

Air Quality Control Advisory Council Meeting Notes
July 23 2012 @ 8:15 am
MDE Headquarters—Patuxent Room, 6th Floor
1800 Washington Boulevard
Baltimore MD 21230

AQCAC MEMBERS PRESENT

John Quinn
Lorne Garrettson
Bill Cunningham
Larry Schoen
John Kumm
Kip Keenan
Sania Amr
Ross Salawitch

AQCAC MEMBERS ABSENT

Andrea Bankoski
Kevin Barnaba
Donald Moore
Karen Young

VISITORS

Dan Goldstein

PARTICIPANTS VIA PHONE

Ronald White
Sue Garonzik

MDE-ARMA

Tad Aburn
Diane Franks
Randy Mosier
Katy Perry
Husain Waheed
Kathleen Wehnes

This is a summary of the July 23, 2012 Air Quality Control Advisory Council Meeting and serves as a record of the Council's vote on regulatory action items. The meeting is recorded and the digital file is maintained by MDE/ARMA. This digital file is considered public information and may be reviewed in its entirety by anyone who is interested in the details of the discussions.

MEETING OPENING/OPENING REMARKS

Chairman Quinn opened the meeting with introductions of members and visitors.

PRESENTATION, DISCUSSION, AND ACTION ON REGULATIONS

COMAR 26.09.01.02, 26.09.02.03, .04-.06 MD CO2 Budget Trading Program (RGGI)

Diane Franks presented on these amendments, which revise the Maryland CO2 Budget Trading Program to retain the protective set-aside accounts from the original regulations and to send more allowances to auction earlier.

Currently, the Maryland CO2 Budget Trading Program allocates new allowances to the four set-aside accounts each year. Utilization of the four set-aside accounts has been less than expected. The allowances that remain in the set-asides move into the quarterly auctions after other allowances of that vintage have been sold. This can be disadvantageous to Maryland. The amendment allows unused set-aside allowances to remain in the set-aside and new allowances are used to replenish the set-aside to its original allowance level. In this manner the protection of the set-aside is retained, while maximizing the number of allowances destined to be auctioned in that year.

Ross Salawitch commented that the numbers/fractions used assume that a certain percentage of the revenue went to energy efficiency projects, though it has actually gone to offsetting bills; Mr. Salawitch stated that he is not against helping low income residents, but that a grant program would be more beneficial. Diane Franks explained that when the University of Maryland (UMD) did a study, and it was agreed upon to auction all of the allowances, UMD assumed that 25% of the allowances would be sold (i.e. not given to the sources). She also explained that MEA has found that 5% of those who receive assistance qualify for medical reasons, and have very large bills; one thing being explored is how to decrease these bills. Tad Aburn added that it has been a tough couple of years economically, which has also been a factor leading to less funding. He also stated that if we invested more into energy efficiency, rate payers would benefit, but that this issue is a question of the legislature. John Quinn added that there have in fact been energy efficiency projects that would have occurred without RGGI.

Ross Salawitch asked if raising the price of allowances is being considered. Diane Franks responded that we have had discussions about the reserve price and how to handle it moving forward. She also noted that the RGGI website (<http://www.rggi.org/>) has a full schedule of stakeholder meetings to discuss such topics, and that the program is undergoing its 2012 review.

Larry Schoen asked if generators are now buying these allowances, and if they can sell them. Diane Franks responded that the amendments being discussed apply solely to AES and they cannot be sold (can only be used for compliance). John Quinn Stated that he had been in contact AES, and heard that they will be sending comments.

Ross Salawitch asked why the new number of allowances being allocated to the Clean Generation Set-Aside Account (1.5 million) was below what might actually be used, since the previous number was 1,875,199. Diane Franks explained that it is based on emissions from past years, and that AES gets above market price for what they sell. Larry Schoen commented that this change seemed arbitrary.

Motion to approve the amendments was made by Larry Schoen and seconded by bill Cunningham. All members present, voted in favor, with the exception of John Quinn, who abstained.

A second motion was made by Larry Schoen to approve the amendments, with the exception of the change to 26.09.02.03. C (d), thereby keeping the allocation to the Clean Generation Set-Aside Account at 1,875,199. This motion was seconded by Ross Salawitch. All members present voted in favor, with the exception of John Quinn, who abstained.

Future AQCAC Meeting Dates:

Monday, September 10, 2012

Monday, December 10, 2012

The meeting adjourned at 11:35 a.m.