



**MICHIGAN CLIMATE ACTION COUNCIL**  
**Cross Cutting Issues Technical Work Group**  
**Draft- Meeting Summary of Teleconference Call #7**  
Wednesday June 4, 2008, 11:00 am – 12:30 pm EDT

**Background documents for call:**

- Notice and Agenda
- Summary of Call #6 on May 7, 2008
- PowerPoint Presentation for Call #7
- Draft Straw Policy Options and Volunteers Chart

Tom Looby of CCS welcomed participants to the call, took roll and reviewed the agenda. Attendees are noted at the end of this summary.

**Purpose of Call #7**

The purpose of this call/meeting is to review the Straw Policy Options drafted by small groups of CCI TWG members.

**Discussion**

1. Mr. Looby explained that the central goal at the next MCAC meeting will be to review and consider approval of all the Straw Policy Options recommended by each Technical Working Group (TWG) to the MCAC. There will also be thorough discussion of the quantification methods to ensure MCAC members are fully briefed on the quantification methods. The MI Emissions Inventory and Forecast and the start-up of new Market Based Solutions TWG will also be reviewed. Mr. Looby noted that the focus of the upcoming MCAC meeting will be to review and approve the policy description and policy design sections of each option. (Slide 6).

**CCI-1 GHG Inventories, Forecasting, Reporting, and Registry**

The description section is definitions of Inventory, Forecast and Reporting. There was discussion about whether MDEQ will be the implementing agency for CC-1. This is uncertain at this time although MDEQ is handling some of these functions currently.

Further effort to tie CC-1 in with current activities will be explored. Mr. Looby offered that this issue can be addressed in Related Policies and Programs.

SCOPE ISSUE: Under 'Parties Involved', discussion of: 'All entities operating within the state and generating significant emissions should be required to report. The definition of "significant" is left to MDEQ. However, no less than 95 percent of total emissions reported by entities should be retrieved from direct measurements.'

Other states did broad and comprehensive policies but didn't define what the benchmark is to define "de minimus".

An effort should be made to be comprehensive, fair, efficient, but not overly burdensome.

There is also a data management component of defining offsets which is to verify and register offsets. We would want to register sinks as offsets.

Mr. Looby clarified that the new Market-based Solutions TWG will likely cover the offsets issue from a policy perspective, but the reporting and registries will need to be developed to support it.

Duncan and Ted will take steps to integrate this into CC-1's language.

### **CCI-2 Statewide GHG Reduction Goals and Targets**

Two additional considerations were offered including the need to track progress over time and moving the 'reduction goals' text to Goals section.

### **CCI-3 State and Local Government GHG Emission Reductions (Lead-by-Example)**

Looby observation: There are a couple places where we want to move the examples to Related Policies and Programs in place. The TWG was OK with doing so.

The TWG agreed that incentives / mandates should be added to promote state/ local leadership.

The TWG agreed to strengthen this text: 'Michigan and local government has undertaken various policy and program actions in several key areas to obtain GHG emission reductions and improve energy efficiency.'

The TWG agreed that the 1<sup>st</sup> and 4<sup>th</sup> bullet on page 9 should make reference to CC-1.

### **CCI-4 Comprehensive Local Government Climate Action Plans (Counties, Cities, Etc.)**

The goals statement should be amended to change "all" to a significant number.

### **CCI-5 Public Education and Outreach**

The TWG agreed to add language to 5.1 suggesting age-appropriate testing be done on the science and economics of climate change.

The TWG agreed to add language to paragraph 3 of 5.3 to reflect a more positive framing of the issues.

The TWG agreed to add language to 5.6 to include sectors beyond industrial such as services, etc.

### **CCI-6 Tax and Cap/ Cap and Trade [MCAC Approved Establishment of New Market Based Policies TWG to Address these Options]**

### **CCI-7 Seek Funding for Implementation of MCAC Recommendations**

Olivia Cohen summarized this Option. Mike Beaulac suggested that we need businesses that can help us with funding.

The TWG agreed to add language on a revolving loan fund as an example in the Design portion of the template.

The TWG agreed to add language to make sure Michigan is well-positioned to benefit from Lieberman- Warner or other federal bills on market-based carbon policies in the Design portion of the template.

The TWG agreed to add language on enforcement penalties to generate more funding for these initiatives. There is now a fund where that money goes up to 4 million, then the rest goes into the General Fund.

The TWG agreed to add language on the Midwest Governor's GHG Accord to ensure Michigan is well –positioned to benefit from any progress there.

### **CCI-8 Adaptation and Vulnerability**

No comments. The TWG agreed to forward CC-8 to the MCAC as written.

### **CCI-9 Participate in Regional and Multi-state GHG Reduction Efforts**

The following edits were made to the text:

1. Take out italics in Description.
2. Did TLU include multi-state vehicle standards? Small edit to first sentence in goal section.
3. Due to concern about emissions crossing state borders, edit the first paragraph of the Description section and in the Goals section, to add language on avoiding emissions leakage/cross state transfer.
4. The first sentence of the fourth paragraph should be edited w/ the following text:

'The Governor and the Michigan legislature aggressively push for and shall continue to encourage Federal action to reduce GHG emissions.

The scope should be expanded to include attention to the federal level.

Policy Design- Goals- the first sentence should replace "minimum" with "consistent with"...

### **CCI-10 Enhance and Encourage Economic Growth and Job Creation Opportunities Through Climate Change Mitigation**

No TWG member had yet volunteered to draft CC10 so CCS provided examples from other states. Lana Pollack agreed to draft and share a proposal. Rick is willing to help but is going out of town.

There was discussion about combining CC-10 and 11 but the TWG decided to keep them separate.

## **CCI-11 Enhance and Encourage Community Development Through Climate Change Mitigation; Address Environmental Justice**

Lana will draft CC-11.

With the comments and changes noted above the CCI TWG supported recommending the options reviewed today to the MCAC. Proposed edits will be accepted until the end of the week and incorporated into the draft POD for the June 11 call.

### **Public Comments**

None

### **Announcements**

Mr. Looby noted that CCS will be providing a Quantification Process Memo for review by the TWGs.

### **Next Call**

A special call for the CCI TWG call is scheduled for June 11, 2008 at 11am to 12:30pm to further discuss the Straw Policy Options edits made or options not reviewed today.

The next regular CCI TWG call is scheduled for July 2, 2008 at 11am to 12:30pm.

### **Attendance:**

#### **Cross Cutting Issues TWG Members:**

Julie Baldwin  
Duncan Calloway for Dr. Bierbaum  
Ted Bishop  
Norman Christopher  
Mike Peters  
Rick Plewa  
Lana Pollack

#### **State Agency Representatives:**

Mike Beaulac, Michigan Department of Environmental Quality  
Olivia Cohen, Michigan Department of Environmental Quality  
JoAnn Merrick, Michigan Department of Environmental Quality

#### **Members of the public:**

Greg Ryan, DTE Energy  
Emily McCoud,  
Dusty Fanchor, LS Power  
Louis Pocalujka, Consumers Energy  
David Gard, MEC

**Center for Climate Strategies:**

Tom Looby

Linda Schade