

February 14, 1977

The Natural Resources Committee convened in room 437 at 8 a.m. with Chairman Sheldon presiding and all members present.

Chairman Sheldon opened the meeting to a hearing on the following bills:

HJR 48 REP. DENNIS NATHE, District No. 1, the bill's chief sponsor, said the thrust of the resolution is that the Saskatchewan coal-fired power plant complex 4 miles north of our border does not violate the air quality standards on our side of the border. He said they do not have scrubbers on the plant for sulphur dioxide emissions. According to the 1909 water treaty it was to be 50/50, and this is not being followed now because of the prevailing winds coming our way. They are using up 75% of our air pollution increment which in effect means that any plant siting on our side of the border can only use half of the other 25%. He said page 2, line 15 of the bill should be changed as their air pollution standards are higher than ours and we would be happy to just have them meet ours.

DAWN A. NORTH, League of Women Voters, signed as favoring this bill.

HJR 21 REP. JAY FABREGA, District No. 44, the bill's chief sponsor, said this bill was to request an immediate, thorough study of the Sun-Teton Unit of the Missouri River.

CLAIRE WILLETS, Federal Land Bank Association, but appearing as a private citizen, spoke as a proponent. He said he thought that if a study is conducted it would lead to the eventual construction of something on the Sun River.

RALPH J. PARKER, Fort Shaw, passed around a photo showing the devastation in June, 1975. He said they have had such extremes--devastating floods in '65 and '75 and then in 1976 and 1977 only enough water to irrigate once--and this is frustrating, too. He felt there should be a study to see what could be done.

JOE HEPP, Great Falls, said he was a dairy farmer on the Sun River. He said in spring and early summer the Sun River is often uncontrollably wild and then later so low that we can't pump the water.

ED KENICK, Great Falls, said he was a small land owner on the Sun River. He spoke in support of the bill.

RUD CHRISTENSEN, Sun River Valley Ditch Co., spoke in support of the bill.

Also attached is a list of supporters who did not comment because of lack of time.

Rep. Fabrega in his rebuttal time urged the passage of the bill so an in depth study could be done.

During questions it was mentioned there had been talk of a dam in upper Sun River but at that time Choteau would have been one of the big users and they were not interested. Since 1964 there has been a tremendous change in the usage of water on the river due to new techniques of spraying, etc., and there isn't enough water to supply the people.

HB 701 REP. EUGENE FRATES, District 60, the bill's chief sponsor, said this bill is to expand the existing weatherization program

administered by the Department of Community Affairs,

PAT BINNS, speaking as a proponent, said this bill as introduced is one of the key projects recommended by MERDI. It addresses fixed and low income households and enables them to reduce their energy consumption and so expenses.

JEFF RUPP, Department of Community Affairs, said they have winterized a total of 2205 homes for low and fixed income people and this makes them 25% more efficient in their use of energy. He passed out two sheets showing "Energy Conservation Projections" and these are exhibits 1 and 2. He said the senior citizens heartily endorse this bill. He said this bill would consolidate Montana's weatherization program.

GENE LEUWER, Rocky Mountain Development Council, said they have been operating this help program for the low and fixed income for about a year and a half and it has been well received. He left with the secretary to become part of the minutes a breakdown of the program--who has been helped and how much it has cost. This is exhibit 3.

DAWN A. NORTH, League of Women Voters, signed as favoring this bill. Rep. Frates said this is a needed program and we can get it on a 3 to 1 basis with federal matching funds. He said a large percentage of the money goes into materials.

In reply to a question as to who handles this program at the local level, Mr. Rupp said the Human Resources Development Councils of which there are 12, and they cover the entire geographical area. To determine who qualifies they use Management and Budget poverty guidelines. In reply to a question of whether they were overlapping duties of the SRS, the reply was they would like to consolidate this program with the SRS weatherization money. When asked how much administrative costs were, the reply was 8 or 9%.

Chairman Sheldon opened the meeting to executive session on the following bills:

#### HOUSE JOINT RESOLUTION 21

Rep. Frates moved do pass. Rep. Cox seconded the motion and the motion carried unanimously with those present (absent were Harper, Huennekens, Hirsch).

#### HOUSE JOINT RESOLUTION 48

Rep. Nathe said he found he would not need the amendment mentioned earlier. He moved the bill do pass, Rep. Curtiss seconded it and motion carried unanimously with those present (absent was Rep. Harper).

HB 698 REP. HERB HUENNEKENS, District 68, the bill's chief sponsor, said this deals with restricting the construction of new energy facilities to those providing energy primarily for the people of Montana. He said the word "need" will need to be defined and he felt historically it meant the need within the state. He said the constitutionality of such a law will be challenged by the opponents, who will say Montana can't interfere with interstate commerce--which is not so. He said--an unbiased organ of the Rocky Mountain States researched this and found the welfare of the people of the state is more important than

interstate commerce.

PAT SMITH, Northern Plains Resource Council, said they are very much in support of this bill. At the hearing last Wednesday, they indicated their preference for this bill over the other two bills. He said they handed in their policy statement then and won't reiterate testimony they gave at that time. He said this implements the Governor's proposal that energy in Montana should be limited to Montana's needs.

WARD SHANAHAN, Dreyer Bros., opposed the bill primarily because on page 2, lines 9 through 14, it would include his fertilizer plant and they anticipate selling more than 10% out of state.

LES LOBLE, Montana Dakota Utility and Tenneco Coal Co., said the philosophy runs both ways and Montana imports a lot of energy. In their system only 1/3 of the natural gas used here is produced in the state. He said Tenneco coal is concerned as the minimum coal gasification plant is about 250 BCFG and is much more energy than Montana uses. This would preclude any coal gasification plant, and with lignite reserves which shouldn't be transported more than 20 miles, and a bill in the House that all coal should be used--problems.

JACK PETERSON, Montana Power Company, said the philosophical question must be answered and if in the affirmative to this bill, Montana would be an island of energy. He mentioned a number of coordinating energy groups--Western States Coordinating Council, Northwest Power Pool, Pacific Northwest Co.--which work together with federal agencies to maximize the use of resources. He said they keep Montana Power from having to build new generating plants to meet peaks and Montana Power does the same for them. He said this bill would disrupt these cooperative agreements.

GENE PHILLIPS, Pacific Power and Light, said he was in accord with the comments of the other opponents. He said the regional approach is the most efficient, economical and reliable system possible.

Rep. Huennekens said the legal power of the power companies is awesome indeed. He said Mr. Shanahan had a legitimate complaint and he had no intention of including his fertilizer plant--the concern being the exporting of energy. He said Montana is tied to all the mentioned agreements but this bill deals with the future--that the net export over the year be no more than 10%--he didn't feel at the present it was. Mr. Huennekens felt the pollution should be absorbed by the states using the energy--we could export the coal and so add extra jobs this way and provide incentive to the railroads.

HJR 19 REP. AUBYN CURTISS, District 20, the bill's chief sponsor, said this bill urges the US Department of the Interior to allocate any new power generated on dams in Montana to Montanans first. A copy of her testimony is exhibit 4 and part of the minutes. As there were no proponents and no opponents, Rep. Curtiss closed and a copy of this is exhibit 5.

HB 762 REP. DOROTHY BRADLEY, District No. 77, the bill's chief sponsor, said this bill provides emergency energy powers to the Governor and defines when those powers should be exercised. She went through the bill. She said the bill was needed as

it is predicted now there could be an electrical shortage in 1978 due to the water shortage.

DON ALLEN, Montana Petroleum Association, said he agreed with the need of this kind of bill. He said on page 2, line 16, which refers to an energy advisory council being set up--could this be duplicatory. If such a council is set up to be sure they know what they are doing. He felt the liability portion should be strengthened.

GENE PHILLIPS, Pacific Power and Light, said they support the bill. He said they could be facing a critical shortage in the fall of 1977.

JACK PETERSON, Montana Power Co., said they support the context but he hadn't had a chance to look over the bill.

Meeting adjourned at 10 a.m.

Respectfully submitted,

  
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ARTHUR H. SHELDEN, Chairman

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