



## **Michigan Climate Action Council (MCAC) Draft Meeting #6 Summary**

**East Lansing, Michigan  
November 20-21, 2008**

Draft 2

### **WELCOME AND INTRODUCTIONS**

CHAIRMAN STEVE CHESTER, Executive Director of the Michigan Department of Environmental Quality (MDEQ), called the meeting to order and reviewed the agenda and goals for the meeting. He noted that the state had agreed to extend the due date for the final report until March 1, 2009, thus allowing for an additional MCAC meeting to finish work on the project.

### **APPROVAL OF PRIOR MEETING SUMMARY**

Steve Chester raised the first order of business: Approval of Summary for MCAC Meeting #5. The summary was approved by a voice vote with one correction to the spelling of a name- Jim Costner..

### **MEETING PURPOSE AND GOALS**

Steve Chester noted that the key outcomes for today's meeting are to finalize the MI GHG Emissions Inventory and Forecast, to review and approve as many of the Policy Options and their quantification as we can and to review the process for developing the recommended GHG Reduction Goals and Targets for the state.

### **STATUS AND NEXT STEPS**

Tom Looby of CCS summarized the next steps of the MCAC process as further development of any of the remaining pending policy options for consideration at the next MCAC meeting, formulation of the proposed GHG reduction goals and targets through the CCI TWG and development of the MCAC Final Report after the 7<sup>th</sup> meeting.

### **PUBLIC INPUT- DAY 1**

The following individuals offered comments:

Leigh Haugen, Citizen (via phone): The MCAC should recognize that there is debate about the science of climate change. He has sent e-mails to the Council and asks that they be considered.

Jim Weeks, MMEA: Responded that the Governors charge to MCAC did not include assessing the science of climate change, but rather to develop a Climate Action Plan to address it.

## **INVENTORY AND FORECAST**

Tom Looby provided an introduction to the final draft Inventory and Forecast discussion. He summarized slide #10 in the power point presentation, noting that following direction provided in MCAC Meeting #5 the RCI TWG approved changes to the Iron and Steel data supplied since then, the TLU TWG developed and approved proposed changes to the VMT projections and that both sets of changes are included in the latest version of the I-F Report posted to the web site.

Chuck Hersey noted that Table C-2 in the report still needed to be updated to reflect the new projections. Jim Wilson of CCS addressed this correction by noting that the version posted on the web site has the correct numbers and that CAFÉ standards are included.

With these changes, the MCAC approved the final MI GHG Inventory and Forecast Report.

## **QUANTIFICATION SUMMARY**

Tom Looby provided an overview of the quantification results depicted on slides 12-18 of the Power Point presentation. He noted that the results include both approved and pending policy options and that the results assume full scale implementation of all of the assumptions contained in the options. The net results of these preliminary projections indicate that the sum of the reductions from the policy options should result in getting in the range of the Interim Report Goal scenarios. These charts will be refined further based on direction of MCAC regarding the remaining policy options to be reviewed in this meeting.

## **POLICY OPTION PROPOSALS**

### **Agriculture, Forestry and Waste Management (AFW) TWG – Presented by Steve Roe, CCS**

They are looking at biomass as an energy supply network. AFW-2 and TLU-1 should be considered together.

AFW-1: It was suggested to add discussion about technology concerns under key uncertainties and to note that we should not use technology that increases GHG emissions. Discussion also occurred about using a range of emission rates and factors. The quantification #s may increase slightly due to use of annual vs. average numbers. The option was approved unanimously w/ these changes.

AFW-2: Discussed at end of AFW session in conjunction w/ TLU.

AFW-3: Approved unanimously without changes.

AFW-4: Approved unanimously without changes.

AFW-5: Approved unanimously with a suggestion to further explain use of 90% carbon loss reduction rate under Goal B of the Policy Design on page 46.

AFW-6: Approved unanimously.

AFW-7: Amend Policy Design Goal D on page 64 as follows: Increase the local/regional production, purchasing and processing of locally grown.... Concern was expressed not quantifying Goal element D on page 69 under Estimated GHG reduction and Net Costs or Costs savings but Steve Roe explained that there was not adequate data nor time and resources to do so. Approved unanimously with the amendment on page 64.

AFW-8: Page 81, Policy Design Goal C- Elaborate that preventing wildfires is helpful in maintaining forests that accomplish carbon sequestration. Page 83- Element B- Where \$ will come from for the urban forestry piece should be added as a key uncertainty on page 96. Approved unanimously with these amendments.

AFW-9: Steve Roe discussed the life cycle costs and benefits of the waste reduction and recycling elements of policy option. He noted that a large portion of the reduction comes from embedded energy savings of source reduction and recycling. He noted that only 10% of the reduction of energy comes from within the state while the rest occurs out of state. Steve asked the group whether the POD should take credit for only in state reductions or include out of state reductions as well. The MCAC directed that the POD cover table reflect both levels of reductions but that the quantification only consider in-state reductions to be consistent w/ the Inventory and Forecast and with other options and TWGs. Page 99- first bullet under Implementation Mechanisms- Split the second sentence into a separate bullet. Approved unanimously with these amendments.

AFW-10: Page 117-, first bullet- add identification of impediments to sentence and under implementation mechanisms add another bullet to discuss opportunity for co-management of bio-solids and bio-waste.

AFW-2: On page 22 under implementation mechanisms it was suggested that the need for a better inventory of biomass availability be added, that there are competing uses for the biomass supply and to acknowledge the need for additional research on it. This should also be linked to the biomass assessment. In the uncertainties section should include mention of the global impacts to food production and land use. Another item that should be mentioned in the uncertainties section might be the impacts on food costs. Also that reference to ES-10 should be noted. Finally, CCS and the TWG will identify appropriate links between TLU and AFW. Approved unanimously with these changes.

### **Transportation Land Use (TLU) TWG- Presented by Jim Wilson, CCS**

TLU:1- Policy Design, page 2- Substitute goals from table of 5% and 10% were approved. Also, TWG should move some implementation elements of the Policy Design narrative to the Implementation Mechanisms section. There are two remaining issues for the TWG to address and bring back for the next meeting. They have to do with whether a low carbon fuel standard should be mandated and whether it should be done at the federal or state level. Page 12- the ancillary benefits of PM10 reductions should be noted in the Additional Benefits and Costs section.

TLU-2: Approved at MCAC #5.

TLU-3: Approved at MCAC #5. There was a suggestion that a general statement about the costs/benefits of idling be added for clarity- approved.

TLU-4: Needs additional work by TWG and bring back for next meeting.

TLU-5, 6, 8, 9: Approved at MCAC #5.

TLU-7: Approved at MCAC #5 but additional amendments were addressed at MCAC #6 as follows: page 59- Policy Design- Strike the second sentence and add “For purposes of analysis” in front of the two bulleted goals. Implementation Mechanisms:, bullet #1- add a citation to the section of the Michigan Constitution that is being referenced; bullet #3- delete “by” and add “or planned for” between served and transit. These changes were approved by the MCAC.

### **Cross Cutting Issues (CCI) TWG- Presented by Tom Looby, CCS**

CCI-10 was reviewed by MCAC and approved unanimously without changes. CCI-2 will be addressed at the next MCAC meeting.

### **RCI TWG- Presented by Ken Colburn, CCS**

It was noted that the Total GHG Reductions column and NPV column in the POD cover table for options RCI- 6, 7, and 8 had inadvertently been interposed.

RCI- 1- Sent back to TWG for additional work in coordination w/ ES-3.

RCI-2: Page 6, Policy Design Goal, bullet 1- Add institutional and municipal to list of buildings targeted. Page 12- Address the uncertainty about the levels of penetration that can actually be achieved and the corresponding savings. Approved unanimously with these changes.

RCI-3: Approved at MCAC #5.

RCI-4: Page 18, Implementation Mechanisms- Need to check if the legislation would need to “amend” or “repeal” the referenced section of the Construction Act. Change accordingly.

RCI- 5: Approved at MCAC #5.

RCI-6: Discuss on Day 2 w/ ES-1

RCI-7: Page 32, Table RCI-A: It was suggested to remove the sub-categories under LEED headings in this table. Conditionally approved unanimously with this change.

RCI-8: Discuss on Day 2 w/ ES-12

RCI 9: Approved at MCAC #5.

RCI-10: Approved unanimously without changes.

## **PUBLIC INPUT- DAY 2**

The following individuals offered comments:

John Griffin (Petroleum association of MI) - Suggested that MCAC leave the Low Carbon Fuel Standards in TLU-1 to the federal government to assure consistency across the country.

Gail Miller (Sierra Club Legislative Director) - Regarding page 5 of the AFW POD, she suggests that use of all above ground biomass for harvest is not sustainable. They will submit written comments.

Steve Zervas (Arcadis Consulting firm) - The AFW-1 amendments to address CFB units are not clear about nitrous oxide emissions. Feels it is premature to pick out one technology for attention at this time in the policy option.

Nick Bernwell (Lansing Board of Water and Light) - NOx emission can be controlled on CFBs w/good combustion practices.

Jim Weeks asked LBWL if CFBs reduce their carbon footprint. Bernwell - LBWL wants to burn 30% biomass with CFB based on data from USDA.

### **Energy Supply (ES) TWG- Presented by Jeff Wennberg, CCS + Ken Colburn for RCI- 6, 8 and 1.**

ES-1 + RCI -6: Conditionally approved but directed TWGs to make them consistent. Prefer to leave stand alone ES carve-out approach intact and let the RCI net metering proposal be an extra carve-out on top of the ES option.

ES- 12 + RCI-8: Revise ES 12 goals on page 52 to align with RCI-8 goals and state that one is a goal statement (RCI) and one is a capacity (ES) statement. Conditionally approved with amendments.

ES-3 + RCI-1: Sent back to TWGs to identify opportunities to go beyond the #s proposed in the Alternate and to reconcile it w/ PA 295.

ES-10: Need to craft language so that particular technology approaches are not endorsed. Cross reference w/ AFW-1 as appropriate. Page 45 paragraph 4- Add "City" after "Rogers". Page 47- Feasibility issues - add other pollutants. Sent back to TWG for additional work.

ES- 5: Approved unanimously. Fix typo on page 16, 1<sup>st</sup> sentence: change "and" to "than".

ES-6: Page 25- Key assumptions- need to beef them up reflect that a new plant would require that nuclear waste storage issues be addressed and need to elaborate on the

quantification methods. Also need to develop the uncertainties more fully. Referred back to TWG for additional work.

ES- 7, 8: Approved at MCAC #5.

ES-9: Approved unanimously with no changes.

ES-11: Approved unanimously, with some edits to note that it is presented as an illustration, not an endorsement of any particular technology.

ES-13: Page 59- Move paragraph 3 and associated bullets to implementation mechanisms. On page 60 the goals need to be updated to reflect enacted legislation. On page 61 note Midland Plants work with Germany on burner technology. Approved unanimously with these changes.

ES- 15b: Approved unanimously without changes.

### **Discussion of Potential Preamble to Report\**

Several members of the Council have developed a sidebar proposal that might be included as a preamble to the report. It would basically articulate a broad vision and direction for the state on GHG. It was handed out and summarized. Comments and suggestions on it were requested. It was agreed to continue discussions on it and if consensus can be found to bring it before the next MCAC meeting.

### **Market Based Policies (MBP) TWG- Presented by Jeff Wennberg, CCS**

Jeff Wennberg presented the report of the Market Based Policies TWG. Adam Rose and Dan Wei of CCS assisted in development of the Power Point presentation of the MBP TWG options and Jeff Wennberg made a detailed presentation about the options. They will be brought back to the MCAC at the next meeting for consideration.

### **GOAL SETTING PROCESS**

Tom Looby summarized the goal slides in the power point and indicated that after we get the quantification of all options complete that we will be able to examine potential goals for MI. The CCI TWG will formulate a goals proposal for consideration of MCAC at the next meeting.

### **NEXT STEPS**

Need to factor MGA efforts into final deliberations of selected MCAC Options. TWGs will finalize remaining policy options and CCS will prepare final quantification results. MCAC will make final decisions on remaining Options at MCAC #7 on January 28,

2009. CCS will develop a draft report for consideration of MCAC during February. The final MCAC meeting will be via teleconference during the last week of February.

## **ATTENDANCE**

### **Michigan Climate Action Council (MCAC) Members**

#### **November 20, 2008 - MCAC Members or Designees**

Nicole McIntosh for Jon Allan  
Dr. Jeff Andresen  
Guy Bazzani  
Duncan Callaway for Dr. Rosina Bierbaum  
Skiles Boyd  
Dr. Dwight Brady  
Jim Byrum  
Steve Chester  
Corky Overmyer for Norman Christopher  
Dana Debel  
Frank Ettawageshik  
Charles Griffith for Michael Garfield  
Mayor George Heartwell  
Chuck Hersey  
Mindy Koch for Rebecca Humphries  
Dana Kirk  
Stephen Shine for Don Koivisto  
Curt Magleby (by phone)  
Brad Markell  
Monica Martinez  
Reginald Modlin  
Dennis Muchmore  
Raymond Scott for Willa Williams  
Leonard Parker (by phone)  
John Sarver for Skip Pruss  
David Gard for Lana Pollack  
Polly Kent for Kirk Steudle  
Lisa Webb Sharpe  
Jim Weeks  
Al Weverstad  
Mary Lou Benecke for Dr. Gregg Zank

#### **November 20, 2008 - State of Michigan Staff**

MDEQ  
Donna Davis  
Jim Goodheart  
Steve Kulesia  
JoAnn Merrick  
Mary Maupin  
Marcia Horan  
Lynn Fiedler  
Amy Butler  
Terri Novak

MDOT  
Niles Annelin

MPSC  
Julie Baldwin

DMB  
Keith Pasch

Executive Office  
Liesl Clark

**November 20, 2008** - General Public

Paul Zugger, Michigan United Conservation Clubs  
Ken Evans, Consumers Energy  
Gayle Miller, Sierra Club  
John Griffin, American Petroleum Institute of Michigan  
Nick Burwell, Lansing Board of Water and Light by phone  
Byron Parker, \_\_\_?\_\_\_\_\_ Natural Resources  
George Curran, Katz Sangster  
Gary Melow, Michigan Biomass  
Fred Sciance, Chrysler  
Shelley Sullivan, Chrysler  
Brad Garmon, Michigan Environmental Council  
Joan Weidner, SEMCOG  
Susan Harley, Clean Water Action

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Nicole McIntosh for Jon Allan  
Duncan Callaway for Dr. Rosina Bierbaum  
Skiles Boyd  
Dr. Dwight Brady  
Jim Byrum  
Steve Chester  
Corky Overmyer for Norman Christopher and Mayor George Heartwell  
Dana Debel - PLEASE NOTE THAT COMPANY NAME IS TO BE CHANGED TO DELTA AIRLINES  
Frank Ettawageshik  
Michael Garfield  
Chuck Hersey  
Mayor John Hieftje  
Mindy Koch for Rebecca Humphries  
Dana Kirk  
Stephen Shine for Don Koivisto  
Curt Magleby (by phone)  
Brad Markell  
Monica Martinez  
Reginald Modlin  
Dennis Muchmore  
Raymond Scott for Willa Williams  
Leonard Parker (by phone)  
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Shelley Sullivan, Chrysler  
Brad Garmon, Michigan Environmental Council  
Susan Harley, Clean Water Action

CCS  
Tom Peterson  
Tom Looby  
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