



**MEETING SUMMARY**  
**GOVERNOR'S COMMISSION ON GLOBAL WARMING**  
**Cross Cutting (CC) Issues Technical Work Group (TWG)**

**Call #9, August 13, 2008**  
**2:00-4:00 pm Central**

**Attendees:**

**TWG Members:** Nick Brown, Jerry Farris, Rob Fisher, Chris Ladner

**Advisory Body Members:** Karen Bassett, Nancy Ledbetter, Teresa Marks

**Arkansas Governor's Office:** None

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

**Members of the Public:** One person, name unknown

**Background documents:**

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

1. Meeting Notice and Agenda
2. Draft Summary of Call #8
3. PowerPoint for Teleconference
4. Draft Priority Policy Options for Analysis

**Introductions and Review of Agenda**

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

**Approval of Call #8 Summary**

The TWG approved the draft summary for CC TWG Call #8 with one correction, changing the date 'July 23' to 'July 31' at the end of the first paragraph on page 2 under "Discussion Regarding Priority Policy Options." The corrected version will be posted on the website.

**Dates and Times for Future GCGW and TWG Meetings and GCGW Progress**

Colburn reviewed upcoming meeting dates and times for the GCGW meetings. The GCGW approved four of the CC options at its meeting on July 31. The remaining options need to be completed in time for the September 9 GCGW meeting. The GCGW has an additional meeting scheduled for September 25.

The TWG agreed to change the time for the next meeting to **August 28 from 3-5 pm Central** from 10-12 Central on the same date. This change has been made to the website.

An additional meeting may need to be held prior to September 2. One meeting may need to be held during September to address GCGW concerns and comments.

### **Review of Results of GCGW Meeting #8**

The GCGW approved four CC policy options at its meeting on July 31: CC-4 (unanimous); CC-5 (one objection); CC-6 (one objection); and CC-9 (one objection). For these four options, CCS has recorded the decision of the GCGW in the last three elements of the template (i.e., Status of Group Approval, Level of Group Support, and Barriers to Consensus).

The GCGW asked that the TWG recommend a different name for the Arkansas Climate Change Institute referenced in several of the policy options. A TWG member recommended that the name be changed to the Arkansas Climate Change Center; the TWG approved this change without any objections.

### **Goals for September 9 GCGW Meeting #9**

The TWG should be working to complete its recommendations on the remaining pending priority policy options. This includes filling out the TWG's recommendations on the remaining elements of the template for each of the options. This work must be completed by the end of August so that the GCGW can consider as many options as possible for its final review and approval.

### **Discussion Regarding Development of TWG Recommendations for Priority Policy Options**

Colburn noted that the policy option description (POD) file distributed for today's call contains revisions (show in markup text) from a CCS editorial review of the file to prepare it as an appendix to be included in the Final Report. The TWG approved the editorial revisions as it reviewed each of the options during the call. The TWG addressed specific editorial questions on the following options:

- CC-4 (The State's Own Greenhouse Gas Emissions (Lead by Example)) under Policy Design – Timing: Fill in "TBD" with "*should be due by June 2010 or sooner*" to coincide with the end of the fiscal year.
- CC-5 (Comprehensive Local Government Climate Action Plans) under Barriers to Consensus: CCS noted that the Barriers to Consensus section contains an incomplete sentence that will be addressed by the TWG today. The TWG agreed to use the language for CC-6 for CC-5.
- CC-9 (Adaptation and Vulnerability) under Policy Design – last bullet: Answer 'with whom?' as "*with the Parties Involved*" and 'of what?' as "*to monitor data and analyses*".

### **CC-1 Greenhouse Gas Inventories and Forecasts**

The TWG agreed to recommend this option to the GCGW for the GCGW's final review and approval after incorporating the following revisions approved by the TWG:

In the Timing section, replace the two bullets with the following text: *Implement refinement of the GHG inventory for previous and current time periods, as needed, to support implementation of the policy recommendations by the Commission until the requirements of the U.S. EPA reporting rule on GHG emission inventories and forecasts become clear.*

The TWG noted that it will have a historical inventory for 1990 through 2005 by the end of the process, and agreed that it was not necessary for the state to refine the estimates of emissions for every year. The language was changed to note the need to update historical data as needed to support of policy recommendations by the GCGW or to comply with any future EPA requirements, if necessary.

Under Related Policies/Programs in Place, the TWG agreed to move the text regarding the exclusion of CO<sub>2</sub> from the definition of air contaminant under Chapter 2 of the Arkansas Air Pollution Control Code (Regulation 18) to CC-2 under the Policy Design section for the state of Arkansas. Under CC-1, the state can develop historical and current inventories using data that it has already collected or using federal and regional data sets that contains data for Arkansas. The issue concerning the collection of data is more of a barrier to implementing reporting recommendations under CC-2 rather than development of emissions inventory estimates under CC-1. It was noted that the text is also under CC-11. The TWG agreed to keep the language in both CC-2 and CC-11 as a matter of emphasis.

### **CC-2 Reporting and Registry**

The TWG agreed to recommend this option to the GCGW for the GCGW's final review and approval after incorporating the following revisions approved by the TWG:

Copy the first paragraph of the Policy Design - Goals section of CC-11, beginning "The state should amend..." and insert as second paragraph under Policy Design - Goals - State of Arkansas. Add "See also CC-11" to the end of the paragraph.

Under Timing, add the following as a third bullet: *Arkansas Code Title 8, Regulation 18 excludes CO<sub>2</sub> as a pollutant. This regulation will need to be modified for a state agency reporting requirement and/or regulation of CO<sub>2</sub>.*

For the Implementation Mechanisms section, CCS emailed the TWG draft language prepared by a CC TWG member for this section on July 23 just before the beginning of the prior TWG call. The TWG discussed this draft language during the call today. This draft language recommends that Arkansas join The Climate Registry as a board member and also become a reporter to The Climate Registry. All state agencies would report as part of the state Lead by Example strategy. Emitters in Arkansas can voluntarily participate. The TWG agreed to include this language in the policy option, but expressed concern that it potentially could duplicate reporting requirements under the rulemaking that EPA is developing. To address this concern, the TWG agreed to add a sentence to the proposed language such as 'If and when a federal registry and reporting program is implemented, Arkansas will adjust its rules as appropriate to align itself with the approved federal program.'

### **CC-7 Optimizing Best Scale of Reduction Policies**

Members will provide clarifying examples of Parties Involved. The TWG will consider developing examples to include in this option for discussion during the next TWG call.

### **CC-8 Creative Financial Mechanisms**

The TWG recommends setting a baseline, minimum level of funding necessary to implement and continue the program. Language should be added to suggest that the state underwrite the seed capital in order to encourage other investment capital. Add language that enumerates many possible funding sources, specifically not stressing state funding issues. A TWG member offered to develop suggested language and will check with the Governor's office on potential sources of seed money.

### **CC-10 Climate Change-Related Economic Development**

A TWG member described proposed language for the Implementation Mechanism section and will submit suggested language to include in the POD for review during the next call. This language emphasizes a performance-based strategic management system that reviews metrics between predicted vs. actual results; improvement of metrics and programs; community involvement; education between policy makers and public; research levels, etc.

Another TWG member offered to provide information about a potential pilot program to link economic development, industry retention, and homeowners' energy expenses.

It was also suggested that the option identify surrounding states for their strategic plan for GHG reduction and economic development.

Under Timing, add the following: *Basic seed money should be allocated by the end of the 2009 legislative session.*

Under Key Uncertainties, add the following: *Economic development related to climate change appears promising, for several well-substantiated reasons, that there will be 'green' jobs that can not be readily exported, but there is uncertainty as to timing, location and degree of those developing opportunities.*

### **CC-11 Regulatory Realignment in Government To Encourage Constructive Climate Action**

Add the reference "See also CC-2" to the end of the first paragraph of the Policy Design - Goals section of CC-11, beginning "The state should amend..."

A TWG member expressed the concern that merchant power plants (wholesale generators) are not regulated by the Arkansas Public Service Commission (PSC). They were specifically exempted in Act 1322 adopted during the 1999 state legislative session. This exemption should also be addressed in this policy option to recommend that merchant power plants be subject to the same planning requirements as power plants regulated by the PSC.

The PSC regulates only those utilities that have a direct impact on ratepayers, since there is a monopolistic relationship with their customers. Merchant power plants, for example, can site their plants anywhere they wish without specific regulatory controls since there is no direct sale to retail customers.

A TWG member will provide informational materials and suggested language for inclusion in this policy option to remove from Act 1322 the exemption for merchant power plants.

Under Timing, add “*of adoption*” after “Within 15 months” to clarify the timing for implementation of the option.

**Agenda for Next Meeting**

The TWG will continue review of outstanding policy options.

The next meeting is scheduled for August 28, 2008 from 3-5 pm Central.

**Public Comments and Announcements**

None