



MEETING SUMMARY
NORTH CAROLINA CLIMATE ACTION PLAN TECHNICAL WORK GROUP

Energy Supply TWG Call #2, May 4, 2006, 9-10:30 am

Prepared by Kimberly Garnett and Bill Dougherty

The meeting was called to order by Tom Peterson of CCS staff a few minutes after 9:00 AM. The first item of business was the role call. Bill Dougherty, the ES TWG facilitator for this CCS team, called the role. In attendance were the following TWG Members

- George Everett – Duke Power
- Alex Hobbs – NC Solar Center
- Matthew Kanen – Piedmont Natural Gas
- Tom Lam – Public Staff NC Utilities Commission
- Pete McDowell – NC Waste Awareness and Reduction
- Marily Nixon – Southern Environmental Law Center
- Steve Picot – SRI
- Simon Rich – Louis Dreyfus (ret'd)
- Larry Shirley – State Energy Office
- Michael Shore – Environmental Defense
- Stephen Smith – Southern Alliance for Clean Energy
- Vickie Will – Progress Energy

From DENR staff, the following were in attendance:

- Jim Southerland
- Brock Nicholson
- Patrick Butler
- Kim Garnett – ES/DAQ Liaison

Others in attendance included the following:

- Mitch Williams – Progress Energy
- Roy Ericson – NC Utilities Commission (for Jo Anne Sanford)
- Leslie Coolidge – SC DEHC
- Heather Preston – SC DEHC

The background documents that were used as the basis for the discussions had been posted on the website in advance of the meeting (http://www.ncclimatechange.us/Energy_Supply.cfm). These included the following documents

- PowerPoint Presentation for Call # 2
- Catalog of State Mitigation Options

- NC Greenhouse Gas Inventory and Forecast

The introduction to the meeting by Tom Peterson focused on some general announcements related to the items below

- Minutes of last ES TWG meeting. These were not on the web as of the start of the meeting. This situation will be rectified and minutes of following TWG meetings will be posted (at least a week, if possible) in advance for future TWG meetings.
- Focus of discussion. Today's meeting is primarily to review and discuss proposed changes made to the catalog of potential state actions.
- Future direction. The group was reminded that soon, there will be discussion of next steps for identifying mitigation option priorities, as well as the methodologies to be proposed for conducting cost/benefit analysis.
- Duration of future meetings: It was proposed and accepted by the TWG members that the duration of future TWG meeting will be planned for 2 hours, to allow more discussion and progress.

Tom Peterson made some opening remarks about the process of prioritizing the GHG mitigation options for Energy supply, as follows:

- It was emphasized that the group was not expected to begin prioritization today, but today was the beginning of education about the options
- Once prioritization of the options begins, we will depend on the experience of TWG participants for guidance.
- Tom Peterson also reminded the group that there is neither time nor money for this process to analyze all options, so the priorities must be worked out by the group so that the highest priority ones are addressed for sure and others if time and money allow.

Discussion then commenced regarding individual mitigation options as listed in the ES catalog, facilitated by Bill Dougherty. At the start, the TWG's attention was drawn to changes in the catalog made since the previous TWG meeting. These changes focused on two of the screening criteria – GHG reduction potential and potential costs or savings - that will be used for prioritizing the mitigation options.

For each of the options, these two criteria had been filled with initial scores (i.e., high, medium, low, or uncertain) based on knowledge from other state experience. Several participants indicated that the way the table was constructed and since there was insufficient information provided, it was difficult to appreciate the meaning of the assigned scores and propose revisions.

The group began by focusing on the Environmental Portfolio Standard (EPS), and by the end of the meeting finished discussion of the first three options. Several important points emerged:

- The priority that is ultimately assigned to any given option will be pursued at a later stage. This discussion was in the context of an explanation of the policy and group reactions to the initial scores for the two criteria. This topic came up during the beginning of the discussion of the Environmental Portfolio Standard option (Item ES 1.1).
- It was also pointed out that items contained in the "Catalog of State Climate Mitigation Options" that are flagged with an "*" are options that are already being considered or undertaken in NC. Items are flagged with an "***" are options that have been included as recommendations in the September 1, 2005, NC DENR Report under the Clean Smokestacks Act of 2002.
- The group affirmed that it is the TWG, which is to decide whether or not to pursue further analysis of an item already underway in NC as part of some other initiative. In this regard, a

number of participants indicated that they wished to learn more of the analysis that is underway (or soon to be underway) by a consultant regarding a renewable portfolio standard in NC. This consultant is being hired by the NC Utilities Commission at the request of the ERC to study the feasibility of a renewable energy portfolio standard. This study may also include an energy efficiency standard. Several members of the TWG are also on the advisory group for this effort. Once contractor is selected the advisory group will help shape the direction and scope of study. It is unclear as to what role the CAPAG can play.

- The TWG decided to keep item 1.1 on list and once the study scope is defined and it is determined whether or not study will include RPS and EPS, the TWG can then later decide the appropriate course of action. It is possible to decide to pursue just the EPS if not included in the NCUC study. The scores for the two criteria - potential for GHG reductions should be “high” and that the potential costs should be considered to be between “low” and “high” was accepted to be adequate for the time being.
- Several participants indicated that there was unnecessary overlap between options 1.2 and 1.3, both of which deal with the NC-Greenpower program. It was decided to collapse the two into one option and that the scoring for the potential for GHG reductions should be “low,” and that the potential costs should be considered “high.”

Toward the end of the meeting, there was a general expression of interest to have more information on the meaning of the mitigation options. In particular, since the first TWG meeting, Joanne Sanford had actually requested a more detailed explanation of all the ES mitigation options. Mitch Williams of Progress Energy has seconded this request. Alex Hobbs offered to provide information about Environmental Portfolio Standards to the group at some point in the future.

There were several points that were decided with regard to the next TWG call, as follows:

- The first order of business for the next call will be to discuss the GHG Inventory. <http://www.ncclimatechange.us/ewebeditpro/items/O120F8235.pdf>.
- The second order of business will be to continue the discussion of the Renewable Energy Options (Section ES-1) and to complete it during the next meeting if possible. <http://www.ncclimatechange.us/ewebeditpro/items/O120F8430.pdf>.
- The CCS facilitator offered to provide description of each of the renewable energy options prior to the next call.
 - The next TWG call was scheduled for June 1, 2006, at 9:00-11:00 AM.
 - Members were asked to continue reviewing the list of mitigation options in order to develop an understanding of each option by the next call and to begin to add additional options to the list.
- The next CAPAG meeting is scheduled for May 23, 2006.