



**Cross-Cutting Issues  
Technical Work Group**

**Summary List of Pending Policy Options-Draft**

Option No.	Policy Option	GHG Reductions (MMtCO <sub>2</sub> e)			Net Present Value 2009–2025 (Million \$)	Cost Effectiveness (\$/tCO <sub>2</sub> e)	Status of Option
		2015	2025	Total 2009–2025			
CCI-1	GHG Inventories, Forecasting, Reporting, and Registry	<i>Not Quantified</i>					Pending
CCI-2	Statewide GHG Reduction Goals and Targets	<i>Not Quantified</i>					Pending
CCI-3	State and Local Government GHG Emission Reductions (Lead-by-Example)	<i>Not Quantified</i>					Pending
CCI-4	Comprehensive Local Government Climate Action Plans (Counties, Cities, Etc.)	<i>Not Quantified</i>					Pending
CCI-5	Public Education and Outreach	<i>Not Quantified</i>					Pending
CCI-6	Tax and Cap/ Cap-and-Trade	<i>MCAC approved creation of new Market-Based Policies TWG as lead for this option.</i>					Transfer
CCI-7	Seek Funding for Implementation of MCAC Recommendations	<i>Not Quantified</i>					Pending
CCI-8	Adaptation and Vulnerability	<i>Not Quantified</i>					Pending
CCI-9	Participate in Regional, Multi-state and national GHG Reduction Efforts	<i>Not Quantified</i>					Pending
CCI-10	Enhance and Encourage Economic Growth and Job Creation Opportunities Through Climate Change Mitigation						
CCI-11	Enhance and Encourage Community Development Through Climate Change Mitigation; Address Environmental Justice						

GHG = greenhouse gas; MMtCO<sub>2</sub>e = million metric tons of carbon dioxide equivalent; \$/tCO<sub>2</sub>e = dollars per metric ton of carbon dioxide equivalent.

## CCI-1. GHG Inventories, Forecasting, Reporting, and Registry

### Policy Description

Greenhouse gas (GHG) emissions *inventories* track statewide emissions trends and quantify emissions from individual sources and sinks (both anthropogenic and natural). They can be used to inform state leaders and the public and to verify GHG reductions associated with GHG reduction programs.

GHG *forecasts* are scenario-based predictions of future emissions trends built on inventories and projected economic trends, these forecasts are useful for identification of the factors that affect trends and highlight opportunities for mitigating emissions or enhancing sinks.

Detailed GHG *reporting* is needed from all major GHG sources<sup>1</sup> in order to develop accurate inventories. Reporting is also required for sources to participate in GHG reduction programs, such as market-based systems like cap-and-trade and carbon taxation. Participation in a reporting program prior to the establishment of a GHG reduction program establishes an early baseline and such a baseline can be used to avoid disincentives to abate emissions prior to establishment of the reduction program.

A GHG *registry* enables recording of GHG emissions reductions in a central repository. Registries can establish “ownership” of emission reductions, protect baselines, and provide a mechanism for regional cooperation. Registries can also provide a foundation for future trading programs and facilitate the identification of opportunities for reductions.

### Policy Design

The State should institute formal GHG inventory, forecast and reporting functions to be carried out by an existing agency such as the Michigan Department of Environmental Quality (MDEQ) or a new entity within State government, such as an Office of Climate Change. Other agencies should assist in the process, as needed.

#### Goals:

- Building on existing State inventory processes and other state of the art methods,<sup>2</sup> develop a standardized protocol for use in preparing a statewide emission and sink inventory. The protocol should provide guidelines for inventorying all natural and man-made greenhouse

<sup>1</sup> According to The Climate Registry, individual sources are defined either as “entities” (i.e., any corporation, institution, or organization) recognized under U.S. law, or as “facilities” (i.e., any installation or establishment located on a single site or on contiguous or adjacent sites that are owned or operated by an entity). See <http://www.theclimateregistry.org/downloads/GRP.pdf> for additional details. The official definition of a “source” is left to MDEQ, but facility-level reporting is strongly recommended.

<sup>2</sup> U.S. EPA State Inventory Guidelines (e.g., Emissions Inventory Improvement Program (EIIP) Document Series, Volume VIII: Estimating Greenhouse Gas Emissions.), U.S. National Inventory Guidelines, and IPPC Guidelines.

gas emissions for source- and consumption-based inventories.<sup>3</sup> The Council recommends that the responsible agency inventory the six Kyoto gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, PFC, HFC, SF<sub>6</sub>), and weight these gases according to global warming potentials reported by the IPCC.

- Follow the inventory protocol to prepare annual inventories of emission sources and sinks that are consistent, complete and both production- and consumption-based. The annual inventories should be compiled in a report at least once every five (5) years and prepared with recommendations for improvements. .
- Develop a standardized protocol for the periodic and complete forecasting of statewide GHG emissions. Forecasting should reflect projected growth as well as the implementation of scheduled mitigation projects. Treatment of uncertainties should be transparent and as consistent as possible across sectors and time. The protocol should specify multiple scenarios. Methods must be consistent with those of the inventory.
- Follow the forecasting protocol to develop forecasts of future GHG emissions in at least 5 and 10 year increments extending at least 20 years into the future.
- Develop a standardized protocol for the annual reporting of GHG emissions and sinks attributable to direct emissions (and certain indirect emissions)<sup>4</sup> of entities operating within the state. It is recommended that:
  - The protocol follow reporting guidelines being developed by The Climate Registry (TCR),
  - Reporting be conducted at the facility level,
  - To the extent feasible reporting should build upon existing reporting systems,
  - Reporting include direct emissions as well as consumption of electricity and steam (for the purpose of calculating associated indirect emissions).
  - Direct emissions should be reported by entities based upon a means of direct measurement whenever practical and/or required.
  - The reporting protocol should include guidelines for third party verification.
  - Facilities have the opportunity to report emissions sinks, for possible use as offsets in a market-based GHG abatement program (such as CO<sub>2</sub> taxation or cap-and-trade).
  - Facilities should have the opportunity to report verifiable “potential” emissions.
- When the program reaches maturity, all significant sources of GHGs should be required to report emissions to the MDEQ according to the protocol. The definition of “significant” is

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<sup>3</sup> Source- and consumption-based inventories typically differ only by emissions associated with the import and export of electricity and steam across state boundaries. The latter can be obtained from the former by adding all GHG emissions associated with the generation of electricity and steam that is imported across state boundaries. The Council will leave the precise methodology for computing source-based and consumption-based emissions to MDEQ.

<sup>4</sup> According to The Climate Registry, *direct emissions* (a.k.a. Scope 1) are those “from sources within the reporting entity’s organizational boundaries that are owned or controlled by the reporting entity, including stationary combustion emissions, mobile combustion emissions, process emissions, and fugitive emissions”, and *indirect emissions* (a.k.a. Scope 2) are “a consequence of activities that take place within the organizational boundaries of the reporting entity, but that occur at sources owned or controlled by another entity”

left to the responsible agency to determine. Develop a standardized protocol by which to register emissions from sources. It is recommended that the State use TCR's services for this purpose.

- Wherever possible, develop protocols to ensure harmonization with inventory, forecast, reporting and registry activities in other states and regions.

**Timing:** This function should be implemented as soon as possible as allowed by current funding and enhanced over time. Because GHG reporting will form the basis for enhanced inventories and forecasts and will be relied upon in the event a market-based program is established, early priority should be placed on developing a reporting program.

**Parties Involved:** All GHG emission sources and sinks (both anthropogenic and natural) should be included in the inventory and forecast. All entities operating within the state and generating significant emissions should be required to report and a significant percentage of those emissions should be gathered from direct measurements. The definition of "significant" is left to MDEQ.

**Other:** Subject to consistently rigorous quantification, voluntary GHG reporting should be open to all sources (e.g., combustion, processes, vehicles), including the state and tribal government, municipalities, and other jurisdictions.

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Reporting should not be constrained to particular sectors, sources, or approaches.

### Implementation Mechanisms

- See goals above.
- Additional state funds will be required to manage the four processes described in this policy
- Implement registry/reporting activities through the Climate Registry
- Implement reporting to state agency

### Related Policies/Programs in Place

#### Inventory and Forecast

- In 2005, The Center for Sustainable Systems at U-M submitted an inventory of MI GHGs for 1990 and 2002 to MDEQ
- As required by the Governor's Executive Order No. 2007 – 42 (which established the MCAC), the Center for Climate Strategies prepared an inventory for 1990-2005 and a forecast through 2020.
- Inventory methodologies are recommended in:
  - o *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*
  - o *IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories (2000)*
  - o *IPCC Good Practice Guidance for Land Use, Land-use Change, and Forestry (2003)*

**Reporting and Registries:**

- The Michigan Department of Environmental Quality (MDEQ) participates on the Steering Committee for the development of The Climate Registry, a multi-state program designed to be an essential piece of infrastructure for the development of state and federal climate change programs. Over thirty (30) states in the United States and Mexico, and several Canadian provinces have already signed on to join The Climate Registry. For more information about The Climate Registry go to <http://www.theclimateregistry.org/>.
- Wolverine Power Cooperative, Horizon Environmental Corporation and Ford Motor Company are the only three entities in Michigan that have joined the Climate Registry as “Reporters”
- Signatories of the MGA have pledged to join the Climate Registry.
- Point sources regulated under the EPA NO<sub>x</sub> Budget Trading Program and Acid Rain Program currently report CO<sub>2</sub> emissions to EPA.
- Michigan PA 451 of 1994, Part 55, Rule 324, Section 5522 of the Air Pollution Control Rules establishes provisions for emission reporting for facilities.
- Michigan PA 451 of 1994, Part 55, Rule 336.202 of the Air Pollution Control Rules requires annual reporting from sources of air pollution, as directed by the MDEQ Air Quality Division, for the purpose of obtaining information on the quantity of air emissions for the proper management of air resources.
- MDEQ-AQD Operational Memorandum No. 13 outlines the pollutant threshold levels (for criteria pollutants) and provides guidance for establishing which emission sources should be included in the annual inventory.

**Types(s) of GHG Reductions**

Not applicable.

**Estimated GHG Savings and Costs per MTCO<sub>2</sub>e**

Not applicable.

**Data Sources:****Quantification Methods:****Key Assumptions:****Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate] NOTE: may need to identify costs to implement this option.

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

TBD.

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

### Policy Description

In Executive Order 2007-42, the Governor directed the MCAC to recommend specific short-term, mid-term, and long-term GHG reduction goals or targets for Michigan. Additionally, the Midwestern Governor's Greenhouse Gas Accord, signed by Governor Granholm on November 15, 2007, establishes a requirement for its staff and appropriate state agency representatives to set regional GHG reduction targets that are consistent with member state's targets. The establishment of a Michigan statewide goal or target can provide vision and direction, a framework within which implementation of MCAC policy recommendations can proceed effectively, and a basis of comparison for regular periodic assessments of progress. GHG reduction goals or targets recommended by the MCAC should be consistent with the parallel goal of an efficient, robust Michigan economy. In pursuit of similar climate progress, approximately twenty other states have established GHG reduction goals or targets.

The Intergovernmental Panel on Climate Change (IPCC) determined that atmospheric greenhouse gases (GHGs) must remain below 400–450 ppm CO<sub>2</sub>e to have a reasonable chance of staying below 2°F of warming. This concentration is considered the stabilization target. The IPCC further calculated that the industrialized nations' cumulative emissions over the 2000-2050 period must remain less than 700 gig tons (Gt) CO<sub>2</sub>e. This means that the world's industrialized nations must reduce emissions 70-80% below 2000 levels by 2050 to help prevent global temperature increases. For its share, the United States needs to reduce its GHG emissions by about 80% by 2050 in order to stay within its estimated "safe" range of 160-265 Gt CO<sub>2</sub>e for that same 50 year period. That comes to a 20% per decade reduction, or 2% per year.

These preliminary target years and GHG reduction goals reflect a high level of uncertainty regarding the costs and benefits of implementing GHG reduction policies in Michigan. These goals will be examined in the second phase of the process and considered in combination with the results of the modeling and evaluation of the selected Policy Options. [NOTE: This paragraph will be altered as the second phase of the process unfolds.]

In accordance with the *Michigan Climate Action Council Interim Report*, "the strategy development process must evaluate and consider economic and environmental impacts, including the implementation costs or cost savings for individuals, communities, businesses, and jobs in Michigan." The Policy Options detailed by the six TWGs (Agriculture, Forestry, and Waste Management, AFW; Energy Supply, ES; Residential, Commercial and Industrial, RCI, Transportation and Land Use, TLU; Cross-Cutting Issues, CCI; and Market-based Policies, MBP) should include policies to reduce GHG emissions at low net cost, and identify opportunities for substantial net savings. Implementation of carefully crafted policy options should bring significant economic benefits to the Michigan economy, by reducing fuel costs through efficiency measures, by reducing the export of capital from the state, and by stimulating the Michigan economy through the creation of new opportunities and jobs in energy efficiency, clean energy technologies, renewable energy development, transportation, and land-use planning.

The Policy Options considered by the MCAC appear to be able to achieve a XXXX reduction goal by 20XX, a XXXX reduction goal by 20XX, and a XXXX reduction goal by 20XX.

## Policy Design

The MCAC preliminary target years and GHG reduction goals of 10%–20% for 2015 and 25%–35% for 2025 proposed in the *Michigan Climate Action Council Interim Report to the Governor* dated April 30, 2008 (Interim Report) are consistent with helping Michigan stay just below the upper limit of the U.S. cumulative budget of 265 GtCO<sub>2</sub>e.

### Goals:

The MCAC recommends the following GHG reduction goals:

Year	%	Reduction from 2002 Levels
2002		Baseline
2015		TBD – at completion of policy option analysis
2025		TBD – at completion of policy option analysis
2050		TBD – at completion of policy option analysis

MCAC also recommends that a formal performance tracking mechanism be developed to gauge progress in Michigan toward achievement of the goals and targets.

**Timing:** TBD

**Parties Involved:** All parties statewide.

**Other:** Insert text as appropriate.

## Implementation Mechanisms

The GHG reduction goals and targets should be established through executive or legislative action. Various policy options may also depend on implementing or authorizing executive action or legislation. All such directives or legislation shall contain accountability measures for tracking, verification, and measurement of progress toward meeting the specified goal and targets, and include tracking other information important to policy makers and the public.

There are a number of standards that define the process for the measurement of GHGs which should be considered for tracking reductions. Two of the most commonly used are:

- The “Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard” issued by the World Business Council for Sustainable Development.
- International Standard, ISO 14064-1 “Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals”. ISO 14064-1 is based on the GHG Protocol.

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The State will need to determine whether this can best be accomplished by assigning these coordination functions to an existing agency in state government or by creating a new organizational entity. The designated lead agency for implementation of the MCAC

recommendations shall develop specific tracking and verification mechanisms for measuring actual progress towards meeting the specified GHG reduction goals and targets. This will include updates to the energy use and emission inventories identified in CCI-1 and, where applicable, baseline facility-level carbon “footprint” measurements to allow informed business decisions on the potential adoption of suitable GHG reduction options based on analysis of their cost effectiveness. Such assessments will enable us to:

- identify opportunities for reductions in emissions, including those likely to result in cost savings,
- assess potential financial exposure to the introduction of emissions trading schemes (and other Government lead policies),
- assess the relative cost/benefits of seeking carbon neutrality as part of future marketing strategies.

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One option for facility-level consideration could be the coupling of GHG reduction goals with energy efficiency. State facilities could be managed by a private energy performance or energy services company (ESCO), which designs, purchases, installs, and maintains energy-saving equipment and guarantees that the energy savings achieved will pay for project costs. Project examples include replacing lighting equipment, modifying or replacing boilers and chillers, installing modern energy management control systems, and replacing motors. Either the existing or new organizational entity (i.e., office of climate change) could provide services aimed at increasing program participation and aiding those who have made commitments to performance contracting, including: technical assistance, education & information,, a state-specific Guide to Energy Performance (and Contracting with ESCO’s), financing, opinion measurement, and recording and verifying savings.

The International Performance Measurement and Verification Protocol (IPMVP) establishes standards for measurement and verification and allows building owners, ESCOs and financiers of building energy efficiency projects to quantify energy conservation measure (ECM) performance and energy savings. Where applicable, energy accounting software, such as METRIX, should be used by facilities to record cost savings (and potential) GHG reductions.

To the extent practicable, the State coordinating entity should also track investments in energy efficiency projects and related implementation efforts. This could include alternative energy sources, their types and use rates, the use of GHG offsets, GHG savings realized, the return on investment for those efforts, jobs created and other economic improvements or impacts. Impacts to be considered include land use changes, water resources protected, waste reduction – recycling increases, market changes and increases/decreases/changes in economic sectors.

The designated lead coordinating agency shall publish these results biennially. The progress achieved (or lack of adequate progress) shall be used to educate the public and policy makers on the effects of efforts to date, and to determine whether additional actions are necessary to meet the goals.

**Related Policies/Programs in Place**

See the Related Policies/Programs in Place for CCI – 1 for GHG Inventory, Forecasting, Reporting and Registry.

Executive Order 2007-42, signed on November 14, 2007 directed the MCAC to recommend specific short-term, mid-term, and long-term GHG reduction goals or targets for Michigan.

Executive Directive No. 2007-22, signed on November 14, 2007, directed the State of Michigan to: continue reduction in state energy consumption to meet goals specified in the Directive; to improve energy efficiency in the state motor vehicle fleet; to include energy efficiency standards in purchasing; to meet LEED standards in new construction; and other measures to reduce energy use and improve energy conservation.

The Midwestern Governor’s Greenhouse Gas Accord, signed by Governor Granholm on November 15, 2007, establishes a requirement for its staff and appropriate state agency representatives to set regional GHG reduction targets that are consistent with member state’s targets.

Placeholder for potential legislation such as Renewable Portfolio Standard, etc.

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Mike Beulac to draft narrative. It should include the following elements:  
<#>Accountability mechanisms including measures and verification ¶  
<#>A placeholder for potential legislation¶

**Types(s) of GHG Reductions**

[Insert text as appropriate]

**Estimated GHG Savings and Costs per MTCO<sub>2e</sub>**

Not applicable.

**Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

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Add in reference to:  
<#>Governor Granholm’s Executive Order¶  
<#>MW Governors GHG Accord Goal setting initiative¶

## Barriers to Consensus

### CCI-3. State, Local, and Tribal Government GHG Emissions (Lead-by-Example)

#### Policy Description

The State of Michigan and many local and tribal governments have undertaken various policy and program actions in several key areas to obtain GHG emission reductions and improve energy efficiency. Many of these on-going and future efforts can provide practical and working examples of what can be done by NGOs, academic institutions and even private individuals to reduce GHG. Much more effort is planned and should be done to further improve our energy efficiency and reduce our carbon dependency and emission rate. A small sample of these activities is listed in the Related Policies and Programs in Place section below.

State, local and tribal governments are responsible for providing a multitude of services for the public that are delivered through very diverse operations. This also makes them responsible for overseeing wide-ranging GHG emission activities and provides leadership opportunities to work with universities, non profits and the private sector to reduce emissions and increase energy efficiency. For example, the State of Michigan is a major consumer of electricity and as such State government can promote the development of environmentally benign generation and purchase a significant portion of its power through a certified ‘green power’ program. While the incentive for this will be, in part, market driven as energy costs increase, it will only be achievable through a continued comprehensive analysis of current operations, identification of significant GHG sources, and implementation of changes in technology, procedures, behavior, operations, and the services provided. State, local and tribal governments will find ways to encourage and provide incentives for reducing GHG emissions in a variety of ways. One of the most important is to link GHG reductions to energy expenditures, and demonstrate that reduction in one leads to reduction in the other.

#### Policy Design

State, local and tribal governments should establish GHG reduction targets for GHG emissions within their own geographic areas and their respective jurisdictions consistent with those established by the Michigan Climate Action Council – Final Report to the Governor Executive Order 2007-42. In this case, “jurisdictions” is defined as those buildings, transportation vehicles and associated infrastructure owned and maintained by state, local government and academic institutions. This will help set an example to industry and the general public and build expectations of continued leadership for a “greener” standard of living. For example, actual governmental GHG emissions reductions, and their respective measurements through monitoring, are easier to determine if governmental units disaggregate at the agency, department, facility and building level and require agency- or department-specific reports. GHG reduction progress will first require baseline data at whatever granular level is to be monitored and reported.

State, local and tribal government and academic institutions will provide additional incentives for energy efficiency and GHG reductions. For example, government and academia shall not invest or issue bonds for their capital investments, including infrastructure development and

maintenance, transportation fleets and the like, unless all applicable energy efficiency standards are met.

At this time, no one governmental agency oversees the on-going climate efforts of Michigan's various agencies and departments. Such oversight should include reviewing the state, local and tribal agency activities, and providing direction, guidance, resources, shared approaches, and recognition to agencies or departments and their employees that are working to reduce the government's GHG emissions. All this will take coordination and an extensive amount of education and outreach by a designated lead agency. **The State will need to determine whether this can best be accomplished by assigning these coordination functions to an existing agency in state government or by creating a new organizational entity, such as an office of climate change.**

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**NOTE: this is the new language meant to capture the essence of the MCAC discussion on this topic per the CCI TWG. Did I get it right?**

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#### Goals:

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Each state, tribal (and local government agency and colleges/universities) shall, in consideration of its current and projected building stock:

- Determine and quantify its current and projected energy consumption and associated GHG emissions from such consumption.
- Develop and propose a plan to reduce its GHG emissions associated with its building stock commensurate the statewide GHG reduction goals established in the Michigan Climate Action Council – Final Report to the Governor Executive Order 2007-42.
- Provide the plan to the office of climate change (or designated clearinghouse).
- Report the state and tribal agency (and local government agency and colleges/universities) progress toward its GHG reduction goals in buildings to the office of climate change (or designated clearinghouse) on an annual basis in accordance w/ established reporting protocols.

Each state and tribal agency (and local government agency and colleges/universities) shall, in consideration of its current and projected transportation stock:

- Quantify and establish the same goals for transportation stock described above for its building stock.
- Provide the plan to the office of climate change (or designated clearinghouse).
- Report the state and tribal agencies' (and state (and local government agency and colleges/universities) progress toward its GHG reduction goals in transportation to the office of climate change (or designated clearinghouse) on an annual basis.
- Develop appropriate incentives to promote these endeavors.
- Identify opportunities to promote green power purchasing by state, tribal and local agencies.

When appropriate, the state should develop and provide guidelines and tools to assess and promote reductions of GHG emissions. Such tools should include instruments to develop baseline energy use, GHG emissions and potential reductions and efficiencies associated with present and future land perturbations, consumer activities and building scenarios. These tools and information sources could be helpful in prioritizing decisions that minimize GHG emissions or highlighting the need for some future authority to regulate and/or monitor GHG emissions. This information would also help guide officials and developers in choosing technologies and activities which could also result in development that either protects or minimizes environment impacts and reduces additional contributions of GHGs.

**Timing:** The state's (and many local governments) efforts to lead-by-example in reducing its own GHG emissions have already begun through various independent actions and executive directives. The baseline GHG emission inventories from the prior years are already recorded and will provide a foundation for the effectiveness of future reduction efforts. Future annual reports documenting the state's progress in emission reduction efforts will be forthcoming.

**Parties Involved: Department of Environmental Quality and other relevant state agencies.** Coverage should include operations of all state agencies, Tribal and local governments and school districts.

**Other:** Insert text as appropriate.

### Implementation Mechanisms

The designated lead agency shall communicate to the public, policy makers, businesses, local, state, federal, and tribal governments regarding the effects and success of various policy options initiated by state, local and tribal governments to reduce GHG emissions and to implement energy efficiency measures. As such, the designated lead agency will play multiple roles, including coordination among state, local and tribal governmental agencies involved in GHG reductions efforts. Some ongoing GHG reduction options and opportunities were discussed in CCI-2 above and outlines in the 'Related Policies/Programs In Place' of this section CCI policy below.

The designated lead agency shall also serve as a focal point for public education and outreach to market incentives, provide assistance and other resources offered by state government to help all interested parties in meeting our GHG reduction goals. The designated lead agency shall consider all of the following methods to effectively communicate this information:

- Maintain a current inventory of state initiatives, including metrics available to assess the effectiveness of each initiative,
- Maintain a clearinghouse of reliable information on various policy and program actions, technical and financial assistance available, procurement options for low-GHG products, and other relevant information from academic, government, non-government, or business sources,
- Actively market State demonstration projects to potentially interested parties, and assist others (including local and tribal governments) in marketing their demonstration projects.

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This includes the promotion of quantifiable, sustainable and measurable building and transportation energy conservation improvements and GHG reductions.

- Provide frequent and effective outreach to stakeholders in a wide variety of methods which actively engages the stakeholders in a meaningful fashion, such as:
  - o Event planning,
  - o Participation in trade shows and conferences,
  - o Conduct studies and analysis to assess the potential of alternative technologies for GHG reduction and energy efficiencies,
  - o Providing training workshops on integration of GHG Reductions/Energy Efficiency initiatives into local planning and zoning functions, incentives for greater production/utilization of locally grown foods, and other relevant training needs for the public, business, and local or state government,
  - o Public Service Announcements, other print, TV, or internet media related methods,
  - o Facilitate GHG reduction performance reviews and recognition of agency progress,
  - o Maintaining a website containing current information on the inventory of state actions, the clearinghouse of policy and program actions, implementation tool kits, assistance and incentives available, tribal, state, local and federal contacts, and other relevant information,
  - o Serve as a liaison with other climate action-based groups around the state and region.

The designated lead agency shall coordinate these efforts with other public education and outreach activities contained in CCI-5, including the Climate Challenge, and other policy options referenced within the other MCAC Technical Workgroups. It will also interact with other state and federal agencies to facilitate the development of needed resources, such as suitable geologic maps for carbon sequestration, and wind and solar energy siting. Likewise, tribal implementation of initiatives should be coordinated and linked to the efforts of the designated lead agency.

#### **Related Policies/Programs in Place**

- The Michigan Department of Environmental Quality's participation on The Climate Registry Steering Committee.
- Member of the newly formed Midwestern Greenhouse Gas Reduction Accord
- Michigan Forest Carbon Offset and Trading Program pilot project
- Michigan's on-going efforts to attract green energy companies.
- Local conservation districts establishment of tree plantations.
- Property tax advantages to forest land owners for appropriate sustainable management to provide additional carbon sequestration.

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- Michigan Department of Labor & Economic Growth's development of the Biomass Energy Program and Michigan Department of Natural Resources' Michigan Renewable Fuels Commission to encourage energy alternatives
- Renewable energy bills requiring utility companies to put information on customers' bills about renewable energy programs and available tax credits
- Michigan Wind Energy Manufacturing Working Group (sponsored by a consortium of businesses, State agencies and universities) advances the designing, engineering, and manufacturing of wind energy systems in Michigan.
- Midwest Regional Carbon Sequestration Partnership, a USDOE sponsored partnership of states, universities and companies, is a pilot project to test the potential for sequestering carbon dioxide underground.
- Clean Cities Programs support the use of alternative fuels for vehicles.
- Grand Rapids use of green power for the city's water and sewer system.
- Grand Rapids and Ann Arbor's replacement of their street lights with LED fixtures.
- Michigan State University joining the Chicago Climate Exchange.
- Executive Directive 2007-22: Maintain energy savings targets and develop process for measuring and tracking energy use by state agencies, and develop mechanism to calculate agency carbon footprint.
- Executive Directive 2007-22: State agencies, higher education buildings to be designed and constructed according to (LEED) Green Building Rating System. Hybrid vehicles to be purchased and alternative fuel use.
- Executive Directive 2005-04: "Energy Efficiency in State Facilities" energy use reductions of 10 percent by 2008 and 20 percent by the end of 2015 compared to energy use fiscal year ending September 30, 2002.
- Executive Directive 2007-6: Create a plan to reduce FY2007 state electrical and other energy expenditures by 10 percent from FY2006 levels.
- Executive Directive 2006-06: "Promotion of Green Chemistry" for sustainable economic development and protection of public health.

Many other examples can be found at:

<http://www.mclimatechange.us/ewebeditpro/items/O46F17163.PDF>

Also, may want to add mechanism(s) for Tribal implementation initiatives here as well

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Mike Beulac to draft narrative. Brad Garmand of MEC is available as a resource if needed. Incorporate the following concepts/initiatives as appropriate:  
<#>Marketing efforts by the new/existing lead agency  
<#>Inventory of initiatives  
<#>Clearinghouse function  
<#>Demo projects  
<#>Outreach to stakeholders  
<#>Event planning  
<#>Integration GHG Reductions/ Energy Efficiency initiatives into local planning and zoning functions  
<#>Linkage w/ relevant elements of the Climate Challenge in CCI-5

**Related Policies/Programs in Place**

See the Related Policies/Programs in Place for CCI – 1 for GHG Inventory, Forecasting, Reporting and Registry.

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The Midwestern Governor’s Greenhouse Gas Accord, signed by Governor Granholm on November 15, 2007, establishes a requirement for its staff and appropriate state agency representatives to set regional GHG reduction targets that are consistent with member state’s targets.

Placeholder for potential legislation such as Renewable Portfolio Standard, etc.

- Local government assistance,

**Types(s) of GHG Reductions**

[Insert text as appropriate]

**Estimated GHG Savings and Costs per MTCO<sub>2e</sub>**

Not applicable.

**Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

Deleted: [Insert text as appropriate] ¶  
-Add reference to 3 Executive Directives¶

Deleted: ¶

## CCI-4. Comprehensive Local Government Climate Action Plans

### Policy Description

A number of local and regional cities and municipalities in Michigan have already taken steps and initiated programs and activities to mitigate climate change in their communities. Many of these cities and communities, 23 in Michigan and over 800 cities nationwide are also signatories to the U.S. Mayors Climate Protection Agreement that have a stated goal of reducing CO<sub>2</sub> emissions by 7% below 1990 baseline levels by 2012 (see note). Additionally cities and communities in Michigan are helping to develop and support additional climate change accountability programs such as the Midwestern Governors Greenhouse Gas (GHG) Reduction Accord, The Climate Registry, and The Michigan Renewable Energy Program (MREP)

The state and tribal government; regional metropolitan councils, such as the Grand Valley Metro Council; [others TBD] could all help create awareness about climate change issues and lead by example in developing climate change programs that are coordinated with the Michigan Climate Action Council. Additionally these organizations and entities could help communicate best practices and success stories through a variety of outlets such as workshops, conferences, summit meetings, a website clearinghouse, education and outreach to public and municipal officials, as well as recognizing local government GHG and CO<sub>2</sub> emission reduction achievements.

### Policy Design

The Michigan Climate Action Council (MCAC) recommends that Michigan promote the adoption and support of community climate action plans by all local and tribal governments to establish and achieve local greenhouse gas reductions as well as set future state greenhouse gas reduction goals. The MCAC further recommends that these locally adopted plans be used to stimulate equivalent GHG reduction programs by the private sector and non-governmental agencies in each community by establishing partnerships and collaborative efforts. These private-public sector activities can be considered economic and business development opportunities in concert with policy option(s) [TBD] and accompanying strategies. Similar to the U.S. Mayors Climate Protection Agreement, the MCAC recommends that local and tribal climate action plans include an impact of the carbon footprint, an inventory of existing GHG emissions, an assessment of economic opportunities for reducing GHG emissions at community scale, the establishment of specific goals, the determination of target milestones, a timeline for GHG emission reductions, and the adoption of local best practices and strategies to adapt to climate change.

The types of community scale climate change programs and activities to be considered, but are not limited to, include the following initiatives that are in no particular priority order:

- In-depth assessment of GHG inventories using a standardized recommended inventory process
- Urban planning and design such as the USGBC LEED OR SIMILAR SUSTAINABILITY CERTIFICATION guidelines for neighborhood development

- Land use options such as the need to preserve open space, and the creation of walkable, compact, live and work communities
- Transportation options such as increased public transit, bike trails, car pooling incentives
- Use of clean renewable and alternative energy such as solar, wind, hydro, biomass, and methane recovery
- Improved energy efficiency such as with the use of Energy Star equipment and overall building code improvements
- Increased use of LEED OR SIMILAR SUSTAINABILITY CERTIFICATIONS of building and design for the construction of buildings, facilities, homes, and neighborhoods
- Improved overall fuel efficiency of fleets such as reducing the number of vehicles, use of alternative fuels, and instituting anti-idling policies
- Improved pumping efficiency of water and wastewater systems such as with the use of renewable energy sources
- Healthier urban “greenspace” and overall improved forestry techniques such as reducing the “heat island effect” through replacement and additional plantings of trees
- Minimization of waste through materials reuse and overall improved recycling rates
- Education awareness and understanding of climate change strategies and implications in the public schools, academic institutions, and at the citizen level

**Goals:** Adoption of community climate action plans by a significant number of local governments in Michigan. [specific milestones and goals to be determined (TBD)]

Deleted: all

**Timing:** [Insert text as appropriate]

**Parties Involved:** Cities, townships, counties, metropolitan districts, regional metro councils, school districts and other jurisdictions as appropriate.

Note: In Michigan as of May 30, 2008, the following 23 cities have become signatories to the U.S. Mayors Climate Protection Agreement:

- Ann Arbor
- Battle Creek
- Berkley
- Dearborn Heights
- East Lansing
- Ferndale
- Grand Rapids
- Holland

- Kalamazoo
- Lansing
- Marquette
- Meridian Township
- Pittsfield Charter Township
- Portage
- Royal Oak
- Saline
- Smithfield
- Southgate
- Sturgis
- Sutton Bay
- Taylor
- Traverse City
- Warren

**Other:** Insert text as appropriate.

### **Implementation Mechanisms**

Looby to contact Norman Christopher for potential drafting. It should consider inclusion of the following concepts:

- Create an incentive program for local governments through grants or low interest loans
- Establish a clearinghouse function- in concert w/ CCI- 5
- Quantification of GHG reductions and/or Energy Efficiency improvements
- Technical Assistance by the state for local/Tribal governments?

### **Related Policies/Programs in Place**

[Insert text as appropriate]

- Executive Directives\_\_\_\_\_
- Michigan Climate Challenge

### **Types(s) of GHG Reductions**

Not applicable.

**Estimated GHG Savings and Costs per MTCO<sub>2</sub>e**

Not applicable.

**Key Uncertainties**

Substantial uncertainties surround future growth rates in GHG emissions particularly beyond the 2020 timeframe as well as the timing and scope of implementation of the MCAC recommendation for specific policy options.

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

TBD.

## CCI-5. Public Education and Outreach

### Policy Description

Public education and outreach is essential to cultivating broad support for GHG reduction activities. Education and outreach will target seven specific audiences in Michigan according to policy recommendations made by members of the Michigan Climate Action Council. These efforts will seek to create awareness of climate change issues along with providing justification for policies designed to reduce GHG emissions. Public Education and outreach efforts should build upon existing work being done by state, tribal and local agencies, utility companies and non-profit organizations.

### Policy Design

The policy recommendations for education and outreach will serve primarily as a means of coordinating existing programs rather than creating a host of new initiatives. However, there will be some new ideas introduced through the following goals and recommendations. Each item will be presented in light of current or previous efforts and provide details for implementation.

#### Goals:

##### 5.1 State Government Education and Outreach Actions

The state should lead by example (i.e., walk the talk) regarding education and outreach. Implementation of the Michigan Climate Challenge Program (MCCP) will be one of the key elements of the state's effort in this area. A summary of this program follows:

Establish the MCCP to encourage Michigan businesses, institutions, local and regional governments, and the general public to make a voluntary public commitment to undertake actions to reduce GHG emissions in their communities. The Department of Environmental Quality, working in conjunction and consultation with other state agencies, will develop and launch the MCCP and include a web-based "Online Pledge" to encourage voluntary GHG reductions throughout Michigan.

The MCCP will provide web-based resources and information in the form of a "Climate Action Toolkit" for individuals and organizations to consider implementing as part of their voluntary pledge to reduce GHG emissions. The "Climate Action Toolkit" will contain specific recommendations for reducing GHG emissions and will also identify measures that can be undertaken to minimize the impacts of climate change so Michigan can be better prepared to adapt to its effects.

#### Current or Previous Efforts

*MCAC Recommendations (see items 5.1.1–5.1.5)*

Other state actions will include the following: Establish an ongoing education and outreach committee or board charged with educating audiences regarding climate plan policies and to oversee those relating to education. Include provision to establish age-appropriate testing on the

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science and economics of climate change. This board would include representatives from Michigan’s public education and higher education institutions.

Create and maintain one or more “outreach coordinator” positions specifically tasked with climate outreach and coordination among state agencies and outside entities (e.g., nonprofits, utility companies?).

Institute annual Governor’s Awards to recognize climate action efforts for several categories. For example, awards might be given to civic groups, small and large businesses, and non-profits groups making a significant difference in reducing GHG emissions within their community or business. Such awards provide a relatively low cost program with significant symbolic value and potentially high media visibility.

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**5.2 Policymakers (Legislators, Regulators, and Executive Branch) (DM)**

Educate policymakers on climate action recommendations, scientific and technological advances and progress towards state goals through regular briefings.

Deleted: Because implementation of climate actions hinges on policymaker’s approval, well coordinated outreach and education to this constituency is critical.

**Current or Previous Efforts (House Bills pending or passed related to GHG regulation)**

*MCAC Recommendations (see items 5.2.1 and 5.2.2)*

**5.3 Future Generations**

This recommendation calls for integrating climate change into secondary educational curricula, post-secondary programs and professional licensing.

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**Current or Previous Efforts**

*MCAC Recommendations (see items 5.3.1–5.3.8)*

One of the best ways to disseminate knowledge about climate change mitigation is through Michigan’s education system. The process would begin through organizing groups of educators to identify, assemble and employ climate change curricula appropriate to age groups. It should be noted, however, implementing large scale curriculum changes may take a number of years. Understanding this, the state must commit to this for the long-term.

The state should develop opportunities to enhance curriculum through grant incentives. Also, promoting research into climate change solutions at state universities would likely be very productive. This might include establishing “Centers of Excellence” on climate issues. These centers could work with industry to develop or enhance supply and demand side solutions. Climate change issues could also be integrated into existing or new educational competition programs. Programs could range from locally sponsored art competitions in elementary schools to state awards for teachers and schools. Like the Governor’s Awards referred to earlier, such competitions and awards clearly demonstrate that dealing climate change is highly valued by the state of Michigan and its citizens.

- Work with administrators and student groups in public schools and higher education to integrate “best practices.” Implementing such practices might include better building design, turning off computers or other equipment when not in use or even on-site

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renewable energy. Use of renewable energy and energy efficiency can be useful in creating thematic learning opportunities to teach science, math and language skills.

- Introduce core competencies on climate change into professional licensing programs (e.g. energy efficiency in building design and construction, use of recycled materials, etc.)

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#### 5.4 Community Leaders and Community-Based Organizations

The importance of working with established institutions, municipalities, service clubs, social and affinity groups and NGOs cannot be overlooked. This recognition of leadership allows for building on successful models and expanding participation with civic society.

Community engagement might include working with community planning and zoning officials about climate change, impacts and opportunities and identifying community leaders who are acting effectively on climate change and showcase their success. There may also be opportunities to include climate change education as part of orientation sessions for newly appointed or elected officials at varying levels of state and local government. Involvement with community-based organizations might mean assisting groups demonstrating expertise or interest in climate-related issues and developing a network of community-based organizations acting on climate change across the state.

Deleted: The state should develop opportunities to enhance curriculum through grant incentives. Also, promoting research into climate change solutions at state universities would likely be very productive. This might include establishing "Centers of Excellence" on climate issues. These centers could work with industry to develop or enhance supply and demand side solutions. Climate change issues could also be integrated into existing or new educational competition programs. Programs could range from locally sponsored art competitions in elementary schools to state awards for teachers and schools. Like the Governor's Awards referred to earlier, such competitions and awards clearly demonstrate that dealing climate change is highly valued by the state of Michigan and its citizens. Each year XXX students in Michigan graduate with a degree in (e.g., building trades). The Climate Action Council recommends such programs introduce core competencies on climate change (e.g., energy efficiency in building design and construction, and use of recycled materials).

#### Current or Previous Efforts

MCAC Recommendations (see items 5.4.1–5.4.12)

#### 5.5 General Public (DB)

Assessing the awareness of the public with regard to climate change mitigation will be instrumental in developing effective campaigns for the general public.

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#### Current or Previous Efforts

MCAC Recommendations (see items 5.5.1–5.5.10)

Polling and focus group research should be utilized in order to understand the public's perceptions and perhaps misperceptions about climate change. Such research could also assess tolerance for conservation and possible rate increases associated with GHG mitigation (5.5.3). Focus group research in particular could be used for developing a branding campaign (5.5.5) and for framing legislative issues in the media. Funding for this research could possibly come through the DOE or a combination of federal and state grants. There may also be data from existing research that could be helpful in developing effective messages for the general public.

Deleted: While this data is being collected, a host of other media relations activities can be deployed.

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Deleted: ing

In addition to small group meetings with members of the media, educating broadcasters and editorial boards could be done on a large scale through presentations at state-wide media conferences like the Great Lakes Broadcasting Expo sponsored by the Michigan Association of Broadcasters (5.5.1). These discussions should also help facilitate the development and dissemination of public service announcements (5.5.2).

Because modern news media respond very well to events and new announcements, event planning will be important in maintaining a high profile for climate change issues (5.5.4). Events

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might include regular press conferences from the governor and other public officials or the release of new data or technology related to GHG mitigation in Michigan.

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One way to help coordinate the efforts of environmentally proactive groups in Michigan would be the development of a climate change web site. This site could act as a clearing house for climate change information and provide resources for mass media and the general public (5.5.6). In addition to providing climate change information, the site could provide updates on legislative action at the state and federal level. This site could also support outreach efforts by companies seeking to enhance awareness of cost-saving activities for consumers (5.5.7 and 5.5.9) and green power purchasing programs. Such a web site is already being considered as an important element in the Michigan Climate Action Challenge.

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Another featured item in the Michigan Climate Action Challenge is the Climate Action Toolkit. These kits can and should be tailored to address anyone of the six target audiences identified by the Cross Cutting Issues Technical Work Group.

- o Work to educate consumers and home designers, builders and contractors to ensure awareness of different choices for heating and cooling and the environmental and economic impacts of their choices. Perhaps such a program could be sponsored by a major building materials retail outlet.

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## 5.6 Industrial and Economic Sectors

The strategic approach should be to target specific industrial and economic sectors. Education and outreach to these stakeholders will be designed to not only provide information but to acquire feedback on new trends in particular sectors such as utilization of smart grid technology by utility companies. Specific sectors include, but are not limited to residential, commercial and industrial power consumers, transportation and land use, energy suppliers and agriculture and forestry. Many large corporations like Wal-Mart have already adopted energy efficiency as a means of improving their balance sheets. Helping consumers in all sectors reduce energy costs through increased efficiency will reduce emissions whether or not reduction is a priority for the respective home or business owners.

Deleted: (Perhaps Stakeholders From the Venture Capital or Financial Sectors Would Be Helpful To Include Here) (NC)

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### Current or Previous Efforts

*MCAC Recommendations (see items 5.6.1–5.6.7)*

### 5.7 Tribal Governments (DM)

While a large portion of the Native American population in Michigan exists within sovereign territories, MCAC members recognize the need to gather input from, interact with and provide information to Native American tribes.

**[Options for Tribal governments is still to be done.]**

### Implementation Mechanisms

The implementation for education and outreach has been embedded within the goals above.

Deleted: ¶  
¶

Deleted: [Insert text as appropriate]  
Dwight Brady will develop proposed narrative for this option. It should consider inclusion of the following concepts/initiatives:¶  
<#>Development of systematic education/orientation programs about climate change for new political leaders at all levels of government.¶  
<#>Development of toolkits tailored to each of the audiences described above¶  
<#>An ongoing framework for implementation of the Climate Challenge¶  
<#>A web based clearinghouse of climate activities by governmental and non-governmental entities (e.g. the Great Lakes Renewable Energy Association, and many others)¶

**Related Policies/Programs in Place**

The policies recommended by the Michigan Climate Action Council can be integrated into the Michigan Climate Action Challenge or stand alone as complimentary actions to increase awareness and reduce emissions.

**Deleted:** [Insert text as appropriate] Michigan Climate Challenge described above.

**Types(s) of GHG Reductions**

Not applicable.

**Estimated GHG Savings and Costs per MTCO<sub>2e</sub>**

Not applicable.

**Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

TBD.

## CCI-6. Tax and Cap Policies

### Policy Description

Lead for developing this Policy Option was transferred by MCAC to the new Market-Based Policies TWG.

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

### Policy Description

Michigan will seek and stimulate funding and investment to implement the MCAC climate solution recommendations. In accordance, Michigan will position itself to successfully compete for federal and international assistance and matching funds in adaptation and mitigation of climate change impacts. Funding decisions will take into account both economic and environmental impacts, including the implementation costs or cost savings for individuals, communities, and businesses, as well as similar funding actions made by other Midwest states and regions. As Michigan allocates funding for MCAC recommendations, the state will work to identify choices that provide the best opportunities for mitigation of and adaptation to climate change. Concurrently, Michigan will implement initial funding investments that require few long term costs. In addition, Michigan aims to reduce the costs associated with climate change activities while fostering economic growth within the state.

### Policy Design

**Goals:** Seek and establish capital investments and other funding sources for the implementation of MCAC recommendations. Such funding options might include any one or all of the following:

- State revolving funds established to provide affordable access to credit,
- Federal and Midwest funds generated as a result of set asides of CO<sub>2</sub> emission allowances via auctions to the private sector,
- Funds earmarked for the Great Lakes, Michigan and high energy use states as a result of regional activities and federal climate legislation,
- Funding generated from state enforcement actions (settlements).
- Funds resulting from a national or regional cap and trade program.

**Timing: The State** shall address the concern of obtaining funding for the MCAC recommendations immediately. Funding support for the recommendations must account for sustainability through the short-term, mid-term, and long-term target years for the GHG emission reduction goals.

**Parties Involved:** State government will lead the strategy of generating investment and financial support. Other sectors, including local government, industry, services, agriculture, consumers, and higher education, will be involved.

**Other:** Insert text as appropriate.

### Implementation Mechanisms

[Insert text as appropriate]

**Related Policies/Programs in Place**

[Insert text as appropriate]

**Types(s) of GHG Reductions**

Not applicable.

**Estimated GHG Savings and Costs per MTCO<sub>2</sub>e**

Not applicable.

**Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

TBD.

## CCI-8. Adaptation and Vulnerability

### Policy Description

Climate change is a potentially serious threat to communities, natural resources, and wildlife in Michigan, the United States, and around the world. While addressing the source of climate change and related GHG mitigation options is critical, it is also important that decision makers and the citizens of Michigan understand how climate change is impacting and will impact the natural resources and natural resource-based economic activity in the state. Additional attention, research, and funding is needed to assess the impact of climate change on Michigan's fisheries and wildlife and help them adapt, while also reducing the other stressors on their habitats and ecosystems. Communications, research, and funding are also needed to assess and moderate climate change's impact on our land and other natural resource-based industries (forestry, agriculture, tourism and recreation).

The State of Michigan should undertake a comprehensive planning effort to assess and address the state's vulnerability to climate change and adaptation opportunities. Various organizations and agencies in the state are already collecting some of the information needed to make such an assessment.

### Policy Design

#### Goals:

Undertake a comprehensive planning effort to assess and address the impact of climate change on the Great Lakes, the state's natural resources, and on wildlife and fisheries. By the end of 2008, the Michigan Climate Action Council should begin the planning process by developing a scoping document that identifies technical and financial resources and research needed to undergo a comprehensive planning process in 2009. When applicable and feasible, the scoping document should identify on-going and planned research efforts that could contribute to the planning process.

A multi-agency and diverse stakeholder team should be formed to follow through with the planning process in 2009 and beyond. Their task is to:

- Integrate climate adaptation into existing and future natural resource management plans, and where possible, related research and assessments. This may include, for example, the State Forest Management Plan; Wildlife Action Plan; Coastal and Estuarine Land Conservation Plan; Aquatic Nuisance Species State Management Plan; fisheries management plans; state/regional watershed management plans; infrastructure assessments, including aging dams, bridges and sewer infrastructure; threatened/endangered and species-specific management plans.
- Educate and reach out to groups and organizations associated with the Great Lakes and natural resource-based industries.

- Develop a plan for accomplishing a periodic assessment of the ongoing and projected impacts of climate change on Michigan’s natural resources and natural resources-based economic activity. The assessment would focus on
  - *Water Quality and Quantity*—surface water resources and supply management; changes to seasonal snow and ice cover; groundwater depletion and rate of recharge; increased runoff and pollution of freshwater sources from intense storm events; capacity of water treatment and overflow infrastructure; Great Lakes navigation and water levels;
  - *Air Quality*—
  - *Landscape Change and Land-Resource-Based Industries*—forest loss due to drought, wildfires, infestation, diseases, species migration and loss; tourism and recreation impacts from shorter winter recreation season and a longer summer season; agricultural productivity, especially shifting microclimates and crop diversity impacts; recreation and other amenities;
  - *Ecosystem Health*—species diversity; fish and wildlife and their habitats; habitat fragmentation; invasive species.
  - *Human Health*—including increased levels of heat stress, respiratory illness and chronic disease.
- The assessment should treat impacts arising from climate changes of the present and recent past and impacts that are likely or possible 30 to 50 years into the future.
- The assessment should rely on the best available regional climate data and assessments.
- In addition to this assessment, the group should consider how to *incorporate* climate change adaptation into various state, university and other field studies, assessments and research projects where the primary purpose is not necessarily climate change-related, such as ecosystem productivity, population and species diversity, and crop and pest management.

**Timing:** The Council’s scoping document should be developed for submittal to the Michigan agencies by January 2009.

**Parties Involved:** Michigan Departments of Natural Resources, Environmental Quality, Agriculture, and Labor and Economic Growth; U.S. Fish and Wildlife Service, Department of Agriculture (NRCS and Forest Service), and Environmental Protection Agency; Tribal environmental staff, academic researchers at public and private universities and colleges in Michigan (and outside researches as needed); environmental/conservation organizations; natural resource-based industry leaders.

**Other:** Insert text as appropriate.

### Implementation Mechanisms

TBD – [CCS drafts based on TWG inputs; this can be developed as they go along, and can start early or late as they prefer; the level of detail can vary on TWG approval]

### Related Policies/Programs in Place

TBD.

## **Types(s) of GHG Reductions**

CO<sub>2</sub>:

## **Estimated GHG Reductions and Net Costs or Cost Savings**

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

**Data Sources:** [TBD by CCS on TWG approval]

**Quantification Methods:** [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on TWG approval]

**Key Assumptions:** [TBD, as needed on TWG approval]

## **Key Uncertainties**

TBD – [as needed and approved by the TWGs]

## **Additional Benefits and Costs**

TBD – [as needed and approved by the TWGs]

## **Feasibility Issues**

TBD – [as needed and approved by the TWGs]

## **Status of Group Approval**

Pending – [until MCAC moves to final agreement at meeting #5 or #6]

## **Level of Group Support**

TBD – [blank until MCAC meeting #5]

## **Barriers to Consensus**

TBD – [blank until final vote by the MCAC]

## CCI-9. Participate in Regional, Multi-State and National GHG Reduction Efforts

### Policy Description

The MCAC recognizes that collaboration is a key approach for the successful implementation of the state climate change strategies. Because the execution of policies designed to reduce climate change impacts all sectors of society, actions must be broad-based and inclusive. For this reason, collaborative regional and multi-state reduction efforts offer promising possibility for accomplishing MCAC target goals. Joint regional, multi-state, multi-province and in some cases, national approaches to GHG emission reductions and energy efficiency options can provide greater opportunities for success, particularly because the issue of climate change is not constrained to political boundaries. Accordingly, Michigan recognizes, has considered, and has joined other regional and national, market-based GHG reduction strategies. Such strategies propose to mitigate and adapt to climate change in various sectors including energy supply, residential, commercial and industrial, transportation, land use, agriculture, forestry, and waste management.

The current initiatives include the state's membership in the Midwestern Greenhouse Gas Reduction Accord whereby the member governors and Canadian premier agreed to establish a Midwestern greenhouse gas reduction program with targets and timeframes that are consistent with state policies. Also included in this initiative is the development of a market-based, multi-sector cap-and-trade program by November 2008 to achieve reductions. An additional joint initiative is the participation of the Michigan Department of Environmental Quality on the Steering Committee for the development of the Climate Registry. The multi-state Climate Registry was designed to be an essential piece of infrastructure for the development of state and federal climate change programs by forming a partnership to produce GHG measurement protocol. A third significant initiative offering opportunities for multi-state collaboration is the Chicago Climate Exchange (CCX). Michigan, as well as all other members of the CCX, must achieve a minimum six percent reduction in greenhouse gas emissions from 2000 levels by the year 2010. This goal is in accordance with Michigan reduction targets.

These developments will be continued and will function as models to form the basis of future Michigan GHG reduction programs. Michigan should consider developing supplementary or ancillary registry capacities or opportunities to meet all of the state needs. Michigan will continue to examine the decisions made by other states and regions, particularly in the Midwest states and in Canada, to identify opportunities for collaboration with other GHG reduction efforts; Michigan will implement regional climate reduction initiatives such as a regional carbon cap-and-trade system. The Governor and the Michigan Legislature should aggressively push for and continue to encourage Federal action to reduce GHG emissions and to ensure that Michigan is well represented and protected at the Federal level. An aggressive approach to GHG reductions within the United States will have a significant effect on the international reductions needed to begin reversing global warming trends. Ultimately, many of the climate protection issues need to be addressed at the national level. Michigan must help shape these national initiatives.

**Policy Design**

**Goals:** Ensure that the cost effective decrease of GHG emissions complies with the reduction levels adopted by the Michigan Climate Action Council. The reductions levels should be adopted in a manner that maximizes public benefits and induces innovation in energy efficiency and sustainable energy technologies while avoiding inequitable impacts. Such impacts will include the avoidance of cross-state transport (or emission “leakages”) of GHG.

**Timing:** Beginning January 01, 2009, the Administration will annually update the legislature on regional and national GHG reduction progress and other opportunities that have arisen to ensure that Michigan will achieve its goals, as stated above.

**Parties Involved:** The Governor and administration staff should implement the legislative directive (see below and in CCI-3) and initiatives pertaining to energy and environmental finance and policy. This should also include our oversight of pertinent Regional and Federal climate initiatives as they impact Michigan to ensure that our state is adequately represented, funded and protected. Accordingly, the committee chairs with jurisdiction as well as the ranking minority members should be informed of the relevant legislative progress. Additionally, the state should work with relevant federal agencies in the formulation of appropriate strategies to reduce GHG emissions.

**Other:** Insert text as appropriate.

**Implementation Mechanisms**

[Insert text as appropriate]

**Related Policies/Programs in Place**

[Insert text as appropriate]

**Types(s) of GHG Reductions**

Not applicable.

**Estimated GHG Savings and Costs per MTCO<sub>2e</sub>**

Not applicable.

**Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

TBD.

## CCI-10. Enhance and Encourage Economic Growth and Job Creation Opportunities through Climate Change Mitigation

### Policy Description

Michigan's response to climate change should prompt us to make a faster, more successful transition to the New Economy. Michigan is currently caught with a dependency on manufacturing that has not kept pace with rapidly changing market demands related to the increased costs of carbon-based fuels.

Energy costs, an uncertain climate future, and federal-level policy responses regarding carbon-constraints will likely require substantial adjustments in all three of Michigan's economic pillars – manufacturing, agriculture/forestry and tourism.

Michigan can turn these challenges into economic growth and job creation opportunities. But to do so, the state must be willing to focus on protecting and building on our key assets, and encourage both the public and private sector to invest in new transformative models. These kinds of intelligent, strategic investments can ensure that Michigan's economy emerges with stronger opportunities for all business and population sectors.

### Policy Design

#### Goals:

To capitalize on the economic transformation potential of climate change, the state should focus on the following transformative policies that build on our key assets:

- **Protecting our water** and maximizing its sustainable and affordable use for the benefit of all Michigan residents and the three traditional segments of our economy, while minimizing the threat of out-of-basin diversions. Michigan has an exceptionally rich—but not unlimited—source of fresh, clean water in the Great Lakes and our other water bodies, and should focus investment on the activities and sustainable enterprises that this resource supports. For example, since climate change is contributing to lower lake levels and rising sea levels, mitigating climate change will help stabilize lake levels necessary for the Great Lakes tourism, sport and commercial fishing, shipping, and recreational boating industries to thrive.
- **Transitioning our strong manufacturing capacity** to focus on green, efficient transportation and clean energy and low carbon fuel products and technologies. This should include policies to
  - Improve Michigan's competitive position and increase conservation and energy efficiency through policies such as the Renewable Portfolio Standard, Energy Efficiency, Integrated Resource Planning, and better energy codes. These types of policies will help attract investments in clean energy businesses, such as wind, solar, and high-tech batteries for hybrid and plug-in electric vehicles and on-site storage. Likewise, incentives are needed for partnerships between green energy companies and more traditional (or retooled) manufacturers to develop home solar and wind recharge units for those hybrid and plug-in vehicles. Similarly, utility companies should partner with on-site storage

manufacturers to build a more resilient green grid by encouraging on-site power storage and wind and solar energy development that feeds into the grid. These options would all reduce money flowing from our economy to import carbon-based fuels and cuts costs for individuals, families, businesses and public institutions.

- Maximize federal funding from current and prospective sources (energy credit allowances) to train and employ low income/ marginally employed people in conservation and energy efficiency projects, including older substandard housing;
- Maximize federal funding to support job training at all levels and retool industrial facilities to expand opportunities in the clean energy industry.
- **Promoting development of Green Jobs** in Michigan, particularly related to reducing GHG emissions. Assign this responsibility to existing or potentially new organizational entities possibly the Michigan Department of Labor % Economic Growth (DLEG), Michigan Economic Development Corporation (MEDC) and/or other business-related organizations.
- **Investing in walkable neighborhoods and transportation mode choice** by using federal, state and local support to build a transportation infrastructure appropriate to an economy that is likely to have drastically higher energy costs. This should be accomplished with policies directed toward
  - Creating transit and transit-oriented development opportunities targeting business attraction and neighborhood redevelopment. Lack of affordable, reliable, mass transit in our core communities is a major barrier to growing Michigan in the New Economy. Mass transit in other states has paid for itself many times over with new private sector development and investment along key transit corridors.
  - Supporting better planning and zoning for higher density, retro-fitting where appropriate, and mixed use development (see Michigan Land Use Leadership Council Report 2004), that will result in lower costs of energy for housing and transportation, save tax dollars for water and sanitary sewer systems; and provide less costly access to services for people of all incomes.
  - Moving more cargo goods via trains to reduce costly, dirty, energy-consumptive truck traffic, saving businesses and consumers' money and making substantial improvements in air quality and the health of individuals, especially those living in poverty.
- **Supporting a diverse agricultural base.** The Great Lakes region is likely to incur relatively manageable impacts from climate change, since we are above sea level, close to water, and in a more moderate, northerly climate. Policies should
  - Protect farmland, support crop diversification and farm viability, and improve access to fresh, Michigan-grown food, especially in underserved urban centers where people are forced to do their shopping in gas station and convenience stores. (See Michigan Food Policy Council Report 2006.)
  - Support better planning and zoning to reduce development pressure on farmland and enable more sensible open space and working land protection. (See Michigan Land Use Leadership Council Report 2004);
  - Reduce water pollution and provide habitat protection for better hunting, fishing and other recreational activities;
  - Create incentives to promote re-forestation and a-forestation;

- Promote methane capture from agricultural and waste management activities.
- Encourage investments in net low carbon fuels and water conservation;
- **Maintaining traditional support for Michigan’s excellent public research universities**, which is strong but threatened. This should include support for clean energy research and educational initiatives at our universities and the development and promotion of these initiatives with support for their commercialization in Michigan from federal, state, nonprofit and foundation programs. We should also make full use of and encourage collaboration among all of our universities, community colleges and economic development organizations such as NextEnergy, Spark and The Right Place
- **Encouraging and facilitating Michigan’s strong social infrastructure** with its historic participation by diverse populations in educational institutions, labor unions, business organizations, tribal and local governments, religious communities, non-profits and charitable foundations.

**Goals:** Increase green jobs and targeted business promotion opportunities as part of Michigan’s effort to mitigate GHG emissions. To facilitate this it is recommended that a business oriented organization be created in Michigan to help promote these opportunities related to climate change.

**Timing:** As soon as possible.

**Parties Involved:** Universities, State agencies, Chambers of Commerce, energy utilities, existing green businesses/industries, energy conservation experts, and individual businesses across the state.

**Other:** Insert text as appropriate.

**Implementation Mechanisms**

[Insert text as appropriate]

**Related Policies/Programs in Place**

[Insert text as appropriate]

**Types(s) of GHG Reductions**

Not applicable.

**Estimated GHG Savings and Costs per MTCO<sub>2e</sub>**

Not applicable.

**Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

TBD.

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

### Policy Description

Climate change is predicted to cause significant changes in both the atmosphere and the natural environment. This includes weather events, such as increases in extreme weather events and droughts, as well as significant changes in water levels, including rises in sea level in some regions and lower water levels in the Great Lakes.

Although all segments of Michigan's population and economy will be impacted by climate change, certain communities run the risk of being disproportionately burdened by costs and challenges, particularly poor communities and communities of color. As evidenced by the impact of Hurricane Katrina in New Orleans, communities in the United States continue to be unprepared—socially, financially and environmentally—for major natural events.

Even in the absence of a major natural disaster, climate change has the potential to devastate an unprepared economy. Transitional costs will likely be regressive and could further burden populations already suffering from economic hardship with unbearable costs.

To encourage community development through climate change mitigation and ensure that vulnerable communities are protected, the State must engage a range of communities in a collaborative planning process that works toward a transformational response to climate change. This response must be tailored to the regressive costs posed by climate change, and must act to address the economic and health impacts of a warming climate.

### Policy Design

#### Goals:

- Collaborative Planning Process

Michigan's climate change mitigation policy must ensure that those populations most vulnerable to a changing climate's effects have a voice in the planning and decision-making process of climate change response. These policy discussions should include informed voices for Michigan's older population, people of color and those in poverty throughout the state, among others.

Major plans for rebuilding or restructuring economic or physical infrastructure assets should be an open, collaborative effort. Climate response policies should be undertaken with rigorous application of the principles contained in Michigan Executive Directive 2007-23: Promoting Environmental Justice, and should ensure that organizations currently working with impacted populations are invited to participate in policy development.

- Transformational Response: Distribution of Costs and Benefits

The social, environmental and economic changes posed by climate change and the transformation that will be required in response will result in both costs and benefits to the

people of Michigan. The burden of costs is likely to be regressive and could continue to highlight the disproportionate allocation of resources and risks prevalent in today's society.

Therefore, the state's response to these costs and benefits must be cognizant that economic carrying capacities differ among various populations, particularly in a short-term adjustment process. State policy should build in mechanisms to account for the disparate impacts of transitional costs, including a wide array of products and services, from gasoline and electricity to food, mass transit, health care, and other products or services with significant energy inputs. Because the state's physical and economic infrastructure cannot be altered overnight, policy should address the plight of populations impacted by economic obsolescence and other changes.

Meanwhile, taxation and pricing strategies specifically designed to limit or reduce greenhouse-gas emissions, including cap-and-trade or CO<sub>2</sub> taxation, should include provisions to mitigate regressive burdens. Putting a price on emissions will raise prices for fossil-fuel energy products, affecting households with limited incomes the most. Climate change policies should provide sufficient revenue to cushion the impact on vulnerable populations and meet other legitimate public needs, such as expanded research on alternative energy sources.

- **Opportunities for Change**

The challenges posed by climate change also present potent opportunities for an economy that is ripe for change. The call to address climate change provides an opportunity to hasten economic and social transformations that could support social and environmental equality and help transform Michigan's urban communities into more healthy, vibrant places to live and work.

Michigan's response to climate change should prompt us to make a faster, more successful transition to the New Economy. Recognizing the three pillars of Michigan's old economy and moving to build on this foundation with policies appropriate to new economic and environmental conditions, Michigan can refocus our manufacturing base; protect our agriculture and forestry sector; and renew our tourism industry. If investments are made intelligently, Michigan's economy can emerge with stronger opportunities for all business and population sectors.

**Timing:** Commence in 2009.

**Parties Involved:** Meeting these various needs will become the responsibility of various departments and agencies within federal, state, tribal, and local governments, NGOs, and others, including the Department of Environmental Quality Environmental Justice Working Group. These entities will require adequate budgets and infrastructure to plan and respond appropriately. The budget needs to sustain these efforts should be well and frequently communicated to our Congressional delegation.

**Other:** Insert text as appropriate.

**Implementation Mechanisms**

[Insert text as appropriate]

**Related Policies/Programs in Place**

[Insert text as appropriate]

**Types(s) of GHG Reductions**

Not applicable.

**Estimated GHG Savings and Costs per MTCO<sub>2e</sub>**

Not applicable.

**Key Uncertainties**

[Insert text as appropriate]

**Additional Benefits and Costs**

[Insert text as appropriate]

**Feasibility Issues**

[Insert text as appropriate]

**Status of Group Approval**

Pending.

**Level of Group Support**

TBD.

**Barriers to Consensus**

TBD.