



MEETING SUMMARY
IOWA CLIMATE CHANGE ADVISORY COUNCIL
Clean and Renewable Energy (CRE) Subcommittee
Meeting #13, July 30, 2008, 1:00 PM CDT

Attendance

Iowa CRE SC Members: Kim Handlos and Mark Landa for Roxanne Carisch, Rural Electric Cooperative;

Tom Fey, Fey & Gomez, Inc.;

Michelle Arenson, Alliant Energy;

Bob Loyd, Clipper Windpower;

Pam Mackey-Taylor, Sierra Club;

Rep. Donovan Olson, Iowa Legislature;

Norman Olson, Iowa Energy Center;

John Pearce, Iowa Utilities Board;

Krista Tanner, Iowa Utilities Board;

Wally Taylor, Sierra Club;

Mike Thatcher, Corn Belt Power Coop

Others:

Jeff Myrom, MidAmerican Energy Company;

Bob MulQueen, IA Energy Office

Amy Christensen, Iowa Utilities Board;

Iowa Department of Natural Resources: Marnie Stein.

Center for Climate Strategies (CCS): Hal Nelson, technical advisor and facilitation support; Tom Peterson, facilitation support; Katie Pasko, administrative support.

Background Documents

The following documents for call #13 were posted at: <http://www.iacclimatechange.com>:

- Notice and Agenda
- Draft Summary of Meeting #12
- CRE PowerPoint Presentation
- Iowa Biomass Supply Curve
- IA CRE POD

Discussion Items and Key Issues

Hal Nelson called the meeting to order and took attendance. The draft meeting summary for call #12 was reviewed and approved with corrections to the attendance list. Tom Peterson provided an overview of the process and expectations of call #13. Quantification and language of the PODs will be reviewed, including a discussion of the Biomass Supply Curve document.

The IACAC will be reviewing all policy options at its next meeting and voting on final resolution of all finalized policy options. As a result, the SC will focus on reaching a "final recommendation" status on as many policy options as possible.

Review of Biomass Supply Curve Memo

Nelson led a review of the Biomass Supply Curve memo. Waste-to-Energy and Landfill Gas costs and supplies were established back in May. Wind, biomass co-firing, biomass energy crops, and repowering hydro were added since the last call. Levelized costs have been updated.

The Biomass Supply Curve memo was compiled with the help of the Agriculture and Forestry subcommittee and contains the values used by that SC. Nelson reviewed the Cost/MMBtu delivered values. The forest products value seems low, but does not impact the work of this SC. There is a very limited supply of forest residue in Iowa. The quantification focuses on the major supply sources. Concerns were expressed about the agricultural by-products values. Additional data will be supplied by members to the SC.

Discussion with Steve Rowe will also be arranged regarding the agricultural by-products and energy crop data sources, especially the extent of hybrid poplar use.

Review of Policy Option Document

All members are asked to send additional comments to Hal Nelson for inclusion.

CRE-1 Education - Approved to present to IACAC as amended

Add language from May 29th version back to Additional Benefits and Costs section:

“With the aggressive approach that the state of Iowa has taken in luring wind and biofuels companies and subsequent installation development within the state, Iowa stands to gain a leadership position as an exporter of clean energy.”

Outline programs and policies in place to elaborate on the "aggressive approach" in the Additional Benefits section for inclusion in the Related Programs sections.

CRE-2 Technology Initiatives, Including Renewables Approved to present to IACAC

Nelson led a review of the policy goal and quantification section, using the biomass data as presented.

Nelson explained that the Net Present Value figures are positive for net costs and negative for net savings. A column will be added to show the impact on ratepayers in 2020, in \$/MWh. The value is based on the currently available generation data.

No additional concerns on CRE-2 were presented, and it was approved for the next ICCAC meeting.

Bob Holmes' memo will be circulated for review and future discussion. The focus of this memo is on energy efficiency rather than generation. The EEC SC is looking at avoiding construction and reducing demand levels. This group is looking at generation sources, avoiding construction by creating new sources. The results of the New Build assumptions memo distributed in the spring resulted in the focus on two coal-fired plants: Marshalltown and one other plant, both coming on line in 2013–2014.

Marshalltown will not be in the base case analysis of the Inventory and Forecast (I&F), as it is not yet permitted. It will be included as a special case.

Members should review all the areas covered in the quantification memo posted on the website prior to the next meeting, with a focus on overarching issues. Questions should be sent to Hal Nelson by COB on Tuesday, August 5.

The TLU SC will be asked to review changes to fuel mix and the resulting impact on electrical demand.

More current data for load growth are needed to meet the goal of updating the I&F.

CRE-4b—Carbon Tax

The SC had recommended moving CRE-4b to the Cross-Cutting SC. However, since the last meeting, it was decided not to move it because the Cross-Cutting SC is not set up to perform quantifications, so responsibility for this policy option remains with the CRE SC.

Next Steps

Members should review the Quantification Memo, as outlined in CRE-2 above.

Key Issues to be reviewed during the next call include:

- CRE-3 Cap-and-Trade programs – regional and national. Additional information and data will be provided to facilitate this discussion.
- CRE-4b Carbon Tax will be quantified by the CRE SC.
- Edits to the POD should be sent to Hal Nelson for inclusion in the next call.

Upcoming Call Schedule

CRE Call #14—August 8, from 10:00 to 12:00 p.m. CDT.

Public Comments

None.

Announcements

None.