

February 9, 1977

The Natural Resources subcommittee on Extraction and Conversion met at 8:30 a.m. in room 437, on February 9, 1977, with Chairman Kessler presiding and Reps. Ernst, Cox, Frates, Metcalf present.

Bob Quinn, Montana Power, introduced himself and said he was available if he could assist with information.

A logical mining unit was discussed. Doug Lowney had made copies of the description from the federal register. It was mentioned it was not known exactly what it comprised--could be one chunk of coal or thousands of acres.

Selective denial, Doug Downey presented a copy taken from the code book on the Strip and Underground Mine Reclamation Act describing this. This was felt to be vague. It was mentioned that the governor's proposal included having the Department of State Lands develop better criteria. It was suggested that someone from State Lands could describe the problems they are having.

Under moratorium mining--will end March 1 if the report about it comes out and that is due soon. SB 268 will extend the moratorium.

The committee went through and updated the proposals. They are attached.

The proposal dealing with the moratorium on solution mining--number 8 on the new list was not unanimously agreed on. Rep. Ernst expressed a wish to see the DNR report on this before deciding. Rep. Kessler moved its adoption and Rep. Ernst and Rep. Cox opposed the motion. Motion carried.

The proposal dealing with the severance tax--number 5 on the new list--was also not unanimous. Rep. Ernst said he preferred the wording as it was in the old list "shall be maintained"--he said he did not object to the idea. Rep. Ernst and Rep. Cox so voted.

Alluvial valley floors and load center conversion were left to another meeting.

Meeting adjourned at 9:45 a.m.

Respectfully submitted,

  
GERALD KESSLER

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DRAFT OF SUBCOMMITTEE ENERGY PROPOSALS

EXTRACTION

1. The legislature recommends that there be no ~~more~~<sup>Further</sup> federal coal leasing in the state at this time until the federal government defines its coal policy.
2. The Department of State Lands shall adopt rules and regulations for coal leasing procedures including further definition of the selective denial criteria found in section 9 of the Coal Mining and Reclamation Act.
3. The legislature supports the Conservation of Coal Act and recommends that it be strengthened.
4. The legislature supports continued research in the area of revegetation and opposes any weakening of the Montana Strip Mining and Reclamation Act.
5. The coal severance tax shall not be reduced from the current rates.
6. The legislature encourages future oil and gas exploration with adequate safeguards.
  - a. Put into text--differences in oil and gas
7. The legislature recommends that the state develop uranium mining procedures and recommends similar action by the federal government.
8. The legislature recommends extending the moratorium on solution mining and developing reclamation laws pertaining to solution mining.
9. State government should utilize and appraise where possible and practical the opportunities for direct use of the earth's heat in agriculture, industrial processes and the heating and cooling of buildings. The legislature should encourage the use of such heat through public information, zoning laws, building codes, financial incentives and data collection.

CONVERSION

1. A renewable energy data collection program shall be established in the governor's energy resource policy office.
2. The state should permit and encourage shifts from natural gas and oil to coal where environmental standards can be met.
3. The legislature shall direct<sup>state</sup> government to oppose large-scale radioactive waste disposal ~~and~~<sup>and</sup> ~~uranium enrichment~~ plants in Montana.
4. The legislature shall encourage actions improving the conversion efficiency of large-scale and small-scale energy and industrial facilities.
  - a. co-generation
5. The legislature shall direct state government to provide neither financial support nor encouragement for a coal gasification plant in Montana at this time.
  - a. Exclude studies in text
  - b. Reference to water resources in text

6. The legislature directs the state government to actively pursue federal funding for alternative energy research and development.

7. The legislature recommends that every effort should be made to minimize adverse transboundary impacts to Montana from energy developments outside the state and Montana shall give the same consideration to its neighboring states and provinces.