



Kansas Energy and Environmental Policy Advisory Group (KEEP)

Meeting #3, December 9, 2008

Kansas Governor's Office
The Center for Climate Strategies

Welcome and Introductions

- Kansas Governor's Office
- KEEP Members
- Kansas State Agencies
- Members of the Public
- Center for Climate Strategies

Agenda

1. Welcome and Introductions
2. Opening Remarks
3. Update on MGA Process
4. Approval of KEEP Meeting #2 Summary
5. Purpose of and Goals for KEEP Meeting #3
6. Review and Approval of TWG Proposed Changes to the Draft KS GHG Emissions Inventory and Forecast
7. Approval of TWG Recommended Priority Options for Further Analysis from the Catalogs of Potential State Actions
8. Review of the Straw Proposal Development Process for Selected Priority Policy Options
9. Review of Initial Draft Interim Report
10. Next Steps for KEEP and Technical Work Groups
11. Agenda, Time, and Date for Next Meeting
12. Public Input
13. Announcements
14. Adjourn

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Opening Remarks

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Summary of Prior KEEP Meeting

- Edits and Approval of KEEP Meeting #2 Summary

Goals for KEEP Meeting #3

- Review and Approval of Proposed Priority Policy Options for Further Analysis from Each Technical Work Group
- Consider Proposed Changes to the Draft KS GHG Emissions Inventory and Forecast (I&F) Report from the TWGs
- Review the Process for Developing Straw Proposals for Further Analysis of the High-Priority Policy Options selected by KEEP
- Review Initial Draft Interim Report

Draft KS GHG Emissions Inventory and Forecast Report

- Review any recommended changes to the KS I&F Report from the TWGs

AFW TWG Currently Reviewing Changes to the Draft KS GHG I-F Report

- Agriculture
 - Wheat burning emissions in Draft I-F Report thought to be underestimated.
 - CCS consulted CENRAP Report for wheat residue burning data.
 - Results in a three-fold increase in agriculture burning emissions. Changes and data source currently under review by TWG.

AFW TWG Currently Reviewing Changes to the Draft KS GHG I-F Report

- Forestry
 - TWG suggested that CCS consult additional sources regarding forest cover in Kansas.
 - CCS consulted Kansas Forest Service and University of Kansas.
 - Remote sensing data available, but experts at KFS and KU said the USFS data CCS is currently using is better for the purposes of the I-F Report
 - TWG interested in addressing carbon sequestration from Rangelands. Methods currently not available to quantitatively assess this issue.

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ES TWG Member Recommended Changes to the Draft KS GHG I&F Report

1. **Inventory Data and Methodology:** Broad assumptions were made in creating the inventory, and specific data was not always available; as reliable data becomes available, inventory methodology should be revised to provided enhanced accuracy of the inventory.
2. **Emissions Calculations:** The inventory overestimates the amount of electricity generated by utilities and consumed by Kansas citizens. Calculate emissions for Kansas utilities based on consumption (per customer or per kWh delivered).

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ES TWG Member Recommended Changes to the Draft KS GHG I&F Report (cont'd.)

3. **Renewable Energy:** The inventory assumes that all wind energy generated in Kansas is used by Kansas citizens, though this may not be the case. This assumption could be detrimental for any future cap and trade or carbon management allocation. Make renewable energy a separate category: have all exports/imports, including renewable energy, be accounted for in the inventory based on fuel type.

RCI TWG Member Recommended Changes to the Draft KS GHG I&F Report

1. **Cement Production/Consumption:** Ensure that the most current state/regional consumption forecasts from the Portland Cement Association (PCA) are used to estimate future GHG emissions associated with cement consumption/production in Kansas. Use August 2008 PCA forecast data and/or update with 2009 data.
2. **Black Carbon Production/Consumption:** Re-evaluate forecasts related to increases in black carbon from manufacturing, in light of recent manufacturing trends. It was noted that some data sources show a steady decline in black carbon from manufacturing, in part due to changes in the price of oil and because tire manufacturing is increasingly moving outside of the U.S.

TLU TWG Recommended Changes to the Draft KS GHG I&F Report

- The TLU TWG had no recommended changes to the draft KS GHG I-F Report

Review and Approval of Draft Priorities for Further Analysis

- 300+ possible actions listed in CCS Catalog
- 346 potential actions developed by KEEP
- 48 initial draft priorities for analysis recommended by TWGs
- KEEP reviews and approves with modifications, if/as needed
- TWGs formulate straw proposals for policy design, quantification

Priority Tiers

- TWG Priorities determined through a notional rating and balloting process
- TWGs had discretion to consolidate related options, and many did.
- Each TWG independently identified its Tier 1, Tier 2 and Tier 3 priorities
- KEEP makes final decision on Tiers
- Only Tier 1 Options will move to Design Phase for Further Analysis and Quantification

Priority Tiers (cont'd.)

- **Tier 1 Options**: Proposed Policies that received substantial support from the TWG to recommend for further analysis in the design phase of the KEEP process.
- **Tier 2 Options**: Policies that received a lower level of support than Tier 1 from the TWG, and that the KEEP may have interest in moving up to Tier 1.
- **Tier 3 Options**- Policies with little or no support from the TWG and not included in the lists for further analysis.

AFW TWG Recommended Priority Policy Options – Tier 1

- AFW-1 Expanded Utilization of Biomass Feedstocks for Electricity, Heat, or Steam Production
- AFW-2 In-State Liquid Biofuels Production
- AFW-3 Promotion of Agricultural Practices That Achieve GHG Benefits
- AFW-4 Manure Management and Waste Energy Utilization
- AFW-5 Forest and Rangeland Carbon Protection and
- AFW-6 Methane and Biogas Energy Programs

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AFW TWG Tier 2 Options

- Energy Efficiency Improvements at Wastewater Treatment Plants
- Water Conservation Programs
- Prioritize Environmental Remediation Actions for GHG Benefit

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Break



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ES TWG Recommended Priority Policy Options

- ES-1 Advanced Fossil Fuel Technology Incentives, Support, or Requirements
- ES-2 Nuclear Capacity
- ES-3 Transmission System Upgrading
- ES-4 Renewable Portfolio Standard
- ES-5 CCSR Incentives, Requirements, and/or Enabling Policies
- ES-6 Technology-Focused Initiatives, Including Grant Programs

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ES TWG Recommended Priority Policy Options (cont'd.)

- ES-7 R&D for CCSR
- ES-8 Technology Research and Development
- ES-9 Green Power Purchases and Marketing
- ES-10 Energy Efficiency Resource Portfolio Standard
- ES-11 General Education of Public on Energy Supply Options

ES TWG Tier 2 Options

- GHG Cap and Trade (was ES-1.1)
- Carbon/GHG Tax (was ES-1.2)
- Generation Performance Standards and/or Mitigation Requirements for Electricity (was ES-1.3)
- Integrated Resource Planning (was ES-1.4)
- Grid-Based Renewable Energy Regulations, Incentives, and/or Barrier Removal (was ES-2.2)
- Distributed Renewable Energy Incentives and/or Barrier Removal (was ES-2.3)
- Pricing Strategies To Promote Renewable Energy (e.g., Net Metering) (was ES-2.5)
- Research and Development for Renewable Technologies (was ES-2.8)
- Utility Energy Efficiency Incentives or Other Barrier Removal (was ES-3.2)

ES TWG Tier 2 Options (cont'd.)

- Consumer Energy Efficiency Incentives or Other Barrier Removal (was ES-3.3)
- Combined Heat and Power Incentives and/or Barrier Removal (was ES-3.4)
- Co-Location or Integration of Energy-Producing Facilities (was ES-3.6)
- Efficiency Improvements and Repowering Existing Plants (was ES-4.4)
- Technology-Focused Initiatives (was ES-4.5)
- Use CO₂ for Enhanced Oil Recovery (was ES-6.3)
- Reduction of Transmission and Distribution Line Losses (was ES-7.2)
- Smart Grid Systems (was ES-7.8)
- Work Force Development Education To Support Energy Supply Options and Economic Development (was ES-8.2)

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Lunch Break



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RCI TWG Recommended Priority Policy Options

- RCI-1 Utility Demand-Side Management Programs
- RCI-2 Improve Building Codes for Energy Efficiency and Support Training for Their Successful Implementation
- RCI-3 Consumer Education
- RCI-4 Reduced-Cost or Free Residential Energy Audits
- RCI-5 Promote and Develop Incentives for Energy-Efficient Private-Sector Building Design and Construction
- RCI-6 Develop Incentives To Promote Implementation of Customer-Sited Renewable Energy Systems Through Effective Net Metering and Other Means

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RCI TWG Recommended Priority Policy Options (cont'd.)

- RCI-7 Develop Financial and Funding Mechanisms To Support Energy Efficiency Improvements in the RCI Sectors
- RCI-8 Incentives for Retrofit of Existing Residential Buildings
- RCI-9 Provide Reduced-Cost Energy Audits and Integrated Lean Manufacturing and Energy Technical Assistance for Industrial and Commercial Sectors
- RCI-10 Require or Encourage New State Government Buildings To Have a Small Greenhouse Gas Emissions Footprint, and Encourage Existing Government Buildings to Improve Energy Efficiency
- RCI-11 Green Power Purchasing by Customers

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RCI TWG Tier 2 Options

- Non-Utility Demand-Side Management Programs for Electricity (was RCI-1.3)
- Regional Market Transformation Alliance (was RCI-1.5)
- Create Incentives and Targets for Retrofit of Existing Commercial or Industrial Buildings (was RCI-2.12)
- Develop a Modified Cap-and-Trade Program for Commercial Buildings in Kansas (was RCI-2.13)
- Explore Advanced Metering Technologies That Can Monitor Energy Usage and Allow Homeowners and Managers to Adjust Energy Use Remotely (was RCI-2.14)
- Municipal Energy Management (was RCI-2.17)
- Support for Federal-Level Appliance and Electronic Equipment Efficiency Standards (was RCI-3.2)
- In-Home Energy/Power Displays (was RCI-4.4)

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RCI TWG Tier 2 Options (cont'd.)

- Create a High-Tech Research and Development Center That Focuses on Renewable Energy and Energy Efficiency (was RCI-4.5)
- Time-of-Use Rates (was RCI-5.3)
- Tiered (Increasing-Block) Rates for Electricity and Natural Gas Use (was RCI-5.4)
- Incentives for Passive Solar Heating (was RCI-6.4)
- Solar Hot Water Heating (was RCI-6.7)
- Support for Switching to Less Carbon-Intensive Fuels (Coal and Oil to Natural Gas or Biomass) (was RCI-8.1)
- Industry-Specific Emissions Cap-and-Trade Program (was RCI-8.2)
- Provide Tools and Information for Residents, Businesses, and Communities To Perform GHG Inventories (was RCI-8.5)
- Energy Efficiency Reinvestment Funds (was RCI-9.3)

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TLU TWG Recommended Priority Policy Options

- TLU-1 Enforce Speed Limits
- TLU-2 Support Stronger CAFE Standards and GHG Emission Regulations
- TLU-3 Low-GHG Fuel Standard
- TLU-4 Improve and Expand Transit
- TLU-5 Van Pooling and Car Pooling
- TLU-6 Improve and Increase Rail Freight Movements

TLU TWG Recommended Priority Policy Options (cont'd.)

- TLU-7 Smart Growth
- TLU-8 Telecommuting
- TLU-9 Efficient Vehicle Incentives
- TLU-10 Improved Passenger Rail Service

TLU TWG Tier 2 Options

- Low-Emission Vehicles
- Increase Bike and Pedestrian Infrastructure
- Park-and-Ride Lots
- Car Sharing
- Hybrid Buses
- Reserve Parking Spaces for High-Occupancy Vehicles and Car-Share Programs
- Vehicle Maintenance and Driver Training
- Statewide Growth Management Plan
- GHG Evaluations/Reductions in Planning/Policies

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TLU TWG Tier 2 Options (cont'd.)

- Land Use, Zoning, Tax, and Building Code Reform
- Free Downtown Parking to Car Poolers
- Benefits for Low-GHG Vehicles
- Research the Impact of GHG Emission Reduction Strategies on Transportation Revenue Sources
- Use Market Approaches or LEED for Neighborhood Development
- High-Speed Rail
- Improved Transportation System Management*
- Anti-Idling Measures*

**Originally classified as a low-priority item, this proposed option received special request from one or more Technical Work Group members to include on the medium priority list for consideration by the KEEP Advisory Group.*

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CCI TWG Recommended Priority Policy Options

- CCI-1 GHG Inventories, Forecasting, Reporting, and Registry
- CCI-2 Statewide GHG Reduction Goals and Targets
- CCI-3 State, Regional, and Local Governments and Academic Institutions' GHG Emissions (Lead by Example)
- CCI-4 Public Education and Outreach
- CCI-5 Participate in Regional and Multistate GHG Reduction Efforts, Including Market-Based GHG Reduction Policies

CCI TWG Recommended Priority Policy Options (cont'd.)

- CCI-6 Seek Funding for Implementation of KEEP Recommendations
- CCI-7 Adaptation and Vulnerability
- CCI-8 Encourage the Creation of a Business-Oriented Organization To Facilitate Investment in Climate-Related Business Opportunities and To Share Information and Strategies, Recognize Successes, and Support Aggressive GHG Reduction Goals
- CCI-9 Dedicate Greater Public Investment in Climate Data and Analysis

CCI TWG Tier 2 Options

- State, Regional, and Local Government and Academic Institutions' GHG Emissions (Lead by Example)
- Encourage the Creation of a Business-Oriented Organization To Facilitate Investment in Climate-Related Business Opportunities and To Share Information and Strategies, Recognize Successes, and Support Aggressive GHG Reduction Goals
- Enhance and Encourage Economic Growth and Job Creation Opportunities Through Climate Change Mitigation

Stepwise Planning Process

1. Get organized
2. Review and refine inventory & forecast of emissions
3. Identify a full range of possible actions
4. Identify initial priorities for analysis
5. Develop straw policy design proposals
6. Quantify initial GHG reductions and costs/savings
7. Fully develop policy option templates
8. Develop alternatives to address barriers as needed
9. Aggregate and integrate results
10. Finalize and report recommendations

Straw Proposal Development Process

- Review of the Process for Developing KS Priority Policy Options for Further Analysis

Policy Design Proposals

- KEEP identifies about 46 draft potential options for further development
- TWGs screen, prioritize, and propose initial policy option design (“straw proposals”)
 - Timing
 - Goals
 - Coverage
- CCS quantifies and presents for review
- KEEP revisits list of potential priorities, as needed

KEEP Interim Report to Governor Sebelius

- See handout.

Next Steps KEEP, TWGs

- TWG meetings continue
- 2 TWG meetings before next KEEP meeting
 - Develop straw Policy Option Design proposals
 - Identify TWG volunteers to help with drafting straw proposals

Next KEEP Meeting

- **Agenda:**
 - Review and approve proposed Policy Option Descriptions and Designs from TWGs
 - Prepare for next steps (Development of Implementation Mechanisms and Related Policies and Programs in Place)
- **Date:** April ?, 2009
- **Location :** TBD



Timing – KEEP Meetings

Date	Action
May 20, 2008	1st KEEP meeting
August 5, 2008	2nd KEEP meeting
December 9, 2008	3rd KEEP meeting
April ?, 2009	4th KEEP meeting
August 2009	5th KEEP meeting
November 2009	6th KEEP meeting
January 2010	Final Report due
Between KEEP Meetings	TWG conference calls and meetings

Public Input

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Announcements

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