

State of Hawai`i - Department of Business, Economic Development, and Tourism
Greenhouse Gas Emissions Reduction Task Force
Meeting Minutes
Thursday, May 21, 2009
2 pm – 4 pm
Room 436, No. 1 Capitol District Building. (fmr. Hemmeter Bldg)
250 S. Hotel St., Honolulu, Hawaii 96813

Attendance

Task Force (TF) present:

1. Larry Lau (DOH)
2. Mr. Ted Peck, designee for Theodor E. Liu (DBEDT)
3. Robbie Alm (HECO)
4. Gary North (Matson Navigation Company)
5. Mark Fox (The Nature Conservancy)
6. Dr. Maxine Burkett (Center for Island Climate Adaptation and Policy, UH),
7. Jeff Mikulina (Blue Planet)

- 1) The meeting was called to order by Co-Chair Lau at 2:06 pm.
- 2) Minutes from the April 2nd TF meeting were approved.
- 3) Ted Peck motioned to add a discussion of the Waxman-Markey Bill at 3:45. The motion was seconded by Jeff Mikulina, and passed.
- 4) Tymon S. Lodder, Western Regional Director at The Climate Registry gave a webinar presentation titled "Climate Change Regulatory Overview and Role of Voluntary Reporting. The Presentation focused on 3 main points:
 - Update on National/Regional Climate Change Policy (EPA reporting rule, Waxman-Markey bill, and WCI and other Regional Programs)
 - Role of Voluntary reporting
 - How Cities and Counties can benefit from Federal funding to report

The presentation covered reporting of greenhouse gases to the EPA as well as regional and voluntary programs. Reporting mandates such as U.S. EPA mandatory greenhouse gas reporting rule and the Waxman-Markey bill are being developed in the hopes of creating a nation wide standard according to which large emitters of greenhouse gases are measured. The Waxman-Markey bill is also intended to regulate the amount of GHG emissions produced.

Regional voluntary reporting is intended to create a method by which government and private companies accurately measure amounts of GHG produced. Reporting starts with utilities first since good data is available from the utility sector. The three big regional voluntary reporting programs are the Regional Greenhouse Gas Initiative, the Western Climate Initiative, and the Midwest Cap-and-Trade Accord. The three states that are the most aggressive under the Western US GHG activity are Washington, Oregon, and California. Washington companies are required to report in year 2010, Oregon in 2011 and in California some sectors by 2009. The Midwest Cap-and-Trade Accords required reaching an agreement on a model cap-and-trade rule by September 2009. Each state is committed to using consistent methodologies and protocols. The

reporting can be expensive and is voluntary but will help reporters take better emissions inventory and prepare for when reporting becomes mandatory.

The Climate Registry (established in 2007) standardizes and centralizes GHG data into a North American registry to support voluntary and mandatory reporting. The registry provides an infrastructure to report but does not require reductions. The benefits include tracking measures over time and providing consistency. Even though some states are not included in the registry (e.g. Texas, Alaska) there are companies within each state that are still participating.

Energy audits/emissions reporting is a key component to regulating and achieving energy independence. Cities and counties can get federal money to help with reporting to assist with the reduction of fossil fuels and GHG. The Energy Efficiency and Conservation Block Grant provides an opportunity to state and local governments.

- 4.) Larry Lau briefly reviewed his draft of the proposed letter to the EPA, taking the main points from his last presentation to the GHG TF. The main points are:
 - A. States retain flexibility over submissions of reports
 - B. Unity and ease of reporting, a submitter needs to only submit 1 report
 - C. Let the state be the primary collector of reports

Concerns with working with EPA and giving them the additional task of accepting reports were brought up. However, it was pointed out that details of reporting were left vague to allow for flexibility with reporting.

The draft was motioned to be sent to the EPA. Gary North seconded the motion, and it was passed.

- 5.) Ted Peck brought up the issue of the Waxman-Markey bill and what impacts it would have on Hawaii. The bill is still new and was not reviewed by the Task Force as of 5/21/09. Ted suggested that the bill be discussed more in-depth at the next meeting after the members review the bill more closely. Because the bill has not yet been passed into law, and there is a chance that it may not pass, the state shouldn't try to follow the guidelines of the Waxman-Markey bill but rather should take note of sections that are beneficial to Hawaii and important to the state.

Robbie Alm mentioned that we should devise ways to protect Hawaii's interests. If the law works for the state we should stick with it, otherwise opt out. He discussed a scenario where the potential outflow of dollars is huge, and that Hawaii needs to develop standards of its own and develop methodologies to keep money inside the state.

Discussion followed about whether or not Hawaii can opt-out if the law is not in Hawaii's favor. Given Hawaii's isolation, we may be able to opt out if we make a convincing argument regarding how certain regulations will hurt Hawaii depending on how the law is structured. Mark Fox asked what would be a good way for the state to outline the rationale/criteria for a voluntary opt-out. Putting together a proposal to outline the scenarios was mentioned.

- 6.) Colleen Miller (DBEDT) discussed the status on the development of Work Plan #3. Work Plan #3 was sent to ICF and approved on March 26, 2009. DBEDT sent all data inputs and assumptions to ICF to use in the Energy 2020 model update. ICF and DBEDT are holding regular bi-monthly teleconference calls; the last call was May 6th, next call to occur on May 27th. ICF forwarded the reference case assumptions which was distributed as a handout.

Work plan #3 includes an analysis on the impact of national cap-and-trade system to Hawaii's economy. Mark Fox mentioned the possibility for ICF to provide bullet point concerning the impact to Hawaii even though the full analysis is not ready.

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- 7.) Larry Lau deferred the Policy/ Analysis Committee issues to the next task force meeting.
 - 8.) Nothing to report on outreach plans and activities.
 - 9.) Public comment Public commented that the form of the final ICF report is important, and that long term interests are different from short term.
 - 10.) Meeting adjourned at 4:02 pm