



MEETING SUMMARY
MONTANA CLIMATE CHANGE ADVISORY COMMITTEE (CCAC)
Energy Supply TECHNICAL WORK GROUP (ES TWG)
Call #5, February 15, 2007, 9:00am to 11:00am

Attendance:

1. Technical Working Group members:

Bob Greene	Rio Tinto Energy America
Mary Fitzpatrick	Self-employed
Patrick Judge	MT Environmental Information Center
Mark Lambrecht	PPL Montana
Chuck Magraw	Natural Resources Defense Council
Bob Raney	Public Service Commission Member
Ken Thornton	Citizens for Clean Energy

2. Center for Climate Strategies (CCS) staff:
 - Alison Bailie
 - Michael Lazarus
 - David Von Hippel
 - Carrie Lee

3. Montana Department of Environment Quality (MT DEQ) Liaison and Attendees:
 - Dan Walsh
 - Jeff Blend

4. Public Attendees: None

5. Observers: Paul Cartwright

Background documents:

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

1. Agenda
2. Summary of ES TWG Call#4, 1/25/07
3. Powerpoint presentation for meeting,
4. ES Technical Working Group, Preliminary Draft Option Descriptions

Discussion items and key issues:

1. Call to order and Introduction of TWG members

David Von Hippel officially started the meeting at 10:05 pm on February 15, 2007 with attendee roll call and introductions of TWG members and other attendees.

2. Review of Agenda

David reviewed the agenda for and purpose of the Call, referring to the PowerPoint presentation prepared for the teleconference.

3. Review of Summary of Call #4 Summary

TWG members had no comments on the Summary for ES Call #4, and the Summary as written was accepted.

4. Alison Bailie provided an update to the Montana GHG inventory and forecast. Additional materials are on website for review by TWG members. Update included an assessment of the high fossil fuel case for electricity production, new options for fossil fuel production, emissions trends from fossil fuel industries under the reference and high fossil fuel case, and a summary of GHG emissions for the Montana electric sector.

5. Discussion and review of draft Options Description text for the ES GHG reduction options.

Michael Lazarus led a discussion of the ES Options. The discussion included:

- An overview of current content of draft policy options was provided. The primary goals for the TWG discussion were emphasized as both preparing for the March 1 meeting and having policy options outlined with sufficient detail to allow for analysis of GHG emission reduction potential.
- Soliciting input and discussion on ES options in Bin A, B, C and D. TWG members discussed several important issues related to the options, and offered to share information related to preparation of options descriptions. Agreement is still needed from TWG members on the policy options where the widest range of viewpoints was presented, including in ES-5 regarding incentives for CCS (Carbon capture and storage), in ES-12 regarding CTL (coal-to-liquids) technologies, and in Bin C ES-8/9 regarding a CO₂ tax versus the use of a GHG cap-and-trade system.
- Several TWG members offered to research additional aspects for some of the ES options, and to provide the information to the CCS facilitators to compile and provide to the entire TWG. Further information was requested and will be provided by TWG members in the following topic areas: estimates of cost and emissions benefits of CCS vs. non-CCS coal plants (CCS) (ES-5), further consideration of potential policy disincentives presently limiting adoption of efficiency upgrades at utilities (ES-6), review of current participation and practice of natural gas STAR practices in MT and the impact of adopting standards on small scale operators (ES-11) and a review of general performance standards and GHG mitigation requirements as set in other states (ES-10). The CCS facilitator team will research a comparison of emissions differences for CTL plants with CCS, poly generation, and biomass co-firing (ES-12), and a comparison of CO₂ taxes versus GHG cap-and-trade system at the national level (ES-8/9),.

Michael, Alison and David will incorporate the group's ideas and comments in draft text to be added to the existing Options descriptions. Revised policy options descriptions will be prepared in advance of the March 1 CCAC meeting. The revised draft document will be circulated for review, comment, and elaboration to the TWG members. A finalized version will be needed with feedback from TWG members at least one week prior to the upcoming CCAC meeting.

Next steps and agreements:

1. CCS will revise the current version of the ES TWG Options Description document, and will circulate the revised document for TWG review and elaboration.
2. TWG members and others will provide materials of relevance to the TWG's work to CCS and DEQ, and CCS will circulate those materials to the TWG as a whole.
3. The TWG will work toward having drafts of the "Policy Design" sections for each RCII option available for review by the CCAC at its March 1 meeting.
4. The TWG will continue developing design options and begin option analyses in March.
5. The next TWG meeting will be held in late March / early April.