



## CLIMATE POLICY INITIATIVE DIALOGUE MEETING July 14, 2016

750 First Street, NE  
9<sup>th</sup> Floor Conference Room  
Washington, DC  
202-408-9260

### *Final Agenda*

**8:30 AM**      **Breakfast**

**9:00 AM**      **Welcome, Goals, Introductions**

**Bill Tyndall, CCAP**

- Explore what the latest modeling tells us about the costs and emissions impact of meeting the Clean Power Plan standards under the different trading-ready approaches, and what this might suggest for state plan design.
- Consider whether Clean Power Plan state plan designs can/should seek to support existing nuclear power plants, and look at different models for supporting the beneficial attributes of existing nuclear energy.
- Understand the mitigation opportunity presented by distributed energy resources and policy strategies that can help unlock these emissions reductions in a way that supports a level playing field and is seen as fair by developers, utilities and power consumers.

**9:10 AM**      **Keynote: Clean Power Plan Update**

**Joe Goffman, U.S. EPA**

Joe Goffman, Associate Assistant Administrator for Climate and Senior Counsel to the Assistant Administrator for Air and Radiation at the U.S. EPA will update the group on the Clean Power Plan, including the legal proceedings and EPA's activities to support state efforts to press forward towards state plan development. He will describe the new proposed design details for the voluntary Clean Energy Incentive Program (CEIP) and touch on other issues where states have requested additional guidance and assistance.

**9:45 AM**      **Recent Modeling of the Clean Power Plan:  
Impacts on cost, emissions reductions and nuclear energy**

**Starla Yeh, NRDC**

At what point will the Clean Power Plan be binding? What are the projected costs? Starla Yeh, a Senior Policy Analyst at NRDC will share recent modeling results looking at the impacts of lower natural gas prices and renewable energy incentives on the trading-ready CPP compliance pathways. To inform the next session, she will also explain what the recent modeling results say about: 1) differences in how the various

trading-ready pathways encourage/discourage continued nuclear plant operations through 2030 and beyond; and 2) how nuclear energy retirements might affect generation choices and compliance cost under the different trading-ready pathways.

Questions for discussion:

- How should these updated forecasts affect how we think about balancing cost considerations, emissions reductions, and sensible policy architecture in defining state plans?
- Are the energy choices made by the model to meet the Clean Power Plan also consistent with meeting longer-term climate change goals?

**11:00 AM Coffee break**

**11:15 PM CPP Compliance and Nuclear Energy**

**Gary Helm, PJM  
Dean Murphy, The Brattle Group**

Can nuclear energy survive the headwinds from low natural gas prices and uneven incentives for zero-carbon energy? What is the incremental impact from the Clean Power Plan in reversing or exacerbating these effects? Generating the largest share of zero-carbon power in the U.S., roughly half the current nuclear fleet is set to be relicensed or shut down in the 2029-2039 timeframe, and a number of plant owners have announced plans or are at risk of early economic retirements well ahead of the expiration of current licenses. Building from the modeling results shared earlier, this session will look at whether and how CPP state plans should consider the future of nuclear in their designs, as well as other policy approaches that can be used to value the zero-carbon and reliability attributes of nuclear energy. Specifically, Gary Helm, Lead Market Strategist for PJM, will share the approach used by PJM capacity markets to value nuclear reliability, and Dean Murphy, a Principal of The Brattle Group, will discuss New York's plans to support existing upstate nuclear capacity through zero-emission credit (ZEC) payments.

Questions for discussion:

- To what degree is nuclear power needed to meet the goals of the Clean Power Plan and/or longer-term carbon mitigation goals? What additional analysis is needed to inform this question?
- Are the attributes of nuclear energy accurately reflected in energy and capacity markets? What changes might be considered?
- Should state plans consider impacts on existing nuclear plants? Are more immediate incentives needed to recognize the zero-carbon attribute of nuclear power?
- If nuclear plants have to shut down, should we try to steer replacement generation towards zero-carbon choices, or let the market select the low-cost option?

**12:45 PM Working Lunch:**

**Update on the Paris Agreement**

**Laurence Blandford, CCAP**

Laurence Blandford, CCAP's Director of International Policy Analysis, will provide an update on the Paris Agreement implementation and implications for U.S. domestic policy.

- 1:30 PM      The Distributed Energy (DE) Opportunity      Bill Tyndall, CCAP**  
Bill Tyndall of CCAP will provide an overview of distributed energy technology, current opportunities and barriers, and the role it can play in reducing greenhouse gas emissions.
- 1:45 PM      Distributed Energy: Getting the Price Right      Steve Wemple, Con Ed  
Dylan Sullivan, NRDC**  
New York is planning a move away from net metering and towards an approach that seeks to “accurately” price the real values provided by distributed energy depending on the type, location or other factors. Nevada has recently made changes to the fixed charges and payments made to distributed resources based on a lower assumed value for distributed energy. Steve Wemple, a Vice President at Con Ed and Dylan Sullivan, a Senior Scientist at NRDC will discuss the changes occurring in their respective states and share their views on alternative pricing approaches for distributed energy. We will seek to identify areas of agreement and disagreement and lessons for other states considering ways to ensure that distributed energy receives a fair price for the system benefits it provides and that utility customers pay a fair price for the energy and grid services received.
- 3:15 PM      Direct Access to Energy Markets for Distributed Energy      David Kathan, FERC**  
David Kathan, a Senior Economist from FERC’s Office of Energy Policy and Innovation will discuss important policies that are expected to help level the playing field for distributed energy, including: FERC’s equal treatment of demand reduction markets, and the California ISO’s decision to allow aggregation of rooftop solar. David will explain how these new developments can help overcome barriers to distributed energy.
- 4:15 PM      CPP Compliance and Nuclear Energy, Part II      Melissa Lavinson, PG&E**  
Melissa Lavinson, Vice President for Federal Affairs and Policy and Chief Sustainability Officer at PG&E will discuss their recent agreement to shut down Diablo Canyon at the end of the current license period, including plans to ensure that the generation is replaced with renewables and efficiency. What are the cost and carbon implications of this approach? How might it compare with the ZEC payment approach under development in New York?
- 4:45 PM      Wrap up and Next Steps**
- 5:00 PM      Adjourn**