



www.coloradoclimate.org

DRAFT TELECONFERENCE MEETING SUMMARY
AFW Policy Working Group
Call #3, March 14, 2007

Members Attending:

John Armstrong (for Susie Gordon)
Meg Collins
Will Shafroth
Tim Sullivan
Keith Paustian

Governmental agency liaisons: none

Rocky Mountain Climate Organization: Tom Easley, Stephen Saunders

Center for Climate Strategies: Kathryn Bickel, Steve Roe

Agenda Item#1: Review of Call #2 Summary. CCS reviewed the call summary and requested input from the PWG. No clarification or changes needed.

Agenda Item#2: Discussion of Balloting on Policy Option Priorities.

Each PWG member will receive a ballot via email from CCS next week. Each person is allowed 10 votes, with one vote per option. PWG members will return their ballot via email to CCS. CCS will compile the raw results and take a first cut at identifying the top priority options. There will be flexibility for members to include additional details with their votes, including suggestions for combining options together. On the next PWG call, the ballot results will be reviewed and adjusted as needed. After that, the priority list goes to the CAP for final approval.

There was discussion about what criteria to use when voting. CCS encouraged PWG members to choose options where they believe there is high potential for GHG reductions at relatively low costs or costs savings. There was some confusion over the CCS terminology "priority for further analysis." CCS emphasized that it would be appropriate to vote for an option even if its potential is well understood and requires little additional analysis, if that option has considerable GHG reduction potential in CO. The issue of whether to vote for policies that are likely to occur in the future because of emerging markets, federal or state programs, or other incentives already in place was raised. CCS encouraged the PWG to consider priority options as having potential above what is expected under business as usual conditions, and noted that this could include new

policies aimed at enhancing GHG reductions that are expected from policies under business as usual conditions.

PWG members also asked about when in the process the specific policy design is elaborated. CCS explained that this occurs in the next phase of the process and that volunteer groups will be organized and tasked with drafting policies proposals for the top priority options chosen in the balloting process.

Agenda Item#3: Continued Review and Discussion of AFW Catalog of GHG Actions.

CCS reviewed additions to the catalog from the last PWG and CAP meetings and walked through the catalog, requesting questions/clarifications and recommendations for adjustments to the preliminary GHG and cost rankings. PWG members asked clarifying questions and made several recommendations to the catalog, summarized below:

Reductions from policies to promote ethanol production/consumption were discussed in terms of differentiating between GHG reductions from end use (i.e., substitution of fossil fuels) and production of feedstocks (i.e., encouraging use of in-state feedstocks and improved agronomic practices to produce feedstocks or GHG superior production methods). CCS discussed how this issue has been addressed in other states, in particular that the AFW sector typically identifies opportunities/benefits on the production side and the transportation and land use (TLU) sector identifies opportunities/benefits on the consumption side. PWG members noted the importance of taking a lifecycle approach and addressing the management strategies of production on the crop side and how this can improve the lifecycle GHG reductions. The PWG supported counting in AFW the GHG benefits of improved agronomic production/technologies of ethanol with respect to production levels under business as usual conditions. CCS will add a note to options 1.4 (Ethanol Production) and 1.2 (Biodiesel Production) in the catalog further explaining that the potential GHG reductions are based on incremental benefits through in-state production incentives targeting GHG superior production methods and feedstocks.

The PWG discussed overlaps and potential for consolidating options. Specifically, it was noted that AFW 2 could include all livestock related options: i.e., move 2.1 (Crop Management) to AFW 3 and move 3.5 (Rotational Grazing) to AFW 2. It was noted that a general option for Agricultural Crop Management could incorporate several (if not all) options under AFW 3 (and 2.1) into a single option covering both CO₂ and N₂O reductions. It was also noted that 3.1 (Conservation tillage/Not-till) and 3.2 (Reduce Summer Fallow) technically should be combined because 3.2 is not viable without using conservation tillage, and that when 3.1 and 3.2 are combined the GHG reduction potential will increase. CCS will add comments to the catalog reflecting the above suggestions.

Under AFW4 it was noted that there is quite a bit of uncertainty over the GHG impacts of land use conversions to peri-urban landscapes, making it difficult to assess the GHG reduction potential of land use change options. E.g., there is a lot of uncertainty about what happens to soil when land is developed and what happens to soil that is removed, how much carbon is

sequestered in urban land, what is the balance with N₂O emissions from fertilization, etc. It was also noted that options 4.2 (Preserve Open Space) and 4.3 (No Net Loss of Agricultural Land) are essentially the same options with different ultimate goal levels. It was agreed that these options would be combined in the ballot.

The option Strategic Agricultural Land Use Management was discussed. The option covers both mitigation and adaptation as it seeks to prioritize agricultural land uses that are optimized for site conditions (which could be a future adaptation strategy). The option will be moved to the AFW 5 heading of Farming Practices where the PWG thought it was a better conceptual fit. CCS will also add some explanatory text to the notes section for balloting purposes. The PWG members on the call and CCS staff did not feel they could reasonably add GHG reduction or cost potential rankings for this option, so these will be left blank.

CCS agreed to add an estimate of the GHG potential for 5.4 (Reductions in On-Farm Energy Use), using the assumption that ~3% of total energy use in CO is on-farm.

For the forestry options it was noted that in general, the jurisdiction includes all ownership types, recognizing that the opportunities on federal lands may be different than on state and private lands. The HWP industry in CO was discussed and it was noted that the industry is relatively small at present with some interest in developing markets for small diameter wood for energy production, e.g., pellets. CCS noted places where it might be appropriate to consolidate forestry options (opportunities for consolidation are present in all of the forestry option groupings). CCS also noted with regard to 8.7 (Resource Assessment for Biomass Energy Production) that a biomass resource assessment for the western US has been developed in a project for the Western Governors Association and will be taken into account in further policy development; 8.7 will be removed from the list as a discrete option.

The waste options were discussed. It was clarified that 9.2 (Advanced Municipal Solid Waste Management Practices) included bioreactors as an example; however since no other examples were included in the catalog, CCS will rename the option "Promotion of Bioreactor Technology". PWG members noted that bioreactors could be a disincentive to other beneficial waste management practices (e.g. waste diversion programs). CCS will add some descriptive text to the catalog for the 9.7 (Prevent Landfilling of Unprocessed Organic Material).

The links among options covering the anaerobic digestion of waste were noted (1.1, 9.5, and 10.2). CCS will add this to the catalog, where missing.

Option 12.1 (Developing Opportunities for Agriculture and Forestry Offsets), added by the CAP, was discussed. The PWG noted the significant potential of the AFW sector to provide offset opportunities and concluded that this option functions more as an implementation mechanism that cuts across several AFW options as well as other sectors. It was noted that the Cross Cutting PWG is addressing offsets issues. The PWG asked CCS to convey to the Cross Cutting PWG that AFW offsets need to be considered in their discussions. Option 12.1 will be removed from

the catalog as a distinct item, recognizing the concepts will be incorporated elsewhere in the process.

The PWG requested CCS highlight new notes that are added to the catalog as a result of this call. CCS agreed.

Agenda Item#4: Review and Discussion of the Colorado GHG Inventory and Forecast.

There was not enough time to cover this agenda item. Discussion was postponed until later PWG calls.

Agenda Item#5: Next Steps for PWG. PWG members will be sent a ballot early next week and CCS will request responses within one week. CCS will review, compile, and circulate results for discussion on the next call.

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

Next PWG meeting: April 2, 2:30-4:30 PM

Agenda: review balloting results, review GHG Inventory & Forecast (time permitting)

Agenda Item#7: Public Input and Announcements. None.