

**Washington Clean Energy Leadership Council
Clean Energy Industry Event
Seattle – McKinstry Innovation Center
October 15, 2010**

Notes from the Question and Answer – discussion session

1. Did the CELC explore the potential of linking to DOD and other federal agencies and activities?

A: Council spent time on this issue and sees potential. Especially focused on aviation biofuels and potential for working with DOD, since that relationship is already being formed. But applies in other clean energy areas such as green building as well.

- Where are the opportunities? Identify potential partner up front.
- Look at military budget in-state – how can you impact? Ex. Jet fuel – Navy has a goal of 50% of fuel consumed to be biofuel in 10 years. WA has a significant amount of Air Force and Naval air assets, so this could be a potential demand source to build an MDI around.

2. Part 1 - There is not much emphasis on Electric Vehicles in the report – Why? Part 2 - Why the emphasis on state funding for efficiency projects and the focus on shifting to performance-based contracts?

A (Part 2, Efficiency funding): Important to look at what state can do to help with financing. Ref 52 – “Healthy Schools” – state has set aside some \$\$ to help schools get grants for retrofitting but does not address “deeper” longer-lasting energy efficiency solutions. State funding needs to allow for more investment in cutting edge technology. Need more focus on this in order to drive interest for upgrading / retrofitting in WA since our low power costs make it difficult for currently available cutting edge EE products to pencil out.

- Need to prove that these projects are viable and help save energy costs.
- Individual industries need to invest.
- Utilities need to “step up” and provide more grants.

A (Part 1, EVs): Council looked at EVs. It’s a hybrid issue of energy and transportation. Decided it was too broad and covered too many diverse issues for the Council to cover in this study.

3. Did the Council look how WA could collaborate with other states on clean energy so as to not lose anything – jobs, etc. – here?

A: The focus in the Report on balancing out the grid – this is not a WA issue it's a PNW issue.

- experience in other states helped fuel the conversations here. Need to stay mindful of what's happening in other states and what local companies are doing in other states. Need to encourage regional collaboration (though how to develop regional collaborations was outside the scope of the Council).
 - The CELC's leadership plan involves "showcasing" projects to show companies from WA and out of state what they can do here.
4. Agree that WA needs to focus on developing effective public/private partnerships on clean energy – we're behind other states, i.e. Oregon and Idaho in this area. Tribes are looking to develop clean energy but face difficulty developing resources and outdated regulations and laws. Would like to encourage partnership between the CELC and tribes. Need to lobby WA Department of Ecology to be less cumbersome with regulations. Tribes also cannot take advantage of tax credits for clean energy development and financing is a big problem.
5. Human capital – people need to be educated and skilled – will our state be able to respond to education needs and build a clean energy economy?

A: The goal of the CELC and the MDIs is to generate real world experience and data on the specific skills and training required to develop a workforce for targeted industry clusters. This data can be shared with the state to assist in planning and educating a workforce prepared for the specific clean energy economy developed in WA.

- Specific desired skill sets can be determined for each MDI project.
 - Having certainty from this analysis on how many jobs can be created gives the private sector confidence to get involved in training.
 - We can also import talent.
6. Congrats on work done. I'm curious about how Recommendation 4 works (recommendation to align government policy and regulation).

A: Alignment is critical. Today, regulation is often interpreted agency by agency. Some agencies may interpret differently. In the leading states, private industry has a central one-stop shop that provides a single uniform answer on regulatory issues. All authorities at agencies in WA need to be on same page.

Often there is agreement at the highest levels of WA agencies, but roadblocks can form at the department level / micro level. Resolving this needs to happen at a State level. Recommendation 4 is critical to the success of this plan and WA's clean energy industry.

7. Concerned that this plan with the MDIs is “all eggs in one basket”? what are “circuit breakers” that can assure citizens that these projects can eventually be sustained without government support?

A: The MDIs will be easier to track as they will be well-defined and will have milestones with accountability. They will provide insight on who is in the mix and what industry clusters are succeeding. The data generated from MDIs will reveal if an industry cluster could eventually form that does not rely on government support.

- Capital is required to demonstrate there is market demand, and capital will only come if there is a clear path to profitability in the open market. This will lead us to focus on what is important and working.
 - See Market Driver Initiatives diagram in the presentation or report.
 - Won't need to keep pouring effort and funds into successful clean tech sectors, and will end support for unsuccessful efforts.
8. Did the CELC explore cross-boarder opportunities between WA and British Columbia?

A: It was outside the CELC's scope to specifically look at this. However, the Governor is meeting with the Premiere of BC next week – will explore the opportunity there. Clean energy will be a major part of the agenda.

- There is great interest and willingness to explore market opportunities in BC.