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## **Meeting #3 Summary**

Climate, Energy and Commerce Advisory Committee (CECAC)

Columbia, South Carolina

August 22, 2007

### **Attendees:**

#### **CECAC Members:**

Representative Ben Hagood - SC House of Representatives, CECAC Vice Chair  
Dana Beach, Executive Director - SC Coastal Conservation League  
Crandall Close Bowles - President and CEO, Springs Mills  
Jim Byrd, Deputy Director - Market Services Division, SC Department of Insurance  
Lonnie Carter - President and CEO, Santee Cooper  
John Clark - Director, SC Energy Office  
Barry Falin - Vice President and General Manager of Carolina Operations, Voridian  
Bob Fledderman Manager - Environment and Regulatory Assurance, MeadWestvaco  
John Frampton - Director, SC Department of Natural Resources  
Dr. Paul Gayes - Director, Center for Marine and Wetlands Studies, Coastal Carolina Univ.  
Emerson Gower - VP, Southern Region, Progress Energy Carolinas  
Joe James - CEO, Corporation for Economic Opportunity  
Bob King - Deputy Commissioner, SC Department of Health and Environmental Control  
E. Bruce Morgan - Mayor, City of Union  
Dr. Marcus Newberry - Former Dean, MUSC College of Medicine  
Mike Olbrich - Plant Manager, BP Chemical  
Bob Scott - President, SC Forestry Association  
Lanneau Siegling - Past Chairman, Hospitality Association of SC  
David Smalls - President, Walterboro-Colleton Chamber of Commerce  
Steve Smith - Executive Director, Southern Alliance for Clean Energy  
John Tiencken - Former CEO, Santee Cooper  
Senator Danny Verdin - SC Senate  
Hugh Weathers - Commissioner, SC Department of Agriculture  
Brad Wyche - Executive Director, Upstate Forever

#### **Office of the Governor:**

Justin Evans

#### **South Carolina Department of Health and Environmental Control (DHEC)**

Michael Juras, Agency Liaison

## **Center for Climate Strategies (CCS):**

Tom Peterson, Executive Director

Randy Strait, Ezra Hausman, and by telephone Brad Strode and Gloria Flora

### **Background Documents:** *(all posted at [www.scclimatechange.us](http://www.scclimatechange.us))*

1. Notice and Agenda
2. Draft Summary for CECAC Meeting #2
3. Powerpoint Presentation
4. CCS Memo to CECAC on Preparation for Meeting #3
5. Ballot results (posted with the files for the last meeting of each Technical Working Group (TWG) on the TWGs' web pages)

### **Discussion and Conclusions:**

#### **1. Welcome and Introductions**

Chairman Ben Hagood opened the meeting and welcomed the members of the CECAC and the public. Chairman Hagood then reviewed the agenda for the meeting.

#### **2. Review of CECAC Process and Next Steps**

Chairman Hagood opened the floor for CECAC members to ask questions about and note their concerns with the CECAC process. CECAC members asked for clarification on the roll of the CECAC versus TWGs, voting versus balloting procedures, and reporting of voting and balloting results. As a result of this discussion, the CECAC agreed by unanimous vote to the following procedural clarifications:

- All members of the Technical Working Groups (TWGs), including those members who are not members of the CECAC, will vote during all proceedings of the TWGs.
- Voting in the TWGs will be recorded by roll call votes so that the individual votes of each member of the TWGs will be available for review by members of the CECAC.
- Support staff will use their best efforts to include in meeting summaries and ballot results any significant comments made by members of the TWGs.

The Governor's office provided clarification that members of the CECAC, who are also members of the TWGs, may send designees to participate in and ballot as a TWG member so long as the CECAC members are in close communication with their designees. CECAC members may not, however, use designees to cast their votes at CECAC meetings.

The CECAC also noted they were not clearly informed of the length of meeting and felt they needed an additional meeting to cover what they could not cover this afternoon. In addition, the CECAC noted the importance for materials for meetings be made available to them a week in advance of the meetings.

**3. Approval of draft summary of CECAC Meeting #2**

The summary for the June 27 meeting was not provided to the CECAC with enough lead time to complete its review of the summary. Chairman Hagood asked the CECAC members to provide comments on the summary to him or Justin Evans after the meeting. A CECAC member requested that the summary be revised to include a concern they raised at the June 27 meeting about the CECAC process ending after the next legislative session. If any policy options that the CECAC adopts require legislation, the State Legislature will not be able to address these issues until the 2009 legislative session. The summary for June 27 meeting will be revised to address this and any other comments received.

A CECAC member suggested that the CECAC and TWGs evaluate and consider ideas for addressing climate change issues considered by the State Legislature during its recent session.

**4. Review and Approval of Draft Suggested Priorities for Analysis of State Actions**

Tom described the process, which is for the CCS facilitator(s) for each TWG to provide a brief summary of the options that the TWGs are recommending to the CECAC as priorities for analysis, and then ask CECAC for clarifying questions and comments. Questions and objections to any of the options will be considered in turn. In addition, the CECAC will review any options on the catalog of state actions for which the TWGs did not identify as suggested priorities for analysis to the CECAC. The CECAC will then vote on the options to determine the CECAC’s priorities for analysis going forward.

***Agriculture, Forestry & Waste Management***

Brad Storde and Gloria Flora of CCS provided a brief overview of each of the following options that the AFW TWG identified as recommended priorities for analysis for review and approval by the CECAC.

**AFW Summary List of Recommended Priority Policy Options for Analysis**

<b>Proposed Option #</b>	<b>Proposed Option Name</b>	<b># From Catalog of State Actions</b>
AFW-1	Water and Wastewater Energy Efficiency Improvements	11.1 (Energy Efficiency Improvements)
AFW-2	Advanced Recycling and Composting	9.1 (Advanced Recycling and Composting), 9.3 (Source Reduction Strategies), 9.6 (Prevent Landfilling of Unprocessed Organic Material)
AFW-3	In-State Liquid Biofuels Production	1.2 (In-State Liquid Biofuels Production), 6.2 (In-State Liquid Biofuels Production (Forestry Biomass Feedstocks))
AFW-4	Soil Carbon Management	2.1 (Manure and Nutrient Management), 2.3 (Rotational Grazing (Improve Grazing Crops and / or Management)) 3.1 (Soil Carbon Management),

Proposed Option #	Proposed Option Name	# From Catalog of State Actions
		4.1 (Land Use Management that Promotes Grassland Cover), 4.4 (Utilization of Currently Impaired Agricultural Lands)
AFW-5	Expanded Use of Biomass Feedstocks for Electricity, Heat, or Steam Production	1.1 (Expanded Use of Biomass Feedstocks for Electricity, Heat, or Steam Production), 6.1 (Expanded use of Forest Biomass Feedstocks for Electricity, Heat and Steam Production)
AFW-6	Forest Management for Carbon Sequestration	7.3 (Afforestation / Reforestation), 7.4 (Forest Management for Carbon Sequestration)
AFW-7	Forest Protection – Reduced Rate of Clearing and Conversion to Nonforest Cover	7.1 (Forest Protection – Reduced Clearing and Conversion to Nonforest Cover)
AFW-8	Conservation of Working Agricultural Land	4.2 (Preserve Open Space / Agricultural Land)
AFW-9	Waste-to-Energy Reclamation	9.2 (Promotion of Bioreactor Technology (Advanced Municipal Solid Waste Management Practices)), 10.2 (Methane and Biogas Energy Programs), 10.3 (Landfill Methane Energy Programs)

#### Questions/Comments on Recommended Priority Options for Analysis:

- **AFW-1 (Water and Wastewater Energy Efficiency Improvements):** A question was raised regarding potential overlap between potential RCI options. CCS suggested that the CECAC err on the side of being over-inclusive. After the development of straw proposals, CCS will work with the CECAC to eliminate duplication and ensure the actions are in the best category.
- **AFW-2 (Advanced Recycling and Composting):** No comments were offered by the CECAC.
- **AFW-3 (In-State Liquid Biofuels Production):** A question was raised regarding the types of fuels that will be included in this option. CCS stated that this option is intended to be inclusive of all fuels that the CECAC would like to see analyzed. Also, the CECAC requested that the commerce and environmental impact of increased supply be considered.
- **AFW-4 (Soil Carbon Management):** A CECAC member proposed that this option be combined with the Forest Management option to create one large Terrestrial Sequestration option. CCS stated that it may be necessary to keep the options separate in the interest of preventing cumbersome implementation and analysis of emission reductions. One member commented that catalog sub-action 4.4 (Utilization of Currently Impaired Agricultural Lands) be moved to AFW-8 (Conservation of Working Agricultural Landscapes; note, see following discussion on combining AFW 8 with AFW-7). Another member suggested that catalog sub-action 5.1 (Reductions of On-Farm Energy Use) could be worked in here – see further discussion under “New Proposals.”

- **AFW-5 (Expanded Use of Biomass Feedstocks for Electricity, Heat, or Steam Production):** CECAC members raised the concern that increasing the use of biomass feedstocks will require increasing the supply. Another TWG member requested that the AFW TWG also consider bioproducts. CCS stated that this matter would be brought back to the TWG for evaluation. Sub-actions 6.3 (Improved Energy Capture from Wood Waste Combustion) and 6.4 (Commercialization of Biomass Gasification and Combined Cycle) from the catalog were proposed to be added to AFW-5. Additional Comments:

  - Give priority to non-commercial, low-value fiber that can be economically transported and used for feedstocks vs. high-value crops that serve other purposes;
  - Look at new types of crops;
  - Economic benefits of bioproducts should reflect their supplanting conventional, petrochemical based products;
  - Include catalog sub-action 6.4 here;
  - Diversify and expand existing feedstocks. Seek out and expand used of non-traditional feedstocks; and
  - Note relationship to afforestation for growing new feedstocks.
- **AFW-6 (Forest Management for Carbon Sequestration):** A point was raised that this option is not specific enough to the types of sequestration that are covered. A CECAC member suggested that short rotation (5-7 years) could be a useful approach to increase carbon sequestration from forests. Include live sequestration, not just “harvest and plant.” A number of members suggested combining with agriculture.
- **AFW-7 (Forest Protection – Reduced Rate of Clearing and Conversion to Nonforest Cover):** A CECAC member suggested that Urban Forestry could be included in either AFW-6, AFW-7 or AFW-8. The TWG consider where and how to best consider Urban Forestry. Several CECAC members asked that this item be combined with the Conservation of Working Agricultural Lands option.
- **AFW-8 (Conservation of Working Agricultural Land):** A CECAC member suggested that AFW-7 and AFW-8 are both aimed at the protection of carbon-sequestering lands and that combination of these options should be considered. Another member suggested that the catalog sub-action 4.4 (Utilization of Currently Impaired Agricultural Lands) should be removed from AFW-4 and included with this option.

Additional Comments:

  - Focus on rate of development not prohibiting development; and
  - Make sure “Working” is in the title to underscore acceptance of management (i.e., conservation and restoration vs. preservation should be the focus).
- **AFW-9 (Waste-to-Energy Reclamation):** A question was raised as to the meaning of catalog sub-action 9.2 (Advanced Municipal Solid Waste Management Practices). CCS stated that this was intended to mean the implementation of technologies that can increase methane capture and/or increase the rate of decomposition through advanced bioreactor technologies. A CECAC member expressed concern that incineration would be the default.

The CECAC then provided the following comments on options included in the Catalog of State Actions not included in the TWG’s initial suggested priorities for analysis identified in the table above. These options are identified as “medium priorities for analysis.”

- While sub-action 5.1 (Reductions in On-Farm Energy Use) in the catalog is somewhat addressed by AFW-4 (Soil Carbon Management), it may be necessary to create this as its own option.
- There was little/no interest in considering sub-action 3.2 (Nutrient and Water Management) as a high priority option.
- The CECAC suggested that sub-action 1.3 (Manure Digesters / Other Waste Energy Utilization) in the catalog be included as a priority option with the title of “On-Farm Waste Energy Recovery.” Further discussion suggested that sub-action 3.2 (Nutrient and Water Management) may be part of that.
- A CECAC member indicated that sub-action 5.3 (Programs to Support Local Farming / Buy Local) in the catalog is a strong priority of the South Carolina Department of Agriculture and would like to see it considered. That led to discussion of potential energy savings throughout the full-life cycle of farm products (planting, raising, harvesting, processing, and transportation). Framed this way, it could be part of a package of On-Farm Waste Energy Recovery that includes sub-actions 5.1 (Reductions in On-Farm Energy Use), 1.3 Manure Digesters / Other Waste Energy Utilization), and 3.2 (Nutrient and Water Management).
- There was support for adding sub-action 8.3 (Expanded Use of Wood Products) as an option or combining with Bioproducts (see following discussion of AFW-5).

Approval of Draft Priority Options for Analysis: The CECAC approved the following options as priorities for analysis, with the modifications as noted.

- AFW-1: No changes proposed
- AFW-2: No changes proposed
- AFW-3: Look at a full range of sources and/or fuels that may be feasible. Assess impact of supply increases.
- AFW-4: The CECAC suggested that AFW-4 and AFW-6 could be combined into one large “Terrestrial Carbon Sequestration” option. The TWG will consider this proposal and begin work on straw proposals according to the resolution of this motion to combine these options.
- AFW-5: Identify range of biomass sources; include category of bioproducts (or make bioproducts its own category); include catalog sub-action 6.4 (Biomass Gasification and Combined Cycle); include consideration of the impact of the expansion of the supply of biomass feedstocks.
- AFW-6: Broadened to include agriculture, as well as forestry.

- AFW-7: Combine with AFW-8 under working title of “Conservation and Restoration of Forest and Agriculture Lands for Enhanced Carbon Sequestration.” Note that conservation, rather than preservation, is what this option will propose.
- AFW-9: No changes proposed.
- New: On-Farm Energy Efficiency (5.1, 3.2/3.4)
- New: On-Farm Waste Energy Recovery (1.3, 3.1)
- New: Expanded Use of Local Agricultural Products (5.3)

## **5. Review and discussion of South Carolina’s Draft GHG Inventory and Forecast**

It was noted that the TWGs are reviewing the draft inventory and forecast to develop recommendations for improvements for review and approval by the CECAC.

## **6. Next Steps for CECAC and Technical Work Groups (TWGs)**

The CECAC agreed to hold a meeting in September to complete its review of the suggested priorities for analysis of state actions for the TLU, RCI, ES, and CC TWGs.

## **7. Agenda, Time and Date for Next Meeting(s)**

Chairman Hagood will coordinate arrangement of the date and time for the September meeting with the CECAC, Governor’s Office, and CCS and inform the CECAC during the week of August 27.

## **8. Public Input and Announcements**

Members of the public did not provide any comments. There were no announcements.