

# Maryland Commission on Climate Change

## Mitigation Working Group Energy Sub-group Meeting Minutes

*July 13, 2015 from 1 pm. - 3 p.m.*

Maryland Department of the Environment, Baltimore, MD 21230 – Aqua Conference Room

### **In Attendance:**

George Aburn – Maryland Department of the Environment; Stuart Clarke – Town Creek Foundation; Mike Powell – Business Sector Representative; Anna Zahn – Excelon; Anne Linder – Excelon; Justin Hynicka – DNR; David Costello; James McGarry – CCAN; Tony Montier – Raven Power; Kevin Lucas – Maryland Energy Administration; Lynn Heller – Abell Foundation; Tom Ballentine – NAIOP; Marissa Paslick Gillett – MD PSC; Joe Uehlein – Labor Network for Sustainability; Steve Walz – MWCOG; Todd Chason – SMECO; Melanie Santiago Mosier - Sun Edison; Betsy Atkinson for Rebecca Ruggles – MEHN; James Doyle; David Smedick – Sierra Club; Drew Cobbs – MPC; Alice Kennedy – City of Baltimore

### **I. Introduction**

Meeting was called to order at 1:04 by Stuart Clark. Meeting was opened with introductions of all attendees and a call for comments/questions, and any proposals. Format was an informal discussion.

### **II. Discussion Topics**

- Mitigation Working Group (MWG) is a component of the MCCC and will have on-going responsibilities and obligations well past the November report
- What are the differences between the October (MDE) report and the November (MCCC) report?
- GGRA goal: Preliminary date/info suggests that MD will meet the 2020 GGRA goal of a 25% reduction from 2006. Caveat: these estimates are based on including market forces and/or parts of programs that aren't attribute to them in the methodology.
- Energy Sector Data is:
  - Reliable and creditable
  - Large percentage of the reductions are “market driven” – namely fuel switching
  - Energy sector is volatile by nature
  - MDE 2012 GGRA Report did not take credit for “market driven” reductions and instead relied on program/policy-based reductions
  - Fuel Switching is both market driven and program based
  - Market driven reductions are virtually impossible to apportion to specific programs

- Maryland should enhance existing energy programs and MCCC should support
  - Energy programs are “low-hanging fruit”
  - The MCCC report is NOT circumscribed by legislation – it’s role is NOT to scrutinize where GHG reductions come from
- Question: How is the Commission going to account for Methane emissions?
  - MCCC report will decide later
  - MDE report will have limitations on how calculations are done
- EmPower is a cost-effective program. How can it be expanded?
  - Energy Efficiency (EE) will continue to be cheaper than energy (electricity)
  - MEA study being conducted. Bottom-up approach cost benefit analysis examining three (3) tiers of funding for MEA programs
  - Results of report will be available in < 6 months
- What is methodology for MEA calculations?
  - Kevin will provide to Tom Ballentine off-line
- Net-Zero Buildings
  - How could Commission include such an idea/program? Process question.
  - Post-2020 goal or current initiative?
  - Do we need more resources to handle Net-Zero buildings proposal?
  - Technology is still the main limiter. Net Zero is \$900/square foot. Too \$\$\$.
  - Building Codes should be the focus
  - Older, inefficient buildings are the biggest GHG liability
- What kind of jobs would EmPower and other Energy programs create?
  - All jobs are included. MCCC report will be transparent
  - How can we support workers during transition between jobs (ex. Fossil fuel to renewable energy jobs)?
- What is economic Cost of Inaction (COI)?
  - MCCC report will address COI, but it will be difficult.
- Proposal: MCCC considers including the proposed 25% RPS by 2020 in MCCC report
  - Need jobs analysis for increased RPS
  - 25% RPS and no Black Liquor – not supported by all of Commissioners in 2014 legislative session

- MEA and RESI (Towson) analyzed 18% RPS which is “non-enhanced”
  - Should MCCC support a similar analysis for 25% RPS?
  - MEA is available for technical analysis – but cannot change policy
  - MEA provides input to REMI economic model – results are multi-sector economic impact (construction as well as operation jobs)
- Proposal: MCCC should consider economic benefit of health-related improvements from decreased emissions related to multi-pollutant benefits of GHG programs
- General assembly will decide on the fate of the GGRA
- Finance world needs to be a partner. Overcoming cost of RE would be a game-changer. Potential enhancement with creative financing
- Risk Analysis should be considered
- Question: Did MDE assume that market forces would be consistent with current projections when they report that 2020 goal will be met? How does MDE consider market forces in calculations? How does MDE include federal programs?
  - MDE used all existing data and currently available models – a conservative estimate
  - Federal programs are considered first (ex. Fuel standards)
- Question: Should MCCC assume that market forces will be consistent/constant in the 2020 time frame?
  - MEA used Clean Power Plan modeling data and made basic conservative assumptions about PJM system mix
- Expenditure of RGGI proceeds
  - Is there a better way to relieve low-income rate payers?
  - Could low-income rate payer assistance be better integrated into new or existing RE/EE program?
  - How should MCCC interact with SEIF advisory board?
  - SEIF expenditures are based on a statutory formula
  - MCCC charged with evaluating energy equality
  - MCCC should craft question to City of Baltimore stakeholders about energy equality
  - Sub-group for energy equality issues?
  - Enhanced RPS should include progressive approach to low-income rate payer relief and energy efficiency initiatives

- Evaluation Framework should be a major focus of the MCCC
  - Reminder: there are 150 programs in the GGRA. MDE needs program tracking resources and assistance
  - Maryland Stat: How can it be utilized?
- How should the MCCC collaborate with Maryland's Public Service Commission (PSC) to push initiatives? - Some initiatives might not require policy or legislative changes
- Steering Committee Issues
  - How can the MCCC provide a system to ensure that deliverables and resources are readily available to stakeholders?
  - How can programs (RPS, EmPower, RGGI, etc) be discussed in more detail after 7/13 meeting?
  - How should the Commissioners shepherd the individual chapters?
  - How can MCCC ensure that for-profit and non-profit organizations have equal representation?

Meeting Adjourned by Stuart Clarke at 3:07 pm with no additional questions or comments