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**MEETING SUMMARY**  
**ARKANSAS GOVERNOR'S COMMISSION ON GLOBAL WARMING**  
**Cross Cutting (CC) Issues Technical Work Group (TWG)**  
**Call #5, May 8, 2008**  
3:00 pm to 4:30 pm Central

**Attendees:**

**TWG Members:** Nick Brown, Joan Cash, Jerry Farris PhD, Rob Fisher, Christopher Ladner, Elizabeth Martin PhD, Jeffrey Short

**Advisory Body Members:** Karen Bassett, Nancy Ledbetter, Teresa Marks

**Arkansas Governor's Office:** Jillian Hicks

**Center for Climate Strategies:** Ken Colburn, Randy Strait, Katie Pasko

**Members of the Public:** Mark Alison, Esq., Trent Eiles

**Background documents:**

(all posted at <http://www.arclimatechange.us/cc.cfm>)

1. Meeting Notice and Agenda
2. Summary of Call #4
3. PowerPoint for Teleconference
4. Draft Priority Policy Options for Analysis

**Introductions and Review of Agenda**

Randy Strait welcomed the TWG members, called the meeting to order, completed the roll call, and reviewed the agenda for the call.

**Review and Approval of Prior Call Summary**

The TWG approved the summary of Call #4 with the addition of two meeting dates for June and July (meeting dates are provided at the end of this summary).

**Goals for May 19 GCGW Meeting #6**

Strait provided a brief review of the 10-step process noting that the goals and next steps for the TWG are to develop, for each of the CC pending priority policy option, consensus recommendations on the description, design characteristics (i.e., goals, timing, and parties involved), and related policies and programs in place in Arkansas. The GCGW will then review and approve these items (with modification as needed).

## Discussion Regarding Development of Straw Proposals for Priority Policy Options

Prior to this call, individual TWG members prepared a draft straw proposal for each pending policy option for which they volunteered to work on during the previous call. CCS provided the work prepared by each TWG member to the CC TWG (also posted to the website) for review during today's call. The following provides a brief summary of the discussion on each of the pending policy options. The TWG agreed to discuss CC-9. CCS noted that it will revise the straw proposal for each pending policy option to incorporate revisions from the TWG, and will send the TWG the revised straw proposals for review and comment before the GCGW meeting.

### CC-9 (Adaptation and Vulnerability)

The draft straw proposal for CC-9 was developed starting with a similar policy recommendation developed by the North Carolina Climate Action Plan Advisory Group and revising it for Arkansas. A proposal to create an *Arkansas Climate Change Institute* is included, but will require funding, most likely a national source such as the National Science Foundation (NSF) and/or National Institute of Health (NIH).

One purpose of the *Arkansas Climate Change Institute* would be to serve as a center for collecting and analyzing data to identify and support development of strategies to manage global warming variables that impact the state, such as risks to populations, ecosystems, etc. The establishment of the *Arkansas Climate Change Institute* should also attract researchers and scientists to the state to help stimulate industrial partners for new economic development and to create new "green" jobs for the state's citizens. It was noted that a similar clearinghouse has been discussed on a national basis.

The intent is to build a means to address these and other issues in the state over time. Industries, universities, state agencies and departments, weather bureau, etc. would also be included in the *Arkansas Climate Change Institute's* work. Other groups to be included under "Parties Involved" include the Center for Disease Control, NIH, NSF, Audubon Society, Ducks Unlimited, other non-governmental organizations (NGOs), and the state forestry service. Federal coastal organizations should also be included as storm water drainage affects the coastal zone, such as the US Department of Agriculture and the Army Corps of Engineers.

In the Policy Description section, in the second sentence of the first paragraph, change the capitalization of the "Climate Change Analysis Center" to lower case, and insert "*Arkansas Climate Change Institute*" after it. Make a similar change in the Policy Goal section.

Concern was expressed about the timing involved in this option. The TWG agreed to change the year of implementation under "Goals and Timing" from 2020 to 2012 or sooner.

### CC-1 (Greenhouse Gas Inventories and Forecasts)

The U.S. Environmental Protection Agency (EPA) is required to develop a federal rulemaking for mandatory reporting of GHG emissions by emission sources. The goal of the straw proposal acknowledges this federal effort and recommends that the state coordinate with the EPA during development of the rulemaking to ensure that the state's concerns are heard. There is a concern that EPA will need to expand the scope of GHG reporting vs. *The Climate Registry* model, especially since participation in *The Climate Registry* is voluntary.

The straw proposal also recommends that while EPA is developing the federal rule, the state should proceed with developing a historical GHG inventory dating back to 1990 using the best

available data. The TWG discussed concerns with the consistency of historical data developed due to requirements associated with various standards used in the past. Going forward, the guidelines for data collection will be more consistent. The TWG agreed that historical data should be used to the best extent possible. The state should develop a benchmark emissions estimate and associated gap analysis for all years and identify missing data and/or additional information required.

The Goals section also provides recommendations for the state to develop a forecast of GHG emissions with an emphasis on transparency of data sources and methods. Implementation should begin immediately for historical years. Since Arkansas does not want to create duplicative new programs, implementation of inventory and forecasting will be timed to the EPA rules. Currently Arkansas reports many items to various agencies, especially EPA. Typically, the state uses for its own programs the data that entities report to fulfill federal data reporting requirements to conserve state resources and to avoid duplication of reporting requirements on entities.

The TWG noted that carbon dioxide (CO<sub>2</sub>) is specifically excluded as a pollutant under Arkansas Code Title 8, Regulation 18, which likely means that reporting of CO<sub>2</sub> can't be required, unless and until legislation is passed to change this exclusion. Under Related Policies and Programs, remove reference to specific sections of the Clean Air Act (CAA).

### **CC-2 (State Greenhouse Gas Reporting and Registry)**

This option recommends that the state participate in a reporting and registry program to (1) develop knowledge on the reporting mechanism, reporting costs, registry requirements, and resource demands; and (2) educate other private and public organizations on the requirements of participation. The state should facilitate and encourage owners/operators of emission sources and sinks to voluntarily participate in a reporting and a registry program. The policy is structured to enable the state to “lead-by-example.”

A member noted that the risk of double counting of emissions, especially if an organization reports to both the state and a registry, with the state also reporting the same data.

Under Parties Involved, include the following: “All GHG emission sources and sinks (both man-made and natural) should be included.”

A question was raised about including the *Arkansas Climate Change Institute* in the Parties Involved section. It was decided not to do this as timing for implementation of this option would occur before the Institute is created (i.e., existing entities should be identified under Parties Involved).

It was noted that three sequential levels for reporting and registry efforts exist:

- Reporting – Accurately, either required or voluntary. Verified reporting is a necessary basis for participation in a registry.
- Registry – with approved protocol, to verify accuracy of data. This creates a ‘bank’ for future trading. Can be required or voluntary.
- Trading – Based on data submitted above (i.e., entities must comply with the reporting and registry requirements established by the carbon trading program).

State efforts should be in line with national reporting and registry requirements to eliminate duplication of effort. However, more detail may be needed for state efforts as the federal government generally works at a higher level than the states. State reporting and registry programs function under the umbrella of national efforts. Reference to this concept should be included in this Straw Proposal. “No need to reinvent the wheel.”

### **CC-3 (Statewide Greenhouse Gas Reduction Goals or Targets)**

Strait explained that states have developed recommendations for GHG reduction goals or targets by one of two general approaches. Some states have set their goals by legislative action or executive order and tailored their policy options to meet the goals. Other states have evaluated the cumulative emission reductions associated with policy options developed through a process like the GCGW relative to a business-as-usual forecast to determine goals. The TWG agreed to wait until the quantification results of the policy options become available later in the process so that the results can be considered in developing recommendations for this policy option.

### **CC-4 (The State’s Own Greenhouse Gas Emissions (Lead-by-Example))**

Lead-by-example policies developed by several states were reviewed (e.g., North Carolina, Vermont, Minnesota, South Carolina, Colorado and Montana). Montana, in particular, created voluntary goals, not mandates, for example, to reduce GHG emissions to 1990 levels by 2018.

The TWG should actually decide what these goals should be for Arkansas. Discussion included the addition of incentives to achieve the goals. Consensus among the TWG members is to recommend voluntary goals (and incentives for achieving the goals); not mandates.

Concern was expressed about the potential for mandates from the federal government. It was explained that the federal government typically assigns an allocation of the reduction target to each state and then allows the state to determine how to meet that target. This system has been working through the air permit process for regulated pollutants such as sulfur dioxide and oxides of nitrogen.

Strait noted that some states have waited until the end of the process to decide on numerical goals based on the TWG’s recommendations for statewide GHG reduction goals.

The TWG agreed by consensus:

- To recommend voluntary goals or targets (not mandates) but wait to decide on the numerical goals or targets until the TWG develops its recommendations for statewide goals or targets. Under Implementation Mechanisms, add the *Arkansas Climate Change Institute*.
- Schools should be included in the policy design, but local governments are not included as they are covered under CC-5.

### **CC-5 (Comprehensive Local Government Climate Action Plans)**

The state should work with local governments to assist them in developing local climate action plans. Some localities will be more advanced than others and can be role models. The TWG agreed to move some of the detail under the Goals section to the Implementation section of the straw proposal, and in the Goals section emphasize that local leaders will be the focus of the implementation of these plans. The state will need to provide resources to facilitate these goals,

in both CC-4 and CC-5. Limit CC-4 to state efforts, and CC-5 to local efforts. Local governments would be expected to work toward achieving the same goals as the state.

The state should provide resources and incentives for local entities to reach and exceed goals. Recognition of particular efforts, etc. should be included in the language. The state can create an intern program at the university level to assist smaller entities, both governmental and corporate, to work to meet the goals. This would also serve to encourage students to complete educational programs in the state.

### **CC-6 (State Climate Public Education and Outreach)**

The straw proposal for this policy identifies the following target audiences for education and outreach efforts: State Executive Agencies, General Public, and Future Generations. The policy recommends that the Governor form a global warming education and outreach committee (coordinated by the Arkansas Department of Environmental Quality) to educate target audiences regarding climate change action plans, associated policies, and to oversee outreach activities. The State should provide education and outreach funding for communicating public information messages through various media. Other incentives may include educational materials developed for K-12, university-level syllabi, preference in contracting for businesses that employ GHG mitigation practices and/or products. The target audiences will be evaluated periodically to determine the extent of knowledge and the efficacy of global warming outreach efforts.

Implementation of the policy should begin as soon as possible, preferably in 2009, to develop educational objectives. These would include developing educational materials and curricula for public and private schools and efforts to reach home-schoolers and faith-based schools. The state should reach out to NGOs (e.g., the American Association of Retired Persons (AARP)) for mentoring and volunteer opportunities at schools. The recommendation is to provide a five-year review process to assess the success of programs and the distribution of materials.

### **CC-7 (Optimizing Best-Scale of Reduction Policies)**

This will take an interstate approach to be effective. For example, the region in and around Arkansas has vast reserves of wind energy, but the transmission lines do not currently exist. Several states could work together toward this issue. Other examples of regional efforts could be written up as recommendations and included in this policy option.

It was noted that CC-7 could be eliminated and the concept could be incorporated in other policy options across all sectors. However, after further consideration, the TWG agreed to retain this option as a cross-cutting policy. Approaches can focus on cost-benefit analysis as well. Many of these will be covered by other policy options, but this one should provide guidance on practices that could be optimized as they are implemented.

It was noted that coordination and implementation of this option could be assigned to the *Arkansas Climate Change Institute*. This policy option will not have a lot of detail, but will contain the ideas or themes to be developed through implementation.

A suggestion was made that the meaning of optimization should be defined in this policy option. It could be defined as projects that exceed the state's overall goals for a particular area by 1% and/or accelerate meeting those goals by at least one year earlier than the statewide goal. One standard deviation could also be used as the metric.

### **CC-8 (Creative Financial Mechanisms)**

Members supported the State Revolving Loan Fund concept, particularly if it is used as a ‘carrot’ to encourage meeting GHG emission reduction goals or targets. Some state dollars are used to provide seed money, but otherwise the funds replenish themselves. A TWG member volunteered to develop a draft policy design; CCS will send the policy design to the TWG for comment before the GCGW meeting.

### **CC-10 (Climate-Change Related Economic Development)**

The TWG discussed creating a means for small businesses to balance costs and risks. In addition, the ability to recognize and capitalize upon climate opportunities should be included in the policy. One thought was to create as part of the *Arkansas Climate Change Institute*, a Regional Climate Change Commercialization Technology program to organize these efforts and provide a clearinghouse for networking, etc. Colorado has a similar program. It was noted that this approach would compliment CC-8.

### **CC-11 (Regulatory Realignment in Government to Encourage Constructive Climate Action)**

The intent of the draft policy design is for the state to focus on lead-by-example initiatives. For example, a multi-sector energy audit will help the state gain an understanding of where agencies currently stand on energy use and GHG emissions to help establish baselines. Early reductions can be achieved through aggressive state actions on its own operations. Recycling, energy conservation and efficiency, and other efforts should be encouraged. All initiatives should be viewed on a life-cycle basis, for example, low-level recycling efforts could potentially increase GHG emissions if they increase the use of vehicles to transport the waste. Policy barriers to GHG reductions should also be reviewed extensively and eliminated where possible.

### **General Comments:**

Note links between proposed policy options as they are observed. For example, CC-4 is related to CC-9. Also, CC-8 and CC-10 would work well together.

### **Agenda, Date and Time for Next Meetings**

The TWG members agreed to the following for the next CC TWG meeting:

- Meeting #6, Wednesday, June 4, 2008, 3:00 – 4:30 PM Central
- Meeting #7, Wednesday, July 16, 2008, 3:00 – 4:30 PM Central

The next GCGW meeting is scheduled for May 19, 2008.

### **Public Comments and Announcements**

None.