

Draft Meeting Notes
Delaware's Regulation 1147 – CO₂ Budget Trading Program
Rule Development
Workgroup Meeting
February 27, 2008

Attendees: Ron Amirikian, David Bacher, David Bloom, Phil Cherry, Bob Clausen, Paul Foster, Valerie Gray, Gary Helm, Cathe Kalisz, Tom Lily, Ravi Rangen, Chad Tolman, Stuart Widom

Valerie Gray welcomed the group and thanked all for attending. Following introductions of those present, Ms. Gray presented an overview of the RGGI program and the Model Rule (see presentation). The group discussion covered the following items:

- Federal Pre-emption
 - 3-year compliance period and how the 2012 review of program corresponds with 1st true-up period.
 - 3.3% limit on offsets
 - How fuel switch would work as an offset – specifics are discussed in rule
 - Model rule is being used as 1st draft;
 - Proposed Reg. – June 2008
 - Final Reg. - December 2008
 - Difference between public workshops and hearings
 - Various CO₂ monitoring issues
 - Discussion on how monitoring is a “long lead time” issue and must be addressed now, before the reg. became final
 - Request for committee to identify other long lead time issues
 - New Section 11 - Auction/allowance discussion
 - How much can DE deviate from the model rule
 - Offset categories – will more be considered – MD and ME have proposed others
- Model Rule discussion:
 - Permitting Discussion – Reg. 1102 and 1130 and 1147 are applicable permitting references
 - Discussion on CO₂ not requiring a permit under Reg. 1102. Confirmed CO₂ was an air contaminant in DE
 - Discussion on Renewable Energy Credit (REC) being made consistent with PSC RPS
 - Discussion on if we will adopt a REC in the DE rule, and if so, what will it be (i.e., 1%)
 - Discussion on problems with administration a REC, and issues with making it real, quantifiable, enforceable, etc.

- Discussion on page numbering needing to be made consistent with DE register
- Discussion on adding Christiana units
- Discussion on Section 1.4 (b) - 10% EGU exemption
- Discussion on Section 2.3 - Need to provide public notice every time an AAR changes.
- Discussion on Section 3 - what is to be included in the permits, and what the permits will look like
- Discussion on Section 5.1 – how 10% units would be impact it, how units shutdowns would impact it, how repowering would impact it.

- Agenda Items for future meetings:
 - Regulation 17 Draft Letter to Facilities - Request to begin CO₂ monitoring by 1-1-2009
 - REC set aside definition mirror PSC language
 - Section 1.4 (b) 10% EGU applicability
 - Section 3 - Permit content and what the permit will look like
 - Section 5.1 allocation levels
 - Once in always in
 - Shutdown units
 - Repowering
 - 10% exemption impacts
 - Section 5.3 - Methodology to allocate to sources (if not 100% auction)
 - Eligible biomass issue

- Commitments:
 - Email website link
 - Email sign-in sheet to the committee members
 - Date of next meeting – March 19, 2008 (1-3 pm) Priscilla Bldg, Dover