

Appendix A

Description of the Colorado Climate Project and Climate Action Panel Process

Memorandum

To: Colorado Climate Action Panel

From: The Center for Climate Strategies

CC: Rocky Mountain Climate Organization

Re: Description of the Colorado Climate Project and Climate Action Panel Process

Date: November 20, 2006

Description of the Colorado Climate Action Panel Process

Purpose and Goals

On August 24, 2006 the Project Directors of the Rocky Mountain Climate Organization (RMCO) announced the formation of the Colorado Climate Project (CCP) establishing a Climate Action Panel (CAP) – a broad-based group of Colorado leaders who are charged with developing a comprehensive Colorado Climate Change Action Plan. The RMCO and its Project Directors oversee the public-private effort to secure input from all sectors regarding existing, planned, and potential ways to reduce greenhouse gas emissions (GHGs) in Colorado; help educate the public about such opportunities; and consider ways to save money, conserve energy, and bolster Colorado's economy, natural resources, and public health. The purpose of the CAP process is to develop a strong and specific consensus for implementation of climate mitigation and adaptation actions in Colorado.

The charge the CAP is to develop recommendations for actions that can be taken in Colorado to reduce the state's contribution and vulnerability to a changed climate. Those recommendations are to include goals that can be adopted consistent with the goal of an efficient, robust Colorado economy for statewide reductions in the amount of greenhouse gases emitted, actions that can be taken that would achieve those goals, and actions that can be taken to prepare for and reduce the possible adverse impacts of climate change in Colorado. The recommendations may also include actions that can be taken by Colorado as part of international, national or regional efforts that would reduce Colorado's contribution and vulnerability to climate change. The panel shall, to the extent reasonably possible with the best information available, consider the feasibility and costs or cost savings of possible goals and actions and develop goals and actions that may achieve additional benefits, including protecting and improving Colorado's economy, public health, and natural resources and avoid adverse economic or environmental impacts.

It is up to the members of the panel to determine which actions it recommends, with no recommendations predetermined. The CAP shall work in an open process that allows for Colorado citizens not on the panel to observe the work of the panel and to submit in an appropriate manner comments for consideration by the members of the panel. A report with the recommendations of the panel is expected before the end of calendar year 2007.

The goals of the CCP process include:

- 1) Review and approval of a current and comprehensive inventory and forecast of GHG emissions in Colorado from 1990 to 2020;
- 2) Development of a recommended comprehensive set of individual policy recommendations to reduce GHG emissions and vulnerability to climate change in Colorado in future years through 2020 or later; and
- 3) Development of recommended goals for statewide reductions in the amount of greenhouse gases emitted in Colorado.

Final Report

A final report will be transmitted from CCS to RMCO that compiles and summarizes final recommendations of the CAP. The report will cover the following areas:

- a. Executive Summary
- b. History and Status of State Actions
- c. Inventory and Forecast of Colorado GHG Emissions
- d. Recommended Policy Actions by Sector:
 - a. Energy Supply
 - b. Residential, Commercial and Industrial
 - c. Transportation and Land Use
 - d. Agriculture, Forestry and Waste Management
 - e. Emissions Reporting, Registries and Education
 - f. Climate Change Vulnerability and Adaptive Response
 - e. Technical Appendices

Timing and Milestones

The first meeting of the CAP will be held on November 20, 2006, with six additional meetings to be held over the following year. The final report of the CAP by RMCO and CCS will be issued following the final meeting of the CAP. At least two Policy Work Group (PWG) conference calls per each of the five PWGs will be held between each of the CAP meetings.

Design of the Process

The CAP process will follow the format of CCS policy development processes used successfully in twelve current and completed state level climate action planning initiatives. The CCS consensus building model supports informed and collaborative self-determination by a broadly representative group of designated stakeholders and technical experts. Activities of the CAP will be transparent, inclusive, stepwise, fact-based, and consensus driven.

The CAP process relies on intensive use of information and interaction, and requires substantial organization and communication among facilitators, participants, and technical analysts. CCS oversees and manages this information exchange and decisional process in partnership with RMCO. CCS provides central coordination of CAP and PWG activities through a project director (Tom Peterson), and a group of CCS technical facilitators and consultants. The CCS team provides close coordination of CAP, PWG, facilitation and technical support activities.

To facilitate the process, CCS provides a series of decision templates for each step in the process as well as meeting materials for each CAP meeting and PWG teleconference call. Materials are provided by CCS in advance through website posting and email notice. All website materials are reviewed by RMCO prior to posting.

The CAP process includes the following key principles and guidelines:

- The process is fully transparent. All materials considered by the CAP and PWGs are posted to the project website (www.coloradoclimate.org), and all meetings are open to the public. All quantification of potential policy options is transparent with respect to the data sources, methods, key assumptions and uncertainties used by CCS in its joint work with participants. In addition, policy design parameters and implementation methods for recommended actions are fully transparent, including goal levels, timing, coverage of parties, and implementation mechanism. The transparency of technical analysis, policy design and participant viewpoints is critical to the identification and resolution of potential conflicts.
- The process is inclusive. A diverse group of CAP and PWG members are chosen by RMCO to represent a broad spectrum of interests and expertise in Colorado. They are required by ground rule to be supportive of the process, but are free to disagree on specific decisions within the process. The public also is invited to provide meaningful review of and input to decisions.
- The process is stepwise. Each step of the process builds incrementally on the former toward a final solution. Sufficient time, information and interaction are provided between steps to ensure comfort with decisions and quality of results.
- The process will seek but not mandate consensus. Votes will be taken at key milestones in the process in order to advance to next steps. Alternatives that address barriers to consensus will be developed by the CAP with the assistance of CCS, as needed. Voting is conducted by simple request for objection at the point of decision, followed by resolution of conflicts with the development of alternatives, as needed, to proceed. Final votes by the CAP include support at three levels, including: unanimous consent (no objection), super majority (five objections or less), and majority (less than half object). Typically the

early stages of the process proceed with unanimous consent, and supermajority if needed. Final recommendations may include recommendations at all three levels. Typically almost all final recommendations enjoy unanimous consent, with a few falling short. The final report by CCS will document CAP recommendations and views on each policy option, including alternative views as needed.

- The process is comprehensive. The CAP will explore solutions in all sectors and across all potential implementation methods, including a variety of voluntary and mandatory implementation mechanisms. The total number of policies considered and recommended by the CAP is typically 50 or more. Recommendations may include state level and multi-state actions (regional and national). Mitigation of all GHGs will be examined, including carbon dioxide, methane, nitrous oxide, and synthetic gases. Units will be expressed in million metric tons carbon dioxide equivalent (MMTCO₂e). Similarly, all forms of energy supply and use, all forms of economic development, are open for consideration as they relate to GHG mitigation actions. The process also considers the effects of climate vulnerability and the need for adaptive responses.
- The process is guided by clear decision criteria for the selection and design of recommended actions. These include consideration of 1) GHG reduction potential; 2) cost or cost savings per ton GHG removed; 3) co-benefits, including economic development and energy policy improvements; and 4) feasibility issues.
- The process is quantitative. Results of CAP decisions will include explicit description of policy design parameters and results of economic analysis. Recommendations can include both quantified and non-quantified actions, with emphasis on quantification of GHG reduction potential and cost or cost savings for as many recommendations as possible. Additional quantification needs related to co-benefits or feasibility issues will be evaluated on a case-by-case basis pending CAP input and available resources.
- The process covers short, medium and long-term periods of action. The time period of analysis for emissions inventories and reference case projections includes years 1990-2020. Recommendations for action typically include the present to year 2020, with estimated benefit and cost impacts being reported for intermediate years such as 2010 and 2020. These time frames can be adjusted to if needed to consider longer time horizons.
- This process is implementation oriented. The goal of the process is ultimate adoption of specific policies by the Colorado state government, local governments, and others based on planning recommendations of the CAP and subsequent, more detailed analyses as needed. As such, implementation design and feasibility issues are critical to group consideration, but at a conceptual level appropriate to support further consideration by the Governor, General Assembly and other local and state institutions, as opposed to the level of detail associated with a final rulemaking.

Key Steps and Milestones

The objectives and milestones for each of the CAP meetings are listed below:

MEETING ONE

Introduction to the process, presentation of preliminary fact finding (inventory and forecast of emissions, catalog of state actions), formation of PWGs (no votes, however, CAP members should be prepared to select one or more work groups for participation).

MEETING TWO

Addition of potential actions to the draft catalog of state actions (by vote). Identification of potential revisions to the draft emissions inventory and forecast (by vote if/as needed).

MEETING THREE

Review and approval of initial priorities for analysis of PWG identified policy options (by vote). Review and approval of revisions to the emissions inventory and forecast (by vote if/as needed).

MEETING FOUR

Approval of PWG suggested straw proposals for policy design (goals, timing, coverage of parties) (by vote). Approval of any additions to the list of priority for analysis policy options if/as needed (by vote). Preparation for quantification phase of the process (briefing and discussion).

MEETING FIVE

Review and approval of consensus policy recommendations (by vote). Identification of specific barriers to consensus, and potential alternatives for non consensus policy options (discussion).

MEETING SIX

Review and approval of final policy recommendations (by vote). Review of procedures for review and input to the final report.

Participant Roles and Responsibilities

The CAP process involves a number of parties with specific roles and responsibilities, as follows:

RMCO

RMCO will announce and convene the process, appoint members to the CAP and PWGs, receive recommendations from the CAP process through CCS for distribution to the Governor, General Assembly and other local and state institutions through the Project Directors of the Colorado Climate Project. RMCO works in partnership with CCS to support timely and orderly completion of tasks, good faith participation and resolution of issues by CAP members. RMCO enforces ground rules, opens and closes CAP meetings, coordinates Project Director efforts and activities related to support of the process, assists CCS by providing support for successful completion of the process, and provides day to day assistance to CCS with coordination, communications, logistics, and technical assistance.

Project Directors

The Project Directors were chosen by RMCO to support the Colorado Climate Project and CAP process through recruitment of members, funding support, communications and organization. The Project Directors will receive the final report from RMCO following its transmission from CCS to RMCO. They and RMCO will provide these recommendations to the public and implementing parties, as appropriate.

Center for Climate Strategies

The RMCO and the Project Directors have asked CCS to partner in forming and conducting a participatory statewide climate action planning process to meet the goals of the project and CAP activities. CCS works in partnership with RMCO to achieve the overall goals of the process. In this role CCS designs the CAP process and provides facilitation and technical support to the CAP and its PWGs through a team of project managers, facilitators and technical analysts to support the full spectrum of CAP needs. The CCS team is listed later in this memo.

CCS serves as a neutral and expert party and does not take positions on issues, or direct the parties toward particular solutions. As such, CCS serves as a group mediator, but not as an arbitrator. CCS manages and facilitates meetings and votes during meetings, schedules meetings in coordination with the Chair, develops meeting agendas, and produces documents for CAP and PWG consideration, and performs and presents technical analysis.

CCS abides by the Model Standards of Conduct for Mediators approved by the American Arbitration Association, the Litigation Section and the Dispute Resolution Section of the American Bar Association, and the Society of Professionals in Dispute Resolution. CCS also ensures that adequate funding exists to successfully complete the process through private sources.

Climate Action Panel

The CAP is appointed by RMCO's Project Directors and makes final recommendations for specific actions to RMCO, and approves a final Colorado GHG emissions inventory and forecast. CAP members are appointed by RMCO to respond to the goals and timelines of the process. CAP activities and votes are facilitated by CCS in an open group format. Four Co-Chairs have been appointed from the CAP to encourage good faith participation and support for the process, encourage resolution of conflicts, and provide representation of the CAP to the media and other bodies at the conclusion of the process. The Co-Chairs will participate on an equal footing with other CAP members in the CAP's deliberations and decisions.

Policy Work Groups

PWG members will be comprised primarily of CAP members assigned to specific sector based PWGs of interest by RMCO, with guidance by CCS. They may include non-CAP individuals with technical expertise and interest of importance to the process. The PWGs provide guidance to CAP members on decisions related to milestones in the stepwise process. PWGs also provide assistance to CCS in the identification, design and quantification of policy recommendations. Sector based PWGs include:

- a. Energy Supply (heat and power),
- b. Commercial, Industrial and Residential (energy efficiency and conservation, industrial process and waste management),
- c. Transportation and Land Use,
- d. Agriculture and Forestry,
- e. Cross Cutting Issues (reporting, registries, public education, goals, etc.), and
- f. Adaptation and Vulnerability Response.

Government Agencies

Agency participants provide liaison to CAP and PWG meetings and related activities in support of the RMCO and CCS team. This includes technical review and input to PWG meetings. RMCO may also appoint agencies as CAP or PWG members.

The Public

The public is invited to attend CAP meetings and provide review and input to CAP and PWG members.

Participant Guidelines

CAP and PWG members are expected to follow certain codes of conduct during the process, including:

- Participants must support the process and its concept fully and collaborate toward goals of the Colorado Climate Project in good faith.
- Participants must attend meetings and be responsible for keeping up with information and decisions of the group.
- No backsliding is allowed regarding formal decisions in the stepwise process. Once the CAP reaches adequate consensus on a milestone by vote, it moves to the next step.
- Participants represent only themselves when making CAP decisions.
- Participants speak only for themselves in communications about the CAP with the media or other political bodies.
- Participants must refrain from personal criticisms and provide objective, fact based comments.