

Draft Meeting Summary

COG Climate Energy and Environment Policy Committee (CEEPC)

November 18, 2009

Members and Alternates

Melissa Adams, Washington Gas
Kambiz Agazi, Fairfax County
Hon. Roger Berliner, Vice Chair, Montgomery County Council
Allison Bishins, Center for Clean Air Policy
Austina Casey, District Department of Transportation
Hon. Robert Catlin, College Park
Hon. "J" Davis, City of Greenbelt
Hon. Adam Ebbin, Virginia House of Delegates
Hon. Jay Fisette, Chair, Arlington County
Matt Gray, U.S. Department of Energy
Bucky Green, U.S. EPA, Sustainability Facilities Branch
Bob Grow, Greater Washington Board of Trade
Ann Loomis, Dominion Resources
Hon. Andrea McGimsey, Loudoun County
Dale Medearis, Northern Virginia Regional Commission
Hon. Redella S. (Del) Pepper, Vice Mayor, City of Alexandria
Lolita Perry, District Department of Environment, Energy Office
Caroline Petti, AQPAC
Hon. Dan Robinson, Takoma Park
Nikki Rovner, Virginia Department of Natural Resources
Brendan Shane, District of Columbia Office of Sustainability
Howard Simons, Maryland Department of Transportation
Dr. Dann Sklarew, George Mason University
Kanti Srikanth, Virginia Department of Transportation
Dr. Mark Starik, George Washington University
Hon. Daniel Sze, Falls Church
Hon. Geraldine Valentino-Smith, Bowie
Lise Van Susteren, Chesapeake Climate Action Network
Steve Walz, Virginia Department of Mines, Minerals, and Energy
Kim Watson, Pepco
Hon. Jonathan Way, City of Manassas
Kris Wernstedt, Virginia Tech
Luke Wisniewski, Maryland Department of the Environment

Others Present:

John Allender, City of Bowie Environmental Advisory Committee
Jessica Abralind, Arlington County
Erica Bannerman, City of Alexandria
Dan Barry, District Department of the Environment
Tom Biesiadny, Fairfax County DOT
Laura Conant, Arlington County
Travis Cutler, Dominion Resources
Joan Kelsch, Arlington County
Bill Orleans, Citizen
Katy Perry, Maryland Department of the Environment
Bob Owolabi, Fairfax County Department of Transportation
Kara Reeve, DC Office of Planning

Bill Skrabak, City of Alexandria
Johanna Zetterberg, U.S. Department of Energy

Staff Present:

Monica Bansal, COG Department of Transportation Planning
Leah Boggs, Environmental Planner, COG DEP
Mike Clifford, COG Department of Transportation Planning
Stuart Freudberg, COG, Director, Department of Environmental Programs
Jeff King, Sr. Environmental Planner, COG DEP
Erin Morrow, COG Department of Transportation Planning
George Nichols, Principal Environmental Planner, COG DEP
Joan Rohlf, Chief COG Air Quality Planning, COG DEP
Lee Ruck, COG Counsel
Daivamani Sivasailam, COG Department of Transportation Planning

1. Call to Order/Introductions/Chair Remarks

Chair Fisette called the meeting of the Climate, Energy, and Environment Policy Committee (CEEPC) to order at 9:45 a.m.

Mr. Fisette made several announcements. At the last meeting, the committee discussed the Senate's Clean Energy and Climate legislation – S. 1733 – and agreed to ask the COG Board to transmit a letter urging that the percentage of greenhouse gas emission allowance revenue to local governments be increased. A letter signed by COG Board Chair Penny Gross was sent to Senators Boxer and Baucus on October 22nd. A copy of the letter was provided.

For the past 18 months a task force chartered by the COG Board known as the Greater Washington 2050 Coalition has been meeting to develop a vision and strategy to shape the region through 2050. They have released their draft report "REGION FORWARD – Greater Washington 2050: COG's Vision for the National Capital Region in the Twenty-First Century." Goals are organized into 4 major categories – Accessibility, Sustainability, Prosperity, and Livability. COG's Climate Change goals for 2020 and 2050 have been incorporated into the report, along with a number of other sustainability indicators. Staff provided a copy of the report and provided information on how to comment.

Climate Communities, a national local-government coalition formed to advocate on behalf of the interests of local governments on federal climate and energy legislation has been holding their "Local Climate Action Week." The event is largely an opportunity for members to meet with key federal leaders from the Executive Branch and Congress to discuss climate and energy legislation and local government interests. This afternoon meetings are scheduled with a number of Senators including Virginia Senators Webb and Warner.

At the meeting in July, the committee indicated an interest in having the COG Board Room retrofitted with energy efficient lighting. There are now 2 lights near the entrance to the room that were installed on a pilot test basis – one is a CFL and the other an LED. Both are dramatically more energy efficient than the incandescent bulbs and both will last a very long time. The incandescent lights use 75 watts; the CFL 23 watts; the LED 12 watts. Soon COG management will be making a decision on which type of replacement light will be selected. The installation requires some upgrade to the dimmer switches as well as the "cans" in the case of the LEDs.

2. Approval of Meeting Summary for Sept. 23, 2009 and Amendments to the Agenda

The meeting summary for the September 23, 2009 meeting of the Climate, Energy, and Environment Policy Committee (CEEPC) was approved with no changes. There were no changes to the agenda.

ACTION: Approved meeting summary.

3. Department of Energy Presentations

Mr. Gray provided detailed information on a recent Presidential Executive Order initiating new federal leadership on reducing greenhouse gases. On October 5, President Obama Signed Executive Order 13514, *Federal Leadership in Environmental, Energy, and Economic Performance*. Executive Order 13514 establishes numerous goals for Federal agencies and represents a transformative shift in the way the government operates by: establishing GHGs as the integrating metric for tracking progress in Federal sustainability. It also establishes a priority for collaborating with neighboring communities and reducing emissions from supply chain and requiring a deliberative planning process that links to budget.

Some of the key near term actions anticipated as a result of the Executive Order include preparing a greenhouse gas target tool, designating Senior Sustainability Officers, complete agency-wide greenhouse gas inventories with the new Target tool, submitting Scope 1 & 2 target goals for 2020, submitting Strategic Sustainability Performance Plan (in concert with 2012 budget submission) and submitting Scope 3 target goals for 2020. Other key tasks include providing electronic greenhouse gas reporting capabilities, and submitting to the Council of Environmental Quality input on agency adaptation actions. A complete comprehensive 2010 greenhouse gas inventory is anticipated to be completed by January 2011.

Johanna Zetterberg provided a report on Energy Efficiency and Conservation Block Grants. DOE has made about 1600 formula block grant awards and obligated \$1.8 billion. Once the remaining awards are issued, the agency will be looking forward to full implementation mode. Any questions on the competitive block grants must be submitted to fedconnect.com. The funding opportunity was announced on October 19 and will close on December 14. Voluntary letters of intent are requested by November 20. There are 2 topic areas. Topic area 1 is called the retrofit ramp-up program and has funding of \$390 million. There will be 8-20 awards ranging from \$5 to \$75 million. The retrofit ramp up program will seek to fund innovative programs producing whole neighborhood building retrofits that achieve sustainable and cost effective retrofit of a large percentage of buildings in a community. States and local governments are eligible to apply. The second topic area is broadly structured and is focused on innovative programs to improve energy efficiency. Only formula ineligible entities can apply. Total funding for topic area 2 is approximately \$64 million. There will be 15-60 awards of \$1 to \$5 million each. Ineligible entities can apply on behalf of eligible entities if there is an appropriate support letter. She also announced that DOE is offering a webinar on Property Assessed Clean Energy (PACE) models.

Mr. Way asked about the interaction between the COG regional targets and the targets that will be set by each federal agency in response to the Executive Order. He expressed concern that COG's targets may not be aligned well with the pending federal agency targets. Mr. Gray said that it will likely not be uniform across each agency. There is no broad overarching reduction target, it will be the sum of each agency's goals.

However, unlike greenhouse gas goals, uniform sustainability targets will be required for each agency.

Ms. Bishins asked about the new requirement for federal agencies to coordinate better with local planning organizations in the development process. Mr. Gray said that section establishes new policy and that that new guidance will likely be required to elaborate on what is expected of federal agencies in that regard.

Mr. Berliner and Mr. Walz asked about DOE's position on the Davis-Bacon Act's implication for use of federal funds for PACE programs and for state energy office programs. He asked whether local governments must make up the difference between wages paid to contractors and the prevailing wage rate. Ms. Zetterberg said that DOE is actively working to resolve this issue and will issue guidance. Mr. Walz urged caution with regard to DOE's guidance on rebate programs that are already being implemented by the state energy offices.

Mr. Simons asked about inventories and methods to estimate emission reduction benefits. Mr. Gray said that consistent baseline inventories will be developed first. Going forward, project level accounting methods will be developed.

ACTION: Receive briefing.

4. 2009-2012 Regional Climate Action Work Plan

Mr. Fisetle and Mr. Freudberg provided an overview of the workplan background on the process used to develop the regional climate action workplan for 2012. An ad-hoc workgroup has met twice since the September meeting to review and revise the workplan. He summarized the different types of actions included in the plan, including actions and targets for regional adoption and implementation, expectations for local government actions, and tasks to be completed by COG. One of the major revisions to the workplan was addition of transportation-sector work program tasks for TPB.

Mr. Fisetle said that the intent is to have the workplan adopted as a living document that contains a set of common goals. It should be viewed as a set of voluntary initiatives and at anytime in the future, elements of the workplan can be revised, deleted, or added.

Before starting a detailed discussion of the specific content of the work plan Mr. Fisetle asked for general comments. Mr. Way expressed concerns about the number of new items and requested that in the future more time be given for review of the proposal before action. Mr. Fisetle agreed and stressed the importance of staff and membership understanding and following the process.

Ms. McGimsey urged the committee to set up a process to enable new measures to be added as innovative actions progress across the region. In this context, Mr. Fisetle asked that members provide specific language to add to the work plan when developing recommended additions.

Ms. Van Susteren said that personal accountability is needed and that everyone should lead by example.

Mr. Fisetle led a detailed discussion of the proposed measures and timeline included in the workplan.

It was agreed that the climate action planning measure be expedited so that at least 50% of jurisdictions complete such plans by the 4th quarter of 2010 and 100% by 4th quarter 2011.

After discussion, members decided not to separate the local government and community with regard to development of inventories/plans.

Ms. Davis and Mr. Agazi stressed the importance of recognizing that not all jurisdictions will have the necessary authority to implement certain recommended measures in the workplan. Mr. Fisette agreed and said that jurisdictions should note such situations as part of their annual reporting. In terms of concerns about the Green Building policy measure that was extensively discussed by IGBG and the ad-hoc workgroup, Mr. Fisette recognized that Virginia jurisdictions may not have the authority to require private buildings to meet a LEED standard, but that it may be possible for such jurisdictions to achieve that end goal through other means.

In response to questions, Mr. Fisette said that best estimates were used to develop the percent of jurisdictions to adopt/implement with the goal that measures be practical but also reasonably aspirational.

Members agreed to move the measure focused on reducing government energy use by 10% out of the building efficiency section since it is meant to focus on overall government energy consumption.

Mr. Sze said that he would welcome the opportunity to work with the legislative and regulatory affairs subcommittee to develop recommendations for the upcoming legislative sessions.

Mr. Grow said that the work program should recognize the potentially important contribution of the federal government in meeting the regional goals. He also requested that staff evaluate the emission benefits of the slate of measures in the workplan.

Mr. Green said that the GSA may be able to assist the region by providing information on their anticipated contribution to emission reductions.

Ms. Valentino said that it is important for COG to assist local governments develop greenhouse gas inventories.

Ms. Magruder said that performance measures should be added for a couple of the COG Board Report recommendations, including removing disincentives for utilities to invest in efficiency and for an inventory of renewable energy resources in the region. Mr. Berliner said that an action item for addressing utility disincentives for efficiency investments could possibly be in the form of a petition to the public utility commissions. It was agreed that the addressing utility disincentives could be accomplished by 2nd quarter 2010 and an inventory of renewables could be completed by the 4th quarter of 2010.

Ms. McGimsey asked that diversion rate be defined and said the planning document in the County should be called the Loudoun County Energy Strategy.

Ms. Adams asked that committee explore adding a performance metric for carbon intensity for new construction. Mr. Freudberg said that this should be considered by the IGBG when they consider recommendations for building codes.

Mr. Berliner asked that the legislative and regulatory affairs committee also considering developing a position on upcoming actions on strengthening the international building codes.

Members agreed to increase to 50 percent the portion of consumer purchasing at least a portion of their electricity from renewable sources.

Ms. Bishins suggested that a measure be added on a passive solar pilot program.

Given time constraints, Mr. Fisetta suspended the discussion and action on the workplan until the January meeting and asked that members submit suggested changes or comments to staff by January 10th.

Action: Review and discuss Climate Action Workplan; Defer adoption until January, Members submit suggested changes by January 10, and convene the ad-hoc workgroup in January.

5. Federal Climate/Energy Legislative Update

Mr. Berliner provided a status report on the Kerry-Boxer and Warner-Lieberman bills. One reason the cap and trade bills being considered in the Senate are so important is that the allocation of allowances has the potential to create a significant source of on-going revenue for local governments. Republicans in the committee boycotted the bill markup so members were unable to offer any amendments as introduced. The bill was voted out of committee. The bill will now go to the Senate floor. It is therefore now more important to begin to have discussions with Chairman Baucus of the finance committee and to have conversations with coal state leaders. It will be very difficult to secure 60 votes in the Senate. One way to generate the needed support would be to expand the deal to include nuclear energy, and offshore oil and gas drilling. Action on this initiative will likely be delayed given the focus on the health bill. In the meantime, the focus of local governments has been to achieve higher levels of allocated funding. The Senate bill specifies that 1.6% of the allowance revenues is provided directly to local governments through the block grant program. This would equate to approximately \$1.2-\$1.9 billion in revenues for local governments. Another area of focus has been to ensure that local government projects are eligible for offsets. 2.1 percent of the allowances will go for mass transit programs.

Mr. Sze asked that Mr. Berliner keep in mind the importance of the Clean Energy Deployment Authority (CEDA) which involves the loan guarantee portion of climate change bill. This will help governments finance investments in clean energy.

Ms. Bishins said one other important measure in the bill would be requirements and funding for MPOs to establish goals and to implement programs to meet those goals.

In response to a question, Mr. Berliner said that one of the drivers of the Congressional response to the need for climate change legislation is being influenced by EPA's potential actions on greenhouse gas regulations.

6. Other Business - Members

Ms. Davis said that she would like the opportunity to share information on the National League of Cities efforts on developing a Climate Action Map.

7. Adjourn

The next meeting is scheduled for January 27, 2010 from 9:45am – noon. There being no other business, the meeting was adjourned at 12:35.