



# ENVIRONMENTAL QUALITY COUNCIL

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HOUSE MEMBERS  
DEBBY BARRETT  
NORMA BIXBY  
PAUL CLARK  
CHRISTOPHER HARRIS  
DONALD HEDGES  
JIM PETERSON

SENATE MEMBERS  
DANIEL MCGEE  
WALTER MCNUTT  
GLENN ROUSH  
ROBERT STORY  
KEN TOOLE  
MICHAEL WHEAT

PUBLIC MEMBERS  
THOMAS EBZERY  
JULIA PAGE  
ELLEN PORTER  
HOWARD STRAUSE

COMMITTEE STAFF  
KRISTA EVANS, Research Analyst  
LARRY MITCHELL, Research Analyst  
REBECCA SATTLER, Secretary  
TODD EVERTS, Legislative Environmental Analyst

## ENVIRONMENTAL QUALITY COUNCIL ENERGY POLICY SUBCOMMITTEE MINUTES

Date approved: January 13, 2004

October 8, 2003

Rm. 137, State Capitol Building

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Exhibits for this meeting are available on request.

### COMMITTEE MEMBERS PRESENT

MR. THOMAS EBZERY  
SEN. DANIEL MCGEE, Chairman  
SEN. WALTER MCNUTT  
SEN. KEN TOOLE  
REP. NORMA BIXBY

### STAFF PRESENT

TODD EVERTS, Staff Attorney

### AGENDA & VISITORS

Agenda, [ATTACHMENT #1](#)  
Visitors' list, [ATTACHMENT #2](#)

### COMMITTEE ACTION

- ▶ Review, revise, and adopt Subcommittee Work Plan.

## **CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 10:00 a.m. by CHAIRMAN McGEE, and roll call was noted ([ATTACHMENT #3](#)).

## **ENERGY AND TELECOMMUNICATIONS BRIEFING**

**Mary Vandebosch, Research Analyst, Legislative Environmental Policy Office, and Lead Staffer for the Energy and Telecommunications Interim Committee (ETIC)**, went over a letter from REP. ALAN OLSON, ETIC Chairman, to the Subcommittee ([EXHIBIT 1](#)) and ETIC's adopted work plan ([EXHIBIT 2](#)). Her written notes are included as [EXHIBIT 3](#). She said that the Committee has sent letters to the Governor's Office, the Attorney General, the Public Service Commission (PSC), and the Consumer Council requesting the entities' plans and forecasted spending to participate in the NorthWestern Energy bankruptcy proceedings.

MR. EBZERY wondered what a full participant does in the bankruptcy process. Ms. Vandebosch replied that Todd Younkin, Legislative Fiscal Analyst, prepared a memo explaining how the State's interest is accommodated with the bankruptcy process. She added that the PSC has interest as the regulatory body, the Consumer Council represents the ratepayers, the DNRC owns a qualifying facility, and the DEQ also has some lesser interests. SEN. TOOLE had a question regarding the reasoning behind performance-based ratemaking incentives. Ms. Vandebosch said that the ETIC members have a variety of interests. SEN. TOOLE asked about alternative ownership possibilities. Ms. Vandebosch explained that the ETIC has not excluded any public options, but has looked specifically at a cooperative/local government purchase of the utility. She pointed out that NorthWestern doesn't want to sell its assets at this time.

SEN. McNUTT suggested that CHAIRMAN McGEE and CHAIRMAN OLSON maintain communications to not duplicate efforts in the two committees. CHAIRMAN McGEE added that he would like Ms. Vandebosch to brief the Subcommittee at each meeting on ETIC's progress, and that Todd Everts could brief the ETIC at their meetings.

## **REVIEW AND DISCUSSION ON THE SUBCOMMITTEE DRAFT WORK PLAN**

**Todd Everts** briefly went over the Subcommittee Work Plan ([EXHIBIT 4](#)). He said that he produced an article for *The Interim* ([EXHIBIT 5](#)) and that a panel discussion was put together for the EQC meeting to cover the goals listed on Page 3 regarding biodiesel information. Mr. Everts informed the Subcommittee that they will meet concurrently with the EQC, which will be four more times during the interim. He added that 270 hours of his time has been allocated to the Subcommittee research and staffing.

SEN. McNUTT said that he would like to see the resultant energy sources information put into a finished product as a resource for the next legislative session. Mr. Everts stated that the Subcommittee can identify any potential products or legislation they would like. CHAIRMAN McGEE said that he would like a report made regarding every topic the Subcommittee explores, listing references for others' use. SEN. TOOLE said that the Subcommittee should look for barriers in statute to form legislation to address those issues. He said he would like to see the topic of ethanol included in the Subcommittee goals. MR. EBZERY endorsed the need to take a look into ethanol issues. REP. BIXBY wondered if the Subcommittee should pursue the wind energy topic. She also wanted to continue to monitor the federal legislation on energy policy. SEN. TOOLE stated that the federal Farm Bill should be monitored as well. The Subcommittee also briefly discussed the Otter Creek wind possibilities. CHAIRMAN McGEE wanted to explore fossil fuels with regard to any policy considerations that EQC should take, including the Rocky Mountain front and coal bed methane. SEN. TOOLE urged the Subcommittee not to take too much time on fossil fuels, but would also like to take a look at the clean coal technology and the effects of a national carbon tax. MR. EBZERY expressed concern over the broad topics mentioned, with the limited resources available to the Subcommittee. SEN. McNUTT said that the fossil fuel topic will come out when the biodiesel and ethanol topics are addressed. CHAIRMAN McGEE added the topic put into the work plan, just to open the door to further information.

**PUBLIC COMMENT ON THE SUBCOMMITTEE WORK PLAN:** None

### **ADOPTION OF DRAFT WORK PLAN**

SEN. McNUTT *moved* to adopt the work plan and SEN. TOOLE seconded the motion. The motion carried unanimously by voice vote.

### **INSTRUCTIONS TO STAFF**

The Subcommittee summarized that the calendar and work plan need to be adjusted to include the new topics adopted.

Todd Everts told the Subcommittee that the biodiesel panel is scheduled for the EQC meeting this afternoon, and a hydrogen panel discussion is scheduled for January. CHAIRMAN McGEE expressed interest in contacting a hydrogen fuel sales advocate on a radio program. REP. BIXBY and SEN. TOOLE suggested possible resources for panel discussions.

MR. EBZERY stated that he would like a report made regarding the hydrogen "Second Super Collider" project. He also expressed the desire to have ethanol panelists who are not promoting products, but providing information.

**ADJOURN**

**CHAIRMAN McGEE** adjourned the meeting at 11:00 a.m.