

Green Tier Advisors
June 6, 2008
101 S Webster Street Room G-09
Madison, WI

Present: Denis Collins, Rita Hayden , John Imes, Pat Henderson, Paul Kent, Margaret Krome, Carolynn Leaman, Rebecca Power, Mike Simpson (by phone), Lyman Wible.

Absent: Linda Bochert, Mark Borchardt, Kristine Euclide, Art Harrington, David Stegeman, Marilou Martin

Staff: Al Shea, Mark McDermid, Carla Wright

Observers: Dan Johnson (Senator Kedzie's office) and Pat Stevens (WI Builders Association)

Announcements & Housekeeping Items:

- Lyman Wible reported that the ANAB Board has a new president, John Knappenberger, formerly of the auto industry. Also the ANAB has historically had very little interest in the food sector, but this has changed. Lyman asked if there might someday be interest in privatizing the Green tier logo mark (as a management partnership).
The ANSI-ASQ National Accreditation Board is the U.S. accreditation body for management systems. ANAB accredits certification bodies (CBs) for a wide variety of standards including the environmental management systems (ISO 14000) standard.
- Reporting for Linda Bochert, Mark McDermid explained that the agreement between WI Association of Independent Colleges and Universities (WAICU), and DNR has been signed. A parallel agreement between WAICU and USEPA is being routed for signatures. Training of the WAICU participants will begin in summer 2008 and the first audits done in fall 2008.
- Paul Kent reported on the Green Tier Charter with the Municipal Environmental Group (MEG). Under the Mercury Green Tier Charter for Environmental Performance municipalities are reducing mercury discharges into their wastewater treatment plants before they have a regulatory requirement to do so. In exchange the municipalities are offered certainty that mercury reduction activities conducted now will satisfy mercury reduction obligations that might apply at a future date. Municipalities participating in the charter reduce mercury releases to Wisconsin's environment earlier and more efficiently than would have occurred by regulation alone. It is anticipated that most municipalities participating in the Charter will be mid-sized communities with wastewater treatment plant flows between one and five million gallons per day. There are fifteen municipalities enrolled to participate in the first year of the program and, under the provisions of the charter, there will be another enrollment period next year. Paul also identified storm water and phosphorous as future issues on the horizon that will have major significance for municipalities. He also noted that there may be an opportunity for pharmaceuticals to be managed through charter provisions.
- Denis Collins suggested a gathering for all WI colleges and universities be arranged to discuss Green Tier and environmental performance. He suggested that the summer of 2009 would be a good occasion for such a gathering.
- Program Status Report :
Mark McDermid provided the report, (please refer to the Program Development Report distributed at the meeting and available at:
<http://dnr.wi.gov/org/caer/cea/environmental/advisors/2008meetings/index.htm>).
For subsequent meetings, the Advisors requested that the table be modified to show year to date figures in comparison with the figures reported for the quarter.

- Green Tier Advantage 2009 status report:
Based on evaluations, Green Tier Advantage 2008, held February 4-5 at Monona Terrace, Madison was a success. The 2009 event will be in Madison again, specifics regarding dates and venue are not known yet. WI Environmental Initiative partnered with the DNR in arranging and promoting the event and has agreed to do the same for the 2009 event.

During the discussion that followed, Advisors suggested the following topics:

- Areas relevant to:
 - Type of participation (e.g. Charters, Tier 1, Tier 2)
 - Sectors,
 - Specific interests or environmental issues.
- Carbon footprint calculation other tools used to assess and report “greening” activities.
- Green Tier tools/approaches applied to climate change and sustainability.
- Information sharing and discussion between attendees.

Advisors also requested that staff consider a Milwaukee venue as well as strategies that would garner more involvement from environmental organizations.

Lyman Wible and Rita Hayen offered to help with the 2009 event.

Legislation

The agenda identified three areas for discussion at the meeting:

- Affirmation of legislative package recommendations
- Drafting and editing process
- Advisor interest in participating

Affirmation of legislative package recommendations

The advisors agreed to proceed with the set of recommendations that were developed for the 2007-2009 session of the legislature. They indicated that drafting should proceed on those items with the primary objective of getting a draft ready for consideration early in the 2009-2011 session, given the presence of the July 2009 sunset for the current law.

After discussion of the various legislative approaches (in the budget, separate bills, comprehensive package, etc.) that could be taken to the law, the Advisors suggested that every effort be made to keep the repeal of the sunset, the technical changes and program expansion together as a package. While there was some interest in bundling something into the budget bill, there were reservations expressed about doing so, based on previous experience of getting the budget passed by July. Because this is likely to be the only opportunity for a two year period to make program changes, the Advisors felt that it would be best to get the package assembled and, if need be, fall back to a singular focus on the repeal of the sunset provisions. Advisors also affirmed that the package would include both the repeal of the sunset for the compliance audit (299.85 WisStats) portion of the law along with the eligibility provisions that had initially been included in that portion of the law. Staff were also asked to check in with Green Tier participants to see if there were any additional interests or concerns as related to the package or incentives.

In the course of discussing the comprehensive legislation package, two concerns emerged, Green Tier provisions for municipalities and legislative concerns expressed about the purchasing language that had been included in the original recommendations for the 2007-2009 package. Advisors felt generally that it would be a prudent expenditure of time between the June and September Advisors' meetings to see if language could be developed to encourage municipal participation in Green Tier and also to see if the legislative reservations about the purchasing recommendation could be addressed. Staff and Advisors talked generally about the issues and provided direction to staff as follows:

- Municipal participation in Green Tier – Staff were asked to work with Paul Kent to identify how Green Tier provisions might be crafted to meet the unique needs and limitations of municipalities interested in participating in Green Tier. Similarly, staff were also asked to take a close look at the unique opportunities that could be presented to municipalities such as communities engaged in special environmental programs such as sustainable communities and also ways that might result in the allocation of resources to encourage both management systems and superior environmental performance.
- Purchasing recommendation – Advisors reviewed the recommendation which was written very generally as there was no longer time to work on specific state purchasing mechanisms that might be used and several Advisors had reservations about the purchasing preference mechanisms that had been suggested. When the recommendations were shared with legislators in December, the legislators expressed concern with an approach that generally tasked the DNR to find ways to recognize Green Tier participants in agency purchasing decisions. Dan Johnson affirmed the need for greater specificity in the language and the Advisors asked staff to work with both Senators Miller and Kedzie to fully understand reservations and see if alternatives could be developed in such a way that there is a specific tangible incentive available for participants.

Drafting and editing process

Advisors agreed that the drafting would proceed on the initial package based on the recommendations that were made in December and January. Staff were directed to work with Senator Miller in the crafting of that package to assure that the Advisors' discussions and recommendations are addressed to the greatest extent possible in the initial draft. Recognizing that there are two pending issues – municipalities and purchasing – Advisors agreed to use electronically shared documents accompanied by conference calls as necessary to craft recommendations that could be considered for inclusion in the package if work is completed by September.

Advisors generally agreed that the review of the drafted legislation would best be accomplished by a smaller group of the Advisors. The Advisors also supported the proposal to be a part of a small group, convened by Senator Miller, to include Advisors along with other members of the environmental community along with other interested parties who might be identified as drafting and discussions progressed. The Advisors asked the staff to work out the details associated with the convening of a small group and

initiate the work necessary to begin developing recommendations for municipalities and purchasing that the full group of Advisors could consider before advancing them to the smaller group.

Advisor interest in participating

Pat Henderson, Paul Kent and Mike Simpson volunteered to be on the small group. Mark McDermid indicated that Linda Bochert had expressed a willingness to be on such a group and would confirm her interest in participating. Tim Andryk indicated that he would provide Departmental legal support for the group.

Proportionality

At the March Advisors' meeting, direction was provided to the staff to make numerous modifications to the proportionality process that had initially been crafted. For the June meeting, the following goals were set:

- Review process modification
- Affirm/modify the sideboards for the process
- Determine next steps

Review process modification

Advisors felt that both the shift from the balance sheet approach and the example had given greater clarity to the process and the sideboards for the process. The process seemed to hold together well and the sideboards provided a framework within which there is confidence that specificity can be provided to prospective participants to Tier 2 of the program.

Affirm/modify the sideboards for the process

- Role of the agency as a regulator and as a facilitator for beyond compliance agreements as a potential conflict of interest. Advisors were generally less concerned with the "conflict" portion of the sidebar and more concerned that the point be clear and the division of responsibilities within the agency be equally clear.
- Social and environmental justice provisions contained in the issue paper. Two points were made in relation to the social and environmental justice provision. First was that general language be used to enable both flexibility and creativity on that part of prospective participants. Second was to amend the example so that the social element is clearly presented in the example as this may be a new area for many prospective Tier 2 participants.
- Consistency in the terminology used in the paper (e.g. "stakeholder" and "participant" references). Advisors asked for a general review to make sure that the terminology used is both consistent and clear so that there is a reduced risk of confusion about the roles and expectations of the parties.
- Language making it clear that consideration will be given to investments in environmental performance in one area versus another. One of the essences of Green Tier is the notion of directing investments to areas of the greatest environmental good and there needs to be clarity in the sidebar language that

- there will be consideration of the performance gains through flexibility that Tier 2 provides.
- Effectively communicating the participation of stakeholders as an expectation and assuring effective participation by those stakeholders. Additional language in the process, sideboards and example that lay out stakeholder participation that results in transparency.
 - Add consideration of environmental risks as well as the stated consideration of environmental goals. While consider of goals is important, there needs to be some assessment of the environmental risks that may be associated with flexibility given as well as the risks mitigated by the superior environmental performance.

Determine next steps

Advisors requested modification to the process that had been developed in the issue paper with the intention of sharing those process modifications before the next meeting in September. Advisors would have an opportunity to comment on the revisions to the process. Advisors also considered two options for the initial drafting of a recommendation:

- Recommend a process with the expectation that the results of the first actual use of that process would be brought back to the Advisors.
- Recommend a pilot process with the expectation that a formally recommended process would be adopted by the advisors.

Advisors selected the first of the two options based on the level of comfort with the process developed thus far and the opportunity that it provided to the staff to provide more certainty in the tools that would be used to implement the process. The Advisors talked about on of the likely first participants who would be going through the process and also felt that it would provide a good test for the processes as developed thus far. Advisors asked staff to develop a recommendation for consideration at the next meeting.

Charters

When the original work plan for the Advisors was developed, one of the items included in the plan was the need to spend time further developing how charters might be used not only to expand participation in the program but also to address pressing environmental problems and opportunities. The purpose of this session was just to capture ideas from the Advisors. The intent is to take those ideas and pull them together in a way that leads to further policy discussions about Charters at subsequent Advisors meetings. The list below is what was identified at the meeting but Advisors asked that the list be held open for ideas that arose post meeting and as an opportunity for Advisors not present to contribute to the list. The brainstorming session requested ideas about potential for accomplishing environmental improvements & program expansion.

How to expand charters

- added Green Tier authority
- outreach to municipalities/local government
- model EMS for every industry in the state

- adaptive metrics
- specific geographic environmental goals
- imaginary charter
- permit streamlining

Types of charters

- inland lake – based approach
- utility charters
- clean tech new companies
- farm community
- bio-energy charter beyond carbon
- smart growth charter
- builders
- sector charter to reduce green house gas and energy use
- airport charters
- hazardous waste disposal charter (waste generators)
- sewage district (storm water control)
- non-regulated constituents (pharmaceuticals)
- energy conservation charger (carbon sequestration)
- community sustainability charter (eco-municipalities)
- watershed charter
- job creation
- air charter in non-attainment
- college/university
- alternative power
- redevelopment charter
- tourism
- health/hospital
- aqua-culture charter
- water conservation
- bio-tech

Intern Work Projects for the Advisors this Summer:

A brief review was provided of the work that is being done by interns this summer. Work is being done: 1) to develop incentives that tie to business needs and market development for Green Tier participant; 2) to mine the annual reports of participants to get a cumulative sense of the impact that participants are having; 3) to support the development of legislation. A fourth intern is working to help Cook Composites and Polymers (CCP) realize the third Vision Element of their Agreement with DNR: to drive market-based environmental solutions and improvements. One area that was not addressed this year with the group of interns was the issue of overall program metrics. Several Advisors offered suggestions and also offered to help in finding resources to help address metrics issues as well as to spread the word about internships.

Next meeting:

WHEN: September 8, 2008, Afternoon

WHERE: Department of Natural Resources Building, 101 S Webster, Madison,
Room G-09

TOPICS: Legislation
Proportionality
Expansion
Charters