



MEETING SUMMARY
MINNESOTA CLIMATE ACTION PLAN TECHNICAL WORK GROUP

Energy Supply TWG Call #2, June 11, 2007, 9:00-10:30 am

Prepared by Linda Limback and Bill Dougherty

The meeting was called to order by Bill Dougherty of CCS staff a few minutes after 9:00 am. In attendance were the following TWG Members:

- Eric Olsen - GRE
- Chuck MacFarlane - OTP
- Will Steger – Ely
- Bill Grant - IWL
- Bill Heaney - IBEW
- Robert Jagush - MoraPU
- Dave McMillan – AlleteMP – (Mike Cashin attending)
- Barbara Freese - UCS
- Duke Bascom - GGE
- John Wachtler – Barr Eng.
- Richard Stone – Excelsior Energy
- J. Drake Hamilton - FE

From MN state staff, the following were in attendance:

- Jenna Duenuhlegger – MN House staff
- Bill Black -
- DOC: Marya White
- DNR: Mark Lindquist
- DOC – Edward Garvey
- DOC – Linda Limback
- PCA- David Thornton
- PCA – Peter Ciborowski

From the public, Beth Goodpaster was in attendance.

From CCS staff, the following were in attendance:

- Bill Dougherty
- Franz Litz

TWG members not in attendance were:

- David Sparby - Xcel
- Boise Jones - EJAM
- Rev. Leith Anderson - Wooddale Church
- Jim Marchessault - Business Card
- Mike Robertson - Chamber
- Steve Polaksy – UofM
- Jerry Goodwald – Gerdau Ameristeel

The background documents that were used as the basis for the discussions were posted on the website in advance of the meeting. These included the following documents:

- Meeting notice and agenda
- Draft summary of TWG call #1
- PowerPoint presentation for TWG Call #2
- Memo to ES TWG Members Regarding the Inventory and Forecast
- Spreadsheet for Energy Supply Inventory
- Spreadsheet for Energy Supply Forecast
- Integrated Spreadsheet for Energy Supply Inventory and Forecast
- Brief energy supply option descriptions

The agenda of this meeting was as follows:

- Call to order
- Roll call of TWG members and public
- Review and approval of draft summary of ES TWG call #1 (May 17, 2007) (on website)
- Discussion of Article 5 of MN's next Generation Energy Bill
- Discussion of feedback on draft ES inventory and forecast
- Discussion of updated version of the MN ES GHG mitigation catalog and option descriptions
- Agenda, Time and Date for Next Meeting
- Public Input and Announcements

Bill Dougherty called the meeting to order and took the roll call (as summarized above). Then began a review of the slide presentation. Some of the key points that emerged from this review are summarized below

- MN just passed the Next Gen Energy Article 5, which includes GHG Emission targets. The targets will reduce GHGs to a level that is at least 15% lower than 2005 levels by 2015; and at least 30% below 2005 by 2025; and 80% by 2050. This will require a revision to the current version of the energy supply GHG forecast, and very reliable GHG emissions for the 2005 Base Year;
- The revised Reference Case forecast should emphasize transparency. The actual Reference Case used should be benchmarked to existing legislation. Nevertheless, for information purposes, the following scenarios will be prepared: a BAU Case (i.e., without the RPS and without the new GHG targets), an RPS Case (i.e., including the RPS as per legislation), and the actual Reference Case (i.e., including the recent GHG legislation). Anything additional to the current law will be considered separately.

- Experience from other states/regions regarding the cap and trade provision of the recent legislation can be brought to bear for the cap and trade analysis in MN. CCS has simple spreadsheet modeling capability for the cap and trade and a full-blown cap and trade analysis is beyond CCS' current time and budget resources. Nevertheless, a first cut of the analysis can be prepared using existing modeling frameworks. One good thing for MN is that RGGI is already designed and a price of a ton of carbon (or carbon equivalent) is expected to be in the range of \$3 to \$7 per ton, so a MN analysis could use the assumption that MN would be linked to other system(s) up and running. A key question to resolve at future meetings is the intended scope of the cap and trade policy – whether electric sector only or economy-wide.
- Two points were raised regarding potential new energy supply options to add to the catalog. First, SF6 as a gas used as an insulator for voltage regulators. This was to be explored on the RCI TWG. Second, carbon capture and storage was recommended to be added as new option 3.6.
- Discussion converged on the desire by the TWG to undertake a bottom-up GHG forecast, as opposed to the draft top-down forecast now prepared. CCS agreed to identify the data requirement for such an analysis and provide an overview to the TWG by the time of the next TWG meeting. It will be important to resolve soon the way that imports are being treated in the forecast analysis. This will involve obtaining a better understanding of current and future bilateral sales contracts.

The next ES TWG meeting was decided to be on 26 June 2007 from 9:00 to 11:00 AM. Note that the TWG agreed to a 30-minute extension of the call.

There were no members of the public in attendance, and hence no comments from the public.

There were no announcements.