

MEETING NOTES
MPCA Clean Power Plan Group Meeting
July 7, 2014
1:30PM to 3:00PM
MPCA, St. Paul, MN
Conference Line - 1-888-742-5095
Meeting Code - 934 609 3409#

Meeting Objectives

- Hear general perspectives on the proposed "Clean Power Plan" Rule
- Identify next steps/expectations for the group in support of the rule comment process
- Identify additional group participants

1. Welcome and Introductions - David Thornton, MPCA

In person: J. Drake Hamilton – Fresh Energy; Robert Jagusch – MMU; Tony Kwilas – MN Chamber of Commerce; Michelle Rosier – Sierra Club; Amy Freregill – MRETS; Drew Moratzka – MLIG; Karen Monahan – Sierra Club; Sean Staples – PUC; Cecilia Martinez – CEED; Bill Grant – COMM; Priti Patel – MISO; Alexis Williams – Fresh Energy; Mike Cashin – MN Power; Sean Stalpes – PUC; Ellen Anderson – UMN; Kevin Johnson – MLIG; Mary Jo Roth – Great River Energy; Annie Levenson Falk – Legislative Energy Commission; Nick Martin – Xcel Energy

MPCA Staff: Katie Izzo, Peter Ciborowski, Melissa Kuskie, Anne Jackson, Frank Kohlasch, David Thornton

On phone: Alison Groebner – COMM; Kevin Reuther – MCEA; Edward Garvey – AESL Consulting; Mrg Simon – Missouri River Energy; Thor Underdahl – MN Power; Susan Peirce – COMM; Bill Hamlin – Manitoba Hydro; Craig Diekvoss – RPU; Zac Ruzycski – COMM; Jack Ihle – Xcel Energy; Jerome Malmquist – UMN; Kristin Henry – Sierra Club; Jim Kelly – MDH; Tom Hogan – MDH; Sarah Lynch – Fresh Energy; Stacey Davis – CCAP; Franz Litz -- CCAP

Names/organizations missed (phone): Colleen at COMM; Kyla at COMM; Chris Davis; Essie Blair at Union of Concerned Scientists (can't find e-mail contact)- If anyone has contact information for these people, please provide it.

David Thornton thanked meeting attendees for their participation, noted that the MPCA supports EPA's Clean Power Plan rule in concept and provided pre-proposal comments to EPA last fall, most of which were addressed by EPA's proposal. MPCA is currently analyzing the rule to determine any needed changes – particularly those technical in nature associated with the development of state baselines and targets.

2. Clean Power Plan – a brief overview - Frank Kohlasch, MPCA

Frank provided a brief overview of the EPA's rule (presentation attached), noting in particular two items: 1 – the conversion from a rate to a mass-based goal under EPA's rule would not be the same as the NextGen calculation. 2 – EPA's building block pathways are non-binding on states; state air agencies are responsible for final pathways/implemented approaches.

3. Initial Rule Observations - Anne Jackson, MPCA

- a. List of affected units
- b. Additional observations

Anne provided a list of potentially affected units (list attached) and rule observations, noting that the proposed rule language does not necessarily exclude from coverage boilers with the capacity to provide energy to the grid (regardless of whether they actually do supply the grid). MPCA seeks input from potentially affected sources in refining the list and in refining EPA's calculations, as needed. Some of MPCA's challenges in determining applicability are that we, as the Clean Air Act agency for MN, have not traditionally be involved in the collection of data on power sold to the grid.

Other initial rule observations: Sherco 3 was not included in the calculation of Minnesota's 2012 baseline (it was offline that year). The proposed rule provides considerable implementation flexibility – which is terrific, except that it also means there is considerable uncertainty. The long implementation period also represents a new challenge for air regulatory agencies – particularly where it is expected that there will be cross-agency implementation efforts. Finally – Peter Ciborowski is better than EPA's IPM...both provide similar results, but Peter Ciborowski is more accessible.

4. Additional help? Center for Clean Air Policy – Stacey Davis and Franz Litz

CCAP has applied for a grant to support the MPCA in developing its State Implementation Plan. The scope of work is being defined with the agency, but can include policy/technical analysis to assess the pros and cons of different compliance pathways (e.g., rate, mass and portfolio approaches; state-only or multi-state) and ways to factor in clean energy. CCAP can also help with communicating details of the proposed rules and design options to stakeholders who may not have engaged extensively in the 111(d) conversation.. CCAP materials provided to MPCA (memos, additional information) can be made available to stakeholders.

5. Group Purpose and Strategies – MPCA staff/group discussion

- a. MPCA strategies
- b. Call for additional participants
- c. Group perspectives on strategy

The power sector rules group was the starting point for this “Clean Power Plan” group, but we do need broader input, in particular from non-utilities, and smaller utilities. MPCA seeks suggestions for additional participants.

For the immediate future, we'll want to focus on comment development. The comment period closes October 16, 2014. MPCA is seeking input from all stakeholders, and will consider (though not necessarily incorporate) such input in developing its comments. It is unlikely that this stakeholder group could develop joint comments, though, to the extent that there is consensus on any particular topics, it could be a possibility. Minimally, more frequent meetings will be necessary (perhaps biweekly) with the next meeting scheduled for the end of July, after Minnesota has had its one on one meeting with EPA HQ. MPCA will look into video/web-conferencing options, but will ensure that if we continue with the teleconference option, we'll provide meeting materials in advance, to the extent possible.

As we transition from comment planning to actual rule planning/implementation, we may need to develop subgroups, refine the stakeholder strategy, etc...

6. Clean Power Plan - Open Discussion

We'll be documenting comments/input/questions for future meeting, but intended for this initial meeting to be more casual with no official notes from participants.

7. Closing & Next Steps – MPCA

For now, please email Karron Holmes (karron.holmes@state.mn.us) and/or Melissa Kuskie (melissa.kuskie@state.mn.us) with additions to the stakeholder group. We may be setting up a GovDelivery list to manage group contacts, so be on the lookout for a call to sign-up. Expect a meeting invitation for later in July (after EPA holds its public hearings on the rule).