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MEETING SUMMARY
ARKANSAS GOVERNOR'S COMMISSION ON GLOBAL WARMING (GCGW)
Energy Supply (ES) Technical Working Group (TWG)
Call #6, June 2, 2008
9:30 a.m. to 11:30 a.m. Central Time

Attendees

GCGW: Rob Fisher; Art Hobson, PhD; Kevan Inboden; Robert McAfee, PhD; Gary Voigt; Kathy Webb

Governor's Office: Andrew Parker

Advisory Body Members:

Center for Climate Strategies (CCS): Donna Boysen

Background Documents (all posted at www.arclimatechange.us/ee.cfm)

1. Notice and Agenda
2. Call #5 Meeting Summary
3. PowerPoint Presentation
4. Revised ES Straw Proposal Template
5. ES Quantification Memo
6. AR draft Appendix A Electricity Supply
7. AR draft Appendix E Fossil Fuel Industry

Introductions and Review of Agenda

Donna Boysen noted and welcomed the TWG members as well as representatives from the Arkansas Governor's Office. Donna asked for comments, questions, or concerns on the Meeting Summary for Call #5; there were none. Gary Voigt stated his official objection to ES-7 being included in the straw proposal on the grounds that he feels it is counter-productive, not technically feasible, and damaging to AR economy.

Donna reviewed specific slides of the PowerPoint presentation (provided as a background document), including a review of what the TWG has accomplished so far and the TWG's future steps and process.

GCGW Meeting Results and Goals

The primary goals for the next few GCGW meetings (#6 - #8) are to obtain GCGW approval of TWG straw proposal revisions and to develop recommendations for improving the draft Arkansas GHG Inventory and Forecast.

Next Steps for ES TWG

Current goals of the ES TWG are to:

- Develop consensus recommendations for design characteristics of remaining ES priority policy options in the straw proposal
- Draft straw proposals for the design of policy options including “policies/programs in place” and implementation mechanisms
- Begin quantification
- Develop recommendations for improving the ES I&F

Straw Proposal Development

Donna led the members in discussion of each policy option, with the focus on the policy design sections. Members provided comments and suggested revisions and recommendations, which will be incorporated into the document for continued refinement during following meetings.

ES-1 This policy option will be deferred to the RCI TWG.

ES-2 This policy option is not quantifiable.

ES-3A Donna will provide specific policy goals based on the framework developed by other states with the same policy option.

ES-3B Although this option continues to generate discussion, Donna noted that for the purposes of the pending quantification stage, it has been developed fully enough at this time.

ES-4 A concern was raised that the tax-credit portion of this approach might be less effective for people with lower income if they don't file taxes. Donna will provide specific policy goals based on the framework developed by other states with the same policy option.

ES-5 Looks good, but perhaps include the development of a study on how AR can benefit and what can be done by AR. Donna will provide an example of what another state has done. A concern was raised that AR should not establish a carbon tax or cap-and-trade action.

ES-6 The phase-in period of 2010 - 2015 was identified for this policy option.

ES-7 Donna noted that for the purposes of the quantification stage, this option is suitably developed at this time. Gary Voigt reiterated his objection on the inclusion of ES-7 among the options for further consideration on the grounds that it is counter-productive, not technically feasible, and damaging to the AR economy.

ES-8 The timing was defined as a 5-year phase-in from 2015 to 2020. Improvement in renewable portfolio should be included as an increase in imported renewables by 5% above baseline. Language was suggested for future inclusion in the Implementation Mechanisms section.

- ES-9** Donna conveyed Hugh McDonald's suggestion at the GCGW meeting that the timing should be changed from 2018 to 2020. It should be noted that this nuclear capacity may be realized not from a new facility located in AR, but via imported nuclear power increased from facilities installed in neighboring states.
- ES-10** Donna will provide specific policy goals based on the framework developed by other states with the same policy option.
- ES-11** The improvement should be based on *existing* heat rate. The efficiency goal should be 5% by 2015 and 10% by 2020.

Donna will prepare a revision of the straw proposal based on the group's discussions to be submitted to the TWG members by email.

ES Quantification Memo

Donna presented the ES Quantification Memo prepared by Bill Dougherty at CCS. The primary goal of the quantification process is "transparency": of the data, of the assumptions, and in the workbooks.

The goal is for at least one of the quantifications to be completed and emailed to the TWG members by Thursday for review at the next meeting on Friday of this week.

Date and Time for Next Meetings

The next ES TWG meetings are scheduled for:

- Call #6a – Friday, June 6, 2008 @ 1:30 pm Central Time
- Call #7 – Friday, June 13, 2008 @ 1:30 pm Central Time

Public Input and Announcements

Paul Means of Entergy identified himself but had no comment.

Ken Smith from the Audubon Society identified himself and stated that he thought the TWG made good progress today. Mr. Smith thanked the TWG for all of their hard work.