

March 9, 1979

The House Natural Resources Committee convened on March 9, 1979, at 12:30 p.m. in room 3 of the Capital Annex, with Chairman Shelden presiding and fifteen members present (absent were Reps. Bertelsen, Huennekens and Thoft and excused was Rep. Kessler) for a hearing on the following bills:

SENATE BILL 514

SENATOR GEORGE F. ROSKIE, District 21, said this is one of three bills introduced to deal with amending the Montana Facility Siting Act. He said they are the result of many meetings and much study and consideration by a large number of people. Exhibit 1 of the minutes is a report prepared by James Lopach and Gregory Petesch of the University of Montana, titled "Reforming the Major Facility Siting Act," which was funded by the Ford Foundation. Senator Roskie said Mr. Lopach is here to testify today. Senator Roskie mentioned SBs 290 and 829 that were combined to form HB 883 and which deals with the same subject as his bill. He added that the pressures of time and the size of the bill left a few needed amendments unmade and a copy of these suggested amendments is exhibit 2 and part of the minutes. Senator Roskie discussed the changes his bill would make in the Siting Act. A few of these are: 1) need--he felt should be with the PSC but, he said, this didn't fly so is being left with DNR; 2) who determines air and water quality--responsibility of Board and Department of Health and Environmental Sciences; 3) parties to the proceedings--only the active or participating parties "any person residing in the county and any nonprofit organization whose members live in the county" (suggested a word change "organization should be substantially affected"); 4) department participation--limited to service as staff to the Board of Natural Resources; 5) hearing process--prehearing conference where the examiner digests written testimony ahead of the regular hearing; 6) fee schedule--applicant may present to the department any studies they have made and the applicant and the department will agree on a third party to do the basic research needed.

PAUL E. POLZIN, University of Montana, representing self, spoke as one present to give information. A copy of his testimony is exhibit 3.

JAMES J. LOPACH, Professor of Political Science, University of Montana, representing self, spoke as an amender. Mr. Lopach's remarks were taken from a letter he sent to Senator Roskie and a copy of this letter is exhibit 4 of the minutes.

WARD SHANAHAN, Dreyer Brothers, spoke in support with a wish to amend, and a copy of this testimony and amendments is exhibit 5 of the minutes.

GENE PHILLIPS, Pacific Power and Light, spoke in support with a wish to amend. He said they would like to have the decision making left with the Board of Natural Resources. He didn't feel the state should get involved in energy forecasting.

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PAT STUART, Montana Coal Council, spoke in support.

JOHN ROSS, Montana Power Company, spoke in support. He said there is an urgent need to amend this act. He said it is not true that the bill is gutting the Siting Act. He thought the concept of having the PSC determine the need was good but perhaps premature. Exhibit 6 is a fact sheet on what they feel SB 514 does do.

HELEN WALLER, Northern Plains Resource Council, spoke in opposition. A copy of her testimony is exhibit 7 and part of the minutes.

DAWN NORTH, League of Women Voters, spoke in opposition, and a copy of her testimony is exhibit 8 and part of the minutes.

HARVEY BIEBER, McCone Agricultural Protection Organization, spoke in opposition and a copy of his testimony is exhibit 9 and part of the minutes.

FLOYD YARGER, McCone County, representing self, spoke in opposition, and a copy of his testimony is exhibit 10 and part of the minutes.

MIKE MALES, Nuclear Vote, spoke in opposition and a copy of his testimony is exhibit 11 and part of the minutes.

RONALD POGUE, Alternative Energy Resources Organization, spoke next in opposition with a wish to amend, and a copy of his testimony is exhibit 12 and part of the minutes.

SALLY JORDAN, Montana Democratic Central Committee, spoke next in opposition and a copy of her testimony is exhibit 13 and part of the minutes.

CLANCY GORDON, representing self, spoke next in opposition, and a copy of his testimony is exhibit 14 and part of the minutes.

TOM SCHNEIDER, Montana Public Service Commissioner and self, spoke in opposition with a wish to amend, saying HB 883 is a better vehicle for streamlining the Major Facility Siting Act than this bill. He said this bill would need a major overhaul. A copy of his statement is exhibit 15 and part of the minutes.

DON JUDGE, AFSCME, AFL-CIO, spoke in opposition, saying they oppose any weakening of the Major Facilities Siting Act as the review of the impacts on the environment by such a siting act not only effects natural resources and public health but also community development and public employees employed by those communities.

NATALIE WALSH, Environmental Information Center, spoke next in opposition, and a copy of her testimony is exhibit 16 and part of the minutes.

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JERILYN E. BIEBER, Women Involved in Farm Economics, spoke next in opposition and a copy of her testimony is exhibit 17 and part of the minutes.

TOM RYAN, Montana Senior Citizens, spoke next in opposition and a copy of his testimony is exhibit 18 and part of the minutes.

GAIL M. STOLTZ, Montana Human Resources Development, Councils Directors Assoc., spoke next in opposition and a copy of her testimony is exhibit 19 and part of the minutes.

MIKE DAHLEM, Associated Students of the University of Montana, spoke next in opposition, and a copy of his testimony is exhibit 20 and part of the minutes.

CHARLES YARGER, McCone County, representing self, spoke next in opposition and a copy of his testimony is exhibit 21 and part of the minutes.

LYLE QUICK, McCone County Commissioners, spoke next in opposition and a copy of his testimony is exhibit 22 and part of the minutes.

DON MACINTYRE, Department of Natural Resources, said they are in full support of HB 883 and so oppose SB 514. He said they wish to clean up the Siting Act but do not wish to see it substantially weakened. He said the language in SB 514 may be so broad as to have the effect of gutting, although he did not feel this was the intent. He said SB 514 would need to be amended further and he would be happy to meet on this.

ROBERT SCHNEEKLOTH, Three Corners Boundary Association, spoke in opposition. He said his group is concerned about the Poplar River situation so do not wish to see the act weakened. He urged a do not pass.

JAN BROWN, Legislative Liaison for the Montana Association of Churches, left written testimony, exhibit 23, as time did not permit speaking.

Chairman Shelden read the following list who had requested going on record as opposing SB 514:

- John Orth, former DNRC Director, presently Director of MERDI Sheridan County Farmers Union, exhibit 24
- Rosebud County Commissioners, exhibit 25
- Dawson County Farmers Union, exhibit 26
- Daniels County Planning Board, exhibit 27
- Daniels County Conservation District Supervisors, exhibit 28

Presenting written testimony as opposing was DON GRIMSRUD, Valley Resource Council, Nashua, exhibit 29

Signing as opposing were: Walter Archer, Olive, representing self

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Senator Roskie closed and questions were asked by the committee. Questions were asked concerning the language as it deals with burden of proof (where it would lie), the time period allotted, if the fee would be sufficient (who pays if it is not), and others.

SENATE BILL 320

SENATOR PETER R. STORY, District 37, the chief sponsor, said this is a minor amendment to the Major Facility Siting Act which would redefine gas as commercial grade pipeline gas and would exempt the smaller plants producing this gas from the Major Facility Siting Act. He said he would let the man who drafted this explain further and introduced the following speaker:

WARD SHANAHAN, Dreyer Brothers, said he had a suggested amendment which would lower the allowable BTU level of "gas" from 900 to 500 BTU per cu/ft. A copy of this amendment is exhibit 30 and part of the minutes. He said time did not permit getting this into the bill in the Senate. His exhibit 31 is an agreement signed by Mr. Ted Doney agreeing this would be alright. He said this bill has two principal provisions: 1) to distinguish between a facility and a nonfacility; and 2) to enlarge on the definition of gas.

DAVID S. GLEASON, Vice President, Dreyer Brothers, spoke in support. A copy of his testimony is exhibit 32 and part of the minutes.

JANELLE FALLAN, Montana Chamber of Commerce, spoke in support. A copy of her testimony is exhibit 33 and part of the minutes.

CHARLES YARGER, McCone County, representing self, spoke in opposition and a copy of his testimony is exhibit 34 and part of the minutes.

JOAN MILES, Environmental Information Center, spoke in opposition and a copy of her testimony is exhibit 35 and part of the minutes.

RON ERICKSON, Missoula, representing self, spoke in opposition. He passed for the committee to see a picture of a plant in Scotland which produced less than 500BTU to show what a good sized plant this could be. A copy of his testimony is exhibit 36 and part of the minutes.

HELEN WALLER, Northern Plains Resource Council, spoke in opposition and a copy of her testimony is exhibit 37 and part of the minutes.

DON MACINTYRE, Department of Natural Resources, said he opposes the bill as it was sent over from the Senate. Mr. MacIntyre said the department had proposed 200 BTU and did agree with the 500 BTU. He said, however, that information received since leads them to be concerned with that level. He said they do support the philosophy of the problem and will work with the legislature's decision.

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BOB ANDERSON, Energy Division, DNR&C, spoke next. He said the Burlington Northern would like to develop a market for coal through a coal gasifier. He said they support that concept. He said water and air quality standards will cover such conversions. He felt the 200 BTU definition would adequately cover any industry with the exception of Hoerner-Waldorf--500 BTU would exempt them.

LYLE QUICK, McCone County Commissioners, spoke in opposition and a copy of his testimony is exhibit 38 and part of the minutes.

HARVEY BIEBER, McCone Agricultural Protection Organization, spoke in opposition and a copy of his testimony is exhibit 39 and part of the minutes.

DON GRIMSRUD, Valley Resource Council, spoke in opposition and a copy of his testimony is exhibit 40 and part of the minutes.

In closing Senator Story said the intent of the bill was not to remove Circle West from the Major Facility Siting Act but to statutorily remove the plant from having to prove need.

Meeting adjourned at 3:20 p.m.

Respectfully submitted,


ARTHUR H. SHELLEN, Chairman

Emelia A. Satre, Sec.