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MEETING SUMMARY
ARKANSAS GOVERNOR'S COMMISSION ON GLOBAL WARMING
Cross Cutting (CC) Issues Technical Work Group (TWG)
Call #4, April 16, 2008
3:00 pm to 4:30 pm Central

Attendees:

TWG Members: Nick Brown, Joan Cash, Jerry Farris PhD, Christopher Ladner, Elizabeth Martin PhD, Jeffrey Short

Advisory Body Members: Karen Bassett

Arkansas Governor's Office: Jillian Hicks

Center for Climate Strategies: Ken Colburn, Randy Strait, Katie Pasko

Members of the Public: Mark Alison, Esq.

Background documents:

(all posted at <http://www.arclimatechange.us/cc.cfm>)

1. Meeting Notice and Agenda
2. Summary of Call #3
3. PowerPoint for Teleconference
4. Draft Priority Policy Options for Analysis

Introductions and Review of Agenda

Randy Strait welcomed the TWG members, called the meeting to order, completed the roll call, and reviewed the agenda for the call.

Review and Approval of Prior Call Summary

The TWG approved the summary of Call #3 with the revision to add the dates and times for the June and July CC TWG meetings that the TWG agreed to during Call #3.

Governor's Commission on Global Warming (GCGW) Process Progress

Colburn briefly covered the 10 step process (slide 3) and noted that the first and fourth steps of the process are the current focus of work. The first is review of the draft Inventory and Forecast (I&F) of greenhouse gas (GHG) emissions, which will impact the work of other TWGs more than the CC TWG. The CC TWG does not typically quantify policy options as the nature of the CC TWG policy proposals typically are enabling policies that support the implementation of policies or programs to reduce and track progress in reducing GHG emissions rather than directly reducing GHG emissions by themselves. Should the TWG recommend and the GCGW approve quantification of a CC TWG policy, the policy would be transferred to one of the other TWGs

that has the expertise for quantifying the emission reductions and costs associated with the policy with review support from the CC TWG.

Each TWG will now work on developing straw proposals for each of the policy options approved by the GCGW. A stepwise process is followed in order to be most efficient in utilizing the time and efforts of the members of the GCGW and the TWGs. Quantification and policy development can be extremely complicated and time consuming, so receiving approval before proceeding to the next step makes the most sense.

Results of April 9 GCGW Meeting

The GCGW made the following suggestions for inclusion in the CC TWG's policy options that it approved as priorities for analysis:

- CC-3 (Statewide GHG Reduction Goals or Targets) – Consider short-, medium-, and long-term goals
- CC-5 (Comprehensive Local Government Climate Action Plans) – Consider including “sustainability” as a broad state goal; encourage positive individual actions to achieve sustainability goals
- CC-7 (Optimizing Best-Scale of Reduction Policies) – Strait noted that during review of the Energy Supply TWG's suggested priorities for analysis, some of the GCGW members noted their support for a national or regional cap and trade program and do not think that a state program would work. These comments would also apply to CC-7 to the extent that the CC TWG decided to address a cap and trade program in its development of this option.

Goals for May 19 GCGW Meeting #6

The TWG will start development of the straw proposals for the CC TWG's pending priority policy options for review and approval by the GCGW at its May 19th meeting. Any costs associated with a the CC TWG's pending priority policy option will be quantified later in the process, after the GCGW approves of the straw proposal.

Next Steps for the TWG

The TWG will develop consensus recommendations for the design characteristics of the CC policy options. Straw proposals for the policy design will be developed using a standard template as outlined on Slide 7 of the PowerPoint. The TWG will also need to identify any policies and programs currently in place in Arkansas to identify baselines for each of the policy options. The policy description may need to be revised to be consistent with the policy design once the TWG fleshes out the policy design for each of the option.

Discussion Regarding Development of Straw Proposals for Priority Policy Options

Colburn and Strait explained that Arkansas state law constrains the TWG members from working together outside of a public meeting to develop the straw proposals. They offered to prepare the straw proposal for each pending policy option based on the TWG member's ideas presented during the CC TWG meetings (since these are open to the public). The TWG agreed that it might be more efficient use of their time if one member prepared the first draft of the straw proposal for each option and then CCS could compile the work of individual members into one file for discussion at the next TWG meeting. It was noted that individual members of the CC

TWG may contact members of the Advisory Body and other agencies to collect information on policies and programs in place in Arkansas as they develop this information for the straw proposal.

The TWG requested a cross-walk to show how actions on the catalog were mapped to consolidated pending priority policy options. Strait copied a table of this cross-walk from the memo posted for the last GCGW meeting and sent it to the TWG during the call.

CC-1 (Greenhouse Gas Inventories and Forecasts) – It was noted that CO₂ and other GHGs are not currently regulated as a pollutant under Arkansas law. It is not clear if the state can collect CO₂ and other GHG emissions data from sources in Arkansas so this issue will need to be considered. It was also noted that the Arkansas Department of Environmental Quality does collect activity data (e.g., the amount of fuel consumed on an annual basis) from emission sources as well as from other information sources (e.g., state-specific databases published by the US Department of Energy’s Energy Information Administration) to support development of its criteria air pollutant inventory. Therefore, it is possible that the activity data collected could be used with GHG emission factors to calculate emissions.

It will be important to note in the straw proposal the existing information management and tracking systems that ADEQ and possibly other agencies have in place that can be used to support ongoing development and updates to a GHG I&F in Arkansas. If additional staff will be needed to support implementation of this option, this should be noted in the straw proposal.

CC-2 (State Greenhouse Gas Reporting and Registry) – It was noted that an international registry, called *The Climate Registry*, is being developed with 49 US states participating. The TWG may want to consider if Arkansas should join *The Climate Registry*. The Chicago Climate Exchange was also discussed; which requires participants to develop a baseline inventory and commit to achieving reductions in GHG emission reductions from the baseline over a specified period of time. It was noted that the GHG emitting entities sign on to the Chicago Climate Exchange; New Mexico is an example of a state agency that has joined this registry to commit to reducing GHG emissions from state government operations. The TWG discussed that perhaps consideration of the Chicago Climate Exchange would fit better under CC-4 (The State’s Own Greenhouse Gas Emissions (Lead-by-Example)) since this option focuses on the state managing GHG emissions from state operations.

It was noted that the US Environmental Protection Agency (EPA) is now required to develop a mandatory GHG reporting rule by the summer of 2009. This requirement is contained in the Consolidated Appropriations Act, 2008, passed by the US Congress and signed by the President last December.¹ This program should be acknowledged in the straw proposal. CCS will provide the TWG with a letter from US Senator Dianne Feinstein, Chairman of the Senate Appropriations Committee on the Interior, Environment and Related Agencies, to Ms. Gina McCarthy, Chairman of the Board of Directors of *The Climate Registry*, indicating that the intent of the Committee including this federal GHG reporting requirement in the Act is for the US EPA to develop and implement a federal GHG reporting system that is able to support both a federal cap-and-trade program and state GHG programs, will draw from and build on and, to the extent appropriate, be compatible with *The Climate Registry* and state-level mandatory programs.

¹ 110th US Congress, First Session, H.R. 2764: Consolidated Appropriations Act, 2008, <http://www.govtrack.us/congress/billtext.xpd?bill=h110-2764>, see Title II, Administrative Provisions, Environmental Protection Agency (Including Rescission of Funds), pages 284 and 285.

CC-3 (Statewide Greenhouse Gas Reduction Goals or Targets) – Colburn noted that since Arkansas has not yet established statewide GHG reduction goals or targets, that the TWG may want to consider delaying work on this option until the results of the GHG emission reduction estimates for the pending priority policy options being considered by the other TWGs is available. The quantification results from the other TWGs will be available between the 7th and 8th meetings of the GCGW. The other approach is for the TWG to go ahead and develop recommendations on GHG reduction goals or targets based on available information. The TWG agreed that it wanted to consider the quantification results developed for all of the pending policy options during its consideration of goals or targets for Arkansas, and, therefore, agreed to delay work on this option until that information becomes available later in the process.

CC-4 (The State's Own Greenhouse Gas Emissions (Lead-by-Example)) – It was noted that this option could also include creative financial options, and have some overlap with CC-8. This option is also unique to Arkansas in its structure.

CC-8 (Creative Financial Mechanisms) – The TWG will utilize the state Energy Office for more resources regarding economic development.

CC-6 (State Climate Public Education and Outreach) – For this option, the TWG indicated an interest in identifying education and outreach efforts being undertaken by other agencies in Arkansas. It was noted that the Arkansas Energy Office may be a good resource.

Review of Next Steps

Each TWG member should send their draft straw proposal for the option they work on to CCS by May 1. CCS will organize the straw proposals into one file that will be distributed to the TWG and posted on the website for the next meeting on May 8. TWG members should let CCS know if they will not be able to meet the May 1 deadline and how much additional time they will need to complete their straw proposal. TWG members should also feel free to call Randy Strait if they have any questions about these next steps. The TWG requested that CCS provide them with links to other state websites for examples of straw proposals that other states have developed. CCS will provide this information after today's meeting.

Agenda, Date and Time for Next Meetings

The TWG members agreed to the following for the next CC TWG meeting:

- Meeting #5, Thursday, May 8, 2008, 3:00 – 4:30 PM CST
- Meeting #6, Wednesday, June 4, 2008, 3:00 – 4:30 PM CST
- Meeting #7, Wednesday, July 16, 2008, 3:00 – 4:30 PM CST

The next GCGW is scheduled for May 19, 2008. Documents must be posted on May 12th.

Public Comments and Announcements

Mark Alison asked about the schedule for releasing the draft I&F. Strait stated that it is going through review by the Arkansas Department of Environmental Quality and other state agencies that provided Arkansas-specific data for the I&F. We hope that we will have the draft report done next week. The draft report will be posted on the project website when it is ready for review by the GCGW and the TWGs.