



Kansas Energy and Environmental Policy Advisory Group (KEEP)

Meeting #4, Thursday, April 30, 2009

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. Approval of KEEP Meeting #3 Summary
4. Purpose of and Goals for KEEP Meeting #4
5. Review of TWG Proposed Changes to the Draft KS GHG Emissions Inventory and Forecast
6. Approval of TWG Proposed Straw Policy Descriptions and Policy Designs
7. Review and approval of General Approach to Quantification
8. Next Steps for KEEP and Technical Work Groups
9. Agenda, Time, and Date for Next Meeting
10. Public Input
11. Announcements
12. Adjourn

Opening Remarks

Summary of Prior KEEP Meeting

- Edits and Approval of KEEP Meeting #3
Summary

Goals for KEEP Meeting #4

- Review and Approve Proposed Changes to the Draft KS GHG Emissions Inventory and Forecast (I&F) Report from the TWGs
- Review the TWG Proposed Straw Policy Description and Policy Design Proposals for each of the High-Priority Policy Options selected by the KEEP

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

Draft KS GHG Emissions Inventory and Forecast Report

- Review and approve 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 have been updated based on 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
 - No updates since Last KEEP Meeting
- Waste
 - CCS believes that Waste I&F based on outdated landfill gas collection data and has suggested an update to the Waste I&F. CCS has requested additional data from TWG, but this data has not been provided.

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 provide 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).

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 Straw Policy Descriptions and Policy Designs from TWGs

- 49 Initial draft priorities for further analysis selected by KEEP at Meeting #3. TWGS have drafted Straw Proposals for each policy option.
- KEEP reviews and approves with any needed modifications today
- Building on approved Policy Designs, TWGs will formulate next elements of policy template: implementation methods, related policies and programs in place, co-benefits, key uncertainties, feasibility, etc.
- TWGs will also begin quantification of options.

Policy Design Proposals

- KEEP identified 49 draft potential options for further development and analysis
- TWGs screen, prioritize, and propose initial policy option design (“straw proposals”)
 - Timing
 - Goals
 - Parties Involved
- CCS quantifies and presents for review
- KEEP revisits list of potential priorities, as needed

Policy Option Template

- Policy Description (Concept)
- Policy Design (Goals, Timing, Parties Involved)
- Potential Implementation Methods
- Related Programs and Policies (BAU)
- Quantification of costs, results
 - Data Sources, Methods and Assumptions
 - Key Uncertainties
- Externalities, as Needed
- Feasibility Issues, as Needed
- Status Of Group Approval
- Level of Group Support
- Barriers to Consensus, if any

Levels of KEEP Consensus on Policy Options

- Unanimous consent= No objections
- Super-Majority– Less than 5 KEEP members present and voting object
- Simple-Majority= Less than 50% of KEEP members present and voting object

AFW TWG

Priority Policy Options

- 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

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

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 Standard
- ES-11 General Education to Public on Energy Supply Options
- ES-12 Efficiency Improvements and Re-powering Existing Plants

Lunch Break



April 30, 2009

www.ksclimatechange.us

22

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

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 and Targets for Retrofit of Existing Residential, Commercial and Industrial 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

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-11 Improved Transportation System Management

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 Multi-state GHG Reduction Efforts, Including Market-Based GHG Reduction Policies

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

- CI-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

State, Province, or Region	1990-2020 GHG Forecast	State Goals	Climate Plan Coverage
Arizona	144%	<ul style="list-style-type: none"> • 2000 levels by 2020; 50% below by 2040 • 15% below 2005 levels by 2020 (WCI) 	106%
California	40%	<ul style="list-style-type: none"> • E.O.: 2000 level by 2010; 1990 by 2020; 80% below 1990 by 2050 • AB-32: 1990 levels by 2020 • 15% below 2005 levels by 2020 (WCI) 	100%
Colorado	71%	<ul style="list-style-type: none"> • 20% below 2005 level by 2020; 80% below by 2050 	75%
Connecticut	32%	<ul style="list-style-type: none"> • 1990 level by 2010; 10% below by 2020; 75% below by 2050 	100%
Florida	?	<ul style="list-style-type: none"> • 2000 level by 2017; 1990 level by 2025; 80% below 1990 by 2050 	?
Iowa	52%	<ul style="list-style-type: none"> • Two Scenarios Presented: 50% or 90% below 2005 by 2050 <ul style="list-style-type: none"> – 50% Scenario: 1% below 2005 by 2012 and 11% by 2020 – 90% Scenario: 3% below 2005 by 2012 and 22% by 2020 	100%
Massachusetts	?	<ul style="list-style-type: none"> • 1990 level by 2010; 10% below by 2020; 75% below by 2050 	?
Maine	34%	<ul style="list-style-type: none"> • 1990 level by 2010; 10% below by 2020; 75% below by 2050 	100%
Maryland	54%	<ul style="list-style-type: none"> • 10% below 2006 levels by 2012; 15% below 2006 levels by 2015; 25% (enforceable)-50% (science based) below 2006 levels by 2020; 90% below 2006 levels by 2050. 	TBD
Michigan	32%	<ul style="list-style-type: none"> • Recommended: 20% reduction of GHGs below 2005 levels by 2020 and an 80% reduction below 2005 levels by 2050 	100%
Minnesota	48%	<ul style="list-style-type: none"> • Next Generation Energy Act: 15% below 2005 levels by 2015; 30% by 2025; 80% by 2050 	TBD

State, Province, or Region	1990-2020 GHG Forecast	State Goals	Climate Plan Coverage
Montana	30%	<ul style="list-style-type: none"> • 1990 level by 2020; 80% below by 2050 (consumption & production) 	89%-105%
NEG/ECP	?	<ul style="list-style-type: none"> • 1990 level by 2010; 10% below by 2020; 75% below by 2050 	TBD
New Jersey	28%	<ul style="list-style-type: none"> • E.O. 54: 1990 level by 2020; 80% below 2006 levels by 2050 	TBD
New Mexico	65%	<ul style="list-style-type: none"> • 2000 level by 2012; 10% below by 2020; 75% below by 2050 • 15% below 2005 levels by 2020 (WCI) 	133%
New York	24%	<ul style="list-style-type: none"> • 5% below 1990 by 2010 	?
North Carolina	113%	?	TBD
Oregon	61%	<ul style="list-style-type: none"> • 10% below 1990 by 2020; 75% below 1990 by 2050 • 15% below 2005 levels by 2020 (WCI) 	85%
Rhode Island	35%	<ul style="list-style-type: none"> • 1990 level by 2010; 10% below by 2020; 75% below by 2050 	100%
South Carolina	87%	<ul style="list-style-type: none"> • 5% below 1990 levels by 2020 (voluntary) 	99%
Vermont	26-59%	<ul style="list-style-type: none"> • 25% below 1990 levels by 2012; 50% below 1990 by 2028; 75% below by 2050 	TBD
Utah	95%	<ul style="list-style-type: none"> • 15% below 2005 levels by 2020 (WCI) 	TBD
Washington	40%	<ul style="list-style-type: none"> • E.O.: 1990 levels by 2020; 25% below 1990 by 2035; 50% below 1990 by 2050 • 15% below 2005 levels by 2020 (WCI) 	TBD

State, Province, or Region	1990-2020 GHG Forecast	State Goals	Climate Plan Coverage
WCI	54%	• 15% below 2005 levels by 2020 (AZ, NM, CA, OR, UT, WA, BC, MB)	TBD
British Columbia	69%	• 15% below 2005 levels by 2020 (WCI)	TBD
Manitoba	TBD	• 15% below 2005 levels by 2020 (WCI)	TBD
Ontario	?	• 6% below 1990 by 2014	n/a
Puget Sound	37%	• 1990 level by 2010; 10% below by 2020; 75% below by 2100	100%
WCI	54%	• 15% below 2005 levels by 2020 (AZ, NM, CA, OR, UT, WA, BC, MB)	TBD

Kansas Quantification Process

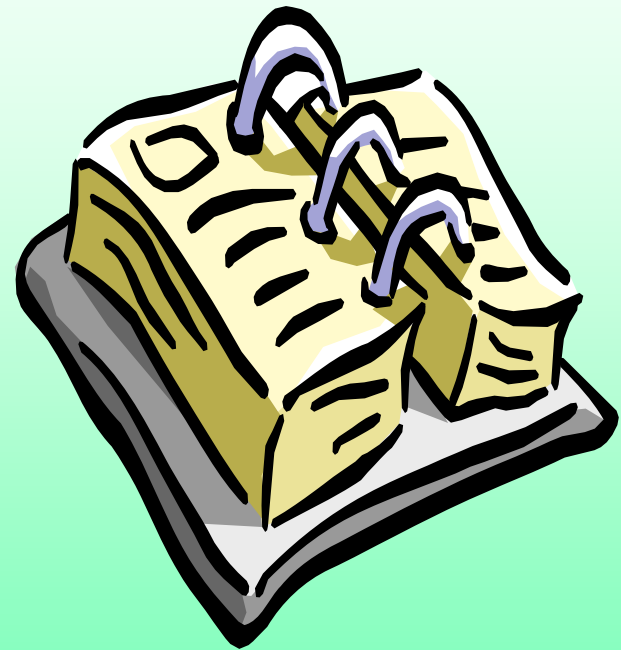
- The quantification process will be used by the TWGs to estimate the cost-effectiveness of selected policy options.
- See Quantification Process Memo and slides posted on KEEP web page.

Next Steps KEEP, TWGs

- TWG meetings continue
- 2 TWG meetings before next KEEP meeting
 - Develop next sections of Template for each Policy Option
 - Begin Quantification of Relevant Policy Options

Next KEEP Meeting

- Agenda:
 - Review and approve proposed Implementation Mechanisms, Related Policies and Programs in Place, Key Uncertainties, Feasibility Issues, Co-Benefits, etc. of Selected Options
 - Begin Review of Quantification Results of Selected Options
- Date: August 5, 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 30, 2009	4th KEEP meeting
August 5, 2009	5th KEEP meeting
November 20, 2009	6th KEEP meeting
January 2010	Final Report due
Between KEEP Meetings	TWG conference calls and meetings

Public Input

Announcements

Adjourn