

Nowakowski, Sonja

From: Robert Solum [robert_solum@yahoo.com]
Sent: Thursday, June 05, 2008 4:30 PM
To: Nowakowski, Sonja
Subject: Public Power

Sonja,

Public power is a bad idea. Government agents will do no better running power stations or telecommunications than they do running Amtrack, the post office, social security or any other operation under their control. How big is the federal budget just under three trillion I think and that is not enough. We have a deficit and poor service and fraud and manipulation and back door deals and on and on. Who is suppose to monitor these people? Themselves, more government agents. Thanks but no thanks they have screwed up enough stuff already.

Robert E. Solum

Nowakowski, Sonja

From: Bob Decker [bdecker@mhrn.org]
Sent: Friday, June 06, 2008 12:26 PM
To: Nowakowski, Sonja
Subject: RE: ETIC Public Power Draft Report

Sonja:

Thank you for distributing the Public Power draft report. I appreciate receiving your communications.

I am confused with a section of the report (page 3). Here's the language:

“Also on the ballot in November 2002 was Initiative Referendum 1 17 (IR-117). Both IR-117 and 1-145 were on the ballot in response to a Montana electric utility deregulation law passed by the Montana Legislature in 2001. IR 117 was a referendum to essentially repeal House Bill 474 (H.B. 474), which allowed the state to create up to 450 megawatts of electrical energy generation from new sources and purchase up to 120 megawatts of electrical energy from existing facilities. Based on H.B. 474, the Board of Investments was to review applications from new and existing generators for in-state investments. The bill established a consumer electricity support program with up to \$100 million a year from the revenue derived from an electrical energy excess revenue tax. A Montana Power Authority with seven members appointed by the governor would have overseen the planning and purchasing of electrical energy.

“Montanans defeated Initiative 145 and rejected Referendum 117, throwing out the energy law, H.B. 474, passed by the 2001 Legislature. By rejecting H.B. 474 the voters eliminated the act and voided the action of the 2001 Legislature. The ballot language of both 1-145 and IR-117, as well **as** statements from proponents and opponents are included in **Appendix C**. Additional efforts to create a Montana Public Power board through an initiative process have been pursued in the state in the last three years, however, an insufficient number of signatures was filed to place the measure on the ballot.”

If IR-117 proposed to repeal HB 474 but was rejected by voters, how can it be that the voters “eliminated the act and voided the action of the 2001 Legislature”? Is the draft report's language confusing, or am I missing something here?

Thanks for clarification,
Bob Decker

From: Sonja Nowakowski [mailto:snowakowski@mt.gov]
Sent: Thursday, June 05, 2008 12:30 PM
To: bdecker@mhrn.org
Subject: ETIC Public Power Draft Report

7/7/2008

Nowakowski, Sonja

From: Shirley, Gayle (LEG)
Sent: Friday, June 06, 2008 9:36 AM
To: Nowakowski, Sonja; Everts, Todd
Subject: FYI: GF Trib on public power report

June 6, 2008, Great Falls Tribune

Act soon to review Legislature's public power report

The list of possible private energy developments in Montana is long and getting longer, including:

Montgomery Electric's gas-fired generating plant north of Great Falls;

NaturEner's 140-turbine wind park between Shelby and Cut Bank; and

Invenergy's plan to expand the 90-turbine wind farm near Judith Gap.

A significant power upgrade at Rainbow Dam by PPL;

More projects are in various stages of planning, from Butte to Glendive.

With all of that *private* development activity, it might seem strange that a legislative committee is gathering basic information about publicly owned power generation.

But the Energy and Telecommunications Interim Committee is doing just that, and for good reason.

"Because the issue of public power continues to come before the Montana Legislature and Montana voters," an ETIC news release said Thursday, "ETIC members agreed that a report offering some background on the issue could be useful to lawmakers and the public."

A draft report and accompanying discussion of the issue by the legislative research staff — "Perspectives on Public Power" — are available to provide that background, and the committee is seeking public comment on it (see inset).

In recent years, we've seen several moves toward public power, but they were made in something of an information vacuum and — so far anyway — they haven't gone anywhere.

For example, in 2002 Montana voters considered an initiative that would have looked into the possibility of buying the state's hydroelectric dams. It was rejected by voters.

In 2004, five of the state's larger communities, including Great Falls, banded together to try to purchase NorthWestern Energy as it came out of reorganization. Their bid was rejected by NorthWestern. The company eventually accepted an offer from an Australian company, but the Public Service Commission blocked that last year.

The point is, as energy costs rise more organizations will be interested in generating and/or selling power, and some of them will be public entities.

Filling the information void is the committee's goal, and the study is a good step in that direction.

Nowakowski, Sonja

From: Brett Doney [BDoney@gfdevelopment.org]
Sent: Monday, June 09, 2008 8:13 AM
To: Nowakowski, Sonja
Cc: jblack@greatfallstribune.com; wthomas@bresnan.net; senatordonryan@msm.com
Subject: ETIC Public Power Report

Sonja-

Two comments on the Energy and Telecommunications Interim Committee "Perspectives on Public Power" report.

1) Electric City Power, the municipal utility created by the City of Great Falls is a municipal electric utility. Why has it been excluded from ETIC's findings?

2) It is important for the ETIC to consider unintended negative consequences of H.B. 25. The anti-competitive restrictions of H.B. 25 significantly reduce the potential for alternative energy development in Montana, except for power generation for out-of-state export. It is no longer possible for new ventures to form to serve most businesses, farms, ranches or residents with solar, wind, geo-thermal or micro-hydro electric generation. Existing companies looking to expand, even significant power users, are restricted from purchasing green power or investing in alternative energy start-ups that could serve their needs.

New energy developments in the state that generate excess electricity, such as coal-to-liquid plants, will not be able to sell power to neighboring businesses, unless such businesses are new significant power purchasers.

We recently commissioned a competitive analysis of attracting data centers to the Great Falls region. Preliminary feedback we have received from the industry is that while our power costs are not highly competitive, the potential for buying green power and competitive prices could be very attractive and provide a significant competitive advantage. Unfortunately, H.B. 25 will restrict these opportunities to data centers which will consume an average monthly electricity load of more than 5,000 kilowatts.

It is unfortunate that at the same time Montana is pursuing alternative energy development as a targeted industry for which we have many competitive advantages, we have restricted local markets to purchase this power.

Brett Doney
President
Great Falls Development Authority
bdoney@gfdevelopment.org
406/771-9030

Nowakowski, Sonja

From: Pichette, Michael J [Michael.Pichette@northwestern.com]
Sent: Monday, June 09, 2008 2:34 PM
To: Nowakowski, Sonja
Subject: RE: ETIC Public Power Draft Report

Hi Sonja: Page 4, 2nd paragraph -- voters adopted Referendum 117. Mike

From: Sonja Nowakowski [mailto:snowakowski@mt.gov]
Sent: Thursday, June 05, 2008 12:30 PM
To: Pichette; Pichette, Michael J
Subject: ETIC Public Power Draft Report

The Energy and Telecommunications Interim Committee is seeking public comment on a draft report that discusses the history and potential of public power models in Montana.

During the 2007-08 interim, the ETIC has been evaluating the public power model, its potential and operation in Montana, and the role the state could and has played in a public power scenario.

Comments on the draft report will be compiled and presented to the ETIC at a July 17 meeting in Helena. The committee will consider a final version of the report in September.

Because the issue of public power continues to come before the Montana Legislature and Montana voters, ETIC members agreed that a report offering some background on the issue could be useful to lawmakers and the public. The ETIC at this time is not contemplating public power legislation.

The full report is available online at www.leg.mt.gov/etic. Comments may be submitted by e-mail to snowakowski@mt.gov. Please include "public power study" in the subject line. Comments also may be submitted by mail to Sonja Nowakowski, Legislative Environmental Policy Office, P.O. Box 201704, Helena, MT 59620-1704. Comments must be submitted by **July 3**.

For more information contact Sonja Nowakowski at 406-444-3078.

- ["Perspectives on Public Power: A Review of the Public Power Model, Its History, and Its Potential in Montana"](#)
- [ETIC Homepage](#)

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