

Transportation & Land Use Meeting #12b
March 27, 2007, 12:00-1:30 PM

Attendance:

TWG Members:

Darren Bakst
Dan Besse
Denise Choy
Carolyn McCormick
Anne Tazewell
Lisa Riegel
Paul Sherman (for Anne Coan)

NCDAQ Staff:

Jim Southerland
Charles Davis
Gary Saunders

CCS Staff:

Karl Hausker
Will Schroeer
Wendy Messenger

Public Members:

Michael Juras (SC)

“Housekeeping” Items:

- Call to order, roll call, and overview of the purpose of the meeting.
- Extensive discussion of process at this point
 - Up to TWG to decide what constitutes a quorum
 - CAPAG is an advisory group, and the TWGs are advisory to the CAPAG. TWG recommendations not binding on the CAPAG. Governing memo for the overall process does not cover every eventuality.
 - If the TWG has weak participation, members of CAPAG may take that into account in determining how much strength to give to recommendations.
 - Agreed that TWG members may register any objections by email if they cannot make the TWG call on April 10.
 - Action items:
 - CCS will provide all materials at least one week in advance
 - Period during which to express any objections will run from April 3 until the end of the TWG call on April 10th.
 - Recording of any objections will occur at that point.

- Process going forward:
 - Develop policy options until April 3rd, as time, budget, input from TWG allow.
 - Once complete by the 3rd, objections in forwarding the policy option recommendation to the CAPAG will be registered.
 - Record consensus on policy options as: unanimous, received super majority, simple majority or not forwarded as recommendation
 - 18 members on the TWG
 - 9 members would have to object for something not to be forwarded
- A suggestion was made that members who have not been participation be contacted to see if they still want to be on the TWG. However, the State determined that they are on until they resign.
- Darren Baskt voiced objection to voting via email because he felt it would impair dialogue.
- TWG members were asked to reread the Process Memo that governs CAPAG – Feb 16th, 2006, posted on CAPAG web page, under “click here to learn more about the process”

Review of the policy options analysis:

This call then picked up in the review of policy options where the last call (12a) left off.

The agreed-to process requires that any meaningful language change needs to be proposed to the CAPAG. Several changes to language (esp. parties affected) agreed to by the TWG have not been made to the policy options yet because there has not been a CAPAG meeting since the new language was agreed to. The TWG-recommended language will be highlighted as recommended changes in the policy options given to the next CAPAG meeting.

TLU-4 Truck-stop electrification

- Clarification: 17 truck stops throughout NC. There has not been a fixed cost determined for how much a truck stop costs.
- Most recent work reported a net savings to the trucker after paying the cost of the service at the truck stop. \$1.50/hr charge will cover capital cost – doable to pay for itself. Role of public sector is to push development through pilot projects. Financing can be barrier in private market.
- The language should address lack of understanding - reflect variance \$3,000 per spot vs. \$50,000 per spot. Should also be more uniquely linked to NC.
- ACTION ITEM: Anne Tazewell to draft language to reflect suggestions by April 1.

TLU-5 Tailpipe GHG standards

- Adopt State Clean Car program
- New for consideration: \$100 a ton cost savings

- Concern was expressed as to whether auto manufacturer's numbers were taken into account
- Reasonable to make assumption that the studies CCS discounted, and therefore excluded from analysis, will be brought up in future. Might be useful to note reasons CCS discounted other studies so that decision makers can have understanding.
- ACTION ITEM: CCS to develop description of how it chose between studies.

TLU-6 Biofuels bundle

- Explanation of analysis: know where market stands now, but decision on whether federal subsidies will continue into future and affects on price of corn and future impact on feedstocks. At what point will cellulosic ethanol become commercially viable? These factors make costs difficult to project.
- The surge in demand is bringing up cost in NC.
- Suggestion that CCS can't project the price, just as it is difficult to predict future price of petroleum. Advise CCS to take snap shot now, and assume technology will decrease costs in the future.
- The TWG discussed inclusion of electric vehicles. Electric vehicles reduce criteria pollutants, but not GHG emissions significantly, because generation of power from coal.
- Policy options does have some limitations, but recommendation can be made for Governor or Legislature to develop options further
- Does it tie into 20% petroleum reduction mandate for the State? Mentioned as related program in place.

TLU-7 Procure efficient fleets

- Discussed which fuels would most likely be stimulated by the proposed policy. CCS explained why it believed that the policy would mostly produce additional biofuel use, and that that use would not be additive to the biofuels benefits quantified in TLU-6.

TLU-8 Anti-idling

- Reduce idling through TSE and other ways, such as new technologies that can be used anywhere. Another challenge for public-private partnerships to speed their adoption.
- Net savings of \$22 a ton.
- Clarification of technology – trucks will turn off instead of leaving running when not in movement. Language is confusing to some TWG members.
- Typo in first line “idle reduction legislation”
- ACTION ITEM: Change of language recommended by TWG
- Diesel retrofits have quantified costs and benefits; however, both costs and benefits vary widely depending on the chosen technology. Makes quantification difficult.

- Q: Does is PM / carbon black not a GHG? A: yes, but right now, there is not a good way to express reductions in CO₂ equivalents. Request to CCS to pick one point to demonstrate the connection, and perhaps do an illustrative calculation. Please be clear on the confidence level of those calculations.
- Anne will shoot Will a suggestion of where to start.
- Denise also expressed support for getting an understanding of linkage.

TLU-13 Buses – clean fuels

- Could not find a benefit that was additive to biofuels bundle

TLU-12 Incentives for advanced technology vehicles

- Late addition – never quite fleshed out, but doesn't mean that it should be sent to CAPAG

TLU-11 Pay as you drive insurance

- Expected net benefits are reflection of pilot projects
- Expected net savings – distinguish level of confidence because not quite proven yet

TLU-10 Fuel tax

- Big discussion, can't have in two minutes
- If you can raise revenues this way, it can be more efficient than raising other ways
- Take a look at the literature
- If you want to discuss, give Will a call

Next Steps:

- The TWG members will need to educate themselves on the policy options in preparation for balloting
- The final information for balloting will be sent to the TWG on April 3rd
- The TWG will register any objections via email and on the April 10th call

Call to the public:

No public present

Upcoming meetings:

April 10, 2007 from 12:00-1:30 PM

May 22, 2007 from 12:00-1:30 PM