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MEETING SUMMARY
ARKANSAS GOVERNOR'S COMMISSION ON GLOBAL WARMING (GCGW)
Energy Supply (ES) Technical Working Group (TWG)
Call #7, June 13, 2008
1:30 p.m. to 3:30 p.m. Central Time

Attendees

GCGW: Nick Brown; Rob Fisher; Kevan Inboden; Robert McAfee, PhD; Kevin Smith; Gary Voigt; Kathy Webb

Governor's Office: Jillian Hicks

Advisory Body Members: John Bethel

Center for Climate Strategies (CCS): Donna Boysen, Judith Barry

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

1. Notice and Agenda
2. Call #6a Meeting Summary
3. PowerPoint for Teleconference
4. Revised ES Straw Proposal
5. Draft Quantification for AR ES-9 (revised)
6. Draft Quantification for AR ES-6
7. Draft Quantification for AR ES-8
8. Draft Quantification for AR ES-11
9. Levelized costs for AR

Introductions and Review of Agenda

Donna Boysen initiated the call and welcomed the TWG members, completed a roll call of the members of the Technical Work Group and personnel from the governor's office, and briefly reviewed the meeting summary from Call #6a, on June 6, 2008. There were no comments.

Donna explained that the purpose of this call was to continue review of policy options that have a draft quantification. The TWG reviewed the following options:

ES-6: Combined Heat and Power

- Donna reviewed the various tabs in the workbook for ES-6. Based on TWG member questions, she explained that initial numbers are somewhat arbitrary and need to be discussed and analyzed by the TWG. TWG members should provide sources of defensible data to help inform input in the workbooks.
- One TWG member stated that capital costs seemed off by a factor of 2 or 3 compared to today's costs. Donna solicited input on better numbers. Kevan Inboden and Gary Voigt agreed to work together to provide numbers for fossil fuel options. Nick Brown and Rob Fisher agreed to provide wind data. Will need resources for other generation sources (such as biomass) addressed in policy options.
- Donna agreed to provide AR_ER_IandF.xls workbook to TWG members. She will also look for precedents from other states to build upon.
- Donna reviewed the distinction between production-based and consumption-based totals on Tab 1.
- The TWG agreed to set goal at 10% reduction beginning in 2011 and ramping up through 2021. This will trim about 246 MW of load (gas and coal).
- Gary Voigt will send EIA data for distributed generation capacity to determine if goal is achievable.

ES-8: Transmission System Upgrades

- TWG members questioned validity of \$30 million annual cost for option. Nick Brown and Gary Voigt will provide input based on current technologies available to achieve 5% reduction above and beyond regular maintenance.

ES-11: Efficiency Improvements and Repowering of Existing Plants

- TWG agreed that better input was needed on cost. Kevan Inboden and Gary Voigt will provide some better numbers.

ES-9: Nuclear Power

- The TWG did not have time to review this option. Donna stated that the revised workbook clarified issues discussed at the last meeting.

Donna concluded meeting by stating that policy option language will need to be reviewed through this process as well. Future meetings will continue to focus on reviews of options. Once each option is quantified, the TWG will assess for areas of overlap and make inter- and intra-TWG adjustments to evaluate the aggregate affect of the options. The focus of the next

Governor's Commission meeting will be to clarify the quantification process across workgroups. Only ES-9 will be presented for this TWG.

Date and Time for Next Meetings

The next GCGW meeting is scheduled for: June 17, 2008. The next ES TWG meeting is to be determined.

Public Input and Announcements

William Ball, AR Renewable Energy Association: Volunteered to provide photovoltaic cost data at the utility level.