

## DEQ MEPA Workgroup: Subtask Group on Climate Analysis Agenda

April 15, 2024, 3:00-5:00 p.m.

- 3:00 Welcome and Roll Call
- 3:05 Other Climate Reporting and Analysis Models – Gordon Criswell
- 3:20 Overview of Task Today: Review Barriers & Challenges, discuss Recommendations  
Review of Barriers/Challenges Identified at 2.9.24 meeting
- 3:25 Discussion of Recommendations to go into Subtask Group Recommendation Template

*(Subtask members should be prepared to present draft recommendations for discussion at this meeting. Recommendations will not be finalized until our last subtask meeting in May before they are presented to the full MEPA work group on May 29. To help facilitate discussion on recommendations at the April 15 meeting, any subtask member or public commentor presenting a potential recommendation is encouraged to use the template DEQ has suggested to share before or at the meeting. The DEQ template follows this agenda in the materials):*

1. Developing a Framework for Analysis:
  - a) Threshold Levels for Climate Analysis:
    - Should DEQ establish threshold or *de minimis* levels by industry, permit type, or quantity of GHG for a project? If so, at what levels?
  - b) Levels of Scoping:
    - What should the scope of climate analysis be: state, region, U.S., world?
    - Scopes 1, 2, & 3? (Should climate analysis include both upstream and downstream GHG emissions?)
2. Input/Guidance from the Legislature:
  - a) Should DEQ proactively engage with the Legislature to develop a statutory climate analysis?
  - b) How does the DEQ proceed in the interim period before the 2025 Legislature convenes?
  - c) Should DEQ work with the EQC in the next interim period?
3. Potential Economic Impacts of MEPA Climate Analysis on DEQ Permitting Process:
  - a) Should DEQ take into account economic considerations and predictability in the MEPA process for permittees?

4:45 Public Comment

5:00 Adjourn

# Recommendation Template

**Initial Challenge Identified:**

**Barrier(s):**

**Draft Recommendation:**

**Rationale:**

*<Describe how the recommendation would address the specific challenge(s) and why it was put forward by your subtask group.>*

**Key Strategies:**

*<Briefly list the short- and long-term strategies and tasks (next steps) necessary to implement the recommendation. If possible, identify a responsible party to take the lead for each.>*

**Possible Challenges and Outcomes:**

*<Briefly describe any identified obstacles to implementing the recommendation, including explanation of any dissenting viewpoints.>*

\*\*The following draft language for the final report was drafted by Climate Analysis Subtask co-chairs, Dan Spencer and Jon Bennion. Nothing has been finalized at this point, so subtask members and the public should feel free to suggest edits as we work towards a final product to present to the full MEPA workgroup on May 29.\*\*

## Subtask Group DRAFT Report

### Subtask Group: Climate Analysis

1. Initial Challenge Identified: Climate analysis in the MEPA process has been prohibited by state statute since 2011. As a result of recent court decisions that struck down the statutory prohibition, DEQ will be conducting a ‘hard look’ at climate change in the short term as the Montana Supreme Court reviews the lower court decisions. DEQ and other state agencies need to develop a short-term framework for climate analysis in the MEPA process for public input.

Barriers: Analysis across other government entities has varying levels of what triggers a “hard look” at climate impacts; analysis across other government entities has different depths of analysis (scoping) once an analysis is triggered; analysis across other government entities use different models of analysis.

#### Recommendations/Discussion:

- d) Threshold Levels for Climate Analysis:
    - Should DEQ establish threshold or *de minimis* levels by industry, permit type, or quantity of GHG for a project? If so, at what levels?
  - e) Levels of Scoping:
    - What should the scope of climate analysis be: state, region, U.S., world?
    - Scopes 1, 2, & 3?
    - Should climate analysis include both upstream and downstream GHG emissions?
  - f) Analysis Models:
    - How would a Market Analysis of Carbon model work in the MEPA process? (Brief presentation by Gordon Criswell)
    - What are the best social and economic analysis tools?
    - What metrics within these tools should DEQ use?
2. Initial Challenge Identified: Climate analysis in the MEPA process has been prohibited by state statute since 2011. If the Montana Supreme Court upholds climate analysis requirements in the MEPA process ahead of the 2025 session, state agencies do not yet have clear direction and funding from the Montana Legislature to adequately consider climate impacts.

Barriers: Court decisions regarding climate analysis are not final and do not provide a clear roadmap for addressing climate impacts in the MEPA process; the Legislature has not provided statutory direction to DEQ on climate impacts in the MEPA process and will not meet and be able to pass legislation for roughly 8-10 months; the Legislature has not provided funding and FTE to DEQ to analyze climate impacts in the MEPA process and will not be able to do so for 8-10 months;

Recommendations/Discussion:

- Should DEQ proactively engage with the Legislature to develop a statutory climate analysis?
- How does the DEQ proceed in the interim period before the 2025 Legislature convenes?
- Should DEQ work with the EQC in the interim period?
- Should the Work group make recommendations for how the DEQ engages with policy makers in light of Held?

3. Initial Challenge Identified: There are concerns that addressing climate impacts through MEPA that has impacts on state permitting could have negative impacts on Montana's economy.

Barriers: Is the MEPA process currently set up to address economic impacts or mainly environmental impacts; will the analysis affect timelines and outcomes for permitting;

Recommendations/Discussion: