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MEMO

To: NM ES Technical Working Group
 From: Ken Colburn (CCS) and Eric Williams (CCS/Nicholas Institute)
 Re: Second Possible Consolidation of Priority Options for Initial Analyses
 Date: January 9, 2006

On our last call on January 6, 2006, the ES TWG revised its “short list” of initial priority options for analysis. The 19 remaining policy options are shown in the first column in the Cross Reference Table of Policy Options on pages 3-4 below.

With an eye to making the list of options for initial analysis more manageable for analysis, CCS proposes the possible grouping of the 19 options shown in the table directly below, labeled Possible Groupings.

POSSIBLE GROUPINGS

A	RPS
B	Renewable tax credits & incentives
C	Renewable energy transmission & storage
D	Advanced Coal/Fossil Technologies including carbon capture
E	Nuclear licensing
F	Distributed Generation (CHP and distributed renewables); incentives and barrier removal
G	Energy efficiency & demand management
H	Carbon capture and storage or reuse (CCSR)
I	Methane reductions in O&G
J	CO2 reductions from combustion in O&G
K	CO2 cap & trade including offsets policies

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 only included items from the short list; other options from the larger policy matrix could be added as complementary policies.

We will discuss this proposed consolidation 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 individual Policy Design Template posted on the website, and volunteer to offer input and assistance in developing straw proposals for the policy options that are most of interest to you, and provide CCS with your ideas regarding the description of policies, policy design parameters (level, timing, etc.), and possible implementation mechanisms (i.e., item #1 of the template).**

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 “short list” policy options developed on the January 6, 2006 ES TWG call with the possible groupings noted above, labeled (A through K).

Short List No.	Suggested Policies for Short List	No. from Matrix	Consolidated Policy Options										
			A	B	C	D	E	F	G	H	I	J	K
Renewables													
ES-1	RPS	1.1	X										
ES-2	Renewable tax credits & incentives	1.2		X									
ES-3	Renewable energy transmission & storage	~1.9			X								
ES-4	Biomass	1.5	X										
ES-5	Centralized renewables	~(1.1, 1.2, & 1.6)	X										
ES-6	R&D including energy storage	~(1.3 & 1.9)		X	X								
ES-7	Wind power siting	~(1.9 & 5.3)	X		X								
Centralized Non-Renewables													
ES-8	Advanced Coal/Fossil Technologies including carbon capture	~(2.1 & 2.2)				X							
ES-9	Nuclear licensing	3.2					X						
Grid and Demand-Side Policies													
ES-10	Distributed Generation (CHP and distributed renewables); incentives and barrier removal	4.1					X						
ES-11	Net metering	5.2					X						
ES-12	Broad demand management (efficient use of electricity & natural gas)	~(5.7, 5.9, & 5.10)						X					
ES-13	Transmission capacity & corridors	~5.3			X								

Short List No.	Suggested Policies for Short List	No. from Matrix	Consolidated Policy Options										
			A	B	C	D	E	F	G	H	I	J	K
Oil & Gas													
ES-14	Carbon capture and storage or reuse (includes power sector CO2)	~(7.14, 2.2)									X		
ES-15	Methane reductions in O&G operations	~(7.4, 7.5, & 7.9-7.14)										X	
ES-16	CO2 reductions from combustion in O&G operations	~(7.1, 7.2, 7.3)											X
Emission Policies													
ES-17	CO2 Cap & Trade including offsets policies	(11.2, 11.4)											X