

**CLIMATE CHANGE ADVISORY COMMITTEE
CONFERENCE CALL MEETING MINUTES
January 3, 2013
1:00 a.m. – 3:00 p.m.**

MEMBERS/ALTERNATES PRESENT:

Christina Simeone, Darren Gill, Mike Winek (also representing Robert Bear), Rob Graff, Steve Krug, J. Scott Roberts, Christina Kaba (representing Mark Hammond), Lauren Boles

MEMBERS/ALTERNATES ABSENT:

Paul Roth, Luke Brubaker, George Ellis, Sarah Hetznecker, Rep. Greg Vitali, Paul Opiyo, Ed Yancovich

PA DEP STAFF:

Joe Sherrick

WELCOME AND INTRODUCTIONS:

Mr. Sherrick facilitated the meeting and welcomed everyone as they joined the call. No stakeholders or members of the public announced themselves. The specific purpose of the call was to discuss comments and possible edits to work plans under the purview of the Energy Production, Transmission and Distribution Subcommittee. There would be no voting or formal actions on this call.

WORK PLAN DISCUSSION:

Mr. Gill began discussions with a review of work plans from the original action plan report that are being recommended for elimination in the new action plan. This list includes Carbon Capture and Sequestration (CCS), Improving Coal-fired Power Plant Efficiency by 5%, GHG Performance Standards for New Power Plants, Analysis to Evaluate Potential Impacts Associated with Joining RGGI (Regional Greenhouse Gas Initiative), and Transmission and Distribution Losses (line losses). Ms. Simeone expressed concern for elimination of work plans, further mentioning that she did not recall previous subcommittee discussions that established these recommendations. Mr. Gill and Mr. Sherrick replied that the rationale for elimination will be included in the energy chapter of the report and further clarified that some plans, such as CCS, will also be emphasized as being important for Pennsylvania despite no near-term likelihood for deployment. Ms. Simeone believed further discussion with the full CCAC about the benefits and drawback of eliminating these work plans is needed, especially related to CCS, RGGI and reducing T&D loss, further recommending that GHG performance standards need to be accounted for in emissions forecasts.

Act 129 of 2008 –The phase I work plan reflects an updated assessment of the original requirements of Act 129. Ms. Simeone suggested that an explanation of why the cost-effectiveness in the updated strategy changed from the first action plan report to clarify that Act 129 is still very cost effective but that changes in fuel mix from coal to natural gas have reduced the per unit GHG impact of each megawatt of electricity. Mr. Gill noted that the PUC recently approved a phase II for Act 129 and that this phase is consistent with the Reduced Load Growth work plan as proposed in the original 2009 work plan, and as updated for the current draft. Mr. Gill suggested that the Reduced Load Growth work plan be renamed to “Act 129 Phase II.” Those on the call seemed to agree with this logic. Similarly, the Stabilized Load Growth work plan was recommended to be renamed “Act 129 Phase III” because it is slightly different and goes beyond what is included in original 2009 Reduced Load Growth work plan. Mr. Gill noted that the requirement for the PUC to continually consider future cost-effective load-growth curtailments does not end.

Combined Heat & Power (CHP) – Mr. Sherrick discussed how the original CHP work plan was merged with a CHP component of an original biomass thermal initiatives work plan such that the new work plan now includes two goals, one for natural gas and one for biomass deployment of this technology. Mr. Roberts noted that ash disposal costs are a significant constraint for biomass projects

and suggested that we wouldn't get any biomass CHP projects because of this issue. Ms. Simeone commented that financial incentives are needed. Mr. Sherrick said that reference to financial incentives is included in the current text but without much detail. Mr. Roberts commented that there are two types of projects to consider, those that are primarily electricity and those that are primarily thermal-energy focused. Ms. Simeone requested a citation be included in the document referencing EPA's temporary position that biomass is carbon neutral and inquired about EPA's ongoing efforts to study the carbon impact of biomass. She further questioned if Integrated Resource Planning is still being done, as referenced on the last page of the document, and asked for clarification of the fuel mix cited on page 2, including a revision if necessary.

Nuclear Uprates and SF6 – Mr. Sherrick briefly discussed these two work plans and noted that both are largely either market-driven and/or limited to only a voluntary program. Mr. Sherrick noted that a subcommittee comment questioned the validity of work plans that may only have market-driven implementation steps. There was no further discussion or feedback on these two work plans.

Reducing Methane Leakage from Natural Gas Infrastructure and Reducing Lost and Unaccounted for Natural Gas from Distribution – Mr. Roberts suggested that the infrastructure work plan is not needed because the implementation steps are redundant with the New Source Performance Standards (NSPS) that were passed and soon-to-be implemented by the EPA. Ms. Simeone requested a review of the work plan in the context of the NSPS regulations by DEP's air quality permitting staff. Mr. Sherrick offered to request a brief presentation by DEP permitting staff on the NSPS regulation during the upcoming meeting in February. Although there is some common equipment used in the distribution of natural gas, there was no concern expressed with the later work plan, primarily because the NSPS regulations have no effect on distribution. The distribution work plan is scheduled to be discussed in greater detail at the CCAC meeting on January 8, 2013.

Fuels for Schools – Mr. Sherrick reviewed the goals and stated that they have been downscaled from the previous action plan. The goal is based on survey work conducted by the PA Fuels for Schools Working Group that includes state and federal agencies, consultants and advocates. The survey included school buildings throughout PA and assessed the age, condition, fuel type, equipment size, square footage being served by heating equipment and other parameters. Mr. Sherrick explained that that goal is further based only on a portion of the heating oil systems. Questions were raised about ash disposal costs and transportation costs and more detail was requested about implementation steps and capital requirements.

Waste-to-Energy (WTE) Municipal Solid Waste and Coal Mine Methane – These two work plans were not discussed due to the absence of Mr. Ellis and Mr. Hammond, but they will likely be discussed at the January 8, 2013, meeting.

Manure Digesters and WTE Digesters – Mr. Sherrick reviewed goals of each and stated that the manure digester goals were significantly downscaled from what was included in the 2009 action plan report due to more limited financing. Mr. Sherrick explained that most of the digesters that have been brought online in the last several years have benefitted from DEP grant funds or other Commonwealth agency funding. He also explained that a private carbon offset trading company, Native Energy, has been very influential in providing capital funds for several dairy digester projects. Pennsylvania currently ranks 3rd or 4th in the nation in the number of farm-based anaerobic digesters, although the size of our farms is typically much smaller than in some states. Digesters reduce greenhouse gas (GHG) emissions from three separate areas: methane emissions, GHG emissions as compared to grid-supplied electricity and, because they capture and utilize waste heat, GHGs associated with the use of heating oil and other fuels. WTE digesters take advantage of different technology that offers improved efficiencies and higher gas (methane) output for energy utilization. WTE digesters rely on mixed organic feedstocks that promote community involvement by incorporating food processing residuals, farm waste and yard waste collected by municipalities. WTE

digesters can also benefit smaller farms that may not have sufficient material or funding to source a manure-only digester on the farm.

ADJOURNMENT:

The call wrapped up at approximately 3:00 p.m. Mr. Sherrick reminded the members of the call to be held on January 4 to discuss comments and edits to the work plans in the domain of the Agriculture & Forestry Subcommittee.