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MEETING SUMMARY
SOUTH CAROLINA CLIMATE, ENERGY AND COMMERCE ADVISORY
COMMITTEE

Energy Supply (ES) Technical Work Group (TWG)

Teleconference meeting #4, August 16, 2007 from 3:30 PM to 5:00 PM

Attendance:

1. Technical Work Group Members:

- Lonnie Carter – President and CEO, Santee Cooper
- John Clark – Director, South Carolina Energy Office
- Bob Fledderman – Manager, Environment and Regulatory Assurance, MeadWestvaco
- Jerry Freck – Environmental Engineer, South Carolina Department of Health and Environmental Control
- Emerson Gower – Vice President, Southern Region, Progress Energy Carolinas
- Mark Lewis – Vice President, Westinghouse Electric
- Ben Moore – Coastal Conservation League
- David Odell – President, Sunstore Solar of Greenville, South Carolina
- John Plodinec – Savannah River National Lab
- Nick Rigas – Director, South Carolina Institute for Energy Studies
- Mark Hollis (for James E. Rogers – Chairman, President and CEO, Duke Energy Corporation)
- Coleman Smoak – General Manager, Piedmont Power
- Joette G. Sonnenberg – Associate Laboratory Director, Energy Security, Savannah River National Laboratory
- David Logeman (for John Tiencken – Former CEO, Santee Cooper)
- Henry Barton (for Bill Timmerman – CEO, SCANA)

2. Center for Climate Strategies (CCS) Staff:

- Ezra Hausman – Lead facilitator
- Alice Napoleon

3. South Carolina Department of Health and Environmental Control (DHEC):

- Michael Juras – SCDHEC; Agency Liaison

4. South Carolina Agency Observers

- Yvonne Michel – SC Energy Office

5. Public Attendees:

- Anthony James – SC Office of Regulatory Staff
- Jeannette McCain – Progress Energy
- Steven Urn – SD&E

6. Technical Work Group Members not attending:

- Robert Boyles – Deputy Director, Marine Resources Division, Department of Natural Resources
- Jeff Hinson – Utilities Manager, Clemson University
- Fred Humes – Chairman of the Board of Directors of the South Carolina Hydrogen and Fuel Cell Alliance
- C. Dukes Scott – Executive Director Office of Regulatory Staff
- Steve Smith – Executive Director, Southern Alliance for Clean Energy

Background documents:

(posted at http://www.scclimatechange.us/Energy_Supply.cfm)

1. Meeting Notice and Agenda
2. Draft Summary of Meeting #3
3. Powerpoint for Teleconference
4. ES Policy Option Balloting Results
5. ES Draft Catalog of State Actions (revised 7-25-07 & 8-10-07)

Discussion items and key issues:

This was the 4th meeting of the ES TWG.

1. CCS called the meeting to order, completed the roll call and reviewed the agenda and plans for the call. Ezra noted that those who are attending the call on behalf of TWG members are now welcome to participate. These substitutes must keep the TWG member they are representing informed and must be able to volunteer the TWG member for homework assignments (such as providing input for the development of straw proposals).
2. There were no comments on the draft summary of Call 3. The summary is approved as final.
3. The stepwise planning process was reviewed. During meeting #4, the TWG will go over the balloting results. These results will also be presented to the CECAC, which may accept or reject the TWG's recommended priorities for analysis. At its meeting next week, the CECAC may add to, remove, or make changes to these options. After the CECAC selects the policy priorities for analysis, the TWG begins developing specific proposals for implementation of the priority policy options. It was asked whether all high priority policy options selected by the CECAC will be analyzed; Ezra responded that some options may be difficult to analyze, e.g. ES-2, Technology R&D.
4. Lonnie Carter expressed displeasure that the meeting materials were not posted to the website at least one week in advance, as was promised, and that he's not prepared for the meeting as a result. Ezra apologized for the materials not being posted on time (partly because the web host was down) and assured the TWG that we're trying very hard to get things posted a week in advance.

5. Lonnie said that he doesn't understand the voting and expressed concern that the balloting results showed CECAC vs. other members, but the prioritizing included all members. He read from a letter dated July 27 from Sen. Courson, which said that only CECAC members vote in the TWG. Alice Napoleon responded that in this process, "voting" has been given a different meaning than "balloting." Voting is the exclusive right of the CECAC, the decisional body, and all final decisions (including on priority options) rests with the CECAC. Our working group does not make final decisions so we do not refer to our work as "voting". Michael Juras also noted that South Carolina is the 1st state that has any differentiation between working group members who are also members of the stakeholder group and those who are not (CECAC vs. non-CECAC). Michael also noted that the AFW & TLU TWGs didn't want to differentiate balloting results between CECAC and non-CECAC members, because it was felt that displaying the results this way would undermine the solidarity of the group. At least one TWG member felt that the distinction between "voting" and "balloting" was unconvincing.
6. It was noted that there is a lot of overlap between ES-9 & ES-1. Ezra responded that the TWG's balloting does not constitute a final decision—the CECAC may decide to remove any perceived redundancies.
7. Lonnie Carter proposed rolling ES-9 into ES-1 and including 3.7 (recycling nuclear fuel) as a high priority option. John Clark said he voted for ES-9 and ES-1 but thought that they could have been combined. A member expressed concern with combining these options because ES-1 would provide incentive for nuclear energy. John Clark made a motion to strike nuclear power from ES-1, add language "and recycle fuel" to ES-5, strike ES-9, and move the next two highest items (with 7 ballots each) into the top 10. Some members did not support striking nuclear energy from ES-1. There was not a consensus on either Lonnie's or John's motions.
8. John Plodinec asked whether the TWG can we recommend that the three components (energy efficiency, renewable energy, and nuclear) each be analyzed, and stated support for including nuclear power in the portfolio standard. Ezra said that CCS can't promise full analysis on three very different approaches within a single priority policy option, and that he's wary of proliferating more policy options than CCS has resources to analyze adequately.
9. Lonnie withdrew his first motion and made another proposal: fold ES-9 into ES-1, bring forward & clarify that new nuclear includes fuel reprocessing, and bring forward the two items that got 7 votes each. There were objections to this proposal.
10. Emerson Gower made a slightly different motion: combine ES-9 and ES-1, retain ES-5 but include fuel reprocessing language, merge ES-4 with ES-7, and move up the top two medium priorities for analysis (grid-based renewable energy and off-shore wind development). There was some discussion of barriers to renewable energy (e.g., as referenced in ES-10 and 2.2). Also, if nuclear generation is included in the portfolio standard, will renewable resources be developed? Ezra drew on an example from Colorado: the working group wanted to have a wide range of sources, so the RPS policy proposal features a limit on the amount of big wind farms (no more than 85%). A member asked what the state can do to bring about new nuclear, but the TWG will decide that later. There were two objections to Emerson's motion.

11. Some members wished to take a vote on Lonnie’s proposal. Ezra explained that he would inform the CECAC that there was support for Lonnie’s proposal, but that ES-9 would not be removed from the list of recommended high priorities for analysis without TWG consensus on doing so. He emphasized that the TWG is not a decisional body; the results of the balloting provide information and guidance to the CECAC, and removing an option without the full support of the TWG would misrepresent that guidance. He also noted that all TWG members were able to participate in balloting, but not all members were able to attend the current meeting.
12. Several members felt that they should be allowed to vote on Lonnie’s proposal. Ezra was unwilling to recognize a vote under the circumstances but indicated that he would seek guidance from the CECAC on the procedural issues that arose during this meeting and provide instructions to the TWG via email, since the meeting did not accomplish many of the items on the agenda.
13. CCS solicited input from the public. No comments or questions were raised.

Next steps and agreements:

1. The next (5th) ES TWG meeting will be held as a teleconference on Thursday, Sept 20, from 1:00 PM – 2:30 PM.
2. At the next meeting, the TWG will discuss next steps in developing straw proposals and discuss recommendations for revision of the South Carolina emissions inventory and forecast.