



Kentucky Climate Action Plan Council (KCAPC)

Meeting #3, June 2, 2010

Kentucky Energy and Environment Cabinet
The Center for Climate Strategies

Welcome and Introductions

- Kentucky Energy and Environment Cabinet (KEEC)
- KCAPC Members
- Kentucky State Agencies
- Members of the Public
- Center for Climate Strategies

Agenda

1. Welcome and Introductions
2. Approval of KCAPC Meeting #2 Summary
3. Purpose and Goals of KCAPC Meeting #3
4. Review and Approval of Recommended Priority Policy Options for Further Analysis from Technical Work Groups (TWGs)
5. Review of the Straw Proposal Development Process of KY Priority Policy Options for Further Analysis
6. Review and Approval of Proposed Changes from the TWGs to the Draft Kentucky GHG Emissions Inventory & Forecast
7. Interim Report Development Process and Schedule
8. Next Steps for KCAPC and TWGs
9. Agenda, Time, and Date for Next Meeting
10. Public Input
11. Announcements
12. Adjourn

Summary of Prior KCAPC Meeting

- Review and Approval of KCAPC Meeting #2 Summary

Goals for KCAPC Meeting #3

- Approval of Priority Policy Options for Further Analysis in Kentucky
- Approval of Proposed Changes to the Draft KY GHG Emissions Inventory and Forecast
- Summary of the Straw Proposal Development Process for Selected Priority Policy Options
- Outline and Summary of Process for Approving the Interim Report

Stepwise Planning Process

1. Get organized
2. Review and refine inventory & forecast of emissions
3. Identify a full range of possible actions
4. Identify initial priorities for analysis
5. Develop straw policy design proposals
6. Quantify initial GHG reductions and costs/savings
7. Fully develop policy option templates
8. Develop alternatives to address barriers as needed
9. Aggregate and integrate results
10. Finalize and report recommendations

Overview of TWG Proposed Priority Policy Option Recommendations

- TWGs proposed consolidations of selected options
- TWG notional ratings and balloting—used to identify relative priorities of options—info shown in TWG Catalogs
- Tier 1 and 2 Tier Options presented in Status Memo Tables
- Tier 3 Options removed

Priority Tiers

- **Tier 1 Options**: Proposed policies that receive substantial support from the TWG to recommend for further analysis in the design phase of the KCAPC process.
- **Tier 2 Options**: Policies that receive a lower level of support than Tier 1 from the TWG, and that the KCAPC may have interest in moving up to Tier 1.
- **Tier 3 Options**: Policies with little or no support from the TWG and not included in the lists for further analysis.

AFW TWG Proposed Priority Options for Further Analysis

AFW-1: Forestry Management for Carbon Sequestration

AFW-2: Expanded Use of Biomass Feedstocks for
Electricity, Heat, and Steam Production

AFW-3: On-Farm Energy Production and Efficiency
Improvements

AFW-4: In-state Liquid/Gaseous Biofuels Production

AFW-5: Soil Carbon Management

AFW-6: Increase Productivity of Abandoned and Reclaimed
Lands

AFW TWG Proposed Priority Options for Further Analysis (cont'd.)

AFW-7: Reforestation, Afforestation, and Restoration of
Mined Lands and Other Non-forested Lands

AFW-8: Advanced MSW Reuse, Recycling, and Organic
Waste Management Programs

AFW-9: Landfill Methane Energy Programs

Break



ES TWG Proposed Priority Options for Further Analysis

- ES-1: Biomass Development and Efficiency Improvements at Existing Power Plants
- ES-2: Demand-Side Energy Efficiency and Management Programs
- ES-3: Advanced Fossil Fuel Technology (IGCC, CCSR, Advanced Pulverized Coal, CFB, Coal-to-Liquids, Gas-to-Liquids) Incentives, Support. or Requirements
- ES-4: CCSR Enabling Policies, R&D, Infrastructure, and Incentives Including Enhanced Oil Recovery Using CO₂
- 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

ES TWG Proposed Priority Options for Further Analysis (cont'd.)

- ES-6: New Nuclear Energy Capacity
- ES-7: Renewable Energy Incentives and Barrier Removal, Including CHP
- ES-8: Technology Research and Development (not including CCSR or Wind Potential Study)
- ES-9: Wind Energy Potential Evaluation
- ES-10: Shale Gas Development and Natural Gas Transportation Infrastructure
- ES-11: Smart Grid, Including Transmission and Distribution Efficiency

RCI TWG Proposed Priority Options for Further Analysis

- RCI-1: Improve building codes for EE, coupled with improved energy code training & enforcement (new construction focus)
- RCI-2: Promote, encourage, and incentivize “beyond-code” efficiency in all building characteristics and systems that impact energy consumption (retrofit focus)
- RCI-3: Expand utility DSM programs (beyond EERS) for electricity
- RCI-4: Develop and implement comprehensive education, outreach, & marketing, including consumer awareness, school curriculum, truth-in-advertising, technical information and support, rationales for action, etc.
- RCI-5: Financing programs and incentives for energy efficiency and CHP (PBF, revolving loans, etc.)

RCI TWG Proposed Priority Options for Further Analysis (cont'd.)

- RCI-6: Financing programs, incentives, policies, and research for conversion to RE or low-carbon energy sources
- RCI-7: Government Lead by Example (GLE) in highly efficient state and local government buildings
- RCI-8: Training and education for builders, contractors, and building operators
- RCI-9: Building commissioning and re-commissioning, including energy tracking and benchmarking, and implement a building energy labeling program
- RCI-10: Implement advanced metering technologies and associated policies for greater load management, customer control, awareness, price signaling, etc.

TLU TWG Proposed Priority Options for Further Analysis

TLU-1: Bike and Pedestrian Comprehensive Plan and
Infrastructure Development

TLU-2: Livability

TLU-3: Transportation System Management

TLU-4: Expand Transit Infrastructure (Rail, Bus, Bus Rapid
Transit)

TLU-5: Education, Outreach for Vehicle Maintenance, Idle
Reduction, and Alternative Modes of Travel

TLU-6: Land Use, Zoning, Tax, and Building Code Reform,
and Connectivity

TLU TWG Proposed Priority Options for Further Analysis (cont'd.)

TLU-7: Parking Management and Car Pooling/Van Pooling

TLU-8: Transit Management

TLU-9: Initiatives to Promote Strategies to Move Freight in
More GHG-Efficient Ways

TLU-10: Promote Consumption of Locally Produced Goods
and Services

Lunch Break



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CCI TWG Proposed Priority Options for Further Analysis

- CCI-1: GHG Emission Inventories, Forecasts, Reporting, and Registry
- CCI-2: Public Education and Outreach
- CCI-3: Adaptation and Vulnerability
- CCI-4: Statewide GHG Emission Reduction, Energy Intensity, and Energy Efficiency Goals and Targets
- CCI-5: State, Local, and Tribal Government GHG Reduction, Energy Intensity, and Energy Efficiency Activities (Lead by Example)

CCI TWG Proposed Priority Options for Further Analysis (cont'd.)

- CCI-6: Local GHG Reduction, Energy Intensity, and Energy Efficiency Actions
- CCI-7: Financial Policies
- CCI- 8: Conduct an Impact Analysis of Federal GHG Constraints on Kentucky

Straw Policy Option Proposals Development Process

- Straw proposals will include draft Policy Descriptions and Policy Designs
- TWGs form Drafting Sub-groups to address each Policy Option
- Sub-groups develop straw proposals for TWG review and approval; CCS is default drafter
- Straw Policy Descriptions and Designs brought to KCAPC for review and approval at next Council meeting

10 Elements of a Policy Option Template

- **Policy Description**
- **Policy Design**
 - **Goals:**
 - **Timing:**
 - **Parties Involved:**
 - **Other:**
- **Implementation Mechanisms**
- **Related Policies/Programs in Place**
- **Type(s) of GHG Reductions**
- **Estimated GHG Reductions and Net Costs or Cost Savings**
 - **Data Sources:**
 - **Quantification Methods:**
 - **Key Assumptions:**
- **Key Uncertainties**
- **Additional Benefits and Costs**
- **Feasibility Issues**
- **Status of Group Approval**

TWG-Recommended Changes to the Draft Inventory and Forecast (I&F) of Kentucky GHG Emissions

AFW GHG I&F

Recommended Changes

- Waste Sector:
 - Updated landfill emissions based on waste emplacement and flaring data from Solid Waste Division.
 - No industrial wastewater data available for key industries such as bourbon production so industrial wastewater emissions numbers remained unchanged.
 - There is no controlled waste combustion in state, so default emissions for that category were removed.
- Agriculture:
 - Trees on agricultural lands are included in the forestry inventory. A note to this effect is included in the agriculture appendix, but total emissions numbers remain unchanged.

ES GHG I&F

Recommended Changes

- Sales - the assumed electricity sales forecast may be too low; needs to be updated with the latest PSC electricity forecast;
- Role of coal – current Business-as-Usual Scenario assumes no carbon tax/cap; coordinate w/ development of CCI- 8;
- Electricity exports – Typos in the I&F report need to be corrected to be consistent with trends regarding future exports;
- Uncertainty – the section on uncertainty needs to address the issue of KY-specific versus regional assumptions
- On-site electricity use – Assumed levels are too low; these need to be revised upward based on industry standards

RCI GHG I&F

Recommended Changes

- RCI TWG members have reviewed the I&F and have recommended only two changes in the formatting and display of its information.
- One typo was also identified and shared.
- No substantive changes in methods, data, or assumptions have been recommended by the TWG.

TLU GHG I-F

Recommended Changes

- Alternative Scenarios for VMT Baseline Forecast
 - 2 alternative scenarios
 - TLU TWG members from agencies such as KYTC and Walk Bike Frankfort greatly support addition of scenarios

Interim Report

- Review Key Elements of Report
- Review Process for Approval of Interim Report

Key Elements of KCAPC Interim Report

- KCAPC TWGs Background: Genesis, Mission, Members, Charges, etc.
- Highlights of KY GHG Inventory & Forecast
- Summary of Catalogs and Descriptions
- Summary of Selected Priority Policy Options
- Recap of Tasks Leading to KY Climate Action Plan
- Appendices

Process and Schedule for Review and Approval of Interim Report

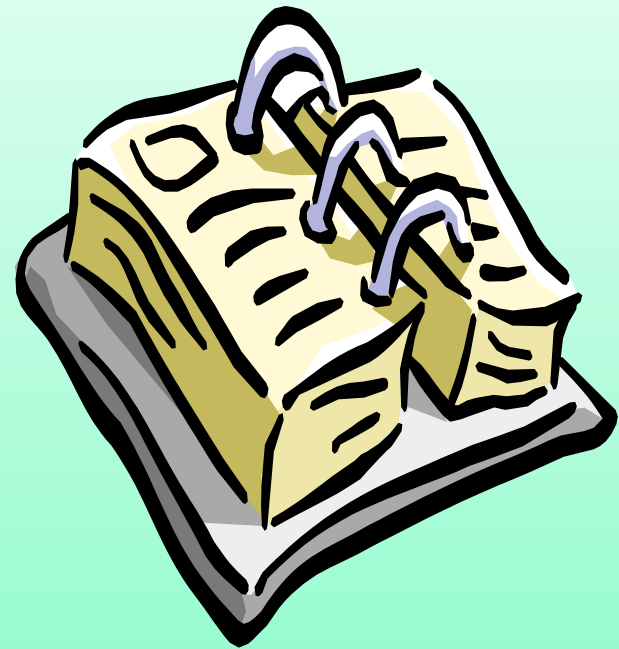
- Draft Interim Report—June 16, 2010
- KCAPC Comments on Draft Interim Report—June 25, 2010
- Final Draft Interim Report to KEEC—July 9, 2010
- Final KEEC Comments—July 23, 2010
- Final Interim Report Complete—July 30, 2010
- KCAPC Approval of Interim Report—August 4, 2010

Next Steps KCAPC, TWGs

- KCAPC Develops and Approves Interim Report
- 2 TWG Meetings Before Next KCAPC Meeting
 - Identify Volunteer Drafting groups for each Selected Priority Policy Option for Further Analysis
 - TWG approves Draft Straw Policy Descriptions and Policy Designs for each Priority Option to KCAPC at Meeting #4

Next KCAPC Meeting

- Agenda:
 - Review and approve proposed Straw Proposals for Priority Policy Options from TWGs
 - Prepare for next steps (Development of Full Policy Option Templates)
 - Review Quantification Process for Policy Options
- Location and Date:
Frankfort, KY; August 4, 2010



Timing – KCAPC Meetings

Date	Action
January 28, 2010	1st KCAPC meeting
March 22, 2010	2nd KCAPC meeting
June 2, 2010	3rd KCAPC meeting
August 4, 2010	4th KCAPC meeting and Interim Report
Sept.-Oct., 2010	5th KCAPC meeting
November, 2010	6th KCAPC meeting
December, 2010	Final Report due
Between KCAPC Meetings	TWG conference calls and meetings

Public Input

Announcements

Adjourn