

February 9, 1977

The Natural Resources Committee convened in the Highway Auditorium on February 9, 1977, at 10 a.m. with Chairman Sheldon presiding and all members present except Rep. Huennekens, who was excused,

HB 441 REP. DOROTHY BRADLEY, District 77, said this was a short amendment to the Facility Siting Act clarifying the part of the public need provision that would state that the Board of Natural Resources would not grant a certificate of need unless it were determined consumer requirements within the state of Montana required it. She said the export only policy is one which is held by most elected officials of the state; and is a policy that is strongly supported by the majority of the Montana people, and the only sane one for the state considering the limitations of water and sparse population in eastern Montana.

GAIL M. STOLTZ, Montana Farmers Union, spoke in support and a copy of her testimony is exhibit 1.

LES LOBLE, MDU, spoke in opposition. He said he was interested to hear that it is the only sane policy and he reminded the committee that Montana is a net importer of energy in the MDU lines. He said the sword will cut both ways. He said this is not a sane policy and not in the best interest of the state.

JACK PETERSON, Montana Power Company, spoke next in opposition and a copy of his testimony is exhibit 2.

TOM WINSOR, Montana Chamber of Commerce, spoke next in opposition. He said this would affect all major facilities and the whole business climate of the state. He said we have 25,000 unemployed in the state we should consider. This would limit manufacturing processes and utility power production to only what is needed in the state of Montana and by blocking the building of new basic industries it blocks jobs.

GENE PHILLIPS, Pacific Power and Light, spoke next in opposition. He said their system is a regionally integrated system. He spoke of peaks and said their peak in Montana is 60% higher than the usual demand. When a peak occurs here we have generation in other parts of the system to service that peak; also true if there is a breakdown.

WARD SHANAHAN, Dreyer Bros. Inc., spoke in opposition. A copy of his testimony is exhibit 3.

Rep. Bradley in closing said it does make good economic sense--we would be leaving the water to agriculture; good economic sense also as the more coal conversion facilities we build simply means that the price of electricity in this state will skyrocket. She said Montana shouldn't condone the massive waste that takes place in the large plants and on the high transmission lines. She said we are not prepared for the boom--bust philosophy. She said John Leslie Powell on a visit here said because of restrictions that will be created by water, this state will never be able to have a large population. She said we are sharing in an appropriate way when we export the coal.

During questions it was mentioned that the undue restriction of any commodity is unconstitutional. Rep. Meloy when called on said when something is important to the people of the state of Montana, important to its health and welfare--he would not agree that this is patently unconstitutional.

HB 593 REP. THOMAS R. CONROY, District No. 58, the chief sponsor of this

bill, said this would amend the major Facility Siting Act by reducing the time periods and organizing the study, review and recommendations relating to applications. He passed out a graphic sketch of how his proposed new time tables would work. This is exhibit 4 and part of the minutes.

JOHN L. PETERSON, Montana Power Co., spoke in support. His testimony is exhibit 5.

WARD SHANAHAN, Dreyer Bros., spoke as an amender, and a copy of his testimony and suggested amendment is exhibit 6.

GENE PHILLIPS, Pacific Power and Light, said they support this bill and the comments of Mr. Peterson.

TOM WINSOR, Montana Chamber of Commerce, spoke as a supporter. He said their concern is that the process be speeded up.

LES LOBLE, MDU, signed as a supporter.

TED DONEY, DNR, said the bill has merit but a few problems--time period too short, and a few technical problems. He said their bill is a better approach.

GAIL STOLTZ, Montana Farmers Union, spoke in opposition and a copy of her testimony is exhibit 7.

MIKE ROACH, Department of Health, spoke in opposition. He said his concern is two-fold--the bill does not allow enough time, and the bill mandates a costly hearing. He said his department needs one year of background data on air quality. Further, they have to establish a sound monitoring program and keep them ongoing. He said if a hearing is required, it should come out of the filing fee. He said this bill would destroy strides they have made.

CHARLEY YARGER, NPRC, expressed opposition and passed out a fact sheet dealing with all the bills heard today and this is exhibit 8.

Rep. Conroy closed.

HB 661 REP. FRANCIS BARDANOUVE, District 6, chief sponsor of the bill, said this bill contains amendments to the Plant Siting Act to establish and clarify the procedure for determining the need of the facility; make clear the type of facility; and to establish where the site of the facility should be. He said the object of the amendments is to reduce the time needed to come to a determination--to set up a specific time table. The bill would set up a two step process whereby need would be determined first before the final application and then if affirmative go into the environmental compatibility area. He went through the bill pointing out the changes.

WARD SHANAHAN, Dreyer Bros., said it gave him great pleasure to be able to support a bill by Rep. Bardanouve. He had a number of amendments, a copy of which is exhibit 9 and part of the minutes.

JOHN ORTH, Director of DNR, spoke next in support. He warned that we should be careful in cutting back required times as we may eliminate time that is really needed for impact evaluations. He said they do recognize

that Colstrip 3 and 4 took too long. He handed in suggested amendments and testimony. A copy of this is exhibit 10.

TED DONEY, Chief Legal Counsel for the DNR, spoke in support. He said this bill was introduced at the request of the Governor's Office and implements four recommendations that were in the Governor's energy message: export only (think it allows for some export of power), utilization of waste heating; penalty for filing misleading information, and provides for a siting inventory. He said it also introduces the two step process for applicants and forecasting demand of energy within the state.

TOM WINSOR, Montana Chamber of Commerce, spoke in support of reducing the time frames. He said they recommended a serious consideration of the need requirements--he said to beware of blocking energy because without energy we don't get new jobs.

Chairman Shelden opened the hearing to the opponents.

JOHN L. PETERSON, Montana Power Co., spoke first as an opponent. He questioned whether the bill would really shorten the time frame.

GENE PHILLIPS, Pacific Power and Light, spoke next as an opponent. He felt this would increase the cost of producing energy.

LESTER H. LOBLE, II, MDU, said he opposed the bill and supports the comments of the other opponents.

Rep. Bardanouve closed. He did feel it would reduce the time frames and he said that any interested party should be able to testify--might be quicker and easier than going through a law suit that might result from denying them.

HB 542 REP. LES HIRSCH, District 52, said this bill provides for a one year notice of intent to file, and gives an incentive to encourage the company to do so.

TED DONEY, DNR, said he was also representing the Governor's Office as the bill was requested by the Governor's Office. He supported the bill, saying it would give the DNR a little more time to get their work done.

WARD SHANAHAN, Dreyer Bros., stated their support of the bill.

PAT SWEENEY, NPRC, spoke in support and a copy of his testimony is found on page 3 of exhibit 8 of the minutes.

PAT SMITH, NPRC, discussed the last part of the NPRC handout and a copy of his testimony is found on pages 4 through 8 of exhibit 8.

Meeting adjourned at 12:30 p.m.

Respectfully submitted,


ARTHUR H. SHELDEN, Chairman