

DRAFT TELECONFERENCE MEETING SUMMARY
TLU Subcommittee
Call #10, May 16, 2008

Members Attending:

Participant	Organization
Bruce Anderson	Iowa Auto Dealers Association
Stuart Anderson	Iowa DOT
Scott Cirksena	MPO
Senator Hogg	State Senator
Robert Miklo	City of Iowa City, Senior Planner
Brad Miller	Des Moines Area Regional Transit
Stephanie Weisenbach	1000 Friends of Iowa

Iowa Department of Natural Resources: Marnie Stein Iowa DNR

Center for Climate Strategies: Lewison Lem, Bill Cowart, David Shelton, Kathy Leotta, Tara Cok

Other Attendees: Richard Ney, Steve Falck

Members of the Public:

Agenda Item#1: Introductions and Review of Agenda.

Lewison Lem – On the Iowa website, under Iowa TLU Call #8 we put some MGA summary documents there (http://www.iaclimatechange.us/Transportation_Land_Use.cfm). Six governors in the Midwest signed on to the Midwest Governor’s Accord at the end of 07 which has a lot of focus on fuels. The question is what’s the role of a regional planning activity, and how do these state and regional processes overlap and how they might complement each other. Pointed group to the MGA website. (<http://www.midwesterngovernors.org/govenergynov.htm>) Agreed to send more info to the group. Talked about the policy options document he sent out last night and asked who had received it. The group needs to start preparing for the ICCAC meeting on June 12th.

Agenda Item#2: Approval of Summary of Prior Call / Meeting [Decision Item]

Lewison asked if there were any questions on Call Summary #9? It was mentioned that if anyone found something later that they could notify CCS, and it would be noted and corrected. Stephanie moved to adopt. Scott C. seconded the motion. LL-accepted.

Agenda Item#3: Review and Discuss Draft Straw Proposals (implementation methods, related programs and policies, and discuss quantification approach)

Lewison - the attachment policy options document dated 05-16-08 has most recent version of policy options. The front page is a summary page and you can see some of the quantification

numbers. Estimates have been made for 2012 and 2020 for GHG reductions and then we do a cumulative poll because GHG reductions have a cumulative effect and calculated the net present value and estimated cost effectiveness, dollars to tons. There's not really a true cost benefit analysis. This is really a first attempt or first cut at cost effectiveness.

Stephanie questioned what page the group was on and the purpose of the agenda item.

LL—Agenda item - discussion of methods of analyses and we were going to run some numbers. Policy options document. TLU-1 “in process” means we're in the process of calculating numbers. For TLU-5 and TLU-10 we have a first set of numbers. The big question is how much benefit do you get from each policy option and how much does it cost you? Positive number means positive to society and negative often refers to net energy efficiency.

Stephanie - For some of these, TLU-10, you'll have a few policy options under that, so how will that work?

LL—TLU-10 is the only one that has a few still under consideration. Expressed intention to go through the methods for the ones we haven't finished (4and9), and asked Bill Cowart. to talk about TLU-4.

Bill Cowart – Used existing numbers for quantification and explained the approach would be to look at avg. vehicle occupancy and divert that much GHG gas from reduced driving onto savings. Bill would also like to gather some information on origins and destinations other than ridership.

LL—what would be the best way to get that?

Stuart Anderson — Offered to look for that data while Bill was working on the first order of magnitude.

Bill - TLU-9, broke into efficiency measures (truck stop electrification, etc.) examining measures of fuel economy. There are some pretty good numbers available for that. Usually those have a net negative cost meaning they pay for themselves after a few years. On intermodal investments and attempts to create mode shifts, Bill is planning to use commodity flow data from Global Insight and then segregate out those commodities which are able to be shifted to rail (coal vs. potato chips), and then examine % change of shipping, looking at how much of those convertible commodities would shift.

LL— questioned if we would be discussing any other freight shifting.

Bill—Barges could be examined, as well as some of the ethanol shipping could shift because it's not time sensitive. Welcomed input from the group on what people have insight on.

Scott C.—Firms like Firestone are trucking their commodities outside of Des Moines in containers. There's been interest in getting rail there and having containerized shipping from there. This would take a lot of work on the part of railroads to make sure they have the capacity. A lot of spill over ramifications, but we have identified that as a need to have intermodal access.

Bill C—Agreed to meet with Scott Cirksena offline to discuss. If railroads are only getting 10 containers a day, they wouldn't be interested, but if we could get to a critical mass there's potential.

Scott—Asked if in Bill C's analysis whether the new EPA standard was being factored in.

Bill—The new EPA standard is not being substantially incorporated.

Scott- Asked if the new standard was more NO2 related and Bill agreed that it was.

Stuart Anderson —Asked if in Bill's analysis if he just looks at mode shift in Iowa or in other states that could have an effect in Iowa?

Bill—The latter (meaning just Iowa). No one has info on routing of commodities--that's proprietary--and that's hard to get numbers on.

Scott C.—One thing we need to work on is anti idling if 40% of travel is passing through Iowa. Suggested that the incentives for anti idling devices need to be looked at very carefully and Bill agreed.

Stephanie—At last full ICCAC meeting David Miller had ideas about what can be controlled in Iowa but he was wondering if projections in freight movement with ethanol and biofuels were being quantified? Does anybody know?

Bill—No. We can try to put some numbers on that. It's difficult to make a real strong prediction on what's going on in 20 years.

LL—let's put that as a question to those doing the inventory and forecast.

Stephanie—could be listed as a key uncertainty if we don't know the numbers.

LL—there's a section for listing these issues qualitatively.

Stuart Anderson—The DOT has partnered to do a grain flow survey, but in the last cycle we got into a lot more questions about ethanol. I'm hoping that study will be done within a month or so and I'll pass that on.

LL—Asked if there was anything else on freight issues.

Scott C.— States like California have strong standards. Idling is something we can have great control over and there are plenty of models to work with.

LL—Bill, since you're here and very busy, would you mind giving us an update on the other TLU policy options?

Bill—Stephanie and I were talking about smart growth and the numbers are in a range that are coming out nationally. That had a 12-18% range in urban light duty VMT. The results are almost being defined by the policy. We have a set of tools from existing literature and we can try to get to that 10% reduction goal that way.

LL—TLU-2 will be quantified with TLU-1 and 3. It would not have its own numbers but will be under those.

Bill—on TLU-3, I need to get up to speed with Brad on that so it's in process. We can talk about at next meeting.

Stephanie—I'm interested in being the VMT person in the smart growth bundle. I'd like to recommend 10% per capita reduction in VMT by 2020 a 20% per capita reduction in VMT by 2050. Having a few years in there is appropriate.

LL—I think we have to be a little careful and make sure the rest of the group feels ok with these numbers.

Rob Hogg—I think we should keep Stephanie's goals in to meet our targets. Stephanie, on those reduction goals, all we're doing is shaving growth? Actual VMT could go up. I think this needs to be ramped up.

LL—unless there's any objection, we'll incorporate these goals. Bill can run the numbers and we'll see what the effect would be.

Bill—I'd welcome questions or comments.

LL—We will have the full schedule listed online.

Hogg—For TLU-5 (Best Workplaces for Commuters) when you look at a .02 metric ton equivalent in 2020, your projections are that our current metric tonnage is about 100 and projected increase is to 150? So, the best work places thing is good to do but has a relatively small reduction but the fuel strategies have a bigger reduction. The net present value, is that how much it costs to do the program? Or is that the aggregate benefit?

LL—Net present value is cost and cost effectiveness divided by tons. Co-benefits are not quantified. Other benefits are not quantified in these numbers.

David Shelton then walked the group through the low carbon fuels analysis.

David Shelton—On the last item in the attachment LL sent out, 10.1.1. there are basic assumptions. The main goal is to reduce ghg emissions by 10% through providers, retailers by selling higher mix of low carbon fuels (bio, ethanol, cellulosic), purchase credits through other providers, or use credits they've banked previously. The idea is the analysis is an attempt to create a scenario and what might be some reasonable goals. Ethanol use app. 77% of all gas sold in state. Biodiesel is less than 1%.

Hogg-statewide biodiesel is about 22%. I think that's B2.

David S—we set our assumption to 0 to be conservative but wouldn't make much difference if we bumped it up. By 2020, 15% of ethanol would be cellulosic instead of corn based. David discussed some of the assumptions necessary to make the quantifications analysis and asked if they seemed to make sense to others in the group.

Senator Hogg- Agreed that it sounded like a plausible scenario but would like to see what a more aggressive scenario would generate, particularly on cellulosic ethanol and biodiesel. Nationally, if the fed gov is serious about alternative liquid fuels, my instinct is Iowa is going to be disproportionately high because we grow it and make it here. A more aggressive goal would therefore be a good idea.

LL—Asked if Senator Hogg would like to see a more aggressive goal than the 10% goal David was working towards.

David—We had a talk about how realistic it would be for cellulosic to come onto the market in coming years.

LL—Agreed with what Senator Hogg says about Iowa being at the forefront makes a lot of sense. Need to decide what range is reasonable to consider.

Senator Hogg—There's an Argon study done for Illinois and I think it'd be similar for Iowa. You don't need as many inputs in Iowa as other states. You can grow things here with relatively less carbon. We can grow and process this here so I think Iowa should at least consider 20% reduction with caveats. It would be a mistake to not have that scenario.

Dave—Agreed to do that and run those numbers.

Steve Falck—Asked if the group looked at other feedstocks such as soy canola, etc.

Dave- Explained the group did not look at these other feedstock and only used data available from Argon Nat'l Labs.

Steve Falck —Suggested talking with David offline about other sources out there.

Senator Hogg—Asked if other feedstocks could change the carbon equation?

Steve F—Algae is looking promising and would not have same life cycle as soy.

Senator Hogg- Suggested that this gets back to the idea of how these things might have even more potential in Iowa than nationally.

Shelton—in terms of quantification, he hasn't seen any good studies that talk about algae, and requested that Steve Falch pass any information on this area along.

LL —Confirmed that David will run a 20% scenario by 2020?

David Shelton- Agreed that he would run a side by side comparison. And suggested that in terms of the cost, the analysis uses the best numbers available, but cost effectiveness depends on cost of fuels which changes daily and is a major caveat.

LL- Suggested it be looked at as cost to implement. And asked that if anyone has data that they share that with the group.

David Shelton-There's a difference between cost to the consumer and tax subsidies as cost to public.

Senator Hogg- Asked if the group has talked to anyone at Dept of Ag to which David Shelton replied that we had not.

Member—Asked if, on tax subsidies whether economic costs were figured into the equation.

David Shelton—it's not a true cost benefit analysis.

LL—It's really a cost of compliance. Cost to industry, consumer and government, those are the ones that are estimated. If there are estimates on cost to produce these fuels over time, that would help.

Member - The Dept of Economic Development tried to analyze what true cost would be and asked if anyone from that department weighed in?

Senator Hogg— Originally we weren't going to look at cost effectiveness for every measure. It complicates things because where do you stop? What we passed in the senate, the focus was on how do we turn the curve down to reduce GHG levels.

Richard Ney—On the second table on pg. 49, I cringe to see a single value for corn ethanol because some plants are using coal, natural gas, etc., for processing and I want to be careful that we recognize that so we can incentiveize those.

David Shelton—the top line is meant for ethanol in general and that 80% mix of ethanol would be a mix that would change. I'll add to that label...

Richard Ney—Suggested using “ethanol blend”.

Stephanie- At the last call I brought up a goal of biofuels to be biodiesel. I'm concerned about setting a goal of 80% by 2020 to come from ethanol with more info out there and I'd like to revisit that.

Senator Hogg—We could put that in the co-problems category. Maybe we need a co-problems discussion.

LL—The way the policy is structured is that it doesn't say how to reach the goal. I don't think policy is written to be binding to one fuel type. Suggested having ICCAC try to resolve it.

Member - What's going on on the June 12 meeting?

LL—We'll advance as many of these policy options forward that have language completed. TLU-5 and Fuel Strategies will be ready. As long as the group is ready to recommend those. The goal is to have policies and the numbers ready.

Senator Hogg- Questioned if the group should have a meeting on the 11th to go over what's being presented?

LL—We're trying to get as many things ready and completed by then.

Senator Hogg- Questioned if the group was going to go through the policy options one at a time.

LL—It depends on how ripe they are.

Senator Hogg-If not, the council will send back for further development? Maybe we don't need to meet on 11th.

LL—Before the 11th, we'll send out an updated version of this document and we can have more progress by email. Does that sound reasonable?

Stephanie—Mentioned that she has more wording changes.

LL—We'll go through one more iteration by email.

Stephanie—I've heard from ICCAC members. I'm wondering if there's a way to capture key issues so we can meaningfully get their input.

LL—The best thing this group can do is get consensus. If there are open issues, then we ask what ICCAC has direction on and what are the key questions. Let's plan to send an updated policy options document by email.

Senator Hogg—I've got a question on TLU-8 (vehicle standards). Don't we have something about new vehicles incentives? Gas prices being what they are, I'm thinking about a state program where if you buy a vehicle that gets over 32 mpg you get \$500 from the state and if you purchase a vehicle that gets over 40mpg you get \$1000 from state. A state funded rebate. With that, you'll assess how much you'll reduce GHG. Have we gotten into details about how you incentivize it?

LL—I tried to put in some more details and language. Used what other states are considering. It's often easier to use the carrot approach, politically. We can add to language.

Hogg-When do you expect to have something that would have guidance?

LL-There's something in there now, but I can add to it. Other final things? The next meeting is listed on the slide and for the June 12th meeting, everyone is welcome.

Stephanie—I covered all comments from full ICCAC and we'll want to be sure to incorporate our language in response to all their comments. If there's any other info that we haven't covered as mentioned in the last meeting, I'd like to be aware of that.

LL—We went through all that and think we got all of that. We'll try to update any remaining ones.

Agenda Item#4: Review & Discuss Iowa Draft Inventory and Forecast (comments / improvements)

Agenda Item#5: Agenda, Date and Time for Next Meeting

TLU SC Meeting #11

Friday, June 20th, 2008, 9:00 – 10:30AM CDT

TLU SC Meeting #12 (Proposed)

Friday, July 18th, 2008, 9:00 – 10:30AM CDT

Next ICCAC Full Council Meeting #5
Thursday June, 12 2008 from 9am – 4pm
At the Holiday Inn at Ameristar, in Council Bluffs, Iowa.

Agenda Item#7: Public Comments

Agenda Item#8: Announcements

LL- Please look for an email from CCS and if you can join us in Council Bluffs, that'd be great.