



NEW MEXICO CLIMATE CHANGE ADVISORY GROUP MEETING #5 AUGUST 8, 2006



TODAY'S AGENDA

9:00 AM	WELCOME AND INTRODUCTIONS (SECRETARY RON CURRY)
9:20	REVIEW MEETING AGENDA
9:30	PUBLIC COMMENT
9:40	APPROVAL OF FOURTH CCAG MEETING SUMMARY
9:45	REVIEW OF CCAG PROCESS AND NEXT STEPS
10:00	REVIEW AND APPROVAL OF PENDING POLICY OPTIONS (AF)
10:30	BREAK
10:45	REVIEW AND APPROVAL OF PENDING POLICY OPTIONS (RCI)
11:45	LUNCH
1:00 PM	REVIEW AND APPROVAL OF PENDING POLICY OPTIONS (ES, TLU & CC)
3:00	BREAK
3:15	REVIEW AND APPROVAL OF PENDING POLICY OPTIONS (REVIEW REMAINING OPTIONS)
4:00	REVIEW PROCESS AND SCHEDULE FOR COMPLETING DRAFT REPORT
4:15	DISCUSSION OF NEXT MEETING (AGENDA, OCTOBER, ALBUQUERQUE)
4:30	ADJOURN

PUBLIC INPUT, ANNOUNCEMENTS

CCAG PROGRESS

1. DEVELOP INITIAL GHG INVENTORIES AND FORECASTS (COMPLETED)
2. IDENTIFY CONCEIVABLE GHG MITIGATION OPTIONS (COMPLETED)
3. IDENTIFY INITIAL PRIORITIES FOR EVALUATION (COMPLETED)
4. EVALUATE GHG REDUCTION POTENTIAL AND COST-EFFECTIVENESS OF INDIVIDUAL OPTIONS; ALONG WITH CONTRIBUTING ISSUES AS NEEDED (COMPLETED FOR MOST OPTIONS)
5. IDENTIFY LEVEL OF CONSENSUS, ALTERNATIVE POLICY DESIGN NEEDS FOR INDIVIDUAL OPTIONS (TBD)
6. MODIFY, ADD OR SUBTRACT OPTIONS AS NEEDED (TBD)
7. EVALUATE CUMULATIVE RESULTS OF OPTIONS AGAINST E.O. TARGETS (IN PROGRESS)
8. ITERATE TO CONSENSUS, WITH VOTES AS NEEDED
9. AGGREGATE OPTIONS INTO IMPLEMENTATION SCENARIOS
10. FINALIZE RECOMMENDATIONS AND REPORT LANGUAGE

PENDING POLICY OPTIONS

SECTOR	# OPTIONS
ES	16
RCI	19
TLU	16
AF	15
CC	3
TOTAL	69

TREATMENT OF DOUBLE COUNTING OF OPTIONS

- **INDIVIDUAL OPTIONS PRESENTED AS “STAND ALONE” RESULTS IN TABLES**
- **AGGREGATE OPTIONS PRESENTED AS “INTEGRATED” RESULTS IN TARGET GRAPHS**

TREATMENT OF DOUBLE COUNTING OF OPTIONS...

- **DOUBLE COUNTING REMOVED DUE TO:**
 - **OVERLAP OF “EITHER-OR” OPTIONS**
 - **INTERACTION BETWEEN IMPLEMENTATION OF RELATED OPTIONS (SUPPLY & DEMAND DYNAMICS)**
 - **OTHER POTENTIAL INTERACTIONS BETWEEN RELATED OPTIONS**

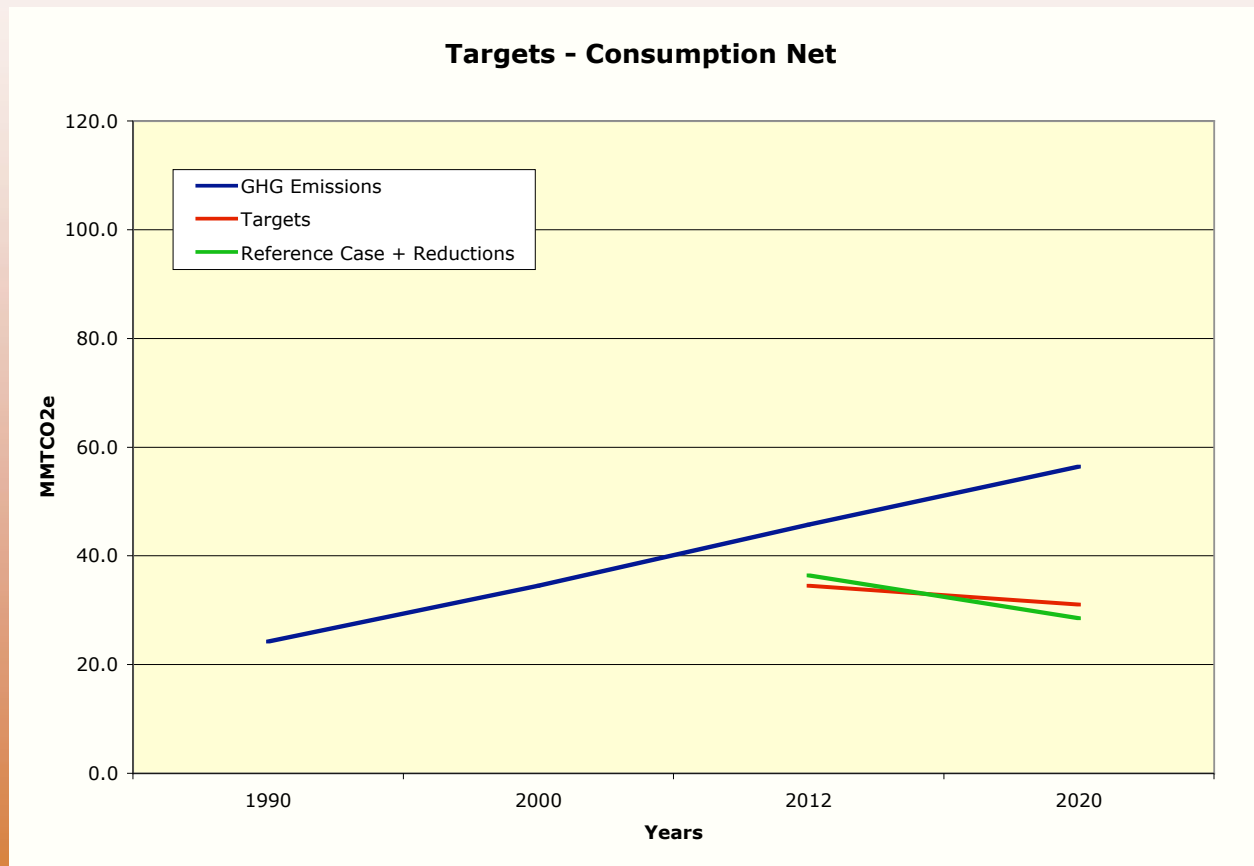
TREATMENT OF DOUBLE COUNTING OF OPTIONS...

- **CAVEATS:**
 - SEVERAL KEY OPTIONS NOT YET QUANTIFIED
 - OPTIONS NOT YET APPROVED
 - OPTIONS COULD BE MODIFIED TO REACH AGREEMENT
 - FIRST ROUND QUANTIFICATION AND MAY BE REVISED IN ADDITIONAL ROUNDS

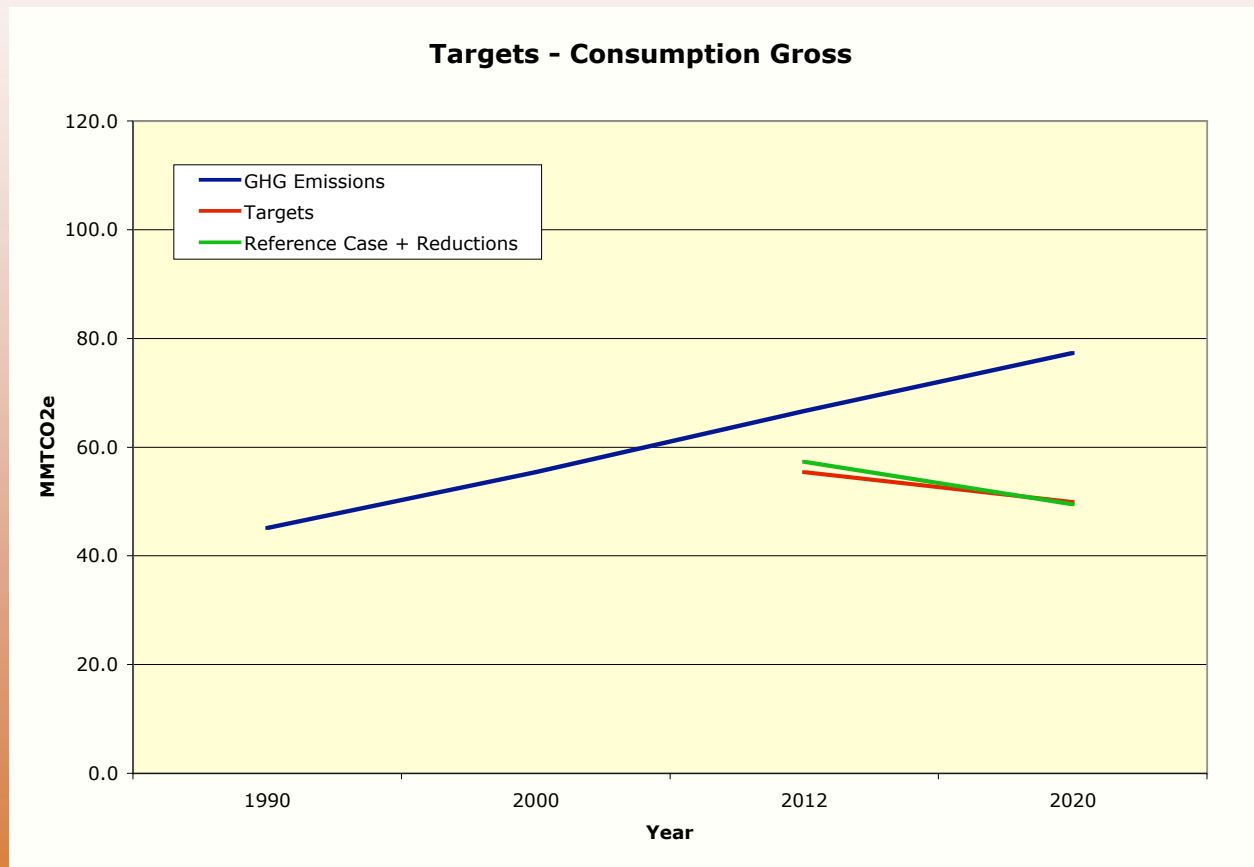
CURRENT POTENTIAL PROGRESS V. E.O. TARGETS

Consumption Basis Net				
	1990	2000	2012	2020
GHG Emissions	24.2	34.5	45.8	56.4
Targets			34.5	31.1
E.O. GHG Reduction Needs			11.3	25.4
Total GHG Reductions from TWGs			9.38	27.85
Difference Between Recs & Targets			1.9	-2.5
Reference Case + Reductions			36.4	28.6
Consumption Basis Gross				
	1990	2000	2012	2020
GHG Emissions	45.1	55.4	66.7	77.3
Targets			55.4	49.9
E.O. GHG Reduction Needs			11.3	27.4
Total GHG Reductions from TWGs			9.38	27.85
Difference Between Recs & Targets			1.9	-0.4
Reference Case + Reductions			57.3	49.5
Production Basis Net				
	1990	2000	2012	2020
GHG Emissions	47.6	62.0	71.0	80.8
Targets			62.0	55.8
E.O. GHG Reduction Needs			9.0	25.0
Total GHG Reductions from TWGs			9.38	27.85
Difference Between Recs & Targets			-0.4	-2.9
Reference Case + Reductions			61.6	53.0
Production Basis Gross				
	1990	2000	2012	2020
GHG Emissions	68.5	82.9	91.9	101.7
Targets			82.9	74.6
E.O. GHG Reduction Needs			9.0	27.1
Total GHG Reductions from TWGs			9.38	27.85
Difference Between Recs & Targets			-0.4	-0.8
Reference Case + Reductions			82.5	73.9

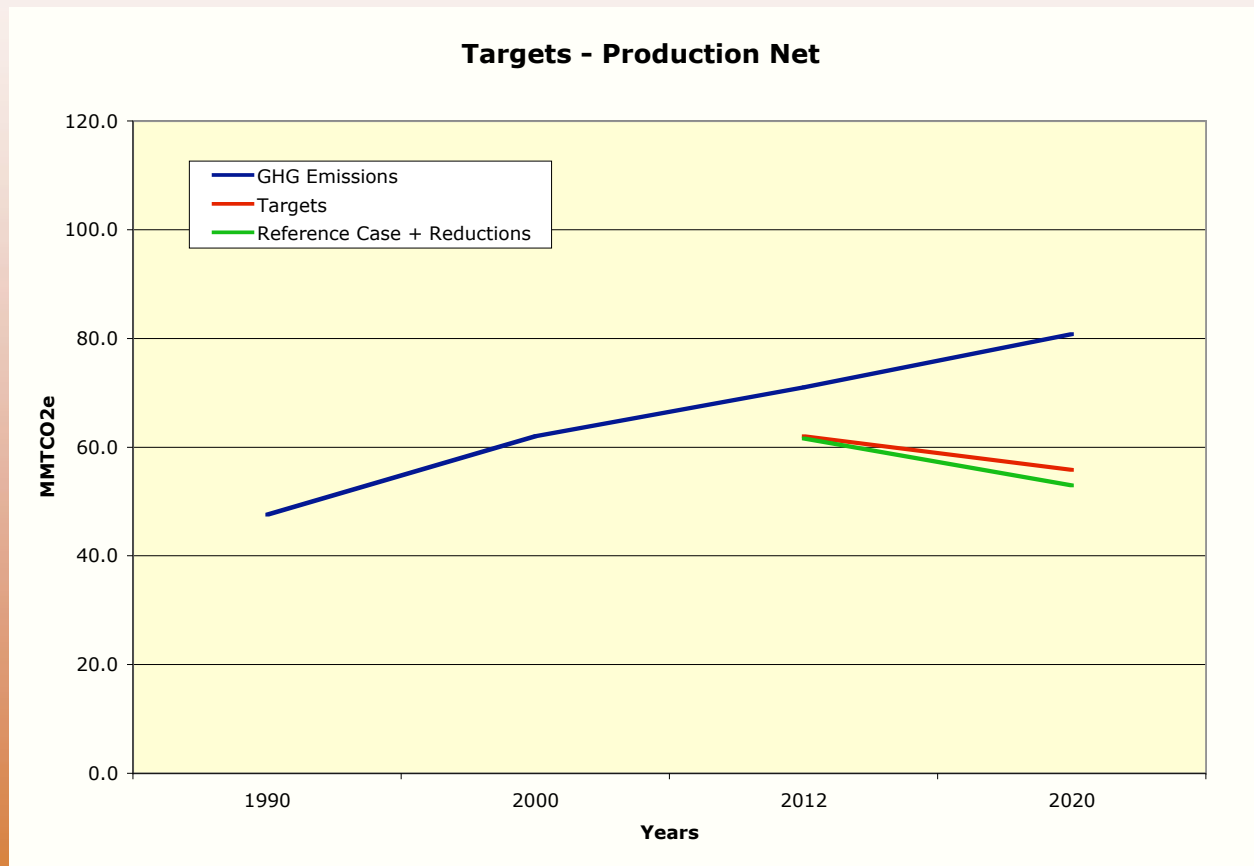
POTENTIAL PROGRESS V. E.O. TARGETS



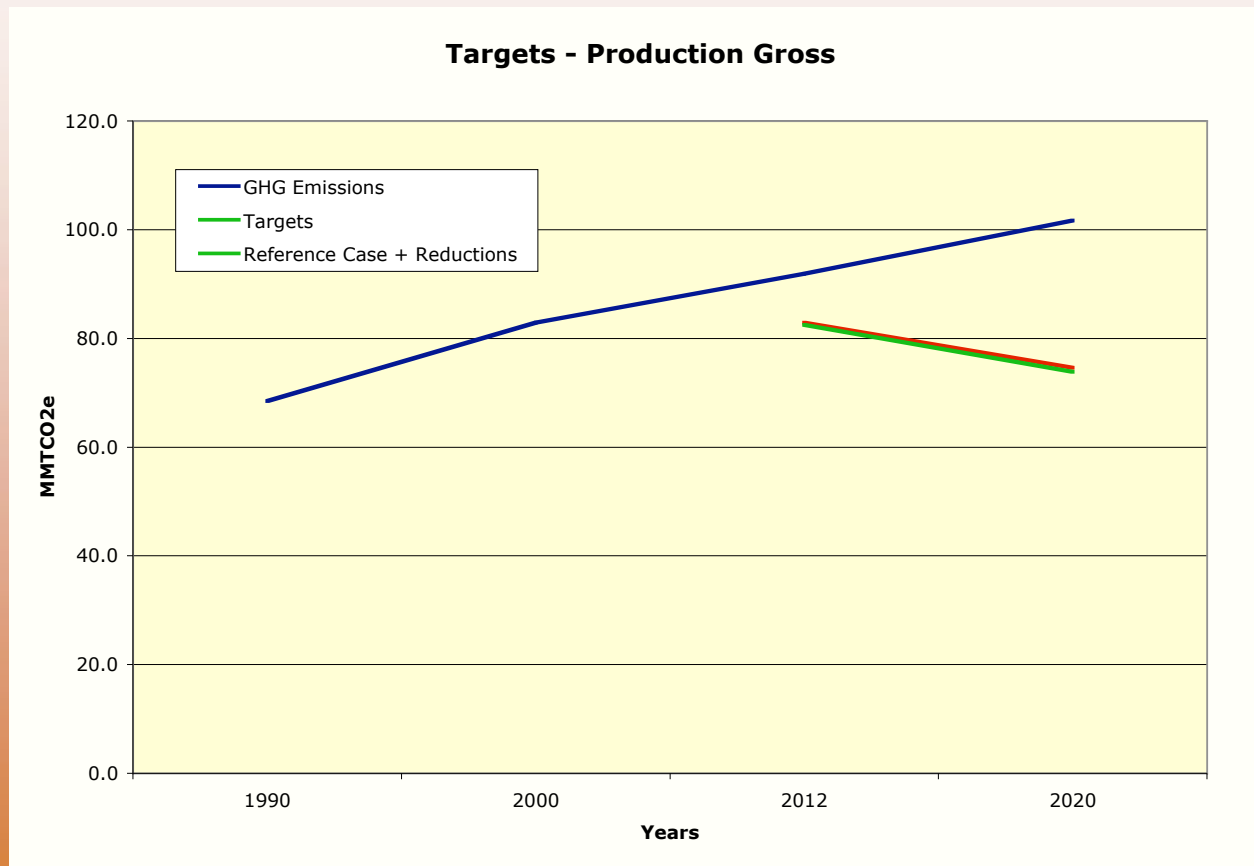
POTENTIAL PROGRESS V. E.O. TARGETS



POTENTIAL PROGRESS V. E.O. TARGETS



POTENTIAL PROGRESS V. E.O. TARGETS



CCAG REVIEW AND APPROVAL OF PENDING POLICY OPTIONS

- 1. TWG LEADER PRESENTS PROPOSED OPTIONS LIST WITH BRIEF DESCRIPTION OF EACH**
- 2. CLARIFYING QUESTIONS BY CCAG TO TWG MEMBERS AND TWG LEADER**
- 3. CCS ASKS FOR ANY OBJECTIONS BY THE CCAG AND AN EXPLANATION OF SPECIFIC ISSUES IF AS NEEDED**
- 4. IF NO OBJECTION, DRAFT OPTION IS APPROVED**
- 5. IF OBJECTIONS, CCAG DISCUSSES POTENTIAL AND PROPOSED ALTERNATIVES, THEN VOTES AGAIN IF NEEDED**
- 6. FINALIZE NEXT STEPS FOR THE REMAINING PENDING OPTIONS FOR THE FINAL CCAG MEETING**

DECISION CRITERIA

- **GHG REDUCTION POTENTIAL (CO₂E)**
- **DIRECT COST PER TON GHG REMOVED**
- **CONTRIBUTING ISSUES**
- **FEASIBILITY ISSUES**

POLICY OPTIONS: DECISION VARIABLES

- **DESIGN**
 - **GOALS**
 - **TIMING**
 - **COVERAGE OF PARTIES**
- **IMPLEMENTATION MECHANISMS**
- **ANALYSIS**
 - **DATA SOURCES**
 - **METHODS**
 - **ASSUMPTIONS**
 - **UNCERTAINTIES**

AF OPTIONS - TABLE 4

F-1	Forestland Protection from Developed Uses
F-2a	Forest Health & Restoration - Residential Lands
F-2b	Forest Health & Restoration - Other Lands
A-1	Manure Energy Utilization (dairies)
A-1	Manure Energy Utilization (feedlots)
A-2	Biomass Feedstocks for Electricity or Steam Production
A-3	Ethanol Production
A-4	Nutrient Management
A-5	Manure Management - Land Application
A-6	Conservation Tillage/No-Till
A-7	Convert Agricultural Land to Grassland or Forest
A-8	Reduce Permanent Conversion of Ag & Rangeland to Developed Uses
A-9	Programs to Support Organic Farming
A-10	Programs to Support Local Farming/Buy Local
A-11	Biodiesel Production

RCI OPTIONS - TABLE 1

RCI-1	Demand Side Management (DSM) Programs, Energy Efficiency Funds, and/or Energy Efficiency Requirements for Electricity
RCI-2	Demand Side Management (DSM) Programs, Energy Efficiency Funds, and/or Energy Efficiency Requirements for Natural Gas and Other Fuels
RCI-3	Regional Market Transformation Alliance
RCI-4	State Appliance Standards
RCI-5	Green Power Purchasing
RCI-6	Rate Design (Including Time of Use Rates, Increasing Block Rates, and Seasonal Use Rates)
RCI-7A	Improved Building Codes
RCI-7B	Solar Hot Water and Solar-PV-ready Codes for New Buildings
RCI-8A	Building Energy Performance Requirements for State-funded and Other Government Buildings ("Reach Codes")
RCI-8B	Building Energy Performance Promotion and Incentives for Energy Performance Enhancements (Attaining "Reach Codes") in Non-Government Buildings (Including Existing Buildings)
RCI-9	Government Agency Requirements and Goals (including procurement) -- Focus on operations
RCI-10	Education and Outreach for Building Professionals
RCI-11	Consumer Education Programs
RCI-12	Increased Emphasis on Energy and Environmental Consideration in Higher Education
RCI-13	Incentives and Promotion for Renewable Energy and Clean Combined Heat and Power
RCI-14	Regulatory/Legislative Grid, Pricing, and other Policies to Support Distributed Generation
RCI-16	Participation in Regional (or National) Industry Emissions Cap and Trade Programs
RCI-17	Voluntary Emissions Targets
RCI-18	Use of Alternative Gases (Non-Energy Emissions, Industrial Process Gases)

BREAK



August 8, 2006

www.nmclimatechange.us

19

ES OPTIONS - TABLE 2

ES-1	Mandate(s) for Renewable Energy (RPS, etc.)
ES-2	Financial Incentives for Distributed Renewables
ES-3	Renewable Energy Transmission and Storage
ES-4	Financial Incentives for Centralized Renewables
ES-5	R&D including Energy Storage
ES-6	Advanced Coal/Fossil Technologies (e.g., IGCC with carbon capture)
ES-7	Nuclear Relicensing & Upgrading
ES-8	Incentives and Barrier Reductions for Combined Heat & Power (CHP)
ES-9	Demand-Side Management, Energy Efficiency, and Integrated Resource Planning (IRP)
ES-10	Transmission Capacity and Corridors
ES-11	CO2 Capture and Storage or Reuse (CCSR)
ES-12	Methane Reduction in Oil & Gas Operations: BMPs & PROs
ES-13	CO2 Reduction from Fuel Combustion in Oil & Gas Operations
ES-14	GHG Cap & Trade
ES-15	Generation Performance Standard
ES-16	Regulatory Reform for Electric Cooperatives

TLU OPTIONS - TABLE 3

TLU-1	State Clean Car Program
TLU-2	Low Rolling Resistance Tires
<i>TLU-3</i>	<i>Procurement of Efficient Fleet Vehicles</i>
TLU-4	Pay-As-You-Drive Insurance
TLU-5	Incentive/Disincentive Options Bundle
TLU-6	Alternative Fuels Use [6a] Alternative Fuel Production [6b]
	VMT Reduction Bundle TLU-7 to TLU-12
TLU-7	Infill, Brownfield Re-development
TLU-8	Transit-Oriented Development
TLU-9	Smart Growth Planning, Modeling, Tools
TLU-10	Multimodal Transportation Bundle
<i>TLU-11</i>	<i>GHG Offset Requirements for Large Developments [in progress]</i>
<i>TLU-12</i>	<i>Targeted Open Space and Croplands Protection [in progress]</i>
TLU-13	Diesel Retrofits
TLU-14	Truck Stop Electrification/Anti-Idling
TLU-15	Intermodal Freight Initiatives
TLU-16	Lower Speed Limit for Commercial Trucks

CC OPTIONS - TABLE 5

<u>CC-1</u>	State Greenhouse Gas Reporting
CC-2	State Greenhouse Gas Registry
CC-3	State Climate Public Education and Outreach

REMAINING OPTIONS

- AF
- RCI
- ES
- TLU
- CC

BREAK



August 8, 2006

www.nmclimatechange.us

24

DRAFT CCAG REPORT

- EXECUTIVE SUMMARY
- BACKGROUND, PURPOSE AND GOALS
 - DESCRIPTION OF THE PROCESS
 - HISTORY AND STATUS OF STATE ACTIONS
- STATE EMISSIONS INVENTORY & FORECAST
- POLICY RECOMMENDATIONS & RESULTS
 - AGRICULTURE AND FORESTRY
 - ENERGY SUPPLY
 - RESIDENTIAL, COMMERCIAL, INDUSTRIAL
 - TRANSPORTATION & LAND USE
 - CROSS CUTTING ISSUES
- APPENDICES

CCAG #6 MEETING

- **AGENDA**
 - APPROVAL OF FINAL RECOMMENDED OPTIONS, WITH REVISIONS AS NEEDED
 - REVIEW OF FINAL REPORT OUTLINE AND REVIEW PLANS
- **MEETING LOCATION, DATE AND TIME**