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**RESIDENTIAL COMMERCIAL AND INDUSTRIAL (RCI)
TECHNICAL WORKING GROUP (TWG) CALL #1,
SEPTEMBER 20, 2005, 9:00AM – 10:30AM**

Attendance:

1. Technical Working Group members:
 - Jeff Burks, Public Service Company of New Mexico
 - John Curl, New Mexico Public Regulatory Commission
 - Frank Gallegos, Intel
 - Abbas Ghassemi, WERC
 - Howard Kaplan, Wilson and Company
 - Susie Marbury and Craig O'Hare, Energy Minerals and Natural Resources Department
 - Steve Michel, NM Industrial Energy Consumers
 - Tom Singer, Natural Resources Defense Council
2. NMED staff:
 - Erik Aaboe
 - Lany Weaver
 - Sandra Ely
3. Center for Climate Strategies (CCS) staff:
 - Alison Bailie, Michael Lazarus, Tom Peterson, David von Hippel, Eric Williams
4. Other Attendees: Susan Garrett, EcoCentric

Background documents:

(unless noted, all posted at http://www.nmclimatechange.us/documents.cfm#Docs_RCI)

1. Meeting Notice and Agenda (distributed by e-mail)
2. Powerpoint presentation for meeting
3. Matrix of GHG Reduction Policy Options in the Residential, Commercial, and Industrial (RCI) Sector
4. Draft New Mexico Greenhouse Gas Inventory and Reference Case Projections
(<http://www.nmclimatechange.us/ewebeditpro/items/O117F6514.pdf>)

Discussion items and key issues:

1. **Climate Change Advisory Group Process.** Erik Aaboe (NMED) asked how the work will be accomplished in this process. Tom Peterson (CCS) explained that in the Technical Working Group calls the group will methodologically go through each decision and allow members to comment, raise concerns and provide feedback. Between calls, members will be asked to provide further feedback and information to the facilitators who will be pulling together the information and providing further analyses. Abbas Ghassemi (WERC) asked how the TWG would handle differences of opinion on the policy options. David Von Hippel (CCS) explained that the TWG does not need to reach consensus – information will be provided to the Climate Change Advisory Group (CCAG) that can include whether options have been agreed upon by the TWG, or can present different points of view noted within the TWG. Abbas Ghassemi also asked about coordination between the different TWGs. Tom Peterson explained that TWGs will work independently initially to develop and to analyze options, and the options developed will be assembled in Advisory Group meetings. Later, there will be more coordination across TWGs, and new technical workgroups ultimately will be formed in coordination areas such as reporting, registration, and education. Questions about the RCI TWG should be addressed to David Von Hippel (dvonhip@igc.org) and Michael Lazarus (mlaz@tellus.org). Questions on the Advisory Group process should be directed to Tom Peterson (tdp1@mac.com).
2. **Inventory and Reference Case: General.** Abbas Ghassemi asked whether any major contradictions had been found between the inventory prepared for this process and a 1996 inventory for the State. Michael Lazarus said that differences were more pronounced for estimates of emissions from non-combustion greenhouse gas sources, where EPA tools were used to fill gaps in current inventories.
3. **Inventory and Reference Case: Emissions from Electricity Production and Use.** The group had several questions and comments on the assumptions and methods used to develop the emissions estimates for electricity production and use. Steve Michel (NM Industrial Energy Consumers) inquired about the assumption that existing coal plants would continue to produce electricity at current levels (beyond rated plant lifetimes), and about the treatment of emissions from generation of electricity imported and exported (also noted by Erik Aaboe of NMED); Tom Singer (NRDC) asked for more explicit discussion of this and other assumptions. Michael Lazarus noted that the assumptions and methods are described in more detail in the draft inventory document (see link above), and that the Energy Supply group would be the TWG most directly responsible for addressing issues related to estimating electricity emissions.
4. **Inventory and Reference Case: Electricity Demand Projections.** The current 2.5%/year growth rate (for MWh) was drawn from EMNRD. Craig O'Hare (EMNRD) inquired as to whether these projections take into account an ongoing shift from evaporative to refrigerated cooling, which could significantly increase summer peak loads. Jeff Burks (PNM) and Michael Lazarus (CCS) noted that for GHG emissions we are generally more concerned with energy (MWh) than capacity (peak MW) needs, nonetheless this shift could be important to consider. A similar issue was raised with regard to the introduction of “plasma”-type flat screen TVs. Jeff Burks offered to

compare the draft statewide annual growth rate estimate (2.5%) with PNM's load forecasts. Electricity consumption projections may not include the impacts of the Efficient Use of Energy Act (SB 644) that went into affect last March.

5. **Request for Load Forecasts and End-Use Assessments.** The CCS team requested that TWG members, and in particular utilities, to provide, to the extent possible, available information related to load forecasts, end-use profiles, and any efficiency/DSM studies. Mining and smelting projections are needed. In addition there was a question regarding the effect recycling will have on solid waste management emissions. Eric Aaboe offered to check the New Mexico Solid Waste Bureau re: recycling projections. This information will be extremely helpful for assessing emission reduction opportunities.

Next steps and agreements:

1. In preparation for the second call, CCS/Tellus staff will fill in selected columns of the strategy matrix (emission reduction potential and cost) to the extent possible based on a combination of experience in other states and emissions projections for New Mexico. TWG members are requested to provide further inputs on the matrix and specific options, especially any missing ones, as soon as possible.
2. **Next TWG call**
Tuesday, Oct. 4, 2005, from 2– 3:30 p.m.