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## **Meeting #2 Summary**

Climate, Energy and Commerce Advisory Committee (CECAC)

Columbia, South Carolina

June 27, 2007

### **Attendees:**

#### **CECAC Members:**

Senator John Courson - SC Senate / CECAC Chairman  
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, Vordian  
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  
Johnny Williamson - CEO, SC Soya, LLC  
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, Stephen Roe, Ezra Hausman, and by telephone Will Schroeer

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

1. Notice and Agenda
2. Powerpoint Presentation
3. Catalogs of State Climate Actions
4. Descriptions of State Actions & Policy Options

### **Discussion and Conclusions:**

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

Senator John Courson, Chairman of the CECAC, opened the meeting and welcomed the members of the CECAC and the public.

Each CECAC member introduced themselves.

Tom Peterson: reviewed the agenda; main purpose of meeting (to review the policy catalog and identify options that might be missing). A review of the 10-Step process was done.

A CECAC member mentioned that there was a need to continually key up where we were in the process at TWG meetings; a lot of information also provided early in the process, which is difficult for TWG members to keep up with. Need to keep big picture of the process in focus. Another CECAC member noted the need information 5 or 6 working days before each meeting

Tom Peterson reviewed the methods for rating the options, criteria for those ratings (GHG reductions, costs, ancillary benefits/costs, and feasibility issues). By the next CECAC meeting on 8/22, the TWGs will present their recommendations for priority options for analysis.

One CECAC member asked how consensus decisions were made. Tom reminded the members that these procedures were reviewed at the first meeting and are posted to the project website and explained that the identification of objections would be recorded at simple majority (less than five objections), super majority and unanimous consensus approval levels.

Tom Peterson then went through recent Climate Developments, including the start-up of The Climate Registry (SC joined with 38 other States/Provinces/Tribes), the Florida Climate Summit, Western Climate Initiative (focused on regional market-based approaches across western States and Canadian Provinces).

A CECAC member noted that the CECAC's work would not be completed until after the next SC State Legislative session that will start in January 2008. The member noted

concern that any CECAC recommendations that may need State legislation to implement would not be addressed for more than a year from now and asked the CECAC to consider ways to address this concern.

CECAC members mentioned that Columbia, SC will have a climate summit later this Summer/Fall. Other SC cities/municipalities may also participate.

A CECAC member mentioned the release of a video that shows the treasured places in SC that are vulnerable to the impacts of climate change.

## **2. Inventory and Forecast**

Randy Strait and Ezra Hausman provided an update on the GHG inventory & forecast. The individual appendices for each sector have been posted to each respective TWG web page. The overall inventory and forecast report is undergoing review by DHEC and should be available and posted to the CECAC website within the next 2 weeks.

A CECAC member requested that CCS incorporate information on forecasted inventories for reconciliation within the energy supply TWG. Tom noted that this work is in progress.

## **3. Review and Approval of the CECAC Policy Options Catalog**

Tom provided an overview of the Catalog of State Actions and the additions by each of the TWGs. He explained that the items in the catalog include options that are fairly broad and include a number of sub-components, as well as options that are very specific. More general options can be further detailed during the work by the TWG in developing priorities and potentially straw proposals later in the process. Specific comments/issues by TWG are below for each group of policies in the catalog.

### ***Energy Supply***

Group 1 (Emissions Policies and Overarching Items). No clarifications/missing actions.

Group 2 (Renewable Energy and Energy Efficiency). No clarifications/missing actions.

Group 3 (Fossil Fuel and Nuclear Electricity). No clarifications/missing actions.

Group 4 (Fuel Production, Processing and Delivery). No clarifications/missing actions.

Group 5 (Carbon Capture and Storage or Reuse). No clarifications/missing actions.

Group 6 (Other Energy Supply Options). No clarifications/missing actions.

### ***Residential/Commercial/Industrial***

Group 1 (Energy Efficiency Programs, Funds, and Goals). Should agricultural energy efficiency programs be included in this group (note that the AFW group does have an option covering reductions in on-farm energy use).

Group 2 (Buildings). Enforcement of building codes should be added as an option.

Group 3 (Appliance Standards). Are market transformation mechanisms included?

Group 4 (Education & Outreach). Home energy audits should be included.

Group 5 (Pricing & Purchasing). No clarifications/missing actions.

Group 6 (Customer-Site Distributed Energy and Combined Heat and Power). No clarifications/missing actions.

Group 7 (GHG Emissions-Specific Goals and Policies, Including Process Emissions). No clarifications/missing actions.

Group 8 (Technology-Specific Policies). No clarifications/missing actions.

Group 9 (Non-Energy Emissions (HFCs, PFCs, SF6, CO2, Process Emissions)). No clarifications/missing actions.

Group 10 (Other). Does 10.3 Industrial Ecology capture cooperation among nearby industries in sharing energy needs/utilization of waste energy? Should be added as a separate option. Options for Federal facilities to reduce GHG emissions.

### ***Transportation & Land Use***

Group 1.1 (Passenger Vehicle GHG Emission Rates). Plug-in hybrids included in the TLU catalog? Should be added to the list under this group. CCS - Could also be considered under one of the alternative fuels category options. Plug-in hybrids were addressed in recent State legislation along with alternative fuels.

Group 1.2 (Passenger Vehicle Operation). Does “enforced speed limits” also include “changing speed limits”? Vehicle inspections included with maintenance programs?

Group 1.3 (Passenger Vehicles - Incentives & Disincentives). Modifications to current SC vehicle tax sales structure to affect gas guzzlers (e.g. increase greater tax than the \$300 maximum).

Group 2.1 (Land Use and Location Efficiency). No clarifications/missing actions.

Group 2.2 (Increasing Low-GHG Travel Options). CCS clarified that increases in the use of rail are included in the catalog (see Group 3 options).

Group 2.3 (Land Use and Location Efficiency - Incentives/Disincentives). No clarifications/missing actions.

Group 2.4 (Fuel Measures). No clarifications/missing actions.

Group 3.1 (Freight Vehicle Technology). No clarifications/missing actions.

Group 3.2 (Freight Vehicle Operation). No clarifications/missing actions.

Group 3.3 (Increasing Low-GHG Travel Options). No clarifications/missing actions.

Group 3.4 (Freight Vehicle Incentives/Disincentives). Aviation technology improvements that allow for fuel/GHG reductions?

Group 4 (Intercity Travel: Aviation, High Speed Rail, Bus. No clarifications/missing actions.

Group 5 (Offroad Vehicles (Construction Equipment, Out-Board Motors, ATVs, etc.)). No clarifications/missing actions.

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

Group 1 (Production of Fuels and Electricity in Agriculture). No clarifications/missing actions.

Group 2 (Agriculture – Livestock). No clarifications/missing actions.

Group 3 (Agriculture- Crop Production). CECAC member wanted the TWG to make sure we have programs to provide incentives for more research to get carbon into the soil; make the implementation of any soil carbon management option as robust as possible; also the soil carbon option is where the TWG could assess the benefits of offsetting commercial fertilizers with organic matter (e.g. manures), as this option is meant to be written broadly and to be all encompassing in terms of GHG reduction opportunities.

Group 4 (Agriculture – Land Use Management). CECAC member asked that the TWG add language to the appropriate option to explore cultivation of indigenous these crops that were taken out of production due high salinity (where saltwater intrusion is a problem). Some of these crops could be used for energy production purposes (biomass or liquid fuels). CCS will add this to the applicable options under Groups 1 and 3.

AFW-5 (Agriculture Farming Practices). Based on a question from the CECAC, CCS noted that reductions in energy use associated with no-till farming get captured where that option is analyzed under soil carbon management programs.

AFW-6 (Production of Fuels and Electricity in Forestry). CECAC member asked if this is where energy producing crops would go. CCS responded that they would go here (under Option 6.1 & 6.2 for forest energy crops and under 1.1 & 1.2 for agricultural energy crops). CECAC member mentioned that the biomass council wants to do R&D to find a strain of switch grass that is ideal for growing in SC. He felt that the TWG should focus attention on crops that grow well in SC that can be used for energy production.

AFW-7 (Forestry – Biomass Protection & Management). No clarifications/missing actions.

AFW-8 (Forestry – Wood Products & Waste). No clarifications/missing actions.

AFW-9 (Waste Management - Waste Management Strategies). No clarifications/missing actions.

AFW-10 (Waste Management – Landfill Gas Strategies). No clarifications/missing actions.

AFW-11 (Waste Management – Wastewater Management Activities). No clarifications/missing actions.

***Cross-Cutting Issues***

Group 1 (Inventories & Forecasting). No clarifications/missing actions.

Group 2 (GHG Reporting). No clarifications/missing actions.

Group 3 (GHG Registry). No clarifications/missing actions.

Group 4 (Statewide GHG Reduction Goals & Targets). No clarifications/missing actions.

Group 5 (State and Local Government GHG Emissions (Lead-By-Example). No clarifications/missing actions.

Group 6 (Comprehensive Local Government Action Plans (Counties, Cities, etc.). No clarifications/missing actions.

Group 7 (Public Education & Outreach). No clarifications/missing actions.

Group 8 (Tax and Cap Policies). No clarifications/missing actions.

Group 9 (Clearinghouse to Facilitate Investment in Climate-Related Business Opportunities). No clarifications/missing actions.

Group 10 (Adaptation & Vulnerability). No clarifications/missing actions.

**4. Next Steps for TWGs and CECAC**

Tom Peterson reviewed the methods to be used by the TWG to develop a set of suggested draft priority options for analysis to be considered by the CECAC. The TWG will also suggest revisions to the inventory & forecast if/as needed. At its next meeting the CECAC will review and approve the list of priorities as well as any revisions to the inventory & forecast

A CECAC member expressed concern about whether the TWGs would be able to do the amount of work needed to develop the priorities before the next meeting (e.g. filling out the rest of the catalog). CCS explained that this next step is a filtering step where TWG facilitators will assist the group in assigning nominal ratings (high, medium and low) to the GHG reductions and costs columns. TWG members will then adjust as needed. CCS and the TWG members will also add additional details on other important ancillary benefits and feasibility issues. All of this material will aid the TWG members in making their suggestions of priorities (about 10-12 per group for a total CECAC set of about 50 priorities). Tom also noted that CECAC meetings in the future are likely to need time for extended discussion of specific issues. A number of CECAC members requested longer meeting times for both CECAC and TWG meetings to address this need. Chairman Courson set the next meeting time to start at 1 pm.

The next CECAC meeting will be on August 22, 2007 at 1:00 pm and will last as long as is necessary to approve the list of priorities for analysis.

## **5. Public Comments**

A TLU TWG member mentioned that efforts envisioned under SCDOT's Statewide Multi-Modal Plan should be coordinated with the CECAC process.

Under Cross-Cutting Issues, one member noted that discourse with Federal officials needed.