Climate Registry has been formally launched, with 31 states signing on. This is a voluntary program whose structure allows US states, Canadian provinces, Mexican states and Indian tribes to participate. The effort will

endeavor to provide multiple options in order to meet several levels of policy implementation, from simple voluntary registry to mandatory GHG reduction requirements, reflecting the different policies adopted in the participating states. Two Canadian provinces and at least one Mexican state have expressed interest in joining.

- Pomerleau and Wennberg also briefly described H.520, the climate change bill passed by the Vermont legislature and now on the Governor's desk. Governor Douglas may veto the bill due to its financing mechanism, but the GHG policies reflected in the bill appear to have widespread approval and will be reviewed in terms of potential overlap with the GCCC-PG process.

5. Review and Approval of Draft Policy Options

Energy Supply and Demand TWG

Assumption, qualifications, etc.

Reductions in GHGs have been calculated on a stand-alone basis only at this time. These calculations will change when the cumulative totals are determined.

Emission Reduction goals, currently set at 25% below 1990 levels by 2012 and 50% below current levels by 2028, will be difficult to meet.

- ESD-1:
 - Quantify the DPS forecast of “with DSM” scenario as a recent action. Specify in the catalog that this would require DSM funding held steady at either 2008 levels or at the assumed levels in the DPS.
- ESD-2: The Evaluation and Expansion of DSM to Other Fuels is pending.
 - The TWG may be expending too much energy on electric power and not enough on other fuels, focusing on measures to reduce the use of fossil fuels for the heating of buildings. Overlapping programs must be considered. (For example, natural gas is competing with wood in the marketplace and a program for this already exists. The use of oil subsidies at the expense of natural gas programs should not happen.)
 - Ensure that the GDS “all-fuels utility” study, and DPS updated versions, are consulted.
- ESD-3: Include not just net costs/benefits, but also a chart of separate costs and savings streams. The qualitative non-financial benefits should also be noted.
- ESD-4: Evaluate Potential for Contracting Nuclear Power
 - Use scenario with historic nuclear and hydro generation, and scenario with lower generation (level to be determined by ESD TWG).
- ESD-5: Pending

- ESD-6: In the description of the measure, note that costs calculated based on all in-state renewable resources as the upper bound on costs. Use RECs as an alternative if they are less costly.
 - Acquire biogas electricity production figures from AFW TWG.
 - Acquire incremental electricity demand from TLU plug-in hybrid policy.
- ESD-7: Quantification of CO₂ tax level will require determination of the level that would provide funding for certain components of the complete portfolio of measures.
- ESD-8: Include net metering language in pending measure description.
- ESD-9: Discuss this option with James Moore regarding potential wind penetration on Vermont grid.
- ESD-10: Contact with Riley Allen and Tom Jagielski regarding the assumptions used for hydroelectric potential.
- For all options: Provide information and data not only about the costs of policy proposals, but also the proposed implementation mechanisms for funding.

Transportation and Land Use TWG

- TLU-1: There are several options for this goal: to reduce the increased VMT by 15% statewide or set the goal at no net increase. Note that both AZ and NM set a goal of 11% reduction. It is unclear how the goals were derived.
 - A suggestion from VPIRG is to use reductions proportionate to a sector's share of emissions as a straw goal to help the group begin to evaluate rough contributions of proposals so far, to meeting the Governor's targets.
 - The Conservation Law Foundation feels the goals are under ambitious by at least a factor of 2. Overall, the group felt the goals could be much more ambitious.
 - The Land Use policy options under consideration give substantial flexibility to implementing jurisdiction, and so are difficult to cost out. Cost estimates will be based on studies of other areas.
- TLU-2: The goal of increasing the non-SOV rate by 50% by 2020 can be accomplished by targeting the following shares of the total SOV rate:
 - Carpooling increase to 10 %
 - Walking increase
 - Work at home
 - Biking increase
 - Transit increase to 2%
- TLU-3: A "Feebate" proposal to provide an incentive to reduce vehicle emissions was made. The proposed value is between +500 and -500. The relationship to vans and other large vehicles used for carpooling still needs to be explored. The projected results are 2012 - .04, 2020 - 0.15, total 0.86, net savings. Several observed that a

range of +\$500 to -\$500 would produce only small shifts in the fleet, and that a larger range would be required to make this meaningful.

- TLU-4: The insurance proposal is a process rather than an actual policy. The insurance product would be made available. Any potential savings can only be estimated.
- TLU-5: The stated goal is to move from 5% usage of alternative fuels in 2010 to 25% in 2028. In the last meeting, there was a suggestion to move beyond the use of biofuels into other alternatives to reduce emissions.
- TLU-6: Goals for freight and passenger transportation systems are:
 - 20% reduction in intercity VMT
 - 2% increase in rail freight by year
 - 3% increase in passenger rail by year
 - Intercity bus - no specific goal
- TLU-7: Target the largest employers in state and all colleges and universities. Empirically an effective method to reduce trips and emissions. Needs funding to be expanded. Several funding mechanisms were discussed.
- TLU-8: A goal to increase the use of plug-in hybrids by 10% over CAFE standards was proposed.
- TLU-9: Set a maximum of 2 cents raise in fuel taxes. The intent for this option continued to be only to raise revenue for low-GHG transportation alternatives, rather than directly reducing fuel demand.

VTrans noted its concern that any reduction of VMT, and by extension gasoline, will reduce income for the agency. The group discussed some of the multiple processes currently underway – at state and federal levels – to address this issue. One possibility might be for the PG to determine if it prefers, for example, an AASHTO (American Association of State Highway and Transportation Officials)-recommended approach or another mechanism. In the long term, alternative funding sources for DOT must be identified, probably beyond the scope of the PG’s charge.

The discussion of the gas tax issue evolved into a discussion of broader goals for TLU policies. The PG reached a consensus that the goals – across the TLU options – as currently set were not likely to be sufficient to help meet the Governor’s goals. As such, and in light of the additional work that remains to finalize and quantify TLU options, the Plenary Group recommended that the TLU TWG hold a face-to-face meeting to accomplish this work in time for review at the next Plenary Group meeting, scheduled for June 21, 2007. TLU TWG members present at the PG meeting were asked to provide a list of times and dates for a face-to-face meeting that would fit their schedule.

Agriculture, Forestry, and Waste Resource Management TWG

Discussion of the AFW options were brief due to both a lack of time towards the end of the meeting, as well as the fact that only a small number of the options had draft results.

The options where no draft quantification results were available were not discussed in any detail.

- AFW-1: quantification pending.
- AFW-2: quantification pending.
- AFW-3: quantification pending.
- AFW-4: draft estimates of GHG reductions and costs were reviewed. No request for revision was provided by the PG.
- AFW-5: quantification pending.
- AFW-6: quantification pending.
- AFW-7: quantification pending.
- AFW-8: quantification pending.
- AFW-9: The partial quantification (GHG reductions) were reviewed. For the cost estimate, CCS informed the PG that information on the costs for composting facilities and a new material recovery facility for the southern portion of the state was being researched. No revision to the existing quantification approach or option language was requested by the PG.
- AFW-10: quantification pending.
- AFW-11: quantification pending.
- AFW-12: Draft quantification of the benefits and costs were provided for ethanol and biodiesel production. A TWG member present at the meeting mentioned that he was concerned that the incentives cost for biodiesel production could be too high. The TWG member will review the cost assumptions and provide CCS with information for consideration in making revised estimates. No requests for revision to the option language or quantification was requested by the PG.

Cross-Cutting Issues TWG

- CC-1: Previously approved unanimously by the Plenary Group as an “early consensus” option.
- CC-2: Previously approved unanimously by the Plenary Group as an “early consensus” option.
- CC-3: Previously approved unanimously by the Plenary Group as an “early consensus” option.
- CC-4: Previously approved unanimously by the Plenary Group as an “early consensus” option. However, the CC TWG recommended slight changes to the policy title, description and design to introduce the concept of greater engagement and marketing as part of the purpose of this option. The Plenary Group unanimously agreed with the CC TWG’s changes.

- CC-5: Previously approved unanimously by the Plenary Group as an “early consensus” option.
- CC-6: Review of state goals or targets – awaiting quantification of options from all TWGs.
- CC-7: The state’s own reduction goals – awaits results of CC-6.

6. Update on Greenhouse Gas Emissions Inventory & Forecast

- Colburn noted that following final input from the VT DEC, Randy Strait of CCS had finalized the Vermont Inventory and Forecast, and it would be posted on the project website.

7. Agenda, Time, and Date for Next Meeting

- The next meeting of the Plenary Group will be on Thursday, June 21, 2007 at the Pavilion building 4th floor conference room in Montpelier. The seventh and final meeting of the Plenary Group will be on July 26, 2007 in State House Room 11.

8. Public Input and Announcements

- A Plenary Group member made a suggestion to create a listserv for each TWG to facilitate communication. The group thought this was a good idea in principle, but that email practices already in use by the Plenary Group could work as well as a formal listserv.
- A member of the public indicated his interest in having an opportunity for the public to provide input to the GCCC when the Plenary Group’s work is done.