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Memo

To: South Carolina Climate, Energy and Commerce Advisory Committee

From: The Center for Climate Strategies

CC: Executive Office of South Carolina Governor Mark Sanford
Chairman, the Honorable Representative Ben Hagood, South Carolina Senate
South Carolina Department of Health and Environmental Control; South Carolina
Department of Natural Resources

Subject: Preparation for the Fourth Meeting of the South Carolina Climate, Energy and
Commerce Advisory Committee

Date: November 30, 2007

At our fourth meeting of the South Carolina Climate, Energy and Commerce Advisory Committee (CECAC) on Friday, November 30, 2007, we will focus on review and approval of draft “straw proposals” suggested by the Technical Work Groups (TWGs) for each of the priority policy options identified in our meetings on August 22 and September 21. During the CECAC meeting members of TWGs will be invited to participate in the discussion of straw proposals, but only CECAC members will decide which straw proposals will proceed for further analysis.

We also will review progress and recommended updates to the statewide draft inventory and forecast of emissions. Based on this discussion and any adjustments made by the CECAC, the TWGs will begin work to quantify and further develop policy options. Final consideration of these options will begin at the next CECAC meeting on February 22, 2008. At that time the CECAC will be asked to identify an initial set of options as final recommendations that do not have objections. Remaining (not yet fully approved) options will be the subject of the final CECAC meeting on May 9, 2008 and the TWG activities that precede it.

As preparation for our fourth meeting, please review the attached lists of TWG suggested draft policy option “priorities for analysis” and other background documents posted to the project website at: www.scclimatechange.us.

In terms of overall progress, the CECAC has completed key milestones since its launch, including:

- Identification of a full range of potential South Carolina options for mitigation of GHG emissions, including over 250 possible state actions.
- TWG identification, by informal balloting, of 52 initial priorities for analysis of draft policy options.
- Completion of the initial statewide inventory and forecast of GHG emissions and start of the review process.
- Approval of a full range of draft initial priorities for analysis of policy options.

The next stages of the CECAC process will include completion of the following milestones:

- Formulation of “straw proposals” for the design (timing, levels, coverage) of these initial draft policy options for consideration by the CECAC at our fourth meeting today.
- Completion of the first round of economic analysis of draft policy options by CCS, and identification of early consensus recommendations at our fifth meeting.
- Review and revision of policy option design, analysis, and draft options as needed during TWG calls and meetings.
- Final approval of remaining CECAC policy option recommendations at our sixth meeting.
- Final approval of the statewide inventory and forecast of GHG emissions by the final meeting.

Summary of CECAC Progress and Next Steps:

Status of Draft Policy Options	
Original Number of Potential Options Presented to the CECAC from the CCS Catalog of State Actions	208
Updated Number of Potential Options on the CCS Catalog of States Actions, Including CECAC Additions	254
Current Number of Draft Potential Priority Policy Options for Analysis	48
• Residential, Commercial, and Industrial	10
• Energy Supply	8
• Transportation and Land Use	13
• Agriculture, Forestry and Waste	10
• Cross Cutting Issues	7
Next Steps	
Approve Straw Proposals for Draft Policy Option Design	CECAC Meeting #4
Present First Round of Analysis of Draft Policy Options and Identify Early Consensus Recommendations	CECAC Meeting #5
Approve Final CECAC Policy Option Recommendations	CECAC Meeting #6

Table 1.
Residential, Commercial, and Industrial Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Option No.	Policy Option	GHG Reductions (MMtCO _{2e})			Net Present Value 2008–2020 (Million \$)	Cost-Effectiveness (\$/tCO _{2e})	Level of Support
		2012	2020	Total 2008–2020			
RCI -1	Demand-Side Management (DSM)/Energy Efficiency Programs, Funds, or Goals for Electricity (including expansion of same) (Residential, Commercial, and Industrial)	<i>Not Yet Quantified</i>					Pending
RCI -2	Demand-Side Management (DSM) Energy Efficiency Programs, Funds, or Goals for Natural Gas, Propane, and Fuel Oil	<i>Not Yet Quantified</i>					Pending
RCI -3	Incentives and Regulatory Reform (including net-metering) to Promote Implementation of Renewable Energy Systems, Including PV and solar thermal (Residential, Commercial, and Industrial)	<i>Not Yet Quantified</i>					Pending
RCI -4	Energy Management Training/Training of Building Operators	<i>Not Yet Quantified</i>					Pending
RCI -5	Incentives, Resources, and Regulatory Reform (including net-metering) to Promote Energy Recycling Including Combined Heat and Power	<i>Not Yet Quantified</i>					Pending
RCI -6	Incentives and policies for improving building and appliance efficiency, including building energy codes and appliance standards*	<i>Not Yet Quantified</i>					Pending
RCI -7	Improved Design and Construction in new and existing state and local government buildings, “Government Lead-by-example”	<i>Not Yet Quantified</i>					Pending
RCI -8	Post-secondary College and University Programs	<i>Not Yet Quantified</i>					Pending
RCI -9	Green Power Purchasing for Consumers	<i>Not Yet Quantified</i>					Pending
RCI -10	Participation in Voluntary Industry-Government Partnerships (including incentives)	<i>Not Yet Quantified</i>					Pending
	Sector Total After Adjusting for Overlaps						
	Reductions From Recent Actions						
	Sector Total Plus Recent Actions						

Note: the RCI TWG recommends that RCI-6 be split into two separate policy options:

- Incentives and policies for improving building efficiency, including building energy codes, and,
- Incentives and policies for improving appliance efficiency, including appliance standards.

Table 2.
Energy Supply Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Option No.	Policy Option	GHG Reductions (MMtCO ₂ e)			Net Present Value 2008–2020 (Million \$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support
		2012	2020	Total 2008–2020			
ES -1	A thorough study of energy options for portfolio standards including renewables, energy efficiency, nuclear power, waste to energy, landfill gas, offshore wind, and hydro	<i>Not Yet Quantified</i>					Pending
ES -2	Technology Research and Development, including state funding	<i>Not Yet Quantified</i>					Pending
ES -3	Renewable Energy (full range) financing, tax incentives, loans	<i>Not Yet Quantified</i>					Pending
ES -4	Regulatory model to equalize utility returns on energy efficiency with returns on traditional power supply to allow investment in efficiency and renewables to be considered in parity with investment in new conventional capacity	<i>Not Yet Quantified</i>					Pending
ES -5	New Nuclear Power, including reprocessing	<i>Not Yet Quantified</i>					Pending
ES -6	Green power purchases and marketing	<i>Not Yet Quantified</i>					Pending
ES -7	Attract renewable energy technology businesses to South Carolina	<i>Not Yet Quantified</i>					Pending
ES -8	Distributed renewable energy incentives and/or barrier removal (Including Interconnection Rules)	<i>Not Yet Quantified</i>					Pending
	Sector Total After Adjusting for Overlaps						
	Reductions From Recent Actions						
	Sector Total Plus Recent Actions						

Table 3.
Transportation and Land Use Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Option No.	Policy Option	GHG Reductions (MMtCO ₂ e)			Net Present Value 2008–2020 (Million \$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support
		2012	2020	Total 2008–2020			
TLU -1	Adopt California Clean Car Standards	<i>Not Yet Quantified</i>					Pending
TLU -2	Transportation System Management	<i>Not Yet Quantified</i>					Pending
TLU -3	Tax Credits for Efficient Vehicles	<i>Not Yet Quantified</i>					Pending
TLU -4	Improve Development Patterns	<i>Not Yet Quantified</i>					Pending
TLU -5	Transit & Bike-Pedestrian	<i>Not Yet Quantified</i>					Pending
TLU -6	Alternative Fuel Infrastructure	<i>Not Yet Quantified</i>					Pending
TLU -7	Anti-Idling	<i>Not Yet Quantified</i>					Pending
TLU -8	Stricter Enforcement of Speed Limits	<i>Not Yet Quantified</i>					Pending
TLU -9	Make Full Use of CMAQ funds	<i>Not Yet Quantified</i>					Pending
TLU -10	Commuter Choice	<i>Not Yet Quantified</i>					Pending
TLU -11	Increased Fuel Tax (with use of revenue for travel alternatives)	<i>Not Yet Quantified</i>					Pending
TLU -12	Low-GHG Fuel Standard	<i>Not Yet Quantified</i>					Pending
TLU -13	Freight Vehicle Technology Improvements	<i>Not Yet Quantified</i>					Pending
	Sector Total After Adjusting for Overlaps						
	Reductions From Recent Actions						
	Sector Total Plus Recent Actions						

Table 4.
Agriculture, Forestry, and Waste Management Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Option No.	Policy Option	GHG Reductions (MMtCO ₂ e)			Net Present Value 2008–2020 (Million \$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support
		2012	2020	Total 2008–2020			
AFW -1	On-Farm Energy Efficiency	<i>Not Yet Quantified</i>					Pending
AFW -2	On-Farm Waste Energy Recovery	<i>Not Yet Quantified</i>					Pending
AFW -3	Expanded Use of Local Agricultural Products	<i>Not Yet Quantified</i>					Pending
AFW -4	In-State Liquid Biofuels Production	<i>Not Yet Quantified</i>					Pending
AFW -5	Expanded Use of Biomass Feedstocks for Electricity, Heat, or Steam Production	<i>Not Yet Quantified</i>					Pending
AFW -6	Terrestrial Carbon Sequestration	<i>Not Yet Quantified</i>					Pending
AFW -7	Conservation and Restoration of Forest and Agriculture Lands for Enhanced Carbon Sequestration	<i>Not Yet Quantified</i>					Pending
AFW -8	Advanced Recycling and Composting	<i>Not Yet Quantified</i>					Pending
AFW -9	Waste-to-Energy Reclamation	<i>Not Yet Quantified</i>					Pending
AFW -10	Water and Wastewater Energy Efficiency Improvements	<i>Not Yet Quantified</i>					Pending
	Sector Total After Adjusting for Overlaps						
	Reductions From Recent Actions						
	Sector Total Plus Recent Actions						

Table 5.
Cross-Cutting Issues Technical Work Group
Summary List of Recommended Priority Policy Options for Analysis

Option No.	Policy Option	GHG Reductions (MMtCO ₂ e)			Net Present Value 2008–2020 (Million \$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support
		2012	2020	Total 2008–2020			
CC -1	Inventories and Forecasting	<i>Not quantified</i>					Pending
CC -2	GHG Reporting and Registry	<i>Not quantified</i>					Pending
CC -3	Statewide GHG Reduction Goals and Targets	<i>Not quantified</i>					Pending
CC -4	State Government GHG Emissions (Lead-by-Example)	<i>Not quantified</i>					Pending
CC -5	Comprehensive Local Government Climate Action Plans (Counties, Cities, etc.)	<i>Not quantified</i>					Pending
CC -6	Public Education and Outreach	<i>Not quantified</i>					Pending
CC -8	Adaptation & Vulnerability	<i>Not quantified</i>					Pending
	Sector Total After Adjusting for Overlaps	<i>Not quantified</i>					
	Reductions From Recent Actions	<i>Not quantified</i>					
	Sector Total Plus Recent Actions	<i>Not quantified</i>					