

**CLIMATE CHANGE ADVISORY COMMITTEE
DRAFT MEETING MINUTES
November 29, 2012
10:00 a.m. – 3:00 p.m.
Conference Room 105
Rachel Carson State Office Building**

MEMBERS/ALTERNATES PRESENT:

Christina Simeone, Mark Hammond, George Ellis, Paul Roth, Steve Krug, Michael Winek, Robert Graff, J. Scott Roberts, Luke Brubaker, Paul Opiyo, Rep. Greg Vitali

PROXY VOTING:

Christina Simeone for Sarah Hetznecker and later for Rep. Greg Vitali, Robert Graff for Lauren Boles and Michael Winek for Robert Bear

MEMBERS/ALTERNATES ABESENT and WTHOUT PROXY:

Darren Gill, Ed Yancovich

PA DEP AND COMMONWEALTH AGENCY STAFF:

Joe Sherrick (DEP), Dean Van Orden (DEP), Mark Brojakowski (DEP), Jessica Shirley (DEP), Amanda Smith (DEP), Bo Reiley (DEP)

MEMBERS OF THE PUBLIC:

Jake Smeltz (EPGA), Bill Neilson (PA Farm Bureau)

WELCOME AND INTRODUCTIONS:

The meeting was called to order by Ms.Simeone. Members and guests introduced themselves.

MINUTES OF PREVIOUS MEETING(S):

The minutes for the March 22, June 21 and September 27, 2012, meetings were considered for approval.

The March 22, 2012, minutes had been tabled by the CCAC in order to resolve issues, including lack of detail. The department revised those minutes, and a motion to accept the minutes of the March 22 meeting was made by Rep.Vitali and seconded by Mr. Ellis. The motion carried with Mr. Roth, Rep. Vitali and Mr. Roberts abstaining because they were not in attendance at the meeting on March 22.

The minutes from the June 21, 2012, meeting had also been tabled by the CCAC in order to resolve issues related to lack of detail on language recommended by the committee pertaining to the Waste-to-Energy MSW work plan. That recommendation included three parts: tabling the current work plan for three years, analyzing new technologies during this period and focusing a work plan on these new technologies, and incorporating greenhouse gas reductions that may occur from waste-to-energy facilities prior to any expansions to be incorporated in the greenhouse gas inventory. Ms. Simeone noted that her name was misspelled on page 2. At that point a motion to accept the minutes of the June 21 meeting was made by Rep. Vitali and seconded by Mr. Krug. The motion carried with Mr. Hammond voting nay and Mr. Brubaker, Mr. Graff and Mr. Roberts abstaining because they were not present for the June 21 meeting.

Mr. Roth noted that the minutes for September 27, 2012, reflected that he was present but incorrectly identified that Secretary Allan was absent when in fact Mr. Roth is the designee for Mr. Allan. Mr. Sherrick had also identified this error and noted that it would be corrected. Ms. Simeone noted that during that meeting there was also discussion of adding co-benefits in the work plans, as identified by Act 70. A motion to approve the minutes, with the amendments discussed above, was made by Rep. Vitali and seconded by Mr. Graff. The motion carried with Mr. Brubaker abstaining because he was not present for the meeting on September 27.

TIMELINE:

Mr. Sherrick provided an update on the status of the Impact Assessment Report. At Mr. Ellis's request Mr. Sherrick provided an explanation of the impacts assessment report to the new members and how that varies from the action plan report, the work plans of which are currently under development. The draft report has been finalized and is currently in the document processing stage. Mr. Sherrick suggested that the timing for the release of the final action plan could be May 2013 and clarified that the department will review the public comment and response document and any possible action plan report revisions with the CCAC, prior to finalization.

Ms. Simeone asked when the CCAC might engage in discussions of work plan ranking and establishment of the targets for the action plan. Mr. Sherrick suggested that this would happen in early 2013 after review of all the work plans. Mr. Sherrick noted that the department needs to provide advanced notice of the 2013 meeting schedule to post in the PA Bulletin. There was further discussion on meeting intervals, best days and legislative session days. Preference of the committee was for scheduling meetings on Tuesdays, possibly every six weeks through early 2013 and then less frequently later in 2013. January 8 and February 19, 2013, were approved by the committee as the first two meeting dates.

FOLLOW-UP & NEW DISCUSSION:

In a follow-up item Ms. Simeone asked if the department has received an answer from legal counsel regarding what constitutes a quorum for meetings: a majority of seated/appointed members or a majority of the total including appointed and vacant member slots. It is also not clear if the three Ex-officio members can or should count towards meeting a quorum. As of this time an answer has not been received, but DEP staff will endeavor to provide a legal opinion for the CCAC's next meeting. Ms. Shirley (DEP Policy Office) said that she would contact DEP's legal counsel for an opinion.

Ms. Simeone also reported that she had contacted, by telephone, members Hetznecker and Yankovich, who have been delinquent from all CCAC meetings over the past two years. She will now send follow-up letters to those members. Mr. Ellis inquired of Rep. Vitali if letters should be sent to the four caucuses about tardiness. Mr. Hammond commented that this would be a matter for DEP. Mr. Hammond then reminded the committee that if for some reason meeting attendance is not possible, members should send an alternate or designate a proxy.

With regards to the Action Plan report, Ms. Simeone asked if the DEP will be accepting a minority report if one is submitted. Mr. Ellis suggested that it is a bit premature to discuss a minority report. Mr. Sherrick could not definitively answer the question but did offer that the department accepted a minority report for the previous action plan. A more affirmative response will be sought closer to the time of issuance of the action plan.

Mr. Hammond commented that the meeting materials were received with less than adequate time for review, especially given the Thanksgiving holiday weekend. Mr. Sherrick indicated that internal review of the materials took longer than expected.

Mr. Roth referenced a requirement of Act 70 stating that the CCAC meetings have a third-party facilitator. Mr. Sherrick acknowledged the requirement and noted that for the first four years the DEP had worked with the Commonwealth's Office of Administration (OA) to provide a third-party facilitator. Mr. Sherrick explained that the facilitator never played an active role because DEP advisory committees are run according to Robert's Rules of Order, which provide for a Chair and Vice-Chair to oversee the meetings. As such, the facilitator had no engagement in the meetings and more recently the OA notified DEP that it would no longer be providing these services. Ms. Simeone asked that if the CCAC requested a facilitator, would DEP provide one. Ms. Shirley of DEP's Policy Office stated that facilitators are available if needed.

WORK PLAN DISCUSSION & VOTING:

Mr. Sherrick presented the committee with 35 work plans for review and voting. Review began with the Residential, Commercial and Industrial (RCI) sector work plans. A total of six plans were reviewed in detail. The work plans identified below were discussed and either voted on or tabled for further sub-committee work and discussion. For most of these, there were very detailed discussions; attempts to capture those discussions are reflected in these minutes.

Mr. Krug presented and led the discussion on the RCI work plans identified below, but first he reported that our historic buildings work plan was accomplished with the passage of legislation in 2012. A general comment by one or more members was the desire to hear from stakeholders before voting to support any of these work plans. There was a general discussion and explanation of the use of average values used in calculations and how this can vary from actual project implementation.

High Performance Buildings – This work plan is the combination of four work plans: High Performance Commercial Buildings, High Performance Schools, High Performance State and Local Government Buildings and High Performance Homes. Mr. Krug noted that the Architecture 2030 Challenge helped shaped the goals of this work plan. He also explained the statewide building code, the uniform construction code and relation to the residential green building code and the international construction code. Ms. Simeone clarified that PA building codes will no longer be automatically updated due to the actions of the RAC committee, and that PA has not adopted the green code. Mr. Krug noted that the Commonwealth's Guaranteed Energy Savings Act Program is being revised and could help to accomplish some of the goals of this work plan. Ms. Simeone asked questions about the status of the GESA program revisions, which she believed were still pending finalization. Ms. Simeone also noted that the work plans being considered assume implementation of initiatives, and achievement of associated reductions will begin in 2013, which is unrealistic given that the report won't be released until mid-2013. Several questions seeking clarification and comments were provided. These questions were responded to and, as appropriate, will be incorporated into the work plan. Mr. Krug also agreed to conduct outreach with stakeholders. A motion to table this work plan was introduced by Mr. Hammond, seconded by Mr. Opiyo and approved by the CCAC.

Building Commissioning – Mr. Krug provided an analogy for building commissioning that is akin to providing a tune-up for your car. Commissioning would be required for any new commercial building of 25,000 square feet or buildings of the same size that undergo a significant renovation. A motion to approve the work plan was introduced by Mr. Graff and seconded by Ms. Simeone. The motion carried, and the work plan was voted on with unanimous support by the CCAC for inclusion in the action plan.

Re-Roof PA – Mr. Krug explained the goal of the work plan of being 75% of roofs (square footage) being replaced be either light-colored roofs, green roofs or PV roofs. There were detailed discussions about the solar language of the work plan; Mr. Hammond and Mr. Ellis suggested removing reference to amendments to the AEPS. Mr. Brubaker and Ms. Simeone supported the language that supports strengthening the value of solar credits under the AEPS and supporting via financing options for solar roofs. Upon request Mr. Sherrick clarified that the AEPS work plan only includes an updated assessment of the AEPS and does not include any suggestions for new amendments. The committee's preference was simply to reference support of the financial feasibility of solar roofs. Mr. Winek questioned if this work plan was mandated and asked for clarification to understand if the costs/savings are only incremental. A motion to table the work plan pending confirmation of the cost data and identification of what may or may not be a mandate was introduced by Mr. Hammond. Mr. Roth expressed confusion over the concept of mandates since all of the recommendations in the action plan report are purely for consideration by the General Assembly and the Governor. Mr. Ellis replied it is the role of CCAC to provide advice to the department, recognizing that the department may or may not accept it. Mr. Roth expressed concern that the committee is spending too much time debating whether aspects of work plans constitute a mandate and losing site of the utility or value of

what is proposed in the work plans. The motion to table was seconded by Mr. Winek; the motion carried, and the work plan was tabled for further sub-committee evaluation.

Re-Light PA – Mr. Krug and Mr. Sherrick could not immediately recall the details of this work plan and how it may differ and/or complement federal lighting standards for incandescent light bulbs. Mr. Sherrick suggested that this be discussed during a subsequent meeting. Ms. Simeone motioned that consideration of the work plan be tabled. Mr. Roberts seconded the motion, and the motion was unanimously supported. Ms. Simeone raised questions about whether PA has the authority to specify state lighting standards and noted that the work plan lacks implementation steps.

Geothermal Heating and Cooling – Mr. Krug reviewed the goals and necessary steps toward implementing the plan. Ms. Simeone asked if geothermal systems would be able to qualify for credits under the AEPS. Mr. Sherrick said that it could qualify for Tier II energy efficiency credits. Mr. Hammond recommended rewording language that suggests that electric distribution companies could earn AEPS credits. Also, the targets identified for existing and commercial buildings appear to be transposed and probably need to be changed. A motion was made by Mr. Graff to table the work plan pending consideration of the suggested comments and/or edits and was seconded by Ms. Simeone. Mr. Winek expressed further concern that aspects of this work plan may be a mandate and noted some inaccuracies in the final data reporting to ensure what are meant to be positive and negative values. Mr. Graff responded to Mr. Winek's question of mandates in clarifying that the goals should not be misconstrued as mandates and that any focus on mandates would be a part of the implementation steps. The motion was supported unanimously.

Demand Side Management (DSM) Natural Gas – Mr. Krug explained that this work plan considers the potential for residential energy conservation via replacement of older, less efficient residential and commercial natural gas appliances. The committee sought additional clarification that the calculated data is indeed for 2020 and not 2025 and that the referenced tables from the ACEEE that do show analysis out to 2025 were for illustrative purposes only. Mr. Hammond requested that reference to front-loading washing machines be replaced with new high-efficiency models. Mr. Ellis raised concern that the implementation steps include reference to legislation, specifically citing Act 129 of 2008 as a model. Ms. Simeone found value in that reference and believes legislation is appropriate as part of the implementation steps. Mr. Ellis favored a more general statement in favor of new legislation but without specific reference to Act 129. Mr. Hammond suggested that Act 129-type legislation is “a big deal.” He further suggested that it would appear disingenuous to “bury” reference to it in the implementation steps without including any previous reference in the title or summary suggesting that implementation of DSM measures would be accomplished via legislation. Mr. Winek stated support for the goals of the work plan, but found the recommendation for legislation to be “offensive.” Mr. Graff noted that a purely voluntary approach as suggested by Mr. Winek is clearly different than legislation modeled after Act 129, which he noted is viewed by many to be very successful. He also commented that Act 129 provides a lot of flexibility for the energy companies to determine how they will comply with the standard. Ms. Simeone added that if we cannot suggest legislative solutions for required reductions, then our whole method of calculating and achieving emission reductions will be vastly different (lower) and would necessitate sensitivity analyses. Mr. Hammond replied that there is no prohibition on including recommendations for legislative action. A recommendation was made that reference to the legislative aspect for recommended implementation steps be incorporated into the summary and possibly the title, too. Another recommendation included adding language to encourage opportunities for other incentives such as tax incentives, but Mr. Graff noted that a purely voluntary request of the natural gas companies to lower consumer consumption would be meaningless. Ms. Simeone suggested drafting a new work plan, but Mr. Sherrick questioned how that would be any different from what is included in the current work plan. Ms. Simeone also questioned if the PUC has the authority within Act 129 to consider natural gas DSM reductions. Mr. Hammond motioned that reference to encouraging new legislation be removed entirely and replaced with verbiage suggesting that the PUC evaluate mechanisms to encourage

demand side management of natural gas. Mr. Sherrick stated that reference to Act 129 should remain because of its success. This concept was supported by Mr. Graff and Ms. Simeone. Mr. Winek offered that the work plan and the data all look very good except for the reference to encourage drafting legislation. Ms. Simeone later motioned that the Energy Subcommittee draft a new work plan for natural gas reductions structured around Act 129 with the benefit of also including the industrial sector. Mr. Sherrick noted that the department doesn't have the time to draft new work plans, to which Ms. Simeone offered that the committee could draft a work plan and submit it to the department for consideration. A motion to approve the work plan pending changes to the implementation steps, including removal of the specific reference to Act 129-styled legislation, changes associated with washing machines and revisions to the summary, all as discussed above, was made by Mr. Hammond and seconded by Mr. Roberts. Mr. Winek cast a nay vote and abstained on behalf of Mr. Bear; all other votes were in support of the motion. The committee indicated, without vote, that it would review and consider recommending for the department's consideration the work plan that Ms. Simeone volunteered to author.

Heating Oil Conservation & Fuel Switching – Mr. Krug reviewed the work plan goals to replace older, less efficient oil-fired furnaces and boilers with more efficient systems and also incorporating a blend of biodiesel that would be consistent with the requirements of the Biofuel Development and In-State Production Incentive Act, to a maximum of 5%. Reference to fuel switching to natural gas is also made in the work plan but is not quantified due to a lack of specific data. Mr. Graff suggested speaking with the natural gas distribution companies for this data. Mr. Roberts suggested adding more specific measures for opportunities that identify possible fuel savings similar to what was offered in the DSM Natural Gas work plan. Mr. Roberts also commented on statements offered in the “Subcommittee Recommendations” section of the document and inadvertently attributed them to the workings of the plan. These subcommittee recommendations appear to be erroneous and/or inaccurate but do not have a bearing on the calculations or implementation aspects of the plan as they only reflect previous comments received on the plan. Mr. Brubaker suggested that Pennsylvania is a soybean deficit state and that the inclusion of biodiesel in the heating oil market would be bad for livestock production in PA. There was an ensuing discussion that the benefits offered by including the biodiesel component in the work plan were minimal and the costs were high relative to the other aspects of the plan. There was a recommendation to remove this aspect from the work plan for the minimal emission reductions and higher costs. The department agreed to remove the inclusion of biodiesel. Additionally, there was discussion of some lack of clarity of the data presented in Table 1 that was requested to be reviewed and reconciled as may be necessary. A motion to table the work plan pending revisions was introduced by Mr. Krug and seconded by Mr. Graff. The motion was passed.

PUBLIC COMMENT:

None Provided

ADJOURN:

A motion to adjourn was made by Mr. Ellis and second by Mr. Roberts. The motion carried. The meeting was adjourned at 2:45 p.m.