



**MARYLAND COMMISSION ON CLIMATE CHANGE:
GREENHOUSE GAS AND CARBON MITIGATION WORK GROUP
Energy Supply Technical Work Group
Summary of Teleconference Meeting, Call #8
December 18, 2007**

Attendance List:

MD MIT Energy Supply TWG Members:

Frank Heintz, Bill Cunningham, Dick D'Amato, Michael Replogle

State of Maryland:

Elizabeth Entwisle

CCS:

Jeff Wennberg, Donna Boysen, Bill Dougherty, Julia Vetromile, John Warmerdam

Public:

Jonathan Kapiloff

Jeff Wennberg opened the call at 11:04 AM with a roll call and re-introduction of the change in TWG staff support to include Jeff and Donna Boysen. Jeff then summarized the agenda.

The first item was review and approval of the previous call (11-16-07, call #7) summary. No summary was available so this item was set-aside.

The second item was a review of the redraft of ES Policy Options resulting from the 11-30-07 MWG meeting. Jeff went through each option in order and committee decisions are noted as follows:

- ES-1 Promotion of renewable energy – Amend 4th bullet under Policy Description to say “make use of long-term contracts for offshore wind and renewable”
- ES-2 Technology-focused initiatives – No revisions
- ES-3 Cap-and-trade – Committee accepted draft revisions
- ES-4 Combine capture, storage and reuse – No revisions
- ES-5 Clean distributed generation – No revisions
- ES-6 Integrated resource planning – No revisions
- ES-7 Renewable portfolio standard – No revisions
- ES-8 Efficiency improvement and repowering – No revisions
- ES-9 Carbon (GHG) tax – Committee accepted draft revisions except for 1) two new sentences half way through first paragraph under Policy Description. Sentences to be removed: “However, it is very difficult to predict how emissions will be affected by a tax. Indeed, there is no guarantee that the tax will achieve emissions reduction targets or even result in reductions at all,” and 2) insertion of a statement to the effect that the carbon tax and the cap and trade are seen as ‘complimentary’ measures.
- ES-10 Generation performance standard – No revisions

There was some discussion under ES-3, Cap and trade, whether the committee could narrow the 6-month schedule ranges for key steps toward the implementation of the program. Elizabeth Entwisle said she would check on process times for rulemaking. Committee members expressed interest in learning more about sector coverage issues and the interactions between a cap and trade and a carbon tax, and examine these on a sector-by-sector basis. These items will be placed on the agenda for future calls.

There was also a request for more background on ES-8, Efficiency improvement and repowering.

The next item on the agenda was a review of the “Quantification Memo” which was led by Donna Boysen. Donna introduced Julia Vetromile and John Warmerdam as the folks working with her to perform the analysis, with assistance from Bill Dougherty. She then summarized the memo, emphasizing the principle of transparency, the goal of generating GHG reductions and resulting costs for each option, the methods and assumptions to be used and the effort to prevent double counting or overlap with recommendations from other TWGs.

In response to a question Bill Dougherty explained that the analysis typically would look at a range of projections based upon the committee’s recommendations when precision is not possible. The analysis would pick a high and a low assumption and then run it both ways. It would up to the committee to then decide where within that range they were most comfortable regarding the likely outcome.

The next item was a discussion of the committee schedule over the next month or so. Bill and Donna said that now that they had approved Policy Option descriptions the analysis could begin in earnest. They expected the first round of numbers from the analysis would be available for the last week in January. The committee decided to schedule two meetings in January, the first during the second week and the second during the last week to review the results of the analysis. The items for the first call could include

- a summary of what other cap and trade programs (RGGI, EU, WCI, individual states) are doing relative to sector coverage;
- information on the carbon tax and interactions with a cap a trade;
- information on Maryland’s rulemaking timeline;
- sector-by-sector analysis of the difference between a carbon tax and the cap and trade;
- a discussion of the different goals between the cap and trade being proposed by the Cross Cutting TWG and ES.

Jeff asked if any member of the public wished to comment and Jonathan Kapiloff raised the issue of the potential benefits of high altitude wind. He described several technologies that are in various stages of development, up to 15,000 feet in elevation. He encouraged the committee to specifically consider recommending including these technologies are part of the renewable energy package. Jonathan agreed to forward his email and any helpful links to Jeff who would pass the message along to the members.

There being no further business the call was ended at 12:26 PM.