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**Energy Supply TWG Call #7 Summary
January 10, 2006 – 12:00 Noon – 2:30 pm
The Farm & Ranch Museum, Las Cruces, NM**

Attendance:

1. **TWG Members & Alternates:**
Eric Ames, Western Environmental Law Center
Jeff Burks, PNM
David Griscom, Regional Development Corporation
Jack Ihle, Xcel Energy
Glenn Kuswa, Sandia National Laboratory
Ben Luce, Coalition for Clean Affordable Energy
Steve Michel, NMIEC
Reid Smith, BP
2. **NMED/EMNRD staff:**
Jim Norton
Sandra Ely
Lany Weaver
3. **CCS staff:**
Ken Colburn (ES TWG Facilitator)
Eric Williams (Lead Consultant)
4. **Other attendees:**
Eva Thaddeus, CCAG Member
James Behnken, Interested Party
Cynthia Hall, Interested Party

Background documents:

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

1. Notice and Agenda for Call #7
2. Presentation for Meeting #7

3. Summary for Call #6 on January 6, 2006
4. List of Priorities for Analysis and Tentative List of Volunteers for Policy Options
5. CCS Second Memo on Consolidation of Priority Options for Initial Analysis (handout at the NM Farm & Ranch Museum)
6. CCS Individual Policy Template

Discussion items and key issues:

1. **Process:** After difficulties with phone lines were resolved by a room change at the museum, the call/meeting came to order and Ken Colburn did the roll call. He then walked through the agenda and asked if there were any additions or changes to be made to the Summary for Call #6. No changes were suggested.

Ken handed out copies of two memos prepared by Eric Williams at CCS. The first was a revised “consolidation memo” offering an approach by which the TWG’s 18-19 priority policies for initial analysis (i.e., “shortlist”) might be effectively grouped into a smaller set of options. The second memo provided TWG members with a brief explanation of how CCS anticipates moving forward with modeling and spreadsheet analyses for each policy option the TWG ultimately selects.

2. **Priority Policies for Initial Analysis:** Having already consolidated three policy groups (Centralized Non-Renewable Electricity, Oil & Gas Policies, and Emissions Policies) effectively during Call #6, the TWG turned its attention to the remaining two groups (Renewable Energy and Grid & Demand-Side Policies). After substantive discussion, the TWG decided to:
 - (a) Broaden the RPS option by renaming it “*Mandate(s) for Renewable Energy.*”
 - (b) Consolidate several policy options (*Distributed Renewables, Tax Credits and Incentives for Renewables, Biomass, Wind Power Siting, and aspects of Net Metering*) together as “*Financial Incentives for Distributed Renewables.*”
 - (c) Recharacterize *Centralized Renewables* as “*Financial Incentives for Centralized Renewables.*”
 - (d) Consolidate the rest of the *Net Metering* option in with the *Combined Heat and Power (CHP) Incentives and Barrier Reduction* option.

Two other items were raised in the course of discussion. First, TWG members entertained and accepted Ben Luce’s suggestion that the *Broad Demand Management of Electricity and Natural Gas* option be revised to explicitly include energy efficiency and integrated resource planning. This option was recharacterized as “*Demand-Side Management, Energy Efficiency, and Integrated Resource Planning (IRP).*”

Second, several members suggested that the expansion of the *Nuclear Relicensing & Uprating* option on Call #6 on January 6, 2006 to include licenses for entirely new nuclear facilities was inappropriate since Call #6 was noticed for the principal purpose of considering oil and gas options and issues. Ken Colburn apologized for having incorporated a TWG member's suggestion to include new nuclear licenses into this policy option under these notice conditions and indicated that he would, as a result, reinstate the characterization of this policy option as "*Nuclear Relicensing & Uprating*." The TWG can certainly add new nuclear licenses to the policy option in a future properly noticed call if it wishes to do so.

The effect of all the above changes was to consolidate the TWG's previous "shortlist" of policy options for initial analysis into 14 items. The TWG discussion also took note of the fact that several of its "shortlist" policy options for initial analysis were shared by the RCI TWG, specifically *Financial Incentives for Distributed Renewables*; *Financial Incentives for Centralized Renewables*; *Incentives and Barrier Reductions for Combined Heat and Power (CHP)*; *GHG Cap & Trade*; and *Demand-Side Management, Energy Efficiency, and Integrated Resource Planning (IRP)*. Straw proposals for these policy options will be developed jointly by ES and RCI TWG members.

Ken thanked TWG members for their effort in finalizing the initial "shortlist" of policy options and urged members to volunteer for the small group efforts to flesh out straw proposals for each option.

Next steps:

1. CCS agreed to prepare a revised "shortlist" of the 14 consolidated policy options reflecting today's discussion, including tentative volunteers and emails for each option, for further discussion and clarification of the volunteer groups that will assist in developing straw proposals for each policy option for review by the full ES TWG.
2. The next TWG call was scheduled for January 18, 2006 to address and finalize the volunteer groups for each policy option.
3. **Next TWG Meeting:** Wednesday, January 18, 2006 at 9:00 am – 10:00 am.
Call-in number: 800-416-4956
Passcode: 64818731#