



www.akclimatechange.us

MEETING SUMMARY

Alaska Climate Change Mitigation Advisory Group

Meeting #8, July 31, 2009

10:00 AM – 1:00 PM

via teleconference

Alaska Department of Environmental Conservation
Anchorage, AK

Attendance:

Mitigation Advisory Group Members (MAG):

Larry Hartig, Chair (*in Anchorage*)

Steve Denton (*by phone*)

Jack Hébert (*by phone*)

David Hite (*in Anchorage*)

Kate Lamal (*by phone*)

Greg Peters (*by phone*)

Jim Pfeiffer (*in Anchorage*)

Curt Stoner (*by phone*)

Dan White (*in Anchorage*)

Alaska Department of Environmental Conservation (DEC):

Jackie Poston

Center for Climate Strategies (CCS):

Brian Rogers, UAF, *Co-Facilitator*

Ken Colburn, *Co-Facilitator*

Gloria Flora, *Project Coordinator*

Katie Pasko, *Project Support*

Chris James, *ESD TWG*

Steve Roe, *FAW TWG*

Fran Sussman, *OG TWG*

Nancy Tosta, *CC TWG*

Alaska Department of Natural Resources (DNR):

Diane Shellenbaum

Others:

Janet Bounds, *CVX*

Steve Toth, *Anchorage School District*

Welcome and Meeting Overview

All documents for the meeting are posted on the [website](#).

Brian Rogers opened the meeting with a roll call attendance. The purpose of the call is to ensure that the work of the MAG is accurately reflected in the Final Report.

Clarification on Recommendations vs. Options Terminology

Larry Hartig opened the discussion regarding the clarification of using the 'recommendation' vs. 'option' terminology.

Commissioner Hartig stated that the term recommendation has been used for consistency. This term has been used from the inception of the process to refer to the anticipated final work product of the MAG. He explained that it is clearly understood that the recommendations of the MAG are for further review of these specific areas, versus all the other possibilities to inform the further efforts by the Sub-Cabinet and other groups at the state and local level in Alaska.

Concerns were expressed by several members that the use of the term 'policy recommendation' would give too much weight to policy options that require additional research and technology development. This is stated in several places in the Executive Summary, but more will be inserted to address these concerns.

Further review will be undertaken by CCS to ensure that the term 'policy recommendations' is clarified, ex. Table EX-4.

There was extensive discussion by MAG members to create a defined explanation of the difference between the terms "recommendations" and "options" and intent of the MAG. During its deliberations, the MAG never discussed specifically assigning the status of 'option' or 'recommendation' to each proposed policy option. This discussion was limited to debate about the use of terms as they pertained to Oil and Gas recommendations. Some MAG members stated that, since this generalized discussion was never held, the same term should be used for all proposed policy options.

Larry stated that the recommendations contained in the MAG report are only a part of the creation of new state policy. This work is an important first step, but only a first step. None of the policy option recommendations in the report would be implemented without extensive further discussion and review. Some of the recommendations in the report are more defined already and might be more easily implemented. Others clearly state that further study is necessary.

He suggested that a box with a paragraph at the beginning of the report could effectively communicate the extent and limitations of the work of the MAG and its recommendations. He crafted draft language for this purpose.

Within the document, similar language will be placed at the start of the Oil and Gas and Energy Supply and Demand Chapters and Appendices to highlight those recommendations needing extensive further work, not the entire continuum of options.

The MAG agreed to this approach without objection.

Updates from MAG Meeting #7 Recommendations and Reviewers' Comments

Fossil Fuel Industry and Industrial Fuel Use

Gloria Flora summarized the resolution of the concern regarding data sources and conflicting data found in the fossil fuel industry. See pg. EX-5 of Executive Summary for the pie charts in question.

Diane Shellenbaum, Bob Swenson and Maureen Mullen worked to address this issue. Updated data from different sources is available and, therefore, refinements were made to each sector. Further review and discussion showed that the definitions of the refined data were confusing and overlapping, even in the improved data sources regarding venting, fugitive methane, etc. The new, more accurate, data sources required adjusting the total emissions in both sectors as well. Following Bob Swenson's suggestion, the refined fossil fuel use and industrial fuel use data were combined into one sector.

There were no objections to this change.

Oil and Gas Summary Table Completion

Overlaps had not been addressed in the Oil and Gas Summary Table (pages EX-19 and 20) at the last meeting. Scenarios 1 and 2, as outlined during Meeting 7, are now displayed in the quantification chart.

Verify that OG-8 is listed as 'Not Recommended' in all summary tables in Final Report. This information will not be deleted from the Final Report.

The MAG agreed to remove Sector Total line from bottom of table.

Descriptions of Climate Change Threats

A wide range of comments were received from MAG members regarding the descriptive language used in the Executive Summary, which was taken from Appendix A – Administrative Order 238. (page EX-1 and 2). Some members want more emphasis; others felt it was too strong.

Additions have been suggested because "the current description does not give sufficient context nor does it adequately capture the range and seriousness of impacts, nor the need for mitigation". At the last MAG meeting, several members asked that it be clearly noted that societal costs and the cost of inaction were not addressed as well as being clear on the seriousness of the impacts. There was no dissent voiced. Therefore, the report now states that "some members believe the costs of societal impacts and cost of inaction will be high" and includes two references in footnotes. One is a global study on the cost of inaction and the other, a UAA study addressing infrastructure costs due to climate impacts. The Immediate Needs Report and Adaptation Advisory Group Report also reference these issues and will be footnoted. (Ensure that these are referenced)

The Final Report does not specifically reference the MAG acceptance or rejection of threats, impacts or opportunities, as the MAG was not asked to take any position regarding the science underlying climate change. The comments taken from the Administrative Order should be footnoted and a summary of the charge included – "the MAG was not asked to review the science". The MAG was tasked with coming up with options for potential mitigation of GHG emissions in the State of Alaska, not to take any position on the science of Global Warming. The mitigation report should reflect that.

Move Overarching Principles from O&G forward to cover all policies/Rewrite O&G Overarching Principles to be less negative

There were mixed opinions from MAG members at the last meeting. After carefully review of the Overarching Principles from the Oil and Gas section, it was determined that it was not possible to revise simply to a more positive tone. It would be ill-advised to move them forward to cover all recommendations for the following reasons:

The stated objective of the principles is “maximizing implementation efficiency”, not addressing GHG emissions and, by extension, does not include the expressed concerns of some MAG members for balance, such as recognition of societal benefits and the cost of inaction.

The Principles address impacts but do not address opportunities for present and future benefits.

The Principles are specifically focused on oil and gas industry concerns and would have to be significantly generalized or some dropped as non-germane to other sectors.

Gloria Flora recommended that the Overarching Principles be left in place as a lead-in to the Oil and Gas sections, but not move forward to cover other sectors. There were no objections by the MAG.

Transient Aircraft

A second chart was added (*pages EX-10 and 11*) to the Inventory and Forecast sections to present the baseline emission projections excluding transient aircraft per the MAG’s request.

Forest Fires

An explanation was added to the Executive Summary (*page EX-7*) to describe the complex effects of forest fires on GHG emissions and climate change.

MAG and TWG review of Inventory and Forecast

The Executive Summary (*page EX-2*) states the MAG and TWGs reviewed, discussed, evaluated the inventory and forecast. Neither the MAG nor any of the TWGs reviewed the methodologies of forecasting of GHG emissions. Add language to indicate “The MAG and TWGs have reviewed, specific portions of the inventory pertaining to their sectors. No review of methodology or forecasting was performed.”

Issues for Resolution and/or Clarification

Goal Setting

At Meeting #7, June 18, comments from MAG members both supported a numerical, aspirational goal and opposed any numerical goal. The actual vote of the MAG included the following:

- A slim majority (8-6) voted in favor of the MAG proposing that the Sub-Cabinet set an aspirational goal, considering the recommendation provided by the CC TWG.
- Some are concerned that this project report will not achieve the aspirational goal so perhaps the goal is too high. However, it is important to remember that an aspirational goal for the state will require more than just the quantified recommendations in this report and actions by state government to be achieved. It is likely to necessitate citizen action, industry efficiency programs and federal assistance as well as other actions.
- The CC TWG also recommended that, in setting an aspirational goal, the Sub-Cabinet consider the relationship to the IPCC goal to stabilize the atmospheric concentrations of CO₂ at 450 ppm.

- It was also recommended by the CC TWG that the goal work of the Western Climate Initiative be reviewed in relationship to future Alaska goals.
- No specific numeric goal was agreed to by the MAG. It was left to the Sub-Cabinet to set the numeric parameters of an aspirational goal.

Ken Colburn suggested that the CC TWG goals and WCI goals be indicated on the GHG reduction projection graphs as dashed lines. It will be clear in the graphs and associated language that the goals are not MAG goals, but that recommended by the CC TWG.

“Implementation-Ready” Issue

This issue ties closely to the Recommendation vs. Option issue outlined earlier. There are several references throughout the Report, that clearly state many of the recommendations are not implementable without further study, analysis and refinement. It is also stated in the first sentence of the Executive Summary that these are recommendations for the Sub-Cabinet’s consideration and further analysis (see page EX-1). Additional language will be added as per Larry Hartig’s “boxed text” recommendation above.

Clarification of why the per capita emissions are greater in Alaska (all added):

In response to a number of comments, a section (page EX-5) was added to outline why per capita emissions are so much greater in Alaska compared to the national average. The reasons listed are:

- Greater distance to travel and transport, especially by air.
- Long periods of low light and extreme cold.
- Air traffic originating outside of and stopping in Alaska only for refueling.
- Low overall population.

Alaska’s status as a very large energy exporter should also be noted. While the energy is consumed elsewhere, the emissions associated with the industrial activity required to produce the energy for export are assessed over the low population of Alaska (Figure EX-2). These figures should also be tracked to be used in the federal debate.

Change the characterization leader to “Major factors contributing to this are:” and include Alaska’s energy production as a key reason.

ESD 3- Renewables Costs: concern over why costs are so different than remembered.

A reviewer expressed concern about the difference of the renewable energy costs from that remembered in prior versions.

Jeremy Fisher provided the explanation that ESD-3 is made up of three components, two cost-effective series of small renewables (more than 100 projects total) and one high-cost large hydroelectric project. The combined cost of ESD-3 has fluctuated as these projects were analyzed and the parameters changed by TWG and MAG input. However, the total NPV has never exceeded several dozen dollars per tCO₂.

In the first presentation of the results, gross costs and benefits were presented where the gross cost was well over a billion dollars. The column of “total costs” at over one thousand million dollars may have been confusing. The NPV was still much smaller, and the cost per ton of CO₂ was in the tens of dollars, not the thousands.

It should be noted that all of the small renewable energy projects are cost effective, with savings exceeding the cost of the project, and therefore result in a negative cost per ton of CO₂.

ESD Grant Costs and NPV

A reviewer questioned whether full grant costs, from federal, state, and local entities (tax dollars) as well as NGOs are being accounted to Alaskan citizens. Chris James provided the explanation that the full estimated capital cost of each renewable energy project is included in the ESD analysis, amortized over the expected lifespan of the project. Typically, the grant component is a small fraction of the overall costs (capital or otherwise), targeted towards research and development, or permitting and siting. It is assumed that in most energy infrastructure projects, the R&D and permitting is factored into the capital cost. Therefore, since this analysis counts the entire capital cost, it has already taken into account the money pre-spent by the state (grant monies) as part of the net present value.

Record the fact that the costs were amortized over the life of the project, not forced to end in 2025. The benefits were calculated through 2025 as charged. The MAG agreed to this accounting, and stated the record should simply reflect this change as was done in the Oil and Gas report, capturing the amortization date for each option.

Other Issues and Questions

The MAG agreed to combine all Meeting Summaries as one Appendix to the Final Report.

A review will be taken to remove all non-objective adjectives, such as ‘compelling’, from the Executive Summary.

Concerns were raised about the specific language used in summarizing the MAG action on CC-1. The first sentence will be revised to read “The Mitigation Advisory Group (MAG) has agreed that this effort may be needed, but recommends no action until the status of federal legislation is known.”

Final Review of Documents

The Meeting Summary and all documents revised as a result of this meeting will be posted and distributed to the MAG in less than a week.

Any issues decided at this meeting or earlier meetings of the MAG will not be revisited.

There will not be another meeting of the MAG, thus substantive changes or modifications that would require MAG review cannot be integrated into the report. If typos and errors in factual accuracy are found in these revised documents, please forward those corrections to Gloria Flora and Katie Pasko.

Approval of Meeting Summaries

The summary of Meeting 7 is posted on the website. Members were assured that three sets of notes and a review of the meeting recording were used in creating this summary to ensure the accuracy of decisions and direction of the MAG.