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**DRAFT TELECONFERENCE MEETING SUMMARY
ES Policy Working Group
Call #1, January 19, 2006**

Members Attending:

Lori Bird	John Poate
Joe Broz	Jack Ihle (for Frank Prager)
Vicki Card	Barbara Roberts
Craig Cox	Mark Safty
Michael Dowling	Dianna Orf (for Stuart Sanderson)
Chuck Kutscher	Richard Smart
Dan McClendon	Wade Troxell
Brian Moeck	Randy Udall

Rocky Mountain Climate Organization: Tom Easley, Stephen Saunders
Center for Climate Strategies: Ezra Hausman, Ken Colburn, Tim Woolf, Alice Napoleon

Agenda Item#1: Introductions and Review of Agenda.

Agenda Item#2: Purpose and Goals.

Agenda Item#3: Review of the CAP Process.

Process for adding options was discussed. Additional options and pertinent information can be emailed to Ezra Hausman (ehausman@synapse-energy.com); information that is received before the next ES PWG meeting on Feb. 14, 2007 can be discussed at that time and fed into the CAP meeting on Feb. 15, 2007. It was requested that these materials be posted on the ES PWG website.

The inventory & forecast will be complete and posted before the February PWG meeting.

The importance of subjecting the data, assumptions, and analyses to peer review was discussed, including the inventory which is not closed until late in the process.

In addition, the working group should review the data and assumptions and bring better data sources to the group's attention. The conflicting pressures of broad-screening level analysis of several options vs. in-depth analysis was discussed. Data and uncertainties will be available for PWG review throughout the process. The final report will address will

recommend policy options but will not include regulatory language which would require more detailed analysis.

Water impacts on energy are not really covered in the process. Colorado is particularly vulnerable to water supply issues, and that this issue will be discussed at the Feb. 15 CAP meeting. Water issues are related largely to adaptation strategies, but this PWG is focused on prevention, not mitigation measures.

Agenda Item#4: Review and Discussion of the Catalog of State Actions.

A quick overview of the policy options catalog was presented. Policy options and definitions are flexible and subject to PWG modification.

A more detailed discussion of each category followed:

ES-1 RENEWABLE ENERGY

The legislature will probably take action on ES-1.1 (Environmental Portfolio Standard) in the near term. The inventory and forecast will be dynamic to account for policies that are introduced and acted on during the process. These contemporaneous developments will be included in the revised forecast as Recent Actions.

ES-1 is a broad category and that some strategies appear to be “more boondoggle than boon”. This is dealt within the early screening process. Additions were recommended to list of options, including geothermal wells and expanded use of hydropower.

Renewable energy is moving in the direction of distributed generation (DG) and that these resources can be integrated into the system to improve system efficiencies.

It was asked whether ES-1.4 – Public Benefit Charges (PBC) – should be under Cross-Cutting issues, because a PBC can be used for a number of objectives. The action item could fall under RCI, ES, or another sector. PBC may be complicated in CO, as any new “tax” would require a ballot initiative; this issue should be noted as a feasibility consideration for this & other policy options.

ES-2 DISTRIBUTED GENERATION (DG)

ES-3 ADVANCED FOSSIL FUEL

R&D crucial—possible sources such as algae or other biological energy resources as examples. Participants noted that the issue of electricity storage is critical (as an element of ES-3.5, R&D, but also relating to ES-5.2).

ES-4 NUCLEAR

There is no nuclear power generation currently in Colorado. Uranium mining in the state had slowed but has ramped up recently. Nuclear energy still needs to be addressed. Options under ES-4 need further details.

ES-5 OTHER ELECTRICITY MEASURES

Options should not be limited based on previous policy constructions ; for example, investment in a Smart Grid should be on the list.

In NM participants looked at transmission because of its importance for renewables; the final plan included creating an Energy Transmission Authority, even though the benefits and costs were difficult to quantify. CO legislature is considering policies to address transmission investment to facilitate development of renewables.

ES-6 EMISSIONS POLICIES

Load-based caps and CO₂ adders should be added, but any CO₂ tax would need to be taken to the voters. Voluntary targets have been ineffective and some participants felt it should be removed from the list. EPRI has worked to shift the focus towards transforming the industry.

It may be difficult to get a cap & trade policy to work, and sequestration may be a better alternative. One option for the PWG is to recommend that the CAP push the state to advocate for a federal policy.

ES-7 EDUCATION/AWARENESS

Meaning of Brownfield Redevelopment unclear in this context. CCS will attempt to clarify.

Public Education programs on how to purchase renewable energy would be useful.

ES-8 OIL AND GAS OPERATIONS

There was general agreement that coal mining & processing could be as or more important than gas or oil operations as a policy area in CO. Coal mines must vent methane to protect workers, and there are legal issues with capturing this methane because the methane is owned by the federal government, and the issue would need to be addressed at that level.

Agenda Item#5: Next Steps of Policy Work Groups.

additional options, questions and information can be emailed to Ezra Hausman (ehausman@synapse-energy.com); information that is received before the next ES PWG meeting on Feb. 14, 2007 can be discussed at that time and fed into the CAP meeting on Feb. 15, 2007.

Agenda Item#6: Agenda, Time and Date for Next Meeting.

Next meeting to be held on February 14, 2007, 3:00-5:30 MST at the Denver Water Department. Please see the PWG area of the www.ColoradoClimate.org website for directions. PWG members are encouraged to participate in person, although phone lines will also be available.

Agenda Item#7: Public Input and Announcements.