

Maryland Commission on Climate Change

Mitigation Working Group

May 23, 2016 from 12:00 – 2:30 with additional time available post-meeting
Maryland Department of the Environment

In Attendance: Tad Aburn; Mike Powell; Mike Tidwell; Luke Wisniewski; Susan Payne; Rebecca Rehr; Joe Uehlein; Susan Barnes; Anne Linder; Jim Strong; Glenn Turner; Chris Rice; Arjun Makhijani; Colleen Turner; John Fiastro; Colby Ferguson; Dan Engleberg;

Chris Yoder; Charlie Skinner; Mark Posner; David Smedick; Ausuntha Chiang-Smith; Thomas Walz; Pam Kasemeyer; Mike Catanzaro; Mark Kresowik; David Costello; Johura Vincent; Susan Payne; Alfred Bartlett; Steven Arabia; Marissa Gillette; Tiffany Hartung; JT Stokles; Isabel Zeitz-Moskin; Frazier Blaylock; Ian Ullman; Lynn Heller; Ellen Bast; Jon Bluey; Todd Metcalf; Gabriel Pacyniak;

On Phone: Gerrit Knapp; Matthew Fleming; Ben Hobbs; Anne Linder; Caroline Varney-Alvarado; Mary Jane Knight; Ben Doyle; Jana Davis; Jerry Powell; Chris McCormick; Susan Brogan; Meghan Toomey; Alice Pryor

Welcome and Introductions

Meeting was called to order at 12:00 pm. No amendments were made to the agenda. Tad provided an update on Town Creek Funding Opportunity. RPF will be available for review very soon.

Updated MWG Work Plan included in meeting packet. Please review. Also posted on [MCCC website](#)

- 3-step Methane process (info, discussion, recommendations) – can supplement with informal meetings/voluntary webinars
- Also proposed meeting outside MWG schedule about creative financing/green bank, and Ag/Sequestration issues

RGGI and CPP Panelist Discussions – [see attached presentations](#)

- Luke Wisniewski – MDE
- Mike Catanzaro – CGCN Group
- Mark Kresowik – Sierra Club
- Kathy Robertson - Exelon

RGGI Overview Presentation Luke Wisniewski – MDE

- RGGI is a generation-based program (not consumption based like GGRA)
- Under-allocated in previous iteration
- 2012 Program Review revisions were the right step forward
- 4 cap scenarios were considered –settled on 91M ton
- CCR was established to keep allowance process down when prices surged
- RGGI is Maryland's compliance pathway for the CPP
- Use 2012 Program review to satisfy EPA submittal requirements
- It's not a guarantee that RGGI as-is will demonstrate regional compliance with CPP

Question: How are SEIF funds allocated in MD?

- 50% for rate payer relief
- 20% to EE – ½ to LMI
- 20% to RE
- 10% MEA admin cost

Note: Not all RGGI States uses SEIF funds the same way

- MDE planning more than one RGGI stakeholder meeting

Mike Catanzaro – CGCN Group acting on behalf of Talen Energy

Talen Energy: Competitive Electric Market Participant

- MD facilities: Brandon Shores, Wagner
- Will support legislation that has:
 - Includes achievable emission targets
 - Market based
 - Fuel Diversity
 - Minimized cost to consumers
- MD has been on the right track for some time
- Talen submitted comments to EPA about CPP
- 3 RGGI states include Talen assets
- Talen will support RGGI as-is to 2020
- Prefers mass-based (no new sources) in CPP compliance if MD were to leave RGGI
- Talen supports MD linking to other states

Mark Kresowik – Sierra Club (see attached presentation)

- Sierra Club (SC) submits more comments about RGGI and CPP any other group
- SC approves of 40% by 2030 goal – in line w/ other states
- SC believes goal could be very economically beneficial
- Three Legs of the Stool
 - Reduce consumption (EE)
 - De-carbonize EGUs (RE)
 - De-carbonize Transportation (EV)
- RGGI needs a 5% reduction (annual) beyond 2020 if look at regional emissions
- Synapse Modeling not great
- SC expects new sources to be considered under any CPP compliance pathway
- CCR should remain in RGGI program

Question: What is SC position on funds to low income for EE vs rate relief?

- It's not either/or. Low income groups in MD needs both

Question: Of the 60,000 jobs that will be created by cap and invest program – how many are good jobs?

Question: What about offsets?

- Offsets are OK in 2016 RGGI review as long as the surplus chips away at surplus between RGGI and CPP allowances

- CPP stay makes planning difficult

Kathy Robertson – Exelon (see presentation)

- Exelon has 6 assets in MD
- MD has 46% of mix that is zero CO₂ – Nationally the average is 33%
- RGGI is designed to reduce generation because CO₂ can't be scrubbed out of EGU gas-stream like other pollutants
- Need a good signal to reduce consumption and increase cleaner generation
- MD is in PJM – and PJM change dispatch mechanism (least cost)
- Exelon on RGGI
 - Cap must be cost-effective even under CPP
 - Needs to include new sources (even playing field)
 - CCR: pull from under Cap or remove – having opposite of desired effect
 - Offsets: insignificant issue in MD
 - CPP stay: MD should keep working as-is

Discussion Period Q/A

- What is the signal for zero carbon?
 - Participation in RGGI is the signal
- What is Exelon position on tightening RGGI cap?
 - Model now to get good data. Then decide.
- CPP stayed – MD has to wait; need to be cautious but still set goals; meet goals now under RGGI and deal w/ leakage (should it occur)
- Will new legislation under 2016 RGGI review include bringing NJ back into RGGI?
 - No, current price signal is still too low
- Where and what wages are associated with the proposed new 60,000 jobs?
 - Transportation sector needs to provide jobs.
 - IBEW should be required (ex: EV infrastructure work)
- What about RE jobs like roof-top solar?
 - 3-yr economic true-up should provide info on jobs (now part of the process)
 - Globalization issue needs to be considered
 - MD needs to welcome solar/wind industry
- How can we quantify health benefits of RGGI? Equity issues considered?
 - Isolating contribution of RGGI vs Criteria programs is challenging
 - We need to work on this task
 - Including NO_x and SO₂ in RGGI/ CPP modeling would be difficult currently
- How can MD achieve a 5% reduction beyond 2020 if all the low-hanging fruit will be gone by 2020?

- Yes, but other states (MA) can achieve 2.5% EE improvements year after year
- RE is getting cheaper
- Mid-day meetings leave out individuals who work 9-5. What can we do?
 - Need comments from the low-income rate-payers who may value EE but need financial assistance paying bills
- SEIF allocation evaluation can happen later
- RGGI is a CO₂ program – not criteria pollutants. Can CH₄ be considered along-side CO₂?
 - Not at this time.
- Shouldn't MD request a 5% RGGI program review IPM run?
- Can MWG write a letter?
 - MD will offer input on RGGI meeting calls
 - Too late for a letter

Note: GGRA 40% goal by 2030 is from all sectors. MWG needs to stay focused on whole economy

Public Comment

RGGI model runs: 2.5% and 5% are informative

MD needs to be as ambitious as possible in GGRA w/ RGGI

Need to see multi-pollutant benefits of RGGI since MD still has about 38% coal fired generation

SEIF is providing a health benefit – so needs to be as ambitious for non-rate payer assistance

Next Steps/Action Items/Adjourn

Topics for later discussion: Offsets Projects in MD

2:45 – 3:30 Voluntary Opportunity for Open Discussion

- Sierra Club must consider “leakage” issue. How do they define leakage?
- It's important that all stakeholders maintain a pragmatic view of modeling exercise
 - Perhaps a 5% reduction isn't most beneficial for the region?
- PSC is a partner w/ MD in RGGI. We will keep an eye on leakage issue, but currently it's not an issue based on current analysis
- What is MD's role/position in the Transportation Climate Initiative (TCI)?
 - MD supports the market-based concepts
 - MDOT active participant
 - Looking at an economy-wide program

- VMT tax is not promising
- PSC providing a learning workshop about utility-owned EV infrastructure
- How is MD meeting the EV goals already established?
 - EVIC has been re-invigorated
 - Workshops are getting results
 - 60K EVs by 2020 will be tough but we are making progress
 - 8-state MOU still helping meet goals
- Non-traditional programs (like Sequestration) are necessary moving forward
 - Proposal: stop putting offsets and sequestration in same “box”
- Proposal: MD do more to reach out to non-english speakers
 - MD will reach out to ECOS group to discuss
 - MDE webpage is being improved
 - Perhaps Town Creek funds will help outreach
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- What is RGGI 2016 Review schedule?
 - It's not public. CPP stay has forced RGGI states to modify
- Where is the forum to discuss SEIF allocation?
- Future Discussion Items:
 - SEIF allocation
 - Health benefits of RGGI
 - Multi-media benefits (the Bay)
 - Electricity bills and outreach