



**MEETING SUMMARY
MICHIGAN CLIMATE ACTION COUNCIL**

**Transportation and Land Use Technical Work Group
(TLU TWG)**

Teleconference Call #9, August 27, 2008

Attendance:

Technical Working Group: Reginald Modlin, Chuck Hersey, Fred Sciance, Amy Spray, Charles Griffith, Luke Forest, Jim Nash, Brad Markell

Michigan Department of Environmental Quality: Marcia Horan, Donna Davis, Jim Goodheart

Michigan Department of Transportation: Polly Kent

Michigan Public Service Commission: Jesse Harlow

Center for Climate Strategies (CCS): Jim Wilson, Wick Havens, Jackson Schreiber, Bill Cowart

Public Attendees: None

Background documents: (<http://www.miclimatchange.us/TLU.cfm>)

- Meeting Notice and Agenda
- Summary of Call #8
- PowerPoint for Meeting
- TLU Draft Policy Options

Discussion and Key Items:

Roll Call and Introductions

Review of Agenda

No Comments

Approval of Prior Call Summary

The Call Summary was approved.

Common Assumptions Memo

- The high fuel price scenario is currently being used. Some concern was expressed that these assumptions are not as accurate as we would like, considering that 2008 fuel prices are higher than AEO projected values. However, there were no better data sources suggested by the TWG.
- It is recommended that as fuel price paths change that new calculations be performed to improve the analysis as implementation of these policies takes place.

MI Inventory and Forecast

- It was recommended that the new MDOT projections of VMT growth be used, pending review of the assumptions made in that analysis. MDOT will provide a written summary of the assumptions that will be distributed to the TWG. The recommended VMT forecast modifications will be presented to the MCAC at the September 12 meeting.

Discuss and Develop Straw Proposals – Implementation Mechanisms/Quantification

TLU 1 – Promote Low-Carbon Fuel Use in Transportation

- Several TWG members felt that the overall corn ethanol quantities were too high, and that it should be reduced in favor of other biofuels with greater GHG benefits.
- The life cycle emissions of each fuel (on a per BTU basis) will be included in a new table.
- The implementation path and fuel mix should come from the federal Renewable Fuel Standard (RFS). The national RFS figures will be allocated to Michigan in proportion to its fuel consumption. The goal may ultimately need to go beyond RFS requirements.
- Key Uncertainties should note that difficulties in estimating fuel costs (both conventional and biofuel) make the costs of this program particularly difficult to determine.
- Overall the TWG feels that fuels need to play an important role in Michigan’s strategy.

TLU2 – Eco Driver Program

- In Implementation Mechanisms, make it clear that we will need to include an information campaign to make people more aware of the fuel savings from low rolling resistance tires at the point of purchase.
- There is no way to compel currently licensed drivers to undergo additional driver training, but if the costs of such a program were very low, it is possible that some would participate to save fuel. Our analysis is based on 5% participation in eco-driver training. We may want to consider a more aggressive goal (like 10 percent).
- At the moment, our analysis does not discount the costs of this program or include any adjustments for inflation.

TLU 3 – Truck Idling Policies

- Other states have low interest loans to finance idling reduction technology, but this is not a program in Michigan. This will be added as a possibility to be explored under implementation mechanisms.
- It should be added to the POD that often there are barriers to implementing these technologies because the people who pay for modifications are not the same people who would be receiving the benefits from it.

TLU 4 – Advanced Vehicle Technology

- Michigan has higher electricity CO2 emissions (per kWh) than the national average, which could result in the savings from hybrid electric vehicles being overestimated. CCS will check the assumption in the AEO forecasts.
- There was a request to do a preliminary analysis of the benefits of the second goal, if that were possible.
- The costs and cost effectiveness of each vehicle type will be broken down so that TWG members can see the costs for hydrogen vs. hybrid electric vehicles. CCS will also review other data sources that have estimated purchase cost differences for PHEVs.
- The POD should mention that this policy has additional benefits such as economic payback from having a research edge in Michigan.
- CCS will also update the POD to include quantification of non-recurring congestion GHG benefits and costs.
- A request was made by the TWG to also include an analysis of refuse trucks since these vehicles are ones that also constantly operate and idle.

TLU 5 – Congestion Mitigation

- There was a question of why we do not invest more money in this measure if it has a negative cost. Given that fact, at what point will costs cease to be negative?
- The TWG requested that CCS provide more information on the methods used to estimate the costs of this option.
- SEMCOG will provide CCS with its cost estimates for variable message signs in its current program.

TLU 6 – Land Use Planning and Incentives

- Many of the impacts of this policy will not take full effect in the 2025 timeframe. An additional benefit is the GHG savings that occur over a longer time period than 2025.
- This will likely have high net savings, although the costs of this policy are not explicitly quantified.
- There was a question of how successful a smart growth policy will be when there is very little overall growth in the state. In cases of very low growth, redistribution of population will still allow for effective smart growth planning.
- The analysis will be modified to address 2015 and 2025.
- This option often requires a provision for technical assistance or education. There was a question raised of whether a cost estimate for this could be included in the analysis.
- In additional benefits and costs, mention will be made that this option has significant benefits in terms of transit and quality of life. See the Wisconsin example on costs since they implemented planning and rezoning legislation in 1999.

TLU 7 – Transit and Travel Options

- This item also includes significant additional benefits other than the GHG savings. Without these benefits, these options seem comparatively less attractive than other policy options.
- At our next TWG meeting, there will be discussion of whether the goal for this option should be revised.
- SEMCOG will have a staff person review the draft analysis and provide comments.
- There was a discussion of addressing non-transit based travel options here, but it was pointed out that the benefits will be modest compared with transit benefits.

TLU 8 – Increase Rail Capacity and Address Rail Freight System Bottlenecks

- Quantification of this option is not currently complete, but there should be preliminary quantification for the TWG before the September 24th meeting.

TLU 9 – Great Lakes Shipping

- The policy should be quantified as fewer marine trips (i.e. a port-specific basis) because the boats are more heavily loaded, rather than trying to quantify the emissions reductions of moving things from rail/truck to ships.
- It was suggested that the TWG might want to recommend to the MCAC that this option be dropped from the TLU list of options, but no consensus was reached.

Next TWG Meeting

The next MCAC meeting will take place on September 12, 2008. Next TWG meeting will be Wednesday, September 24th from 9:00-11:00am.

Public Comments/Announcements

No Comments

Thanks to all members for your meaningful contributions and discussion.