



www.vtclimatechange.us

Vermont Climate Action Plan Process

Date: August 13, 2006

To: Jeff Wennberg, Commissioner, Vermont DEC

cc: Ernie Pomerleau, GCCC Chair
Dick Valentinetti, Director, Vermont APCD
Harold Garabedian, Deputy Director, Vermont APCD
Jeff Merrell, Environmental Analyst, Planning Section, Vermont APCD

From: Tom Peterson, Center for Climate Strategies
Ken Colburn, Center for Climate Strategies

Re: Vermont Climate Action Plan Process

1. Background and Purpose, Structure, and Goals of the Process

On December 5, 2005 Governor Douglas issued Executive Order 07-05 establishing a Governor's Commission on Climate Change (GCCC) – a broad-based group of six Vermont leaders – charged with developing a comprehensive Vermont Climate Change Action Plan by September 1, 2007. The GCCC is to oversee a public effort to examine climate change impacts on the State; secure input from all sectors regarding existing, planned, and potential ways to reduce greenhouse gas emissions; help educate the public about such opportunities; and consider ways to save money, conserve energy, and bolster Vermont's economy, natural resources, and public health. The Governor has tasked the Vermont Department of Environmental Conservation (DEC) with administering the GCCC process and providing technical support to it. In turn, you have selected the Center for Climate Strategies (CCS) to partner with you in forming and conducting a statewide public climate action planning process to meet these goals.

This memorandum represents our agreement moving forward in terms of the basic process design, schedule, budget, and the technical team for the project, recognizing of course that flexibility will be important as we proceed. It spells out our recommendations for the Vermont Climate Action Plan (VCAP) process based on our conferrals with you to date and our experience leading similar initiatives in other states.

The GCCC and DEC will direct and administer the development of the VCAP, but believe that input and assistance from an array of participants providing an even broader reflection of Vermont's interests and expertise will contribute materially to the process, particularly in important areas of technical focus. Accordingly, the GCCC and DEC will identify and select a broad cross-section of public members to serve as a Plenary Group (PG) and to form the core of accompanying sector-based Technical Work Groups (TWGs). The TWGs will focus on identifying and recommending potential policy options for PG consideration in the following areas: energy supply and use (including industrial process GHG emissions); transportation and land use; agriculture, forestry, and waste; and cross-cutting issues such as public education and emissions reporting. In considering policy options to reduce greenhouse gas (GHG) emissions in these sectors, the PG will be advised by the TWGs and the public. The TWGs will consider a wide array of policy options by sector, identify priority options for analysis, assess the GHG reduction benefits, costs, and other attributes of these options, and submit them for review, modification, and approval by the PG. The PG, in turn, will combine and forward a multi-sector set of recommended policy options to the GCCC for its consideration and approval in making its final recommendations to the Governor.

The goal of the PG will be to seek (but not mandate) consensus on its recommendation to the GCCC of a comprehensive series of individual potential policy actions to reduce GHG emissions in Vermont. The level of support for specific actions and the full range of PG views will be documented. Statewide targets and or goals – to the extent that they are sought and developed – will be based on further discussions with the GCCC, the DEC, and the PG.

Following final review and approval of recommended policy options by the GCCC, CCS will compile and provide the GCCC's recommendations to the Governor, GCCC, and DEC in a final report. This report will include the following items and issues:

1. Executive Summary
2. Background, Purpose and Goals
 - a. Description of the GCCC and PG Process
 - b. Overview of Potential Climate Impacts in Vermont
 - c. History and Status of State Actions
 - d. Inventory and Forecast of State Emissions
3. Policy Recommendations
 - a. Agriculture, Forestry, and Waste
 - b. Energy Supply and Use (including Industrial Processes)
 - c. Transportation and Land Use
 - d. Cross-Cutting Issues (including public education and outreach, GHG emissions reporting, and GHG registries).

4. Appendices

2. Timing and Milestones

The GCCC has been appointed and has held its initial framing meeting. The members of the PG, however, must be identified and formally invited to participate in the VCAP development effort. In addition, an updated GHG emissions inventory must be compiled, along with a forecast reflecting anticipated growth in Vermont's GHG emissions, along with a compendium or "catalog" of climate actions considered or undertaken in Vermont and other states. Further, it may be appropriate at some point to consider a meeting of the GCCC's Plenary Group coincident with a broader climate change symposium, perhaps sponsored by UVM and attended by Vermont political and other leaders.

GCCC, DEC, and CCS have jointly identified September 7, 2006 as the target date for convening the PG. Following this launch, up to five additional PG meetings will be held through July 2007. The PG's recommendations to the GCCC would be reviewed and finalized by the GCCC in August 2007, allowing the GCCC to provide its report to the Governor by September 1, 2007 as directed in Executive Order 05-07. We expect one or two TWG conference calls to be held between PG meetings as needed. Periodic meetings of the GCCC during the September 2006 through July 2007 period, and its work meetings in August 2007, will be scheduled in consultation with the GCCC and DEC.

2.1 Draft Project Calendar (assuming 6 PG meetings)

September 7, 2006	1 st PG meeting
November 2006	2 nd PG meeting
January 2007	3 rd PG meeting
March 2007	4 th PG meeting
May 2007	5 th PG meeting
July 2007	6 th PG meeting
August 2007	GCCC review meetings (as needed)
Between PG Meetings	Work group conference calls and meetings

2.2 Draft PG and TWG Meeting Agendas

MEETING ONE

- Introductions
- Purpose and goals
- Review of the PG process and GCCC role and oversight
- Review of the Draft Vermont GHG emissions inventory and forecast

- Identification of existing actions being taken in Vermont and other states
- Key policy opportunities and issues
- Preliminary formation of TWGs; next meeting agenda

Interim TWG calls will cover: (1) suggested revisions to the draft inventory and reference case forecast; (2) review and suggested modifications to the “catalog” of potential Vermont policy actions; and (3) preliminary ranking of policy options and suggested initial priorities for analysis.

MEETING TWO

- Recommended updates to inventory and reference case forecast
- Discussion of additions to the “catalog” of potential Vermont policy actions, as needed
- Review and discussion of initial TWG priority options for analysis
- Review of TWG plans

Interim work group calls will cover: (1) suggested final revisions to the state emissions inventory and reference case forecast; (2) review of the PG modifications to the list of initial TWG priority options for analysis; and (3) next steps regarding the development of straw proposals for the design and analysis of initial policy options.

MEETING THREE

- Final agreement on inventory and reference case forecast
- Approval of TWG lists of initial policy priorities for analysis
- Discussion of policy design and implementation mechanisms for policy options; process for developing straw proposals for policy options

Interim TWG calls will cover: (1) development of straw proposals for design parameters for individual policy options; (2) identification of potential implementation mechanisms for policy options; and (3) next steps for analysis and quantification of policy options.

MEETING FOUR

- Review of policy options list, straw proposals for policy design, and early results of analysis
- Guidance to TWGs on additions, deletions, and modifications of policy options
- Identification of alternative policy designs and implementation mechanisms, as needed.

Interim TWG calls will cover: (1) revisions to draft final policy priorities and design parameters, including implementation mechanisms; and (2) next steps for draft analysis and quantification of policy options and design alternatives.

MEETING FIVE

- Review of options list, with results of analysis and cumulative emissions reductions potential
- Identification of consensus and non-consensus options
- Identification of barriers and alternatives for non-consensus options, with guidance to the TWGs for additional work on policy options
- Review of progress and plans toward final report progress and plans

Interim TWG calls will cover: (1) final revisions to policy design parameters, including implementation mechanisms; and (2) final analysis and quantification of policy options and alternatives.

MEETING SIX

- Progress report on non-consensus policy options list and cumulative emissions reductions potential
- Identification of consensus and non-consensus options from remaining list
- Identification of barriers and alternatives for non-consensus options, and proposals for resolution by the PG
- Discussion and final resolution of barriers and determination of consensus for remaining options
- Summary of the process, review of steps for review and transmittal of the final report

Interim TWG Activity: CCS team completes PG updates to policy options and drafts final report language.

REVIEW BY GCCC OF THE PLENARY GROUP RECOMMENDATIONS FINAL GCCC REPORT TO THE GOVERNOR

3. Process Design

3.1 Activities of the PG process will be:

- Stepwise: The process will follow a set master schedule of discussion and decision items (milestones) and iterate to consensus (final agreement on

recommendations).

- **Fact-based:** Technical analysis and policy design will be achieved through preliminary and joint fact-finding and, ultimately, joint policy development. PG and TWG members will be assisted in this task by CCS's facilitation and technical consulting team.
- **Consensus-driven:** The VCAP process will seek but not mandate consensus. Final recommendations by the PG to the GCCC will be made through decision criteria and voting procedures that allow a full expression of viewpoints. Four voting categories will be used, including: unanimous consent (all agree), super majority (e.g., 75 percent agree), majority (51 percent agree), and minority view (less than 50 percent agree).
- **Self-determined:** The process will start with no pre-commitments to particular policies. Priorities for analysis and final recommendations will be self-determined through informed judgments by the PG and TWGs. CCS will provide PG and TWG members with a compendium ("catalog") of existing actions in Vermont and other states to assist in identifying potential priority options for evaluation.
- **Informal and non-binding:** The process will be advisory and non-binding to the DEC, the GCCC, or the Governor in order to provide public input for potential future policy decisions. It will be structured as an informal consensus-building effort to provide a full opportunity for PG members to make voluntary decisions regarding policy recommendations.
- **Transparent:** The process will be transparent. Policy options will include clear design parameters such as levels, timing, coverage, and implementation mechanisms. Technical analyses will include clear disclosure of data, methods, sources, and key assumptions and uncertainties. Proceedings will be posted to the project website by CCS after review for accuracy by DEC.
- **Inclusive:** The process will be overseen by the GCCC, administered by the DEC, and facilitated and coordinated by CCS. It will include a diverse group of PG and TWG members and provide regular opportunities for public input.
- **Flexible:** Throughout the process, the facilitation team will check with the GCCC, DEC, the PG, and participants regarding progress and any potential needs for revision. Based on conferral with the GCCC and DEC, CCS will share proposed changes openly with participants.

3.2 Key steps and parameters of the process include:

- Under the guidance of the GCCC and DEC and with the facilitation and assistance of CCS, the PG and TWGs will explore solutions in all sectors: energy

supply and use, including industrial processes; transportation and land use; agriculture, forestry, and waste; and cross-cutting issues such as public education and GHG emissions reporting.

- The process will start with examination of a compendium or “catalog” of related policy actions being undertaken in Vermont or other states and regions; add new options as appropriate; adapt options to Vermont’s specific circumstance; and reflect prioritization based on PG preferences.
- Mitigation of all GHGs will be examined, including carbon dioxide, methane, nitrous oxide, synthetic gases and, potentially, black carbon. Emissions will be expressed in metric tons (MT) of carbon dioxide equivalent (CO₂e) units.
- A historical emissions and carbon storage inventory and reference case forecast will be developed for years 1990-2020.
- Recommendations for action will reflect the time period from the present to year 2020, with estimated benefit and cost impacts reported for years 2010, 2020, and cumulative through 2020.
- Recommendations may include state-level and multi-state actions (e.g., regional and national approaches), as well as voluntary and mandatory approaches.
- Recommendations will include both quantified and non-quantified actions, with emphasis on numerical analysis of GHG reduction potential and cost effectiveness to the extent possible under available funding and project timetables. Secondary impacts and additional issues will be evaluated on a case-by-case basis depending on PG input and resource availability.
- PG discussions will explore alternative policy designs and additional analysis as needed to reach final consensus, with assistance from the CCS facilitation team and the TWGs.
- The PG recommendations to the GCCC will include recommendations and participants’ collective views on each policy option, including alternative views as needed.

At the conclusion of the PG processes, its recommendations will be presented to the GCCC for its review and evaluation. A final report reflecting the GCCC’s judgment and recommendations will be forwarded to the Governor.

3.3 State Leadership and Management

Vermont Governor Jim Douglas initiated and authorized the GCCC. GCCC Chairman Ernest Pomerleau, with the assistance of DEC Commissioner Jeffrey Wennberg and CCS, will launch and oversee a broader Plenary Group to allow substantial public input and assistance in considering appropriate climate policy responses for Vermont. CCS

will organize and coordinate the PG process with logistical and notice support and assistance from DEC. CCS will report to DEC and the GCCC on behalf of the PG and provide facilitation and technical analysis to the PG and technical work groups. CCS will provide DEC documents for review prior to website posting for PG meetings, and will coordinate with DEC staff on technical assistance, logistical support, and other issues as needed.

3.4 Facilitation

Tom Peterson and Ken Colburn will serve as facilitators of the PG and consultants to the GCCC, with assistance from other members of the CCS technical consultant team. This facilitation team will also manage the TWGs. Facilitation responsibilities include:

- Reporting to the GCCC and DEC on behalf of PG members and providing coordination and management support for the PG process
- Direction and coordination of technical consultants and TWG leaders, including TWG meetings and calls
- Planning and supervision of PG meetings, calls, reports, and documents
- Facilitation and management of PG meetings
- Coordination of CCS activities with the GCCC and DEC, and other state agency technical and support staff as needed
- Conducting public meetings as needed.

To support facilitation and project management, CCS will provide a project website (www.vtclimatechange.us) for access by participants. This website will be used to share documents throughout the process. CCS will develop and design the site in coordination with DEC so that it is consistent with and links directly to existing State sites. DEC will approve the design of the site. CCS will be responsible for posting documents and managing the site. At the conclusion of the process, public materials from the website will be transferred to DEC for ongoing management and use by the State.

3.5 Facilitator Guidelines

As a part of its role as evaluative facilitator, CCS voluntarily abides by the model standards of conduct by the American Arbitration Association, American Bar Association, and the Association for Conflict Resolution as applicable to the PG process as an informal, consensus building initiative.

3.6 Technical Consulting

The CCS technical consultant team will serve as a neutral and expert group to inform and support the development of technical and policy consensus. Technical staff will perform analyses and provide support based on PG and TWG decisions. The team will be composed of the process facilitators and four technical work group leaders. Other consultants will be deployed as needed for specialized analysis or additional capacity. State agency staff and TWG members will be asked to assist in the formulation and analysis of options.

Prospective CCS TWG leaders include:

- Bill Dougherty/Sivan Kartha: Energy Supply & Use, Industrial Processes
- Will Schroeer/Lewison Lem/Karl Hausker: Transportation & Land Use
- Tom Peterson/Steve Roe/Katie Bickel/Holly Lindquist: Agriculture, Forestry, & Waste
- Ken Colburn/Randy Strait: Cross-Cutting Issues
- If necessary, CCS will adjust staffing of work groups in consultation with DEC.

General responsibilities of TWG leaders include:

- Providing assistance with fact finding for policy options and analysis
- Development of TWG plans and recommendations
- Development of TWG schedules, agendas, documents, presentations and reports
- Presentations to the GCCC, PG and TWG group members
- Coordination with facilitators, PG members, TWG members, consultants, agency staff
- Liaison with technical experts outside the process, as necessary
- Development of final report language, tables, and graphs.

Preliminary fact finding prior to the first PG meeting will include:

- Development of a draft Vermont emissions inventory and reference case forecast
- Identification of a compendium or “catalog” of conceivable Vermont GHG mitigation options for the PG’s consideration, based on actions considered or undertaken in Vermont and/or other states.

Joint fact finding after the first PG meeting will include:

- Finalization of Vermont’s GHG emissions inventory and reference case forecast
- Identification of a compendium or “catalog” of potential policy options for Vermont
- Identification of actions already underway in Vermont

- Ranking and identification of initial priority policy options for analysis
- Development of initial policy design parameters and evaluation methods (including technical agreement on appropriate data sources, methods and assumptions for analysis of policy options) and joint model development as needed
- Identification and analysis of alternative policy designs, including implementation mechanisms
- Final benefit and cost analysis, related analysis of secondary impacts, and feasibility and additional issues as needed
- Statewide and sector-based economic modeling, as needed subject to resource and time availability.

4. Participants

4.1 The Governor's Commission on Climate Change

The GCCC, appointed by the Governor, will provide overall direction and oversight to the PG process. GCCC members may also participate as members of the PG and TWGs.

4.2 Plenary Group Members

Individuals reflecting a variety of Vermont organizations and companies from all economic sectors will be selected by the GCCC and DEC to be members of the PG. They will be tasked with developing and approving recommendations for policy actions to be forwarded to the GCCC with assistance from the CCS team.

4.3 Technical Work Groups

TWG members will be comprised primarily of PG members assigned to specific sectors of interest. These work groups will be augmented with additional technical experts and interested parties as desired. PG members will be selected by the GCCC and DEC with assistance from CCS. TWGs will be organized during or promptly after the first PG meeting. The TWGs will advise the PG and complete tasks designated by the PG as priorities. Four TWGs will cover appropriate sectors, including: (1) energy supply and use (including heat and power, fuel supply, energy efficiency and conservation, and waste energy recapture); (2) transportation and land use; (3) agriculture, forestry, and waste management; and (4) cross-cutting issues such as public education, GHG emissions reporting, and registries.

The TWGs will be tasked with providing guidance to the PG on priority policy options for analysis, technical analysis and design of policy options, alternative approaches, and developing the PG's final recommendations to the GCCC.

4.4 The Public

The meetings of the PG will be conducted in accordance with open meetings and public information requirements of the State. Meeting notices, advance materials, and summaries of previous meetings will be made available to the public through the project website and other means. Opportunity for public input will be provided as a routine part of PG and TWG meeting agendas and by other means as may be developed to support the process and specific policy development.

4.5 State Agencies

State agency representatives will serve as voting members and/or non-voting technical advisors of the PG and TWGs. DEC will administer the PG process in coordination with CCS and assist CCS with planning and implementation of the process. DEC will provide input on policies and issues identified by PG members, the public, and TWG's as needed. DEC will provide logistical support for meetings, meeting facilities, public notice, and posting of materials as needed, with assistance and coordination by CCS.

4.6 Participant Guidelines

Advisory groups and technical work group members are expected to follow appropriate codes of conduct during the process, including:

- Attendance is strongly requested at all meetings to provide continuity to the stepwise process. Alternates may be named when absolutely necessary.
- Active involvement in proposals and evaluations is needed from each member to fully support the process of joint policy development.
- Good faith participation and full support of the process are required.
- In exchanging information and views, PG members should make fact-based offers and statements, and refrain from personal comments.
- PG and TWG members do not represent the State or advisory groups in contacts with the media.