



Governor's Action Team on Energy and Climate Change

State of Florida

Governor's Action Team on Energy and Climate Change Phase II Process

*Cap-and-Trade
Technical Work Group (TWG)
Call #12
August 26, 2008*

Welcome and Introductions

- Action Team TWG Members
- Florida Department of Environmental Protection
- Members of the Public
- Center for Climate Strategies

Agenda

- Introductions
- Purpose and Goals
- Review and Approval of Meeting #11 Summary
- Discussion of Trial Period Recommendation
- Discussion of Federal Program Actions
Recommendations
- Discussion of ESD-10 *Grace Period for Replacement of
Carbon-Intensive Units*
- Review of Next Steps
- Agenda, Date, and Time for Next Meetings
- Public Comments
- Announcements

Purpose and Goals

- To develop a comprehensive Energy and Climate Change Action Plan that will fully achieve or surpass Executive Order targets for statewide greenhouse gas reductions specified in Executive Order 07-127, including:
 - guidance on the design of a market-based emissions allowance trading program,
 - design of programs to further enable energy conservation
 - closer examination of emissions reduction opportunities offered by new technologies
 - an examination of revenue impacts of emissions reduction policies within the transportation sector
 - consideration of a low-carbon fuel standard
 - further consideration of the organization of Florida's state government to foster the development of a low-carbon energy market in Florida, and
 - other emissions reductions actions

Technical Work Group Roles

- Assist Climate Action Team
 - Identify full range of potential state actions
 - Identify suggested priorities for analysis
 - Suggest straw policy designs
 - Assist with analysis, development, and review of options
 - Assist with development of policy alternatives
 - Assist with input to and review of Action Team reports
 - Review and assist with the state GHG inventory and forecast

Approval of Meeting#11 Summary

- Review draft meeting summary for Cap-and-Trade TWG meeting #11
- Consider any corrections or additions to meeting summary
- Accept meeting summary with agreed upon changes

Survey: Trial period

Q: Should the Florida program include a learning phase or trial period at the beginning?

A:

- 6** Yes, the state and regulated sources need a period of several years to try out the system before binding compliance obligations begin
- 6** Binding compliance obligations should commence with the start of the program for first phase sectors, but special rules should apply for the first few years to allow greater flexibility through the transition
- 3** No, the program should commence without a trial period or less stringent transitional rules

Survey: Federal program actions

- Discussion

ESD-10 Referred from Action Team

ESD-10. Grace Period for Replacement of Carbon-Intensive Units

Policy Description

This policy consists of a 'grace period' of a number of years during which time existing fossil fuel-fired units that are scheduled to be shut-down and replaced by units with little or no greenhouse gas emissions are exempted from new CO₂ emission requirements or penalties.

Policy Design

A grace period of up to 5 years where coal or gas units slated to be replaced by nuclear generation or renewable generation are exempted from any CO₂ tax or penalty up to either the shut-down date of the existing unit or the operational date of the replacement unit, whichever is earlier.

Goals: Not quantifiable

Next Steps

- Next TWG Meeting,
 - Review and Respond to Action Team Comments on C&T-1 Cap-and-Trade Policy Recommendations
 - Receive/review updated modeling runs with Florida-specific data

Next Action Team Meeting

- Agenda:
 - Review new/enhanced quantification
 - Approve completed policies
 - Identify remaining barriers to consensus
 - Review/approve updated Inventory and Forecast
 - Receive cap-and-trade program design recommendations
- September 17-18, Tallahassee



Timing – Action Team Meetings

Date	Location	Action
February 1, 2008	Tallahassee	1 st Action Team meeting
March 17, 2008	Tallahassee	2 nd Action Team meeting
May 29-30, 2008	Tallahassee	3 rd Action Team meeting
July 9-10, 2008	Tallahassee	4 th Action Team meeting
August 6-7, 2008	Orlando	5 th Action Team meeting
August 26, 2008	Orlando	6th Action Team meeting
September 17-18, 2008	Tallahassee	7 th Action Team Meeting
September 26, 2008	Tallahassee	8 th Action Team Meeting
October 1, 2008		Phase II Final Report due
Between Action Team Meetings		TWG conference calls and meetings

Next TWG Meetings

- All times 2:00 pm – 4:00 pm EDT unless otherwise noted
- *Tuesday September 23, 2008*



Public Input, Announcements