

Tennessee Energy Policy Committee Meeting Notes

Date: Feb 22, 2019

Location: University of Tennessee, Knoxville Tennessee

Members in attendance:

Chairman Joe Hoagland (TVA)

Jasbir Dhaliwal (University of Memphis)

Brian Solsbee (TMEPA)

Mike Ellis (Tennessee Gas Association)

Dale Barnett (Tennessee Poultry Association)

Zachary Sims (University of Tennessee, Knoxville)

Louis Qualls (Oak Ridge National Laboratory)

Hash Hashemian (AMS Corporation, Knoxville)

Stephen Smith (Southern Alliance for Clean Energy)

John Kenny (ACEC of Tennessee)

Molly Cripps (Tennessee Department of Environment & Conservation) [participated via phone]

Justin Ball (Tennessee Department of Treasury)

Non-Members in attendance:

Jilleah Welch (UTK Baker Center)

Matt Murray (UTK Baker Center)

John Ragan (Tennessee General Assembly)

Presenters on phone:

David Terry (National Association of State Energy Officials)

Sandy Fazeli (National Association of State Energy Officials)

Meeting Called to Order

By-laws were discussed and adopted unanimously.

Minutes from the Dec 5, 2018 meeting were discussed and approved unanimously.

Lou Qualls agreed to serve as secretary and record the minutes.

A presentation was made by Mr. David Terry and Ms. Sandy Fazeli of the NASEO, as research/resource for developing state energy policies. Observations from the presentation included the following:

- 1) Energy sector jobs are being created faster than in the general economy
- 2) Forty two (42) states maintain energy plans, which range from short statements of high level aspirations to detailed plans of several hundred pages.
- 3) Essential characteristics of plans include the following:
 - a. Comprehensive
 - b. Adaptable
 - c. Guiding
 - d. Strategic (implying measurable and achievable goals)
 - e. Plans should inform state investments and policy
 - f. Should consider all, especially the disadvantaged/underserved communities
 - g. Energy storage is growing and is expected to increase 9X by 2022

Ms. Cripps referred the group to the U.S. Energy Employment Report from 2018 and noted that the 2019 version would be released in early March. Ms. Fazeli noted that reports were also generated in 2016-2017 but cautioned that the job numbers are under reported due to the fact that not all labor efforts are counted as part of the energy sector.

The group discussed generally how to bring value to the state. Discussion centered around (1) assembly and analysis of data for guiding policy and (2) develop practical, achievable recommendations to guide direction and avoid missteps. Other states focus on relevant issues such as SmartGrid initiatives, pipeline safety, workforce diversity. It was noted that an important value of an energy policy plan is exercising the thought process and getting the relevant input.

Ms. Cripps noted that an energy policy plans differ from an Energy Assurance plan. The group discussed the potential difference in electrical service interruption (managed by the TVA) and potential disruptions to natural gas and transportation fuels.

The general progression for energy policy development included the following:

- 1) Articulate a vision
- 2) Gather data
- 3) Engage stakeholders
- 4) Develop recommendations
- 5) Draft plan

- 6) Review plan
- 7) Finalize plan
- 8) Perform outreach and education
- 9) Monitor progress and revisit

Dr. Murray presented chapter summaries from a previous data collection report performed at the Baker Center for the State. Dr. Charles Sims joined the meeting. The report provides “the backdrop for an energy plan”. It was noted that the state works with constraints such as the fact that many issues are not within its control. For example, TVA is self-regulated with regard to the fuel mix used to produce more of the electricity generated. Projections were not made in the report, which was published in 2014.

Dr. Murray noted that the numbers in the plan could be updated for a modest cost (estimated at \$20K) but that the effort to analyze the data and produce accurate assessments from it would cost a significant fraction of an FTE.

Policy Discussion

Dr. Welch discussed a policy report on coal noting the long term declining trends and stating that less than 200 coal production jobs remain in the state.

Dr. Smith discussed the possibility that electric cars could change the dynamic of petroleum imports.

Committee activities and the development of committee products were discussed. It was decided that a set of questions for stakeholders would be developed. One set of questions would be related to energy supplies and the other would be developed for energy consumers (by industrial sector). The question set would be reviewed by the group and discussed at the next meeting. Comments are to be routed through the Baker Center (M. Murray). Representatives would be solicited from the committee to work with their colleagues to produce representative answers once the questions are finalized.

The objectives of the report were stated as informing the state governing bodies and the Governor in matters of (1) identifying state resources, (2) discuss how they could best be managed, (3) how to stimulate growth and improve the environment.

The effort should identify near-, mid-, and long-term technology evolutions that may significantly impact the future energy markets.

The possibility of a two-day workshop was discussed however concerns were expressed regarding the ability to get broad participation and the time and travel requirements given the modest budget of the committee.

It was decided that we needed regular near-monthly meetings. Teleconference options will be reviewed. The committee was given guidance by Chairman Hoagland concerning the Sunshine Law and noted that all deliberations must be public.

Some time was devoted to outlining the potential questions and sectors of interest. Notes were taken by Chairman Hoagland and will be routed to the group.

Ms. Cripps would forward a link to the Baker Center report, the NASEO presentation, and the NASEO state energy planning overviews generated in 2018 and 2013.

Another meeting in Knoxville is planned as the next meeting and it is targeted to occur within approximately one month.

The meeting was adjourned