

Greenhouse Gas Emission Reduction Task Force Meeting
(Act 234, Session Laws of Hawaii (SLH) 2007)
March 6, 2008
State Office Tower (SOT), Room 204
Meeting Minutes

Task Force Members Present:

1. Ms. Estrella Seese, Designee for Co-Chair Theodore E. Liu, Director, Department of Business, Economic Development and Tourism (DBEDT)
2. Co-chair Laurence K. Lau, Deputy Director for Environmental Health, Department of Health (DOH)
3. Mr. Robbie Alm, Senior Vice President for Public Affairs, Hawaiian Electric Company, Inc.
4. Mr. Frank Clouse, Manager, Refining, Tesoro Hawaii Refinery
5. Dr. Makena Coffman, Assistant Professor, University of Hawaii (UH) Department of Urban and Regional Planning
6. Mr. Mark Fox, Director, External Affairs, The Nature Conservancy of Hawaii (TNC)
7. Dr. Lorenz Magaard, Professor, University of Hawaii (UH) Department of Oceanography
8. Mr. Jeffrey Mikulina, Chapter Director, Sierra Club Hawaii Chapter
9. Mr. Gary North, Senior Vice President, Matson Navigation Company.

Task Force Members Excused:

1. Co-Chair Theodore E. Liu, Director, Department of Business, Economic Development and Tourism (DBEDT)
2. Mr. Gareth Sakakida, Managing Director, Hawaii Transportation Association

Staff Members Present from DBEDT:

Mr. Theodore (Ted) Peck, Acting Manager, Energy Policy and Planning Branch, Strategic Industries Division
Ms. Estrella Seese, Energy Economist
Ms. Karen Shishido, Energy Analyst

Staff Members Present from DOH:

Mr. Wilfred Nagamine, Clean Air Branch Manager
Mr. Barry Ching, Planner
Ms. Marianne Fuji Rossio, Engineer
Ms. Priscilla Ligh, Engineer
Mr. Scott Takamoto, Engineer

Representative from Attorney General's Office:

Mr. Gregg Kinkley, Deputy Attorney General

1. The meeting was called to order by Co-Chair Mr. Lau at 3:07 pm
2. Review of the Minutes of the February 7, 2008 Task Force Meeting and Consideration for Approval

- a. Co-Chair Lau noted that the date was incorrect on the draft minutes, and should read “February 7, 2008”. He also suggested that a photocopy of attendees from the public be added to the official minutes.
 - b. Mr. Mark Fox moved to approve the minutes as amended. Mr. Gary North seconded the motion.
 - c. Minutes were approved with the amendments noted.
3. Co-Chair Laurence K. Lau gave an update of The Climate Registry’s mandatory work plan and National Association of Clean Air Agencies (NACAA) global warming conference in mid-February 2008.
 - a. The four areas of focus were 1) Preserving right of states to set more stringent reduction requirements than the federal program 2) Role that states and localities should play in implementing the Federal reduction program 3) Role that states and localities can play in a Federal allowance program, including the distribution of funds 4) Role that states and localities can play in data management under Federal climate change programs.
 - b. Co-Chair Lau provided copies of The Climate Registry’s mandatory reporting committee work plan. TCR is developing a general reporting protocol, underscoring the need for rigorous, transparent verification. There are also general TCR protocols for voluntary reporting as well as verification programs for a mandatory system. TCR is offering guidance to states with mandatory reporting requirements or are considering them.
 - c. TCR does not see itself as an entity that would receive reports. TCR has 501c(3) status (nonprofit) and has no regulatory authority. It is considering having reporting services contracts with member states but will not have a direct regulatory role.
 - d. The public comment period for the draft reporting protocol will end on March 14, 2008. Document available online at:
http://www.theclimateregistry.org/Draft_General_Verification_Protocol.pdf
 - e. Co-chair Lau sent a letter to Marcus Peacock of the U.S. Environmental Protection Agency about the issue of a single data exchange standard for greenhouse gases and other air pollutants. This would involve a computer system that is unified, economical and easy to use across all the states. Ideally, EPA would commit to this concept soon because both TCR and the EPA need to get major work (protocols, reporting rules) done by June 2008.
 - f. The next full Board meeting will be in early June.
4. Dr. Makena Coffman gave a report on the GHGERTF Analysis Committee’s first meeting, held on March 3, 2008. A summary follows.
 - a. Dr. Coffman was chosen by the committee as the committee Chair. Mr. Laurence Lau was selected as Co-Chair of the committee.
 - b. The committee discussed what they would like to see on the scope of work in the Request for Proposals for the inventory update and support for the formulation of a workplan.
 - c. The committee recommends that RFP should especially focus on three areas: 1) identification of direct emission measures, alternative and market based compliance measures, and incentives and 2) Consideration of potential and

cumulative impacts of market-based mechanisms, design of market-based mechanisms to prevent increase in toxic air contaminants (as identified by EPA); and recommendations to maximize additional and environmental and economic benefits to Hawaii, and 3) Review and recommend fees to be applied to GHG sources.

5. Mr. Mark Fox gave a report on the GHGERTF Policy Committee's first meeting, held on March 3, 2008. A summary follows.
 - a. Mr. Fox was chosen as Chair, and Mr. Gary North was selected as Co-Chair of the committee.
 - b. The committee discussed areas that members would like addressed in the draft RFP workplan, which consultant selected will provided analysis and information on. The areas recommended by the Policy committee as areas of focus included regulatory schemes, market impacts, impacts on those who cannot afford to pay for cost increases under a carbon reduction regime, and how to create a flexible regulatory regime that meshes well with other regimes (including national) and potentially allows for flexible compliance for firms with a presence in Hawaii and in the continental US.
 - c. Mr. Fox asked if there would be an opportunity to share the RFP with the public and receive solicit public comment for a short period before it is finalized. Staff will follow up on procurement rules and report back to the TF.

6. Co-Chair Lau started a discussion on how Hawaii's GHG reduction efforts will fit into national efforts. There is a risk that our efforts will be pre-empted by upcoming national legislation, but TF members agreed that we should keep going forward with our efforts, ensuring that they are flexible to reduce this risk. Dr. Coffman commented that consideration should be given toward putting regulatory regime revenue toward permanent entities, in the event that it incompatible with national policy. Co-Chair Lau commented that the U.S. House of Representatives white paper on carbon reductions is proposing a bold 60-80% reduction in U.S. emissions. He stressed the importance of keeping up with events at the national level and participating in organizations like TCR, so that Hawaii can keep up with and provide input into policy developments.
 - a. Public Comment
Member of the public Kirsten Turner commented that similarly, the Army is taking the lead in an aggressive approach to GHG emissions reductions even in the absence of an executive mandate. Funding is being expended in anticipation of federal policy. Member of the public Mr. Henry Curtis commented that Navy solar water heaters account for 2/3 of the federal installation target under the Million Solar Roofs Initiative.

7. Outreach Committee update.
 - a. The meeting was cancelled due to lack of quorum. It is being rescheduled by staff.
 - b. Mr. Gregg Kinkley, Deputy Attorney General, reviewed Sunshine Law requirements for the committee and said that Ex-officio Task Force members (i.e., Chair and Co-Chair) can appoint designees for future committee meetings

- c. Mr. Gary North volunteered to be the fifth member of the Outreach committee.
8. Future agenda items and housekeeping matters
- a. Co-Chair Lau began a discussion on the timing of the committee meetings and asked TF members if they wanted to continue having the committee meetings a few days before full TF meetings. He asked for suggestions on how to solve the problem of including decision items and results of committee meetings in the agenda for the TF meetings given the 6 day notice period. Mr. Kinkley suggested that a standing TF meeting item be “discussion and possible action on recommendations” to address this. This would allow TF members to take any necessary action on committee recommendations immediately (e.g., at the TF meeting following the committee meetings)
 - b. Mr. Jeff Mikulina asked for an update on progress on the GHGERTF website. Mr. Ted Peck replied that staff is working on it and additional documents will be added by the next meeting (April 3rd).
 - c. Co-Chair Lau suggested that ‘discussion and possible action on RFP scope of work’ be added to the agenda for the next full TF meeting with the intent of giving staff feedback and guidance on the document.
 - d. Mr. Matt Riel of AES Hawaii offered to present at the next TF meeting on carbon sequestration projects his company is conducting. Mr. Henry Curtis said he will present information on the cultural impact to communities of carbon sequestration projects.
 - e. Mr. Ted Peck informed the Task Force that Dr. Steve Schneider of Stanford University, member of the United Nations Intergovernmental Panel on Climate Change, will be speaking on April 2, 2008 in Honolulu.
 - f. Co-Chair Lau commented that he will look into asking a representative from The Climate Registry to present information to the TF.
 - g. Mr. Allyn Lee from the City and County of Honolulu’s Department of Design and Construction told the TF about the City’s planned emissions inventory for its operations as a part of the Mayor’s Sustainability Task Force and sustainability initiatives.
9. Adjournment
- a. Dr. Makena Coffman made a motion to adjourn at 4:14 pm. Mr. Gary North seconded the motion. The meeting was adjourned.
10. Next Meeting
- a. The next meeting will be held on Thursday, April 3, 2008 from 3:00-5:00 pm.
 - b. **The location will be changed to Room 436 of the No. 1 Capitol District Building, 250 S. Hotel St., Honolulu.**