

**SUMMARY OF TELECONFERENCE MEETING #10
CROSS-CUTTING (CC) ISSUES TECHNICAL WORKING GROUP (TWG)**

June 7, 2007

Attendance:

1. TWG Members:
 - Ted Dodge, National Carbon Offset Coalition
 - Mary Fitzpatrick, Self-Employed
 - Chuck McGraw, Natural Resources Defense Council
 - 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 #9
3. PowerPoint© presentation for meeting
4. Draft Policy Option Descriptions
5. Draft Policy Option Descriptions - Matrices

Discussion items and key issues:

This was the tenth 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 approved the summary for Call #9 without change.
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 #6: Colburn noted that the next CCAC meeting date is July 9, 2007. The assignment for the CC TWG going into this meeting

will be to complete preparation of the straw proposal for each of the priority policy options and to obtain full approval of the CC TWG straw proposals.

5. Next Steps for the TWG: Colburn noted that the TWG should provide any comments it has toward finalizing the straw proposals. During today's call, we will begin working on preparing the straw proposals for CC-6 (Options for Goals or Targets) and CC-7.1 (Establish a Target for Reducing the State's Own GHG Emissions). Colburn noted that no revisions had been made to the straw proposals or matrices since the CCAC's 5th meeting. Gloria Floria provided editorial comments on the addendum file containing the design characteristic matrices, and the revised file was sent to the CC TWG prior to the call for review. The following provides a summary of the items discussed during the call:

- Inventories and Forecasting (CC-1): The TWG agreed to revise the text under "Additional Benefits and Costs" to acknowledge that the preparation of periodic inventories and forecasts at the level of effort conducted for the CCAC process is likely to require additional assistance and/or resources for the DEQ.
- GHG Registry (CC-3): The TWG agreed that the straw proposal should be updated to reflect that Montana has joined 30 other states to develop a national GHG registry through *The Climate Registry*. Being a charter state in this effort should help ensure that Montana's needs and priorities are addressed in the course of *The Climate Registry's* development.

The TWG also asked questions on how Montana business entities and the public in general can participate in the development of *The Climate Registry*. DEQ noted that it would check with its liaison to the registry. In addition, the TWG agreed that the text under "Goals" should be revised to recommend that a mechanism should be provided whereby Montana sources and stakeholders can keep abreast of – and provide input to – state and national registry efforts as they evolve. CCS will revise the text under "Policy Design" to incorporate these recommendations for review by the TWG.

- Education and Outreach (CC-4):

The TWG agreed to the following revisions to the addendum matrix for this option:

- Under the target audience for "State Government Actions," add a sub-option 1.7 noting that the state provide a "clearinghouse" type of role to help smaller government entities be aware of and take advantage of federal funding opportunities.
 - For the target audience for "Policymakers," add "county commissions, city councils, and school boards" to the parenthetical note.
- GHG Reduction Goals and Targets (CC-6) and Establish a Target for Reducing the State's Own GHG Emissions (CC-7): Colburn provided a brief overview of items for the TWG to consider as it works on developing the

basis for deciding on GHG goals or targets. These items include the following:

- Definition of the baseline:
 - Gross emissions (excludes carbon sinks) versus net emissions (includes carbon sinks);
 - Production-based emissions (reflecting emissions for all electricity produced in Montana) versus consumption-based emissions (reflecting emissions for only electricity consumed in Montana);
 - Scenarios – in addition to the business as usual forecast, Montana has prepared a “high fossil-fuel” scenario;
- GHG Reduction Levels – should the goals or targets be expressed as a percentage reduction to a base year or expressed as an absolute reduction in emissions?
- Timing – what should the time period be for achieving compliance with the goals or targets?

Colburn also reviewed the goals and targets adopted by other states, noting differences in GHG reduction levels, baseline years, and timing.

A question was also asked if it would be appropriate for the TWG to consider goals or targets for individual sectors. It was noted that most states are setting goals or targets that apply economy wide; however, there are instances where goals or targets have been set for an individual sector (e.g., energy supply).

The TWG was in favor of basing goals or targets on gross emissions as well as a production basis, but allowing for the use of carbon credits for meeting the goals or targets, including credits generated through forest and land management practices. The TWG members did not make any recommendations for developing the straw proposal during its discussion.

6. Call to the Public: There were no public participants.

Announcements: None.

Next steps:

1. The next CC TWG call (#11) was scheduled for **Friday, June 22, 2007, from 8:00 AM to 10:00 AM Mountain time**. CCS will send an e-mail shortly after today’s call to notify the full TWG of the date and time for Call #11.
2. Draft Policy Option Descriptions and Matrix Files: CCS will coordinate revisions to the draft straw proposals for each policy, as well as the file containing the matrices, and will distribute the revised straw proposals to the TWG prior to its meeting on June 22, 2007.