

Colorado
Climate
Project



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DRAFT TELECONFERENCE MEETING SUMMARY
Cross-Cutting Issues Policy Working Group
Meeting/Call #2, March 14, 2007

Members Attending:

Chris Crosby
Jack Ihle
Elise Jones
Helen Klanderud
Eric Kuhn
Tom Looby
Barbara Roberts
Nancy Sharpe
Isaac Silverman
Lucinda Smith
Randy Udall
Sarah Van Pelt

Rocky Mountain Climate Organization: Tom Easley, Stephen Saunders
Center for Climate Strategies: Ken Colburn, Randy Strait

Agenda Item #1: Introductions and Review of Agenda. Attendees did introductions and CCS reviewed the eight agenda items for the call.

Agenda Item #2: Review of Meeting #1 Summary. The PWG did not have any changes to the summary for Call #1. One PWG member asked what the next steps are for addressing adaptation issues in Colorado (see second paragraph under Agenda Item #2 of summary for Call #1). RMCO staff responded that at the last Climate Action Panel (CAP) meeting, they asked for volunteers to participate on a subgroup to begin addressing water management issues. Additional volunteers with substantial expertise are being recruited to participate in the subgroup. RMCO will also ask the CAP members for their advice on how best to address adapting to and managing climate risks (e.g., heat waves, impacts on wildlife) that Colorado is likely to face.

Agenda Item #3: Review of Results of CAP Meeting #2.

Ken Colburn noted that the CAP provided strong approval of all of the options on the Cross-Cutting (CC) Issues catalog, and added the following items to the catalog.

- Under Public Education and Outreach (CC-7) / Industrial & Economic Sectors (CC-7.6), added a suboption to include “Audiences outside Colorado” (CC-7.6.7).
- Under Tax Policies (CC-8), changed the title to “Tax and Cap Policies” and added a suboption for “Cap and Trade” (CC-8.2).

Agenda Item #4: Goals for CAP Meeting #3. Colburn noted that the PWG’s goal in preparing for the next CAP meeting is to decide on recommendations to the CAP for priority options for analysis. The other PWGs have many more options to consider than the CC PWG and will select (through balloting) 10 or 12 policy options to recommend to the PWG as priorities for further analysis. With relatively few policy options, the CC PWG could, if it wishes, recommend all of the options on its catalog for further analysis.

Agenda Item #5: Review and Discussion of Next Steps for PWG. Colburn noted that during today’s call and Call #3, the PWG may add new options, subdivide options, or consolidate options. During its next call, the PWG will need to determine its recommendations to the CAP for priority policy options. The PWG will then begin developing straw proposals describing the policy options approved by the CAP. Colburn also reviewed CCS’s template that the CC PWG will follow for developing the design characteristics for each policy option.

Agenda Item #6: Review and Discussion of the Catalog of State Actions. Prior to the meeting, RMCO and CCS provided the PWG with a revised draft catalog of CC policy options (and descriptions of the policy options in a separate file). Revisions to the catalog made to incorporate comments provided by the CC PWG during its first meeting on February 14 and by the CAP during its second meeting on February 15 were highlighted.

Prior to discussing the catalog options, a PWG member asked CCS for an update on the recently announced “Five-State Initiative.” Colburn noted that this climate initiative is a collaborative effort between Arizona, California, New Mexico, Oregon, and Washington to accomplish the following (paraphrased from the announcement):

- Set an overall regional goal, within six months of the effective date of the agreement (i.e., February 26, 2007), to reduce emissions from all five states collectively, consistent with each state’s GHG reduction goals;
- Develop, within 18 months of the effective date of the agreement, a design for a regional market-based multi-sector mechanism, such as a load-based cap and trade program, to achieve the regional GHG reduction goal; and
- Participate in a multi-state GHG registry to track, manage, and provide for entities to register their GHG emission reductions.

The announcement includes an invitation for other states, tribes, Canadian provinces and Mexican states to monitor the Five-State Initiative and provides the opportunity for these jurisdictions to join the initiative.

The PWG discussed if it should add an option to the catalog to recommend that Colorado observe and/or join this initiative. Some of the PWG members expressed concern that some regional efforts such as the Five-State Initiative might not work in Colorado or vice versa, and noted that the PWG should consider what is best and realistic for Colorado first. It was suggested that Colorado should observe the initiative and reach out to other states without making a commitment at least until enough information is gathered to make an informed decision. It was noted that “observer status” is the only option for states outside of the Five-State Initiative at this point. After considerable discussion, it was agreed that a new option should be added to the catalog and worded as follows: “Join as an observer, and consider joining as a full state partner.” This option will be added as CC-10 at the end of the catalog.

Colburn reviewed each of the catalog items during the call. The following provides a summary of the CC PWG’s discussion on individual policy options and indicates if the discussion resulted in revisions to the catalog:

Inventories and Forecasting (CC-1): Colburn provided a brief overview of this option. A PWG member asked who would implement this option and how much would it cost? Colburn noted that typically the state air program would implement the program because of their expertise with preparing inventories and forecasts for other air pollutants. However, the PWG will address these questions during development of the straw proposal for this option should it be approved by the CAP for further analysis. This discussion did not result in any revisions to the catalog.

GHG Reporting (CC-2): Colburn provided a brief overview of this option. There was no further discussion of this option by the PWG.

GHG Registry (CC-3): Colburn provided a brief overview of this option. Colburn noted that states are developing a national reporting and registry system that will, over time, combine the California Climate Action Registry and the Eastern Climate Registry effort. It is being called “*The Climate Registry*”. It is designed to be a multi-purpose registry in order to accommodate the variety of state policies that are being adopted. It may not, however, cover all sources such as forestry and agricultural carbon sinks, at least not initially. There was no further discussion of this option by the PWG.

Statewide GHG Reduction Goals and Targets (CC-4): Colburn noted that although RMCO intends that GHG reduction goals be addressed during this process, we will need to wait for quantification results of the options that the CAP approves for further analysis to help determine the goals.

The PWG agreed to add the following suboption as CC-4.2: “Institute an accountability program to measure and report progress in reducing GHG emissions.” Note that during its previous

meeting, the PWG added this suboption under CC-5.4. During today's call, the PWG agreed that it was appropriate to include this suboption under both CC-4 and CC-5.

The PWG agreed that accountability should be an overriding theme for all of the options. One member noted that the US Department of Energy's (DOE) voluntary 1605(b) program has a mechanism for entities to record their GHG emissions and emission reductions. It was noted that this program has been evolving and DOE has revised the reporting protocols to correct some issues (e.g., multiple reporting of baselines prior to 2000) that occurred in the past. Another possibility is for Colorado to consider joining the Chicago Climate Exchange (CCX).

The PWG did not make any decisions on next steps for considering how to use reporting and registry systems to address accountability issues. Colburn noted that these issues can be further developed in the design of the policy option if this policy option is approved for further analysis by the CAP.

State's Own GHG Emissions (Lead by Example) (CC-5): Colburn provided a brief overview of this option. The PWG did not discuss the option during the call.

Comprehensive Local Government Climate Action Plans (CC-6): The PWG's discussion focused on suboption 6.2 (Comprehensive local sustainability plans). The concern was over how "sustainability" should be defined and if the current wording is too broad and could be interpreted to limit economic growth. The PWG agreed that the goal of this suboption would be to have local sustainability plans to address methods for mitigating GHG emissions. The PWG agreed that suboption 6.1 (Local plans for specific greenhouse gas reduction targets) covered the intent of suboption 6.2 and that suboption 6.2 should be removed from further consideration by the PWG.¹

Public Education and Outreach (CC-7): Colburn noted the audience-based approach to the organization of this option. A PWG member suggested that this option would be a good candidate for consolidation. A member also raised for discussion the concept of a "Climate Venture Capital" program to create a funding mechanism for someone who has a research topic for addressing climate change but otherwise would not know where to find funding to support their research. The PWG agreed to add this concept to the catalog. CCS added this as suboption 7.6.8 under the "Industrial & Economic Sectors" section of the catalog.

Tax Policies (CC-8): During the discussion at the beginning of the call concerning the Five-State Initiative it was noted that a cap and trade program does not include all market-based mechanisms. The PWG agreed that this policy option should be modified to include other

¹ CCS' practice is not to remove any options or suboptions that are entered into the catalog in case someone would like to review options at some point in the future after the Climate Action Plan development process has been completed. Therefore, the "Priority for Consideration" and the "Notes" column in the catalog will be used to identify the PWG's decision to eliminate suboption 6.2 from further consideration.

market-based mechanisms. The title of this option was changed to “Tax and Cap Policies” and suboption 8.2 was changed to “Other market-based programs including cap and trade.”

Prioritization of Options: At the end of the call the PWG discussed methods for prioritizing CC options. Colburn noted that since there are 10 options that the PWG could recommend to the CAP that all 10 of the options be considered as priorities for further analysis. Colburn also noted that prioritization of options reflects selection of a set of options, not the subordination of one option to another. The PWG agreed that it would be appropriate to identify options for the CAP that can be implemented in the near term versus those that would take a longer time to implement. The PWG also agreed that it would be meaningful to identify the options for which the PWG reached full consensus versus those that are controversial. These issues can be addressed in the development of the straw proposals for the options.

Agenda Item #7: Agenda, Time and Date for Next Meeting. The agenda for the third meeting of the PWG will include (1) review of PWG Meeting #2 Summary; (2) review of goals for CAP meeting #3; (3) identification of suggested additions to the catalog of states actions; and (4) the PWG’s recommendations to the CAP for priority options for further analysis.

The date and time for the third meeting of the CC PWG has been arranged for **Friday, April 6, 2007 from 9:00 am – 11:00 am Mountain time.**

Agenda Item #8: Public Input and Announcements. None.