



Energy & Climate Team formally (GSEC)

Meeting Minutes

February 14, 2013 12:00-2:00 pm
140 W. Pine, City Council Chambers

Members Present: Ben Schmidt, Brian Kerns, Molly White, Amy Cilimburg

Members Absent: Aaron Hanson, Julie Osborn, John Freer, Dan Daly, Alexander Sievers,

Others Present: Rochelle Meyers

Facilitators: Susan Anderson (Sustainable Business Council), Kim (Chamber of Commerce)

I. **Announcements:**

Mr. Schmidt announced he will be absent from the March meeting, and Ms. Cilimburg will be chairing.

II. **Public Comments on Items not listed on the Agenda:**

None

III. **Approve Meeting Minutes:**

Minutes for January 10, 2013, January 24, 2013 and February 14, 2013 will be approved at a later date.

IV. **Administrative:**

None

V. **Non-Action Items:**

Climate Action Plan Update – How should the EC coordinate with the City liaison?

Mr. Jones is not available at this time – No report.

Action Items:

VI. A. State Legislative Bill Recommendations to City Council.

The subcommittee will choose their bill recommendations to present to Dave Strohmaier, and he may request an EC member to attend the City Council meeting to present the recommendations. Mr. Kerns said he can attend a council meeting to report the recommendations and answer questions.

The team agreed to rate each bill using the following rating system.

- **Strongly Support:** Advocate FOR
- **Support:** Aligned IN FAVOR OF
- **Neutral:** Relevant to energy and climate issues in the City, but NO NEED to be aligned either way
- **Oppose:** Aligned NOT IN FAVOR OF
- **Strongly Oppose:** Advocate AGAINST

1. LC 1710 – “Encouraging Natural Gas Conservation and Reducing Global Warming” (pending Support)

This bill’s objective is to reduce the associated gas emissions from oil wells by including flaring and venting emissions in the Montana Oil & Gas production tax. Because of infrastructure constraints and market considerations, the natural gas emissions are often flared off rather than captured and used for energy. Flaring of natural gas is a significant source of greenhouse gas emissions and a waste of the state’s natural resources. This bill aims to encourage well operators and oil developers to install pipelines from technology to reduce emissions and conserve energy resources.

The team agreed this bill is not currently active and they will observe LC 1710 for possible action.

2. HB 8 – “Renewable Resource Bonds and Loans” (pending Oppose)

The team agreed to pass on this bill due to lack of information.

3. HB 394 “Allow for aggregate net metering” (pending Support)

This bill will allow aggregate net metering, a scenario in which individual utility customers in attached housing or commercial developments (condos, apartment buildings, malls, etc.) may subscribe to the output of a single solar array, a small scale wind turbine or a micro hydro generator on the premise. This approach to renewable energy development will remove barriers to decentralized energy production, cut installation costs and keep more of our energy dollars in the state.

(Note: the bill currently applies more broadly and the sponsor will introduce the bill at the hearing with an amendment restricting the applicability to multi-unit attached residential or commercial structures.)

Mr. Kerns moved to strongly support HB 394.

Mr. Schmidt seconded the motion.
The motion carried unanimously.

4. HJ 9 “Joint resolution supporting coal” (pending Oppose)

This bill requires a notice to Montana’s Congressional Delegation and other federal decision makers that Montana supports coal development, the building of coal export terminals, and the export of Montana coal to Asian markets. This nonsensical idea ignores the serious impacts from developing coal mines. It glosses over the negative impacts of increased rail traffic. It omits the fact that low natural gas prices are rapidly displacing coal across the country. It fails to mention that coal induces climate change.

Mr. Schmidt feels there are no practical impacts by spending time to oppose this bill and asked the team if they would like to spend time on this bill.

Mr. Kerns stated it is not beneficial to work on this bill, but it should stay on the list and the team agreed.

Ms. Cilimburg moved to oppose HJ 9.
Mr. Kerns seconded the motion.
The motion passed unanimously.

5. HJ 10 “Resolution to support climate change as scientifically valid” (pending) Support

This bill is a resolution that requests the legislature declare the climate change is scientific and represents an ecological threat. The resolution also encourages state government to implement mitigation measures to adapt to climate change, and it suggests the educators should include climate change curriculum in their science curricula. HJ 10 also requires the Montana Secretary of State send copies of the resolution to the US President, the Montana Congressional Delegation, the US Senate Majority Leader, the US House of Representatives, and other government officials.

Mr. Schmidt moved to support HJ 10.
Ms. Cilimburg seconds the motion.
The motion passed unanimously.

6. SB 247 “Increase net metering cap on energy production” (pending) Support:

This bill only applies to NorthWestern Energy and it includes:

1. Raise the cap on net metered systems from 50 kWh to 100 kWh.
2. Allow customer generators to roll over any excess net meter credits, rather than forfeiting extra kilowatt hours to NorthWestern Energy at the end of the year.
3. Allows a customer’s generator to apply excess credits to separate meters on the same or adjacent property.

Mr. Schmidt noted the team has discussed this bill several times and there are reasons for the team to support it. The team agreed.

Mr. Kerns moved to strongly support SB 247.

Mr. Schmidt seconded the motion.

The motion passed unanimously.

SB 31 (Sen. Debbie Barrett, R-Dillon) Status: As amended - Passed the Senate on a 32-18 vote.

This bill originally would have allowed all the electricity generated at all hydro-power facilities, including existing ones to be considered as renewable energy for the purpose of complying with the State's Renewable Energy Standard (RES). The bill was amended on the Senate floor to limit its applicability to new hydro-power facilities, regardless of size. The current RES allows new dams under 10 megawatts in size, and new irrigation drop facilities under 15 megawatts in size, to count as eligible renewable resources. By allowing dams of any size to be included, this bill would limit economic opportunities for new renewable energy development to western Montana. The purpose of enacting the RES was to diversify Montana's energy resources and spread the economic benefits of renewable energy development across the state.

Ms. White stated SB 31 was amended to new hydro in place of all hydro regardless of size. The team may want to change the rating on this bill from oppose.

SB 106 (Sen. Greg Jergeson, D-Chinook) Status: Passed the Senate on a 42-6 vote.

This bill would allow certain energy storage technologies to be included as an eligible renewable resource under the RES. Batteries, flywheels, and certain pumped hydro projects can be used to provide back-up service to intermittent renewable energy technologies such as wind that can help to reduce peak energy demand. SB 106 only allows the portion of the energy that is stored and renewable to be counted towards the renewable energy standard.

Ms. White noted the team may want to change the rating to support.

Mr. Schmidt moved to support SB 106 as currently written.

Ms. White seconded the motion.

The motion passed unanimously.

SB 41 "Prohibiting consideration of impacts during subdivision review"

Ms. Cilimburg feels this bill should be struck from the list because it is about planning and it does not pertain to the EC team's mission.

The team agreed to strike SB 41 from the list.

NEW FOR CONSIDERATION ON THE LIST

SB 138 (Sen. Art Wittich, R-Bozeman) Status: Passed the Senate on a 29-20 vote.

A few proposals have emerged to give tax breaks to coal development. The Montana Environmental Information Center (MEIC) was the only opponent of SB 138. This bill would lower the property tax rate for new fossil fuel power plants as much as 12% down to 3% in general, and 1.5% for the first 20 years. This dramatic reduction would encourage more development of the high carbon fuels that are responsible for climate change.

Ms. White stated this bill is 13 pages and it is a tax bill for all electric generation, but includes coal issues also. The bill includes redesigning the energy generation classes. Ms. White suggested asking Mr. Hanson for feedback as he knows more about it. The team agreed.

SB 147 (Sen. Edward Buttrey, R-Great Falls) Status: Passed the Senate on a 30-20 vote.

This bill would undermine one of the original purposes of the subdivision law by limiting a local government's ability to protect agricultural land in subdivision review. Instead of allowing County governments to consider a proposed subdivision(s) potential impact on "agriculture," it would restrict consideration to "adjacent agricultural operations."

Mr. Schmidt feels SB 147 should be struck from the list for consideration, because City government is working on this issue. The team agreed.

SB 295 (Sen. Christine Kaufmann, D-Helena) Status: Introduced

This bill would repeal the oil and gas production tax "holiday." This tax break was enacted in the late 1990s to encourage oil and gas development in Montana. It exempts oil and gas wells from virtually all production taxes during the first 12-18 months. With the use of horizontal drilling and hydraulic fracturing, Montana has seen a rapid increase in oil and gas development. This boom has come at great cost to public infrastructure and emergency services in impacted communities, especially in eastern Montana. LC 1358 would designate the new revenue for impacted schools and encourage the development of clean and renewable energy.

Ms. White said she has not researched SB 138, SB 147 and SB 295, but she suggests adding them to the next legislative session team list.

Ms. Cilimburg commented on the tax "holiday" bill. She feels this bill supports local government, and noted it is worth supporting. The team agreed.

Ms. Cilimburg moved to strongly support SB 295.

Mr. Schmidt seconded the motion.

The motion passed unanimously.

VII. Adjournment:

The meeting adjourned at 1:00 pm.

Respectfully submitted,

Kelly Elam

Kelly Elam
City Clerk Office