



**ACT Work Group
Recap of the Santa Fe Meeting (August 7)**

September 18, 2007

Contents

- ▶ Presentations (Sarah Cottrell, Greg Nelson)
- ▶ Review Subcommittee feedback on Interim Report
- ▶ WG activities for a successful six months
- ▶ Roadmap concept

Sarah Cottrell, New Mexico

- ▶ Energy/environment advisor to Gov. Bill Richardson
- ▶ NM Advanced Energy Tax Credit: 6% up to \$60 million over up to 5 years
- ▶ Active analysis of energy/env. issues
- ▶ Recent report on CCS
- ▶ Western climate initiative (Western governors)

Greg Nelson, PNM Resources

- ▶ Presentation from Greg Nelson, PNM Resources, formerly at Tampa Electric
- ▶ NMPRC requires modeling of CO2 costs of \$8, \$20 and \$40 in all resource planning efforts
- ▶ NM Advanced Energy Tax Credit: 6% up to \$60 million over up to 5 years
- ▶ Need for clear national carbon price

Feedback: July 30 Subcommittee call (1)

- ▶ Impressed by scope of report, done on time
- ▶ Make recommendations more useful
- ▶ What would be top 5 things Senator, PUC, etc. would need to do? Where should they start?
- ▶ Prioritize issues
- ▶ Fundamental definitional issue exists
- ▶ Environmental groups would say that ACT must include CCS; EE and general perf. improvements inadequate

Feedback: July 30 Subcommittee call (2)

- ▶ Need for more candor in report concerning areas of disagreement, esp. re: definition
- ▶ Lifecycle analysis
- ▶ Recommendations focus on new power plants; more attention needed re: retrofits
- ▶ Potential for offsets
- ▶ Issue of scalability

On what areas should WG focus?

- ▶ Need to “hammer out” details
- ▶ Prioritization
- ▶ No areas outside of 6 from Int. Report
- ▶ CCS, reg. drivers, financial incentives, educ/outreach
- ▶ Introduction of “roadmap” concept

Who should audience be for work product?

- ▶ Multiple audiences suggested
- ▶ No specific choices made
- ▶ EPA, Congress, and PUCs suggested by multiple groups

What approaches work for meetings?

- ▶ “Divide & conquer”
 - ▶ Small groups prepare white papers – but must be complemented by...
 - ▶ Greater full work group discussion
- ▶ Bottleneck analysis
- ▶ Clear statement of objectives

Roadmap

- ▶ Way to integrate information
- ▶ Introduce relative time sequence and dependencies
 - ▶ Boarded tables' roadmaps at meeting
- ▶ Goal statement: target. What does nirvana look like?
 - ▶ Boarded discussion ideas in Santa Fe
- ▶ Narrowed focus to 4 areas + roadmap



**ACT Work Group
Developments**

September 18, 2007

Subgroup update

- ▶ Outlines by 9/14
- ▶ CCS
- ▶ Financial incentives for early deployment
- ▶ Regulatory drivers
- ▶ Education/outreach
- ▶ Roadmap/goal statement

External Developments

- ▶ Deseret permit (EPA)
- ▶ Oklahoma permit
- ▶ Florida permit
- ▶ CBO study: carbon pricing critical to CCS deployment, lower prices slow implementation
- ▶ EPRI: even \$50/ton price on CO₂ has little effect on existing fleet net revenue
- ▶ Others?