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MEETING SUMMARY
ARKANSAS GOVERNOR'S COMMISSION ON GLOBAL WARMING
Residential, Commercial, Industrial (RCI), Technical Working Group (TWG)
Call #7, June 13, 2008
10:00 a.m. – 12:00 p.m. CST

Attendees:

GCGW: Stephen Cousins; Kevan Inboden; Christopher Ladner; Robert MacAfee, PhD;
Cindy Sagers, PhD; Jeffrey Short; Kathy Webb;

Governor's Office: Jillian Hicks

Advisory Body Members: John Bethel

Center for Climate Strategies: Donna Boysen, Hal Nelson, Judith Barry

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

1. Notice and Agenda
2. Call #6 Meeting Summary
3. PowerPoint for Teleconference
4. Revised RCI Straw Proposal
5. Levelized Costs
6. Draft Quantification for RCI-1
7. Draft Quantification for RCI-2
8. Draft Quantification for RCI-3
9. Draft Quantification for RCI-9

Introductions and Review of Agenda

1. 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 items from Call #6, on June 6, 2008. Robert McAfee indicated that he forwarded comments and clarifications from Eddie Moore to Donna Boysen. There were no other comments.
2. Donna explained that the purpose of this call is to continue to review draft quantifications provided by CCS and revisit policy descriptions, design, and other sections of the policy option design template. She clarified that results of discussions today will not be passed on

to the Governor's Commission at the meeting on Tuesday, June 17 because the deadline had passed for submitting materials for the meeting.

Donna stated that the goal was to discuss the following workbooks:

- Levelized costs
- RCI-3
- RCI-9
- RCI-1
- RCI-2

3. The TWG discussed the following overarching issues throughout the call:

- As potential revisions to language in POD are discovered, modifications should be suggested during these meetings. The data and language can be revisited at any time. It is likely that language and policy design will become more detailed as process moves forward. Language should be specific to make it quantifiable and implantable from a political and legislative perspective.
- The TWG acknowledged that there is overlap, specifically between RCI-1, RCI-4, and RCI-9. Donna stated that options should be quantified as free-standing options first and then areas of overlap will be identified.
- There is concern that natural gas price forecast is lower than reality. TWG members were encouraged to provide other sources of data to CCS.
- CCS clarified that cumulative reductions are based against business as usual increases over time.
- The TWG discussed the approach to quantifying costs associated with options. Currently, costs to consumers, utilities, or other entities are not included. Hal Nelson added that if consumer costs are included, then consumer benefits should also be included. One TWG member suggested that incentivized options do not need to include consumer costs (because voluntary), but should pursue more comprehensive costs on other options. TWG members agreed that transparency is advantageous and that whichever approach is pursued, there should be a disclaimer stating approach. Donna stated that the TWG can pursue inputs that are reasonably attainable within timeframe, budget, and available data.
- Donna stated that they would review the RCI quantification memorandum next meeting to help TWG members better understand data sources and assumptions.

4. The TWG reviewed and discussed RCI-1.

- One TWG member requested that links to specific codes be referenced in the design to enable better review of this option. Chris Ladner will provide these links to Donna for

distribution. He explained that the emphasis of this option was designed to align AR codes with existing standardized codes to achieve improvements.

- One TWG member suggested that manufactured homes should follow national code too. Chris Ladner will look into appropriate numbers.
- The TWG discussed a potential additional goal to discourage electric resistance heating because of availability of natural gas in AR. This may be an interim goal to be phased out as fuel mix for electricity becomes cleaner.
- The TWG also discussed heat pumps and geothermal heat pumps as viable options because 30 to 40% of residential energy use is heating and cooling. Options that rely on moving heat have great potential. Perhaps net efficient systems could be addressed as a goal. Heat pumps might also fit under RCI-6.

5. The TWG reviewed and discussed RCI-4.

- It was suggested that this option be divided into (a) new buildings, and (2) existing buildings to address different strategies, approaches, and benefits through the quantification process.
- Judith Barry stated that last goal in design was only quantifiable goal and asked for clarification between RCI-4 and RCI-9. TWG members explained that this option should incentivize building owners to pursue energy efficiency. New building improvements should be based against code and existing building improvements should be based against regional averages by building type. Chris Ladner will forward building rating information.
- TWG agreed to remove goal referring to renewable sources and goals referring to state-owned buildings. RCI-4 goals should focus on private-owned buildings.

6. The TWG reviewed and discussed RCI-3.

- TWG members realized that there is state-owned residential housing that should be addressed (university housing, governor's mansion), which is a small percentage of overall residential, but higher than 0 indicated.
- Kathy Webb will provide CCS with a contact to obtain data on existing state-owned building growth, etc.

7. The TWG reviewed and discussed RCI-2.

- One TWG member expressed concern that natural gas was not included. Based on previous discussions, the TWG had agreed to remove it because AR natural gas utilities have experienced reductions. John Bethel will provide data on decreasing us in AR.

Agenda, Date and Time for Next Meetings

The next GCGW meeting is scheduled for Tuesday, June 17, 2008. The next TWG meeting is TBD.

Public Input and Announcements

- Ludwik Kozlowski, AR Community Action Agencies Association (CAAA): Asked TWG members to keep in mind that low-income users already have high bills and use low energy.
- Eddie Moore, AR Public Policy Panel:
 - a. CAAA submitted a plan on how to expand the weatherization program. Maybe this could be forwarded to the TWG.
 - b. Agree that savings can be generated by looking at resistance heating.
 - c. Agreed to should include natural gas in conservation targets. On-demand or solar water heating would protect consumer.
 - d. Should include cost and benefits where possible.
 - e. Suggested consolidating building efficiency options into two options: state-owned and non-state, with each option divided into areas focusing on new and existing buildings.
 - f. Some mobile homes are Energy Star rated. North Carolina has provided incentives to buy Energy Star manufacture homes.
 - g. Other states have considered state appliance standards. These standards are already developed and could be adopted with little cost or effort ahead of the federal schedule.
- William Ball: Enjoyed listening. He thanked TWG members for their good work.