# New England Governors and Eastern Canadian Premiers (NEG/ECP) Regional Climate Change Action Plan Development

In response to NEG/ECP Resolution 39-1 Concerning Climate Change

# Cross Cutting Regional Strategies, Policies and Measures Potential Options for Consideration

#### **Overview**

This document contains a set of potential actions for the eleven jurisdictions of the NEG/ECP region to consider including in a proposed <u>Cross Cutting Section</u> of the 2017 *Regional Climate Action Plan*.

The items included were identified during 2016 by staff from the NEG/ECP region<sup>1</sup> and are intended to be vetted through a more an inclusive, collaborative process in the first half of 2017. This process will take advantage of recent and concurrent climate and energy planning within Canada and the US as well as by individual states and provinces.

As part of this process subcommittees will review sector specific options to identify those environmental, transportation and energy strategies, policies and measures <sup>2</sup> whose implementation at the regional level will make possible the economy-wide GHG reductions needed for the NEG/ECP region to achieve the 2030 GHG emissions reduction marker range of 35–45 percent below 1990 levels as well as the 2050 target.

The discussions among the sector specific subcommittees will be monitored in order to assure coordination among interrelated recommendations occurring cross-sector and to identify revisions or additions to the list of items contained within this document.

# Background

During 2016, the NEG/ECP committees formed a temporary "Staff Working Group" (SWG) to address the collaborative, cross-sector directives of *Resolution 39-1*. The SWG worked during the first half of 2016 to consider current commitments and initiatives within the region, existing external plans and agreements, as well as additional regional opportunities to accomplish this directive. The SWG, with the review and approval of the standing NEG/ECP committees, identified six broad categories to advance regional GHG emissions reduction actions.

- 1. Cross-Cutting: Options that affect multiple sectors
- **2. Government Leadership by Example:** Options that reduce GHG emissions from government facilities, fleets and operations
- **3. Energy Supply and Transmission:** Options that deal with centralized electricity generation, the transmission of electricity and natural gas, and delivered heating fuels

<sup>&</sup>lt;sup>1</sup> Each item was included: within the 2016 Interim Work Plan or the 2016 Strategic Framework, which were both shared with the Governors and Premiers; or an "Expanded Framework," which contained a laundry list of more specific items that were tabled until this phase.

 $<sup>^{\</sup>rm 2}$  Such efforts would complement efforts at the state, provincial and federal levels.

- **4. End-Use and Distributed Energy:** Options that focus on increasing energy efficiency and conservation, and distributed energy resources in buildings and industry (thermal and electric)
- **5. Transportation:** Options that address transportation choices and accessibility, vehicle technology and fuels
- **6. Natural Resources:** Options that enhance the amount of carbon being captured and stored in agricultural and forested lands and other natural systems, and that encourage sustainable materials management

Within each of these categories, the SWG identified a series of high-level options that describe opportunities for the states and provinces to consider implementing, as a region, in order to make progress towards achieving the regional GHG emissions reductions targets. The options were used to develop two documents that demonstrate progress towards meeting the directives contained in *Resolution 39-1*: 1) an *Interim Climate Change Work Plan* (Appendix 1), which describes projects and initiatives the NEG/ECP committees will pursue over the coming year; and 2) a *Strategic Framework* (Appendix 2), which will serve as the foundation for the development of a *Regional Climate Change Action Plan* to be submitted to the NEG/ECP at its 41st conference in 2017. The regional climate change plan will be developed following more robust qualitative and quantitative assessment of options by the SWG, working under the COE, in coordination with the NICE, TAQC and CCSC, and relying on available technical resources.

# Next Steps

During 2017, the majority of the planning work will fall to a temporary ad-hoc Staff Working Group (SWG) and five topic-based subcommittees (Topics 2-6 below). These ad-hoc teams will be tasked with developing a list of potential actions that will, when implemented at the regional level, make possible the GHG emissions reductions needed for the NEG/ECP region to achieve its near and long-term GHG emissions reductions goals (e.g., 35-45% reduction by 2030).

The SWG will monitor the subcommittee discussions and the stakeholder input and modify the items (below) in the Cross-Cutting section as needed.

# **Overarching Sector-Based Options**

The six GHG emissions reduction categories were selected by the SWG not only to organize the overarching options and more specific potential actions that were discussed over the past several months, but also to ensure that the effort was taking a holistic view and considering the full range of opportunities available across the region. The categories, therefore, allowed the SWG to organize the potential options in order to accurately compare the options to one another and to identify additional emissions reduction strategies that were not yet represented. The following category descriptions are intended to provide clarity as to the nature of the issues they address.

### 1. Cross-Cutting: Options that affect multiple sectors

#### **Existing Target:**

Reduce overall energy use by at least 20 percent below "business as usual scenarios" by 2020 by targeting all sectors of the economy including the residential, commercial, institutional, industrial and transportation sectors.<sup>3</sup>

The resolution directed that the *Regional Climate Change Initiative* identify strategies, policies and measures across the energy, transportation and natural resource sectors. While each sector has many unique attributes, the sectors are interconnected to one another in a number of ways. There are options that have been identified for the work plan and for future evaluation that affect multiple sectors simultaneously and, therefore, were best placed in a broad category.

Regional Option Example – Showcase and enhance research and innovation in low- and zero-carbon technologies and processes and take advantage of economic opportunities offered by the emerging low-carbon economy.

**2. Government Leadership by Example:** Options that reduce GHG emissions from government facilities, fleets and operations

#### **Existing Target:**

Reduce end-use GHG emissions due to state and provincial government activities and operations by 25 percent below the 2001 level by 2012.4

The options within this category include not only the actions that the state and provincial government may take to manage their operations, but also the opportunity to tell the region's story. The NEG/ECP jurisdictions, in collaboration, have an opportunity to demonstrate the benefits of climate action in general and coordinated action at all scales. Due to the size of its collective economy, as well as its diverse range of intranational and international cross-border relationships, the jurisdictions can set an example for their own residents, businesses and corporations, as well as for other states and provinces, and for other nations.

<sup>&</sup>lt;sup>3</sup> NEG/ECP Resolution 34-3, 2010.

<sup>&</sup>lt;sup>4</sup> NEG/ECP (2001). Climate Change Action Plan 2001, New England Governors/Eastern Canadian Premiers, <a href="https://www.novascotia.ca/nse/climate.change/docs/NEG-ECP.pdf">https://www.novascotia.ca/nse/climate.change/docs/NEG-ECP.pdf</a>.

*Regional Option Example* – Coordinate efforts to reduce GHG emissions associated with government operations through fleet management, building energy use management and low-carbon energy supply.

**3. Energy Supply and Transmission:** Options that deal with centralized electricity generation, the transmission of electricity and natural gas, and delivered heating fuels

# **Existing Target:**

Pursue an increase in the region's renewable energy generation capacity by 10 percent over 2006 levels by 2020.<sup>5</sup>

This category looks broadly at the opportunities related to energy supply that may best be viewed at the regional level. This includes a focus on decarbonizing the electricity generation sector through the management of large, centralized electricity generation facilities as well as on efficiency improvements that may be possible with respect to transmission and distribution of electricity and energy in general. The category further reflects opportunities that may exist to expand the availability of low- and zero-carbon heating options across the region.

*Regional Option Example* – Enable the integration of an expanding range of energy sources and technologies (*e.g.*, energy storage, renewable generation) in order to decarbonize the electricity sector.

**4. End-Use and Distributed Energy:** Options that focus on increasing energy efficiency and conservation, and distributed energy resources in buildings and industry (thermal and electric)

#### **Existing Target:**

Reduce overall energy use by 20 percent in homes, buildings and industry compared to "Business As Usual" by  $2020.^6$ 

This category focuses on opportunities to reduce energy demand and consumption at the regional level through energy efficiency and conservation and through distributed generation at the site level. Included are opportunities to: reduce overall energy use in homes and businesses and by industry through improved building envelope, efficient appliances and building operations; and increase the amount of smaller-scale distributed energy resources, such as combined heat and power and renewable energy.

Regional Option Example – Coordinate adoption of standards and energy codes, to the extent feasible, to increase the efficiency of new construction (and major refurbishment) in residential and commercial buildings.

**5. Transportation:** Options that address transportation choices and accessibility, vehicle technology and fuels

<sup>&</sup>lt;sup>5</sup> NEG/ECP (2006). *Resolution 30-2*: Resolution Concerning Energy, 30<sup>th</sup> Annual Conference of the New England Governors and Eastern Canadian Premiers, Newport, RI, May 11-12, 2006, <a href="http://www.cap-cpma.ca/images/CAP/30-2%20Energy%20E.pdf">http://www.cap-cpma.ca/images/CAP/30-2%20Energy%20E.pdf</a>.

<sup>&</sup>lt;sup>6</sup> NEG/ECP (2006). *Resolution 34-3*: Resolution Concerning Energy Efficiency, 34<sup>th</sup> Annual Conference of the New England Governors and Eastern Canadian Premiers, Lenox, MA, July 11-13, 2010, <a href="http://www.cap-cpma.ca/images/CAP/Resolution%2034-3%20Energy%20Efficiency.pdf">http://www.cap-cpma.ca/images/CAP/Resolution%2034-3%20Energy%20Efficiency.pdf</a>.

# Existing Target:

Work toward achieving throughout the region a five percent regional fleet-market-share penetration of alternative fuel vehicles by 2020 and facilitate the availability of refueling stations to support those vehicles.<sup>7</sup>

The transportation category includes all aspects of the transportation sector, including on-road and non-road vehicles, freight and passenger rail, and marine and aviation equipment. Strategies include both a transition to new technologies and improvements to the efficiency of existing transportation systems. Due to the increased interest in vehicle electrification and in the reduction in the carbon intensity of transportation fuels, there is a growing connection between this category and the Energy Supply and Transmission category above.

*Regional Option Example* – Promote the transition to low-carbon fuels, zero emissions and low-carbon emission vehicles and charging corridors and networks.

**6. Natural Resources:** Options that enhance the amount of carbon being captured and stored in agricultural and forested lands and other natural systems, and that encourage sustainable materials management

The category reflects the growing understanding that the region's natural ecosystems, such as forests, wetlands salt marshes, and sea grass beds, contain vast reservoirs of carbon and may have the potential to store even more. Human managed landscapes such as working agricultural and forest lands also serve as carbon reservoirs, and often have additional storage potential. These same wilderness and managed lands make communities more resilient to expected climate impacts such as sea level rise and inland flooding, and support local economies centered on agricultural and forest products, tourism and recreation. By protecting and appropriately managing these areas, the region may be able to maintain and enhance the carbon they store, complementing other efforts to reduce GHG emissions from fossil fuel combustion and industry. In addition, this category also reflects opportunities to reduce the life-cycle GHG emissions associated with the manufacture, use and disposal of products and food by residents, businesses and industry.

*Regional Option Example* – Encourage adoption of forestry practices that maintain and increase forest carbon storage as part of the development and promotion of sustainable forest programs.

<sup>&</sup>lt;sup>7</sup> NEG/ECP (2013). *Resolution 37-3*: Resolution Concerning Transportation, 37<sup>th</sup> Annual Conference of the New England Governors and Eastern Canadian Premiers, La Malbaie, Quebec, September 8-9, 2013, <a href="http://www.cap-cpma.ca/images/ECP%20Documents/NEG-ECP%20Resolution%2037-3%20Transportation%20EN.PDF">http://www.cap-cpma.ca/images/ECP%20Documents/NEG-ECP%20Resolution%2037-3%20Transportation%20EN.PDF</a>.

**1. Cross-Cutting Options:** Options that affect multiple sectors

# **Existing Target:**

Reduce overall energy use by at least 20 percent below "business as usual scenarios" by 2020 by targeting all sectors of the economy including the residential, commercial, institutional, industrial and transportation sectors.8

- 1.1. Maintain a regional economy-wide GHG emissions inventory using consistent and accepted methods and report annually on progress towards achieving the regional GHG markers and targets.
  - 1.1.1. Continue to update the regional GHG inventory annually, including transportation GHG information and performance indicators gathered at a state, provincial and national level.9
  - 1.1.2. Include GHG emission projections in the regional GHG inventory and report on regular basis on the forecasts in order to guide and orient regional emission reduction options to meet or exceed the NEG/ECP GHG markers and targets.
  - 1.1.3. Identify and report on a series of metrics and performance indicators, beyond GHG emissions, which can be consistently tracked and reported on and which will allow the broader impact of GHG-emission reductions to be understood and communicated.
- 1.2. Showcase and enhance research and innovation in low-carbon technologies and processes and take advantage of economic opportunities offered by the emerging low-carbon economy.
  - 1.2.1. Inventory existing green financing mechanisms (GFM) and examine the feasibility of creating a regional or intranational green innovation fund, including options for financing tools to bring green innovation to scale.
  - 1.2.2. Conduct a Green (low-carbon) Innovation "connector event", which brings businesses, researchers and venture capitalists together to develop early insight, build partnerships and foster access to potential investment.
  - 1.2.3. Collaborate with academic institutions and business associations to synchronize research with business needs.
- 1.3. Work collaboratively toward compatible policies, standards and targets (to the extent possible) among the individual jurisdictions.
  - 1.3.1. Work with federal governments to seek additional national solutions, including, but not limited to, emission standards, market-based instruments, funding and cooperative agreements.
  - 1.3.2. Collectively incorporate the social and environmental cost of carbon into all governmental calculations of energy cost, including those in strategic planning for energy, jurisdictional decisions on energy procurement, and energy program development.
- 1.4. Maintain a leadership role in North America in the development of market-based programs designed to create clean growth economic opportunities for the region and enhance its overall competitiveness nationally and internationally.

<sup>&</sup>lt;sup>8</sup> NEG/ECP Resolution 34-3, 2010.

- 1.4.1. Track, understand, and help coordinate efforts, where practical, to link to emissions trading programs planned and underway within the region (*e.g.*, RGGI, TCI, WCI)and among other jurisdictions.
- 1.4.2. Estimate cumulative GHG reduction benefits for 2030 from existing trading programs.
- 1.4.3. Work with both RGGI and the WCI to identify and assess issues and opportunities associated with linking existing carbon markets.
- 1.4.4. Initiate a regional economic analysis on the benefits and opportunities related to the carbon pricing mechanisms and how it can help the region meet or exceed the regional GHG reduction markers and targets.
- 1.5. Promote a dialogue among environmental organizations, electric utilities, major energy users, and non-governmental organizations to foster a shared understanding of the impacts of energy use on climate change and enable more consistent messaging and communication regarding solutions.
  - 1.5.1. Identify a list of NGOs, energy users and others, with whom to collaborate in the future on this.<sup>10</sup>
  - 1.5.2. Begin to examine and seek to align marketing, education and outreach best practices that most effectively convey the importance of this issue to citizens in each province and state.<sup>11</sup>
  - 1.5.3. Compile and share communication materials about GHG emissions labeling in different economic sectors (*e.g.*, vehicles and mobility choice, appliances, building performance).
- 1.5.4. Harmonize GHG emissions labeling, where possible, to allow citizens, businesses, counties, and municipalities to develop their own awareness and educational initiatives.

<sup>&</sup>lt;sup>10</sup> Modified from: NEG/ECP (2013). 2013 Regional Climate Change Action Plan Blueprint, 37th Annual Conference of New England Governors and Eastern Canadian Premiers, Charlevoix, Québec, <a href="http://coneg.org/data/documents/2013%20Blueprint%20Final.pdf">http://coneg.org/data/documents/2013%20Blueprint%20Final.pdf</a>.

<sup>&</sup>lt;sup>11</sup> Modified from: NEG/ECP (2013). 2013 Regional Climate Change Action Plan Blueprint, 37th Annual Conference of New England Governors and Eastern Canadian Premiers, Charlevoix, Québec, <a href="http://coneg.org/data/documents/2013%20Blueprint%20Final.pdf">http://coneg.org/data/documents/2013%20Blueprint%20Final.pdf</a>.