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MEMO

To: NM ES Technical Working Group
 From: Ken Colburn (CCS), Eric Williams (CCS/Nicholas Institute)
 Re: Consolidation of Priority Options for Initial Analyses
 Date: January 5, 2006

On our last call (12/21/05), the ES TWG straw poll effectively created an initial short list of priority options for analysis. Each policy option that received at least one vote is included in the first column in the Cross Reference Table of Policy Options on pages 3-4 below. Some options were given multiple votes, and the vote totals appear in the next column in that table.

With an eye to making the list of options for initial analysis more manageable, CCS proposes a possible grouping of the 21 options receiving votes, which is shown in the table directly below called Possible Groupings. CCS also reorganized the policies receiving votes in slightly different categories than found in the matrix to be more compatible with how the policies would be modeled.

POSSIBLE GROUPINGS

A	RPS
B	Renewable tax credits & incentives
C	Renewable energy transmission & storage
D	IGCC & CCS
E	Nuclear relicensing
F	CHP incentives and barrier removal
G	Energy efficiency incentives
H	Methane reduction
I	Coalbed methane capture/recycling/storage
J	CO2 capture in O&G
K	Green completions (technique to reduce/eliminate venting when first drilling a well)
L	GHG offsets
M	CO2 cap & trade

In the process of developing policy templates, the ES TWG will identify and include to the extent possible individual options from the matrix that are related and complementary to each consolidated policy under consideration. We began identifying complementary policies in the Cross Reference table, but we only included options receiving votes; other options from the larger policy matrix may be added as complementary policies.

We can discuss this, along with the proposed consolidation itself, at the next ES TWG meeting. In the interim, TWG members are requested to:

- **Review the consolidation proposal suggested here, and provide any alternative consolidations or suggested changes.**
- **Consider the policy design template discussed at the meeting (and posted at the website), volunteer to offer input and assistance in developing straw proposals for policy options that are of interest to you, and provide CCS with your ideas regarding the description of policies, policy design parameters, and possible implementation mechanisms (item #1 of the template).** Your suggestions can refer either to the original policy options as already discussed (and noted below) or to the consolidated ones above.

You are of course welcome and encouraged to provide your comments and suggestions during our next TWG call, but you are also encouraged to write down your thoughts and provide them to Ken and Eric by e-mail. If we have your thoughts in writing, it will assist in the process of composing policy descriptions, and also help us to quickly identify areas of agreement, disagreement, or uncertainty to pursue in the TWG call. The substance of any comments provided by e-mail will be discussed in the TWG call.

CROSS-REFERENCE TABLE OF POLICY OPTIONS

The table below cross-references the policy options receiving votes in the last TWG call with the above consolidated options A through M, as indicated by a **X**.

Short List No.	No. from Matrix	Suggested Policies for Short List	Votes	Consolidated Policy Options													
				A	B	C	D	E	F	G	H	I	J	K	L	M	
				Renewables													
ES-1	1.1	RPS	4	X													
ES-2	1.2	Renewable tax credits & incentives	3		X												
ES-3	~1.4	Distributed renewables	3	X													
ES-4	~1.9	Renewable energy transmission & storage	2			X											
ES-5	1.5	Biomass	1	X													
ES-6	~(1.1, 1.2, & 1.6)	Centralized renewables	1	X													
ES-7	~(1.3 & 1.9)	R&D including energy storage	1		X	X											
ES-8	~(1.9 & 5.3)	Wind power siting	1	X	X												
				Centralized Non-renewables													
ES-9	(2.1 & 2.2)	IGCC & CCS	7				X										
ES-10	3.2	Nuclear relicensing	1					X									
				Grid and Demand side policies													
ES-11	4.1	CHP incentives and barrier removal	2						X								
ES-12	5.2	Net metering	1						X								
ES-13	~(5.7, 5.9, & 5.10)	Broad demand management (efficient use of electricity & natural gas)	1							X							
ES-14	~5.3	Transmission capacity & corridors	1			X											
				Oil & Gas													
ES-15	~(7.14 & 9.1)	Coalbed methane capture/recycling/storage	1											X			

Short List No.	No. from Matrix	Suggested Policies for Short List	Votes	Consolidated Policy Options															
				A	B	C	D	E	F	G	H	I	J	K	L	M			
ES-16	~(7.4, 7.5, & 7.9 through 7.14)	Methane reduction	1									X							
ES-17	~Analogous to 2.2 & 9.1	CO2 capture in O&G	1															X	
ES-18	(n/a)	Green completions (technique to reduce/eliminate venting when a well is first put into service)	1															X	
ES-19	~§7 as a whole	Oil & Gas measures	1									X							
				Emission Policies															
ES-20	11.2	GHG offsets	1																X
ES-21	11.4	CO2 Cap & Trade	6																X