

Alaska Climate Change Strategy Mitigation Advisory Group Executive Summary

The Alaska Climate Change Mitigation Advisory Group (MAG), convened by the Alaska Climate Change Sub-Cabinet, is pleased to present this compelling assessment and set of recommendations to mitigate the state's emissions of greenhouse gases for the Sub-Cabinet's consideration and further analysis. Although Alaska's greenhouse gas (GHG) emissions constitute only 0.7% of U.S. GHG emissions, climate change has affected both Alaska and the entire Arctic region much more profoundly and rapidly than other regions of the world. Accordingly, leadership actions by Alaska will serve as an example to the rest of the nation and the global community that definitive, effective measures implemented now will mitigate the deleterious economic impacts of a disrupted climate and help ensure a healthier future.

On September 14, 2007, Governor Sarah Palin signed Administrative Order 238, which established the Alaska Climate Change Sub-Cabinet and tasked it with preparing Alaska's Climate Change Strategy. A warming climate is having serious and broad-scale impacts in Alaska, including flooding of villages; increasingly strong coastal storms, eroding the beaches of coastal villages; subsidence from thawing of permafrost; and a record number of forest fires threatening communities, property, and air quality. The comprehensive Alaska Climate Change Strategy describes the actual and foreseeable effects of climate warming in Alaska, recommends appropriate measures and policies to prepare communities for responding to them, and provides guidance regarding Alaska's participation in regional and national responses to climate change.

The Sub-Cabinet formed two Work Groups to address Alaska's immediate and research needs, and two Advisory Groups to focus on climate mitigation and adaptation in the state. This report details the processes, analyses, and recommendations of the diverse group of 26 expert members of the MAG to reduce Alaska's GHG emissions, such as the expanded use of energy conservation and efficiency, renewable energy and fuels, land-use management, and transportation planning. The MAG recognizes that the Sub-Cabinet will undertake further review, input, and analysis of these options before making its final recommendations to the Governor's Office.

Sector-specific Technical Work Groups (TWGs) comprised of subject-matter experts, advised the MAG in each of the following areas: Cross-Cutting Issues; Energy Supply and Demand; Forestry, Agriculture, and Waste Management; Oil and Gas; and Transportation and Land Use.

Alaska's Department of Environmental Conservation (DEC) provided the overall leadership of the effort and substantive support. The Center for Climate Strategies (CCS), a nonpartisan, nonprofit organization guided the process, facilitating the MAG and TWG meetings and conference calls with the capable assistance of two local Alaskan facilitators and provided technical expertise for quantification of the costs and benefits of the policy recommendations.

The MAG recommends 34 policies for the Sub-Cabinet's consideration and further analysis. Many of these policies are quantified in terms of potential GHG emissions reduced and direct

costs or savings. An overview of the MAG's work, by sector, can be found in the report's chapters, and detailed analyses of the recommended policy options are presented in the appendices. The MAG approved 32 of the 34 policies unanimously; the two exceptions are noted. The estimated efficacy of these policies can be compared against the Alaska GHG Inventory and Forecast (I&F)¹ that was prepared prior to, and updated throughout, the MAG process.

Inventory of Alaska's Greenhouse Gas Emissions

CCS initially prepared a comprehensive draft I&F of emissions in 2007 for the Alaska DEC. The report presented an assessment of the state's GHG emissions and sinks (carbon storage) from 1990 to 2020. In 2009, the forecast was updated and extended to 2025. The draft I&F provided an initial comprehensive understanding of Alaska's actual and potential GHG emissions, and thereby informed the identification and analysis of policy options for mitigating GHG emissions. The MAG and TWGs have reviewed, discussed, evaluated and revised the draft inventory, forecast, and methodologies as well as alternative data and approaches. Those revisions have been incorporated in this report.

Emissions and Reference Case Projections (Business as Usual)

Alaska's anthropogenic (human-caused) GHG emissions and sinks were estimated for the period 1990–2025. Historical GHG emission estimates (1990–2005) were developed from the best data available. The reference case emission projections (2006–2025) are based on a compilation of various existing projections of fuel use, electricity generation, and other GHG-emitting activities for Alaska, along with a set of transparent assumptions described in the appendices of this report.

The I&F covers the six types of gases included in the U.S. Greenhouse Gas Inventory:² carbon dioxide (CO₂), methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Emissions of these GHGs are presented using a common metric, CO₂ equivalence, which indicates the relative contribution of each gas to atmospheric change as compared to CO₂.

Activities in Alaska accounted for approximately 50.6 million metric tons³ of carbon dioxide equivalent (MMtCO₂e) emissions in 2005, an amount equal to about 0.7% of total U.S. gross GHG emissions.⁴ Estimates of carbon sinks, i.e., CO₂ sequestered in Alaska's managed forests⁵, are -1.4 MMtCO₂/year. This leads to net emissions of 49.2 MMtCO₂e in Alaska in 2005. Table EX-1 summarizes these figures.

¹ Center for Climate Strategies. *Final Alaska Greenhouse Gas Inventory and Reference Case Projections: 1990–2025*. Prepared for the Alaska Climate Change Mitigation Advisory Group, July 2009, available at http://www.akclimatechange.us/Inventory_Forecast_Report.cfm.

² U.S. Environmental Protection Agency, *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2006*, EPA 430-R-08-005, April 15, 2008. Available at: <http://epa.gov/climatechange/emissions/usinventoryreport.html>.

³ One metric ton is equivalent to 2,200 pounds.

⁴ Gross emissions exclude carbon sinks, such as forests, which absorb carbon dioxide and result in lower net GHG emissions.

⁵ Managed forests reference coastal maritime forests in Alaska. See Appendix H: Forestry, Agriculture, and Waste Management Sectors.

Table EX-1. Summary of Alaska historical and projected gross and GHG net emissions, 1990–2025 (MMtCO₂e)

Types of Emissions	1990	2000	2005	2010	2020	2025
Total Gross Emissions	39.0	46.1	50.6	53.5	60.3	62.8
<i>Increase over 1990</i>		18%	30%	37%	55%	61%
Forest Carbon Sinks	-0.3	-1.4	-1.4	-1.4	-1.4	-1.4
Total Net Emissions	38.7	44.7	49.2	52.1	58.9	61.4
<i>Increase over 1990</i>		15%	27%	35%	52%	59%

GHG = greenhouse gas; MMtCO₂e = million metric tons of carbon dioxide equivalent.

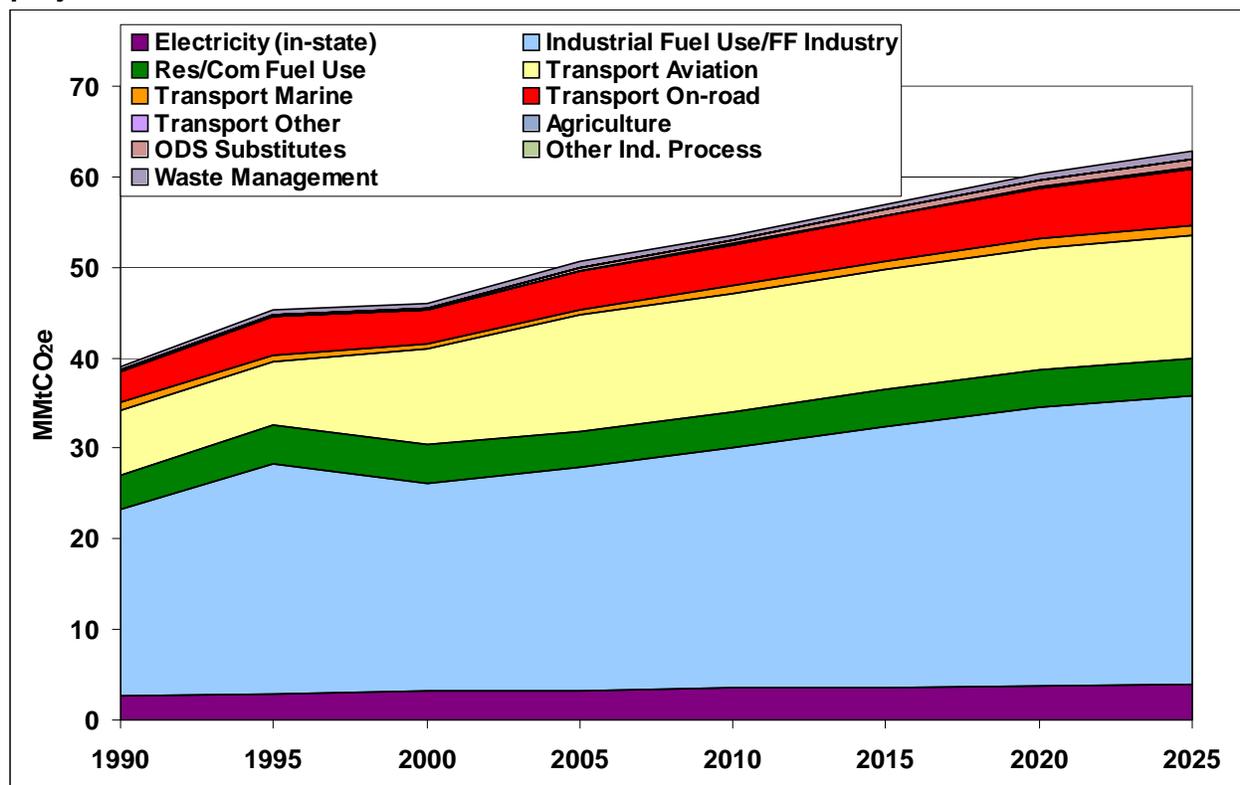
Alaska’s gross GHG emissions grew at a faster rate than those of the nation as a whole. From 1990 to 2005, Alaska’s gross GHG emissions increased by 30%, while national emissions rose by 16%.

Gross emissions by sector, both historical and projected under a business-as-usual (BAU) scenario, are illustrated in Figures EX-1 and EX-2. A consumption-based model is used, as opposed to a production-based model. This means that only emissions related to products purchased or obtained within Alaska are included, as opposed to emissions from producing a product that is consumed outside the state. One particularly challenging aspect has been to segregate aviation fuel purchased for aircraft that are using Alaska’s airports for refueling stops en route to out-of-state destinations.⁶ Most of the aviation GHG emissions associated with jet fuel sold in Alaska are emitted in flight, outside of Alaska’s borders.

The principal source of Alaska’s GHG emissions is the industrial sector, accounting for 49% of total state gross GHG emissions in 2005. The industrial sector includes direct fossil fuel combustion at industrial sites as well as fossil fuel industry emissions associated with natural gas production, processing, transmission and distribution, flaring, fugitive methane from leaks and venting, and pipeline fuel use, as well as with oil production and refining and coal mining emission releases. The next-largest contributor to total gross GHG emissions is the transportation sector, which accounted for 35% of the total Alaska gross GHG emissions in 2005.

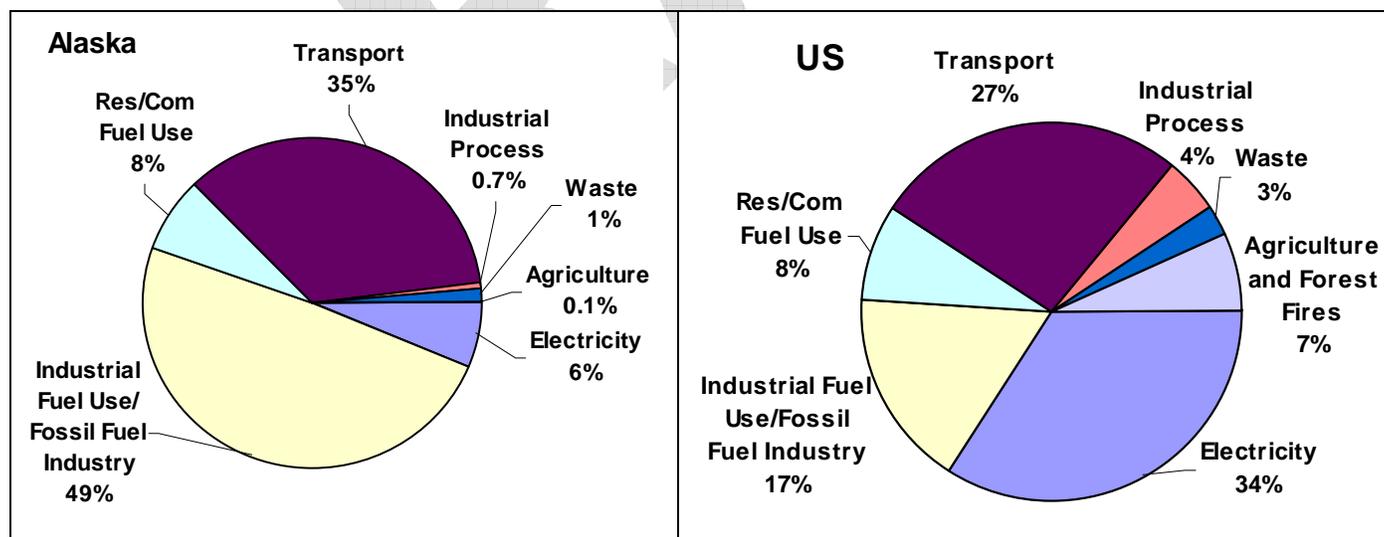
⁶ See Chapter 7: Transportation and Land Use Sectors and Appendix J: Transportation and Land Use Policy Recommendations.

Figure EX-1. Gross Alaska GHG emissions by sector, 1990–2025: historical and projected



GHG = greenhouse gas; MMtCO₂e = million metric tons of carbon dioxide equivalent; FF=fossil fuel; Res/Com = direct fuel use in the residential and commercial sectors; ODS = ozone-depleting substance.

Figure EX-2. 2005 Alaska emissions by sector



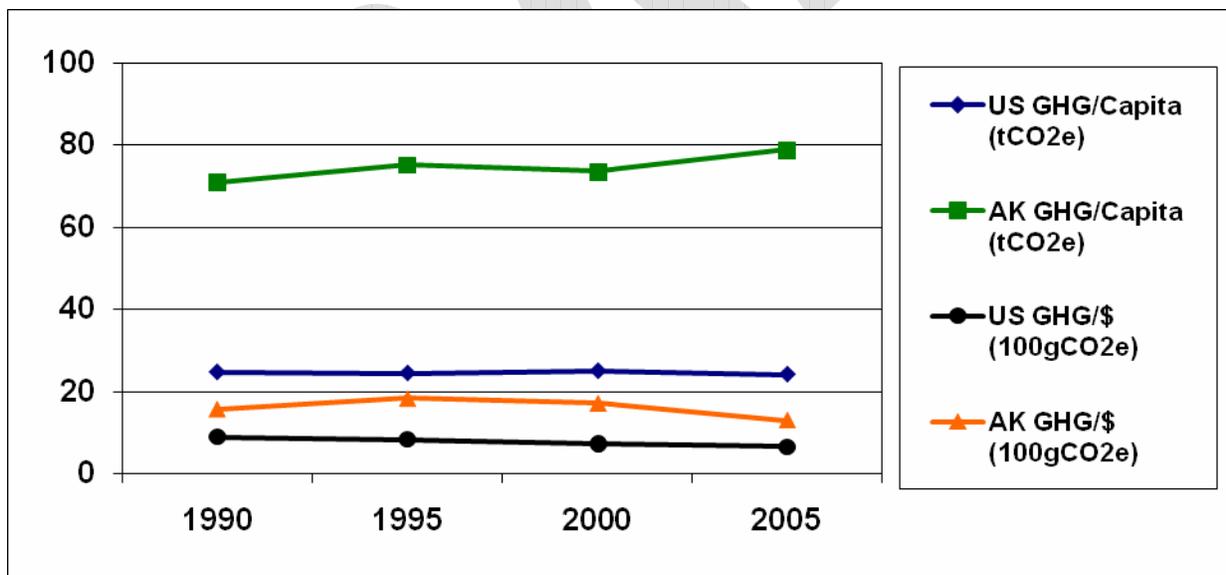
Notes: Res/Com = Residential and commercial fuel use sectors.

Emissions from the residential and commercial fuel use sectors are associated with the direct use of fuels (natural gas, petroleum, coal, and wood) to provide space heating, water heating, process heating, cooking, and other energy end uses. The commercial sector accounts for emissions

associated with the direct use of fuels by, for example, hospitals, schools, government buildings (local, county, and state), and other commercial establishments. The industrial fuel use/fossil fuel industry sector accounts for direct fuel combustion in the industrial sector as well as fugitive methane that occurs from leaks and venting during the production, processing, transmission, and distribution of fossil fuels. The industrial processes sector accounts for emissions associated with manufacturing and excludes emissions included in the industrial fuel use/fossil fuel industry sector. The transportation sector accounts for emissions associated with fuel consumption by all on-road and non-highway vehicles. Non-highway vehicles include jet aircraft, gasoline-fueled piston aircraft, railway locomotives, boats, and ships. Emissions from non-highway agricultural and construction equipment are included in the industrial sector. Electricity = Electricity generation sector emissions on a consumption basis. In Alaska, the electricity consumed is assumed to be the same as the electricity produced in the state.

On a per-capita basis, Alaskans emitted about 79 metric tons (t) of CO₂e in 2005, higher than the national average of 24 tCO₂e in 2005 (Figure EX-3). The higher per-capita emission rates in Alaska are driven by emissions from the industrial fuel combustion and transportation sectors, which are much higher than the national average. During 1990–2005, per-capita emissions in Alaska increased slightly; economic growth exceeded emissions growth, leading to declining estimates of GHG emissions per unit of state product; and emissions per unit of gross product dropped by 26% nationally and by 17% in Alaska.

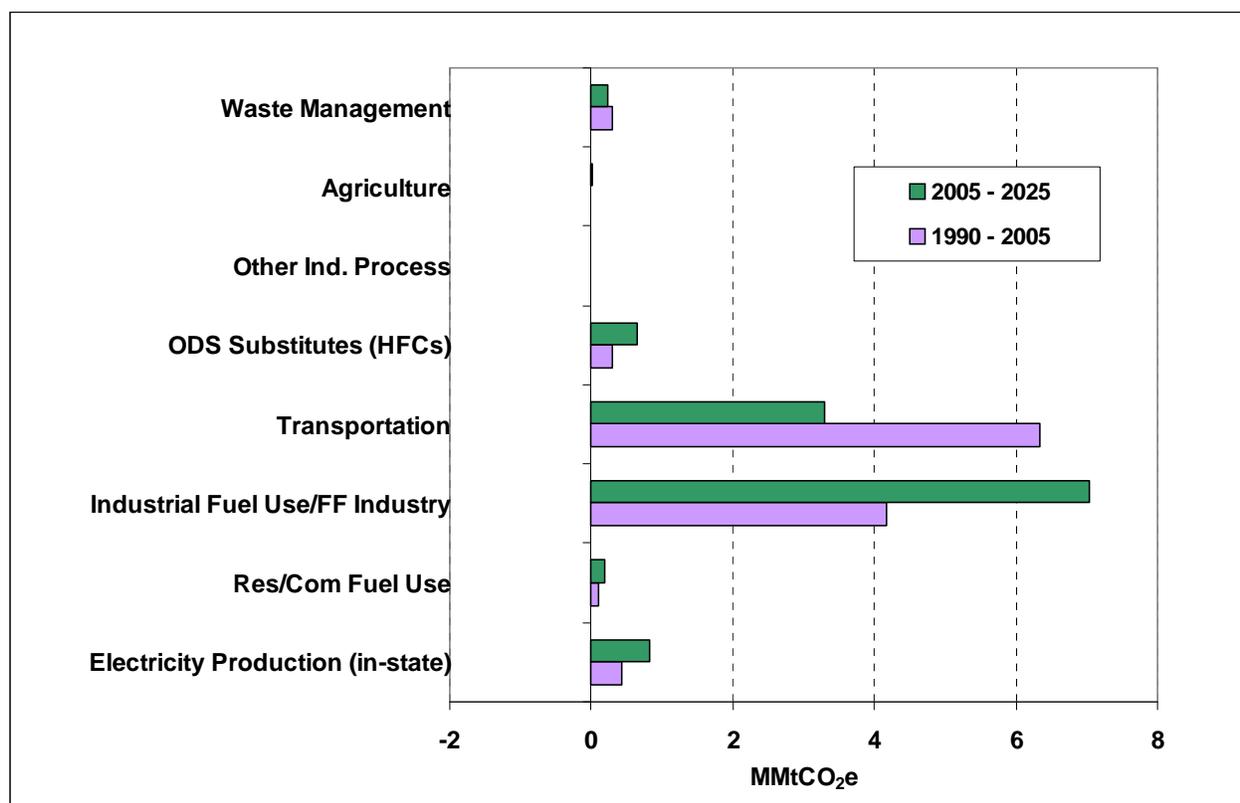
Figure EX-3. Comparison of U.S. and Alaska GHG emissions, per capita and per-unit gross product



AK = Alaska; CO₂e = carbon dioxide equivalent; g = gram; GHG = greenhouse gas; tCO₂e = metric tons of carbon dioxide equivalent.

Alaska's gross GHG emissions are projected to climb to 62.8 MMtCO₂e per year by 2025—61% above 1990 levels. Historical and projected GHG emissions by sector are displayed in Figure EX-4. As shown in Figure EX-4, emissions associated with Industrial fuel use are projected to be the largest contributor to future emissions growth, followed by emissions from the transportation sector.

Figure EX-4. Historical and projected emissions by sector



MMtCO₂e = million metric tons of carbon dioxide equivalent; Ind. = industrial; ODS = ozone-depleting substance; HFCs = hydrofluorocarbons; FF= fossil fuel; Res/Com = residential and commercial sectors.

Some data gaps exist in this analysis, particularly for the reference case projections. Emissions of aerosols, which include volcanic dust and “black carbon” from fossil fuel combustion, could have significant climate impacts through their effects on radiative forcing.⁷ Total estimated black carbon emissions for 2002 were 3.0 MMtCO₂e. It is estimated that black carbon emissions will decrease by 2018 after new engine and fuel standards take effect. These estimates are not incorporated into the Alaska reference case projections because a global warming potential for black carbon has not yet been assigned by the Intergovernmental Panel on Climate Change.

Primary tasks for future GHG inventory work in Alaska include review and revision of key emissions drivers. These are most notably electricity, fossil fuel production, transportation fuel use growth rates, and future electricity generation source mix, which will be major determinants of Alaska’s future GHG emissions.

Appendix D, Alaska Greenhouse Gas Inventory and Reference Case Projections, provides detailed background information on GHGs and climate-forcing aerosols.

⁷ Change in the radiation balance between the energy absorbed by the Earth and that, which is radiated back into space. Particulate matter in the atmosphere can absorb or reflect energy. Values for the full spectrum of emission aerosols have not yet been set by the Intergovernmental Panel on Climate Change.

Recent Climate Change Mitigation Actions

The federal Energy Independence and Security Act of 2007 was signed into law in December 2007, requiring actions that will reduce GHG emissions over the next few years. GHG emission reductions associated with implementing the Corporate Average Fuel Economy (CAFE) requirements in Alaska were quantified. The MAG also identified recent actions that Alaska has undertaken to control GHG emissions and conserve energy. A weatherization bonding program reduces emissions relative to the overall BAU reference case projections slightly. This program is only funded from 2010 to 2014, and would account for a reduction of about 0.07 MMtCO₂e in 2010. Future reductions were not quantified, as it cannot be assumed that the program will continue beyond 2014.

Table EX-2 summarizes the GHG emission reductions projected to be achieved by these recent actions. This table shows a total reduction of about 0.7 MMtCO₂e in 2025 from the BAU reference case emissions, or a 1.2% reduction from the BAU emissions in 2025 for all sectors combined.

Table EX-2. Emission reduction estimates associated with the effect of recent actions in Alaska (consumption-based, gross emissions)

Sector/Recent Action	GHG Reductions (MMtCO ₂ e)		GHG Emissions (MMtCO ₂ e)	
			Business as Usual	With Recent Actions
	2015	2025	2025	2025
Residential/Commercial/Industrial (RCI) Fuel Use				
Weatherization Bonding	0	0	33.9	33.9
Transportation and Land Use (TLU)				
Federal Corporate Average Fuel Economy (CAFE) Requirements	0.22	0.73	21.1	20.4
Total (RCI + TLU Sectors)			55	54.3
Alaska Total (All Sectors)			62.8	62.1

MMtCO₂e = million metric tons of carbon dioxide equivalent.

Alaska Climate Change Strategy Mitigation Advisory Group Recommendations

Along with the data from the I&F, individual members of the MAG contributed insights, observation, experience, and data from their particular field of expertise. These, combined with presentations from renowned scientists, agency personnel, and practitioners in the fields of climate change and energy policy, fortified the MAG and TWGs while they deliberated over actions most likely to effectively reduce GHG emissions in Alaska.

The MAG and TWGs began with a catalog of over 350 potential actions and policies that could be adopted to mitigate climate change. This catalog was compiled by CCS based on its extensive experience in over 25 other states and regions. Alaskans involved in the MAG and

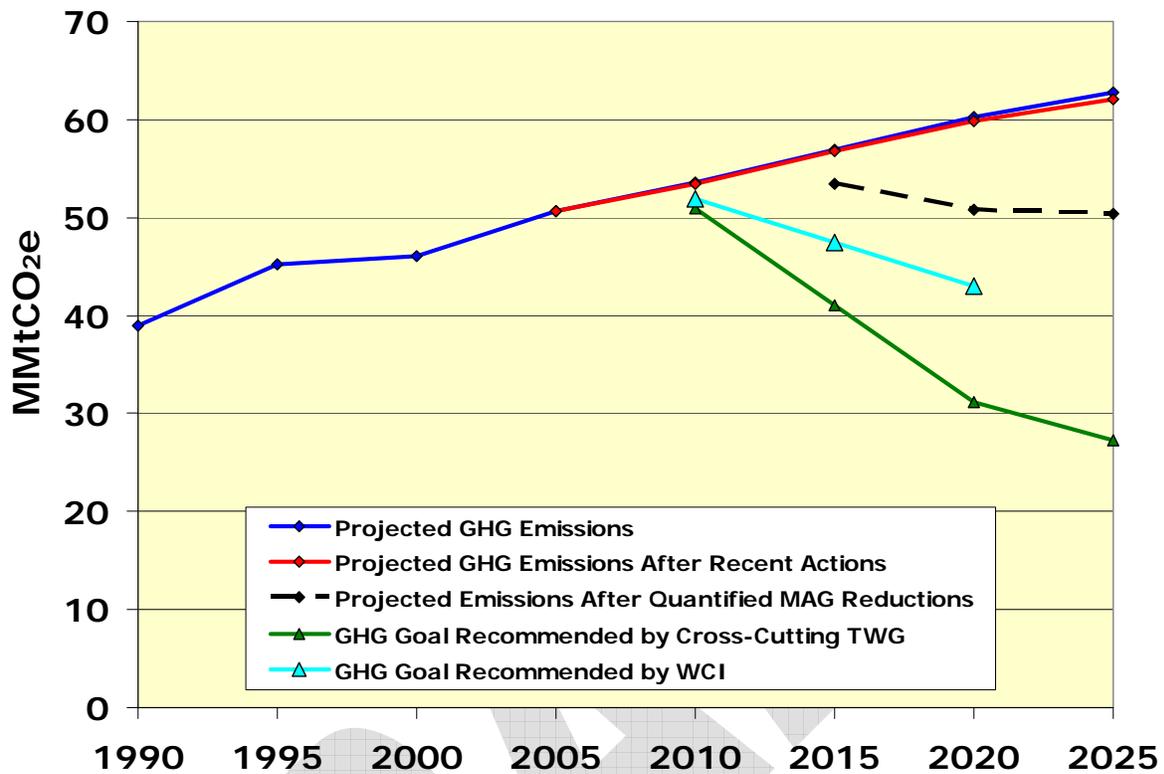
TWG processes carefully weighed, combined, customized, and prioritized the actions that seemed most viable for the state. Through iterative processes and joint deliberation, 34 options, somewhat evenly distributed in number by sector, were identified for further study.

Participants developed comprehensive descriptions and designs of the policy options. They then identified potential goals and implementation measures for each, noting any related programs or policies in place or pending implementation. Parties whose involvement would be necessary were also identified. Policies that were quantifiable were carefully evaluated by CCS's technical experts for reductions in GHG emissions and associated direct costs. These quantifications were reviewed, revised where necessary, and approved by the MAG. The results for each sector are displayed later in this Executive Summary and are discussed in detail in the report's chapters and appendices.

Cumulatively, if all quantified actions were implemented, there would be a reduction in GHGs from 62.1 to 50.4 MMTCO₂e by 2025. This is 11.7 MMTCO₂e below the BAU projection if no actions other than federal CAFE standards were implemented. Figure EX-5 illustrates the projected results from different reduction strategies. The green line on this graph (the lowest line) illustrates the reduction target that the Cross-Cutting Issues (CC) TWG recommended that the Sub-Cabinet consider as a statewide goal.⁸ For comparison purposes, the recommended emission reduction goal from the Western Climate Initiative (WCI) is also shown. WCI is comprised of seven western states and four Canadian provinces as members; seven other U.S. states and six Mexican states are observers. Alaska is an observer state.

⁸ See Chapter 3: Cross-Cutting Issues and Appendix F: Cross-Cutting Issues Policy Recommendations.

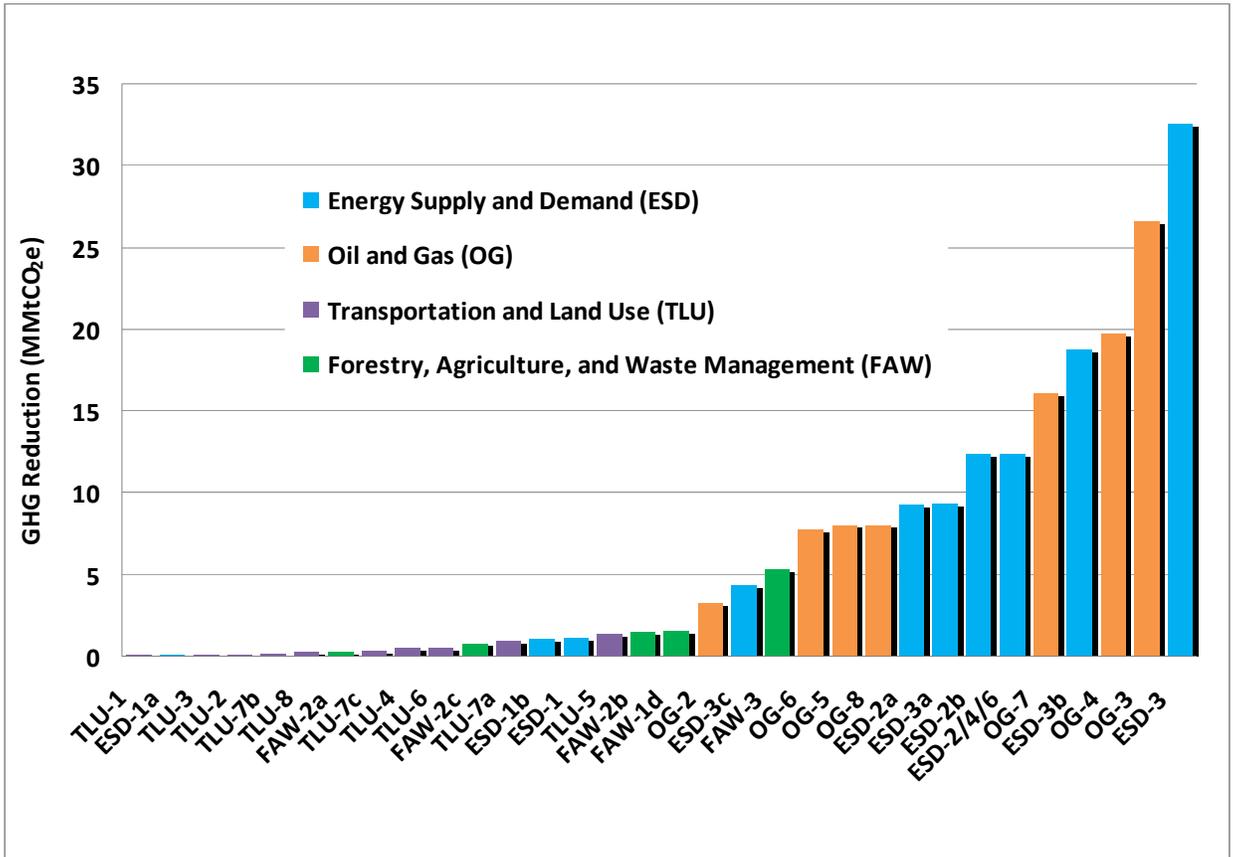
Figure EX-5. Projected Alaska GHG emission scenarios: historical to 2025 (consumption-based, gross emissions)



GHG = greenhouse gas; MAG = Mitigation Advisory Group. MMtCO_{2e} = million metric tons of carbon dioxide equivalents; TWG = Technical Work Group; WCI = Western Climate Initiative.

Figure EX-6 displays the projected GHG emission reductions over the lives of the recommended policy options. Each policy option is identified by the sector it represents and a specific number, which can be cross-referenced in the report's chapters and appendices. Figure EX-7 displays the quantified policy options by their costs or savings per MMtCO_{2e} reduced. Note that bars below the base line indicate cost savings.

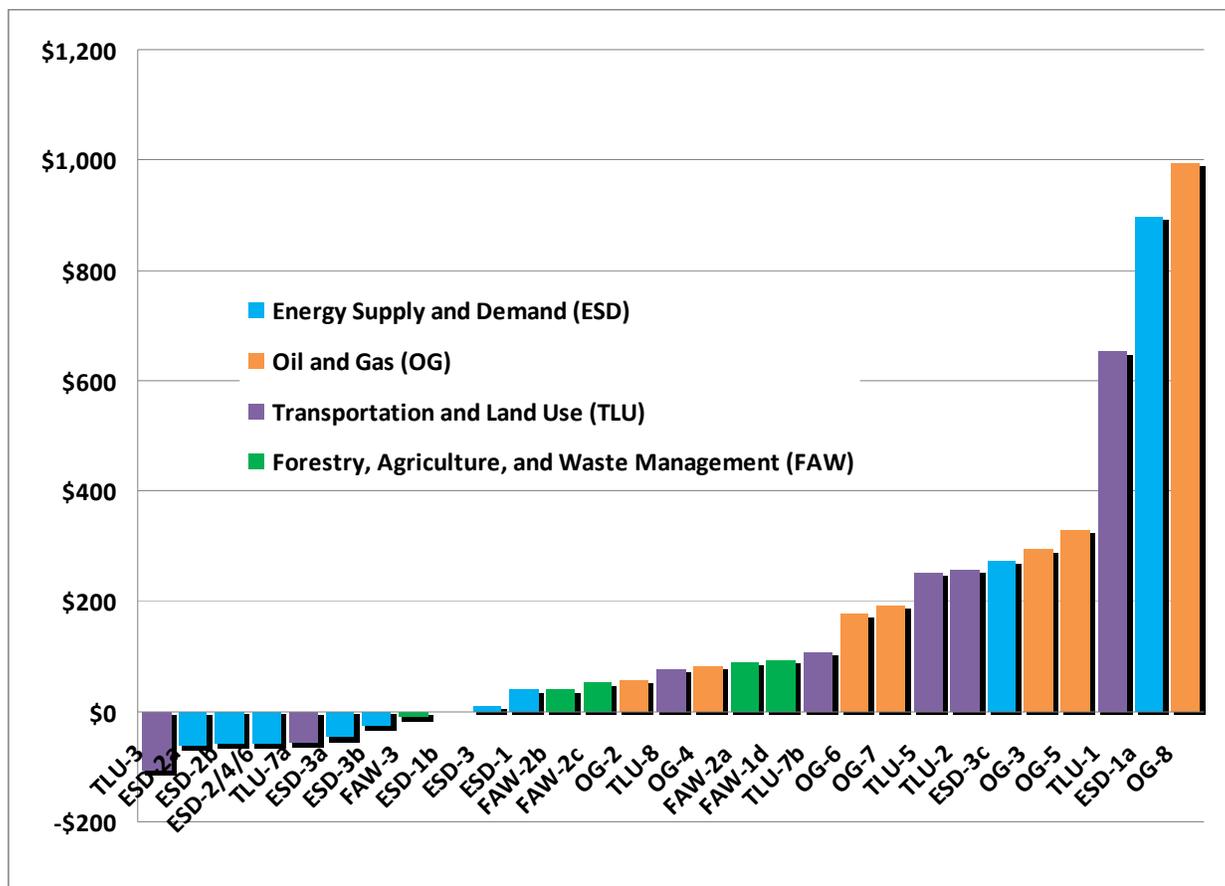
Figure EX-6. Cumulative GHG reduction potential of Alaska policy recommendations, 2010–2025



DR

GHG = greenhouse gas; MMtCO₂e = million metric tons of carbon dioxide equivalent.

Figure EX-7. Alaska policy recommendations ranked by cost/savings per ton of GHG reduced, 2010–2025



Negative values indicate a cost-savings.

Table EX-3 shows the cumulative emission reductions expected from implementing quantifiable policy recommendations. Any potential double counting from overlaps in policy design and implementation measures has been eliminated. The costs presented are directly related to the implementation of specific measures, and do not consider ancillary benefits/costs or indirect expenditures or savings. Negative costs indicate savings.

Table EX-3. Alaska cumulative emissions reductions and costs

Alaska Cumulative Reductions and Costs/Savings	2015 MMtCO ₂ e	2020 MMtCO ₂ e	2025 MMtCO ₂ e	2010-2025 MMtCO ₂ e	NPV 2010–2025 Cost/ Cost Savings (Million \$)	Cost/Savings per Ton CO ₂ e
Energy Supply and Demand	1.9	3.0	5.3	40.7	-\$191	-\$5
Oil and Gas	0.751	4.8	4.8	46.2	\$7,530	\$163

Alaska Cumulative Reductions and Costs/Savings	2015 MMtCO ₂ e	2020 MMtCO ₂ e	2025 MMtCO ₂ e	2010-2025 MMtCO ₂ e	NPV 2010–2025 Cost/ Cost Savings (Million \$)	Cost/Savings per Ton CO ₂ e
Transportation and Land Use	0.19	0.31	0.42	3.85	\$364	\$95
Forestry, Agriculture, and Waste Management	0.47	0.8	1.11	9.5	\$84	\$9
Cross-Cutting						
Total	3.3	9.0	11.7	100.2	\$7,787	\$0.0

CO₂e = carbon dioxide equivalent; MMtCO₂e = million metric tons of carbon dioxide equivalent; NPV = net present value.

Technical Work Group Recommendations Approved by the Mitigation Advisory Group

Cross-Cutting Issues Policy Recommendations

This TWG reviewed and considered policies related to government lead-by-example actions, outreach, education, GHG inventories and reporting, GHG goals and targets, and financial policies related to climate change.

The CC TWG considered policy options of relevance or benefit across several or all of the sector-specific TWGs. In addition to evaluating emission mitigation activities that cut across sectors, the CC TWG examined policies that enable or provide overall support for other climate actions. The specific GHG reductions and costs of these cross-cutting policies are generally difficult to quantify. Nonetheless, if successfully implemented, the recommended actions presented in Table 4 will support the implementation of other policy recommendations described in the chapters and appendices of this report, and will contribute to GHG emission reductions overall.

Setting a statewide goal occupied much thought and debate throughout the MAG process. A thorough discussion of options, rationale, and findings is found in Chapter 3, under policy recommendation CC-2.

Table EX-4. Summary list of Mitigation Advisory Group policy recommendations for Cross-Cutting Issues sector

Policy No.	Policy Recommendation	GHG Reductions (MMtCO ₂ e)				Net Present Value 2010–2025 (Million 2005\$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support
		2015	2020	2025	Total 2015–2025			
CC-1	Establish an Alaska Greenhouse Gas Emission Reporting Program	<i>Not Quantified</i>						Unanimous, but on hold
CC-2	Establish Goals for Statewide GHG Emission Reduction	<i>Not Quantified</i>						Majority
CC-3	Identify and Implement State Government Mitigation Actions	<i>Not Quantified</i>						Unanimous
CC-4	Integrate Alaska’s Climate Change Mitigation Strategy With the Alaska Energy Plan	<i>Not Quantified</i>						Unanimous
CC-5	Explore Various Market-Based Systems to Manage GHG Emissions	<i>Not Quantified</i>						Unanimous
CC-6	Coordinate Implementation of Alaska’s Efforts to Address Climate Change	<i>Not Quantified</i>						Super-majority

GHG = greenhouse gas; MMtCO₂e = million metric tons of carbon dioxide equivalent; \$/tCO₂e = dollars per metric ton of carbon dioxide equivalent.

The numbering used to denote the above policy recommendations is for reference purposes only; it does not reflect prioritization among these important policy recommendations.

Energy Supply and Demand Policy Recommendations

This TWG reviewed and analyzed issues related to energy production and consumption in the residential, commercial, and industrial sectors.

The Energy Supply and Demand (ESD) TWG explored various aspects of ESD issues affecting the daily lives of Alaskans. Overall optimization and expansion of transmission grids, including the feasibility of rural village-to-village lines and renewable energy grants for upgrades, was one area of concern. Energy efficiency across the broad spectrum of residential and commercial customers, along with energy efficiency for industrial installations provided another set of recommendations. Building standard improvements compatible with cold-climate construction and energy efficiency are also recommended.

After careful review, the MAG determined that several other options required more research before policies could be crafted for implementation. Those include efficiency improvements for generators, construction of small nuclear power plants, research and development for cold-climate renewable technologies, and implementation of advanced supply-side technologies. These were forwarded to the Research Needs Work Group for further study.

Table EX-5 presents the ESD policy recommendations, along with their expected GHG emission reductions and the costs of or cost savings from their implementation.

Table EX-5. Summary list of Mitigation Advisory Group policy recommendations for Energy Supply and Demand sector

Policy No.	Policy Recommendation	GHG Reductions (MMtCO ₂ e)				Net Present Value 2010–2025 (Million \$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support
		2015	2020	2025	Total 2010–2025			
ESD-1a	Rural Village-to-Village Transmission	0.00	0.00	0.01	0.05	\$44	\$897	Unanimous
ESD-1b	Renewable Energy Grants for Transmission Upgrades	0.06	0.08	0.09	1.06	–\$2	–\$2	Unanimous
ESD-1	Transmission Optimization and Expansion (Total a & b)	0.07	0.08	0.09	1.11	\$42	\$38	Unanimous
ESD-2	Energy Efficiency for Residential and Commercial Customers	<i>Quantified with ESD-2/4/6</i>						<i>See below</i>
ESD-2/4/6	Energy Efficiency for Residential, Commercial, and Industrial Customers, 2% per year	0.34	1.07	1.84	12.41	–\$728	–\$59	Unanimous
ESD-3	Implementation of Renewable Energy	1.99	2.35	3.86	32.52	\$297	\$9	Unanimous
ESD-4	Building Standards/Incentives	<i>Quantified with ESD-2/4/6</i>						<i>See above</i>
ESD-5	Efficiency Improvements for Generators	<i>Moved to Research Needs Work Group</i>						
ESD-6	Energy Efficiency for Industrial Installations	<i>Quantified with ESD-2/4/6</i>						<i>See above</i>
ESD-7	Implementation of Small-Scale Nuclear Power	<i>Moved to Research Needs Work Group</i>						
ESD-8	Research and Development for Cold-Climate Renewable Technologies	<i>Moved to Research Needs Work Group</i>						
ESD-9	Implementation of Advanced Supply-Side Technologies	<i>Moved to Research Needs Work Group</i>						
	Sector Total After Adjusting for Overlaps*	1.93	2.77	4.67	37.51	–\$19.46	–\$4.24	
	Reductions From Recent Actions				0.34			
	Sector Totals	1.93	2.77	4.67	37.85	–\$19.46	–\$4.24	

GHG = greenhouse gas; MMtCO₂e = million metric tons of carbon dioxide equivalent; \$/tCO₂e = dollars per metric ton of carbon dioxide equivalent. Note: Sector Total is indicative of potential savings, see note in chapter.

The numbering used to denote the above policy recommendations is for reference purposes only; it does not reflect prioritization among these important policy recommendations.

Negative numbers indicate cost savings.

Forestry, Agriculture, and Waste Management Policy Recommendations

This TWG considered and analyzed policy options related to forest management, land conservation, biomass, soil carbon sequestration and sinks, agriculture, and waste management.

The Forest, Agriculture, and Waste Management (FAW) TWG identified three broad policies for MAG approval. The first, forest management, focused on management strategies for coastal and boreal forests, wildfire risk reduction, and forest restoration. The second area of recommendations dealt with biomass-to-energy issues, using biomass to offset fossil fuel-based heating, power, and fuel needs. The final area of study was municipal solid waste, specifically strategies for reducing waste and recycling.

All four FAW-1 options have the potential to produce biomass that can be used for fuel feedstocks under FAW-2. The GHG reductions for using the biomass from FAW-1 or other sources were quantified under FAW-2. The MAG recognizes that the costs to collect, process, and transport most of the biomass generated from coastal forest thinning projects will be too costly to use as an energy source.

One other policy, not listed Table EX-6, is fostering the growth and management of healthy forests in Alaska, and getting the most possible benefits from Alaska’s forestland. While the GHG benefits of adaptation policies are not quantified, this policy nonetheless can provide additional insight into issues of forest health.

There are no overlaps between the FAW biomass policies and the policies in the ESD or Transportation and Land Use (TLU) appendices. Biomass demand from ESD-3 has been accounted for in the biomass availability analysis found in Appendix H. FAW Policy Recommendations.

Table EX-6 displays specific results for each recommended policy and subcategories within those policies.

Table EX-6. Summary list of Mitigation Advisory Group Policy recommendations for Forestry, Agriculture, and Waste Management sector

Policy No.	Policy Recommendation	GHG Reductions (MMtCO ₂ e)				Net Present Value 2010–2025 (Million 2005\$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support
		2015	2020	2025	Total 2010–2025			
FAW-1	Forest Management Strategies for Carbon Sequestration							
	A. Coastal Forest Management Pre-Commercial Thinning	Included under FAW-2, along with all options using biomass in other sectors						Unanimous

Policy No.	Policy Recommendation	GHG Reductions (MMtCO _{2e})				Net Present Value 2010–2025 (Million 2005\$)	Cost-Effectiveness (\$/tCO _{2e})	Level of Support
		2015	2020	2025	Total 2010–2025			
	B. Boreal Forest Mechanical Fuels Treatment Projects							Unanimous
	C. Community Wildfire Risk Reduction Plans							Unanimous
	D. Boreal Forest Reforestation After Fire or Insect and Disease Mortality	0.09	0.12	0.15	1.6	\$150	\$92	Unanimous
FAW-2	Expanded Use of Biomass Feedstocks for Energy Production							
	A. Biomass Feedstocks to Offset Heating Oil Use	0.01	0.03	0.04	0.3	\$27	\$90	Unanimous
	B. Biomass Feedstocks for Electricity Use	0.07	0.12	0.18	1.5	\$59	\$38	Unanimous
	C. Biomass Feedstocks to Offset Fossil Transportation Fuels	0.03	0.06	0.09	0.8	\$41	\$52	Unanimous
FAW-3	Advanced Waste Reduction and Recycling	0.27	0.45	0.65	5.3	–\$43	–\$8	Unanimous
	Sector Total Before Adjusting for Overlaps	0.47	0.78	1.11	9.5	\$234	\$25	
	Sector Total After Adjusting for Overlaps	0.47	0.78	1.11	9.5	\$234	\$25	
	Reductions From Recent Actions (CAFE standards)	N/A	N/A	N/A	N/A	N/A	N/A	
	Sector Total + Recent Actions	0.47	0.78	1.11	9.5	\$234	\$25	

CAFÉ = Corporate Average Fuel Economy; FAW = Forestry, Agriculture, and Waste Management (Technical Work Group); GHG = greenhouse gas; MMtCO_{2e} = million metric tons of carbon dioxide equivalent; \$/tCO_{2e} = dollars per metric ton of carbon dioxide equivalent.

The numbering used to denote the above policy recommendations is for reference purposes only; it does not reflect prioritization among these important policy recommendations.

Negative numbers indicate cost savings.

Oil and Gas Policy Recommendations

This TWG considered and analyzed policy options related the full spectrum of oil and gas production, processing, transmission and associated fuel use accounting for all related GHG emissions.

The Oil and Gas TWG carefully analyzed a wide variety of options to reduce GHG emissions from oil and gas operations in Alaska. To do so required assessing actual outputs and production projections from discrete facilities; these are identified geographically. Some facilities lend themselves to effective implementation of certain recommendations, whereas those same recommendations may not be effective elsewhere due to size, scope, or projected longevity of production. Facility-specific recommendations are clearly identified in Appendix I: Oil and Gas Policy Recommendations.

The TWG examined conservation; reduction of fugitive methane emissions; centralized electrification of North Slope operations; upgrades and efficiency of fossil fuel consuming equipment; renewable energy substitutes for fossil fuel energy; and carbon capture. Various ways of dealing with carbon post-capture were examined. Use of the carbon depended on location and source of the GHG (see Policy Recommendations OG-6, 7 and 8).

In quantifying the options, it became clear that besides conservation, most would be very expensive to implement and had other attendant issues that need to be resolved prior to implementation. What these recommendation represent is a suite of the best opportunities to reduce GHG emissions from oil and gas sector operations, but that does not mean they are cheap, easy or ready to implement. Rather, the investigations within this report recommend the areas for further study.

Table EX-7 describes the Oil and Gas sector policies, their projected GHG emission reductions and the direct costs. There is overlap amongst the options, that is, options that accounting for the same GHG emissions. Depending on which policies are implemented, the overlap would vary. For that reason, the overlap figures are presented as a range. *(These will be filled in soon.)*

Table EX-7. Summary list of Mitigation Advisory Group policy recommendations for the Oil and Gas sector

Policy No.	Policy Recommendation	GHG Reductions (MMtCO ₂ e)				Net Present Value 2010–2025 (Million 2009\$)	Cost-Effective-ness (2009\$ /tCO ₂ e)	Level of Support	
		2015	2020	2025	Total 2010–2025				
OG-1	Best Conservation Practices	<i>Not Quantified</i>							Unanimous
OG-2	Reductions in Fugitive Methane Emissions	0.2	0.2	0.2	3.2	\$181.4	\$57	Unanimous	
OG-3	Electrification of North Slope Oil and Gas Operations, With Centralized Power Production and Distribution	—	3.0	4.4	26.6	\$7,791.0	\$293	Unanimous	
OG-4	Improved Efficiency Upgrades for Oil and Gas Fuel-Burning Equipment	0.5	2.1	2.1	19.7	\$1,600.1	\$81	Unanimous	
OG-5	Renewable Energy Sources in Oil and Gas Operations	0.7	0.7	0.7	8.0	\$2,603.4	\$327	Unanimous	
OG-6	Carbon Capture (From North Slope High-CO ₂ Fuel Gas) and Geologic Sequestration With Enhanced Oil Recovery	—	0.9	0.9	7.8	\$1,368.8	\$176	Unanimous	
OG-7	Carbon Capture (From Exhaust Gas at a Centralized Facility) and Geologic Sequestration With Enhanced Oil Recovery	—	1.8	1.8	16.1	\$3,094.1	\$192	Unanimous	

OG-8	Carbon Capture (From Exhaust Gas) and Geologic Sequestration Away From Known Geologic Traps	0.7	0.7	0.7	8.0	\$7,937.7	\$994	Unanimous
	Sector Total Before Adjusting for Overlaps	9.4	10.8	89.4	2.1	\$24,576.5		
	Sector Total After Adjusting for Overlaps	0	0	0	0			
	Reductions From Recent Actions (CAFE Standards)	0	0	0	0	0		
	Sector Total							

NOTES:

Policy options were modeled on generic, publicly available industry data from North Slope oil and gas operations. Thus, the results must only be used to help direct more precise modeling, which would include, for example, taxes, royalties, individual oil and gas facility data, and specific engineering studies.

"Net Present Value" used in the summary table above would be regarded in the oil and gas industry as "Net Present Cost." Positive numbers in the two right-hand columns indicate that an investment in the policy would generate a financial loss.

"Net Present Value" and "Cost-Effectiveness" values do not apply in Cook Inlet or any other oil and gas basin, due to vastly different production life, geographic distribution, and physical constraints.

Due to the analytical methodology, "Cost Effectiveness" is likely lower than the break-even cost of carbon needed to make a project economically feasible.

None of the modeling included the impact of short-term production loss to implement the policies OG-2 through OG-7.

These policies are technology-based opportunities for reducing greenhouse gas emissions (GHG), not policies to be directly implemented by Alaska.

The GHG savings estimates presented here are not additive. Policies have significant, sometimes complete, overlap in targeted GHG emissions.

The numbering used to denote the above policy recommendations is for reference purposes only; it does not reflect prioritization among these important policy recommendations.

CAFE = corporate average fuel economy; CO₂ = carbon dioxide; GHG = greenhouse gas; MMtCO₂e = million metric tons of carbon dioxide equivalent; \$/tCO₂e = dollars per metric ton of carbon dioxide equivalent; OG = oil and gas.

Transportation and Land Use Policy Recommendations

This TWG considered and analyzed policy options related to transportation methods, modalities, efficiencies, infrastructure, planning, land use and development as they relate to and/or generate GHG emissions.

The TLU TWG focused on and analyzed vehicle and transportation policy recommendations, specifically pertaining to public transit and commuter options; heavy-duty vehicle idling, fleet management and other efficiencies; land transportation systems; marine vessel efficiencies; and aviation emission reductions. Land use policies recommended include efficient development patterns (smart growth) and using vehicle-miles-traveled and GHG emission reduction as planning metrics.

Table EX-8 displays the policy recommendations, and where they could be quantified, the amount of expected GHG emission reductions and the direct costs for such action.

Table EX-8. Summary list of Mitigation Advisory Group policy recommendations for the Transportation and Land Use sector

Policy No.	Policy Recommendation	GHG Reductions (MMtCO ₂ e)				Net Present Value 2010–2025 (Million 2005\$)	Cost-Effectiveness (\$/tCO ₂ e)	Level of Support	
		2015	2020	2025	Total 2010–2025				
TLU-1	Transit, Ridesharing, and Commuter Choice Programs	0.002	0.003	0.005	0.046	\$29.9	\$651	Unanimous	
TLU-2	Heavy-Duty Vehicle Idling Regulations and/or Alternatives	0.004	0.009	0.009	0.095	\$24.3	\$255	Unanimous	
TLU-3	Transportation System Management	0.006	0.006	0.006	0.092	–\$9.7	–\$105	Unanimous	
TLU-4	Promote Efficient Development Patterns (Smart Growth)	0.019	0.043	0.066	0.501	Net Savings	NQ	Unanimous	
TLU-5	Promotion of Alternative-Fuel Vehicles	0.026–0.084	0.054–0.173	0.09–0.288	0.669–2.139	\$207.3–\$494.8	\$135–\$740	Unanimous	
TLU-6	VMT and GHG Reduction Goals in Planning	0.019	0.043	0.066	0.501	NQ	NQ	Unanimous	
TLU-7	On-Road Heavy-Duty Vehicle Efficiency Improvements	a. SmartWay [®]	0.050	0.075	0.084	0.930	–\$52.3	–\$56	Unanimous
		b. Phase Out	0.025	0.012	0.000	0.198	\$20.9	\$106	
		c. Public Fleets	0.016	0.033	0.037	0.364	NQ	NQ	
TLU-8	Marine Vessel Efficiency Improvements	0.012	0.022	0.032	0.269	\$20.4	\$76	Unanimous	
TLU-9	Aviation Emission Reductions	NQ	NQ	NQ	NQ	NQ	NQ	Unanimous	
TLU-10	Alternative Fuels Research and Development	NQ	NQ	NQ	NQ	NQ	NQ	Unanimous	
	Sector Total Before Adjusting for Overlaps	0.210	0.363	0.500	4.444	\$364.3	\$82		
	Sector Total After Adjusting for Overlaps	0.187	0.313	0.423	3.850	\$364.3*	\$95*		
	Reductions From Recent Actions	0.397	0.531	0.732	5.995	NQ	NQ		
	Sector Total Plus Recent Actions	0.412	0.844	1.155	9.845	NQ	NQ		

*Does not include any cost for policies TLU-4, TLU-6, or TLU-7c, but does include emission reductions for those policies.

GHG = greenhouse gas; MMtCO₂e = million metric tons of carbon dioxide equivalent; \$/tCO₂e = dollars per metric ton of carbon dioxide equivalent; NQ = not quantified; VMT = vehicle miles traveled.

The numbering used to denote the above policy recommendations is for reference purposes only; it does not reflect prioritization among these important policy recommendations.

Negative numbers indicate cost savings.