

**SUMMARY OF TELECONFERENCE MEETING #6
CROSS-CUTTING (CC) ISSUES TECHNICAL WORKING GROUP (TWG)**

February 16, 2007

Attendance:

1. TWG Members:
 - 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
 - Cheryl Reichert, Citizens for Clean Energy
 - Diego Rivas, Montanans for a Healthy Climate
2. MT Department of Environmental Quality (DEQ):
 - Jeff Blend
 - Jim Boyer
3. Center for Climate Strategies (CCS):
 - Ken Colburn, TWG Co-Facilitator
 - Randy Strait, TWG Co-Facilitator
 - Tom Peterson, CCS Executive Director
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 #5
3. PowerPoint© presentation for meeting
4. Draft Policy Option Descriptions

Discussion items and key issues:

This was the sixth 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 #5.
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 provided a straw template for this option that CCS distributed to the full TWG prior to the call. The small group recommended that the time period for forecasts should cover a 20-year planning horizon to be consistent with other Montana State Agency planning efforts (e.g., transportation, electric power transmission and distribution, or water and sewer). The inventory and forecast should be updated once every two years and include the decennial years (e.g., 2010, 2020, 2030, etc.). It was noted that preparing the inventory and forecast every other year would reflect the legislative cycle. The TWG agreed with these recommendations.

The small group also noted that it included in the straw proposal opportunities for public participation by voluntary self-reporting of individual and community GHG reductions, even where the data are qualitative. The goal would be to provide user-friendly methods and tools (e.g., a calculator for individuals to use to calculate their own GHG emissions or carbon footprint) for voluntary, self-reporting of GHG emission reductions by individuals, families, and communities. The data will parallel other, more scientifically rigorous reporting, to the extent possible. The objective is to encourage awareness, understanding, and broad participation in reducing state GHG emissions by citizens and communities. Under the “Additional Benefits and Costs” section of the template, the small group included a recommendation for a voluntary survey of a cross-section of Montana residents’ lifestyles. The survey results would be used to assess the level of citizen and community awareness of their own GHG emissions and steps that can be taken to improve citizen and community awareness. The survey would provide a baseline for a parallel, more qualitative report that would accompany the more technical reporting by non-residential sectors. The small group also provided issues for consideration by the TWG under the “Feasibility Issues” section of the template. Some TWG members questioned if these recommendations would be better placed under CC-4. The small group noted that their recommendation goes beyond CC-4 in that its purpose is to provide individuals and communities the opportunity to record, document, and receive recognition for the initiatives they undertake to reduce their own GHG emissions. The information gathered through voluntary reporting of GHG

emissions by individuals and communities would be used to measure trends in lifestyle changes and provided valuable feedback for improving public awareness programs. The TWG agreed to leave these recommendations in the straw proposal for CC-1.

- GHG Reporting (CC-2) and GHG Registry (CC-3): The small group provided a straw template for this option that CCS distributed to the full TWG prior to the call. The small group reported that it had confirmed with DEQ that the agency could implement mandatory reporting of GHG emissions by stationary sources that hold a DEQ air permit. Facilities are required to obtain a DEQ air permit if their potential to emit a regulated pollutant is over 25 short tons per year. For the purpose of calculating emissions, the DEQ would use the activity data reported by the facility (e.g., fuel or material input, throughput, or production output) and apply emission factors to calculate GHG emissions. Alternatively, the facilities could calculate and report their own GHG emissions. The goal here is to frame the reporting of data for GHG emissions within existing DEQ requirements to minimize the burden on facilities as well as DEQ. The small group noted that over 500 facilities currently hold a DEQ air permit and this total does not include an additional 550 oil and gas wells. The TWG was in agreement with the design of the straw proposal for this option.
- Education and Outreach (CC-4): The small group provided revisions to the straw proposal for this option that was distributed to the TWG prior to the call. The revisions were primarily to decrease the length of the policy description and clarification of the goals, timing, and coverage of parties section of the template. The small group also provided several revisions to the matrix for this option to add information concerning opportunities for education and outreach efforts to target audiences. It was recommended that DEQ provide periodic press releases on GHG and climate change issues and progress in addressing these issues; it was noted that this topic was addressed under item #2.2 of the matrix. Language crafted by the small group that was edited out for brevity here may be appropriate for incorporation into the broader final report.
- States Own GHG Emissions (CC-7): The small group provided revisions to the straw proposal for the suboptions CC-7.1 (State's Own GHG Emissions) and CC-7.3 (Environmental Impact Statements). CCS organized the straw proposals into the template structure, and distributed these to the TWG prior to the call. CC-7.2 (Climate-Neutral Bonding) was referred to the RCI TWG because quantifiable GHG reductions are likely to result were it to be implemented. On CC-7.3, the TWG concurred that assessment of GHG impacts should be included as a requirement of Environmental Impact Statements. The TWG agreed to the straw proposals as modified by this discussion.

The small group also provided a straw template for CC-7.4 (Consider Joining CCX) that was distributed to the TWG prior to the call. Note that this suboption was previously identified as 3.2 (GHG Registry) in the catalog but

the full TWG agreed that this suboption should be moved to CC-7 (State's Own GHG Emissions) since the suboption concerns reducing State government emissions. The TWG debated the pros and cons of joining CCX. One member noted that CCX is the only trading mechanism currently available for entities to register carbon credits generated by conservation management programs, and this would provide Montana a market for trading such credits. It was noted that three states have joined CCX along with several other entities. Another member noted a letter prepared by environmental organizations listing reasons why states should not join CCX. Other members of the TWG requested additional information on CCX, and asked that the small group prepare a summary of the pros and cons for the State to join CCX for the next TWG meeting.

- 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 would await the results of the quantification analysis for each policy option to 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: It was noted that the Montana State Legislature is preparing a resolution that urges the federal government to enact a market-based approach such as a cap and trade system for mitigating GHG emissions.

It was also noted that the State House has drafted a bill (HB 753) to provide the Board of Environmental Review with rulemaking authority to require GHG emissions reporting; a process to establish a statewide GHG emission limit; establish specific GHG emission limits and reductions; adopt certain market-based emission limits; adopt a schedule of fees; create a GHG emission control account; and provide an effective date. This draft bill would also require DEQ to prepare a GHG emission reduction plan. (The text of the bill is available at <http://data.opi.mt.gov/bills/2007/billhtml/HB0753.htm>).

Next steps:

1. The next CC TWG call (#7) will be **Tuesday, March 13, 2007, from 11:00 AM – 12:30 PM Mountain time**. The TWG also agreed on dates and times for the remaining TWG calls. CCS will provide this information to the full TWG. 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 in preparation for the CCAC meeting on April 26. CCS will also revise the draft straw proposals for each policy option to incorporate CCAC's comments, and will distribute the revised straw proposals to the CC TWG prior to its March 13 meeting.

3. Distribution of Information on CCX: CCS will coordinate with the small group for CC-7 in distributing information on CCX to the full TWG. CCS will also assist in distributing information that the small groups for any option requests to be distributed to the full TWG.