

ENERGY CONSERVATION AND PUBLIC PARTICIPATION - February 7, 1977

BENGSTON: We are comparing Senate Bill 401, House Bill 430 and House Bill 425, to determine what type of approach we are going to take to building codes.

HANSON: The codes - why 401 is between 425. Basically, the sections three and four in 425 apply to all state buildings, and the discussion that we have had up to this point are that a residence is one thing, but where it applies to all state buildings, we feel that the specific construction requirement should emanate from a building code council where we will have considerable input and time for that input. It can be modified as updating occurs. This will not necessarily provide energy conservation on a thermoly-heavy building.

GIGNOUX: Question: Is there a legal distinction between a heavy-heating load building and a light-heating load building?

HANSON: No.

GIGNOUX: What percentage of the buildings in Montana are thermoly-heavy?

HANSON: Most of the commercial buildings and several of the industrial buildings.

GIGNOUX: What percent are commercial?

HANSON: I have no idea.

BENGSTON: Who is going to administer this and handle this? It is the Department of Revenue. How many different agencies are involved in this particular bill? There is: The Department of Revenue, Department of Administration, Department of Community Affairs and Natural Resources.

GIGNOUX: I over-estimated several things on the original financial estimate. The cost of the section dealing with insulating new homes. If there was 100% participation, the cost would be \$25,000,000 for a 10-year period. The benefits go for five years. I took the Federal Research Board estimate of 2.9%, and the Dodge Construction Statistics, which estimate the number of houses built in Montana at 4,719 in 1975, which comes up to 50,000 homes in the next 10 years and if each homeowner would take advantage of the tax credit, it would cost the state \$25,000,000.

BENGSTON: Do you have any objection to cutting out the specifics and just leaving in the tax incentives?

HANSON: That could be in accordance with Senate Bill 401 on the Development of the codes. The problem is to establish a bank. We should have an incentive.

GIGNOUX: There is a base which is the current FHA.

BENGSTON: How can you apply the tax incentives? How would that be determined?

GIGNOUX: The Ashray Standards which work with engineers statewide. A building inspector could come when the building is being built, and ascertain if the building will meet the standards. This is for a new building. There is another section for older buildings which does not set up statments, but gives receipts for insulation bought.

HANSON: The state administration would issue a letter of compliance. On a new house it can stop there. On a big project it is difficult to check the standards. You have to have a person there to check it all the time.

DAVIS: In the bill we mandate this requirements. There is only so far that we can go. People must do their own conservation.

GIGNOUX: The Department of Revenue would not have to do a lot of checking since this is a rebate on taxes. An inspector could check on a big job periodically, but he would not have to be there all the time.

DAVIS: Gas taxes will go up. I have to watch out for insulation. You don't need legislation. People are conscious of energy conservation. You don't need tax inventives.

HANSON: We must have a means to present guidelines to bills to the people at home. The Department of Community Affairs is supposed to review on subdivisions for conservation.

BENGSTON: How many people must be hired to take care of that?

GIGNOUX: That is a very simple thing. No new people will have to be hired to check the houses. Landscaping will break the heat in the winter and keep the sun out in the summer.

BENGSTON: What will happen to your developers?

GIGNOUX: Have they been doing it so far?

DAVIS: We have had a period when energy was cheap. Now we have had the other side of the cycle. People are not stupid. This will cost. There is a gas shortage now. This is changing people fast. If you are going to tell me I have to do something I will not do it as fast as if I want to do something.

GIGNOUX: This does not say you have to do it.

HANSON: Senate Bill 425 states that this applies to all new buildings.

GIGNOUX: For all new buildings that will be bought there is a tax bill. They do not have to install all standards.

HANSON: We keep the sun out in the winter. You save more energy if you have an individual thermostat in each room. Electric heat will use less energy.

BENGSTON: Why did you make loans available with the state revenue resources and alternative energy? We have 2-12% of the coal tax set aside for alternative energy.

GIGNOUX: It seemed best not to create any new agencies.

BENGSTON: This was for land, water and that type of project.

GIGNOUX: I can see solar resources being a renewable energy.

BENGSTON: We do not have enough to take care of the needs specified.

GIGNOUX: Solar energy is a renewable resource, like the wind and water.

CURTIS: There is a bill to provide for grants and loans out of the renewable resources. I have a question on 425. In connection with these loans is there a lien put on the development, in case it has to be attached and all water rights will revert to the board?

DAVIS: There is a lot to be done with education. As an example, there was a very effective energy show which went to county fairs and that was a good investment. I was ready to learn.

DAVIS: I do not know where the money came from Education is the thing we are overlooking.

BENGSTON: One of the things that comes out of the Governor's office is that we provide tax incentive for installing renewable energy and storage systems, etc. There are no other bills that address this particular thing. This committee must have some legislation to address this. There is a bill that addresses building codes. This does not deal with subdivisions. We must have some sort of a bill to deal with new construction and also older homes.

CURTIS: This would be easier to administer because you have only one department to involve.

BENGSTON: We must have something that is workable to present to the legislature.

GIGNOUX: The inspection problem will not be as much as you anticipate. The standards will be accepted under House Bill 430, and will be good and moderate. You must insulate the house better according to the national standards. There is a bill to give tax credits to persons who build solar energy collectors.

GIGNOUX: Apparently Senator Rasmussen's bill is popular, and people will be getting loans and building solar collectors on their houses.

NATHE: I think that one area you are overlooking is that when people have the incentive to put a solar collector in they will look at everything.

GIGNOUX: You cannot do much to a building when it is built in order to make it energy efficient, and if you can do this when you build it it will be much more economical.

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