



MEETING SUMMARY
MINNESOTA CLIMATE CHANGE ADVISORY GROUP
ENERGY SUPPLY TECHNICAL WORKING GROUP MEETING
July 2, 2007

The meeting was called to order by Franz Litz and Bill Dougherty of CCS staff a few minutes after 9:00 am in the Main Board Room of the Minnesota Pollution Control Agency, St. Paul, Minnesota.

In attendance were the following TWG Members:

- Chuck MacFarlane - OTP
- Will Steger – Ely
- Shalini Gupta for Bill Grant - IWL
- Bill Heaney - IBEW
- Mike Cashin for Dave McMillan – AlleteMP
- Barbara Freese - UCS
- Duke Bascom - GGE
- John Wachtler – Barr Eng.
- Richard Stone (with Gordon Gray) – Excelsior Energy
- David Sparby (with Rick Evans) - Xcel
- J. Drake Hamilton - FE
- Jim Marchessault - Business Card
- Boise Jones – EJAM
- Mary Jo Roth and Bob Ambrose for Eric Olsen - GRE

From MN state staff, the following were in attendance:

- Andy Pomroy – MN House
- DOC: Marya White
- DOC – Edward Garvey
- DOC – Linda Limback
- PCA - David Thornton
- PCA – Rebecca Walter
- PCA – Lisa Herschberger

From the public, the following were in attendance:

- V. Bruce Stenswick
- Sarah Risser
- Dr. Dale Lutz
- Stacy Tepp
- Gordon Gray, Excelsior Energy
- Brian Pashe, Sierra Club
- Chuck Dayton (MNCCAG Member)
- Gregory Miller
- Doug Carnival, McGraw Shea & Carnival
- Andrew Chelseth, Leonard Street & Dinard
- Sandra Krebsbad

From CCS staff, the following were in attendance:

- Franz Litz
- Bill Dougherty

TWG Members not in attendance were:

- Robert Jagush - MoraPU
- Rev. Leith Anderson - Wooddale Church
- Mike Robertson - Chamber
- Steve Polaksy – U of M
- 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 #2
- PowerPoint presentation for TWG Call #3
- 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
- Review and approval of draft summary of ES TWG call #2 (June 11, 2007) (on website)

- Review of MCCAG Input to the Catalog of State Actions
- Discussion of Setting Priorities for Analysis
- Discussion of State Actions
- Continued Review of Minnesota Emissions Inventory & Forecast
- Agenda, Time and Date for Next Meeting
- Public Input and Announcements

I. Call to Order

- Franz and Bill called the meeting to order and took a roll call of ES TWG members present and on the teleconference. Franz recognized for the group that Dale Lutz had taken the liberty of distributing a copy of his proposal to the group. Franz invited Mr. Lutz to explain the document briefly.
- Franz reviewed the communication ground rules for TWG calls and meetings. He explained that members of the public and state agency staff are expected to refrain from providing input until the end of the meeting after the TWG has completed its primary business.

II. Review and Approval of TWG Call #2 Summary

- The group identified some changes to the meeting summary for Call #2. One member of the public was improperly identified as being part of agency staff, and one TWG member in attendance was listed as not in attendance. It was also noted that references to “carbon” in the summary should include units of measure. Franz noted that the meeting summary would remain open to changes for two additional days, and then would be finalized and posted on the website.

III. Review of MCCAG Changes to Mitigation Catalog

- The group reviewed the changes that were made to Catalog of State Actions at the June 14th MCCAG meeting. It was suggested that enough clarifying text be added to the catalog, including the date of the draft, so one can tell one version from another.
- A TWG member asked whether additional catalog options could be added later in the process. Franz explained that the group will be moving into prioritization and then it gets harder to add options to catalog-- not impossible, but more difficult.

IV. Next Steps: Setting Priorities for Analysis

- Franz explained that the TWG is moving from Step 2—Identifying the Full Range of possible actions to Step 3—identifying priorities for further analysis. Before

the next MCCAG meeting, the TWG will take the first steps in identifying priorities for ES. The group will discuss the options today, and get a ballot by email on which to prioritize the options.

- Bill explained the additions to the ballots that provide rough guidance around the reduction potential for each option as well as cost of implementing the measure on a cost per ton basis. Bill explained how these numbers were derived.
- The group identified some additional criteria that may be helpful in setting priorities, including the time necessary to implement a measure, co-benefits, feasibility, potential for innovation, regulatory efficiency, equity—including who is burdened and who is paying, and cost to consumer.
- Bill explained the balloting process.

V. Discussion of Options

- The group discussed how to handle the cap-and-trade option given the recently enacted legislation requiring consideration of cap-and-trade. The group resolved that the cap-and-trade would be one of the priority options regardless of the vote.
- Franz offered a webinar to cover the basic building blocks of cap-and-trade. The group indicated that such a webinar would be helpful before the ballots are due.
- The TWG discussed the other options in the catalog. Option 1.6 was eliminated as redundant of other options.

VI. Proposed Agenda, Time and Date for Next Meeting

- The group agreed that the ballots would be due no later than Sunday, July 15th.
- Teleconference #4
 - Agenda:
 - Review results of TWG voting on priorities
 - July 19, 2007 from 9:00 to 11:00 AM
 - Future Teleconferences:
 - August 23rd from 9 to 11 AM
 - September 13th from 9 to 11 AM
 - October 9th from 9 to 11 AM

- October 23rd from 9 to 11 AM
- November 28th from 9 to 11 AM
- December 6th from 9 to 11 AM

VII. Public Input

- Dale Lutz spoke again about his carbon capture and reuse for fuel technology.
- Lisa Hershberger: One of the co-benefits could be cleaner air. PCA has much information on reduced mortality rates and reduced asthma from cleaner air. But Black carbon from gas is also a GHG . We are working with a contractor on providing estimates for these benefits.
- Sarah Gliece. In future meetings would you please identify yourselves. Could you provide name cards for the TWG Members?
- Unknown person: It is possible to make regulations that force power plants to fully use the waste, carbon or VOC from plants – Wow Energy has technology that does that. MN should also have a policy to incentives recovery of waste heat.

Meeting Adjourned