

MEETING NOTICE

Governor's Task Force on Global Warming Industry Work Group

Date: Friday, September 14, 2007 11:00 am – 3:00 pm

**Location: conference room A, Oshkosh DNR Service Center,
625 E. County Road Y Suite 700, Oshkosh**

AGENDA

- 1) Welcome and review of agenda
- 2) Open Meetings issues and questions
- 3) Review list of options developed at the August 30 meeting
 - Short break to distribute lunch -
- 4) Winnow the list of options to a reasonable number using a group process – Scott Johnson
- 5) Review winnowing input from absent Work Group members
- 6) Evaluate outcome of winnowing process against the Work Group's Strategic Categories
- 7) Assign teams to do two page write-ups using the set template
- 8) Next Steps

This meeting is open to the public.

For more information, or if you need special accommodations to attend this meeting, contact Nick Sayen, DNR, at (608) 267-2466 or Nick.Sayen@wisconsin.gov.

2003 Electric Sales by sector (Total Electric Industry)								
STATE	Residential Sales (Megawatt-hours)	Commercial Sales (Megawatt-hours)	Industrial Sales (Megawatt-hours)	Transportation Sales (Megawatt-hours)	Total Sales (Megawatt-hours)	GENERATION (Megawatt-hours)	Net Imports	Percent Imports
Wisconsin	21,364,143	20,056,103	25,821,248	0	67,241,494	60,122,425	7,119,069	11.8%

2003 Direct GHGs by Sector (MtCO2e)							
STATE	Residential	Commercial	Industrial	Transportation	Electric Generation In State	Estimated Electricity Imports	Total GHGs from electricity
Wisconsin	10.6	6.1	15.9	29.9	43.1	5.8	48.9

eGrid MAPP rate (tonnes/MWH)	eGrid MANN rate (tonnes/MWH)
0.8339	0.7987

2003 Indirect Electric generation GHGs Assigned to End Use Sectors				
STATE	Residential	Commercial	Industrial	Transportation
Wisconsin	17.4	16.3	21.0	0.0

2003 Total Direct and Indirect GHGs with electric emissions Assigned to End Use Sectors				
STATE	Residential	Commercial	Industrial	Transportation
Wisconsin	28.0	22.4	37.0	29.9

Notes: GHG emissions from imported electricity are calculated using the average of year 2000 emissions rates for MAPP and MANN eGrid subregions of Z from EPA's eGrid v1.0 database. These are the most recent data available. The average rate is then multiplied by the amount of net imports and represents an approximation of GHG emissions from electricity imports.

Sources: GHG data are from CAIT-U.S. 2.0 2007 Generation and sales data from EIA SEDS 2006. Emissions rates for imports are from EPA eGrid 2.0 2007

Industry Work Group GHG REDUCTION POLICY OPTIONS & BRAINSTORMING SESSION RESULTS			
Chips	Strategy #	Number	SAMPLE BALLOT
	process	21	Identification and evaluation of potential measures to achieve reductions from existing on-site power generation.
	4	67	On-site generation evaluation and economic study
	1	63	Reduce emissions from on-site generation
	process	22	Residential, Commercial, and Industrial Energy and Emissions Technical Assistance and Recommended Measure Implementation
	state wide organize	32	Participate in voluntary industry-government partnerships
	state wide organize	33	Process Changes/Optimization
Strategic Bucket #1 - Drive energy efficiency			
	1	2	Adopt Building Standards/Codes/Design Incentives for Energy Efficiency and Smart Growth
	1	3	More building codes for gov and non-gov
	1	50	Building efficiency: retrofits, heating, electricity
			energy efficiency in new and existing buildings
	1	10	Reduce methane leaks in oil and gas systems
	1	4	Increase Water Use Efficiency and Promote Energy Efficiency and Renewable Energy Production from Water and Wastewater Management
	1	76	Efficient water usage reduces gas and electricity and GHG
	1	48	Reduce industrial water consumption
	1	5	Industrial Energy Audits and Recommended Measure Implementation
	1	6	Efficient Use of Oil and Gas: boilers, upgrade to steam system
	1	9	Energy efficiency incentives, assistance and/or standards for commercial/industrial generators and boilers
	3	1	Implement Enhanced Appliance Efficiency Standards; including new boiler efficiency standards
	1	31	EE Process improvements
	1	7	Efficient Use of Electricity: pumps, motors, lighting, cooling
			efficiency in generation and use of power on-site
	1	30	Optimization of Compressed air systems
	1	35	New Equipment

NOTE: #'s 1-48 were provided by WRI and Work Group Members
 #'s 49-85 were developed during the brainstorming session at the 8-30-07 Industry Work Group Meeting
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	1	8	Improve fuel efficiency of non-road engines: Establish a minimum standard, tax or other financial incentives to promote use of higher efficiency engines
	1	18	promote use of biofuels or other low GHG emitting fuels
	1	24	promote alternative landscaping and maintenance practices (for example, promoting native planting, leaving grass and leaf clippings in place)
	1	13	Promote Low-Global-Warming-Potential Refrigerants in Commercial Operations
	1	19	Encourage or require reductions in emissions of high GWP gases (N2O, HFCs, PFCs, SF6) (Identification and evaluation of potential measures to reduce direct emissions of GHG emissions from production processes, including voluntary and regulatory measures. Regulatory measures could include market-based schemes (such as cap and trade and traditional regulatory measures
	2	15	Use of Alternative Gases (Non-Energy Emissions, Indus. Process Gases)
	2	34	Capture, Recovery and Recycling of process gases
	3	20	Related to above *Substitution of High GWP Gases--Substitute high global warming potential (GWP) gases with appropriate substitutes depending on application (e.g. CO2, ammonia)
	1	29	Decrease emissions from cement factories and lime kilns and indentify other options to reduce Portland cement demand
	1	53	Government purchasing preference
	1	54	Greater flexibility in government contracting
	2,4	56	Tech. schools / UW Extension / UW System programs for low GHG emissions and workforce development /develop tech/disseminate tech
	2,4	61	Expand WMEP to include GHG emissions
	4	41	Mechanisms to distribute knowledge on GHG reduction techniques to small businesses
	4	45	Incorporate "Green" with "Lean" -- don't start with GHG reductions as goal; start with competitiveness, savings and efficiency

NOTE: #'s 1-48 were provided by WRI and Work Group Members
 #'s 49-85 were developed during the brainstorming session at the 8-30-07 Industry Work Group Meeting
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	2	60	investment in renewable technology
	2	62	General incentives for conservation & efficiency & infrastructure
	2	78	Recovery and re-use of energy - BTUs out-of-stack
	4	79	Government regulations and policies governing BTUs out-of-stack #78
Strategic Bucket #3 - Innovate distribution			
	3	27	New climate-friendly products and services
	3	36	Industrial ecology/by-product synergy--programs to link the by-products from one industry with use as the feedstock for other industries
	3	37	Negotiated Agreements--to promote GHG reductions in particular sectors, a state government may enter into direct voluntary or negotiated agreements with industries or industrial sectors. Legislation requires (need to develop metrics).
	3	42	Tradable GHG tax credits
Strategic Bucket #4 - Education and training that reduces emissions			
	4	11	Energy Management Training
	4	38	Energy Efficiency Resource Standard -- consumers gain EE credits to sell to utilities
	4	73	Provide feedback to industry on emissions (smart meters) - immediate, medium & long term -
	1,4	71	Macro-measure of state industry emissions - direct and indirect
	4	66	Tools to quantify emissions (to business)
	1	64	Quantify emissions by sector
	4	51	Sector based goals
	1	52	Energy auditing and budgeting by sector
	1	72	Emissions per quality job growth

	4	68	Utilize / emphasize / expand existing programs, especially small business
	4	57	GHG reduction given higher priority in Green Tier
	4	58	Green Tier - change / evolve to standing council for advising and education
	4	61	Expand WMEP to include GHG emissions
	1	49	Expand market for Focus On Energy, redo criteria and protect funding
	4	69	What are existing incentives / resources for GHG reduction?
	2	55	Private and government programs to disseminate low GHG technologies
	4	80	PART A - encourage WI-IND to invest in technology / application / best practices out-of-state
	4	80	PART B - encourage WI-IND to invest in GHG technology and best management practices
	4	44	Midwest regional approach to cap and trade
	1,4	84	WI explore / lead midwest approach to reduce GHG and preserve WI - strategic advantages
	n/a	n/a	DNR permit process (WRITE IN)

Outcome of Policy Option Balloting at 9-14-07 Industry Work Group Meeting:
 Resulting Consolidated Policy Option ‘Bundles,’ Ballot Totals and Memo Team Information
 (in order of most ballots)

Chips	Strategy #	Policy #	
22 chips	1	6	Efficient Use of Oil and Gas: boilers, upgrade to steam system
	1	9	Energy efficiency incentives, assistance and/or standards for commercial/industrial generators and boilers
	3	1	Implement Enhanced Appliance Efficiency Standards; including new boiler efficiency standards
	1	31	EE Process improvements
	1	7	Efficient Use of Electricity: pumps, motors, lighting, cooling
			efficiency in generation and use of power on-site
	process	21	Identification and evaluation of potential measures to achieve reductions from existing on-site power generation.
	4	67	On-site generation evaluation and economic study
	1	63	Reduce emissions from on-site generation

The memo for this ‘bundle’ will be written by: Ed Wilusz, John Piotrowski, Joe Muehlbach, Satya Rhodes-Conway and use input and expertise from Caryl Terrell. Ed will lead the group.

17 chips	2	40	Raise R&D tax incentive for small engines from 5% to 15%
	2	81	invest in and link together R&D and pilot projects
	4	39	R&D funding/tax credits for new technology development
	2	47	Fund Pilot Projects for new technologies
	3	65	Public funding of technology demonstration projects
	3	82	link technology developers to corporate partner
	4	83	#81 & #82 find state funding sources W.I.N. focuses on GHG companies
	3	28	Technology development
	3	46	Invest in small entrepreneurs who are trying new energy saving technology

The memo for this ‘bundle’ will be written by: Dave Oughton and Scott Manley. Dave will lead.

15 chips	2,4	56	Tech. schools / UW Extension / UW System programs for low GHG emissions and workforce development /develop tech/disseminate tech
	2,4	61	Expand WMEP to include GHG emissions
	4	41	Mechanisms to distribute knowledge on GHG reduction techniques to small businesses
	4	45	Incorporate "Green" with "Lean" -- don't start with GHG reductions as goal; start with competitiveness, savings and efficiency

The memo for this 'bundle' will be written by: Clare Stapleton-Concord, Doug Drake, Satya Rhodes-Conway and Steve Dunn. Clare will lead the group.

12 chips	4	73	Provide feedback to industry on emissions (smart meters) - immediate, medium & long term -
	1,4	71	Macro-measure of state industry emissions - direct and indirect
	4	66	Tools to quantify emissions (to business)
	1	64	Quantify emissions by sector
	4	51	Sector based goals
	1	52	Energy auditing and budgeting by sector
	1	72	Emissions per quality job growth

The memo for this 'bundle' will be written by: Dave Stringham, Paul Linzmeyer, Dave Oughton and possibly Scott Johnson. Dave S. will lead the group.

8 chips	4	68	Utilize / emphasize / expand existing programs, especially small business
	4	57	GHG reduction given higher priority in Green Tier
	4	58	Green Tier - change / evolve to standing council for advising and education
	4	61	Expand WMEP to include GHG emissions
	1	49	Expand market for Focus On Energy, redo criteria and protect funding
	4	69	What are existing incentives / resources for GHG reduction?
	2	55	Private and government programs to disseminate low GHG technologies

The memo for this 'bundle' will be written by: Steve Steinpreis, Dave Stringham and John Imes. Steve will lead the group.

8 chips	1	25	Explore opportunities for recognition for early actions. Identify and evaluate state policies that would create an innovative and robust way to ensure that Wisconsin businesses get credit for their early actions to reduce GHG emissions
	1	26	Publicize and leverage major corporate sustainability initiatives and build business leadership support for Task Force goals
	4	59	"Energy Advantage" brand program (akin to Energy Star)
	1,4	85	create Gaylord Nelson Award - similar to Forward Award

The memo for this 'bundle' will be written by: Paul Linzmeyer, Dave Stringham and Dave Oughton. Paul will lead the group.

7 chips	2	12	Encourage Distributed Generation of Renewable Energy and Combined Heat and Power
	1	14	promote distributed Renewable and Clean Fossil Fuel Power Generation

The memo for this 'bundle' will be written by: Satya Rhodes-Conway, Ed Wilusz, Dave Boyd and use input and expertise from Caryl Terrell. Satya will lead the group.

6 chips	1	13	Promote Low-Global-Warming-Potential Refrigerants in Commercial Operations
	1	19	Encourage or require reductions in emissions of high GWP gases (N2O, HFCs, PFCs, SF6) (Identification and evaluation of potential measures to reduce direct emissions of GHG emissions from production processes, including voluntary and regulatory measures. Regulatory measures could include market-based schemes (such as cap and trade and traditional regulatory measures
	2	15	Use of Alternative Gases (Non-Energy Emissions, Indus. Process Gases)
	2	34	Capture, Recovery and Recycling of process gases
	3	20	Related to above *Substitution of High GWP Gases--Substitute high global warming potential (GWP) gases with appropriate substitutes depending on application (e.g. CO2, ammonia).

The memo for this 'bundle' will be written by: Dave Boyd.

6 chips	2	62	General incentives for conservation & efficiency & infrastructure
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The memo for this policy will be written by: Scott Manley and Joe Muehlbach. Scott will lead.

5 chips	3	37	Negotiated Agreements--to promote GHG reductions in particular sectors, a state government may enter into direct voluntary or negotiated agreements with industries or industrial sectors. Legislation requires (need to develop metrics).
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The memo for this policy will be written by: John Imes.

These ‘bundles’ will be referred to other Work Groups:

To the Conservation and Energy Efficiency Group:

9 chips	1	2	Adopt Building Standards/Codes/Design Incentives for Energy Efficiency and Smart Growth
	1	3	More building codes for gov and non-gov
	1	50	Building efficiency: retrofits, heating, electricity
			energy efficiency in new and existing buildings

To the Carbon/Tax Cap and Trade Work Group:

4 chips	4	44	Midwest regional approach to cap and trade
	1,4	84	WI explore / lead midwest approach to reduce GHG and preserve WI - strategic advantages

Wisconsin Global Warming Task Force
Notes from September 14, 2007 meeting of the Industry Work Group
11:00 am – 3:00 pm in conference room A, Oshkosh DNR Service Center,
625 E. County Road Y Suite 700, Oshkosh

Attendance: Clare Stapleton-Concord , David Stringham, Scott Manley, Dave Oughton, Paul Linzmeyer, Joe Muehlbach, Steve Steinpreis, Ed Wilusz, David Boyd, Doug Drake, Caryl Terrell, Satya Rhodes-Conway, Caroline Garber (DNR), Nick Sayen (DNR)

Mike Gromacki, Marc Bentley participated via conference call

- I.** Welcome and review of agenda
- II.** Review of Open Meetings Law
 - a. No questions/issues
- III.** Discussion and review of Goal/Objective for today's meeting
- IV.** Ed Wilusz requested time at next meeting for presentation on the paper industry's contributions to Industry's on-site emissions
 - a. Presentation will take place at 9/24 meeting
- V.** Group discussion: (via projection system)
 - a. Reviewed policy options for clarity of intent
 - b. Where appropriate, consolidation of policy options into policy 'bundles' (mainly due to redundancy, or similarity of themes/topics)

See 'Materials' under September 14 meeting on website (http://dnr.wi.gov/environmentprotect/gtfgw/WG_i.html) for associated materials

Break for Lunch

- VI.** Policy Option Balloting
 - a. Balloting using printed handouts and using the 10/4 ballot system
- VII.** Tabulation
 - a. Identification of most popular policy options
- VIII.** Formation of teams to work on policy memos for 'winning' policy options

See 'Meeting Products' under September 14 meeting on website for associated materials

- IX.** Next meeting and steps
 - a. 9/24 meeting shifted from morning to 1 pm – 4 pm, decided to hold meeting in Madison - Room G09, GEF 2, 101 S. Webster St.