



**MICHIGAN CLIMATE ACTION COUNCIL
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL
TECHNICAL WORKING GROUP
Summary of Teleconference Meeting, Call #1
January 17, 2008**

Attendance List:

MI Residential, Commercial and Industrial TWG Members:

Jim Ault, Guy Bazzani, Steve Boeckman, George Curran, Michael Garfield, John Hiefje, Terry Link, Steve List, Mike McNalley, Dr. Vincent Nathan, Leonard Parker, Lisa Webb-Sharpe

State of Michigan:

Lynn Fiedler, Vince Hellwig, Patrick Hudson, Rob Ozar, Keith Paasch, Lisa Pappas, Steve Pollisor(sp?)

CCS:

Jeff Wennberg, Donna Boysen, Randy Strait

Public:

Frank Shoulmeister

Jeff Wennberg called the meeting to order at 1:33 and called the roll.

Lynn Fiedler welcomed everyone and thanked them for their time and effort on behalf of Steve Chester.

Mike Garfield asked if the TWG membership could be expanded. Lynn Fiedler indicated that the members had been chosen but because the process was fully open to the public non-members can participate and contribute.

John Hiefje asked whether the financial analysis will consider options that require an upfront capital investment but nonetheless pays for itself over time. Donna Boysen explained that most options will be analyzed using three ranges of assumptions and that costing relies upon a net present value calculation.

Jeff Wennberg walked through the Climate Action Council process including the executive order, timetable, and the roles of the Council, the DEQ, the TWGS and CCS. Jeff explained the catalog of state actions and the assignment to review the documents and propose additional measures not shown there that could be considered by Michigan. Jeff explained the coverage of issues (all GHGs, all sectors, all potential implementation mechanisms, state and multi-state actions and short and long term actions), and the four decision criteria (GHG reduction potential, cost or cost saved per ton removed, co-benefits and feasibility issues). Jeff also introduced the structure of the policy option template and an outline of the expected final report.

Randy Strait joined the call after about an hour and presented the preliminary inventory and forecast of Michigan GHG emissions. Randy explained the approach and assumptions used to develop both the

inventory and the projection and emphasized that the I&F works well as a planning tool but should not be used as a baseline for modeling and compliance for individual regulated sources. Randy summarized some general findings about Michigan's emissions and recent changes in emissions profiles, especially as they pertain to the residential, commercial and industrial sectors.

Jim Ault asked Randy if he had noticed a downward trend of emissions into the 1990's. Randy agreed and suggested that sources were making efficiency gains through that period. George Curran suggested that industrial plant closures probably contributed as well.

Randy explained that a spike in electricity emissions in the late 90's was due to the decommissioning of a nuclear power plant and the immediate replacement of that generation with imported power. He said he assumed the imported power had the same GHG profile as the average power available from the pool.

It was pointed out that the nuclear plant was a small one – 60 to 80 MW – so the spike may have been caused by other factors since it was significantly bigger than the plant. Randy said that was exactly the kind of feedback he was looking for to improve the I&F.

Randy reviewed the historical reduction in industrial emissions and the ensuing discussion concluded that although some of the reductions were the result of plant closings, there had also been a broad changeover in industrial processes to reduce fuel use among remaining industries.

Jeff asked to schedule the next few meetings. The next meeting (call) would be on January 31 at the same (1:30-3:30) time slot. The following (3rd) meeting would be on February 21st, starting at 3:00 and running until 5:00.

Lynn Fiedler announced that the second MCAC meeting would be in the same location as the first (MSU Union) and would be on February 14th.

Jeff Wennberg reminded the members that their assignment for the second meeting was to review the catalog of state actions and propose additions. In addition, they should begin reviewing the inventory and forecast, in particular the appendices covering residential, commercial and industrial sources.

There being no further business the call was adjourned.