



**MARYLAND COMMISSION ON CLIMATE CHANGE:
GREENHOUSE GAS AND CARBON MITIGATION WORK GROUP
Energy Supply Technical Work Group
Summary of Teleconference Meeting, Call #7
November 16, 2007**

Attendance List:

MD MWG ES TWG Members: **[Please identify who was on this call]**

State of Maryland: **[Please identify who was on this call]**

CCS:

Bill Dougherty, Donna Boysen, Jeff Wennberg

Public: **[Please identify who was on this call]**

Bill Dougherty led off with an introduction of Jeff Wennberg and Donna Boyson who will be providing facilitation and technical assistance for the TWG with Bill taking a support role in the future. The committee then began a review of the subcommittee drafts of the policy options.

ES-1 Renewable Energy Resources: This option focuses on removing institutional barriers to the use of renewable energy such as zoning, site requirements, etc. The implementation would involve a review of existing regulations and to propose changes to make renewable development easier. Brad asked if this could apply to wind as an off shore resource, for example, could utilities enter into long-term contracts for capital-intensive renewable projects as an implementation mechanism? After some discussion it was decided that a fourth bullet would be added under policy design to include "Long term contracts for off shore wind and other renewables."

ES-2 Technology-Focused Initiatives for Electricity Supply: Ed pointed out that NYSERDA does exactly this sort of thing in New York State, and he didn't know how or whether this would overlap with what MEA is already doing. Examples of project types included landfill gas, biomass co-firing, fuel cells for distributed generation, energy storage. The committee felt the Nov 30 meeting would be a good opportunity to get feedback from the full group. A question was raised regarding how the reductions from these investments could be quantified.

ES-3 Cap and Trade: It was recognized that this is a very large and complicated issue. There was discussion on how broad the cap should be. The committee expressed a preference for a regional or even a national program. The sub group leaned toward full auctioning of allowances but there was strong disagreement on this point. The group was not prepared to recommend on the matter of 'point of regulation.' Brad said that the cap should be based on statewide emissions targets but that C&T could not regulate everything. However it was desirable to include as many sectors as practical. There was some discussion how C&T could be applied to automobiles.

ES-4 Carbon Capture, Storage and Reuse: The subcommittee decided not to evaluate the feasibility of these emerging technologies, but indicated that such studies need to be undertaken. There was discussion regarding the possibility of a new coal plant being constructed in MD. It was stated that Alcoa is 'mulling' the idea with Indian Head Naval Base and they are talking about prospects for using IGCC technology. There was discussion about specific new emerging technologies for coal plants. There was discussion on whether the policy should address only retrofits or include new plants. The committee agreed that both should be required but qualified by the words "as feasible", and there should be acknowledgement of the need for coordination with other states and federal agencies.

ES-5 Clean Distributed Generation: The committee decided to refer this POD to a person at the University of Maryland for review. Brad Heavner agreed to request the review.

ES-6 Integrated Resource Planning: It was mentioned that Maryland used to have IRP a number of years ago but has abandoned it. It is expected that the PSB will set policy in this area through two dockets in the future.

ES-7 Renewable and/or Environmental Portfolio Standard: Bill Dougherty confirmed that the proposed legislation would require a doubling of the current RPS. There was discussion on the status of hydropower under the standard.

ES-8 Efficiency Improvements and Repowering Existing Plants: This POD needed a sub committee to review and revise the straw proposal. Bill Cunningham, Lise Van Susteren and Ed Giugliano volunteered to bring back a redraft for the committee's consideration.

ES-9 Carbon Tax: There was general discussion on the operation of a carbon tax as compared to a cap and trade system. Brad said the draft assumed that a tax and a cap and trade would not both be done. There was discussion about whether the tax could apply to sectors where the cap and trade did not. The committee decided it should work in a complementary fashion with the cap and trade.

ES-10 Generator Performance Standard: There was discussion regarding how imported power from out of state could be characterized for its carbon profile. There was also concern that the GPS would only apply to the 2/3 of the power purchased by the utilities, with 1/3 being purchased directly by large users. Liz Martin-Perera offered to provide language to extend the standard to all power imported into Maryland.

Bill Dougherty summarized the review and approval process from this point forward. Proposed language and other changes are to be to Bill by the 18th and will be posted by Friday the 23rd. The next call will include a discussion of the quantification of the various options.