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MEETING SUMMARY
SOUTH CAROLINA CLIMATE, ENERGY AND COMMERCE ADVISORY
COMMITTEE

Cross Cutting (CC) Issues Technical Work Group (TWG)

Call #11, April 15, 2008, 1:00 PM – 2:30 PM

Attendance:

1. Technical Work Group Members:

- Lynn Barnes, Emissions Inventory Section Manager, South Carolina Department of Health and Environmental Control (DHEC)
- Jim Byrd, Deputy Director, Market Services Division, South Carolina Department of Insurance
- Braxton Davis, Director of Science and Policy, Office of Coastal Resources Management
- Dr. Paul Gayes, Director, Center for Marine and Wetlands Studies, Coastal Carolina University
- Elizabeth Hagood, Coastal Conservation League
- Trish Jerman, Policy and Programs Manager, South Carolina Energy Office
- Hope Mizzell, Climatologist, South Carolina Department of Natural Resources
- Frank Powell, Policy and Programs Manager, South Carolina Energy Office
- David Smalls, President, Walterboro-Colleton Chamber of Commerce
- David Stoney, Ph.D., Citizen

2. Center for Climate Strategies (CCS) Staff:

- Randy Strait– Co-facilitator
- Katie Pasko – TWG Assistant

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

- Michael Juras – SCDHEC; Agency Liaison

4. South Carolina Agency Staff:

- None

5. Public Attendees:

- None

6. Technical Work Group Members not attending:

- Greg Carbone, Climate Scientist, University of South Carolina
- Carol Ervin, Young, Clement, Rivers Law Firm
- Bion Howard, Principal Consultant, Building Environmental Science and Technology
- Dr. Marcus Newberry, Former Dean, Medical University of South Carolina (MUSC) College of Medicine
- Frank Powell, Environment Director, Furman University

Background documents:

(all posted at http://www.sccclimatechange.us/Cross_Cutting.cfm)

1. Meeting Notice and Agenda
2. Draft Summary of Call #10
3. PowerPoint for Teleconference.
4. CC Draft Priority Policy Options for Analysis

Discussion items and key issues:

This was the eleventh conference call of the CC TWG.

1. Randy Strait called the meeting to order, completed the roll call and reviewed the agenda and plans for the call.
2. Next Meeting: See section at end of summary.
3. Draft Summary for Call #10: The TWG approved the summary for Call #10 without any changes to the summary.
4. Review of Results of CECAC Meeting #6:

During its 5th meeting, the CECAC approved CC-1, 2, 5, 6 and 8, but also provided comments which the TWG addressed. The CECAC did not have any further comments on these policies during its 6th meeting.

5. Goals for Remaining CECAC Meeting:

The TWG's goal for the next CECAC meeting is to decide on GHG reduction goals or targets for its remaining two pending policy options, CC-3 (Statewide GHG Reduction Goals and Targets) and CC-4 (State Government GHG Emissions (Lead-by-Example)).

6. Discussion regarding development of straw proposals for remaining priority policy options

Overview

Strait reviewed goals and targets adopted by US states and Canadian Provinces. The information presented in the slides show (1) the estimated growth in GHG emissions from 1990 to 2020 under a business-as-usual scenario; (2) GHG reduction goals or targets, and (3) the percentage of reduction that a state's climate action plan is expected to achieve relative to the states goals. Strait noted that some states have mandated goals or targets set through legislation or an executive order while other states have used the quantification results of the planning process to decide on goals or targets.

Strait noted that there are several ways in which goals can be framed: Gross vs. Net, Production vs. Consumption, Levels and Timing:

- a. Gross vs. Net – “Gross” emissions exclude carbon sinks where “Net” emissions are calculated as gross emissions minus carbon sinks.
- b. Production vs. Consumption basis – Production-based emissions reflect GHGs emitted by all emission sources and sinks within the borders of the state, even if the products produced are consumed by others elsewhere (and vice versa). Consumption-based emissions accounting is prepared for the electricity generation sector only because data are readily available to support these estimates. For South Carolina,

consumption-based emissions reflect production-based emissions minus emissions associated with electricity that is exported to other states.

- c. Timing and Levels – these refer to the GHG reduction levels to be achieved over a specified time period. As noted in the examples provided in the slides, many US states and Canadian Provinces (identified in the slides) have adopted short-term and/or medium-term and long-term goals or targets. The goals or targets are typically expressed as a percent reduction from the emissions for an index or base year (e.g., 1990 or 2005). Some states feel that they have better emission estimates for later years (e.g., 2005) so they elect to use a base year that is later than 1990.

Strait noted that for some states it is not clear if their goals or targets apply to a consumption- or production-based framework. For the meeting on April 29, graphs outlining these options for framing the goal will be provided.

Strait provided an overview of the draft inventory and forecast (representing business-as-usual) and emission reductions from existing or recent actions that will be implemented in the state. The emission reductions from these existing actions are included in the baseline for quantifying emission reductions associated with the CECAC policies to avoid double-counting of reductions. For South Carolina, existing actions for which emission reductions are calculated include the new Corporate Average Fuel Economy (CAFE) and new appliance/lighting efficiency requirements included in the federal Energy Independence and Security Act of 2007.

Strait then provided an overview of the preliminary draft GHG reductions associated with the CECAC policies relative to the inventory and forecast and reductions from existing actions on a consumption and production basis for gross and net emissions. Strait emphasized that these are preliminary results and the quantification results for some of the pending policy options will change as the TWGs address the comments that the CECAC provided on the options in its 6th meeting. The change in the cumulative results is expected to lose a few million metric tons of reductions. Strait noted that the table shown in Slides 10 and 11 had changed since the PowerPoint was posted to the website for today's meeting such that the cumulative reductions in 2020 are slightly above 1990 levels. He will send a revised file to the TWG with the latest results as they stand today and update the PowerPoint file posted on the website for today's call.

Slide 13 graphically ranks each of the proposed policy options on a dollar per million metric ton of carbon dioxide equivalent (\$/MMtCO₂e) basis. The options below the zero dollar line in the graph represent net cost savings, with the options above the line representing a net cost. To emphasize that these results are preliminary, he noted that at the request of the CECAC the AFW TWG is re-evaluating the design of AFW-6biii (Terrestrial Carbon Sequestration—Forestry: Urban Forestry) which shows the highest cost per ton of reduction in Slide 13 and is likely to change as a result of the TWG's work. Slide 14 ranks each policy option on the basis of projected GHG reductions as expressed in Million Metric tons of CO₂ equivalents (MMtCO₂e).

For CC-4 (State Government GHG Emissions (Lead-by-Example)), some states have set goals based on the state's economy-wide goals and others have elected to be more stringent than the state's economy-wide goals by having slightly more aggressive attainment date earlier than the attainment date of the state's economy-wide goals.

TWG Discussion

The TWG asked clarifying questions and agreed to review the information presented today as well as the revised quantification results that will be presented at its April 29 meeting before deciding on recommendations for goals or targets for CC-3 and CC-4. The following provides a summary of comments and observations provided by the TWG members:

- The preliminary quantification results suggest that the cumulative reductions associated with the priority policy options, if fully implemented, may come close to achieving 1990 emission levels by 2020. It was noted that emissions relative to population in 1990 in South Carolina may not be as high as per capita emissions in 1990 for other states. Concern was noted that if this is the case, South Carolina should not be penalized for having low emissions in 1990, forcing catastrophic reductions in the future if 1990 is used as the base year. South Carolina ranks in the top five GHG emitters from electrical sources based on consumption values for 2005. This is likely due to the low electric rates in the state. It was noted that 1990 values may not be the best basis as development has been occurring recently, but not in the 1990s. In addition, commuting times are increasing partly due to the low fuel taxes in the state. A member recommended the use of 2005 data.
- Goals or targets should be calculated against South Carolina levels, not necessarily on what other states have done.
- It was suggested that a goal of reducing GHG emissions in 2020 to 1990 emission levels is a viable goal, especially in light of the increasing support for this goal. Another option is to set the goal based on what it will take to achieve an ambient carbon dioxide concentration of 350 parts per million.
- Lead-by-example would require more effort by the state in order to reach 2050 reduction levels.
- Ensure tracking of early efforts to reduce emissions. Credit should be given for early reductions.
- The best data available should be used to avoid protracted debates.
- The TWG should seek ambitious and aggressive goals.

7. Final Report Process:

After the CECAC's May 9 meeting, CCS will assist the CECAC in preparing the draft report for the process. The Policy Option Description files that each of the TWG's has developed will be revised to incorporate the CECAC's comments and final decisions on the pending policy options and will be included as appendices to the report. Chapters will be prepared that summarize the content of the Policy Option Descriptions and identify key challenges and opportunities associated with implementing the options. The Final Report of the CECAC is due on June 30th.

Next steps:

1. The CECAC's last meeting is on May 9. The Final Report is due on June 30.
2. The last CC TWG call will be held on Tuesday, April 29, from 1:00 – 2:30 pm.

CCS will notify the full TWG of the date and time for each call and send a reminder out several days before the call.

Public Input and Announcements

No members of the public participated in the call.