The Natural Resources subcommittee on Extraction and Conversion met in room 437, at 10:10 a.m. on January 28, 1977, with Chairman Kessler presiding and all members present. Present also were Bob Kiesling of the EIC, Sharon Sullivan, Patrick Binn.

Patrick Binn mentioned that small scale facilities have a higher total efficiency than the large scale ones.

The following proposals were discussed and agreed on by the members:

- 11. State government should <u>utilize and</u> appraise <u>where possible</u> and practical the opportunities for direct use of the earth's heat . . . and data collection. (This is the recommendation on the bottom of page 23.)
- 12. Accept the recommendation that coal severence tax should be maintained at the current rate.

On page 25, 2nd paragraph: have three issues instead of two and the third issue will be agriculture.

- 13. The State of Montana's energy policy is to encourage load center conversion of coal and to limit energy conversion facilities to only those needed to meet Montana energy needs.
- 14. A renewable energy data collection program shall be established in the governor's energy resource policy office.

Meeting adjourned at 11:40 a.m.

Respectfully submitted,

Gerald R. Kessler, Chairman