

Meeting Highlights

COG Climate Change Steering Committee

January 23, 2008

Attendance

The Honorable Nancy Floreen, Montgomery County Council, Chair
The Honorable David Snyder, City of Falls Church Council
The Honorable Redella S. (Del) Pepper, Vice Mayor, City of Alexandria
The Honorable Judith "J" Davis, Mayor, City of Greenbelt
Harriet Tregoning, District of Columbia Office of Planning
Mark Rawlings, District of Columbia Department of the Transportation
Corey Buffo, District of Columbia Department of the Environment
John Morrill, Arlington County
Zack Doberbower, District of Columbia Office of Planning
Tad Aburn, Maryland Department of Environment
Nat Bottigheimer, Washington Metropolitan Area Transit Association

Staff/Others present include:

Bhesh Dhamala, Fairfax County
Stuart Freudberg, COG, Director, Department of Environmental Programs
Naomi Friedman, COG, Assistant Executive Director
George Nichols, COG, Principal Environmental Planner
Leah Boggs, COG, Environmental Planner
Heidi Bonnafon, COG, Environmental Planner
Joan Rohlf, Chief COG Air Quality Planning
Jeff King, Environmental Planner, COG Air Quality Planning
Bob Owolabi, Fairfax County DOT
Zach Fields, Fairfax County
Dale Medeadris, Northern Virginia Regional Commission
Josh Foster, NOAA Climate Program Office

1. Call to Order

Chair Nancy Floreen called the Climate Change Steering Committee to order at approximately 11:00 a.m.

2. Chair's Remarks and Announcements

Chair Floreen highlighted the following in her remarks.

- *Climate Commission Updates*
 - Maryland
 - The Maryland Climate Change Commission (MCCC) was established last April 2007.
 - The MCCC is charged with collectively developing an action plan to address the causes of climate change, prepare for the likely consequences and impacts of climate change to Maryland, and establish benchmarks for implementing the Commission's recommendations. On January 14, 2008 the Commission released its interim report.

- Virginia
 - In December 2007, Virginia Governor Timothy M. Caine established the Governor's Commission on Climate Change.
 - The commission will prepare a plan for Virginia that identifies ways to reduce greenhouse gas emissions. The Virginia Energy Plan, released in September 2007, set a goal for the Commonwealth to reduce greenhouse gas emissions by 30 percent by 2025.
 - The Governor's Commission on Climate Change will identify additional steps that need to be taken to achieve the emissions reduction goal in a report scheduled to be issued by Dec.15, 2008.
 - Supervisor Penny Gross from Fairfax County, Councilmember Paul Ferguson from Arlington County and Stuart Freudberg are on the VA Committee.
- District of Columbia
 - The District joined the Climate Registry
 - Formerly joined ICLEI
 - Councilmember Mary Cheh's legislation was released last week (Clean and Affordable Energy Act. A hearing is scheduled for Jan. 30th).
- *Don Beyer Volvo/Clean Currents Event 1/8/08 – This is a unique new program to car buyers called "Green Your Drive." For every car sold at several of its locations in Northern Virginia, Don Beyer Volvo will purchase enough Renewable Energy Credits (RECs) through Clean Currents to offset each vehicle's estimated first year of carbon emissions.*
- *Report on Regional Climate Change Impacts/Adaptation*
 - *COG staff is summarizing a report on climate change impacts, changes in habit, etc.*
- *Board of Trade "Green as a Competitive Advantage"*
 - *BOT is developing a "green" web site*
 - *COG should be linked to the web site*

3. Recommendation to Endorse Cool Challenge Campaign

George Nichols presented the recommendation regarding participation in the Cool Capital Challenge. He noted that the Policy Subcommittee held a conference call on Dec. 14 and recommended a two-fold strategy for participation in the Cool Capital Challenge.

- Strategy 1
The Policy Subcommittee recommends that the CCSC endorse the Cool Capital Challenge and encourage COG-member jurisdictions to join the Challenge. The Policy Subcommittee believes the Cool Capital Challenge has good features and presents options for engaging the public and private sectors. This endorsement involves encouraging individual COG members and potentially their citizens to consider joining the Challenge, and could include co-sponsorship of certain activities. In this manner, individual COG jurisdictions would decide for themselves whether they want to become full partners.
- Strategy 2
The Policy Subcommittee recommends that COG as an organization and corporate entity join the Campaign. COG has begun an internal "greening"

initiative for its own operations and staff activities, several of which could be pledged as commitments to the Challenge.

The Committee accepted the recommendation but noted that staff should work with CCC staff to identify a symbol or recognizable emblem, noting COG member participation. The recommendation will be presented to the COG Board of Directors for adoption at the February 13, 2008 Board meeting.

4. Policy Subgroup Report/Federal and State Legislative Updates

Naomi Friedman provided an update on Climate Change Legislation as of 1/23/08.

Maryland

Global Warming Solutions Bill - (to be reintroduced – SB 409, HB 890) Sponsors: Senator Pinsky (Prince George's County), House Maj. Leader Del. Kumar Barve (Montgomery County).

This bill will place Maryland in a leadership role among states in an aggressive approach to greenhouse gas reduction. The bill will establish an economy wide "cap and trade" system to reduce GhG, setting a greenhouse gas emissions limit of 25% below 2006 levels by 2020 (similar to 1990 levels by 2020), and 90% by 2050. No emissions allowances will be given away for free; an auction will be created, beginning 2012; auction benefits will be kept separate from general fund, and allocation of such benefits will be determined. Offsets, or mechanisms to recover GhG from atmosphere, would be established. An Office of Climate Change, within the Dept. of Environment, will be established to oversee program. An advisory committee will likely be established, with local government at the table.

- Maryland Green Building Standards Act of 2008 – HB 23, Delegate Manno (Montgomery County). Requirement for certain buildings in the state to meet criteria for high performing buildings (e.g. LEED Silver rating, two green-globes, or other comparable rating.) Qualifying buildings include: new state buildings – costing above \$5 million – with at least \$2 million in state funds, large state building renovations (over \$2 million), and state funded public schools.

- The O'Malley administration has drafted an energy package comprised of six bills:

1. Codify EmPower – Maryland's goal to reduce electricity consumption by 15% by 2015 (or 15 x 15). This is estimated to save consumer \$1.8 billion in electricity costs, and eliminate 35 billion lbs. of GhG. Strategies would include an Energy Efficiency Performance Standard – which would encourage more efficient generation, transmission, and use of electricity – by requiring utilities to reduce a specific percentage of their electricity demand through end-user demand reduction. Financial incentives and disincentives would be put in place to encourage utilities to reduce demand, and a system of measurement and verification.

2. Authorize a new Strategic Energy Investment Fund – to help support energy efficiency, conservation, and renewable energy activities. This could include providing rebates for certain energy efficiency purchases, low interest financing for energy

efficiency improvements, subsidies for energy audits, and low income programs. Governor recommends a publicly administered energy investment fund – using proceeds from RGGI, as a starting point.

3. Amend (strengthen) the state's Renewable Portfolio Standard (RPS). Standard currently 9.5%, of which 2% needs to be from solar energy. Option being considered 20% by 2022.

4. Set green building requirements for new state buildings and state funded public schools.

5. Solar and geothermal initiatives (grants and tax exemptions).

6. Expand finance authority of MD Environmental Services.

Virginia

The Clean Energy Future Act – SB 446 – Sponsors: Sen. Chap Peterson (Fairfax), Sen. Patsy Ticer (Alexandria).

The bill would establish mandatory state renewable energy and energy efficiency standards, a renewable energy worker training program, a Clean Energy Fund, and a production tax credit for wind and solar energy. By 2020, a minimum of 20% of electricity sold in the state would have to be generated from renewable sources. The consumption of energy by retail customers would need to drop 10% below 2007 rates by 2020. The Virginia Sustainable Energy Fund would be established to provide financial incentives for low-interest loans, grants, etc., to increase renewable energy and energy efficiency in the state. Fund would be made up from alternative compliance payments and occasional payments from the General Fund.

➤ Other bills introduced include:

- HB 171 – (Kilgore) Resource authority to finance local government energy efficiency projects.
- HB 732/744 – (Caputo) Income tax – energy efficient equipment tax credits and deductions.
- HB 153 (Poisson) Solar water heating system pay-as-you-save pilot program.
- HB 793- (Englin) Sec. of Nat. Resources instructed to establish GhG reduction program.
- HB 676- (Plum) Establish Climate Change Commission.
- HB 1195 – (Moran) Green Building Act.
- HB 1409 – (Poindexter) Incentives for the use of alternatives and distributed generation.
- HB 418 – (Marshall) Uniform Statewide Building Code.
- SB 632- (Ticer) Conservation of trees during land development process.
- SB 317- (Wagner) Income tax – certified EarthCraft House tax credit.
- SB 234 – (Whipple) Greenhouse gas emissions – mandatory reporting.

District of Columbia

- Clean and Affordable Energy Act of 2007 – (Cheh)
- Establishment of an independent Sustainable Energy Utility (SEU) – to develop, coordinate and provide programs for energy endusers to promote sustainable energy use. This includes customer-sited renewable energy and energy efficiency services. Creation of Sustainable Energy Utility oversight board of public and private sector

- reps, and Sustainable Energy Trust Fund. DDOE will oversee routine administration of SEU.
- Renewable Energy Portfolio Standard – by 2020, 20% of electricity from renewable sources.
 - Green Buildings – adding requirement to use *Energy Star Portfolio Manager* benchmarking tool for public and private buildings, over certain footage.

Federal

- Energy Independence and Security Act of 2007 – HR 6 signed into law!
- CAFÉ standards – 35 mpg cars and light trucks
- Improved standards for appliances and lighting
- Building and industry improvements

=Beginning to estimate GhG reduction to region of such measures (e.g. 9% percent reduction by 2030)

- Energy Efficiency and Conservation Block Grants –
- Eligible units – 35, 000 or 10 most populous counties/cities in state (two ways to tally; considers daytime population)
- Improve efficiency in transportation sector, building sector, other appropriate sectors:

Development and implementation of energy efficiency strategies; development of methods to measure progress toward goals; development of annual reports; residential and commercial energy audits; financial incentives for energy efficiency; grants; measurement and verification; transportation programs – such as development of zoning guidelines to promote energy efficient development, traffic signal synchronization, flex time programs; building codes; distributed generation; recycling; landfill methane recovery; energy efficient lighting; LED's; solar; biomass; etc.

- 68% to eligible units of local government, 28% to states, 2% to tribes, 2% for competitive grants. States must provide at least 60% of their money to noneligible local governments.
- Sec. of DOE, in conjunction with EPA administrator, Sec. of HUD, and DOT administers.
- Eligible units of local government need to submit an energy efficiency and conservation strategy for receipt of funding. May provide a percentage of funds to NGOs for assistance.
- Need to take into account use of funds by adjacent units of local government, and share information with state.
- Amount - \$10 billion over 5 years. Need to monitor appropriations.
- Energy efficiency and renewable energy worker training program. Competitive grants to states to administer workforce development. State can award grants to state Energy Sector Partnerships – non profits, labor organizations, one-stop career centers, community based organization, state and local veterans' offices, representatives from local government, worker skill programs. Pathway out of poverty programs. Analysis of labor market trends in this field. Amount:
- Climate Security Act (Warner-Lieberman)
- Economy wide "Cap and Trade" (regulatory/market-based) Greenhouse gas reduction bill – up to 70% reduction by 2050.

- Passed through committee – will be taken up by full Senate floor in Spring – March/April.
- Strong bill gathering steam – comprehensive strategy that places a clear cap on global warming pollution.
- Creates a market for CO2.
- A portion of the revenue from the sale of allowances used for development of energy efficient/renewable energy technologies, mitigating climate impacts to wildlife and sensitive ecosystems (e.g. Ches Bay), assisting low-income residents, etc.
- Periodic review by NAS – to make sure program working.
- Supported by many business leaders, environmental groups, states, other stakeholders.

Limitations:

- Utilities and manufacturers receive most allocations – many are given away for free – (ratchet down over time).
- No direct allocations or auction allowances for locals/region – 10% allocations go to states --- need to assert and define local role – and assist passage of money to locals.
- No comprehensive dealing with transportation emissions - three legs of the transportation stool, which includes VMT reduction – land-use/transportation planning.
- Need to determine if any local facilities are affected (waste to energy plants, incinerators, landfills, large fleets).
- Develop and refine Committee recommendation and provide to Board. Provide legislative language promoting local partnership and support for strong, overarching approach.

5. Approaches for Setting a Baseline, Targets and Goals for Reducing GHG Emissions

Staff presented three options for a discussion of regional climate change goals. The options were:

1. Adopting a uniform regional goal that all jurisdictions would follow;
2. Adopting a regional goal with existing commitments of local jurisdictions; and
3. Not adopting a regional climate change goal.

Ms. Tregoning said goals are easier to achieve in Washington, D.C. because the city is walkable. Zack, a representative of Fairfax County Supervisor Connelly, said Fairfax prefers to work at the MPO level on climate change. Mr. Morrill, energy planner from Arlington County, said the proposed goals are a good midpoint. Arlington believes a regional goal is needed. With the first option, there is a timing element and an equity issue. There is no flexibility for jurisdictions regardless of size. The second option is a voluntary regional goal. Chair Floreen said COG has no authority to require local governments to adopt climate change goals, so the second option is the only realistic one. Mr. Freudberg said the second option would set an aggregate regional goal. It would be met by actions already adopted and by focusing on best practices

Several committee members spoke in favor of having a regional goal. Councilmember Del Pepper (City of Alexandria) asked why a 70% reduction target was proposed instead of an 80% target. Tad Aburn said the Maryland Climate Change Commission chose a 90% goal because they want to affect the national and international debate on climate change. Committee members asked how the goal would be met. Mr. Snyder suggested that a regional goal should be the highest attainable. He favored near term goals with steps to meet the goals. Mr. Aburn said science tells us what we need to do to stop global warming. We're not sure how we're going to get to the ambitious goal, but the science tells us that deep reductions are needed. There's a new sense of urgency from the science community after the December meeting in Bali.

The committee expressed a desire for regional goals, including a short term goal and actions that are needed to achieve the goals. Staff agreed to provide further clarity on a regional goals, long term (70% or 80%) and short term (2012?) and what can be done with the knowledge and technology that exists today.

6. Schedule and Topics for February, March and April 2008 meetings

Referring to a schedule of proposed topics, Stuart Freudberg stated that the goal is to prepare a Climate Change Report by April 2008. The following are topics and actions anticipated for the February 2008 meeting.

- Receive Final Greenhouse Gas Emissions Inventory Report
- Receive Final Report on Regional Catalogue of Greenhouse Gas Emission Reduction programs and best management practices recommendations
- Agree on Outline and Content for Climate Change Steering Committee Report to the COG Board of Directors; discuss areas for committee recommendations and governance options
- Agree on Regional Greenhouse Gas Baseline, Reduction Targets/Goals
- Consider advocacy positions on federal/state climate legislation

7. Next Meeting

The next meeting is scheduled for February 27, at 11:30 a.m.

8. Adjourn

There being no further business, the meeting adjourned at approximately 2:15 pm.

