



Governor's Action Team on Energy and Climate Change

State of Florida

Meeting #2 Minutes – Review Draft

Governor's Action Team on Energy and Climate Change

Tallahassee, Florida
Monday, March 17, 2008

Attendance

Florida Energy and Climate Action Team Members:

Secretary Michael Sole, Chairman	Armando Olivera
Mayor Rick Baker, Vice Chairman	Charles Pattison
Mike Branch	Kathleen Shanahan
Chairman Matthew Carter	Jack Shreve
Dr. Camille Coley	Kathy Viehe
Dr. Jim Fenton	
Manley Fuller	Excused Absences
David Guest	Senator Jeff Atwater
Debbie Harrison	Senator Al Lawson
Dr. Lonnie Ingram	Representative Dan Gelber
Mark Kaplan	Representative Stan Mayfield
Chris Kise, Ex Officio Member	Chairman Tommy Boroughs
Jerry Karnas	Tim Hernandez
Kathy Baughman McLeod	Robert "Buzz" Hoover
Jerry Montgomery	R. David McConnell

Department of Environmental Protection (DEP):

Brenda Buchan, Senior Management Analyst II, DEP
Jack Chisholm, Deputy General Counsel, DEP
Bruce Deterding, Senior Management Analyst II, DEP
Jennifer Fitzwater, Deputy Secretary of Planning and Management, DEP
James McNeil, Senior Executive Assistant, DEP
Kelley Smith, Governmental Analyst II, DEP

Center for Climate Strategies:

Tom Peterson, Jeff Wennberg, Steve Roe, and Linda Schade.

SECRETARY SOLE welcomed the members of the Action Team, the public, and staff. Six Technical Work Groups (TWGs) have met by teleconference and covered the following areas:

- Orientation on Florida Open Government Sunshine Law
- Orientation on Phase II Process
- Reviewed and proposed additions to the catalog of state actions
- Reviewed and discussed policy design issues for cap-and-trade and market-based systems
- Reviewed and discussed adaptation framework options

TOM PETERSON of the Center for Climate Strategies (CCS) explained that the Adaptation TWG and Cap-and-Trade TWG are following slightly different processes. Cap-and-trade was a Phase I recommendation and the work group may also propose to investigate other market policies. The Adaptation TWG has determined a policy framework, and work on a catalog is underway.

SECRETARY SOLE reported that the nomination process for the TWGs is expected to be completed within the week. The task for today's meeting is to complete the full catalog of actions so the TWGs can move forward. Work on the greenhouse gas (GHG) emissions Inventory and Forecast (I&F) is underway. The Secretary encouraged the public to fill out a speaker card if they had comments.

Agriculture, Forestry, and Waste Management (AFW) Catalog Review

STEVE ROE of CCS presented the AFW catalog of state actions. The TWG provided substantial input on catalog restructuring and on adding policies. The members offered the following comments on and amendments to the catalog:

AFW-1 Agriculture—Production of Energy and Materials

MEMBER QUESTION: In going through the catalog, will there be an assessment of what the energy cost would be for the implementation of a policy, versus what the energy savings would be?

STEVE ROE explained that in a later stage of the process, we will be doing the analysis which will provide that information.

MEMBER QUESTION: Is now the time to add concerns about externalities and feasibility?

STEVE ROE responded that a bit later in the process will be the best time to get to that (the policy template used for the process will have sections devoted to these items).

MEMBER QUESTION: When will quantification take place?

STEVE ROE responded that this will occur after a set of initial priorities have been selected and a policy design for each of these is in place.

AFW-1.5

MEMBER COMMENT: Add language to address the issue of agricultural residues.

MEMBER QUESTION: Have we covered those already involved in converting algae to fuel?

STEVE ROE explained that it is covered in 1.2 and also provided in group 11 in the wastewater sector since there is a lot of recent research on algae production during wastewater treatment processes.

AFW-2 Agriculture—Livestock

AFW-2.3

MEMBER COMMENT: There is a need to balance decreases in water ponding, while also conserving water.

AFW-3 Agriculture—Crop Production

MEMBER COMMENT: AFW-3.3 is very broad. Can you provide some details on this?

STEVE ROE gave examples of ways to reduce use of fertilizer and water and explained that these issues are covered in other policies. However, this is a place where other technological advances can be captured, such as GHG reductions occurring as a result of both lower fertilizer direct emissions (e.g., nitrous oxide from fertilizer application) and life cycle GHG reductions associated with the embedded energy in both nutrients and fuels (e.g., fuel consumed to produce and transport fertilizer).

MEMBER COMMENT: Sugar production still uses (residue) burning and maybe that could shift to reduce GHGs.

MEMBER COMMENT: When we do the cost-benefit analysis, we should put in policies like organic farming.

SECRETARY SOLE requested that the policy language be more specific since it is not clear what types of policies this option currently covers.

MEMBER QUESTION: We are looking at these policies from the standpoint of today in terms of today's economy, today's sea level, etc. How can we use these and think through future factors? I want to know what those sensitivities are—for example, electricity prices and so on.

TOM PETERSON responded with the example of Arizona where the judgment of its climate planning group was that water constraints would tamp down GHG emissions and would affect all factors in their state.

MEMBER COMMENT: I recommend listing “harvesting practices” separately. They are not captured in groups 3 or 5 adequately.

AFW-4 Agriculture—Land Use Change

MEMBER COMMENT: Do not restrict this to rural land only but apply it to all land.

DISCUSSION: There was a discussion of a member's proposal for all TWGs to come together for a conference call to discuss sea level rise (SLR) and other interrelated issues. Some of that will be picked up in the Adaptation group.

STEVE ROE noted that we can also address these issues as they arise within each of the mitigation measures selected for analysis through the technical facilitators for each group.

SECRETARY SOLE resolved to have the different teams working separately early on in the process.

MEMBER COMMENT: There should be a cost associated with bringing products over long distances to level the playing field so that we are not putting state actors at a disadvantage—a buy local policy. How do you address the fact that buying a local orange has a smaller GHG footprint than a buying a California orange?

STEVE ROE responded that this issue is addressed in option 5.3.

MEMBER COMMENT: How do we compensate local farmers who are reducing emissions so they are not disadvantaged compared with farmers in states that do not have these regulations in place?

AFW-5 Agriculture—Farming Practices

DISCUSSION: There was a discussion on local farming. It can be looked at narrowly—supporting farmers’ markets—or more broadly, as other states have done, by looking at the entire food production system. CCS noted that the former can often be quantified in terms of GHG reductions, but the latter is much more complex.

AFW-6 Forestry—Production of Energy and Materials

DISCUSSION: There was a discussion about how to displace “high carbon” products and encourage the use of “low carbon” products.

STEVE ROE clarified that looking at benefits for biomass energy products is relatively straightforward because I&F data support this analysis. Forest product life cycle analysis has been done, but it is much more complicated and data are often lacking (e.g., GHG reductions associated with product substitution).

AFW-7 Forestry—Biomass Protection and Management

STEVE ROE noted that controlled burning would be addressed here.

AFW-8 Forestry—Wood Products and Waste

DISCUSSION: The Action Team requested that option 8.3 be moved to AFW-7.

AFW-9 Waste Management—Waste Management Strategies

DISCUSSION: The Action Team requested that language on hurricane debris be added to the title of option 9.1 so that it reads: “Expanded use of MSW Biomass (Including Yard and Hurricane Waste Biomass) Feedstocks for Electricity, Heat, and Steam Production.”

MEMBER COMMENT: “Waste to energy” is important in Florida, and a team approach with Energy Supply and Demand (ESD) is likely needed. Possibly the catalog could include an incentive for “waste to energy.”

DISCUSSION: The Action Team requested that “gas” bio-fuels be added to 9.2.

DISCUSSION: The Action Team requested that composting language be added to the descriptions document for 9.3.

AFW-10 Waste Management—Landfill Gas Strategies

STEVE ROE clarified that NSPS stands for New Source Performance Standards.

MEMBER COMMENT: Where does the issue of landfill versus incinerator come up?

STEVE ROE responded that in other states, there has been a focus in two areas: (1) the front end of waste management (reduce, reuse, recycle, compost) and (2) what do you do with what is left? The second area can have a number of elements—landfilling, incineration, waste to energy, and what are the most GHG-beneficial methods for waste management (some material will be landfilled, so methane and an energy recovery process come into play; waste that is combusted could have an energy recovery component).

MEMBER COMMENT: Can we include language on utilizing methane gas rather than just flaring it?

STEVE ROE noted that CCS will edit the title to include utilization.

MEMBER COMMENT: Are we capturing data on unflared methane sources?

STEVE ROE responded that CCS is working with DEP to provide this level of detail in the waste management sector I&F.

AFW-11 Waste Management—Wastewater Activities

STEVE ROE noted that algae will be explicitly noted in AFW-11.5 Algae and Bio-Oils.

MEMBER COMMENT: Water districts were pushing for reverse osmosis but then when they did a GHG analysis, they changed course. Where do we deal with potable water?

MEMBER COMMENT: Potable water issues should be included in the ESD TWG.

MEMBER QUESTION: Where do ocean outfalls fit into this?

STEVE ROE noted that from a GHG emissions reductions perspective, nitrogen in agricultural runoff that ends up in an ocean outfall would be captured in the nutrient application indirect (leaching) emissions estimates. Any emissions associated with nitrogen in municipal/industrial wastewater treatment processes are allocated to those sectors. So outfalls are not addressed explicitly.

MEMBER COMMENT: We would like to see the term bio-fuels added in AFW-1.2.

ACTION TEAM: The AFW Catalog as proposed and with amendments was adopted with no objections. Further additions are still possible.

Transportation and Land Use (TLU) Catalog Review

TOM PETERSON and Lewison Lem (via telephone) presented the TLU Catalog of State Actions.

TLU policies encompass three thematic areas: reducing transport emissions, improving efficiency, and reducing demand.

TLU-1 Passenger Vehicles

TLU-1.1.1

DISCUSSION: There was a discussion on how to ensure compliance with these technologies.

TLU-1.1.2

MEMBER COMMENT: Add an explanation of acronyms.

TLU-1.1.5

MEMBER COMMENT: Likely move hybrid buses to TLU-2 section.

TLU-1.2.5

MEMBER COMMENT: Make free air initiative at gas stations easier—add language to 1.2.5.

TLU-1.3.7

MEMBER COMMENT: Tax is an objectionable word. Change to incentive.

TLU-1.3.2

DISCUSSION: “Feebates,” e.g., for a car that might have higher or lower emissions.

TLU-1.3.9

MEMBER COMMENT: Correct typo. Also remove the word “adult.”

MEMBER QUESTION: Where are incentives for businesses to support the use of mass transit?
Lewison Lem stated that the policy was included under “Employee commute options,” 2.3.2.

TLU-1.3.7

MEMBER COMMENT: Merge 1.3.7 into 1.3.2 (essentially eliminate 1.3.7).

DISCUSSION: Definition of fuels should include energy electrons and hydrogen. The concern was raised about “mandates” and the desire to include incentives. Other states are considering ranges of bio-fuel or alternative fuel percentages in the fuel mix.

Under all Fuel options where it says “mandate,” add incentive option, e.g., “mandate or include incentives...”

TLU-1.4.3

MEMBER COMMENT: Replace “biodiesel expansion” with “alternative fuels expansion” and add language to include liquid fuels, gas fuels, energy electrons, and hydrogen.

TLU-1.4.14

MEMBER COMMENT: Add language to include rental car companies and taxis.

TLU-1.4.4

MEMBER COMMENT: Include distribution, not just production.

TLU-2 Land Use Efficiency and Modal Options

TLU-2.1.21

MEMBER COMMENT: Change to “Require carbon footprint and economic assessment of transportation infrastructure and improvement.”

DISCUSSION: Lengthy discussion about integrating carbon costs/impact into comprehensive transportation planning and choices, including rail and the entire gamut: Let’s do carbon impact assessments. So far, we take population or other factors into account but not carbon emissions. We should explicitly lay out carbon costs rather than just building new roads and show what the lowest cost is.

There is a need to address how to shift resources from highways to lower carbon transportation options. It requires carbon footprint and economic assessment of transportation infrastructure (not just roads) improvement.

Implement carbon cost/impact into transportation infrastructure choices.

TLU-2.1.26

MEMBER COMMENT: There is a need to address the differences in the carbon footprints of different vehicles. Add a comment in the notes section to address differences in carbon footprint for different vehicles.

TLU-2.2.1

MEMBER COMMENT: Define the acronym “CMAQ” funds.

TLU-2.3.15

MEMBER QUESTION: Question about definition of cordon pricing: This is an anti-congestion measure, for example, charge a higher fee to bring a car into downtown, especially during peak periods.

LUNCH

TLU-3 Heavy-Duty Vehicles

TLU-3.3.1

LEWISON LEM explained that this refers to truck-to-rail shifts.

TLU-4 Intercity Passenger Travel—Aviation, Rail, and Bus

TLU-4.2

MEMBER COMMENT: Add notion of light rail to 4.2.

TLU-5 Off-Road Vehicles

MEMBER COMMENT: Florida has a clean marina program; add provisions for offsets.

TLU-5.8

MEMBER COMMENT: Add language in front that says “All port-related strategies including...”

TLU-5.12

MEMBER COMMENT: Put in new TLU-5.12, a Carl Moyer California-type program to encourage early upgrade of engines on- and off-road, looking at off-road scenarios, incentives, and cost sharing.

ACTION TEAM: The TLU Catalog as proposed and with amendments was adopted with no objections. Further additions are still possible.

Energy Supply and Demand (ESD) Catalog Review

TOM PETERSON and Donna Boysen of CCS presented the Energy Supply and Demand Catalog of State Actions.

ESD-2 Renewable Energy and Energy Efficiency

MEMBER QUESTION: What about transmission lines to facilitate renewable energy? Donna Boysen explained that that is captured under ESD-6.3, General distributed generation support (interconnection rules, net metering, etc.).

MEMBER COMMENT: Make renewable energy more explicit.

ESD-2.7

MEMBER COMMENT: Facilitate and prioritize bringing renewable energy providers on line (existing and future). Also add language on removal of barriers to facilitate financing.

MEMBER COMMENT: Big solar generation farms—access to transmission grid is an obstacle. They are not given sufficient priority. A 300-megawatt (MW) solar field is in the planning stages in Florida.

ESD-3 Fossil Fuel and Nuclear Electricity

MEMBER COMMENT: Facilitate greater nuclear development.

MEMBER COMMENT: There are significant unresolved issues with the processing, transport, and storage of nuclear waste. It is incompatible with human health and remains in the environment for millions of years.

MEMBER COMMENT: Note that additional research will be conducted on the safe handling, transportation, and storage of nuclear waste. Note also that this is related to Phase 1 recommendation 5-c.

ESD-3.6

MEMBER COMMENT: Add the word “optimize” to read, “reduce and optimize” use of water.

ESD-3.7

MEMBER COMMENT: Before Florida consumers have to pay \$10,000 for a new nuclear plant, I’d like a study of the cost-effectiveness of using that money for energy efficiency in our own homes.

ESD-8 Buildings

ESD-8.1

MEMBER COMMENT: Modify the Extend Home Energy rating program to include all homes, beyond just existing homes.

MEMBER COMMENT: Add a new policy or language to create a “Pay-as-You-Save” tariff rate on existing homes that are retrofitting for energy efficiency.

ACTION TEAM: The ESD Catalog as proposed and with amendments was adopted with no objections.

Government Policy (GP) Catalog Review

JEFF WENBERG presented the Government Policy Catalog of State Actions, noting that the TWG had added 17 policies to the original catalog. The members offered the following comments on and amendments to the catalog.

MEMBER COMMENT: Add new policy as follows: “**GP-2.20** Amend the charge of the Public Service Commission.” In addition to “safe, affordable reliable power,” the charge should be amended to include “facilitate the transition to carbon-free generation as soon as possible.”

MEMBER COMMENT: Under “**GP-2.13** Incentive programs for local governments to undertake GHG programs,” add clarifying language that this is meant for local governments to reduce their own footprints and not duplicate the state’s efforts in inventories, registries, and other programs for other sources.

JEFF WENBERG pointed out that “**GP-3.10** Carbon Neutral Bonding” has the same name as another different policy. This is a requirement that projects must demonstrate carbon neutrality to qualify for state bonding.

MEMBER COMMENT: We have a Safe Homes program to encourage investment in storm proofing of homes. Can this be bridged to include incentives for energy efficiency? It would best fit in ESD with home energy rating activity, so it could be connected to that as well.

MEMBER COMMENT: Efficiencies achieved from state employee or department initiatives should be credited to the unit or department that originated it. This could be an implementation mechanism within a policy promoting greater “leadership by example,” such as **3.14**.

SECRETARY SOLE: Under **GP-5**, Education and Outreach, the secretary suggested that the TWG look at using academia, i.e., expand the Center for Excellence award to include private sector energy efficiency efforts to bring academic attention to these enterprises and their innovations.

MEMBER COMMENT: Also note that Centers for Excellence are being worked on by the university, but it is driven by economic/job development for the universities.

JEFF WENBERG said this should be a new policy at the end of section **GP-4**.

MEMBER COMMENT: Add new policy under **GP-5**. Tourism is not addressed within the various target audiences. Tourism is Florida's biggest industry—tourists should also be a target audience for public education.

The Government Policy Catalog was adopted unanimously as revised.

Cap-and-Trade Update

JEFF WENNBERG gave a brief update on the launching of a Cap-and-Trade Technical Work Group. He reviewed the briefings that the TWG had received and those that were planned and the early guidance the TWG would be called upon to provide to the modeling team.

Adaptation

There was a brief overview of the adaptation framework and the plans for the TWG's work between now and the next Action Team meeting.

Next Steps

The next Florida Action Team meeting is May 29, 2008, in Tallahassee.

Public comments were invited at this time but none were offered.

SECRETARY SOLE introduced Dr. Muir of the National Academy of Sciences, who was one of our distinguished guests. A website with a lot of useful information is www.dels.nas.edu.