

## **NINTH MEETING OF THE GOVERNOR'S COMMISSION ON CLIMATE CHANGE**

November 13, 2008

House Room D, General Assembly Building

Richmond, Virginia



### **I. Call to Order**

The Honorable L. Preston Bryant, Jr., Chairman, called the ninth meeting of the Governor's Commission on Climate Change to order at 10:04 a.m.

### **II. Attendance**

The following Commission members were present: The Honorable L. Preston Bryant, Jr., Mr. Ralph Davis, The Honorable Joseph F. Bouchard, The Honorable David L. Bulova, Mr. R. Daniel Carson, Jr., The Honorable John W. Daniel, II, The Honorable R. Creigh Deeds, The Honorable Paul Ferguson, Mr. Robert J. Fledderman, Mr. Stuart A. Freudberg, Mr. Felix Garcia, Mr. Dale A. Gardner, The Honorable John H. (Jack) Gibbons, Ms. Jodi Gidley, Mr. William Greenleaf, The Honorable Penelope A. Gross, Mr. David A. Heacock, Mr. Robert F. Hemphill, Jr., Ms. Ann F. Jennings, The Honorable Robert E. Martinez, Mr. Tyrone W. Murray, The Honorable Ralph S. Northam, Mr. R. Paul Orentas, The Honorable Kenneth R. Plum, Mr. Oliver A. Pollard, III, Mr. Michael J. Quillen, The Honorable Ron Rordam, Mr. Harrison B. Rue, Dr. Jagadish Shukla, The Honorable Bruce Smart, Mr. William A. "Skip" Stiles, Dr. Lydia W. Thomas, The Honorable Frank W. Wagner, and Mr. Stephen A. Walz.

Those not in attendance were: The Honorable Patrick O. Gottschalk, Ms. LuAnn L. Bennett, The Honorable Donald S. Beyer, Jr., Christine Chmura, Ph.D., The Reverend Richard Cizik, Mr. Michael L. Lipford, Roger Mann, Ph.D., The Honorable Joe T. May, and Mr. Michael S. Townes.

### **III. Welcome and Opening Remarks**

Chairman Bryant reported that staff had spent a considerable amount of time compiling the Commission's recommendations into one document. He reviewed the agenda with the Commission.

### **IV. Approval of Minutes**

Minutes for the October 23 meeting were submitted electronically to Commission members for their review. Chairman Bryant requested a motion to approve the minutes from the October 23, 2008 meeting. The motion was moved and seconded. The motion carried unanimously.

### **V. Organization of Recommendations**

Deputy Secretary Rovner referenced the final draft of the "Findings" document. She indicated that the suggestions from the last meeting had been incorporated into the final draft. She asked members to review the document over the next couple of days and send any corrections to her.

Chairman Bryant reminded the members that because this document had already been adopted there should not be any substantive changes submitted.

Deputy Secretary Rovner reviewed with the Commissioners the framework for compiling the draft recommendations. She indicated that recommendations were organized according to objectives. Deputy Secretary Rovner reminded the Commission only those recommendations that have been addressed by the Commission were included. She encouraged Commission members that may wish to suggest additional recommendations to bring them up during the meeting, when the appropriate category is under discussion.

## VI. Estimating GHG Emissions and Cost Effectiveness

Mr. Walz indicated that members of the Commission had requested on a number of occasions that the Commission look at the amount of GHG emission reductions that would come from the recommendations. The Commission would use this information to determine if the recommendations brought forward would meet the goals set by the Executive Order.

Mr. Walz stated the most important point is that the strategies will reach the Executive Order's goal of reducing GHG emissions by 30% below the business as usual projection. Mr. Walz then reviewed the GHG reductions predicted to be achieved by a number of actions that are ongoing or expected to be undertaken as a result of the Commission's recommendations. His presentation can be found at [www.deq.virginia.gov/export/sites/default/info/documents/climate/GHG\\_Emission\\_Reduction\\_Calculation.pdf](http://www.deq.virginia.gov/export/sites/default/info/documents/climate/GHG_Emission_Reduction_Calculation.pdf).

Commission members discussed issues related to cost effectiveness, retro fits, double counting, need to educate the public, establishing benchmarks, and a schedule for periodic review.

## VII. Discussion of Recommendations

Chairman Bryant presented the recommendations to the Commission. The Commission members were asked to identify any recommendations that needed further discussion. A complete list of Commission Recommendations can be found at [www.deq.virginia.gov/export/sites/default/info/documents/climate/CCC\\_Draft\\_Consolidated\\_Recs\\_110908.pdf](http://www.deq.virginia.gov/export/sites/default/info/documents/climate/CCC_Draft_Consolidated_Recs_110908.pdf). The recommendations that generated the most discussion among Commission members are listed below each objective:

### 1. Virginia will reduce GHG emissions by increasing efficiency and conservation.

22	After discussion, a motion was moved and seconded to add to this item language recommending legislation requiring annual reductions in electricity demand consistent with the medium case scenario as reported by the AC AAA Report of a 19% reduction of projected electricity needs by 2025. On a vote of 18 yes to 8 no, the motion was adopted.
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42	Concern was expressed over where the money for this recommendation would come from. Mr. Walz commented that this was not meant to be a mandate. Funds from the Virginia

	Resources Authority could be used or it could be implemented through local organization. The Commission adopted a recommendation to expand #42 to provide capital funding or tax credits to commercial and industrial establishments to expand energy efficiency.
36	The Commission added language to this recommendation regarding farm audits. Concern was expressed on how audit would be handled. Mr. Walz stated that current infrastructure could be used i.e., Soil and Water Districts.
5	After discussion, the Commission decided to delete this recommendation but reflect the sentiment in the final report.
45	After discussion Commission recommendation #45 was deleted.

## 2. Virginia will advocate for federal actions that will reduce net GHG emissions.

16 17 18	<p>Mr. Smart proposed to replace this recommendation with: We recommend that Virginia urge the Federal government to adopt a national GHG emissions price-based reduction program, and cooperate with other nations in establishing such a program on a global basis. After consideration, the Commission rejected the replacement recommendation (9-yes/13-no).</p> <p>After discussion the Commission voted to keep the recommendation the original recommendation. (9y/18n). Mr. Martinez requested that the minutes reflect that he voted no.</p> <p>Consensus to include with added language addressing verifiable and permanent offsets. Chairman Bryant asked that the Commission give staff flexibility to work on wording.</p> <p>Commission members discussed the issue of whether emissions allowances should be granted for free or through the use of an auction. Following discussion members felt comfortable with the inclusion of a "hybrid" recommendation that supported an auction but allowed utilities flexibility in how to acquire allowances. Mr. Walz was tasked with drafting the language.</p>
26	The Commission agreed to support legislation to fund research for carbon capture and sequestration and other, similar federal initiatives to fund research for carbon capture sequestration, efficiencies and renewables, but not to mentioned specific federal legislative proposals.
	<p>Mr. Smart offered the following additional recommendation:</p> <p>We recommend that any additions to Virginia's electricity generation capacity be limited to nuclear energy, renewables (wind, solar, geothermal, wave and tidal), combined heat and power installations, energy from landfills and organic waste, deferring any new coal-fired plants until carbon capture and storage (CCS) technology has been proven to be a commercially feasible option.</p> <p>After discussion the Commission rejected the inclusion of additional recommendation. Chairman Bryant indicated that this would be included as discussion in the report.</p>
	<p>Mr. Carson offered the following additional recommendation:</p> <p>We recommend a study by Mines Minerals and Energy to study and make recommendations for the Commonwealth to best utilize the natural ability for storage of carbon dioxide. Among</p>

	<p>the issues to be addressed would be identification of areas for utilization of storage sites, ownership rights of various, long term ownership sub-surface CO<sub>2</sub>, provision of equitable compensation for property owners and carbon capture operators, technical standards storage for drinking water, long term liability issues concerning CO<sub>2</sub> storage and leakage.</p> <p>Mr. Walz indicated that most of this work is ongoing. He suggested that if the Commission is going to make this recommendation it needs to be done on a nation wide level and not limit it to one agency. Mr. Walz was tasked with drafting a recommendation along these lines.</p>
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**3. Virginia will reduce GHG emissions by reducing the number of miles traveled in automobiles and trucks.**

Commission members discussed and adopted a revision to this objective to focus on expanded commuter choice, improve transportation system efficiency and improve community designs.

148	After discussion the Commission approved deletion of the recommendation.
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**4. Virginia will reduce GHG emissions by reducing tailpipe emissions from automobiles and trucks.**

149	<p>It was moved and seconded that Virginia should adopt the California tailpipe emissions standards, as have 18 other states. On a vote of 12 yes to 15 no, the motion failed.</p> <p>A motion to add a reference to nationwide adoption of California emission standards to recommendation #107 was moved and seconded. On a vote of 22 yes to 5 no, the motion passed.</p>
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**5. Virginia will reduce GHG emissions by increasing the proportion of energy demands that are met by renewable sources.**

12	The current statewide average recycling rate is 38%. An amendment was made to increase statewide average to 50%.
29	<p>It was moved and seconded to make the voluntary commitment to reach a 12% renewable portfolio standard (RPS) by 2022 mandatory. The mandatory commitment would not eliminate current incentives. On a vote of 9 yes to 20 no, the motion was defeated.</p> <p>Then a motion was made to extend the voluntary 12% by 2022 to 15% RPS by 2025 with the incentives in place. This change would increase the level that would have to be reached in order to maintain incentives. If they remained at 12% by 2025, the incentives would be lost.</p>

	A substitute motion was made to increase the percentage to 20% by 2025. On a vote of 10 yes to 15 no the motion failed.  On a vote of 22 yes to 4 no, the motion to extend the 12% by 2022 to 15% by 2025 passed. Mr. Ferguson requested his vote officially be recorded as no.
32 37 31	Language requiring the State Corporation Commission to encourage the use of combined heat and power was added to this recommendation.

#### **6. Virginia will reduce GHG emissions by increasing the proportion of electricity generation provided by nuclear power.**

Commission members discussed and adopted to delete the word “nuclear” and insert “emissions free.”

After discussion it was decided that staff would draft another item addressing renewable forms of emissions-free energy.

20	The statement supporting nuclear energy was amended to refer to federal development of a program for reprocessing or storage of spent fuel rods, rather than a nuclear waste facility.
21	This recommendation regarding uranium mining was deleted.

#### **7. Virginia net GHG emissions by protecting/enhancing natural carbon sequestration capacity and researching/promoting carbon capture and storage technology.**

47	Language regarding the establishment of a no net loss policy for natural carbon sequestration was amended to refer to a “goal” rather than a “policy.”
48 49 50 51	Staff provided a new version of this recommendation, which was adopted by the Commission: Using these plans to identify critical conservation areas, Virginia, Virginia should implement a statewide effort to conserve 5% of these areas that are currently unprotected by 2015 and 20% of these areas that are currently unprotected by 2025. This effort should utilize an assortment of management tools including education, financial incentives, appropriate regulations, and additional state investments.
52 53 55 56	Staff provided a new version of this recommendation, which was adopted by the Commission. Language was also added to refer to long lived farm and forest products: Virginia, like all states, is struggling with estimates of natural carbon sequestration rates and sources, and as a result, the current GHG emissions inventory does not account for the carbon currently sequestered in Virginia’s forests, farmland or wetlands and long lived farm and forest products. Virginia’s universities should supply the research that is necessary to incorporate this information into the next iteration of the GHG emissions inventory. This research will provide a quantitative basis to recognize emission reduction benefits associated with land conservation and

	management policies and to further the development of best practices.
54	This recommendation that had been made by the Adaptation and Sequestration Workgroup had inadvertently been deleted. The Commission adopted it. The Commonwealth should develop a natural sequestration carbon system for carbon storage and sequestration projects (including forest conservation, afforestation, reforestation, and other working forests and agricultural lands management). Additionally, Commonwealth should seek certification for such a system by the Voluntary Carbon Standard ( <a href="http://www.v-v-s.rog/index.html">http://www.v-v-s.rog/index.html</a> ) or a seminal program. Lastly, the Commonwealth should pursue integration of its own natural sequestration carbon crediting system with current or future programs of this nature at the federal or regional levels.
144	A motion was made and seconded to delete this recommendation, as it is arguably covered by other recommendations.

**8. The Commonwealth and local governments will lead by example by implementing practices that will reduce GHG emissions.**

44	The following language was added to this recommendation. The Governor and General Assembly should require all new and substantially renovated buildings to meet LEED or equivalent standards <u>for energy efficiency</u> . All future federal buildings and substantial renovations are already required to meet LEED or equivalent standards.
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**9. Virginia should consider a more aggressive GHG reduction goal.**

1	<p>The following language was offered as a compromise:</p> <p>This Climate Change Action Plan recommends actions needed to reduce near and medium-term greenhouse gas emissions and meet the greenhouse gas emission reduction target of Executive Order 59. Virginia will need to take additional actions to achieve reductions recommended by the IPCC.</p> <p>A motion was made to delete last sentence of original recommendation and add the compromise language.</p> <p>On a vote of 17 yes to 5 no, the motion was passed.</p>
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**10. Virginia will focus and expand state capacity to ensure implementation of the Climate Change Action Plan.**

3	Commission agreed to delete this recommendation but express the sentiment in the report.
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**11. Virginia will educate the public about climate change and the actions necessary to address it.**

All of the recommendation presented were adopted without any changes or discussion.

**12. Virginia will continually monitor, track and report on GHG emissions and the impacts of climate change.**

A	A motion was made to use Federal GHG monitoring protocols when available. The motion was adopted.
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**13. Virginia state agencies and local governments will prepare for and adapt to the impacts of climate change that cannot be prevented.**

69 70	Language to emphasize especially sea level rise and storm surge impacts was added to this recommendation.
82	Language requirement Secretary of Natural Resources to complete the strategy by January 2011 was adopted.
100	Language encouraging the acquisition of LiDAR data for coastal areas first, and then the rest of the state, was added.
96	Language regarding specific institutions was deleted.
	<p>A motion was moved and seconded to add the following recommendation:</p> <p>The State Corporation Commission (SCC) include in the evaluation of projects and analysis of the GHG emissions and climate change impact of each project, and the effect or anticipated emission reduction programs on the assumptions used to justify it.</p> <p>On a vote of 11 yes to 6 no, the motion passed.</p> <p>Mr. Walz was assigned to work with Mr. Smart and Mr. Heacock to further refine this recommendation</p>

**14. Virginia will undertake a thorough review of state agency and local government authority to account for climate change in their actions.**

64	AS	This recommendation was amended to refer to the State Water Control Board rather than DEQ.
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## VIII. Public Comment

Chairman Bryant opened the floor for public comment.

- Glen Besa, Sierra Club, asked that the Commission support the mandatory standards with regards to GHG emissions; establish an auction for all the GHG units that are being traded under the cap-and-trade program without an auction; and stressed the need to establish a goal of 20% renewables by 2020.
- Cathy Stickler, Climate Action Alliance of the Valley, encouraged the Commission to have the courage to make recommendations that match the science of global warming.
- Tom Cormons, Appalachian Voices, commented that cost of efficiency is the single most cost effective way to meet our current needs and to reduce GHG emissions. He stressed the need to consider other ways of reducing GHG emissions (such as wind) that are proven and less costly.
- Linda McMinimy, Executive Director of Virginia Transit Association, commended the Commission on its work and in particular areas that involved transit. She commented that public transportation offers the most immediate alternative when looking to reduce energy use and carbon footprint. This action far exceeds the benefits of other energy saving household activities.
- Matt Moskitis, Northern Virginia Transportation Alliance, stated the Alliance was concerned that VMT reductions are an imperfect and potentially misleading measurement when it comes to GHG emissions. GHG emissions are highest at low speeds, meaning that the more congestion there is the more GHG will arise. The Alliance is concerned that many of the GHG recommendations may bias the decisions and policies against highway capacity, which in turn will produce more congestion and higher GHG without reducing VMT.
- James Shelton, Virginia Climate Network, commented that VCN is concerned about water quality and the nitrates that come from emissions. He stated VCN is concerned about water quality to meet Chesterfield's future water needs. He asserted that energy efficiency is the cheapest way to reduce our global warming foot print and actually delivers money back. He encouraged the Commission to set science-based goal for reducing Virginia's global warming pollution 20% below 1990 levels by 2026 and 80% below 1990 levels by 2050.

## IX. Adjournment

Chairman Bryant indicated that the Governor's Commission on Climate Change has been the most dedicated Commission with whom he has worked.

The next meeting will be held on December 4.

The meeting adjourned at 5:35.