



WWW.NMCLIMATECHANGE.US

**Energy Supply TWG Call #5 Summary
December 21, 2005 – 9:00-10:30 am**

Attendance:

1. TWG members:

Eric Ames, Western Environmental Law Center
Jeff Burks / Wayne Pilz – PNM
Bruce Gantner, Burlington Resources
Gregory Greene, National Environmental Trust
David Griscom, Regional Development Corporation
Kevin Groenwold, NM Rural Electric Coop Association
Kyle Hoodenpyle, Dairy Producers of New Mexico
Jack Ihle, Xcel Energy
Ben Luce, Coalition for Clean Affordable Energy
Dave Melton, Sacred Power Corporation
Steve Michel, NMIEC
Jim Ramakka, BLM – Farmington
Reid Smith, British Petroleum

2. NMED/EMNRD staff:

Sandra Ely
Lany Weaver
Jack Ford
Craig O'Hare

3. CCS staff:

Ken Colburn (ES TWG Facilitator)
Eric Williams (Lead Consultant)
Tom Peterson (CCAG Facilitator)
Michael Lazarus (Inventory Consultant and RCI TWG Co-Facilitator)

4. Other attendees:

Tom Singer, NRDC
Theo Spencer, NRDC
Michel Mariano, Public Participant

Background documents:

(all posted at <http://www.nmclimatechange.us/documents.cfm>, click on Energy Supply)

1. Notice and Agenda for Call #5
2. Presentation for Meeting #5
3. Draft Summary for Call #4 on November 14, 2005
4. Revised Matrix of GHG Reduction Policy Options in the Energy Supply Sector
5. List of Initial Priorities for Analysis (“Short List”) to date and Policy Template examples

Discussion items and key issues:

1. **Process:** Ken Colburn brought the call to order and did a Roll Call. He then walked the TWG through the agenda and asked if there were any additions or changes to be made to the summary for Call #4. Ken indicated that he had found – and would correct – a typo. No other changes were suggested.

Ken reminded the TWG that it had reached several conclusions during Call #4, which the TWG affirmed. These included the general diagnostic nature of the inventory and forecast; the projection of flat emissions from oil and gas operations in the future; the retention of individual options in the Policy Matrix (i.e., none would be deleted) in the course of selecting priorities for initial analysis; and that while separately focused TWG calls would be scheduled for oil and gas issues, all TWG members were encouraged to participate in all TWG calls. Consistent with the TWG’s direction on Call #4, Ken also pointed out revisions to the Policy Matrix, specifically the inclusion of the 2050 date and enhanced descriptions for each policy option. Ben Luce, joined by other TWG members, expressed appreciation for these revisions.

2. **Policy Matrix and Priority Policies for Initial Analysis:** The TWG’s principal agenda for Call #5 was to continue selecting a “short list” of priority policies for initial analysis and modeling, as the TWG’s short list needs to be submitted to the full CCAG on January 11, 2006 for approval and/or modification. The TWG discussed category #5 from the Policy Matrix (*Electricity, Grid and Utility Policies*), developing some sense that the ten policies in this category could be consolidated into four groups for analysis: Removing Barriers to CHP & Clean DG; Pricing & Rate Design Strategies; Metering Strategies; and Transmission & Distribution Strategies. Some TWG members expressed concern about less analytical clarity with greater consolidation. Eric Williams noted that available models are generally unable to analytically “tease out” individual policy options with great precision, so consolidation can actually help illuminate the results of similar measures. After about an hour of discussion, the TWG decided that a straw poll would be an effective way to determine the group’s sense of top priority policy options. Accordingly, each TWG member was polled for his or her top three priority policy options. With the help of Sandra Ely, Eric Williams and Ken will compile and summarize these votes and distribute a compilation to TWG members.

Ken, Eric, and Tom thanked the group for its constructive discussion and congratulated TWG members on their progress toward identifying a comprehensive Energy Supply TWG “short list” by means of the straw poll.

Next steps:

1. CCS agreed to compile the results of the TWG straw poll and distribute it to TWG members. (The compilation, formatted as a “short list” of policy options for initial analysis, accompanies this Call Summary.)
2. Twenty-one policies received votes from one or more TWG members. Taken together, this set of 21 policies reflects an initial “short list” of priority policy options. Additional consideration and discussion is anticipated during TWG Call #6 on Friday, January 6, 2006 at 10:00-11:30 AM. Although scheduled to focus on oil and gas issues, broader discussion is likely to occur as well, since oil and gas TWG members were well represented on Call #5.
3. All TWG members are encouraged to participate on Call #6 on January 6, 2006 and at the Energy Supply TWG meeting on the afternoon of January 10, 2006 in Las Cruces because two important tasks remain for the TWG before the January 11, 2006 meeting of the full CCAG:
 - a. With 21 initial policy options on the “short list” to date, some further selection or consolidation may be necessary in order to develop a manageable number of initial options that can be analyzed and modeled within the timeframe specified by the Governor’s Executive Order.
 - b. For each policy option, the TWG needs to identify a small group of 3-4 volunteer members to provide input in the development of straw proposals for each “short list” policy item regarding the specific parameters (e.g., levels, timing, mechanisms, etc.) necessary for it to be analyzed and/or modeled. We hope to have these volunteer groups identified for the upcoming full CCAG meeting in Las Cruces.
4. CCS will review the 21 initial policy options identified to date by the TWG and draft a possible approach to consolidating these items into a smaller number of options for the TWG’s consideration on its January 6, 2006 call and at its January 10, 2006 meeting. CCS will also prepare an initial draft of a volunteer list to provide input for analyzing individual policy options.
5. **Next TWG Call:** Friday, January 6, 2006 at 10:00-11:30 am.
Call-in number: 800-416-4956
Passcode: 64818731#