

**Energy and Telecommunications Interim  
Committee  
Draft Work Plan  
2007-2008**

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**Energy & Telecommunications  
Committee Meeting**  
July 10, 2007

Exhibit #1

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# Information about the 2007-2008 Draft Work Plan

## **Introduction**

This is the draft work plan for the Energy Telecommunications Interim Committee (ETIC or Committee) for the 2007-2008 interim. In this document you will find:

- An explanation of how the ETIC plans its work.
- Instructions for using the draft work plan to make decisions about the final work plan.
- A description of potential work plan topics and options for addressing those topics.
- A draft timeline.

There is an additional document-- the *Draft ETIC Work Plan Decision Matrix* -- to assist members in establishing a final work plan.

## **Members and Staff**

### Committee members

- Rep. Duane Ankney
- Rep. Robyn Driscoll
- Rep. Harry Klock
- Rep. Brady Wiseman
- Sen. Jerry Black
- Sen. Verdell Jackson
- Sen. Greg Lind
- Sen. Don Ryan

### Staff

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## **How the ETIC Plans its Work**

During the legislative interim, the ETIC typically focuses on the study topics it has been assigned while also maintaining oversight of programs and rulemaking activities of the Department of Public Service Regulation and the Public Service Commission. It also may address issues and improve law as it deems to be in the best interest of the state. This interim the committee was not formally assigned any specific studies in the form of bills or resolutions, and it will be up to the committee to chart its work for the coming months.

The ETIC selects study topics at the beginning of the interim. **The primary constraint limiting the study agenda for the interim is the number of issues that can be effectively addressed within the available time and resources of the committee members and its staff.**

This *Draft 2007-2008 Work Plan* is a **DRAFT**. It is really a **decision-making tool** to help committee members work together efficiently to set priorities and decide how and where to spend the ETIC's limited time and resources. The work plan sets out a strategy for fulfilling the ETIC's responsibilities throughout the 2007-2008 interim.

Once you collectively make a decision on the work plan, it will become your blueprint for the 2007-2008 interim. Staff will then develop detailed draft work plans and timetables for each major study. A draft timeline illustrating the overall schedule that these work plans will fit into once the meeting schedule and work plan are finalized is presented at the end of this document.

The draft work plan includes studies suggested by committee members and statutory mandates. The ETIC must decide how to prioritize its interim work regarding how or whether it plans to pursue these requests.

## **Committee Procedures and Public Participation**

The Energy and Telecommunications Interim Committee will operate under the Rules, Procedures, and Guidelines for Interim Committees adopted by the Legislative Council.

As required by law, 10 day advance public notice will be given for all meetings and the public will be given an opportunity to comment on any matter that is within the jurisdiction of the committee. The Chair may establish time limits for public comments, if necessary.

Interested persons may be added to the mailing list by contacting Dawn Field at 444-3073, or the Legislative Services Division Office at 444-3064.

Agendas, memos, links and other information can be found on the Energy and Telecommunications Interim Committee Website :  
[http://leg.mt.gov/css/committees/interim/2007\\_2008/energy\\_telecom/default.asp](http://leg.mt.gov/css/committees/interim/2007_2008/energy_telecom/default.asp). By visiting the Website, interested persons also may sign up for electronic notification.

## **Instructions**

The *DRAFT ETIC Work Plan Decision Matrix* is included as a separate document. Using the matrix, the decisions you will need to make are simply "What?" and "How Much?"

**Just follow these steps:**

1. Review the draft work plan.
2. Refer to the matrix. Review the topics and add any additional topics that are important to you.
3. For each category in the column on the far left, *choose* from the menu of options.
4. Circle the most appropriate option for that topic.
5. Fill in the resources allocated for that option in the far right column (#FTE, etc.).
6. Do this for each topic, then add the total. If it is more or less than **1 FTE**, reallocate.

This exercise can be done individually in order to get an idea of your own preference. After Committee discussion that should include answers to the question "Why", ETIC members may generate proposals for the group to consider. At the end of the July ETIC meeting, a plan of *what* the committee plans to work on during the interim and *how much* effort will be placed on each subject should be the result. Any direction on *how* you think the work can best be accomplished will assist staff in preparing detailed work plans on the selected topics.

Once again, the *Draft 2007-2008 Work Plan* is a decision making tool. **Everything in it is subject to approval by the committee.**

## Potential Work Plan Topics

### *ETIC MEMBER SUGGESTED TOPICS*

**Source/Authority:** 90-4-1003, MCA.

Requires the ETIC to "maintain a continual process to develop the components of a comprehensive state energy policy."

**Background:** On May 15, ETIC staff sent a memo to each committee member soliciting topics of interest that might be reviewed by the ETIC this interim. At the July meeting, the ETIC member who requested the topic is invited to further explain the issue. A review of the matrix should indicate the nature of the request and provide a draft of tasks and a rough estimate of possible resource allocations for each topic. The committee will decide whether to approve any or all of these items at the July organizational meeting.

#### **Study Carbon Sequestration**

**Source/authority:** Suggested by Rep. Harry Klock      **Legislative Poll Ranking:** N/A

**Background:** Carbon sequestration is the practice of capturing carbon dioxide to keep the gas from entering the atmosphere. Most climate-change scientists believe that these trapped gases are contributing to climate change. Carbon gases aren't currently regulated, however, earlier this year the U.S. Supreme Court ruled that vehicle carbon dioxide emissions can be regulated like other pollutants.

Scientists and organizations across the nation are studying the carbon capture and sequestration issue. There are efforts to put carbon dioxide underground, which is called geological sequestration, and efforts to store carbon in biomass, such as forest or agricultural systems, which is terrestrial sequestration.

A study bill (HB 828) introduced by Rep. Alan Olson that died in process during the 2007 session identified the need for an examination of "implementable and cost-effective methods" for capturing transporting, using and sequestering carbon dioxide in Montana. A joint resolution introduced by Rep. Sue Dickenson (HJ 60) requested that the Legislative Council assign a study of climate change, which would have included a discussion of carbon sequestration and coordination with the Governor's Climate Change Advisory Council. That bill was tabled by the 2007 Federal Relations, Energy and Telecommunications Committee.

Carbon was the topic of at least eight other bills considered during the 2007 legislative session. All of those bills eventually died. House Bill 3, the "Clean and Green" Energy bill approved during the 2007 Special Session provides tax incentives for equipment that sequesters carbon. A work paper summarizing carbon-related legislation is included on page 15 of this document.

HB 828 requested a study to:

- (1) Review existing federal and state regulations governing carbon sequestration.
- (2) Examine reliable sources of existing information on carbon sequestration.
- (3) Inventory sources and volumes of carbon produced in Montana.
- (4) Examine methods and technologies for the capture, transportation, use and geological and terrestrial sequestration of carbon.
- (5) Review the economic costs and effects of carbon sequestration.
- (6) Study the feasibility of geological and terrestrial carbon sequestration in Montana, and the characteristics of areas in the state where carbon could be sequestered.
- (7) Review the findings and recommendations of the Montana climate change advisory committee related to carbon sequestration.

Option A	Option B	Option C	Option D
<p><b>.75 FTE</b></p> <ul style="list-style-type: none"> <li>✓ All of Option B</li> <li>✓ Include review of other Western states' efforts to address carbon sequestration</li> <li>✓ Hold at least one meeting in a major area where carbon sequestration efforts may be utilized in the near future</li> <li>✓ Evaluate carbon transport infrastructure within Montana and the use of carbon to recharge old or marginal oil wells</li> <li>✓ Address each of the 7 elements identified above in detail with a specific recommendation in the final report to address each issue.</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Draft legislation to implement recommendations</li> <li>✓ Final report with recommendations and alternatives</li> <li>✓ Issue papers and summaries</li> </ul>	<p><b>.5 FTE</b></p> <ul style="list-style-type: none"> <li>✓ All of Option C</li> <li>✓ Evaluate carbon transport infrastructure in Montana</li> <li>✓ Coordinate joint meeting with Montana Climate Change Advisory Council</li> <li>✓ Address all 7 issues identified at least at a minimum level.</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Potential legislation</li> <li>✓ Final report with recommendations</li> <li>✓ Issue papers and summaries</li> </ul>	<p><b>.25 FTE</b></p> <ul style="list-style-type: none"> <li>✓ No pipeline infrastructure review</li> <li>✓ Summary of other Western states' laws regarding issues identified</li> <li>✓ Panel discussion from energy industry, carbon offset program specialists, and Montana university experts presently studying sequestration issues.</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Staff white paper</li> <li>✓ Issue papers</li> </ul>	<p><b>No Action</b></p>

## **Study Costs/Savings of Wind Power Development**

**Source/authority:** Suggested by Sen. Don Ryan

**Legislative Poll Ranking:** N/A

**Background:** The issue of this study is what costs and/or savings ratepayers may face if the state invests in further development of wind power. Wind's variability typically increases the day-to-day operating costs of a utility system. With rising coal and gas prices, however, wind is becoming a competitive player. Wind displaces electricity that would otherwise be produced by burning natural gas or coal.

Concerns abound that large, utility-grade wind turbines can't be installed on the distribution grid without expensive upgrades, resulting in higher costs being passed on to ratepayers. The cost of wind integration also can grow as the percentage of wind increases on the interconnected system.

Montana's wind working group, a collection of industry, government, and consumer representatives advocating wind development in Montana would be a valuable resource in assisting the committee in this study.

Overall the economics of wind energy are largely a function of a project's size, the wind resource, policy incentives, and financing. Cost recovery is a threshold issue that varies among areas and utilities. This study could collect the various opinions across Montana about when and if the costs of integrating and transmitting wind may become a burden to ratepayers. It also could evaluate what options are available to offset any potential burden.

This study could examine at least three major areas:

1. Economic drivers of wind power
2. Transmission demands created by wind
3. Costs/savings of wind integration

OPTION A	OPTION B	OPTION C	OPTION D
<p><b>.75 FTE</b></p> <ul style="list-style-type: none"> <li>✓ All of Option B</li> <li>✓ Examine fuel price uncertainty, federal and state policies, and economic development incentives</li> <li>✓ Review siting and permitting issues, FERC rules, and ancillary matters related to transmission</li> <li>✓ Identify costs of integrating more wind</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Final report outlining recommendations and alternatives for wind integration and transmission</li> <li>✓ Issue papers and summaries</li> <li>✓ ETIC requested legislation (if any)</li> </ul>	<p><b>.25 FTE</b></p> <ul style="list-style-type: none"> <li>✓ Analyze existing studies that discuss the economics of wind in the West</li> <li>✓ Host panel discussion with representatives of energy community</li> <li>✓ Evaluate resource plans by Montana utilities that contemplate wind integration and transmission</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Issue papers and summaries</li> <li>✓ ETIC requested legislation (if any)</li> </ul>	<p><b>.15 FTE</b></p> <ul style="list-style-type: none"> <li>✓ Compile resource list of existing studies that discuss the economics of wind in the West.</li> <li>✓ Host panel discussion with representatives of energy community</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Staff white paper</li> <li>✓ ETIC requested legislation (if any)</li> </ul>	<p><b>No Action</b></p>

## **Evaluate Montana's Energy Transmission Systems**

**Source/authority:** Suggested by Rep. Harry Klock      **Legislative Poll Ranking:** N/A

**Background:** The issue of this study is to evaluate the adequacy of Montana's transmission lines to accommodate development and transmission of Montana's diverse energy resources. In the last interim the ETIC reviewed this subject and brought forward HB 114 to create the "Montana Energy Transmission and Transportation Authority Act." The bill was tabled by the Senate Finance and Claims Committee. In the 2007 Special Session, the Legislature approved HB 3, which provides significant incentives to support the development of transmission lines for "clean and renewable" energy projects. At least three major transmission line projects are also in various stages of development in Montana, and the Governor's Office also has spent a great deal of time analyzing this issue.

This study could provide a snapshot of what areas of Montana are most in need of transmission upgrades. It also could track development of transmission projects in Montana and report on the use of the incentives outlined in HB 3 to further develop transmission projects.

OPTION A	OPTION B	OPTION C	OPTION D
	<p><b>.15 FTE</b></p> <ul style="list-style-type: none"> <li>✓ Map areas in Montana where energy projects are proposed and status of transmission lines</li> <li>✓ Track transmission line projects proposed in Montana</li> <li>✓ Identify use of incentives for transmission as outlined in HB 3</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Staff white paper</li> <li>✓ Summary of findings in conjunction with mapping</li> </ul>	<p><b>.05 FTE</b></p> <ul style="list-style-type: none"> <li>✓ Track transmission line development in Montana</li> <li>✓ Identify use of incentives for transmission as outlined in HB 3</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Brief summary of findings</li> <li>✓ ETIC requested legislation (if any)</li> </ul>	<p><b>No Action</b></p>

**Evaluate Public Power in Montana**

**Source/authority:** Suggested by Sen. Don Ryan

**Legislative Poll Ranking:** N/A

**Background:** The issue of this study is to evaluate the public power model, its potential operation in Montana, and what role the state could play in such a scenario. With the PSC's recommendation to reject BBI's proposed buyout of NorthWestern Energy, public power is again being discussed.

Two years ago, five cities joined together to form Montana Public Power in an effort to purchase NorthWestern Energy. In the 2007 Legislature, Sen. Lind introduced SB 558 "Establish the Montana Electric and Gas Authority," which would have resulted in a governor-appointed public power authority that could purchase and own utilities. The bill died on the Senate floor. This study could include research on other consumer-owned utilities in the West and the pluses and minuses of public power.

OPTION A	OPTION B	OPTION C	OPTION D
	<p><b>.15 FTE</b></p> <ul style="list-style-type: none"> <li>✓ All of Option C</li> <li>✓ Identify state's potential role in public power systems</li> <li>✓ Analyze regulatory framework for public power</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Staff white paper</li> <li>✓ Potential legislation</li> </ul>	<p><b>.05 FTE</b></p> <ul style="list-style-type: none"> <li>✓ Review other large, publicly owned utilities in the West</li> <li>✓ Track NorthWestern issue and potential sale</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>✓ Brief summary of findings</li> <li>✓ ETIC requested legislation (if any)</li> </ul>	<p><b>No Action</b></p>

# **ETIC STATUTORY DUTIES AND OBLIGATIONS**

The ETIC draws its statutory responsibilities from four sources.

## **I. Source/authority:** 5-5-215, MCA.

General duties of all interim committees.

## **II. Source/authority:** 5-5-230, MCA.

ETIC oversight

"The energy and telecommunications interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of Public Service regulation and the Public Service Commission."

## **III. Source/authority:** 90-4-1003, MCA.

HB 199, 2005

Requires the ETIC to "maintain a continual process to develop the components of a comprehensive state energy policy."

HB 199 transferred this function from the Environmental Quality Council to the ETIC. The statute states that due to "limited state resources and the need to focus intensive effort on specific issues of importance, the development of a comprehensive state energy policy must occur on an incremental basis."

It directs the Department of Environmental Quality, "as the need arises, [ . . . to] identify and recommend to the committee specific components of a state energy policy for development." If and when the DEQ identifies such issues, the ETIC is then required to create a "working group," which the DEQ assists in terms of staffing and administration.

## **IV. Source/authority:** 69-8-402, MCA.

Utilities' statutory responsibility to the ETIC.

Public utilities and cooperative utilities are required to submit an annual summary report of universal system benefits programs to the ETIC for review.

### **As applied to the ETIC, statutes require the committee to:**

1. **Conduct interim studies** as assigned. The committee may recommend to the Legislative Council that an interim study be assigned to another interim committee or not be conducted.
2. **Review administrative rules** of the Department of Public Service Regulation (DPSR) and the Public Service Commission (PSC).
3. **Review legislation** proposed by DPSR or the PSC. Bills requested by an individual member of the Legislature are not subject to this requirement.
4. **Monitor the operation of the DPSR and PSC** with specific attention to the following:
  - a. identification of issues likely to require future legislative attention;
  - b. opportunities to improve existing law through the analysis of problems experienced with the application of the law by the agency; and

c. experiences of Montana's citizens with the operation of the agency that may be amenable to improvement through legislative action.

5. **(Committee driven):** Prepare bills and resolutions that, in the committee's opinion, the welfare of the state may require for presentation to the next regular session of the Montana Legislature.
6. **(Committee driven):** Compile, analyze, and furnish information bearing upon the committee's assignment and relevant to existing or prospective legislation that the committee determines to be pertinent to the adequate completion of its work.

<b>Statutory Duties and Obligations</b>		
<b>Review Administrative Rules</b>	<b>0.03 FTE</b>  ✓Staff provides committee copies of notices for the adoption of rules on all ETIC subjects. (Members to inform staff or Chair if they want more information.)  ✓Committee requests that it be copied on notification letters that the DPSR and/or PSC is sending to legislators who were primary sponsors of laws that the agency is now promulgating rules for.  ✓Committee attorney monitors and provides synopses of proposed rules or subjects committee needs to know about.	<b>0.01 FTE</b>  ✓Staff provides committee copies of notices for the adoption of rules on certain ETIC subjects. (Members to inform staff or Chair if they want more information.)  ✓Committee requests that it be copied on notification letters that the DPSR and/or PSC is sending to legislators who were primary sponsors of laws that the agency is now promulgating rules for.
<b>Review Agency Legislation</b>	<b>0.05 FTE</b>  ✓Committee reviews proposals from the DSPR and/or PSC and decides if staff should draft legislation for preintroduction.	
<b>Monitor PSC activities</b>	<b>0.05 FTE</b>  ✓Monitor or investigate aspects of PSC programs.	<b>0.02 FTE</b>  ✓Monitor or investigate aspects of a program, if and when the committee so chooses.
<b>Review Utility USBP Reports</b>	<b>0.02 FTE</b>  ✓Committee reviews utility reports and decides if any comments on compliance are needed and if staff should assist.	

## **ETIC Educational Publications**

**Background:** The Environmental Quality Council has historically produced objective, nonpartisan, educational publications related to energy issues in Montana. These educational publications are well regarded and are regularly requested by the general public, legislators, state and federal agencies, other states, and industry and conservation groups.

While the EQC in the past has developed these educational tools, the ETIC may choose to oversee updates to the following documents:

☆ *The Electricity Law Handbook: A Montanan's Guide to Understanding Electricity Law (produced 2002; updated 2004)*

**Explanation:** This handbook was produced by the EQC during the 2001-03 interim. The EQC felt that given the magnitude of the issues surrounding electricity and especially electricity deregulation in the state, that an educational publication was needed to help Montanans sort out the morass of laws that deal with electricity.

☆ *Understanding Electricity in Montana: A Guide to Electricity, Natural Gas and Coal Produced and Consumed in Montana (produced 2002; updated 2004)*

**Explanation:** This guide was produced by the Department of Environmental Quality energy staff for publication by the EQC. It provides statistical and explanatory information on electricity supply, demand, and transmission and information on coal and natural gas supply and demand.

These publications often become outdated every interim as a result of legislative changes or administrative changes in the particular areas of law or rule that the publication addresses. Sometimes the updates require minimal time and effort, but some updates require a more intensive effort.

With the adoption of (HB 25) the "Electric Utility Industry Generation Reintegration Act" during the 2007 legislative session, the state embarked in a new direction in terms of energy policy. This was a fundamental policy shift from allowing competitive markets and allowing a customer to choose an electricity supplier to limiting customer choice and allowing a utility to build generation.

## Draft 2007-2008 Work Plan Timeline

OPTION A	OPTION B	OPTION C	OPTION D
<b>.15 FTE</b> ✓ All of Option C ✓ Complete overhaul of <i>The Electricity Law Handbook</i> ✓ ETIC reviews and approves updates	<b>.05 FTE</b> ✓ Provide minimal updates to <i>The Electricity Law Handbook</i> ✓ ETIC reviews and approves updates	<b>.02 FTE</b> ✓ Authorize DEQ to establish working group to update <i>Understanding Electricity in Montana</i> ✓ ETIC reviews and approves updates	<b>No Action</b>

[Note: This draft timeline is provided to give you an idea of the timeline that the ETIC will need to work under in order to complete its work on time. It is subject to the final approval of the ETIC. The timeline shows the last date for completion of certain items.]

July 10, 2007	<b>ETIC Meeting.</b> Interim work plan prioritization and ETIC organizational meeting. Selection of studies and topics.
September 6, 2007	<b>ETIC Meeting.</b> Adoption of detailed work plans for each selected study or topic.
November 15 & 16, 2008	<b>ETIC Meeting.</b>
Jan. 24, 2008	<b>ETIC Meeting.</b>
May 5, 2008	<b>ETIC Meeting.</b> If public comment is desired on an ETIC report, the contents of the <i>draft</i> report should be determined by this date. [May be earlier for some studies.] Comments received from the public will be compiled by staff and distributed to the ETIC 1-2 weeks before the July meeting.
July 23 & 24, 2008	<b>ETIC Meeting.</b> Decision on recommendations, any proposed legislation, final report contents.
September 4, 2008	<b>ETIC Meeting.</b> Final approval of recommendations, any reports, proposed legislation. Selection of bill sponsors. Development of strategy. Review agency bill draft requests.  Committee interim work must be completed prior to September 15, 2008.

# Appendices

## 2007 CO<sub>2</sub>-related legislation

**HB 3 "Jobs and Energy Development Incentives Act"**// Approved Special Session// Rep. Llew Jones.

Provides permanent property tax rate reductions from 12 percent to 3 percent of market value for new investments in transmission lines for "clean" electricity, "clean" liquid and carbon sequestration pipelines. Property taxes on new generation technology with sequestration goes from 6 percent to 3 percent. New DC converter stations serving two regional power grids go from 6 percent to 2.25 percent. Nonpermanent incentives from 3 percent to 1.5 percent are available for new investments in biodiesel, biomass and other defined technologies.

**HB 25** Revise Electric Industry Restructuring laws.// Approved Regular Session///Rep. Alan Olson

The "Electric Utility Industry Generation Reintegration Act" includes a carbon sequestration component. HB 25 prohibits the PSC from approving electric generating units primarily fueled by coal unless a minimum of 50 percent of the CO<sub>2</sub> produced by the facility is captured and sequestered. Natural gas plants also must include cost-effective carbon offsets.

The bill applies only to electric generating units constructed after January 1, 2007. Montana joins California, Oregon, and Washington as states that have adopted a CO<sub>2</sub> emissions performance standard for electric generating units.

**HB 24** Revise laws related to carbon dioxide for energy purposes//Approved Regular Session//Rep. Harry Klock

Provides common carrier status to pipelines carrying carbon dioxide that is transported for permanent sequestration in a geological formation.

This bill, however, was contingent upon the passage and approval of SB 218, which authorized the Board of Environmental Review to adopt rules establishing a carbon sequestration program and permit system. SB 218 was tabled, so HB 24 is void.

**HB 55** Carbon sequestration -- ecosystem services leasing and licensing. Tabled by House Natural Resources//Rep. Kevin Furey

Authorized the Department of Natural Resources and Conservation to lease or license state trust lands for carbon sequestration or other ecosystem services such as open space or biodiversity. The board of land commissioners was charged with promulgating rules for this program.

**HB 227** Create carbon sequestration loan program. Tabled by House Appropriations//Rep. Ron Erickson

Established a carbon sequestration revolving loan account administered by the DNRC. Funded by interest income off a portion of the interest on coal severance taxes. Funds from the loan account would be used to provide loans to individuals, small businesses, units of local government, units of the university system, and nonprofit organizations for the purpose of terrestrial carbon sequestration. The amount of a loan could not exceed \$50,000, and the loan must be repaid within 10 years

**HB 282** Sequestration to slow global warming. Tabled by House Natural Resources//Rep. Ron Erickson

Required all coal-fired electrical generation facilities or synthetic fuel facilities that file construction permits with the DEQ to capture CO<sub>2</sub> at the site and permanently store it in a geological formation or provide verification that 100 percent of the carbon emissions would be offset.

**HB 753** Montana global warming solutions act. Tabled by House Natural Resources//Rep. Betsy Hands

Required the DEQ to develop and the Board of Environmental Review to adopt a global warming program for the State of Montana that included identification of historical and current sources of greenhouse gas emissions. A plan also would have been developed to reduce emissions to 1990 levels.

Modeled after legislation in California, it also would have allowed the BER to adopt a schedule of fees that would be paid by greenhouse gas emission sources.

**HB 828** Study carbon sequestration. Died in process// Rep. Alan Olson

Outlined a study of carbon sequestration issues in Montana and required the Energy and Telecommunications Interim Committee to complete such a study.

**HJ 60** Study climate change. Tabled by Federal Relations, Energy and Telecommunications// Rep. Sue Dickenson

Required a study that would review existing federal and state regulations related to greenhouse gas emissions, energy efficiency, renewable energy, and tax incentives. Included review and analysis of findings by Governor's Climate Change Advisory Council.

**SB 105** Tax break for equipment to sequester carbon. Tabled by House Taxation// Sen. Greg Lind

Placed equipment specifically used for carbon sequestration in class 5 (3 percent) and made such property exempt from taxation for three years after it becomes operational.

**SB 218** Sequestration standards for carbon dioxide. Tabled by House Natural Resources// Sen. Greg Lind

Required the state to develop a new program to monitor underground injection of carbon dioxide. The Board of Environmental Review would be charged with adopting rules to administer the program. It also created a special revenue fund with fees and penalties to support the program.

**SJ 20** Carbon reduction timeline. Tabled in House Natural Resources/ Sen. Mike Cooney

Urged Congress to enact a mandatory and science-and-market based limit on overall limits of greenhouse gas emissions and to provide incentives for development of energy efficiency and renewable energy programs.

**LC 1469** Carbon Dioxide as pollutant. Not introduced//Requested by Rep. Ron Erickson

Revised the definitions of "air pollutants" under the Clean Air Act of Montana to include CO<sub>2</sub>. Required the BER to establish CO<sub>2</sub> emission levels.

**Bills proposed by the 2005-2006 Energy and Telecommunications Interim Committee**

<b>Bill Number</b>	<b>Status</b>	<b>Sponsor</b>	<b>Short Title</b>
HB 24	Chapter Number Assigned (Void)	Rep. Klock	Revise laws relating to carbon dioxide used for energy purposes
HB 25	Chapter Number Assigned	Rep. Olson	Generally revise electric industry restructuring laws
HB 27	Chapter Number Assigned	Rep. Driscoll	Establish wireless enhanced 9-1-1 system
HB 114	(S) Died in Standing Committee	Rep. Olson	Establish Montana electrical transmission and pipeline authority
SB 3	(S) Died in Standing Committee	Sen. Essmann	Revise telecommunications laws
SB 105	(H) Died in Standing Committee	Sen. Lind	Tax break for equipment to sequester carbon dioxide
LC 0037	Draft died in process	ETIC	Revise default supply laws to allow generation acquisition
LC 0091	Draft died in process	ETIC	Tax credit for renewable energy bonds

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