

MEMORANDUM

TO: Members of the Global Warming Task Force Workgroups

FROM: Tia Nelson
Roy Thilly

DATE: July 25, 2007

SUBJECT: *The Task in Front of Us*

As Co-Chairs of the Global Warming Task Force, we would like to thank each of you very much for agreeing to serve on one of the Task Force Workgroups. The hard work of the Task Force will be done at the workgroup level. The success of our effort will depend a great deal on your diligence and dedication. As you know, we are on a fast track schedule to have recommendations to the Governor by the end of the year. This means workgroup policy recommendations will need to be ready by the end of September for review by the Task Force as a whole and preparation of final recommendations.

The purpose of this memo is to help get each of the workgroups off to a good start on a consistent basis and to inform workgroup members of certain ground rules.

1. Ground Rules.

a. In-Person Participation. Given the time constraints and the complexity of many of the issues that the workgroups will deal with, we are asking that the meetings be held face-to-face rather than by telephone. WRI will support the workgroups primarily by telephone for budget reasons, but we believe it will be far less productive for workgroup members to try to participate by phone.

b. Open Meetings Law. It is important that workgroup members recognize that the workgroups are subject to the Wisconsin open meetings law and that public participation and comment is welcome. The co-chairs will manage public participation. The agency person, either from the PSC or DNR, who staffs each

workgroup will be responsible for issuing agendas and otherwise assisting in compliance with the open meetings law.

In this connection, you should be aware that members of a workgroup should not communicate by e-mail on the substance of proposed options and, in particular, should not forward e-mails on substance to other members of the group in order to avoid inadvertent violations.

- c. **Press.** We ask that workgroup members not debate the issues you are working on in the press. Our objective is to achieve consensus to the maximum extent possible. This will require considerable discussion, give and take and an understanding of where others are coming from and why. Press debate will make achieving this goal more difficult. If asked, we suggest that you state that the workgroup is proceeding diligently to develop policy proposals for the full Task Force to consider and that it is premature to discuss this work.
- d. **Website.** Please be sure to ask workgroup members to look at documents posted on the Task Force website relevant to the group's sector.

- 2. **The Assignment.** Attached is a memo prepared by the co-chairs of the Conservation and Efficiency Workgroup that spells out the workgroup process. The memo explains that the first task will be brainstorming on potential policies for addressing each sector's proportionate share of greenhouse gas emissions using the WRI/DNR 2003 inventory which will be distributed soon. The policy options will then be evaluated against several benchmarks that are being used so that the work is done on a consistent basis. Ultimately, the Task Force is charged with recommending emission reduction goals for Wisconsin. However, for the workgroups the benchmarks are in place for analysis purposes to help us determine benefits, costs and feasibility and set actual goals later in the process. The benchmarks are:

- a. A 60% to 80% reduction from 1990 GHG emissions levels by 2050;

- b. A reduction to 1990 GHG emissions levels by 2020
- c. A determination by each workgroup of the years (obviously prior to 2020) by which its sector through aggressive action can first stabilize emissions (no growth) and second reduce emissions to the 2003 WRI inventory level for its sector. (In the workgroup workplans done last month, we used 2006 rather than 2003, but now realize that 2006 data will not be available in time.

These benchmarks should not be confused with the Reference Case that WRI will prepare with the help of the Technical Advisory Group. The Reference Case will be a Wisconsin “business as usual scenario” to provide the baseline for modeling, final emission reduction estimates and the Task Force’s recommended goals.

In the brainstorming phase, all ideas are fair game to be put on the table for discussion. WRI has provided a preliminary matrix for each group to work from. You may add to it and subtract from it and also discuss the preliminary ratings shown for options based on WRI’s experience elsewhere.

The next step will be for the workgroup will be to pare down the options to a manageable number for recommendation to the Task Force. The winnowing process should prioritize based on a combination of factors: (i) a rough estimate of emissions reduction benefits, (ii) the timing of when those benefits would occur, (iii) a rough estimate of administrative and other costs, (iv) identification of potential obstacles related to feasibility of adoption and implementation. In this effort, you may select several options that do not produce high gains but for which early implementation and consensus are relatively easy. You also will need to tackle more difficult options that produce high gains in order to meet the benchmarks. Once the list is narrowed down, the workgroup will prepare a two-page paper for each remaining policy option following a standard format. During this process, it is possible that an option may be dropped or one that did not make the first cut will be brought back. Dissents will be noted, although we have asked the co-chairs to strive for as much consensus as possible. Hard issues will be brought to the full Task force for resolution.

We are working on a template for the two-page papers, so that recommendations are made on a consistent basis. It will be important to define each policy option as specifically as is reasonably possible, so that it is clear on what people may be agreeing or disagreeing. However, we will not be drafting legislative or regulatory language and your emissions reduction and cost estimates will necessarily be rough. Once the options are brought to the Task Force, they will be modeled on an integrated, cross-sector basis, cost and benefits estimates will be refined and overlaps eliminated.

We expect the workgroup co-chairs to assign responsibility to a specific individual to be the drafter for each policy option, with the rest of the group commenting. WRI will review and comment based on its expertise and assist in making the cost and benefit estimates. Also, the Task Force's Technical Advisory Group will provide input for the estimating process, modeling and Reference Cases to be sure that our outcomes are reasonable for Wisconsin policymaking purposes.

Thank you again for your participation.

Attachment

MEMO

To: Conservation and Energy Efficiency Workgroup Members

From: Co-Chairs Edgar and Euclide

Date: July 18, 2007

Re: General Process

As a member of the Conservation and Energy Efficiency work group, we have an exciting opportunity to suggest policy options to the Task Force on Global Warming that can have a real impact on global warming in Wisconsin. At our July 11 Task Force meeting, Jonathan Pershing, Director of the Climate and Energy Program at World Resources Institute in Washington D.C., provided us with guidance on how the large task in front of us can be broken down into manageable parts. We hope to use this model to ultimately bring a solid list of policy options from our work group back to the Overall Task Force. We are on a very tight time line. Our report to the full Task Force is due by the end of September. Please also note that the process may need to be modified at the discretion of the co-chairs in order to timely meet our expectations.

Our process generally will work as follows:

▪ **Step 1: Develop policy options.**

World Resources Institute has provided us with a list of policy options which have been considered in other states doing similar global warming work and evaluations. However, one of our first tasks will be to evaluate this list, and identify what works for our work group. We should also plan to add policy options to this list, especially those that may be Wisconsin-specific. We may craft very brief write-ups on each policy option to get us started in the evaluation process. Additionally, we may need to identify informational and resource needs to help us with our task.

▪ **Step 2: Preliminary evaluation and winnowing.**

This is the step where the bulk of our work will be done as a work group. After we feel satisfied that we have an encompassing list of policy options connected with conservation and energy efficiency, we need to prioritize our list to narrow it down. For example, we may initially have a list of 30 policy options, but we should ideally be prepared to send fewer than 10 policy options to the overall Task Force as our final recommendations. We will also need to develop a set of evaluation criteria. In order to responsibly winnow our list down to the best policies, we should be prepared for multiple attempts and spirited debate while shortening our list.

▪ **Step 3: Further evaluation and winnowing.**

After we've reduced our list to include what we think are our most promising policies, we will be asking each of you to participate in doing brief written analyses of the policies, using a specific

template which we will provide to you. We will review the drafts as a work group and continue to evaluate, revise and rework our policy recommendations to prepare to forward our final lists and supporting analyses to the Task Force. Policy analyses will include elements such as implementation cost, GHG savings, economic impact on Wisconsin's economy, and more.

▪ **Step 4: Finalize workgroup policy package to send to Task Force.**

This step will encompass us largely wrapping up our work together and arriving at a set of policy recommendations to forward to the full Task Force, using the standardized template format. Innovative, controversial policy options are often where the largest GHG savings may occur, if implemented. We hope to address controversial ideas and will strive to reach consensus on them inside our group. While we will ultimately work for consensus for all policy options that we forward to the Task Force, we may pass policy analyses to the overall Task Force that do have a majority – but not full -- support of our group. Minority views will be noted. It is recognized that support for specific policies may sometimes be contingent on the overall package developed.

▪ **Step 5: Workgroup product presented to Task Force; Task Force develops complete package. The co-chairs will present the workgroup policy recommendations to the full Task Force.**

The Task Force will construct a “policy package” which will include not only our workgroup policy recommendations, but recommendations from other work groups. The Task Force will move on to model a total policy package, review results and give final recommendations to the Governor by the end of the year. However, before our targeted end date of December 31st, the Task Force may have more questions on our specific policies. If so, we should be prepared to reconvene, find the requested information and support this overall final effort of the Task Force.

Special note: Our work is subject to Wisconsin's Open Meeting and Public Records Laws. All inquiries, correspondence, etc., should be directed to our workgroup's staff assistant, Lisa Stefanik, at 608-266-1125 or Lisa.Stefanik@psc.state.wi.us.

Also note that further information regarding the Governor's Global Warming Task Force to date can be found at <http://www.dnr.state.wi.us/environmentprotect/gtfgw/>.

Energy Efficiency and Conservation Workgroup Process

STRATEGIC STEPS	TIME LINE
<p>STEP 1</p> <ul style="list-style-type: none"> · Overview of process, expectations, time line, ground rules · Identify informational needs · Brainstorm list of policy options · Write brief descriptions 	<p>Meeting of 7/23; 7/30 (1 to 4:30 p.m.) Part of meeting on 7/30 but also begin Step 2 work</p>
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<p>STEP 2</p> <ul style="list-style-type: none"> · Establish evaluation criteria · Winnow down to reasonable number of policy options for further analysis · Assign team(s) to do two page write-up (using set template) · Set deadline for submittal of drafts · Identify technical help needed 	<p>1 to 2 meetings (approximately 3 hours each)</p>
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<p>STEP 3</p> <ul style="list-style-type: none"> · Review draft policies submitted · Sift and winnow further · Redraft as necessary 	<p>1 to 2 meetings</p>
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<p>STEP 4</p> <ul style="list-style-type: none"> · Continue review of draft policies · Strive for consensus (or near consensus) on final working group recommendations to forward to task force 	<p>1 to 2 meetings</p>
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<p>STEP 5</p> <ul style="list-style-type: none"> · Co-chairs compile working group's recommendations and forward to full task force 	<p>No later than 9/28</p>