



**MARYLAND COMMISSION ON CLIMATE CHANGE:
GREENHOUSE GAS AND CARBON MITIGATION WORK GROUP
Energy Supply Technical Work Group
Summary of Teleconference Meeting, Call #9
January 9, 2008**

Attendance List:

MD MIT Energy Supply TWG Members:

Frank Heintz, Bill Cunningham, Eric Coffman, Brad Heavner, Misty Allen, Michael Replogle

State of Maryland:

Elizabeth Entwisle

CCS:

Jeff Wennberg, Donna Boysen

Public:

Jeff King

Jeff Wennberg brought the meeting to order with a roll call at 11:03 AM. He then reviewed the planning process and the agenda for the meeting. He explained that Donna had a conflict for the beginning of the call but was expected to join the call near the end.

Jeff asked for comments on the meeting notes for call #7, held on 11-16-07. He asked for help with the attendees and Liz Entwisle offered to email her attendance list. There were no suggested amendments to the summary so it was approved as drafted.

Jeff then asked for comments on the summary of call #8, held on 12-18-07. There were no suggested amendments so the summary was approved as drafted.

The next item was the changes to the POD text resulting from the prior call. The first changes were to ES-4, Combined Capture, Storage and Reuse (CCSR) incentives, requirements and/or enabling policies. The changes were under the “goals” section under Policy Design. After some discussion the committee decided to use the term “Best Available Technology” in place of “feasible” with reference to required retrofits of existing generating units as of 2020. Other language changes were approved.

The next change was in ES-9, the carbon tax. There was a good deal of discussion on the degree to which a cap and trade can be applied to all sectors, and the potential for a carbon tax to be a better alternative where the cap and trade has problems. Jeff reviewed his table showing the status of sector coverage within the various cap and trade programs, both proposed and in effect. Brad Heavner said he understood the tax not under consideration for across-the board application, but rather as a complement to the cap and trade. Frank Heintz stated that the cap and trade was viewed by the committee as the primary vehicle, and the tax as a supplement.

Brad proposed that the details of the tax were likely beyond the ability of the TWG to sort out in the time remaining and perhaps the committee should recommend a technical study committee to do more in-

depth analysis after the MWG completes its work. Jeff pointed out that California had taken that approach with their cap and trade proposal and others were considering the same. The committee agreed to change the language (Jeff to draft) reflecting the view that the cap and trade was the primary mechanism and the tax was a supplement to be applied in those sectors or situations where the cap and trade did not function as well. Transportation fuels was used as an example of a sector where the cap and trade had not been proven effective by experience elsewhere. In addition, the committee wanted to recommend a study committee to study the tax in greater depth for the benefit of policy makers.

The committee then considered the fact that the RCI committee also had a carbon tax proposal RCI-9 and wondered how to align the two proposals. Jeff said that was probably up to the MWG. There was some discussion of the differences between the two policy options.

There was then a conversation about applying some control mechanism to the carbon value of products – plate glass was used as an example – consumed in the cap and trade region but manufactured outside the region. The discussion included products imported from China.

Liz Entwisle reviewed the Maryland rulemaking calendars and explained that although the formal rulemaking process takes about six months, the stakeholder process that precedes the process can take anywhere from six months to a year.

Donna Boysen had joined the call and explained that her analysis folks expected to have some first result on the major options by COB (Pacific Time) Friday. As a result, the MWG will receive some early numbers from ES in their meeting on Tuesday. She offered to post and email the results to the committee members to review over the weekend and offered to provide a short opportunity to discuss them with her and John and Julia on Monday. The half-hour beginning at 4:30 was set for the call. Details will be emailed.

Jeff Wennberg asked if there were any public comments and Jeff King stated that he had been on and off the call but had no comments.

The next call is set for January 29th from 11:00 – 12:30 Eastern.

There being no further business the call was ended at 12:38 PM.