



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

ENERGY SUPPLY TASK FORCE MEETING SUMMARY

April 10-11, 2010

Co-Chairs Present:

Representative Al Carlson, North Dakota
Representative Tom Holbrook, Illinois

Members Present:

Representative Roger Barrus, Utah
Senator Deb Fischer, Nebraska
Representative John Heaton, New Mexico
Representative Carl Holmes, Kansas
Delegate Sally Jameson, Maryland
Honorable Scott McKay, Member for L'Assomption, National Assembly of Québec, Hôtel du
Parlement
Senator Steve Murphy, Minnesota
Representative Ralph Sheffield, Texas
Representative Tom Sloan, Kansas
Senator Ryan Zinke, Montana

NCSL Task Force Staff Present:

Melissa Savage, Linda Sikkema

NCSL Energy Staff Present:

Glen Andersen, Julia Verdi

NCSL DC Staff Present:

Tamra Spielvogel

Call to Order:

- Purpose of the meeting: to go over the energy supply task force outline (Holbrook)
- The report does not include transportation fuels and the report's main purpose is to share recommendations with colleagues (Sikkema)

I. Summary and II. Introduction Discussion of Outline:

- The goal of the report is to make sure the most important issues are hit and that it is concise. (Andersen)

Don Balfour
Senator
Georgia Senate
President, NCSL

Nancy Cyr
Senior Legal Counsel
Nebraska Legislative Research Office
Staff Chair, NCSL

William Pound
Executive Director

II. Setting the State: Energy in the United States:

a. Energy Costs-

- The report should include the difference between places that are regulated vs. deregulated. (Sheffield)
- The report should include rail transportation as a cost driver and should also include natural gas. (Sloan)
- The report should include guidelines of what some states are doing for Renewable Portfolio Standards (RPS). (Holbrook)
- When the report discusses wind and solar, it should also discuss how much gas fired plants cost to be built. The report should also include how things are subsidized. (Heaton)
- The report should take into consideration the cost of imports and the mechanism around imports. (McKay)
- The report should include the issue of natural gas generation and also how different states have different energy problems. (Holmes)
- The report should include the size of the balancing area and stated that the report needs to be a tool states can use. (Heaton)
- The report may want to include a discussion about balancing cleaner energy, consumer costs, short term/long term, and the politics of green vs. jobs in the report. Also, the report may want to include gas v. coal v. nuclear v. biomass. (Sloan)

b. Transmission

- The report should include a section about the transmission system on a national level. (Zinke)
- Report can touch on it in energy mix and resources as well. (Andersen)
- The report should include the debate on transmission lines and to try and assess it. (Holbrook)
- The report should include more interconnection, which is important for several northeastern states. (McKay)
- The report should include agencies that are strictly devoted to transmission. (Holmes)
- The report should cover state's roles (financial or strictly regulatory?) in transmission. (Carlson)

c. Building New Power Plants

This section will include carbon regulation, constraints, and life cycle cost.

- The report should include nuclear moratoriums and what states can do to support electric production. (Holbrook)
- The report should include what the state's role in getting involved in this is. (Carlson)

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- The report should include an age-out of present facilities. The report needs to include base load. (Heaton)

d. Environmental Considerations

- Nuclear waste should be included in this section. (Holbrook)
- The report should include the Blue Ribbon Commission in this section. (Heaton)
- The report should include a note about the need for water when looking at different energy options. (Sloan)
- The report should include an economic model in terms of generation. (Heaton)

III. Energy Mix:

a. Presents a snapshot of the current energy mix

- Regions will be on a FERC reliability map and regional differences will be highlighted. (Andersen)

b. Forecasting Energy Needs

- The report should include basic assumptions in the predictions and a fundamental assumption that there will be no assumptions that some technologies will work and others will not. (Heaton)
- Suggestion about putting a caveat in this section, so that certain types of energy are not excluded. (Andersen)
- The report should include what will drive demand, why won't conservation and efficiency meet all our needs, and why demand will continue to increase. (Sloan)
- The report will need to look at both population and industrial growth and why some parts will be stagnant and others will be robust. The report should include conversion of vehicles, next steps and what that process will be. (Heaton)

V. Energy Sources:

- Oil should be added in section 5 and the report should note that transportation fuels aren't included. Electricity generated from oil is greater than solar. (Zinke)
- Senator Murphy suggested that energy sources such as methane and nuclear are not left out of the mix in the report. (Murphy)
- The report should include adopting principles for clean portfolio standards. (Heaton)
- A paragraph on each energy source and then a chart on each should be included in the appendix. (Holbrook)
- The report should address public paranoia about different types of energy sources. (Sloan)
- Concerns under each resource and links will be included. (Andersen)

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- The report should include a section on frequently asked questions. (Heaton)
 - a. **Energy Efficiency**
- The report should include energy efficiency as being a function. (Holbrook)
 - b. **Coal**
- Discussion between Representative Heaton, Representative Holbrook and Representative Carlson on clean coal and how coal will be a large part of United States' electricity for the next 40 years.
 - b. **Natural Gas**
 - c. **Nuclear Energy**
 - e. **Renewable Energy**
- It is geometrically more difficult as more renewables get onto the grid, because of the unpredictability of the weather. (Heaton)
- That part will be hit on in the renewable energy section when the report breaks out solar and wind pros and cons. (Andersen)
- Hydro should be included in this portion of the report. (McKay)
- Municipal waste should be added in this portion of the report. (Barrus)

VI. State Policy

- In this section the report should focus on different public policy choices in order to let legislators state their priorities and then be able to go from there. (Sloan)
 - a. **Comprehensive energy planning efforts**
- Some areas are driven by the legislatures, some by the PUC, etc. (Holmes)
- This section should start off by stating who, if anyone, is responsible in this area and if they are performing. (Sloan)
- This section should have a list of states be included that have a comprehensive energy plan already in place. (Holmes)
- Including factors that should happen, such as statewide building codes. (Sloan)
- b. **Examples of policies that influence energy resource mix**
- There are a lot of different laws/rules that impact access. (Heaton)

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- The report should include a category for state and federal issues. (Holbrook)

VII. Federal Policy

- The report should include a federal component here and also include what kind of road blocks are involved due to federal issues. (Carlson)
- The report should include federal land access. (Barrus)
- Suggestion that we add item VII. Federal Policy and add resource maps in appendages. (Holbrook)

VII. Concluding Thoughts

- One of the things the report should do is encourage legislators to invite NCSL staff to educate and brief them about the report. The report should be distributed electronically. (Sloan)
- State and Federal focus are changing regularly and that the task force needs to continue in some form to take a look at these issues and also take time to look at the transportation fuel issue. (Holbrook)

General Outline Suggestions:

- The report should include national and regional issues that impact states with a brief description that link FERC, DOE, PUC's, BLM, in an appendix which includes a map showing natural gas pipelines, the rail system, the wind map, etc. (Sloan)
- The report should include a map on energy mix and resources and useful background material. (Holmes)
- The report should include a list of resource maps. (Holbrook)
- The report needs to focus on what we know today and what we see in the immediate future. (Holbrook)
- The report should include: energy efficiency, resource sharing, siting procedures, expediting permitting process and workforce training in the energy sector. (Carlson)
- By the Denver meeting, the baseline assumptions should be complete. (Carlson)
- The report should include energy security. (Sloan)
- A checklist should be included for after a legislator is done reading the report. (Sloan)
- The report needs to be written broadly enough for the adversity of different policy views. (Zinke)
- One of the most important things that should come out of this report is that legislators start thinking about the future. (Heaton)
- Basic guidelines of the report should focus on legislative responsibility. (Carlson)
- The issue of heating homes and businesses should be included in the report. (Barrus)
- Suggestion that the above issue be included next year with transportation. (Sloan)

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- Links to as many additional resources as possible should be included in the report. (Sloan)
- Cautioned staff on the terms used in the report as many of them raise red flags. (Fischer)
- Cautioned staff that the report needs to be useful to legislators and that the terminology must be understandable to them. (Holmes)
- A slideshow should be developed along with the report. (Heaton)
- Some of the best practices are the siting of plants and transmission, the energy efficiency guidelines, energy research institutes, permitting processes and funding. The report should be something practical that legislators can use as a model bill if they want to. (Carlson)
- Whatever comes out of this report needs to be consistent with policies. (Heaton)
- NCSL staff should develop two possible resolutions: one dealing with energy policy and one dealing with increasing coordination between state and federal. (Sloan)