



**MEETING SUMMARY**  
**IOWA CLIMATE CHANGE ADVISORY COUNCIL**  
**Clean and Renewable Energy (CRE) Subcommittee (SC)**  
**Meeting #17, October 15, 2008, 1:00–3:00 p.m. CDT**

**Attendance**

*Iowa CRE SC Members:* Michelle Arenson, Alliant Energy; Roxanne Carisch, Calhoun County Electric Cooperative Association; Dean Crist, MidAmerican Energy Company; Thomas Fey, Fey & Gomez, Inc.; Jeff Myrom, MidAmerican Energy Company; Robert Loyd, Clipper Windpower; Pam Mackey-Taylor, Sierra Club; Norman Olson, ISU Iowa Energy Center; John Pearce, IUB; Wally Taylor, Sierra Club; Mike Thatcher, Corn Belt Power Cooperative

*Iowa Department of Natural Resources:* Jason Marsalis for Marnie Stein

*IUB:* Amy Christensen

*Other:* Mark Landa

*Center for Climate Strategies (CCS):* Tom Peterson, technical advisor and facilitation support; Adam Rose and Dan Wei, analytical support; Joan O'Callaghan, administrative support

**Background Documents**

The following documents for call #17 were posted at: <http://www.iaclimatechange.com>:

- Notice and Agenda
- Summary of IA CRE SC Meeting #17
- IA CRE SC PowerPoint Presentation
- IA CRE POD

**Discussion Items and Key Issues**

***Meeting Introduction***

Tom Peterson called the meeting to order and took attendance. The draft summary for meeting #16 was approved with the following changes: (1) move Jeff Myrom's name from "Other" to "Iowa CRE SC Members"; and (2) under the Meeting Introduction section, change "consensus" to "understanding."

***General CRE POD Revisions***

There were no objections to the revised text under the Types of GHG Reductions section, or the new text under the Key Uncertainties section.

***CRE-4b. Carbon Tax (All Sectors Except AFW)***

There was some discussion about overlaps among policy options. The estimated GHG reduction potential for CRE-8 is listed as zero in the table on page 10 of the PowerPoint presentation to avoid 100% double counting with CRE-5 (Performance Standards). CRE-5 is not listed in the table; the footnote should be revised to reflect why.

Adam Rose explained that as the cost curve rises, requirements for emission reductions fall. The costs of compliance will be the same, but the carbon tax revenue will be lower. The analysis does not attempt to advise the CRE SC on how to best use the tax revenue. This led to discussion about whether the tax is regressive or progressive, with general agreement that it could be either.

Rose will add text to the column headings of Table 4 on page 13 of the PowerPoint presentation, to reflect how the numbers in the columns relate to each other. For example, the addition of the mitigation costs and the carbon tax payments yields the net costs. Also, the title of the table will be changed to reflect that it's a carbon tax covering all sectors, except for the agriculture, forestry, and waste management (AFW) sectors.

There was extensive discussion about whether to delete from the marginal cost curve the climate mitigation actions that wouldn't happen with a carbon tax, in order to develop a more accurate cost curve of the tax. (See the list of actions on page 10 of the PowerPoint presentation.) Recommended deletions include TLU-4 (Passenger Rail Service), TLU-8 (New Vehicle Standards), TLU-10 (Fuel Strategies), EEC-9 (MGA Platform), and EEC-10 (Improved Building Codes). Other SC members oppose deleting any policy options unless good data are available to justify such deletions. It was clarified that these deletions would be for modeling purposes only, and not deleted from the set of policy options being recommended to the ICCAC.

The SC agreed on a compromise that will entail developing a second list of mitigation actions that will be modeled to develop a new cost curve of actions affected by a carbon tax. Jeff Myrom will propose a list of policy options that should be excluded from the new cost curve. The list will be distributed to the SC for review and to Adam Rose for running the new numbers. The SC will discuss the results during teleconference #18. The current and new lists and cost curves will be presented to the ICCAC at the next meeting for its decision on how to proceed with this issue.

***CRE-7. Policies Related to Nuclear Power***

The SC differed about the need to include under the Key Uncertainties section the information under the third bullet on page 7 of the PowerPoint presentation regarding the nuclear costs from PEF and FPL. Some SC members noted that the cost estimates (e.g., natural gas, wind) for other policy options should be updated if the estimates for CRE-7 are updated. A compromise was proposed to include text along the lines of: "As with other CRE modeling assumptions (e.g., natural gas, wind), the cost of nuclear power is higher today than previously modeled. Here are the latest cost numbers for nuclear power." The SC agreed to forward the text on page 7 of the PowerPoint presentation to the ICCAC for its review at the next meeting, and to note the SC's 50-50 split on how to proceed.

### ***CRE-9. Transmission System Upgrading***

No new text has been inserted under the Policy Description section because the two SC members who proposed new text could not reach agreement on new draft text. The SC approved the distribution of Amy Cristensen's and Pam Mackey-Taylor's proposed text to SC members for their review, and the presentation of both proposals at the next ICCAC meeting.

The SC also approved the new text under the Implementation Mechanisms section, and recommended moving the text to the Policy Design section under the subheading "Other."

### **Next Steps**

The next CRE SC call will focus on the newly modeled cost curve for CRE-4b.

### **Upcoming Call Schedule**

SC CRE teleconference call #18 will be held Thursday, October 30, 2008, from 1:00 to 2:00 p.m. Central time.

### **Public Comments**

None.

### **Announcements**

None.