

Meeting Notes
MPCA Clean Power Plan Stakeholder Group Meeting
September 22, 2014
2:00PM to 3:30PM
MPCA, St. Paul, MN
Board Room Central

1. **Welcome and Introductions** – David Thornton, MPCA (5 minutes)

In person: J. Drake Hamilton – Fresh Energy; Derek Bertsch – MRES; Mrg Simon – MRES; Margaret Hodnick – MN Power; Hugh Brown – Dorsey & Whitney; Robert Jagusch – MMUA; Leigh Currie – MCEA; Kevin Johnson – MLIG; Michelle Rosier – Sierra Club; Josh Smith – Sierra Club; Steve Frenkel – UCS; Eric Jensen – IWLA; Jerome Malmquist – U of M; Nick Martin – Xcel Energy; Mike Cashman – MN Power; Nancy Lange – PUC; David Thornton, Frank Kohlasch, Anne Jackson, Peter Ciborowski, Katie Izzo, Melissa Kuskie – MPCA

On phone: Bill Hamlin – Manitoba Hydro; Stacey Davis, Franz Litz – CCAP; Brandy Toft – Leech Lake Band; Charlie Lippert – Mille Lacs Band; Joy Wiecks – Fond du Lac Band; Sue Peirce – COMM; Michele Pluta – Alliant Energy; Alexis Williams – Fresh Energy; Mark Strohfus – GRE; Sean Stalpes – PUC; Alexis Cain – EPA R5

2. **MPCA Comment Topics & Discussion** – Frank Kohlasch (45 minutes)

Frank Kohlasch provided a brief overview of the topics on which MPCA is currently planning to provide comment (provided via email prior to the meeting).

Questions/comments from the group:

– What is MPCA planning to say regarding “early action”? Frank: we are currently undecided on how to approach early action, whether to focus on how to incorporate early actions into compliance demonstrations, or whether it makes more sense to focus on changes to goal setting.

– If MPCA doesn’t get a response from EPA on Sherco, what then? David: Not sure yet – but the three year average baseline seems to be getting more support.

– What does MPCA think about the alternative RE approach? David: look at what’s coming out of the Midwest Power Sector Collaborative...they don’t endorse the alternative RE approach but do suggest it may be more feasible/legally supported. If EPA chooses that approach, we’ll definitely want them to consider how gas generation is used to back up wind and solar, and look into whether adjustments to building block 2 would be needed.

– What does MPCA mean to say regarding “consistency in interim actions”? Frank: EPA should be consistent in terms of when elements from different building blocks start “counting” for compliance, and ensure that their approach doesn’t disincentivize earlier compliance strategies. It would be useful to provide EPA with concrete examples of how the current proposal might cause delayed actions.

– How might MN partner with other states? David: thus far, the analyses we’ve seen have been pretty clear that regional/multi-state approaches are more cost effective than single-state approaches. Collaboration is definitely in our interest, but we haven’t seen a lot of interest from our most “useful” partner states at this time.

– What are criteria for collaboration? David: is it easy to do? Perhaps states setting up systems that allow trading with one another.

– Perhaps there could be some sort of in-between option – with collaboration on pieces of a plan (e.g., tracking, double counting)...that would seem to be similar to what a RECS program does?

– One option is to set up a plan/system that preserves the option to collaborate at a later time, if the “currency” is universal...a credit (rate based) or ton allowance (mass based) – so states with similar currencies could exchange currency even if they were not part of a multi-state plan from the start.

3. **Suggestions for Addressing Early Action** – open discussion (25 minutes)

Nick Martin, Xcel Energy, presented slides detailing some potential approaches to ensure “credit” for early action (ppt included).

– Discussion followed regarding how to keep the area under the curve (i.e., the emissions reductions achieved) steady when accounting for early action so you don't lose environmental performance in each scenario; how to ensure that we aren't just reducing the stringency of the plan.

4. Looking Ahead – MPCA (10 minutes)

MPCA is not planning the next stakeholder meeting at this time; we expect that if/when EPA releases mass-based targets, we may schedule another meeting soon after, but for now, we are focusing on developing our comments, using the input we've received over these past few months.

5. Closing & Next Steps – MPCA (5 minutes)