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STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



LIESL EICHLER CLARK
DIRECTOR

MICHIGAN COUNCIL ON CLIMATE SOLUTIONS MEETING
Draft Meeting Minutes

Monday, November 1, 2021 – 1:00 to 3:00 p.m.
Virtual Meeting via Microsoft Teams
Find meeting information at Michigan.gov/Climate

Attendees

Niles Annelin	Marnese Jackson
Steve Bakkal	Phyllis Meadows
Frank Beaver	Sarah Mullkoff
Liesl Eichler Clark	Jonathan Overpeck
Kerry Duggan	Tanya Paslawski
Dan Eichinger	Joseph Rivet
Rachel Eubanks	Phillip Roos
Meghan Groen	Derrell Slaughter
Judson Herzer	Jeff Stoutenberg
Brandon Hofmeister	Ron Voglewede

MEETING GOALS

- Review and discuss recommendations from the Energy Intensive Industries workgroup.

Meeting Notes

- **Welcome, Attendance (Liesl Clark, Director, EGLE)**
 - The meeting commenced at 1:00 p.m.
 - Attendance was taken.
 - Council members received the recommendation text ahead of the meeting and were asked to provide feedback via a survey.
- **Council Business (Liesl Clark, EGLE)**
 - Derrell Slaughter moved and Phil Roos seconded a motion to approve the agenda. The agenda was approved unanimously by voice vote.
 - Derrell Slaughter moved and Phil Roos seconded a motion to approve minutes from the October 26 council meeting. The minutes were approved unanimously by voice vote.

- Derrell Slaughter moved and Kerry Duggan seconded a motion to approve an additional council meeting on Friday, December 3. The additional meeting date was approved unanimously by voice vote.
- Process:
 - The workgroups created the recommendations and presented them to the Council for feedback.
 - EGLE will draft an outline for the MI Healthy Climate Plan to be reviewed by the Council at the December 14 meeting.
 - A draft of the Climate Plan will be released publicly in January, with public engagement sessions, and open comment period.
 - The final Climate Plan will be submitted to the Governor in March.
 - Question: Are the recommendations supposed to be actionable or could a recommendation be “to make a plan”?
 - Any place that we are able to take action we should be, though there may be circumstances where the right action may be planning. Default to actionable recommendations whenever possible.
- **Overview by Workgroup Co-Chairs (Steven Holty and Robert Jackson)**
 - Technologies, innovation, markets, and policy will all play a key role in decarbonization
 - Three phases:
 - Gathered and analyzed data, level-setting workgroup meetings
 - Facilitated discussions around opportunities and barriers
 - Reviewed and refined recommendations
 - Emissions overview
 - Scope 1 (direct): fossil fuel combustion and process emissions
 - Scope 2 (indirect): purchased electricity – assuming grid decarbonization
 - Scope 3: indirect emissions from up and downstream
 - Presented a table of how the top five recommendations address the different scope emissions.
 - Recommendations:
 - Deliver carbon neutral fuels to industry by 2050
 - MPSC initiate a collaborative stakeholder process
 - Will address scope 1 combustion emissions
 - Support the development of clean industrial hubs
 - Building the framework for shared infrastructure
 - Will address combustion and process emissions
 - Michigan is well -primed for hubs
 - Advance energy efficiency and process improvements

- EGLE and MPSC should convene a stakeholder group before 2023 to advance energy efficiency and process improvements
 - Will address combustion and electric emissions
 - Implement a policy for public procurement of low carbon products
 - The governor should direct EGLE to create a workgroup to create and implement public procurement policy
 - Will increase the pace and enable decarbonization solutions
 - Support a federal carbon pricing market
 - The group has the least control on this, but it has the highest impact
 - Equity in industrial decarbonization needs to consider siting, rate impacts, and health impacts
- **Council Discussion of Recommendations**
 - Recommendation 1:
 - Delivering carbon neutral fuels to industry – want to ensure we’re moving fast enough. Can we do something in the recommendations to speed up the timeline instead of the 2050 target? We want Michigan to be a leader in the decarbonization space.
 - Want intermediate goals before 2050
 - How fast will we get a hydrogen economy and what can we do in Michigan? Or a renewable natural gas economy?
 - This is a unique opportunity to attract breakthrough technologies and businesses to Michigan. Michigan can be a lead state for others to turn to.
 - Can we be intentional and explicit about including greenhouse gases (GHG) impact studies for technologies such as renewable natural gas and hydrogen?
 - Stakeholder processes vs action – are there any specific opportunities to drive action? Are there examples from other states about actionable items that we could learn from?
 - In MN, they recently passed a pathway for gas utilities to decarbonize. This recommendation was intended to mirror that.
 - It would be helpful to include some language around where the stakeholder process is supposed to lead.
 - Other states are looking at gas resource planning.
 - Part of the barrier to moving away from natural gas is that it is so cheap.
 - Move up the timeframe in the recommendation.

- “Contiguous site definition” – some concerns around this and how it relates to utility deregulation, but overall supportive of the recommendation.
- Recommendation 2:
 - Supportive of this and appreciative of the Environmental Justice concerns. Would it be helpful to be explicit about needing health impact studies?
 - Yes, that should definitely be included.
 - This recommendation is also intending to clean current hubs that are causing health issues.
 - Comment from chat: Siting our clean energy hubs could be an opportunity to replace some of the horrible coal or other dirty industrial districts, BUT the communities the new hubs will be sited in have to be in the driver’s seat too.
 - There is some institutional knowledge that can be disseminated and implemented.
 - Is there another industry where this hub approach has been used? In Michigan or elsewhere?
 - Hub and spoke approach for gas and electricity.
 - Louisiana is looking at the hub model for hydrogen.
 - Houston is also looking at hubs and clusters.
 - Industrial parks in Michigan, such as the Dow industrial park.
 - Comment from chat: Looking for examples on not only hubs but also how sequestration is done. Which could pose future unintended consequences – where it’s stored, how it’s stored.
 - When talking about hubs and clusters, it is also important to consider the supportive “ecosystem” to make the cluster work such as education, intellectual property, and early stage technology. All of this needs to be scaled up.
 - Looking at the automotive industry as an example.
 - Are there proven studies that show that this carbon sequestration works? Can you provide links?
 - Yes, GPI will upload helpful materials to the SharePoint site.
 - If it is expensive, who is bearing the cost?
 - There have been increases in the federal tax credit, with additional increases proposed.
 - Who pays is dependent on the specific project.
 - Additional comments from the chat:

- Maybe we should craft the entire report to explicitly optimize to attract the talent and industries we want to attract to Michigan, AND to proactively right the industrial injustices of the past, AND prevent new injustice.
 - We will also need a regulatory framework to support safe, efficient, and effective industrial hubs.
- Recommendation 3:
 - Is there optimism that we could be more ambitious regarding the 1% year over year reduction of energy efficiency GHG reductions?
 - This was based on historical trends.
- Recommendation 4:
 - This is about circular economy and using recycled materials. We need to rethink how we approach procurement. The government should leverage its buying power of products such as construction materials.
 - Was there any discussion around making these low carbon products in Michigan?
 - There are a number of things the government can be, but it is really the consumers that are buying these products and that comes from education and outreach. There needs to be a demand from consumers for these low-carbon products.
 - Some companies are, and want to be a part of this going into the future.
 - Is this low carbon fuels or low carbon products?
 - Both, one is the fuels that the state purchases for its facilities (like heating fuels), the other is the procurement of low carbon products.
 - It might be helpful to list some examples.
- Recommendation 5:
 - What do you mean by “support”?
 - The conversation initially evolved from recognizing that something like this would be more helpful coming from the federal government, rather than the state or regional level.
 - It didn’t make sense for industry to participate in a patchwork system of market. There was little support for state or regional systems because it would put them at a competitive disadvantage.
 - The governor should be actively involved in the creation of a pricing system if and when it happens.

- There are some concerns around the guaranteed reductions from a carbon pricing system.
 - Recognize that this is important, but didn't have the expertise to detail out the nuances.
 - The devil is in the details of all this—you need a policy that's effective and equitable.
 - Comment from chat: Price carbon wrongly and people/communities can get hurt. Also, carbon pricing is not a replacement for other actions. Carbon pricing needs to be deployed along with other actions - such as what's in the Build Back Better bill that might come up for a vote this week.
 - Additional recommendations:
 - #6. Very closely tied to a procurement policy
 - Integrate this with number 4?
 - This address private as well as public procurement
 - #7. Being front and center for RD&D
 - Two way street: Michigan should strengthen its relationship with RD&D, but also, the federal government should strengthen its relationship with the state.
 - #8. Also address non GHG emissions
 - Additional feedback:
 - Deliver carbon neutral fuels to industry by 2050—fear that if we phrase it this way, it's natural gas until 2050. Can we do something in the recommendations to really speed up the timeline? And convey that we're not waiting until 2040 to address these.
 - Michigan has an opportunity to be a leading state in decarbonization.
 - Need for intermediate goals. The co-chairs would encourage the Council to detail this out.
 - It would be good to get a general sense from someone what we can do to encourage hydrogen economy. Can EGLE come out with a timeline that's realistic? Build a national standard for industrialization. Possibly developing these alternative fuels in Michigan.
 - Plans and stakeholder processes vs action: are there specific opportunities that came up that would drive more immediate results?
 - In MN they just passed a pathways to decarbonize. Need a way for utilities to submit to that and be approved by the Commission. Bringing

some direction as to where the stakeholder process will lead. Enabling utilities to send plans to PUC.

- Is there a barrier to being a bit more prescriptive on these?
 - Natural gas is inexpensive and creates a barrier to utilizing RNGs.
 - Comment from chat: Actions- how about we start by becoming a leader in renewable natural gas – the production and utilization of RNG? Let's do this fast in part because we want to eliminate the environmental injustice hotspots in Michigan – the industries in these hotspots should be cleaned up in this decade. Let's get bold. Bet the Biden admin would support, no? Do this, and the talent we want in Michigan would take notice. Subsidies... we're about to get them for mobility and renewable energy. Let's push hard for \$\$ to level the playing field for clean fuels and industry. Environmental justice demands this. Carbon pricing helps too, I agree. Also, I like the idea of leap-frogging other states to clean sustainable and just solutions. Industry has a tough role to play, and we need to get behind them – make them a priority. And I'm not talking about the fossil fuel industry here, unless they are going to be the ones to give us clean fuels in this decade.
- Set time-lines that are realistic, and also push the envelope to decrease natural gas utilization asap.
- **Next Steps (Liesl Clark, EGLE)**
 - The next meeting is November 23, from 3 p.m. – 5 p.m. and will focus on recommendations from the Natural Working Lands & Forest Products Workgroup.
 - Meeting materials, recordings, and the workgroup recommendations are available at [Michigan.gov/climate](https://michigan.gov/climate).
- **Adjournment**
 - The meeting adjourned at 2:53 p.m.

Approved at November 23, 2021, Council on Climate Solutions meeting.