



**PRELIMINARY RESULTS FOR  
ASSIGNMENT OF TOP PRIORITY ENERGY SUPPLY OPTIONS FOR ELABORATION AND  
ANALYSIS**

**November 13, 2006**

David Von Hippel, Michael Lazarus, and Alison Bailie

**Preliminary Results of Voting on Priorities – as of November 13, 2006**

The tallies and comments in the table and chart below reflect the input sent in by Energy Supply TWG members. Votes from 13 members have been received in time to be included. Note that these results do not reflect “final” decisions by the TWG; we hope that they are useful in moving forward on setting priorities for detailed policy descriptions and further analysis of options.

*Original instructions for voting:*

ES TWG Members: Please enter your selections for the top priority energy supply greenhouse gas emissions reduction options for elaboration and analysis in the table below. The rows of the table correspond to the policy options in the revised (and consolidated) catalog of options prepared after the TWG meeting of 10/26/06 “Catalog of State-Level GHG Reduction Policy Options: Energy Supply”, as distributed with this form. Place an “X” in the box for the top 10 options, which you feel deserve priority due to their GHG reduction potential, cost effectiveness, feasibility (both technical and political), and important additional issues (e.g. co-benefits, such as reduction of other pollutants or job creation). Only one vote can be made for each option with a total of 10. A space has also been provided for you to make comments on your selected options (for example, “Option X should be combined with Option Y”). Please save your marked and annotated ballot with a filename that includes, for example, your initials, and send it by e-mail to Michael, Alison, and David.

In a few cases, TWG members offered opinions as to the priority of options during the 10/26/06 ES TWG call. These opinions are not reflected in the list below, but appear in the “Notes” column in the updated catalog.

The overall process proposed is that the (approximately) 10 Options receiving the most votes will be designated high priority for initial analysis, and other options will be given lesser priority, but the TWG (and, ultimately, the CCAC) will have the opportunity to review the results of this balloting, and to revisit the assignment of priorities for the options, including, potentially, combining options as applicable. Please note, however, that the consolidated list of options below is still in draft form, and input on further consolidations (or changes in consolidation) is welcome.

Please provide your selections to Michael Lazarus ([mlaz@sei-us.org](mailto:mlaz@sei-us.org)), Alison Bailie ([alisonb@pembina.org](mailto:alisonb@pembina.org)), and David Von Hippel ([dvonhip@igc.org](mailto:dvonhip@igc.org)), by 11/8/2006. We will provide the results during the November 16 TWG Call.

Option No.	GHG Reduction Policy Option	Vote	Comments
1.1	Environmental Portfolio Standard (renewables and energy efficiency)	9	With enforcement and consequences, not just wishes./ This would be an incremental improvement. Can we get enough incremental improvement over Northwestern’s existing RPS to make this policy option worth it?/ Targets in existing law basically ok. But, existing law has problematic cost-cap provision, which may or may not be amended in this legislative session, and does not apply (in a meaningful way) to cooperative utilities.

Option No.	GHG Reduction Policy Option	Vote	Comments
1.3	State Purchase of Electricity through Greenpower Renewable Resources Programs	3	CCI TWG issue?/ State would be setting example for encouragement to industry. / Opposed to this because do not want to balkanize the State's electricity supply arrangements any more than it already is.
1.4	Public Benefit Charge Funds	3	This would potentially fund renewable energy applications and market transformation. Would these funds include targeting natural gas efficiencies? / Structure of existing "universal system benefits" law , which creates competition for scarce funds between various public purposes – most notably low-income purposes -- makes it very difficult to support and maintain funding for renewable resource programs.
1.5	Renewable Energy Incentives (biomass, wind, solar, geothermal)	10	This would also be incremental over what we already have. Potentially a state controlled program with tax credits and loan programs over what is done now. What are the additional benefits from this?/ 1.1 could be included in this category
1.6	Green Power Purchases and Marketing	2	
1.7	Renewable energy development issues (zoning, siting, etc.)	4	
1.8	Research and Development (R&D)	4	Should state fund this, or industry?/ One idea for this would be a state-wide research conglomeration looking at organizing research. UBS might be a potential funding source. Consider combining 1.11 with this one, as storage technologies could be very important in Montana in near future./ R&D assistance for entities involved in co2 reduction is a high priority.
1.9	Landfill Gas Recovery (see also Waste)	2	AFW TWG?/
1.10	Waste to Energy (see also Waste)	2	AFW TWG?/ Can be very dirty. Do not support./
1.11	Storage technologies. (in particular compressed natural gas or air).	4	Not sure what this is about-link didn't work./ This was not discussed sufficiently; accordingly the TWG may not fully understand the potential benefits from this approach. Basically, the technology would seek to take advantage of Montana's wind and its potential for geologic storage to create a peaking supply./
2.1	Incentives and barrier removal (including interconnection rules) for combined heat and power (CHP) and clean DG	7	Related mostly to small renewable energy projects./ High potential for decreasing GHG ./ Utilities should be persuaded and offered incentives to accept DG under reasonable rules. / 2.1 and 2.4 are pretty similar.
2.4	Net Metering	4	Under current law, the size of a project you can net meter is very small. We need to increase the size of allowable net metering to include industrial projects./ Present program should expanded both with carrot and stick and include coops. / This category should (also) be pulled into 2.1 to comprise a general category related to distributed generation. The only question I have about this approach, but the question arises under the present structure as well, is the inclusion of issues related to combined heat and power, which raises considerations that differ somewhat from considerations about dg.
3.1	Incentives for advanced fossil fuel generation (IGCC and/or fuel cells) and carbon capture and storage (CCS)	11	Rewards for success, not gov't. funding up front. Combine 3.4 with this one. They are talking about the same thing./ Fuel cells and carbon capture and storage could reduce GHG and have positive economic benefits.
3.4	Combined hydrogen/electricity production from fossil fuels with sequestration	3	Rewards for success, not gov't. funding up front.

Option No.	GHG Reduction Policy Option	Vote	Comments
3.5	Research and Development (R&D)	3	I am counting this as the same as 1.8 (rather than use two votes).
4.1	New Nuclear Capacity and Licensing	0	NOT AN OPTION No way to deal with Radioactive waste.
4.2	Nuclear Plant Relicensing	0	NOT AN OPTION No way to deal with Radioactive waste.
4.3	Nuclear Plant Upgrading	0	NOT AN OPTION No way to deal with Radioactive waste.
5.1	Efficiency Improvements and Repowering Existing Plants	7	Can we tie this to consumption?/ I identify this as a priority option not without reservation for I'm not sure it's a good idea to extend the life of these facilities./
5.2	Transmission System Upgrading	5	Combine w/ 5.3?/ This almost made the cut. Does this have more to do with efficiency in running the grid, or with reducing hazardous emissions from the transmission system itself?/ Power generated here by new technologies must get to market to make economic sense./ 5.2 and 5.3 could be combined
5.3	Reduce Transmission and Distribution Line Loss	2	I'd like to see a bias against long transmission lines, for many reasons, as well as technological improvements.
5.4	Demand-side Management	7	RCI TWG? / Should we include CO2 adders in this category? This policy option should probably involve more than peak shaving./ Particularly more comprehensive state building codes./ This is being covered in RCI (even though it is correct to think of it as an energy supply option)./ I'm not sure what this option would entail given that the RCI twg is considering dsm. I see no reason to duplicate their work.
5.5	Portfolio Standard: Linking Transmission Siting with Renewable Energy Delivery (or Portfolio Standard)	2	Yes, why build infrastructure that supports high-emission production?/ Interesting, but we were unclear about this one. This option should be talked about at the next TWG. Could this one be tied to Montana's Wholesale Electricity Tax?/ I am not certain this is a workable alternative. It would need far more definition before it could be seriously considered. In fact, this option would have huge advantages at low cost. If new transmission could be precluded from carrying anything but carbon friendly power (or some favorable percentage) it would prevent the development of new generation that was not carbon friendly and incent the generation of desirable power. The note says that there would be "significant enforceability issues" with this option. This is incorrect. "Enforceability" would not be a problem. However, it is highly questionable whether a state could impose such a standard on transmission lines without running afoul of FERC's open access requirements and the commerce clause. If there is a way around these legal issues, I strongly encourage you to include this option for consideration.
6.1	CO <sub>2</sub> Tax	6	Also tax CO <sub>2</sub> e emissions./ With the proper co2 tax nothing else on this form is necessary. / I strongly support consideration of this, but already voted for it on RCI.
6.2	GHG Cap and Trade	6	
6.3	Generation Performance Standards or GHG Mitigation requirements for new (and/or existing) power plants with/without GHG offsets	10	Existing also, I say./ I would allow offsets at least as a transitional mechanism./ For new power plants.
6.6	Voluntary Utility CO <sub>2</sub> Targets	2	
7.1	Brownfield Re-development	0	

Option No.	GHG Reduction Policy Option	Vote	Comments
7.2	Environmental (emissions) Disclosure	6	Cradle to grave, including construction, fueling, operating, delivery, decommissioning. I've suggested this to CCI TWG, including for non-ES projects, and I'm out of votes! / The public needs to know this information.
7.3	Public Education	4.5	Also CCI TWG, but we can recommend specific topics related to our action recommendations, esp. concerning consumers. Give it a .5! / Always a good idea to keep the public informed so they make better decisions as consumers. / Probably should be under cross cutting./ This is being covered by cross-cutting, I would assume.
<b>ES-8</b>	<b>FOSSIL FUEL PRODUCTION</b> - Note that these options have not yet been reviewed by the TWG, awaiting further analysis of GHG emissions from inventory and reference case projections. As a result, the TWG will consider review them and assign their priority when inventory results are available.		

