



Governor's Action Team on Energy and Climate Change

State of Florida

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DRAFT TELECONFERENCE MEETING SUMMARY

Transportation and Land Use

Technical Working Group Call #9

July 16, 2008

Members Attending:

Members	Affiliation
Janet Bowman	The Nature Conservancy
Suzanne Cook	Florida Green Building Coalition
Howard Glassman	Florida Metropolitan Planning Organization Advisory Council
Robert "Buzz" Hoover	Gate Petroleum Company
Terry Joseph	West Florida Regional Planning Council
Dr. Lonnie Ingram	University of Florida Institute of Food and Agricultural Sciences
Eric Hamilton for Dave Mica	Florida Petroleum Council
Charles Pattison	1000 Friends of Florida
David Peebles	ETH Bioenergy-Odebrecht Construction, Inc.
Larry Peterson	Kitson & Partners

Governor's Office of Energy and Climate Change: Kelley Smith

Florida Department of Environmental Protection (DEP): Jim Quinn

Center for Climate Strategies (CCS): Bill Cowart, Ayelet Ezran, Lewison Lem, Jessica Wade

Members of the Public: Walker Banning (Florida Department of Community Affairs), Doug Buck (Florida Home Builders Association), Amy Datz, Bob Krasowski, Kathy Neill (Florida Department of Transportation), Diane Quigley (Florida Department of Transportation)

Agenda Item#1 and 2: Introductions, Meeting Purpose and Goals

Jessica Wade took attendance. Kelley Smith informed the group that if they have comments on the policy options to e-mail them to both Lewison Lem and her. The intent is to make sure everyone is working from the same document. David Peebles commented that he would like to see a document file with documents that were distributed. Howard Glassman added that he wants to have documents from other working groups. Kelley Smith said that she will send out the contact information for the DEP person for those groups, so they can be contacted directly.



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Lewis Lem reviewed the purpose of the meeting which is to look at the policy options document, specifically TLU-1.

Agenda Item #3: Approval of Call #8 Summary

Lewis Lem informed the group that the meeting summary for call #8 has not been posted to the website. It will be addressed on the next call. The group members have a copy and can send in their comments via e-mail.

Agenda Item #4: Discussion of Policy Options Straw Proposals

The discussion opened with TLU-1. Dave Peebles stated that he voted for “develop and expand low GHG and alternative fuels”. He would prefer to use the term alternative fuels as defined by the Department of Energy. He is not in favor of redefining this and limiting it to ethanol; that is not what he voted for. Dr. Lonnie Ingram responded that he tried to use advance biofuels with the definition that the Department of Agriculture has. Buzz Hoover suggested using something that has a more specific definition or the language could include advanced biofuels and something more specific. Dave Peebles stated that this policy should be considering low GHG/low carbon as a criteria, but don't want to limit to ethanol, other alternative fuels should be included. Dr. Lonnie Ingram commented that the version of the document should state that if it doesn't already. Buzz Hoover referred to the renewable fuels standards definition. Dave Peebles questioned whether electricity was included in that definition because it is included in the Department of Energy definition. Lonnie Ingram responded that it may not be possible to cover everything in this one item and that there are separate programs and incentives for electric production. He commented that he thought that this was just considering biofuels. Dave Peebles stated that the option he voted on the option because there was a wide range of options and specifically stated low GHG fuels. Lonnie Ingram added that gases would be included in the definition, but that electricity probably isn't. Bill Cowart from CCS suggested that performance standards could be a way to define this without naming things specifically. Lewis Lem suggested breaking this item into TLU-1a and TLU-1b; one could include biofuels and what is already under discussion and the other could have performance standards. Dr. Lonnie Ingram and Buzz Hoover agreed with his suggestion.

Dr. Lonnie Ingram reviewed more about TLU-1, specifically the goals to replace 30% of petroleum based fuels by 2030, encouraging the construction of plants in FL (one by 2012 and up to 100 by 2020). He suggested that the language be expanded to say advanced biofuels; to make it consistent with the Farm Bill definition for everything except corn, because it can't be



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grown competitively in FL. His proposal is that the alcohol be purchased at the full replacement value on a volume basis. This would entail tying the DOE wholesale price of gasoline to the price paid for ethanol. He added language on subsidies because other states have them and Florida would be competing with other states. Dr. Lonnie Ingram continued to review other items included in TLU-1 including the leasing public lands for non-food energy crops at favorable rates. He suggested publicity for the biomass crop assistance program that is designed to mitigate risk in energy crops. Another item is to provide opportunity for public bonds to be used in financing, provide some initial funds (\$25,000 to \$100,000) to help entice businesses by partially funding feasibility studies. Require that gasoline sold in FL contains at least 10% of advanced biofuels once in state production reaches one billion gallons.

David Peebles questioned if ethanol production was excluded from other states in the policy design. Dr. Lonnie Ingram responded that it isn't possible to exclude them, but you can insist that the fuels are from Florida stocks and used in Florida in order to qualify, but you must anticipate that biofuels can be purchased from other states. He stated that the definition came out of the farm bill and the intent is to try to encourage the development of crops and ethanol or fuel feed stocks other than corn. Dave Peebles questioned why the language specifically said Florida. Buzz Hoover commented that it would be in Florida's best interest and the country's best interest to if advanced biofuel plants are created. David Peebles commented that 30% is not a realistic goal. Buzz Hoover responded that it is good to set goals high and that certain things need to happen to reach the 30% goal.

Lewison Lem recapped that for in goal #1 the proposal is to take out the words "in Florida", to replace ethanol with advanced biofuels, and after production put the words "and distribution infrastructure".

David Peebles questioned what does advanced biofuels contains. Dr. Lonnie Ingram responded that advanced biofuels are derived from renewable biomass other than corn, cellulose, starch, sugar, biogas, other alcohols, etc., but the list doesn't include electricity, natural gas or propane. Dave Peebles stated that he wants to make sure that these policies keep on top of technology because the automobile industry is coming out with things that use these other fuels.

Eric Hamilton commented that the discussion has been about these long term goals and questioned whether there are short term goals that would benefit Florida more. He mentioned that public-private enterprise development organizations could expand their focus to include alternative fuels. He suggested including more immediate implementation goals. Lewison Lem



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said that some of that language to the implementation section. Eric Hamilton agreed to write something and send it in.

Lewison Lem asked if the group wanted to approve the three changes to the language for goal #1. They were approved without objection.

Lewison Lem reviewed the status of the development and review of the policy options. The nine policies were collapsed into eight by the full climate action team. There used to be a 2a which was moved into recent actions, so 2b is now just 2. TLU-9 was deleted by the climate action team, with the suggestion that it could be incorporated into some of the other options. He stated that there is still a need for developing language for 7 and 8. 3, 4, 5, and 6 were approved in some form by the full climate action team.

David Peebles questioned the intent of #2 in policy design timing for TLU-1. Dr. Lonnie Ingram responded that the intent was to set some short term goals. David Peebles then asked if methane is considered to be a renewable fuel. Dr. Lonnie Ingram confirmed that. He then suggested replacing the word ethanol with advanced biofuels. Lewison Lem stated that the change will be made.

The discussion then focused on the implementation items. David Peebles reiterated his concern to include a more expansive definition for fuels. Dr. Lonnie Ingram suggested changing the word ethanol to advanced biofuels. Buzz Hoover stated his objection to 1 and 2. He would prefer to let the market decide; otherwise it would create a regulatory problem. David Peebles agreed with eliminating both of them because there is already a requirement. Buzz Hoover added that with the federal renewable fuel standards the procedure is already in place to cause this to happen. Dr. Lonnie Ingram stated his belief that biofuels should be priced at the same replacement price as for gasoline. Buzz Hoover was concerned that there would be problems with setting the price of ethanol; especially with using the DOE price because of the length of time it takes for that information to be released. Lewison Lem reviewed that the proposal to is to eliminate 1 and 2 and replace them with extending existing programs and tax credits. Buzz Hoover stated that information is in his draft comments

Charles Pattison then questioned item #3, which includes two types of incentives, and if both would be left in. Buzz Hoover stated his preference for the first one. Lewison Lem said that the first would be kept and the second eliminated. David Peebles questioned where the money would come from. Buzz Hoover responded that it is not in the charter of the group to find the money.



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Janet Bowman contributed comments on #5 under implementation, the opportunity to lease public lands. She suggested inserting language that this would be consistent with the management plan for the public lands because she wouldn't want lands converted that isn't already agricultural land today. She then questioned the meaning of favorable rates. Dr. Lonnie Ingram responded that this was to be in general terms and just that the rates shouldn't be exorbitant. Janet Bowman stated that the language should be clear that it is not converting conservation land for biofuels production. Dr. Lonnie Ingram stated that he is not recommending converting conservation land. Janet Bowman commented that the land that would be suitable for this kind of activity that the state owns right now is in the Everglades agricultural area; statewide land is primary for conservation purposes. Dave Peebles questioned how you know that public lands will be suitable for this; his understanding is that most of the suitable land is owned by the private sector. Janet Bowman proposed adding a phrase, that leasing public land in a way that is consistent with the management plan underneath which it was purchased and deleting the phrase favorable rates; there was no objection to those changes.

There was a suggestion to take the last paragraph of Buzz Hoovers comments (amend the 2006 Florida energy act by extending the expiration date for the credits and increasing the state wide caps) and add them to item 4. There was no objection to this change.

David Peebles asked about the USDA Biomass Crop Assistance to mitigate risk. Dr. Lonnie Ingram explained that it is a USDA program that protects farmers from catastrophic losses while they are growing energy crops.

David Peebles suggested that in #7 ethanol be changed to advanced biofuels and to not include a limit on the public bonds. Dr. Lonnie Ingram agreed with the change; it is a stronger recommendation.

Dr. Lonnie Ingram stated that the purpose of #8 is to encourage use of the development of energy crops in Florida. David Peebles questioned whether land taxation is just a county issue. Janet Bowman responded that it is a constitutional state and local government issue; land involved in biofuels would be taxed at the agricultural value which is low to begin with, if there were to be a different classification it would require a constitutional amendment. David Peebles suggested that in the production of advance biofuels in Florida, that both the land and the facilities (or production and processing) should be taxed at favorable rates not to exceed agricultural rates. There were no objections to this change.



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For item #9 David Peebles suggested adding the development of a comprehensive marketing package to be the responsibility of Enterprise Florida. Dr. Lonnie Ingram suggested waiting and using what Eric Hamilton is doing and adding it to #12.

Dr. Lonnie Ingram reviewed item #10; other states are providing incentives to attract businesses. It was suggested that Enterprise Florida control the money. Buzz Hoover agreed with that idea.

David Peebles proposed deleting #11. Dr. Lonnie Ingram commented that he modeled it after legislation in Pennsylvania. Lewison Lem asked the group if they wanted to leave it in. There were no objections to leaving it in.

Lewison Lem asked if there were any public comments on the fuels issues. Amy Datz (with DOT, but speaking as a member of the public) commented that she has heard that the U.N. has proclaimed biofuels with corn as a crime against humanity. This is because the process takes 30% of the corn crop and uses it for 3% of the energy needs and it is raising the food prices. Her suggestion was to move away from corn towards other types of plants. Dr. Lonnie Ingram responded that the definition being used by the group for advanced biofuels includes almost everything except the starch from the seed of corn, but that he doesn't think that we can prohibit the purchase of fuel made from corn that comes from other states. David Peebles commented that the statement from the U.N. was from a study committee, not an official position of the U.N. He added that the sources for the information are Fidel Castro and Chavez and that it is a very partisan position. He referred her to documents from the Organization for Economic Cooperation and Development and the European Union for a more balanced point of view.

Janet Bowman then reviewed TLU-6. She stated that she took the policy description from the last meeting and added some language based on comments from the DCA. Under goals for 6.1 she took out the date because DCA viewed the comp plan amendment requirements to be effective immediately. She reviewed other DCA suggestions which included: using the terms energy efficient land use, trip length and VMT and a policy related to the preservation of green space.

Kathy Neill from DOT drafted 6.5a for Jane Bowman. Kathy Neill then reviewed the ETDM, which is a GIS tool that resource agencies can use to screen projects and flag potential concerns early on in the process. She suggested that this would be an appropriate place to address projects with climate change impacts.



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There was then discussion on 6.8, VMT reduction. The issue came up at the action team meeting that action team member thought it should be more aggressive than 10%. Lewison Lem stated that would be discussed on the next call.

Agenda Item #5: Review of Next Steps

See item #6.

Agenda Item #6: Agenda, Date and Time for Next Meetings

Lewison Lem reminded the group that the next call is scheduled for the July 30th. Since there is a fuel conference going on at the same time the focus will be on some of the other policies. The fuels discussion will be continued on August 13th.

Lewison Lem asked if anyone have an objection to calls longer than 2 hours. Janet Bowman suggested sending out more specific agendas with times for specific topics.

Agenda Item #7: Public Comments and Announcements

There were no other closing comments.