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**SUMMARY OF TELECONFERENCE MEETING #5
CROSS-CUTTING (CC) ISSUES TECHNICAL WORKING GROUP (TWG)**

February 1, 2007

Attendance:

1. TWG Members:
 - Sue Dickenson, D Rep. House District 25
 - Ted Dodge, National Carbon Offset Coalition
 - Mary Fitzpatrick, Self-Employed
 - Gloria Flora, Sustainable Obtainable Solutions
 - Pat Judge, MT Environmental Information Center
 - Chuck McGraw, Natural Resources Defense Council
 - Shane Mogenson, Nance Petroleum
 - Diego Rivas, Montanans for a Healthy Climate
2. MT Department of Environmental Quality (DEQ):
 - Jeff Blend
 - Jim Boyer
 - Lisa Peterson
3. Center for Climate Strategies (CCS):
 - Ken Colburn, TWG Co-Facilitator
 - Randy Strait, TWG Co-Facilitator
4. Other Attendees:
 - None

Background documents:

(all posted at: http://www.mtclimatechange.us/Cross_Cutting.cfm.)

1. Meeting Notice & Agenda (including provisions for public access)
2. Draft Summary for Call #4
3. PowerPoint© presentation for meeting
4. Draft Catalog of State GHG Reduction Policy Options
5. Draft Policy Option Descriptions

Discussion items and key issues:

This was the fifth conference call of the CC TWG.

1. Ken Colburn called the meeting to order, completed the roll call and reviewed the agenda and plans for the call.
2. The TWG did not have any changes to the summary for Call #4.
3. Dates and Times for Remaining TWG Calls: See item #1 under “Action Items” at the end of this summary.

4. Review goals for CCAC Meeting #4: Colburn noted that the next CCAC meeting will be held on March 1, 2007. The assignment for the CC TWG going into this meeting is to prepare draft straw proposals for each of the priority policy options for review and approval by the CCAC.
5. Next Steps for the TWG: Colburn noted that in this call the TWG would discuss the progress made by each of the small groups in preparing straw proposals for each of the priority policy options. The small groups would then use the guidance from the full TWG in preparing the straw proposals. Colburn noted that in preparing their straw proposals, the small groups should focus on the Policy Design section of the template provided by CCS. The following provides a brief summary of the discussion on each of the options.
 - Inventories and Forecasting (CC-1): The small group will be meeting next week to work on developing the draft policy design for this option.
 - GHG Reporting (CC-2) and GHG Registry (CC-3): The same small group is developing the straw proposals for both of these options. The small group reported that it was considering a two-tiered approach to reporting and registries. The first tier would require mandatory reporting and participation in a registry for large stationary sources. The small group noted that it is working on addressing design characteristics such as how to define large stationary sources. The second tier would provide for voluntary reporting and participation in a registry by all other emission sources and sinks. The small group felt that it would be best for Montana to participate in a Western or Northern Rockies registry. The TWG discussed these two options at length and CCS responded to questions.

Colburn noted that reporting is a prerequisite for a registry, but should not be confused with CC-1. The function of the registry is to provide a mechanism for verifying emission reductions (including participation in a cap-and-trade program) and to provide baseline protection. It was also noted that CC-2 and CC-3 need to be designed to include all GHG sources covered by policy options being considered by the other TWGs. Protocols or standards for consistent and verifiable reporting and registration of emissions will be needed for a source to participate in a registry. Several TWG members noted the importance that all sources (including vehicle fleets, entities that sell and/or transport fuel, etc.) be given the opportunity to participate in a reporting and registry program.

TWG members also noted the importance of recognizing efforts by individuals and communities to reduce their own GHG emissions. The TWG members agreed that individual and community efforts to reduce their own GHG emissions needs to be recognized under either one of these two options or under CC-4, Education and Outreach.

- Education and Outreach (CC-4): The small group provided revisions to the policy description section of the draft template and to the matrix. The TWG members agreed that the revision to the description was an excellent characterization for the overall CCAC process, but the length of revised

description should be reduced to be generally consistent with other TWG policy options. The TWG agreed to reserve its initial draft of the policy description for possible use in the overall report that will be prepared at the conclusion of the CCAC process. The small group requested input from the full TWG on approaches for implementing this option.

- States Own GHG Emissions (CC-7): This small group had met, discussed, and begun preparing the straw proposal for CC-7.1 (Lead by example). The small group asked CCS to review its first draft of the design characteristics for CC-7.1 and provide comments before distributing the straw proposal to the full TWG. It was noted that the RCI TWG is responsible for developing the straw proposal for CC-7.2 (Climate-neutral bonding). The small group has also begun discussions on the design characteristics for CC-7.3 (Require GHG emissions assessments as part of environmental impact statements).
 - GHG Reduction Goals and Targets (CC-6): Colburn noted that this option should remain as a CC policy option, but that detailed work on it should await the results of the quantification analysis for each policy option that will be conducted by the other TWGs. That way, quantitative results from the other TWGs can be used to help determine what goals may be appropriate for Montana.
6. Call to the Public: There were no public participants.
 7. Announcements: A TWG member noted that the Montana House Transportation Committee will hold a hearing on February 2 on House Bill 309 (short title “Revise biodiesel and ethanol laws”). This bill would require all diesel fuel sold or offered for sale in Montana for use in internal combustion engines to contain at least 2% biodiesel by volume. The bill would also require a minimum of 20% biodiesel by volume of all diesel purchased by state agencies for the operation of their diesel-powered vehicles and equipment ([http://laws.leg.mt.gov/pls/laws07/law0203w\\$.startup](http://laws.leg.mt.gov/pls/laws07/law0203w$.startup)).

Next steps:

1. The next CC TWG call (#6) will be **Friday, February 16, from 11:00 AM – 12:30 PM Mountain time**. CCS will coordinate arrangement of all future calls with the TWG members during Call #6. CCS will notify the full TWG of the date and time for each call and will send a reminder out several days before each call.
2. Draft Policy Option Descriptions: CCS will coordinate revisions to the draft straw proposals for each policy option prior to Call #6. Each small group should return their revised template file for the policy option on which they are working to CCS by February 12 to enable CCS to coordinate distribution of the information to the full TWG before Call #6.