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Memo

To: Kentucky Climate Action Plan Council

From: The Center for Climate Strategies

CC: Kentucky Energy and Environment Cabinet

Subject: Preparation for Third Meeting of the Kentucky Climate Action Plan Council (KCAPC)

Date: June 2, 2010

At our third meeting of the KCAPC on Wednesday, June 2, 2010, we will focus on review and approval of the draft “priority for analysis” policy options and review and approval of revisions to the draft Kentucky greenhouse gas (GHG) emissions inventory and forecast. Based on this discussion and any adjustments made by the KCAPC, the Technical Work Groups (TWGs) will begin work on straw proposals for future development and quantification of draft policy options. We will also discuss development of a draft Interim Report from the KCAPC.

As preparation for our meeting, please review the attached lists of TWG-suggested draft policy option “priorities for analysis” and other background documents posted to the project website at: www.kyclimatechange.us.

In terms of overall progress, the KCAPC has completed several key milestones since its launch, including:

- Identification of a full range of potential Kentucky options for mitigation of GHG emissions, including about 380 possible state actions.
- TWG identification, by balloting, of 48 initial priorities for analysis of draft policy options.

The next stages of the KCAPC process will include completion of the following milestones:

- Completion of revisions and final approval of the statewide inventory and forecast of GHG emissions.
- Approval of a full range of initial priorities for analysis of draft policy options at our third meeting today.

- Formulation of “straw proposals” for the design of these initial draft policy options for consideration by the KCAPC at its fourth meeting.
- Review and revision of policy option design, analysis, and draft options as needed during TWG calls and meetings.
- Final approval of remaining KCAPC policy option recommendations at our fifth and sixth meetings.

Summary of KCAPC Progress and Next Steps

Status of Draft Policy Options	
Original Number of Potential Options Presented to the KCAPC from the CCS Catalog of State Actions	300+
Updated Number of Potential Options in the CCS Catalog of States Actions, Including KCAPC Additions [AFW-61, ES-54, CCI- 46, RCI-82, TLU-137]	380
Current Number of Draft Potential Priority Policy Options for Analysis	48
• Agriculture, Forestry and Waste	9
• Energy Supply	11
• Residential, Commercial, and Industrial	10
• Transportation and Land Use	10
• Cross-Cutting Issues	8
Next Steps	
Approve Straw Proposals for Draft Policy Option Design	KCAPC Meeting #4
Present First Round of Analysis of Draft Policy Options and Identify Early Consensus Recommendations	KCAPC Meeting #5
Approve Final KCAPC Policy Option Recommendations	KCAPC Meetings #5 and 6

Table 1

Agriculture, Forestry, and Waste Management Technical Work Group

Summary List of Recommended Priority Policy Options for Analysis—Draft

Option #	Proposed Option Name	Sub-Option # From Catalog of State Actions
Proposed Tier 1 Options and Sub-Options		
AFW-1	Forestry Management for Carbon Sequestration	6.5
AFW-2	Expanded Use of Biomass Feedstocks for Electricity, Heat, and Steam Production	1.1, 8.2
AFW-3	On-Farm Energy Production and Efficiency Improvements	5.1
AFW-4	In-state Liquid/Gaseous Biofuels Production	1.2, 8.7, 10.5
AFW-5	Soil Carbon Management	3.1
AFW-6	Increase Productivity of Abandoned and Reclaimed Lands	4.5
AFW-7	Reforestation, Afforestation, and Restoration of Mined Lands and Other Non-forested Lands	6.10, 6.4
AFW-8	Advanced MSW Reuse, Recycling, and Organic Waste Management Programs	8.1, 9.2
AFW-9	Landfill Methane Energy Programs	9.3
Proposed Tier 2 Sub-Options		
AFW-10	Land-Use Management That Promotes Grassland Cover	4.1
AFW-11	Forest Protection—Reduced Clearing and Conversion to Non-forest Cover	6.1
AFW-12	Improved Energy Capture from Wood Waste and Biomass Combustion	1.3
AFW-13	Urban Forestry	6.2
AFW-14	Promotion of Bioreactor Technology	8.3
AFW-15	Improved Commercialization of Biomass Conversion Technologies	1.4
AFW-16	Integrated Bioenergy Research and Production	1.5
AFW-17	Manure Management—Manure Utilization	2.1
AFW-18	Improved Logging and Other Residue Recovery	7.2
AFW-19	Expanded Use of New, Reused, and Recycled Wood Products for Building Materials	7.3

MSW = municipal solid waste.

Table 2

Energy Supply Technical Work Group

Summary List of Recommended Priority Policy Options for Analysis—Draft

Option #	Proposed Option Name	Sub-Option # From Catalog of State Actions
Proposed Tier 1 Options and Sub-Options		
ES-1	Biomass Development and Efficiency Improvements at Existing Power Plants	3.3, 3.2
ES-2	Demand-Side Energy Efficiency and Management Programs	2.8, 2.10
ES-3	Advanced Fossil Fuel Technology (IGCC, CCSR, Advanced Pulverized Coal, CFB, Coal-to-Liquids, Gas-to-Liquids) Incentives, Support, or Requirements	3.1, 4.5
ES-4	CCSR Enabling Policies, R&D, Infrastructure, and Incentives Including Enhanced Oil Recovery Using CO ₂	5.1, 5.2, 5.3, 5.4
ES-5	Pricing Strategies to Promote Efficiency and Renewables, Including Net Metering, Feed-In-Tariff, Interconnection Rules, Inclined Rates, and Examination of the Standard Rate Structure	2.6, 6.2, 2.17, 2.16
ES-6	New Nuclear Energy Capacity	3.6
ES-7	Renewable Energy Incentives and Barrier Removal, Including CHP	2.2, 2.3, 2.4, 2.9, 2.1, 1.8
ES-8	Technology Research and Development (not including CCSR or Wind Potential Study)	1.5, 2.12, 2.15, 2.18
ES-9	Wind Energy Potential Evaluation	2.14
ES-10	Shale Gas Development and Natural Gas Transportation Infrastructure	4.7, 4.8
ES-11	Smart Grid, Including Transmission and Distribution Efficiency	6.8, 6.1, 6.3
Proposed Tier 2 Sub-Options		
6.9	Landfill Gas Demonstration/Evaluation Projects	6.9
2.5	Green Power Purchases and Marketing	2.5

CCSR = carbon capture and storage or reuse; CFB = circulating fluidized bed; CHP = combined heat and power; CO₂ = carbon dioxide; IGCC = integrated gasification combined cycle; R&D = research and development.

Table 3

Residential, Commercial and Industrial Technical Work Group

Summary List of Recommended Priority Policy Options for Analysis—Draft

Option #	Proposed Option Name	Sub-Option # From Catalog of State Actions
Proposed Tier 1 Options and Sub-Options		
RCI-1	Improve building codes for energy efficiency, coupled with improved energy code training and enforcement (new construction focus)	2.1, 2.2, 2.17
RCI-2	Promote, encourage, and incentivize “beyond-code” efficiency in all building characteristics and systems that impact energy consumption (retrofit focus)	2.6, 2.7, 2.8, 2.13, 2.18, 2.21, 2.22, 3.3, 6.4, 6.5, 6.7, 6.8, 6.9, 9.4
RCI-3	Expand utility DSM programs (beyond EERS) for electricity	1.1, 1.3
RCI-4	Develop and implement comprehensive education, outreach, and marketing, including consumer awareness, school curriculum, truth-in-advertising, technical information and support (e.g., how to do GHG inventories), rationales for action, etc.	4.1, 4.2, 4.3, 4.6, 6.6, 8.5
RCI-5	Financing programs and incentives for energy efficiency and CHP (PBF, revolving loans, etc.)	1.4, 1.9, 1.10, 1.13, 1.15, 6.2, 9.5, 9.6
RCI-6	Financing programs, incentives, policies, and research for conversion to RE or low-carbon energy sources	5.2, 5.6, 5.8, 6.1, 8.1
RCI-7	Government Lead by Example (GLE) in highly efficient state and local government buildings	1.11, 2.3, 2.11, 2.12, 2.20, 5.7, 9.1, 9.2
RCI-8	Training and education for builders, contractors, and building operators	2.9, 2.10
RCI-9	Building commissioning and recommissioning, including energy tracking and benchmarking, and implement a building energy labeling program	2.15, 2.19
RCI-10	Implement advanced metering technologies and associated policies for greater load management, customer control, awareness, price signaling, etc.	2.16, 4.4, 5.3, 6.10
Proposed Tier 2 Sub-Options		
RCI-11	Promote, encourage, and incentivize energy audits and follow-up actions in all sectors	1.6, 1.7, 1.8, 9.3, 9.7

Option #	Proposed Option Name	Sub-Option # From Catalog of State Actions
Proposed Tier 2 Sub-Options		
RCI-12	Green power purchasing programs for consumers	5.1
RCI-13	Energy reduction technical assistance programs	1.12
RCI-14	Energy-efficient community planning (“Smart Growth,” etc.)	2.5

CHP = combined heat and power; DSM = demand-side management; EERS = energy efficiency resource standard; GHG = greenhouse gas; PBF = public benefit fund; RE = renewable energy.

Table 4

Transportation and Land Use Technical Work Group

Summary List of Recommended Priority Policy Options for Analysis—Draft

Option #	Proposed Option Name	Sub-Option # From Catalog of State Actions
Proposed Tier 1 Options and Sub-Options		
TLU-1	Bike and Pedestrian Comprehensive Plan and Infrastructure Development	5.7 includes 5.20
TLU-2	Livability	4.3 includes 4.1, 4.5, 4.9
TLU-3	Transportation System Management	5.1 includes 5.17, 5.18, 8.3
TLU-4	Expand Transit Infrastructure (Rail, Bus, Bus Rapid Transit)	5.4
TLU-5	Education, Outreach for Vehicle Maintenance, Idle Reduction, and Alternative Modes of Travel	5.23 includes 1.7, 2.9, 10.3, 6.23
TLU-6	Land Use, Zoning, Tax, and Building Code Reform, and Connectivity	4.6 includes 5.19
TLU-7	Parking Management and Car Pooling/Van Pooling	5.11 includes 5.10, 6.6 (6.6 includes 6.5 and 6.8)
TLU-8	Transit Management	5.2 includes 5.5, 6.22
TLU-9	Initiatives to Promote Strategies to Move Freight in More GHG-Efficient Ways	9.1 includes 9.3, 9.4, 9.5, 8.10, 12.15, 12.4 (12.4 is a bundle that includes 12.8, 12.9, 12.10)
TLU-10	Promote Consumption of Locally Produced Goods and Services	9.6

Table 5

Cross-Cutting Issues Technical Work Group

Summary List of Recommended Priority Policy Options for Analysis—Draft

Option #	Proposed Option Name	Sub-Option # From Catalog of State Actions
Proposed Tier 1 Options and Sub-Options		
CCI-1	Greenhouse Gas (GHG) Emission Inventories, Forecasts, Reporting, and Registry	1.1 GHG emissions inventory (formerly 1.1 consolidated into 1.3) 1.2 GHG emissions forecasting (formerly 1.2 consolidated into 1.3) 1.3 GHG emissions reporting (formerly 2.1 consolidated into 1.3) 1.4 GHG registry (formerly 3.1 consolidated into 1.3)
CCI-2	Public Education and Outreach	2.1 Comprehensive education and outreach process (formerly 4.1–4.6 and 4.10 consolidated into 4.12) 2.2 Fund climate change and solution research (formerly 4.8)
CCI-3	Adaptation and Vulnerability	3.1 Develop a state climate change vulnerability assessment and adaptation plan (formerly 5.1 and 5.2 consolidated into 5.3)
CCI-4	Statewide GHG Emission Reduction, Energy Intensity, and Energy Efficiency Goals and Targets	4.1 Conduct a broad stakeholder and public process to develop state GHG emission reduction, energy intensity, and energy efficiency goals (formerly 6.1 and 6.2 consolidated into 6.3)
CCI-5	State, Local, and Tribal Government GHG Emission Reduction, Energy Intensity, and Energy Efficiency Activities (Lead by Example)	5.1 Establish goals and targets and develop incentives for energy-saving actions for state-owned or -operated facilities and fleets (formerly 7.1, 7.10, and 7.11 consolidated into 7.14) 5.2 Assign or create a multi-agency body to coordinate ongoing state climate efforts (formerly 7.2, 7.3, and 7.13 consolidated into 7.15) 5.3 Require state programs funded with state bonding to meet state energy efficiency and GHG targets (formerly 7.5 and 7.6 consolidated into 7.16)
CCI-6	Local GHG Emission Reduction, Energy Intensity, and Energy Efficiency Actions	6.1 Develop a climate action tool kit for local government, institutions, and individuals (formerly 8.1, 8.2, 8.4, and 8.5 consolidated into 8.7)

Option #	Proposed Option Name	Sub-Option # From Catalog of State Actions
Proposed Tier 1 Options and Sub-Options		
CCI-7	Financial Policies	7.1 Recognizing that some policy decisions to reduce GHG emissions will have costs, develop long-term funding to implement KCAPC-adopted actions (re-drafted former 9.1) 7.2 Establish a framework and funds to be used by public-private partnerships to improve energy efficiency and intensity (formerly 8.6)
CCI-8	Conduct an Impact Analysis of Federal GHG Constraints on Kentucky	8.1 Conduct a state vulnerability assessment and adaptation plan for federal carbon constraints, including a study of the implications of market-based systems on KY (formerly 4.9, 12.1, and 12.2 consolidated into 12.3) 8.2 Form a regional climate action group or consortium with surrounding coal states to help meet climate regulations (formerly 7.7, 7.8, and 7.9 consolidated into 7.17)
Proposed Tier 2 Sub-Options		
CCI-2	Public Education and Outreach	2.3 Fund energy and environmental education and solution research (formerly 4.11)
CCI-9	Climate-Related Investment and Business-to-Business Engagement	9.1 Encourage formulation of a business-oriented entity to promote private-sector climate protection (formerly 10.1)
CCI-10	Dedicate Greater Public Investment in Climate Data and Analysis	10.1 Identify resources for climate-related data collection and analysis (formerly 11.1)