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- 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?

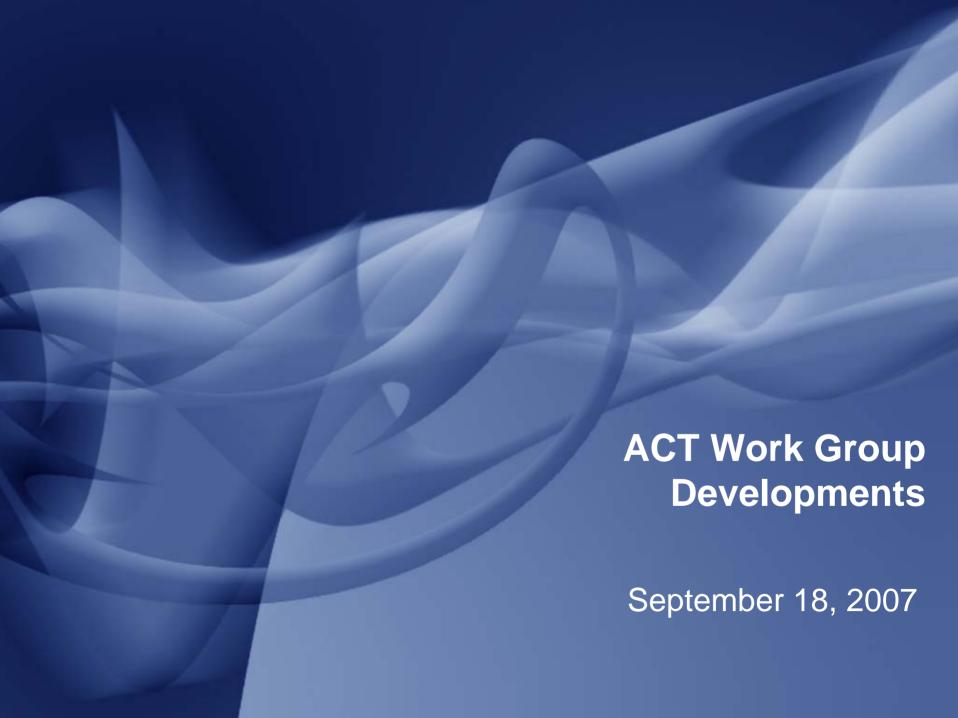
- Multiple audiences suggested
- No specific choices made
- EPA, Congress, and PUCs suggested by multiple groups

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



Subgroup update

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

External Developments

- Deservet 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?