



**MARYLAND COMMISSION ON CLIMATE CHANGE:
GREENHOUSE GAS AND CARBON MITIGATION WORK GROUP
Energy Supply Technical Work Group
Summary of Teleconference Meeting, Call #11
March 4, 2008**

Attendance List:

MD MIT Energy Supply TWG Members:
Frank Heintz, John Quinn

State of Maryland:
Elizabeth Entwisle, Christina Mudd

CCS:
Jeff Wennberg, Donna Boysen, Bill Dougherty, John Warmerdam

Public:
There were no members of the public on the call.

Jeff Wennberg called the meeting to order and called the roll. With only two members on the call it was decided that the call would proceed but that no decisions reflecting the full committee's wishes could be made.

The Call #9 summary was recommended for approval.

John Warmerdam began a discussion of the new quantification results as reflected by the summary table emailed the day before. He said that other than the change in benchmark dates to 2012 and 2020, the only real changes were in ES-5, ES-8 and ES-10.

ES-5

There was a discussion about the assumption under ES-5, Clean Distributed Generation, of a growth rate of 1% per year. Frank Heintz requested that the resource document from which this was derived (Maryland ACEEE Report) be provided to the committee and John said he would send it. Christina Mudd pointed out that the RPS requires more than 1%. John explained that this represents growth above the RPS, principally solar, and that the RPS component is included elsewhere.

ES-10

John explained that the MWG had requested more work be done with the Generation Performance Standard. John Warmerdam said that since MD is at 1150-1160 lbs/MW, the GPS at 1700 was not a constraint and did not result in any reductions. He ran a sensitivity analysis at 1100, 1125 and 1150. John Quinn asked how he calculated the costs. John Warmerdam explained that he assumed the GPS would retire coal and replace it with wind and natural gas combined cycle. He did the analysis on a production basis, not considering imports. A discussion ensued about using the production vs. consumption approach and the concern that emissions from imports should also be included. John Warmerdam suggested that is

he assumed the same cost benefits for out of state generation he could shift the basis to consumption. It was agreed that he should revise the analysis to reflect this.

Donna asked which heat rate number the members wanted to use. This led to a discussion about the relationship between the RPS and the GPS. Frank said he was assuming the GPS would be imposed on top of the RPS. John Quinn pointed out that the analysis does not assume that. Bill Dougherty was asked how the GPS was applied in other states. Bill explained that it was generally used as a back-stop, to prevent new high emissions sources from 'falling through the cracks'. When applied to new sources it is generally a low threshold – 1100 lbs/MWH. He said it was really a policy decision guided by the near-term expectation for new units. Frank said he was satisfied with the analysis as performed, but asked to have the issue flagged for the members of the committee not on the call to make sure everyone understands how the GPS is proposed to be used.

ES-8

Frank and John Quinn asked to receive the spreadsheets that backed up the numbers on the summary table and Jeff said he would send them out and post them.

ES-3 C&T

Jeff introduced the portion of the agenda calling for a discussion of the program design features of the Cap and Trade policy. He explained that the modelers were working on the issue of Maryland's membership in RGGI, but that the committee had not provided guidance regarding what they might prefer to recommend beyond RGGI. He said sector other than the power sector could be included, and this could be accomplished by expanding RGGI to include these sectors, or Maryland could consider a Maryland-only cap and trade program for the non-power sectors, or the state could consider joining with a different group of program partners to create a program for additional sectors.

Frank suggested that Maryland should advocate for the expansion of RGGI to other sectors, but not attempt to set up their own program or create a new program with a different set of state partners. John Quinn agreed. Jeff asked which sectors the committee might propose for the next phase of RGGI and John Quinn suggested that that question should be posed to the Cross-Cutting TWG. Frank said he would bring up in the CC call on Friday, and Jeff said he would run it by Tom Looby and Ken Colburn in the meantime. Frank said that to make such a recommendation they would need some analysis as a basis.

Committee Approval

John Quinn and Frank restated the concern that the larger committee needed to weigh in on these recommendations before they would feel comfortable passing them along as the TWG's work. Jeff suggested using the call scheduled for March 11, and after some discussion it was decided that Jeff would propose to the TWG a call at 4:00 on the 11th for no more than one hour. In the email he should ask for confirmation of attendance and if an insufficient number confirm, do not hold the call.

Jeff Wennberg asked if there were any members of the public on the call who would like to make a statement or ask a question. No members of the public responded.

The call was then adjourned.