

Climate Legislative and Executive Workgroup (CLEW) Meeting Summary

November 6, 2013, 2:00 – 4:00 p.m.

Action Items

	Requested Clarifying Actions	Person Responsible
1.	Develop a detailed description of the Pacific Coast Collaborative Agreement by November 21.	CLEW Staff
2.	Provide information on SAIC’s 2009 NEMS analysis of a national cap-and-trade program.	Leidos
3.	Develop different scenarios and determine impacts of Cap-and-Trade, Carbon Tax, Low Carbon Fuel Standard, and reducing Coal-by-Wire. For example, how close will Cap-and-Trade at X, Y, or Z caps get us to the 2020, 2035, and 2050 goals? If we reduce Coal-by-Wire by X, Y, and Z levels, how close will that get us, and by what year?	TBD
4.	How much GHG reduction would result from the conversion of high-carbon electricity generation to nuclear? How much would this cost?	TBD
5.	Extend the December 6 Public Hearing to three hours.	Triangle

Welcome/Introductions

Acting Chair Senator Ericksen called the meeting to order at 2:02 p.m. Governor Inslee was not able to attend the entirety of the meeting due to scheduling conflicts. Bob Wheeler (facilitator) then briefly reviewed the agenda.

October 14 Meeting Summary

There were no comments on the draft meeting summary, and it was approved by consensus.

Public Hearing Debrief and Preparation

The facilitator reviewed the number of verbal, electronic, and written comments the Workgroup received through the October 30th comment deadline. In total, approximately 2,400 public comments were submitted. This includes 172 verbal comments and approximately 110 written comments from the Spokane and Seattle public hearings, all of which are posted online. Additionally, the State received around 2,100 comments via email; these comments were sent to CLEW Staff for consideration. The vast majority of the comments are short, supportive statements urging actions, but are not very specific. There are approximately 100 comments that are detailed and provide specific thoughts and ideas about appropriate actions to take or not to take to meet the State’s greenhouse gas (GHG) emission reduction targets.

October 16 & October 23 Public Hearing Summaries

The Spokane and Seattle public hearing summaries were approved by consensus with the caveat that many of the public comments were more general in nature (e.g. supporting clean energy) as opposed to specific actions and policies the Workgroup should take.

Questions and Comments

- *Out of the 2,100 email comments, approximately how many were “boilerplate” emails?*
 - *The comments were not categorized based on this criterion, but the vast majority were short. Based on an initial scan of the emails, approximately 2,000 emails had similar language even though they were sent by different individuals. This may suggest that a group or organization provided their constituents with bullet points/ideas that were then crafted individually into suggestions. The State estimates that there were approximately 75 unique comments submitted by email.*
 - *Some Workgroup members commented that it may be more beneficial for the Workgroup members to focus on the unique comments instead of all 2,100.*
- *One Workgroup member emphasized that it does not matter if the comments were duplicative or general, the Workgroup will accept them. It is important to remember that each comment is from an individual Washingtonian and the Workgroup will accept all public input.*

December 6 Public Hearing

The December 6 public hearing preparation focused on the proposed approach and key questions for Workgroup members to consider and provide input. The proposed approach is outlined in the AIF for Public Hearings.

Questions and Comments

- *A panel approach to the December 6 public hearing may be more appropriate in order to ensure that commenters are focused on providing input on the contents of the draft report. The lottery system/listening session may not allow the Workgroup to reel in individuals who go off topic and may not provide a forum for a wide range of viewpoints to be heard. Since there will be an actual work product developed by December 6, a panel system may be more appropriate so the Workgroup can hear from those individuals and groups that will be responsible for carrying out the actions and policies outlined in the report.*
 - *The public hearing should be open to all individuals that want to have the Workgroup hear his or her opinions. The impacted individuals are not specific groups, but rather every Washington State citizen that is impacted either positively or negatively by any of the actions proposed by the Workgroup. The lottery system may not be the perfect method, but it is the best way to make sure the Workgroup hears from the crosscut of viewpoints present. The first-come, first-serve method definitely allows the meeting to be swayed by those organizations that are able to get a large number of people to the meeting early. The randomness of the lottery selection seems to be the best case scenario.*
- *A hybrid model of panels and a lottery system was suggested. It would likely be beneficial for the Workgroup to hear specifically from those organizations and individuals that serve professionally in the field that will be called upon to implement the actions and policies.*
 - *This is not necessarily the point of the public hearing, as there are many organizations and corporations that have a vested interest in this discussion and CLEW members have personally met with them throughout the process. The Workgroup would likely receive comments from these types of entities in writing. The public hearing, however, should be seen as an opportunity for citizens to speak to the Workgroup.*

- *One Workgroup member had three main concerns with the panel approach: 1) if the panels are comprised of experts, the Workgroup may not get to hear from the citizens; 2) panel members will likely be paid to attend the hearing, whereas citizens will have to take time out of their day, which may impact public access; and 3) time equality between the panels and the citizens, e.g. will panels get more time than citizens? Will members of the panels get two minutes to speak?*
- *The Workgroup will be at a different stage in the process because the draft report will be complete. A hybrid approach may work better.*
- *The panels should not be broken up into “environmentalists” and “industry” as some of the best environmentalists in WA are industry folks who are leading the world in environmental protection and improving business practices. More time needs to be dedicated to sorting out the panels. Each panel would be comprised of four to six people. Each member of the panel should be limited to a two-minute comment period. Industry groups also do not like to be pigeonholed, and it may be beneficial to create panels that include individuals from different sectors of the economy. We can find a way to work through this by allowing panels to speak and reserving the large majority of the time for the public to speak.*
 - *A lot of this will depend on how many ideas get put on the table because you may have a different panel based on the low carbon fuel standard as opposed to energy efficiency policies.*

It was agreed upon that a hybrid approach with two panels followed by a random lottery would be used at the December 6 public hearing and that the public hearing would be extended to three hours to accommodate both parties of interested testifiers.

Outline of Workgroup Report

William Bridges (CLEW Staff) presented a draft outline of the Workgroup’s final report. Of note, the law does not define what constitutes a minority report or state whether there can be co-signers. CLEW Staff is operating under the assumption that if an action or policy is not a recommendation, then it is a minority report.

Questions and Comments

- *If two members vote for a proposal and two members don’t, would this qualify as a minority report since this technically is not a minority?*
 - *Three of the four members must vote to approve an action or policy in order for it to be a recommendation. If an action or policy is not a recommendation, then it is identified in the law as a minority report. The intent of the law is clear and the Workgroup and CLEW Staff should use the minority report terminology.*
- *What is the purpose of the transmittal letter?*
 - *The transmittal letter is not required by law, and there is no definition we can rely on. However, by custom, reports of this nature tend to have a letter attached to the front. The initial draft of the outline called for one letter by the Governor. CLEW Staff discussed this option and determined that it may be more appropriate for multiple*

letters from each Workgroup member. The content of the letter will be determined by the Workgroup members.

- *If the letter's content is something generic, all Workgroup members could probably sign off on a single letter. Otherwise, it would be more appropriate for each member to submit a letter.*
 - One approach would be for the Governor's letter to be generic and for the recommendations and minority reports to have more of the detailed perspectives of the Workgroup members.
- *The standard majority/minority recommendations format outlined in the draft may not work with this group as the Workgroup needs to consider how it will present the third party analysis of the suggested policy impacts. One section of the report should detail the impacts of the programs with the hope that there will be agreement surrounding the impacts. The other section of the report should be dedicated to the policies each Workgroup member believes should be implemented based on the costs provided. In other words, the first section will be the generic information provided by the consultants, and the second section will be the programs that the Workgroup deems the most prudent on WA's pathway forward. The trick to the final report is to get those final impact numbers, which will allow the Workgroup to present the most helpful information to the Legislature.*

Draft List of Recommendations and Prioritization Process

The Governor made a brief appearance at the meeting and thanked everyone for their continued work on this effort.

Economic Impact Summary Table

Christina Waldron (Leidos) briefly reviewed the Economic Impact Summary Table. The numbers in the table should be considered in the context of the reports from which each piece of information came.

Questions and Comments

- *SAIC has done a lot of economic research on federal Cap-and-Trade proposals and other policies—why has some of this not been integrated into the table?*
 - SAIC (now Leidos) has done a lot of National Energy Modeling System (NEMS) modeling for Cap-and-Trade bills and different carbon programs. If Leidos tried to put all the information in existence today into the final report, it would still be summarizing the information. As a result, the Leidos team applied a screening process that prioritized studies of programs that had actually been implemented in other jurisdictions. The technical screen approach is included in our Statement of Work.
- *It is understood that there is a vetting process when choosing which studies to include, however, it is unclear why the California Air Resource Board's numbers were used instead of SAIC's national study of a Cap-and-Trade system. Who made this decision and how was it made?*
 - There was no internal debate regarding whether or not SAIC's Cap-and-Trade study should be used. Leidos prioritized sub-national studies because they felt these studies would better reflect the State and the Pacific Northwest region. SAIC has done many Cap-and-Trade studies for different clients, which are based on models and require

careful documentation of assumptions. The assumptions are based on the client (e.g. the projected price of carbon), so the studies would reflect that particular perspective if the assumptions turn out to be true.

- *Senator Ericksen commented that the State currently uses ECONorthwest and California Air Resources Board (CARB) studies which many people would say also come from a particular viewpoint.*
- Leidos can pull past SAIC Cap-and-Trade studies into the Economic Impact Summary Table, if desired.
- *Under the “jobs” column, are the numbers listed the net number of jobs?*
 - Yes, it is the net job increase.
- *Does the documentation of the ECONorthwest WCI analysis get more specific regarding in which sectors the researchers predict an increase in jobs and in which sectors they predict a decrease?*
 - Leidos can research this, if desired.
- *One Workgroup member commented that the Leidos table was very helpful in thinking about which actions and policies to support. The prioritization process should include this table. The table was integral in assessing which actions and policies to support.*
- *One Workgroup member commented that the Workgroup should focus on actions and policies that are more likely to achieve the GHG goals, as opposed to which actions and policies are more politically feasible. The worksheet would be much better organized by which actions and policies are most important to achieving the goal.*
 - The Task 4 Report stated that if everything was enacted, including Carbon Tax or Cap-and-Trade, the 2035 and the 2050 goals cannot be met. However, this is based on the modeling of the policies at relative stringencies that have been seen in other jurisdictions. This means that the tools presented in Leidos’s final report could be used to meet WA’s goals, if the stringencies of the policies were altered.

Actions and Policies Worksheet

The facilitator introduced a worksheet designed to enable Workgroup members to prioritize and reach some agreements on actions and policies that the State should take to reduce greenhouse gas emissions and meet its goals. The facilitation team took a stab at putting actions and policies into categories (higher potential for agreement; potential for agreement, despite differing perspectives; and agreement uncertain) based on the Workgroup’s conversations and feedback thus far, but has no ownership over the outcome or where the policies fall. The worksheet was meant to serve as a starting point for the discussion, and Workgroup members were encouraged to move actions and policies to where CLEW believes they are most appropriate. The facilitator suggested starting by discussing the three actions and policies with higher potential for agreement.

Discussion, Questions, and Comments

- *While the Economic Impacts Summary Table is a helpful start, more detail is needed before decisions can be made on actions and policies.*
- *One Workgroup member expressed concern about making decisions on actions and policies before the “menu of options” that shows each policy’s benefits, cost to the State, jobs lost and gained, and impacts, is fully fleshed out.*

- *Before setting priorities, it needs to be clear how much bang for the buck we are getting for each of the policies and at what level, so Workgroup members can decide how they are going to meet the statutory mandated goals. For example, how close will Cap-and-Trade at X, Y, or Z caps get the State to the 2020, 2035, and 2050 goals? If the State transitions off Coal-by-Wire at X, Y, and Z levels, how close will that get them, and by what year? The Workgroup needs to determine the level at which they are discussing each of the policies. At that point, the Workgroup members can have the political debate of whether or not it is worth acting on a certain policy.*
 - Leidos can produce this information and has scoped out the required level of effort, but had not yet been instructed to move forward.
- *Another Workgroup member expressed that meeting our goals is less important than making sure actions and policies do not negatively impact families and businesses. While Workgroup members could potentially make progress on some of the smaller actions and policies, without rigorous economic analysis, this member will not put people in harm's way by making decisions. Many of the actions and policies in the Economic Impact Summary Table would result in high costs for consumers.*
- *It was noted that the goals outlined in the statute may be too rigorous for the State's current status.*
- *The economic impacts of actions and policies are critical; however, the Workgroup must also consider the economic impacts of doing nothing. What will be the impacts on forests, coastal areas, and the health of communities? What impacts will ice depletion have? What impacts will ocean acidification have on the jobs that depend on the ocean?*
- *One Workgroup member expressed frustration in discussing the "low-hanging fruit" first since these policies will not result in achieving the statutory goals. The group must have a bold discussion about the larger actions necessary to achieve the 2035 and 2050 goals.*
 - The facilitator acknowledged this concern, and reiterated that the actions and policies with "higher potential for agreement" were intended to serve as a starting point. He suggested that the group get through the third item on that list and then move onto some of the actions where agreement is not presently apparent.
- *Reconsider if the "consumption" model (crediting GHG emissions to the place where the power is consumed, not where it is generated) is the best way to go since we produce so much hydropower.*
 - A comparative assessment of each GHG inventory approach was conducted for Washington previously, and the Workgroup could be directed to those results.
- *It was noted that this is a unique and challenging process, and it is very difficult to accomplish what the Workgroup is trying to accomplish in such a short amount of time. The Workgroup will try to make the process easier for the consultant team.*

The following table reflects initial Workgroup dialogue on a subsection of potential actions and policies. At this point, no decisions have been made about any of the actions and policies.

Actions/policies	What could you support in concept? (30,000 foot level)	Notes/Comments
Higher Potential for Agreement		
1. Research and Development (Includes promoting clean energy	<ul style="list-style-type: none"> • Increase investment at Washington 	

	Actions/policies	What could you support in concept? (30,000 foot level)	Notes/Comments
	<p>technology and transportation biofuel development) – <i>Proposed by: Senator Ericksen; Representative Fitzgibbon; Representative Short; Governor Inslee</i></p>	<p>universities to help develop better technologies for fueling our vehicles.</p> <ul style="list-style-type: none"> • Increase support for universities and research facilities. • Maximize private, State, and Federal investment—how do we direct money to cellulosic ethanol, biofuels, etc.? • The State should partner with the Federal government and private sector to stimulate investment in areas where WA is strong. <ul style="list-style-type: none"> ○ Determine how the state leverages our tax dollars at our universities and national research labs in order to maximize profit from private and federal investment. • Research battery storage. What is out there? What can be done to augment that? Is there any information that industry is missing that R&D could help support? • Research and help advance “smart grid” technology. • Research building construction. 	
2.	<p>Transportation</p> <ul style="list-style-type: none"> • Reform transportation planning and investment, including pilot projects – <i>Proposed by: Governor Inslee</i> 	<ul style="list-style-type: none"> • When the Department of Transportation conducts an alternatives analysis on a given project, require that at least one of those alternatives meet the State’s VMT reduction goals. • Identify cost and regulatory permitting barriers to high speed rail and the acquisition of a rail right-of-way. Provide a definition of high speed rail. Identify where high speed rail will go (new right-of-way) and how much it will cost. • Require regional transportation plans to meet the 2008 GHG and VMT reduction goals—most land use and transportation funding decisions are made at the local level, and regional planning organizations are not required 	

	Actions/policies	What could you support in concept? (30,000 foot level)	Notes/Comments
		to meet these statutory goals. <ul style="list-style-type: none"> Better utilize natural gas (liquefied or compressed) to reduce GHG emissions. 	
Potential for Agreement at some level, despite differing perspectives			
1.	Conservation (programs that would reduce energy demands) <ul style="list-style-type: none"> Identify strategies to conserve fuel use by WSF fleet* Conservation programs that focus on reducing GHG emissions 	<ul style="list-style-type: none"> Amend I-937 to make conservation a priority. Better address conservation of natural gas and oil (e.g. agriculture, manufacturing, and buildings). Maximize incentives for conservation in I-937. 	
Agreement Uncertain			
1.	Clean Energy <ul style="list-style-type: none"> Distributed Generation – <i>Proposed by: Senator Ranker</i> <ul style="list-style-type: none"> Renewable Investment Incentives – <i>Proposed by: Senator Ranker</i> Net Metering – <i>Proposed by: Senator Ranker</i> Feed-In-Tariffs* – <i>Proposed by: Senator Ranker</i> Reduce/eliminate Coal-by-Wire – <i>Proposed by: Senator Ranker; Governor Inslee</i> Renewable energy credit and banking – <i>Proposed by: Representative Short</i> 	<ul style="list-style-type: none"> Coal-by-Wire—work with power companies over time regarding available opportunities for reducing their proportion of coal power and what is realistic for those companies, recognizing that many of these companies have been at the forefront of renewable energy. 	<ul style="list-style-type: none"> How will displacement resulting from Coal-by-Wire be accounted for in the carbon footprint – if the coal power not consumed in WA is consumed elsewhere, what have we really gained?
2.	Transportation <ul style="list-style-type: none"> Enhanced funding for existing programs such as WSDOTs work in Growth and Transportation Efficiency Centers* Clean Fuels (LCFS)* – <i>Proposed by: Governor</i> 		<ul style="list-style-type: none"> Better understand the costs of LCFS.

	Actions/policies	What could you support in concept? (30,000 foot level)	Notes/Comments
	<i>Inslee; Representative Fitzgibbon</i> <ul style="list-style-type: none"> • Zero Emissions Vehicles* • Reductions in VMT (pricing strategies)* 		
3.	Economy-wide policies* – <i>Proposed by: Senator Ranker; Governor Inslee</i> <ul style="list-style-type: none"> • Carbon Tax* • Cap-and-trade* 		<ul style="list-style-type: none"> • Identify the economic impacts, associated benefits, cost to the State, and jobs lost/ gained for each policy. • These policies can be used to mitigate impacts on families and industries, and they can have a neutral or positive effect on our economy. • We need either Carbon Tax or Cap-and-Trade to meet our targets. There is flexibility with these options. • We are not alone in looking at these issues—CA, OR, BC—it is important to act regionally so we drive an economic bloc and have a National impact. <ul style="list-style-type: none"> ○ What are the advantages and disadvantages of acting regionally?
4.	Economy-wide policy – <i>Proposed by: Senator Ericksen</i> <ul style="list-style-type: none"> • Evaluate conversion of high carbon electricity to nuclear 		<ul style="list-style-type: none"> • How much GHG reduction would result from the conversion of all electricity generation to nuclear?
Out of the Box Negotiable Ideas (new ideas not discussed & peripheral ideas that would have the effect of reducing GHG emissions)			
None discussed			
Actions or Policies that need further evaluation, study, and additional information			
1.	Impacts of taking no action		

Process and Priorities for Additional Information Needs

The facilitator briefly reviewed the “Master List of Additional Information Requests” document, noting that a few items were still in progress and several were complete. There were a few outstanding questions, and CLEW Staff would need direction on whether or not to move forward with these items. Based on discussions from this meeting, items were added to the list to be completed before the November 21st meeting.

Additional Information Requests for November 21 st	
1.	Provide information on SAIC’s 2009 NEMS analysis of a national cap-and-trade program.
2.	Develop different scenarios and determine impacts of Cap-and-Trade, Carbon Tax, Low Carbon Fuel Standard, and reducing Coal-by-Wire. For example, how close will Cap-and-Trade at X, Y, or Z caps get us to the 2020, 2035, and 2050 goals? If we reduce Coal-by-Wire by X, Y, and Z levels, how close will that get us, and by what year?
3.	How much GHG reduction would result from the conversion of high-carbon electricity generation to nuclear? How much would this cost?

Next Steps

The next meeting will be on November 21 from 5:30-7:30 p.m. Senator Ericksen pointed out that this process is unique, and if we do it right, it could be a model for the rest of the country. The Workgroup should not forget the breadth and depth of what it is trying to achieve. Senator Ericksen adjourned the meeting at 4:00 p.m.