



MEETING SUMMARY
NORTH CAROLINA CLIMATE ACTION PLAN TECHNICAL WORK GROUP

Energy Supply TWG Call #3, June 1, 2006, 9-11 am
Prepared by Kimberly Garnett and Sivan Kartha

The meeting was called to order by Sivan Kartha of CCS staff a few minutes after 9:00 AM. In attendance were the following TWG Members

- Roy Ericson – NC Utilities Commission
- Everett, George, PhD – Duke Power
- Hobbs, Alex – NC Solar Center
- Howard, Preston – Manufacturer Chemical Industry Council
- Kanesh, Matthew – Piedmont Natural Gas
- Lam, Thomas – Public Staff NC Utilities Commission
- MacDowell, Pete – NC Waste Awareness and Reduction
- Nixon, Marily – Southern Environmental Law Center
- Shore, Michael – Environmental Defense
- Smith, Stephen – Southern Alliance for Clean Energy
- Will, Vicky – Progress Energy

Additional participants included:

- Coolidge, Leslie – SC DEHC
- Lenz, Ward – NC Green Power
- Williams, Mitch – Progress Energy

From DENR staff, the following were in attendance:

- Garnett, Kim – ES/DAQ Liaison
- Southerland, Jim – NCDENR/DAQ

From CCS staff, the following were in attendance:

- Kartha, Sivan
- Williams, Eric
- Peterson, Tom

TWG members not in attendances were:

- Deerhake, Marion – Environmental Management Commission
- Koger, Robert Dr. – Advanced Energy
- Piccot, Stephen – Southern Research Institute
- Rich, Simon – Louis Dreyfus Holding Company
- Shirley, Larry – State Energy Office
- Stephenson, Jim – NC Coastal Federation
- Toben, Tim – Carolina Green Energy
- Urlaub, Ivan – NC Sustainable Energy

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

- Draft Summary of ES TWG Call #2
- PowerPoint Presentation for Call #3
- Catalog of State Mitigation Options, revised May 2006
- NC Greenhouse Gas Inventory and Forecast

The agenda of the meeting was as follows:

- Call to order
- Roll Call of Technical Work Group (TWG) members
- Review and approval of last call summary
- Discussion of prioritization of catalog of potential state actions
- Review and discussion of the draft North Carolina greenhouse gas (GHG) emissions inventory and forecast for Energy Supply
- Review and discussion of catalog of potential state actions
- Call to the public
- Proposed agenda items for next meeting
- Announcements

Sivan Kartha called the meeting to order, took the roll call (as above) and reviewed the highlights of the Draft summary of call #2, which were adopted.

Tom Peterson reviewed the process for selecting a set of options from the catalog. In brief, it is as follows:

- Email ballot will be sent out by CCS to TWG members in mid-June along with a brief description of each item
- 10 votes total per person to be cast prior to next call
- (No more than one vote per person per option)
- Add comments (e.g. policy packaging) with your votes as needed
- Return to Bill Dougherty billd@sei-us.org
- CCS will aggregate results for discussion at next TWG call

Tom clarified that this is a preliminary prioritization, which is expected to change as further analysis is conducted. The options that are not prioritized now will be kept on the record, and the TWG can continue to refer to them as appropriate. This is just a first round, the result of which will be 50 or so options across the TWGs to focus the analysis.

For reference, the CCS staff are preparing a list of short descriptions of the options. This will be distributed with the ballot on June 16, 2006. Staff should feel free to contact Bill, Sivan, or Eric with questions and clarifications as they make their voting decisions.

Bill Dougherty	billd@sei-us.org	617-266-5400
Sivan Kartha	skartha@sei-us.org	617-266-5400
Eric Williams	e.l.williams@duke.edu	919-613-8714

Action: TWG members should feel free to email to Bill Dougherty any contributions to the descriptions by Monday, June 12.

Eric Williams then reviewed the inventory and forecast prepared for NC as an initial estimate for further discussion and revision. It was emphasized that this is a business-as-usual forecast that assumes no special efforts are made to reduce greenhouse gas emissions. It is for the purpose of estimating the likely impact of GHG reduction options, but acknowledging the considerable uncertainty in any future projection.

There was a request for some comparisons of per capita GHG emissions between NC and other states and other countries.

Action: Sivan will provide information on comparison with other countries. Eric will provide information on comparison with other states.

Several specific comments were made regarding the approach and assumptions of the inventory. It was pointed out that the NC power sector is part of a regional grid with considerable imports and exports across state boundaries. The current approach does not account for which specific generating units serve in-state and out-of-state loads.

Action: Eric Williams will prepare a short explanation of the production basis versus consumption basis for doing a GHG inventory.

Action: George Everett and Vicky Will will determine what information and data they can provide that would help shed light on the question of imports and exports of power.

Specific comments were made regarding certain technical assumptions, such as the T&D losses, the heat rates, the generating mix, sales growth rate, etc.

Action: Any TWG members who would like to provide alternate assumptions are welcome to email Eric Williams. To the degree possible, this new information will be taken into account and a heuristic approach will be developed for use in the upcoming analysis of the options.

Sivan then reviewed the comments provided by the CAPAG to the options. These were found in the final column of the catalog of options.

Some specific suggestions arose regarding additional options. The first was an options relating to the production of hydrogen from low-carbon sources (nuclear and renewable). The second was an option whereby the PUC would adopt its protocol to consider carbon risk in decision-making.

Action: Sivan will provide some language to add the hydrogen option to the catalog. Kim will provide language to add the PUC decision-making language to the catalog.

The next ES TWG call is tentatively scheduled for June 26, 2006, at 9:00-11:00 AM.

The next CAPAG meeting is tentatively scheduled for July 25, 2006.