



Memorandum

To: Office of Governor Kathleen Sebelius

From: The Center for Climate Strategies

Re: Proposed Work Plan for Launch and Management of the Kansas Energy and Environmental Policy Advisory Group

Date: May 18, 2008

In an Executive Order dated March 21, 2008, Governor Kathleen Sebelius established the Kansas Energy and Environmental Policy Advisory Group (KEEP) to identify opportunities for Kansas to respond to the challenge of global climate change while becoming more energy efficient, more energy independent, and spurring economic growth. The Governor has requested that the Center for Climate Strategies (CCS) assist the state in the development of a Kansas climate action plan.

Through this memorandum, we are responding to this request for assistance, asking for review and approval of a proposed work plan, and providing a commitment to provide substantial cost share to ensure success of the project. CCS proposes to facilitate the KEEP through its model consensus building process in partnership and close coordination with the Governor's Office and agencies. Upon approval, we will move quickly to launch the first meeting of the process.

This memorandum outlines the proposed work plan for the KEEP, including:

- Purpose and goals of the process
- Outline of the final report
- Project timing and milestones
- Design of the process, including key principles, guidelines, parameters and ground rules
- KEEP meeting agendas and objectives, including Technical Work Group (TWG) meeting topics
- Participant roles and responsibilities
- Project budget and funding plan
- Project team

Purpose and Goals, Kansas Energy and Environmental Policy Advisory Group

The KEEP will be a broad-based group of Kansas stakeholders charged with making a comprehensive set of state-level climate mitigation policy recommendations to the Governor in a climate action plan. The Governor will appoint twenty-five members of the Advisory Group and its Chairperson.

The goals of the KEEP process include:

1. Review and approval of a current and comprehensive inventory and forecast of greenhouse gas (GHG) emissions in Kansas from 1990 to 2025.
2. Development and recommendation of comprehensive climate mitigation policy recommendations in all economic sectors in Kansas through 2025 to meet or exceed state emissions reduction goals. This will include but not be limited to the following policy measures:
 - a. New incentives for development of a diversified electricity generation portfolio;
 - b. An appropriate energy generation portfolio goal, or series of goals, taking into consideration regional and national markets;
 - c. Laws, rules and regulations, and policies needed to facilitate diversification of the energy generation portfolio;
 - d. Any additional studies related to the KEEP's charge that might be appropriately undertaken by the Kansas research universities.
3. Development of recommended short, medium and long-term goals for statewide reductions in the amount of GHGs emitted by activities in Kansas.
4. An interim status report to be developed by the first day of the legislative session in January 2009.
5. A final written report of the KEEP due to the Governor by the first day of the legislative session in January 2010.

Final Report

The KEEP final report to the Governor is expected no later than first day of the legislative session in January 2010. It will compile and summarize the final recommendations of the KEEP and cover the following areas:

1. Executive Summary
2. History and Status of State Climate Actions
3. Inventory and Forecast of Kansas GHG Emissions
4. Recommended Goals and Targets for Reducing GHG Emissions in Kansas
5. Recommended Climate Mitigation Policy Actions by Sector:
 - a. Energy Supply

- b. Residential, Commercial, and Industrial
 - c. Transportation and Land Use
 - d. Agriculture, Forestry, and Waste Management
 - e. Cross Cutting Issues (Emissions Reporting, Registries, Education and Goals)
6. Technical Appendices

Timing and Milestones

The first in-person meeting of the KEEP will be held May 20, 2008 with five additional meetings or more being held in the ensuing months. CCS will issue the final report of the KEEP following its final meeting. For each of the five TWGs, two or more teleconference calls or meetings will be held between each of the KEEP meetings.

The following draft schedule is suggested for planning purposes:

Draft KEEP Calendar

Date	Meeting*
May 20, 2008	1 st KEEP meeting
August, 2008	2 nd KEEP meeting
December, 2008	3 rd KEEP meeting
January, 2009	Interim Report Due
April, 2009	4 th KEEP meeting
August, 2009	5 th KEEP meeting
November, 2009	6 th KEEP meeting
January, 2010	Final Report Due
Between KEEP Meetings	2 TWG conference calls/ meetings

Design of the Process

The KEEP process will follow the format of CCS consensus building and policy development processes used successfully in a number of state-level climate action

planning initiatives. The CCS planning process combines techniques of alternative dispute resolution, community collaborative decision-making, and corporate strategic planning in a combined form of facilitation and technical analysis known as “evaluative facilitation.” This consensus-building model supports informed and collaborative self-determination by a broadly representative group of designated stakeholders and technical experts. Activities of the KEEP will be transparent, inclusive, stepwise, fact-based, and consensus driven. The KEEP process will seek but not mandate consensus and will use formal voting to determine the level of support for individual options (described below).

The KEEP process relies on intensive use of information and interaction, and requires substantial organization and communication among facilitators, participants, and technical analysts. CCS will oversee and manage this information exchange and decisional process in partnership with the Governor’s Office and agencies. CCS will provide central coordination of KEEP and TWG activities through a facilitation team and provide close coordination of KEEP, TWG, facilitation, and technical support activities.

To facilitate learning, collaboration, and task completion by the KEEP members, CCS will provide a series of decision templates for each step in the process, including: a catalog of state actions with ranking criteria, a balloting form for identification of initial priorities for analysis, a draft policy option template for the drafting and analysis of individual recommendations, a quantification principles and guidelines document for each TWG, and a final report format.

CCS will also provide meeting materials for each KEEP meeting and TWG teleconference call, including: a PowerPoint presentation of the discussion items, an agenda and notice of the meeting, a draft summary of the previous meeting for review and approval, and additional handouts as needed. Materials will be provided by CCS in advance through website posting and email notice with a goal of seven-days advance notice. CCS will provide and manage a project website (www.ksclimatechange.us) in close coordination with the Governor’s Office and agencies. All website materials will be reviewed by the Governor’s Office and agencies prior to posting. Examples of CCS project websites can be found at www.climatestrategies.us.

The KEEP process includes the following key principles and guidelines:

- The process is fully transparent. The transparency of technical analysis, policy design, and participant viewpoints is critical to the identification and resolution of potential conflicts. All materials considered by the KEEP and TWGs are posted to the project website, and all meetings are open to the public. The quantification of all potential policy options is transparent with respect to the data sources, methods, key assumptions, and uncertainties used by CCS in its joint work with participants. In addition, policy design parameters and implementation methods for recommended actions are fully transparent, including emissions reduction goals, timing, participants, and implementation mechanisms.
- The process is inclusive. A diverse group of KEEP members and additional TWG members are chosen by the Governor to represent a broad spectrum of interests and expertise in Kansas. In addition, public input opportunities are provided at each meeting of the KEEP and TWGs, and in review of the final

report.

- The process is stepwise. Each step of the process builds incrementally on the former toward a final solution. Sufficient time, information, and interaction are provided between steps to ensure comfort with decisions and quality of results. Once made, decisions are not reconsidered to avoid backsliding.
- The process will seek but not mandate consensus. Votes will be taken at key milestones in the process in order to advance to next steps. Alternatives that address barriers to consensus will be developed by the KEEP with the assistance of TWGs and CCS. Voting is conducted by simple request for objection at the point of decision (by hand), followed by resolution of conflicts, as needed, through the development of alternatives. The absence of objection is regarded as support for the proposal. KEEP Members should always feel free, and are encouraged, to voice any concerns, objections or questions during the process. Final votes by the KEEP include support at three levels, including: unanimous consent (no objection), super majority (five objections or less), and majority (less than half object). Typically the early stages of the process proceed with unanimous consent, and supermajority if needed. Final recommendations may include recommendations at all three levels. The final report by CCS will document KEEP recommendations and views on each policy option, including alternative views as needed.
- The process is comprehensive. The KEEP will explore solutions in all sectors and across all potential implementation methods, including a variety of voluntary and mandatory implementation mechanisms. The total number of policies considered and recommended by the KEEP is typically 50 or more. Recommendations may include state-level and multi-state actions (regional and national). Mitigation of all GHGs will be examined, including carbon dioxide, methane, nitrous oxide, and synthetic gases. Units will be expressed in million metric tons carbon dioxide equivalent (MMT_{CO2e}). Significant actions taken by the executive or legislative branches during the process will be included in an updated reference case forecast of emissions as recent actions.
- The process is guided by clear decision criteria for the selection and design of recommended actions. These include consideration of: (1) GHG reduction potential; (2) cost or cost savings per ton GHG removed; (3) externalities, including economic, environmental, and energy policy co-benefits; and (4) feasibility issues, including physical, technical, institutional, economic and political.
- The process is quantitative. Results of KEEP decisions will include explicit descriptions of policy design parameters and estimates of GHG reduction potential and cost effectiveness, except for policy options that the KEEP does not believe are suited to quantification (for example, education programs). As such, recommendations can include both quantified and non-quantified actions, with emphasis on quantification of GHG reduction potential and cost or cost savings for as many recommendations as possible. Additional quantification needs related to co-benefits or feasibility issues will be evaluated on a case-by-case

basis pending KEEP input and available resources.

- The process covers short, medium, and long-term periods of action. The time period of analysis for emissions inventories and reference case projections includes years 1990-2025. Recommendations for action typically include the present to year 2025, with estimated benefit and cost impacts being reported for intermediate years such as 2015 and 2025. These time frames can be adjusted to if needed to consider longer time horizons.
- This process is implementation oriented. The goal of the process is ultimate adoption of specific policies by the state of Kansas based on planning recommendations of the KEEP and supplemental analyses, as needed. Accordingly, the level and detail of analysis conducted for policy options is geared toward planning recommendations to the Governor as opposed to final rulemaking or legislation.

KEEP Meeting Objectives and Agendas

The objectives and agendas for each of the KEEP and TWG meetings are listed below, with notes regarding each of the decisions of the KEEP.

MEETING ONE

- Objectives:
 - Introduction to the process, presentation of preliminary fact-finding (inventory and forecast of emissions, catalog of state actions).
 - Formation of TWGs. No votes will be taken, however, KEEP members should be prepared to select one or more TWGs members for participation.
- Agenda:
 - Introductions
 - Purpose and goals
 - Review of the KEEP process
 - Review of the status of and reasons for state climate change action
 - Review of the draft Kansas emissions inventory & forecast
 - Review of the initial draft Catalog of State Policy Actions, including Kansas Climate Mitigation Actions to Date
 - Formation of TWG's, next meeting agenda, time, location, date
 - Public input

Interim TWG calls will cover: (1) review and suggested revisions to the draft inventory and reference case projections; (2) review and suggested additions to the catalog of state policy actions; (3) Review other state goals and targets

MEETING TWO

- Objectives:
 - Addition of potential actions to the draft catalog of state actions (by vote)
 - Identification of potential revisions to the draft emissions inventory and forecast (by vote if/as needed)
- Agenda:
 - Introductions
 - Review and approval of previous draft meeting summary
 - Review and approval of additional actions to the Catalog of possible Kansas State Policy Actions
 - Discussion of the process for identifying initial priorities for TWG analysis
 - Recommended updates to inventories and baseline forecasts
 - Next meeting agenda, time, location, date
 - Public Input

Interim TWG calls will cover: (1) suggested revisions to the emissions inventory and reference case projections, (2) early notional ranking of options in the catalog and straw balloting for initial “priority for analysis” options, (3) options for state goals and targets, (4) Discussion of potential elements for the Interim Report to the Governor.

MEETING THREE

- Objectives:
 - Approval of TWG identified priority policy options for detailed analysis. (by vote)
 - Approval of revisions to the emissions inventory and forecast (by vote if/as needed)
 - Approval of the Interim Report to the Governor
- Agenda:
 - Introductions
 - Review and approval of previous draft meeting summary

- Final agreement on Kansas emissions inventories and baseline forecasts (preferable)
- Review and approval of TWG suggested lists of initial policy option priorities for analysis
- Review and approval of Interim Report to the Governor
- Discussion of process for developing straw policy design proposals
- Update on Next Steps
- Briefing on quantification methods
- Next meeting agenda, time, location, date
- Public Input

Interim TWG calls will cover: (1) development of straw proposals for design parameters for individual policy options, (2) next steps for analysis of options, and (3) Development of preliminary options for Kansas GHG reduction goals.

MEETING FOUR

- Objectives:
 - Approval of TWG suggested straw proposals for policy design (goals, timing, parties involved) (by vote)
 - Preparation for quantification phase of the process (briefing and discussion)
 - Introduction to the GHG goal setting process including examples from other states and review options for establishing GHG emission reduction goals and targets for Kansas.
- Agenda:
 - Introductions
 - Review and approval of previous draft meeting summary
 - Review and approval of straw proposals for policy design
 - Discussion of quantification principles and guidelines, and key assumptions for TWG analysis of policy options
 - Formulate options for establishing GHG emission reduction goals and targets for Kansas.
 - Next meeting agenda, time, location, date
 - Public Input

Interim TWG calls will cover: (1) review of proposed quantification procedures for individual options; (2) review of first round of quantification results; and (3) identification of early consensus options for recommendation for KEEP approval, and (4)

Development of preliminary proposed GHG emission reduction goals and targets for Kansas

MEETING FIVE

- Objectives:
 - Review and approval of initial consensus policy recommendations (by vote)
 - Identification of specific barriers to consensus, and potential alternatives for policy options lacking full consensus (discussion) to be considered further by TWGs
 - Proposed GHG emission reduction goals and targets for Kansas identified.
- Agenda:
 - Introductions
 - Review and approval of previous draft meeting summary
 - Begin review and approval of draft policy options
 - Identification of barriers and alternatives for remaining options, with guidance for additional work on options to TWGs
 - Review and consideration of proposed GHG emission reduction goals and targets for Kansas.
 - Next meeting agenda, time, location, date
 - Public Input

Interim TWG calls will cover: (1) final revisions to alternative policy option design parameters, quantification approaches, and/or implementation mechanisms as needed, (2) final analysis of options and alternative approaches and (3) formulation of final proposed GHG reduction goals and targets for Kansas.

MEETING SIX

- Objectives:
 - Review and approval of draft pending policy recommendations not yet approved, including additional options if/as needed (by vote)
 - Final approval of proposed GHG emission reduction goals and targets for Kansas.
- Agenda:
 - Introductions
 - Review and approval of previous draft meeting summary

- Review and approval of final draft pending policy options, with results of analysis for individual options and cumulative emissions reductions potential for all options combined
- Approve final GHG emission reduction goals and targets for Kansas, (By vote)
- Review of final report progress and plans
- Next meeting agenda, time, location, date
- Public Input

FINAL REPORT

- Draft report language by CCS to the KEEP
- First round of review and inputs to CCS
- Updated draft report language to the KEEP and public
- Final KEEP call to discuss suggested changes to the final report
- Final report transmitted to the Governor by CCS

Participant Roles and Responsibilities

The KEEP process involves a number of parties with specific roles and responsibilities, as follows:

Governor

The Governor convenes the climate action plan process and KEEP through executive order, appoints members and Chairperson of the KEEP and TWGs, requests and receives final recommendations from the KEEP for a comprehensive state climate action plan, appoints the ex-officio state representatives to KEEP and the agency support team from the Kansas Department Health and Environment (KDHE) and other agencies, and acts on final recommendations as deemed appropriate.

Chairperson

The Chair will work in partnership with CCS and agencies to support timely and orderly completion of tasks, good-faith participation, and resolution of issues by KEEP members, enforce ground rules, open and close KEEP meetings.

Center for Climate Strategies

The Governor has asked CCS to partner in forming and conducting a participatory, deliberative statewide climate action planning process to meet the goals of the KEEP. CCS will work in partnership with the Governor's Office, agencies, and Chair to achieve the overall goals of the process. In this role, CCS will design the KEEP process (using its standard consensus building model) and provide facilitation and technical and policy

analysis and other support to the KEEP and its TWGs through a team of project managers, facilitators, and technical analysts. CCS will facilitate meetings and votes during meetings, schedule meetings in coordination with the Governor's Office, agencies, and the Chair, implement meeting agendas from the work plan, produce documents for KEEP and TWG consideration, and perform and present technical and policy analysis.

CCS serves as an impartial and expert party and does not take positions on issues or direct the parties toward particular solutions. As such, CCS serves as a group mediator, but not as an arbitrator. CCS abides by the Model Standards of Conduct for Mediators available on its website. CCS also ensures that adequate funding exists to successfully complete the process through private sources, as needed.

KEEP

The Governor appoints the KEEP. It provides review and approval of final recommendations for specific climate mitigation policy actions, and approves a final Kansas GHG emissions inventory and forecast. KEEP members are appointed to respond to the purpose, goals and timelines of the process. CCS will facilitate KEEP activities, provide supporting analysis of options under consideration, and deliberate and cast votes in an open-group format. The KEEP will vote using procedures outlined under "Design of the Process," above.

Technical Work Groups

TWG members are appointed by the Governor and will be comprised of KEEP members assigned to specific sector-based TWGs of interest as well as non-KEEP individuals with technical expertise and interest of importance to the process. The TWGs will provide nonbinding guidance to KEEP members on decisions related to milestones in the stepwise process (any balloting or other determination of consensus conducted through the TWGs will be advisory only and nonbinding on the KEEP). TWGs will also provide assistance to CCS in the identification, design, and quantification of policy recommendations. Sector based TWGs include:

- a. Energy Supply (heat and power);
- b. Residential, Commercial and Industrial (energy efficiency and conservation and industrial processes);
- c. Transportation and Land Use;
- d. Agriculture, Forestry and Waste Management;
- e. Cross Cutting Issues (reporting, registries, public education, goals, etc.).

Government Agencies

The Governor has named the Lieutenant Governor and the Secretaries of the following state agencies as ex-officio members of KEEP: Departments of Health and Environment, Commerce, Agriculture, Transportation, Wildlife and Parks, the Chairperson of the Kansas Corporation Commission, Director of the Kansas Water Office and the Co-Chairperson of the Kansas Energy Council. Agency participants provide liaison to KEEP and TWG meetings and related activities. This includes

technical review and input to TWG meetings. In addition, agencies will assist CCS by providing support for successful completion of the process, and provide day-to-day assistance to CCS with coordination, communications, logistics, and technical assistance.

The Public

The public is invited to attend KEEP meetings and provide review and input to KEEP and TWG members. Other public input mechanisms may be developed as needed based on guidance from the Governor's Office.

Participant Guidelines

KEEP and TWG members are expected to follow certain codes of conduct during the process, including:

- Participants are expected to support the process and its concept fully and, through the group process, collaborate in good faith toward the goals of the KEEP process.
- Participants are expected to act as equals during the process to ensure that all members have equal footing during deliberations and decisions.
- Participants must attend meetings and stay current with information provided to the group and the decisions of the group.
- Participants are asked not to reconsider decisions already made in the stepwise process. Once the KEEP reaches a milestone by vote, it moves to the next step.
- Participants represent only themselves when making KEEP decisions and/or speaking about the process with the media or in other public settings.
- Participants should refrain from personal criticisms and provide objective, fact-based comments and alternatives during KEEP and TWG discussions.

Project Budget

The estimated CCS budget for completion of startup and completion of the KEEP process covers the core facilitation process and quantification of approximately 50 policy recommendations. Changes in the number of meetings, number of policy options, or type of analysis may reduce or expand the level of budget support needed.

Project Funding

Pending the Governor's Office approval of this memo, CCS pledges adequate commitments from donors to launch the process and fully fund its completion.

Project Team

The CCS project team consists of the following members (CCS may alter the team configuration based on need during the process):

Facilitation and Project Management

- Tom Peterson, Tom Looby, Jack Ubinger, Ken Colburn

Inventory and Forecast Team

- Randy Strait, Steve Roe, Maureen Mullen

Technical Work Group Facilitators and Consultants

Energy Supply

- Rob Greenwood, Donna Boysen, Hal Nelson, Bill Dougherty, Michael Lazarus

Residential, Commercial, and Industrial

- Tim Larson, Donna Boysen, Michael Lazarus, David Von Hippel

Agriculture, Forestry and Waste Management

- Steve Roe, Rachel Anderson, Jennifer Jenkins, Peter Kuch, Brad Strode

Transportation and Land Use

- Lewison Lem, Bill Cowart, Jason Miles, David Shelton

Cross Cutting Issues

- Tom Looby, Ken Colburn, Randy Strait, TBD

Macroeconomic modeling

- Adam Rose, Dan Wei, Hal Nelson

Approved, Governor's Office _____ Date: _____

Approved, CCS _____ Date: _____