

MEETING NOTICE
Governor's Task Force on Global Warming
Industry Work Group
Friday, December 21, 2007, 9:00 a.m. to 12:00 p.m.
Room 613, Natural Resources Building (GEF 2)
101 S. Webster St., Madison, WI

AGENDA

- 1) Welcome and review of agenda
- 2) Open Meetings issues and questions
- 3) Update on Industry emissions issues – handouts from GW TF meeting on 12-18-07
- 4) Review of public comments and WRI comments
- 5) Policy Review:
 - a. Outstanding Issues:
 - i. Feebates
 - ii. CHP – need IWG member to meet with Energy Generation WG to integrate templates
 - iii. Continued Funding for Existing Programs, Revised - Steve Steinpreis
 - iv. Waste Materials Recovery and Disposal templates –need IWG member to meet with Ad Hoc group led by Keith Reopelle.
 - v. Removing overlaps in templates – recommendation from Paul Linzmeyer
 - vi. Adding a mandatory option to each template
 - vii. Critical review of Emission reduction s and ROIs
 - b. A prioritized final recommendation about what policies should be modeled
 - c. Final recommendations about policies that should not/need not be modeled, but should still be moved forward
 - d. Any outstanding issues that did not reach consensus in the group and need a Task Force resolution/decision
 - e. Description and rationale for policies not recommended
- 6) Industry Work Group's review of other templates and comments
- 7) Plans for going forward
 - a. Jan. 4th presentation to full GW TF
 - b. Co-chairs have been asked to field questions from modelers
 - c. Does IWG want to schedule a meeting with member(s) of Cap and Trade Group?
 - d. Other?

MEETING NOTES

Industry Work Group of the Governor's Task Force on Global Warming
Friday, December 21, 2007, 9:00 a.m. to 12:00 p.m.
Madison, WI

In attendance:

Caryl Terrell
Caroline Garber
David Boyd
Charlie Cole
John Imes
Dave Oughton
Clare Stapleton Concord
Steve Steinpreis

On telephone:

Paul Linzmeyer (for first 30 minutes)
John Piotrowski
Nina Plaushin
Ed Wilusz

- 1) Welcome and review of agenda
 - a. Difficulties with the teleconference set-up delayed the start of the meeting.
- 2) Open Meetings issues and questions
 - a. Reminder: If materials are emailed to the full group, respond only to the lead author as well as DNR: Nick Sayen and Caroline Garber, not "Reply to all."
- 3) Updates from GW TF meeting on 12-18-07
 - a. Reference Case model will be updated to include changes from the newly signed federal Energy Bill. Business as Usual (BAU) will include scenarios for low and high fuel costs. The model separates Industry into: pulp & paper sector, high energy industries and other industry.
 - b. Caroline provided an overview of Industry emissions issues key points and emailed hyperlinks to key handouts.
 - c. At GW TF meeting, Roy Thilly referred several policy issues to Ad Hoc Work Groups to gather comments and consensus across Work Groups:
 1. Sustainability (Paul L will serve and John Imes will review their recommendations);
 2. Low Income;
 3. CHP (Paper industry already represented); and
 4. Waste Materials Recovery and Disposal (all IND WG members asked to look over these additional templates and send comments to Nick Sayen directly).
 - d. Co-chairs have been asked to field questions from modelers
- 4) Review of public comments and WRI comments
 - a. Spirited discussion about how to respond to "pressure" to make IWG policy templates mandatory and how to decide on changes in templates.
 - b. Paul Linzmeyer noted that other WGs are combining and tightening templates. He suggested IWG remove overlaps between templates and add a mandatory option to each template. He suggested the group critically review and revise emission reductions and ROIs.
 - c. Modelers must deal with "soft" variables and should not influence policy. Paul Linzmeyer had to leave call for work commitment.
 - d. Agreement to continue past practice of discussing comments and recording majority and minority views on policies.
 - e. Strong majority opinion that mandates are unnecessary or won't be adopted by the legislature. Minority concern that without mandates, IWG will not meet GHG reduction goals.

- f. Ed Wilusz:
 - 1. Boilers: economics will drive investment decisions to choose the most energy efficient.
 - 2. provided a quick analysis on #5 Fuel Switching to be added in response to WRI.
 - 3. FOR-AG WG is dealing with biomass, no need to change #7
 - 4. Need to include his explanation of RegRelief from Meeting Notes of 12-7-07 in template for better clarity.
 - g. Clare Stapleton Concord agreed to add a few sentences about R&D to template
 - h. Vote on whether RegRelief from CAA-New Source Review should be: "emissions bubble" over boiler so as not to "spread" upgrade requirements to full facility OR provide some form of negotiated RegRelief only if 30% beyond compliance with existing emission standard. Bubble prevailed but two votes for beyond compliance.
 - i. Agreed that the Emissions Feedback template be changed to require CO2 emissions reporting. Specifically, to amend NR 438:
 - 1. to lower the reporting threshold from 100,000 tons/year of CO2 to between 10,000 and 25,000 tons/year.
 - 2. to establish reporting thresholds for HFCs, PFCs and SF2 (often referred to as F-gases) at the CO2 equivalent of 10,000 (25,000) tons/year.
 - 3. mandatory reporting to start in 2010 with the calendar year 2009 inventory.
- 5) Review of Feebates:
- a. Group likes the idea of incremental energy demand reduction and economic growth with clean electrons in a carbon constrained environment.
 - b. Debate over feebates. Several think the market, not feebates, should pick winners and losers. Some think feebates a way to fund continuous improvement within sector and could help low performers.
 - c. John I: Even if big companies opt out, why not use feebates to educate small and medium companies and create a conservation and energy efficiency ethic. Willing to rewrite.
 - d. Group agreed to forward the Feebate template to the Task Force, noting that there was not group consensus on this policy and summarizing the concerns; to make energy management mandatory in a fair and equitable way; metrics; opt out explained; good actors need opt out of fees if EPA audit shows no further EE recommendations or a way to use a sizable drop in energy use in one year to meet feebate obligations for several years.
- 6) Did not have time at meeting for Industry Work Group
- a. Review of other templates and comments received
 - b. Prioritize final recommendations and indicate what policies should be modeled
 - c. Review of any outstanding issues that did not reach consensus in the group and need a Task Force resolution/decision
 - d. Description and rationale for policies not recommended
- 7) Plans for going forward
- a. Caroline G and Caryl T will prepare meeting notes.
 - b. Suggestions for Jan. 4th presentation to full GW TF: try to include baseline of money already spent on industry by FOE, WMEP and Green Tier and say IWG wants to grow those dollars; themes; discussion from meeting notes