

LOCAL GOVERNMENT COMMITTEE MEETING
February 17, 1981

The Local Government Committee met Thursday, February 17, 1981 at 12:30 p.m. in room 103 of the Capitol. The meeting was called to order by CHAIRMAN BERTELSEN and the secretary called the roll. All Committee members were present except REPRESENTATIVE PAUL PISTORIA who was absent. Staff Researcher LEE HEIMAN also attended.

HOUSE BILL 712 - sponsored by REPRESENTATIVE BURT HURWITZ

REPRESENTATIVE HURWITZ said he represents District 45 in Meagher County. House Bill 712 is an act to require that a vacancy in a municipal elected office be filled by the City or Town Council within 30 days and until a successor is elected to fill the unexpired term of office. It is a simple bill and all it dictates is that when an office is vacant, there is a limit as to how long it can be vacant.

PROPOSERS TO HOUSE BILL 712 - None.

OPPOSERS TO HOUSE BILL 712 - None

QUESTIONS FROM COMMITTEE MEMBERS:

REPRESENTATIVE GOULD asked REPRESENTATIVE HURWITZ if there wasn't quite a problem in Townsend where they couldn't find someone to replace a Mayor?

REPRESENTATIVE HURWITZ replied yes. The man who asked me to introduce this bill was former House Member ELMER SCHYE. I believe the office of Mayor was vacant in White Sulphur Springs for a time. He wanted the job. He was appointed Mayor and is currently Mayor, but I think he feels this is not the way to do it. He feels that when a vacancy occurs it should be filled.

CHAIRMAN BERTELSEN asked if there were any further questions on HB 712. As there were none, he closed the hearing on House Bill 712.

HOUSE BILL 280 - sponsored by REPRESENTATIVE JAMES AZZARA

REPRESENTATIVE AZZARA said he represents District 96 of Missoula County. This bill amends the provisions of local building codes to allow stricter insulation standards than are required by the state building code. Subsections (5) and (6) of 50-60-201 state that part of the purpose of the state building code is to encourage efficiencies of design regarding energy use.

REPRESENTATIVE AZZARA said he has a proposed amendment to clean up the grammar. It was pointed out to me that the word "stricter" is not a word, but I was not the author of it. So we are changing "stricter insulation" to "more stringent energy conservation".

There are people here to testify in favor of the bill and I am sure there are some opponents. But I'd like to open by saying we've all had some exposure to the points in contention of both sides in the form of REPRESENTATIVE KEYSER'S bill to give this option to local governments. We are restricting that portion of the building code which we want to give flexibility to. That section deals with energy conservation and energy use requirements. I would like the members of the committee to remember that as they hear testimony perhaps opposing the bill. No further authority is sought for flexibility except in those areas where the needs of localities and their peculiar energy use habits require some flexibility reflected in their energy building codes. With that I'll turn it over to testimony and save my further remarks for closing.

PROPOSERS FOR HOUSE BILL 280

RICHARD DILL from STEVENSVILLE said he is a small contractor and his firm is Sunset Solar Construction. He manufactures solar equipment and builds solar homes. He testified in favor of House Bill 280. One of the main things I like about the bill is the flexibility to deal with the different parts of Montana industry. I have constructed solar homes in the highline area, one in Shelby and am currently constructing a super-insulated home in Stevensville. The two locations are unique and not at all the same in insulation requirements. The home in Shelby gets by quite nicely and the maximum power bill is \$10 a month on an R18 insulation. In other areas of the state, particularly in the areas of the mountainous valleys, this will not do the job. The current house I am building will have walls of R30 and a ceiling of R60. Houses so insulated have come to be known as superinsulated houses and were developed primarily by the University of Illinois and the people of Saskatchewan. These people are now getting by with a total yearly energy bill of under \$100. We must have a flexibility in the building codes to enable localities that need that type of insulation to enact codes which will cause builders to shoot for that type of insulation. Why do we have a legacy in this generation of homes which are so poorly insulated that it costs a fortune to heat them? First, there was no energy planning many years ago, and HB 278 would give some funds to energy planning to local communities. Secondly, there were no high standards for builders to shoot for. I hope we don't leave our children with a legacy like we've inherited, because it is a very costly one indeed.

In closing I'd like to point out that in the 5 year period since 1973 to 1978 we as a nation have already saved twice as much energy as all the proponents of the synfuel plants say they can produce. If we produce them with synfuel, we would do it at 10 times the costs. I don't think there is any question that conservation is the way to

go and I urge your support for both House Bill 280 and House Bill 278 because I think they are a step in the right direction.

KAREN STRICKLER said she is speaking for the Montana League of Women Voters. The League of Women Voters ask your support for House Bill 280. Increased insulation standards are one way for communities to foster energy conservation. Such standards are not likely to be adopted without broad community support. We ought to allow communities as many possible options as we can for dealing with the energy situation. This is one reasonable option and we urge your support.

RICHARD STEFFEL said he is from Missoula and is a member of the Missoula City-County Board of Health's Citizen Advisory Committee on residential wood burning. This is a group which was formed to study the smoke pollution in Missoula. We are trying to come up with ways to remedy the problem. I support this bill because I think it can head us in the right direction. We do have a serious problem in Missoula and I believe Helena is also having some. We feel that with more growth, the situation will get worse. I can see two affects of this bill in relation to the air problems in Missoula and other cities. With better insulation there will be less reason to install wood burning facilities in the first place as an auxiliary way to heat. In homes that already have wood burning facilities, if this bill were in effect now and we had sufficient building codes, there wouldn't be as much wood being burned. This is one way to get around the problem.

Missoula does have a unique problem being in a valley. It is now reputed to have the worst air in the country, and I think the uniqueness of that situation tend to support the need for flexibility of things like building codes. That is why I rise in support of House Bill 280.

ROBERT RASMUSSEN of Helena said he has been a member of the Building and Finance Committee in the City's Energy Task Force. In dialogues I have been involved with realtors, loan officers, lending institutions and a few builders. One of the prime problems we have identified is the cost of affordable housing, and whether or not increasing the building material costs in additional insulation required for conservation benefits is going to be prohibitive to the buying public. Generally speaking, the lending institutions are beginning to look not only at the income of a potential buyer when they are looking at the assets and deficits and the ability to buy a home, they are also looking at how much money it is going to cost to maintain the particular dwelling. If they are looking at a home with no insulation and expensive baseboard heat, that will be factor in the lending

institutions determination of whether to grant a mortgage. If a home is well insulated and built tight, they know that the long-term maintenance costs of that home will be lower and that person may be able to afford a little higher monthly mortgage payment. In that regard, I think House Bill 280 can help to provide long-term, cost efficient housing for the people.

JOHN KRIGGER of Helena said he was representing himself. He spoke in support of House Bill 280 because he feels that through increasing insulation and giving local governments the option to deal with building codes we can save energy. Through saving energy, we keep more jobs in the community because with the money we export to pay for energy we are also exporting jobs. I work for the National Center for Appropriated Technology. We have found that the added cost of super insulated homes can run less than 5% above the cost of a conventional home. That is because you can install a smaller furnace and less ducts because you have a lesser heat limit. He would like to see House Bill 280 recommended for passage.

TOM PELLETIER said he is presently working for Butte-Silver Bow Government as energy coordinator. I left the Center for Appropriate Technology when I was working with communities around Montana and around the country. This piece of legislation would allow governments the option of making more strict building codes which is very good. I think the point that Mr. Dill made about heating degree days is one thing to keep in mind. Now, as state regulations go, everybody in the state meets the same building requirements. In Butte it is not 9,000 heating degree days, it is 9,783 heating degree days and some places in the state have less than 5,000 heating degree days. The way the state building codes are set up now, no matter where you are in the state you insulate to the same standards. In Butte and some other parts of the state where we have more of a heating condition or higher heating degree days, it could be to the advantage of Butte and other similar areas that have the severe conditions to have a more strict building code. To allow the local government to have this option would not cost the state anything, it would just allow that local government regulating power on the local level. Another point I'd like to make is because some school and other government buildings built ten years ago with the standards at that time, we have to go back to those schools and local government buildings and figure out how to add more insulation or how to correct the problems that the buildings have because they are consuming too much energy, and these are relatively new buildings that met state standards ten years ago.

JIM CAMPBELL of Billings said he is administrator of the building codes division for the Department of Administration. We're not here to appear in a position of opposition or for the bill but only to answer questions and to offer some information you

might not be aware of. First of all, the mechanism for increasing energy requirements is currently on the books. If the local agency feels that energy requirements should be increased by submitting changes to the state division, we then review with our Building Codes Advisory Counsel and advertise for a public hearing. After the public hearing, we consider and implement changes resulting from that hearing. We do feel that uniform statewide codes reduce confusion to the general public. I feel at this point that what we've seen of federal regulations that they are going to mandate a uniform system throughout the state. Our current energy code, although minimal, does take into consideration the various degree days throughout the state. Standards are established and vary with degree days for the various areas.

BILL CREGG, the Mayor of Missoula, strongly supports House Bill 280 for all the obvious reasons that have been given. He said it is tough that relatively expensive buildings in a planning stage are not accurately taking energy conservation into account. We feel that with this legislation and with our help with Industrial Revenue Bonds, grants, and taxing and financing we could weigh on them to see that they follow the state standards and come more into with what is in line.

ROSALIE BUZZAS said she is a resident of Missoula. She thinks most of the support issues for this bill have been made, but thinks any help you can give us for energy conservation will speak for itself. We on the City Council have been concerned with the things MAYOR CREGG mentioned. This bill would give us and other local areas more local control in solving some of our problems.

ANN WILSNACK said she represents the Alternative Energy Resources Organization and stands in strong support of House Bill 280 as amended. (Her written testimony is attached to and made a part of these minutes.)

OPPONENTS TO HOUSE BILL 280

H. S. HANSON said he represents the Montana Technical Counsel which is an association of design professionals. What we are talking about is the attitude and effect of design on the various cities. I'm happy to hear that Missoula, Butte and Helena say we should change the energy code. We do have an energy code on the books in spite of the implications that have been made. Legislation passed four years ago gave us the mechanism that, if you wish to make it tougher, you can. It applies to all houses throughout the state. As of now, there have been no applications made to increase the insulation level on any home or building within the state. The Building Code Committee is comprised of an engineer, an architect, a general contractor, a state fire marshall, a city building inspector, a modular manufacturer, a mobile home dealer or manufacturer, a plumbing board representative, an electrical

board representative, the general public and the Department of Health. It is a very valid board. All the codes should be the same for every city in order to avoid confusion.

I also happen to be on the Board of a building and loan association. At no time to date have we required and gone into the construction of a house so far as insulation, as long as it meets the requirements of the State Code. That is the criteria.

Also coming down the road and to go into effect at the end of this year is BEPS, which is a nationally developed energy code adopted by the federal government in 1976. BEPS stands for Building Energy Performance Standards. It establishes an energy budget and they have divided the United States into 7 zones. For some homes in Montana the energy requirement is 55,000 BTU's per square foot per year. It doesn't matter how you arrive at that. You can have a wall with no insulation in it as long as you have some passive solar design on it to reduce your energy consumption. That is a national regulation.

Regarding the climate in Montana, I must disagree with what has been said. I have an energy conservation consultant business. This is all I do. On the degree days I've developed three profiles which we call climatic profiles. I'll leave them with the chairman. If we design a building for Missoula, we design it for 6° below zero. That occurs 97.5% of the time. In Helena we design for 16° below and in Great Falls for 15° below. So if we're talking about more insulation, we need it more so in Helena and Great Falls than we do in Missoula. The other aspect about Missoula is that they do have less sun and it might be because they encourage wood burning wood stoves. The possible sunshine in Missoula is 54% of the time, Great Falls is 63% and Helena is 61%. So what I'm talking about is a 7% to 9% difference, as far as solar. So we do have the availability of solar, plus the fact that we now have available on the market what we call ambient solar panels. They are basically temperature panels and have nothing to do with the sun. They are cheaper to install and are more efficient, and we've been using them for quite awhile. Helena's degree days are almost 8200; Missoula's 7900 and Great Falls's 7600. But the interesting thing is that Missoula is cooler during the summer. It requires less energy to cool. You have less cooling degree days in Missoula than you do in either Helena or Great Falls. In closing I'll add one thing. To determine a degree day, for those who may not know, you take the average temperature during the day (the high and the low). Assuming we have a high of 50° and a low of 10°, that 60° is divided by 2 or 30°. That is the average temperature for the day and you subtract that from 65°, so that would be 35° degree days and that is where they come in.

THE CHAIRMAN asked witnesses to be sure and sign the visitors sheet and leave written testimony.

LARRY HUSS of Helena said he represents the Montana Contractors Association. I think MR. HANSON has said all that can be said, but we have uniformly held a policy within the contracting industry that if it isn't broken, don't fix it. If you haven't tried the methods available, let's not disrupt the existing standards by some new method until it has been proven that the old method doesn't work. If you want higher standards and higher standards are required, let's use the existing system. Apparently no one has had enough faith in the system to try it despite the fact that it has been shown time and again that it will work. Before we start providing variable standards to the detriment of those who have to build, let's try the system that works thus far until it doesn't work, before we start implementing this type of law and have variable standards in each of the cities and towns around the State of Montana.

TOM HARRISON of Helena said he represents the Montana Homebuilders Association. I certainly would speak in deference to the young folks that feel that higher insulation standards would be a good thing and would acknowledge that. I think the question, however, is uniformity versus non-uniformity. Most of the builders in the Helena area operate in a number of different incorporated towns and in at least three separate counties. If this bill is going to be adopted and a potential put in place that each county and each city can adopt its own differing standard, you are putting a substantial cost burden, policing and monitoring burden on those people as they attempt to go from one location to another inside the city versus outside the city, etc. I think you can see the problem that obviously must come about if everybody gets to adopt their own little code in every little area of construction. To say that doesn't cost money is unrealistic. It does cost money. If you see fit to kill those bills relative to enabling varying standards to come into being, then I suggest that's what ought to be done in the insulation area too.

ED SHEEHY, JR. of Helena said he is representing the Montana Manufacturing Housing Association. You've heard most of the testimony before in regards to House Bill 280, but I'd like to make a couple of comments about House Bill 280. In light of REPRESENTATIVE AZZARA'S amendment to this bill, one of the interesting things is that we do not have a definition of "what is energy conservation in the building code?" We've heard all this testimony about insulation standards, but we're talking about more than insulation. When we talk about energy conservation,

we're talking about the type of roofing you put on a house, the type of windows, doors, how much overhang you need on your roof, etc. What this means is that each city or county in Montana that has adopted a building code could adopt a more stringent building code that the state building code with regard to energy conservation. That means that every one of them has a different standard.

We heard a comment that by passing this bill, we'd be keeping jobs in the community. I would point out that by passing this bill you will put a lot of people out of work especially those in the construction of factory built housing because to build that type of housing we must have standards that are uniform across the state. At this time of year when you don't sell many homes, the builders build them. They build 30 or 40 homes according to state standards. When those homes are built, they don't have any idea where they are going, whether to Butte, Bozeman, Missoula or Helena. But with this bill they would have to know before the house is built. That disrupts the whole idea of a factory built house because you build it, transport it to the site and place it there.

If this bill passes, you are giving municipalities and counties the opportunity to exclude certain types of housing from the community. They have to make land available for modular housing, but with this type of legislation they could exclude modular type housing from the community. One of the most affordable types of housing is modular housing and if we make it impossible for such housing to be located in the state, then we will deprive people of the right to have a home.

CHAIRMAN BERTELSEN asked for further opponents. As there were none, he asked REPRESENTATIVE AZZARA if he'd like to close.

REPRESENTATIVE AZZARA closed. He said he'd like to take some of the opponents from the beginning. He feels MR. HANSON appeared as one of the best proponents of House Bill 280 by admitting that there is a substantial difference in energy conservation potentials in localities. I think where he and I disagree is in determining who should make judgments as to what should be done with the different potentials. I think that the localities and people who live in them and elect their government should have something more to say about that. I am sympathetic to the argument that some minimums are needed and I think those minimums remain in place in terms of electrical, plumbing and other types of requirements. But we have an energy crisis on our hands. Obviously as a nation, a state and as series of localities in Montana not needing it, utility bills continue to rise. There is a pressing call that something be done. I don't think it is fair to rattle skeletons in the form of public fears about driving people out of the community by creating a situation

where have a hundred different local energy codes. That is not likely to happen. Most of the energy in this state is consumed in the larger urban areas and they are likely to be the ones to take the lead in establishing creative new ways of dealing with energy conservation. I don't think we should deny them that flexibility and we are not trying to upset the balance that requires a uniform minimum of standards to be met. I think that is a reasonable request on the part of the building interests. This bill in no way attempts to change that, but it does recognize the need for flexibility.

The question remains, if we allow this flexibility, is it going to cause chaos for the building industry? I don't think so. I think it will result in a great deal of pooling of resources. I think the resources will probably reflect the climatological conditions in various areas of the state. It certainly doesn't make any sense to me to say that because we have 56 counties we are going to have 56 different sets of energy conservation codes. I think the codes, to the extent we give them flexibility, will reflect the climatological conditions. The cost burden to the developer or builder is a matter of contention when we try to qualify exactly what it means in dollars. But I've heard figures that range considerably from \$60 for an average house to achieve substantial energy savings to several thousand. It is my belief that anything that is enacted through public will is going to have to demonstrate itself as being cost effective for that community so that the initial investment in a house must be justified on the basis that reasonably down the road it's going to pay itself back to the consumer-owner of that home.

There may be some need to consider the peculiar or special nature of modular housing. I am willing to discuss that further, but I don't want the committee members to consider that as a separate kind of tangential problem as to what this bill attempts to do. I don't think we should kill the bill on the basis that there may be one area which does present some special problems, which I think we could work out by amendments.

The basic idea I'll leave the committee is that the argument for standardization simply doesn't jibe with the facts. Communities need flexibility and they need it now. I believe it will be used responsibly and it is given to them in this area. I hope the committee will consider that when it makes its judgment on House Bill 280.

QUESTIONS FROM COMMITTEE MEMBERS

REPRESENTATIVE GOULD: MR. DILL, is there a problem with foam insulation? MR. DILL said there is a problem nationally with one type of foam insulation called urea-formaldehyde which emits vapors. For an argumentative period now, they have been talking about the possibility down the road of stripping it out of all houses where it exists. People are getting nauseous and having other side effects.

REPRESENTATIVE GOULD: On the Saskatchewan type of homes, does that have to be strictly on new construction, or can it be done when remodeling your 1910 home?

MR. DILL replied it would generally be new construction.

REPRESENTATIVE HANNAH asked MAYOR CREGG if he understood him correctly when he was talking about construction the City of Missoula is involved in where there is grant money from different sources that you are working out financing for that construction? And if I understood what you are trying to say, you have to build according to certain standards for insulation because you are involved in that grant program. Is that correct?

BILL CREGG: No, I was talking about making plan approvals where we can say we dislike the design of the Sheraton because it is not energy efficient and because we are into this so much with city money and other government money that we think we should have a say in making them conform to higher standards. We are unable to do this under the present statutes.

REPRESENTATIVE HANNAH said "so what you are talking about is the city becoming involved in private industries construction where there are government grants and city grants?"

BILL CREGG said I believe what you are saying is correct. We are scratching your back so you scratch ours. What we'll do frequently with a neighborhood grocery store is say we'll vacate an alley here if you'll give us a little more landscaping there. We are heavily into these downtown projects so we're financing in three different ways. We dislike the fact that some out of state architects are reluctant to make the new buildings as energy efficient as they can do. We feel we should be able, under this legislation, to require higher standards from those people and use that with our bargaining chip in the financing.

REPRESENTATIVE WALDRON: MAYOR CREGG, in discussing the Sheraton, something just came to mind. The Palace Hotel seems to be causing Missoula a problem as they were finally closed down because they couldn't pay the utility bills. Part of the reason had to be with the construction and type of insulation in the building. Will you respond to this?

BILL CREGG said he can't say for certain. They didn't pay their utility bills, but then they didn't pay their taxes or anything else. I believe their problems are economic rather than due to the weather, but you do have a good point because the building is not energy efficient.

REPRESENTATIVE McBRIDE: MR. HANSON, in your discussion you seem to indicate there was not enough variation in Montana to warrant having higher standards in some places than in others. Have you or any of your consultants ever suggested that a building have higher standards than what currently are in the code?

MR. HANSON said yes. Part of our services include an energy analysis. You must do an analysis to utilize passive design. We do this in passive design and then we come through and talk specifics as far as insulation goes. That again is the option of the owner. BEPS is the standard national so the contractors can get in there and don't have to hire high priced engineers.

REPRESENTATIVE McBRIDE: One other question. Someone made the comment that this particular bill may be to the detriment of those who build the houses. You made the point that allowing a local jurisdiction to adopt standards stricter than what exist in the current building code would be to the detriment of those who built the houses. If I, as a consumer buy that house, I don't have too much control over what is built into it except what is required by the standards. If there is something more strict, I as the consumer benefit. It is to the benefit of the consumer and not to the builder

LARRY HUSS said it is to the detriment of the buyer in as far as the construction on the spot is concerned. As far as maintaining variable criteria for varying standards where a particular builder is building in multi-jurisdiction it's going to be to his detriment in the sense of inspection, enforcement and possible criminal penalties. I didn't mean to imply that he is going to increase the price of that house and you are going to pay for it.

REPRESENTATIVE ANDREASON asked a question of MR. KEMBEL. One of the things I am trying to differentiate is what this bill will do in a current situation. Did you say that current standards allow for variation of degree days for localities?

JAMES KEMBEL said the present standard has a table for degree days which helps to determine review factors for the various areas. It is a very minimal code. Most buildings we are reviewing now do exceed it.

REP. ANDREASON asked, "Why do you suppose people are not taking advantage of the option that they have to increase the stringency now?"

JAMES KEMBEL said right now they do not have the option individually to create more stringent standards locally. That has to be done statewide. We'd have to adopt more stringent standards.

REP. KITSELMAN: Mr. Hanson, when were the Montana standards adopted?

MR. HANSON said the energy code was adopted in 1977 along with the state building code. The rationale in developing the state standard building code was so there would be a means to implement the energy codes. If you didn't have the state building code, you couldn't enforce it.

REP. KITSELMAN: Was asbestos used at one time as a form of insulation?

MR. HANSON said yes, quite a while ago. For the past 25 years or more, we haven't used asbestos for insulation, other than on piping.

REP. VINGER: Mr. Hanson, what is the difference now between FHA regulations and our state regulations? Are they pretty much the same?

MR. KEMBEL said the federal government strongly urges that we adopt the standards we are currently using as it was to be used nationwide. Most of the states did adopt it. That particular standard was a composite of interests at the federal level and HUD or FHA was sitting in the background not admitting that this was the standard they are using. Basically, HUD requirements are roughly R38 ceiling, R19 walls. Based on 8000 degree days the statement of standards are R19 ceiling, R7 walls with double glazing. The BEPS document is the latest.

REP. DUSSAULT: Mr. Hanson, it is absolutely beyond my comprehension why you argue that the committee made up of the various trades would be in a better position to determine for everybody in the state of Montana what the insulation standards should be versus the local governing body of the individual locality. There must be some logic there that I missed.

MR. HANSON: Basically the rationale is that those on the elected

level do not have the background nor will they have the input in arriving at some construction codes.

REP. DUSSAULT said, "How can you assume that they will not have the input?" Take Missoula for an example. Are you really telling me that the local governing officials in Missoula do not have the expertise available to them to develop the appropriate standards and that it could not be done in open meetings so that input could be given by people from the industries?

MR. HANSON said, let me give an example. In Great Falls it was illegal for years to use copper pipe on waste plumbing. You had to use cast-iron with okum on it. Every other community in the state could use copper pipe. Great Falls cannot? The group that was in control was very vocal. They reflected the will of some of the people in the community and that happened to be the plumber's union.

REP. DUSSAULT: Let's go back to your statement. You said local governments don't have the expertise necessary? I want you to talk about Missoula. Are you telling me that Missoula does not have the expertise either within the city or county government or even the ability to contract to advise those local government officials on appropriate insulation standards for the Missoula community? Is that what you are telling me?

MR. HANSON: That was only after you'd asked the question. I said they did not have the expertise to evaluate as far as not having the input from one very oriented society. They do not have the unbiased input from several sources because a community can develop a particular philosophy. Billings had it where we wouldn't allow plastic pipe for years and that is a very standard item, but they wouldn't allow it to be used. The technical ability and expertise is there and is available for any community. But whether they will take the negative aspect from other communities, because quite honestly when an individual stands up here and tells me that Missoula is colder and they have a tougher condition than Great Falls or Helena, I have to disagree with them because I can prove it. We need a consensus from the state as to what the state should do, and it should apply to all.

REP. DUSSAULT: The building code committee, I can assume, can make recommendations whenever it so chooses.

MR. HANSON said no. My understanding is that they will react to anybody making a request of them.

REP. DUSSAULT: Mr. Kembel, can the building code committee act on a recommendation whenever it chooses?

MR. KEMBEL said should they decide as a group that they want something done, they can request the Department to develop rules which

would be reviewed and we would then slate a public hearing.

REP. DUSSAULT: Has the building code committee ever approached the Department to raise the insulation standards?

MR. KEMBEL said not to this date.

CHAIRMAN BERTELSEN asked if there were further questions. As there were none, he closed the hearing on HOUSE BILL 280.

HOUSE BILL 278 - sponsored by Rep. James Azzara

REP. AZZARA is from District 96 in Missoula County. He said Lee is passing out a statement of intent, which is attached to and made a part of these minutes. This money being appropriated for this bill is money which will find its way for a specific purpose and not a multiple purpose within the energy field itself. We are talking about money to be used by localities for considering energy use systems on a municipal or urban scale or a contiguous local government scale. I would like to suggest to the committee that the word "comprehensive" on line 4 should be inserted between the words "promote" and "energy" as we want this to be an act to promote comprehensive energy planning for local governments, through grants administered by the Department. There will be a substantial reduction in the amount of money allotted. I have amendments requesting that the amount be lowered to \$250,000 because in my research subsequent to drafting the bill, I could not justify the need for \$1 million at this time. Thus, what we have here is a pilot program to enable and encourage municipal governments in Montana to look at their energy problems as a system and apply systems analyses to their particular energy habits and potential conservation savings.

PROPOSERS FOR HOUSE BILL 278

SENATOR TOM TOWE represents District 20 of Cascade County. He said he is very pleased to support this bill. I attended a conference in New York and was very impressed with a program I heard about in Minnesota. They apparently had captured a method of obtaining a few dollars from state government in the area of energy conservation by being competitive. A limited number of dollars was granted, in that case \$1 million, to be used by local governments who applied. The criteria was the best comprehensive plan to do the best job in their community to conserve energy. That really worked effectively because not only did those who were awarded the grants work very hard on comprehensive plans to promote energy conservation, but even those who failed had already done some energy planning and very frequently adopted plans anyway maybe on a scaled down version, or they came up with some dollars another way, but they accomplished the same purpose. I was very impressed on how effective a few dollars

was put to use and suggested to REPRESENTATIVE AZZARA that we should look into that for Montana. I was unable to introduce it in the Senate since it does require an appropriation, and I really appreciate REPRESENTATIVE AZZARA for taking on this bill. I also think it is very appropriate that this money should come from the Coal Tax Constitutional Trust Fund.

ROBERT RASMUSSEN said he is a member of the City-County Planning Board but is speaking for himself as he is interested in the problems local government is having with energy management.

Speaking in support of House Bill 278, I'd like to explain some of the benefits local communities may accrue from utilization of this program. Over the last few years Helena has been developing various energy management strategies because energy costs are becoming a larger and larger part of the budget each year. According to Montana Power projections, natural gas prices will rise 250% by 1989. Electricity costs will raise 250% to 300%. I do not know where petroleum prices will stabilize. Increased taxation is not the answer to these circumstances. Energy management, planning and conservation is the most cost effective, long-term solution.

Section 2 of the bill outlines authorized expenditures which I believe will assist local governments in several ways, such as identifying areas of conservation and developing various financial management systems, which includes management of public buildings, and so forth. I feel the priorities and funding limits outlined in section 3 are appropriate and will insure maximum utilization of grant funds.

Another important economic benefit mentioned here today is retention of local dollars within the local economy. I believe since federal systems are declining, the passage of House Bill 278 is very timely and I urge that it DO PASS.

KAREN STRICKLER represented the League of Women Voters and she said they recommend a DO PASS for House Bill 278. Her written testimony is attached to and made a part of these minutes.

TOM PELLETIER said he is working in Butte-Silver Bow with an energy program they have. I've been involved with community management programs around Montana, around Region 8 and around the United States. The National Center for Appropriate Technology responded to a request by many individuals and organizations throughout the country that are hit with serious energy problems with a program designed to help communities. He urges support of House Bill 278. (His written testimony is attached to and made a part of these minutes.)

MAYOR BILL CREGG of Missoula said he supports House Bill 278 for the reasons given.

JOHN KRIGGER of Helena said he is representing himself. I think House Bill 278 is very much in line with using Coal Tax funds. The information on community usage of energy is becoming available through studies being made by the Alternative Resources Organization and Energy Extension Services of the Department of Natural Resources. They are coming up with figures that document the huge amount of energy that is being used by communities and the huge amount of dollars that are being exported from communities pay for energy. Every year the share of wealth that goes for energy is increasing, so it is important that we do some energy planning right now. I think it is important for local and national security that we know these things and have some type of plans because it would be a shame if two or three years down the road one of our major cities suddenly had a utility bill of \$50,000,000 they couldn't pay and this is a real threat. When local governments export energy they are exporting jobs. Local businesses are hurting because a greater share of the wealth has to go out of state and we're paying for the energy that we export.

ROSEMARY BUZZAS said she is an alderwoman from Missoula. Missoula is very concerned about energy conservation. You all know from former testimony that we are suffering from financial problems. We've been talking about this type of thing a lot. I ask that you give this bill a do pass recommendation.

RICHARD STEFFEL, from Missoula, said he represents the Residential Wood Burning Advisory Committee. I support this bill for all the reasons that have been stated and for the additional reason that it will help our air pollution problem.

OPPONENTS TO HOUSE BILL 278

DON ALLEN said he represents the Montana Petroleum Association. I'm not here to oppose the concept of the bill or what Rep. Azzara is trying to do. Our main concern is on page 1, line 21, where the language concerns gathering, monitoring and analyzing local energy supply, demand and cost information. The way that is written, we are not real sure to what extent that could involve the petroleum supplies. We don't want to have another layer of monitoring, gathering and reporting that now has to be done to any local government on a localized basis. Our concern was about whether or not it is necessary to have this if that is what is intended. If there is some other intention, then I think it should be clarified in the bill, so we know exactly what is meant and then we would not have the same problem. I will quickly state some of our concerns because there may be enough support for the bill to pass it in some form, but it might become a model for some of the communities to use.

I want to assure the sponsor I am not opposed to what they are trying to do. We agree with conservation and have supported four conservation bills. The refining industry has been chosen by the Department of Commerce nationally for setting the best record in conservation. It is a must as far as energy systems go.

We must develop alternate means of conservation. There is nothing in the bill like in HB 16 to cover the confidentiality and guard against antitrust situations.

On page 2, line 6, what does "lack of widespread renewable energy sources" mean? I think this needs to be clarified. On page 2, line 12, I don't know what "purchasing materials" means. There is a difference between planning and doing. Where does planning stop and doing start? I also think the part in section 3, dealing with giving priority to units of local government to provide staff or other support, is backwards. If they could afford to have a staff, they don't need as much help as they would if they couldn't afford a staff. That should be excluded.

JOHN BRAUMBECK said he owns an Energy Services Company in Helena and also represents the Montana Intermountain Oil Marketers Association. We, too, would like to echo the sentiments of Mr. Don Allen. We have worked closely with him throughout the session and want to assure the committee that we are not opposed to the bill because of or to prevent energy planning. It is a necessity both in industry and all levels of government. Due to price alone our industry and government must do energy planning. I'm sure each of you, when you receive your power and gas bills, are doing some energy planning as well. We are not against that per se. In addition to the amendments that Mr. Allen made, we would like to remind the committee that every Montana community needs energy planning. It would be extremely difficult with the small amount of money for appropriations under a grant proposal to allow each community to participate in energy planning.

CHAIRMAN BERTELSEN asked if there were further opponents: As there were none, he asked Rep. Azzara if he'd like to close.

REP. AZZARA said he'd like to respond immediately to the suggestion that this is too small a sum, but I can assure you that if it was larger the same objections would be raised against it. The political determinations that a sponsor of any bill has to make when it appropriates money for things that may be controversial, even though I don't think this is controversial, must be considered. I think we are talking about a pilot program that has to justify itself on a cost effective basis. There is

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no reason to take a large sum of money out of the state treasury if that sum can't be justified for specific planning and use. So I had the feeling that if \$1 million was left in there, that someone on the floor would suggest it was excessive. I think that \$250,000 is an honest figure and that is what I intend to defend.

Some of the reports are summarized in a couple of semiannual reports like the Harvard Business School's report and the National Resources Defense Council report. I would suggest that at some point the committee try to avail itself of those documents. They are comprehensive approaches to many other reports. They tend to summarize a single finding which I have, so far, found to be at least credible, and that is that a vast amount of energy can be saved with no change in our basic life style. That is one thing that has been left out here. All these energy conservation savings that we are talking about don't involve freezing in the dark, they don't involve a diminution in economic growth or population growth to the extent that they are regional or national. We are talking about stopping needless waste with no great sacrifice involved. To the extent that this bill intends to begin to allow local areas to do that, I think it is money well invested. The appropriateness of the source must be considered. We are taking funds from the tax base of nonrenewable resources and we're using them to essentially generate energy to conservation planning. This is very good in terms of an added defense for Montana's coal tax which, as you know, is under considerable attack both from Congress and in the courts.

THE CHAIRMAN asked if there were any questions. There were none and the hearing was closed on HB 278.

EXECUTIVE SESSION:

REP. GOULD moved that HOUSE BILL 712 DO PASS.

CHAIRMAN BERTELSEN commented that we might consider whether 30 days is adequate.

REP. MCBRIDE said in their community, as far as the City Council goes, these are partisan positions. This doesn't say anything about partisanship. I thought that some of the commissioner positions in Butte were filled by the Central Committee.

LEE HEIMAN said this bill applies only to city council management form of government.

REP. KESSLER said he thinks REP. SALES had a good point. He asked Rep. Hurwitz if he'd have any trouble with lengthening the time period.

REP. HURWITZ said if the Mayor's job is open, it is hard to run the city if there isn't somebody there to sign documents that require a Mayor's signature. I think 30 days is sufficient and should not be changed.

QUESTION ON HOUSE BILL 712:

All in favor signify by saying "aye." All were in favor so the bill received a DO PASS recommendation by unanimous vote.

The meeting adjourned at 2:20 p.m.


VERNER L. BERTELSEN, CHAIRMAN

hbm

VISITORS' REGISTER

LOCAL GOVERNMENT

COMMITTEE

HB 280

Date Feb. 17, 1981

12:30 p

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

The following is entered as a supporting document for
H.B. 280.

This data is the result of a study to determine energy and monetary savings incurred as the result of three alternative insulation standards. At this time, no cost analyses of the three options have been performed. The study is meant only to point out the gross savings.

As the basis of my study, I used a house of 1512 sq. ft. (36' x 42'), single story, having 8 ft. walls, with windows comprising 15% of the wall area. I calculated the heat loss from this structure with it insulated to three different standards: Montana's present insulation standards, H.U.D. insulation standards, and to what is being called "super-insulated" standards. Each of these standards is listed on the accompanying chart. As can be seen, the house insulated to Montana standards would lose 104.9 million BTU's per year and the house insulated to H.U.D. standards would lose only 56.2 million BTU's per year, a savings of over 46%. The super-insulated house would lose only 17.3 million BTU's per year, a savings of 84% over the Montana house.

Based on energy-use data compiled by Jim McNairy of Missoula, if all homes in Missoula County were to be upgraded to the H.U.D. standard we could expect a savings of about 1.97 trillion BTU's or \$6.73 million per year (based on 1979 figures). I am not, at the present time, suggesting that all homes be brought up to the H.U.D. standard, but rather am pointing out the magnitude of savings to Missoula county residents of one possible option.

This bill, H.B. 280, is necessary due to the fact that different communities within Montana have different climates. For example, due to the higher availability of solar energy during the winter months, communities in eastern Montana may be able to achieve similar energy savings through the use of solar gain with less strict insulation standards. Because of these climatic variations, I believe it would be best for each community to adopt its own insulation standards for maximum cost-effectiveness.

Thank You,
Gary Decker
Gary Decker, Chairman
Standards Committee,
Missoula Valley Energy
Conservation Board

360

300

250

200

MILLION

BTU PER

YEAR

150

①	②	③
MONTANA STANDARDS	H.U. D. STANDARDS	SUPER-INSULATED HOUSE
WALLS	R-11	R-42
FLOOR	R-11	R-30
CEILING	R-19	R-50
WINDOWS	DOUBLE PANE	TRIPLE-PANE
AIR CHANGE (PER HOUR)	1*	1/5

* NOT A CODE STANDARD

①

104.9

ATR CHANGE

19.8%

46.4% DEC.

②

562

WINDOW

8.0%

CEILING

6.9%

FLOOR

6.3%

WALLS

8.8%

83.9% DEC.

③

173

BTU INPUT AS FUNCTION OF
FURNACE EFFICIENCYBTU'S LOST THROUGH BUILDING ENVELOPE
AND INFILTRATION(15 1/2 sq. ft. House, 8 ft. walls, 15 %
of wall area in windows)

Amend HB 278 as follows:

1. Title, line 4.

Following: "PROMOTE"

Insert: "COMPREHENSIVE"

2. Title, line 7.

Following: "APPROPRIATING"

Strike: "\$1,000,000"

Insert: "\$250,000"

3. Page 3, line 4.

Following: "income"

Strike: "\$1,000,000"

Insert: "250,000"

Amend House Bill 280

1. Page 1, line 18.
Following: line 17
Strike: "stricter insulation"
Insert: "more stringent energy conservation"

NAME LEONARD J. LEE BILL No. 1000
ADDRESS 505 W. LEXINGTON DATE 2-17-81
WHOM DO YOU REPRESENT National Committee for the
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME H S HANSON BILL No. HB-280
ADDRESS HELENA DATE 2/17/80
WHOM DO YOU REPRESENT MT. TECHNICAL COUNCIL
SUPPORT _____ OPPOSE ☒ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

4.5280

CLIMATIC PROFILE FOR MISSOULA, MT.

Location:

Latitude: $46^{\circ} 55' N$

Longitude: $114^{\circ} 05' W$

Elevation: 3190

Annual:

Heating Degree Days: 7931

Cooling Degree Days: 188

Percent Possible Sunshine: 54%

Average Daily Solar Radiation: —

Average Wind/Speed Direction: 6.1 MPH/NW

Average Temperature: $43.7^{\circ} F$

Average Atmospheric Pressure: 905.0 mb

Winter:

Average temperature: $31.5^{\circ} F$

ASHRAE - Design Dry Bulb (97.5%): $-6^{\circ} F$

Degree Hours less than $68^{\circ} F$ (DB): 216480

Summer:

Average temperature: $63.8^{\circ} F$

ASHRAE - Design DB/WB (2.5%): 88/61 $^{\circ} F$

ASHRAE - Mean Daily range: $36^{\circ} F$

ASHRAE - Design Wet Bulb (2.5%): $63^{\circ} F$

ASHRAE - Humidity Ratio (2.5%): .0066

Degree Hours greater than $78^{\circ} F$ (DB): 2778

13280

CLIMATIC PROFILE FOR HELENA, MT

Location:

Latitude: 46° 36' N

Longitude: 112° 00' W

Elevation: 3828

Annual:

Heating Degree Days: 8190

Cooling Degree Days: 256

Percent Possible Sunshine: 61%

Average Daily Solar Radiation: 1375 BTU/SF/DAY

Average Wind Speed/Direction: 7.9 MPH/WEST

Average Temperature: 43.2°F

Average Atmospheric Pressure: 880.9 mb

Winter:

Average temperature: 31°F

ASHRAE - Design Dry - bulb (97.5%): -16°F

Degree Hours less than 68° F (DB): 218,482

Summer:

Average temperature: 63°F

ASHRAE - Design DB/WB (2.5%): 88°/60°F

ASHRAE - Mean Daily range: 32°F

ASHRAE - Design Wet - bulb (2.5%): 62°F

ASHRAE - Humidity Ratio (2.5%): .0064

Degree Hours greater than 78° F (DB): 2136

AB 280

CLIMATIC PROFILE FOR GREATFALLS MT

Location:

Latitude: 47° 29' N

Longitude: 111° 22' W

Elevation: 3662

Annual:

Heating Degree Days: 7652

Cooling Degree Days: 339

Percent Possible Sunshine: 63%

Average Daily Solar Radiation: —

Average Wind/Speed Direction: 13.4 / SW

Average Temperature: 44.9°F

Average Atmospheric Pressure: 887.7

Winter:

Average temperature: 32.8°F

ASHRAE - Design Dry Bulb (97.5%): -15°F

Degree Hours less than 68° F (DB): 212,317

Summer:

Average temperature: 65.9°F

ASHRAE - Design DB/WB (2.5%): 88/60°F

ASHRAE - Mean Daily range: 28°F

ASHRAE - Design Wet Bulb (2.5%): 62°F

ASHRAE - Humidity Ratio (2.5%): .0062

Degree Hours greater than 78° F (DB): 3089.4

NAME W. JAMES KEMPEL BILL No. 360

ADDRESS 1100 KNIGHT DATE Feb. 17, 1931

WHOM DO YOU REPRESENT DEPT. OF ADMINISTRATION

SUPPORT OPPOSE AMEND

Our position is one of neutrality.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY!

Comments: *Appearing to offer information and
Answer questions. See attached sheet.*

BUILDING CODES DIVISION
STATEMENT OF W. JAMES KEMBEL, ADMINISTRATOR
CONCERNING H.B. 280

The following should be considered when reviewing H.B. 280.

~~The degree days across the state of Montana are fairly consistent. Therefore, if increased insulation is desirable in one area, it is more than likely desirable for all areas in Montana.~~

The mechanism for increasing energy requirements is currently contained in the law. If a local government agency feels a change is necessary, they would submit a suggested change to the Department, it would be drafted in rule form, reviewed by the Montana Building Codes Advisory Council, advertised for public hearing, and if after the public hearing the change is considered necessary, it will be implemented statewide.

Uniform statewide codes reduce the confusion for the general public. In addition, future federal energy requirements may be predicted on a statewide uniform code enforcement program.

NAME Karen Strickler BILL No. 280
ADDRESS 1500 Jerome Place, Helena DATE 2/17/84
WHOM DO YOU REPRESENT League of Women Voters of Montana
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: please see prepared statement

LEAGUE OF WOMEN VOTERS OF MONTANA

Testimony in support of HB 280: To Permit a Local Governing Body to Adopt
Building Regulations Requiring Stricter
Insulation Standards...

February 17, 1981

The League of Women Voters of Montana asks your support for HB 280. Increased
insulation standards are one way for communities to foster energy conservation.

Such standards are not likely to be adopted without broad community support.

We ought to allow communities many possible options for dealing with the energy
situation. This is one reasonable option and we urge your support.

Karen Stricker

NAME Edith BILL No. 712
ADDRESS 2021 7th Ave DATE _____
WHOM DO YOU REPRESENT 1st Amendment
SUPPORT _____ OPPOSE / AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Mr. Chairman, Members of the Board

I am Ann Wilsnack, representing the Alternative Energy Resources Organization. I stand in strong support of House Bill 280 as it is amended.

If the energy crisis is indeed a crisis we must give our local governments tools with which to reduce energy waste.

Most of our energy dollars are exported out of local economy and often out of the country. This means that money spent on energy is a drain on the local economy. Money spent on and saved by conservation will be cycled through out the local communities making them more prosperous.

Davis Calif is a model city whose local building codes have enabled it to conserve $\frac{1}{2}$ of the energy it would otherwise waste.

To quote Ron Broward a builder in Davis for 16 years, ^{quote} "I was opposed to the Ordinance when it was adopted because I felt the estimated added cost to meet the requirements would not result in a like amount of energy saved. I also felt after having built several hundred homes I knew how to build energy conserving homes better than the young men who proposed the ordinance. I was wrong and

quote " I now believe the Davis
Energy ordinance should be a model
for all homes being built. The added
cost is minimal.

The Davis Energy ordinance does
work and I am firmly convinced that
the result will be less energy consumption
and lower utility bills for the consumer.
unquote

I urge you to empower local governments
to legislate for conservation by giving
a do pass recommendation for House
Bill 280.

1 The Davis Experiment, One Cities plan to save
Energy, 1977 by The Elements, 1747 Connecticut Ave
Washington, D.C. 20009.

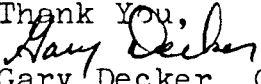
The following is entered as a supporting document for
H.B. 280.

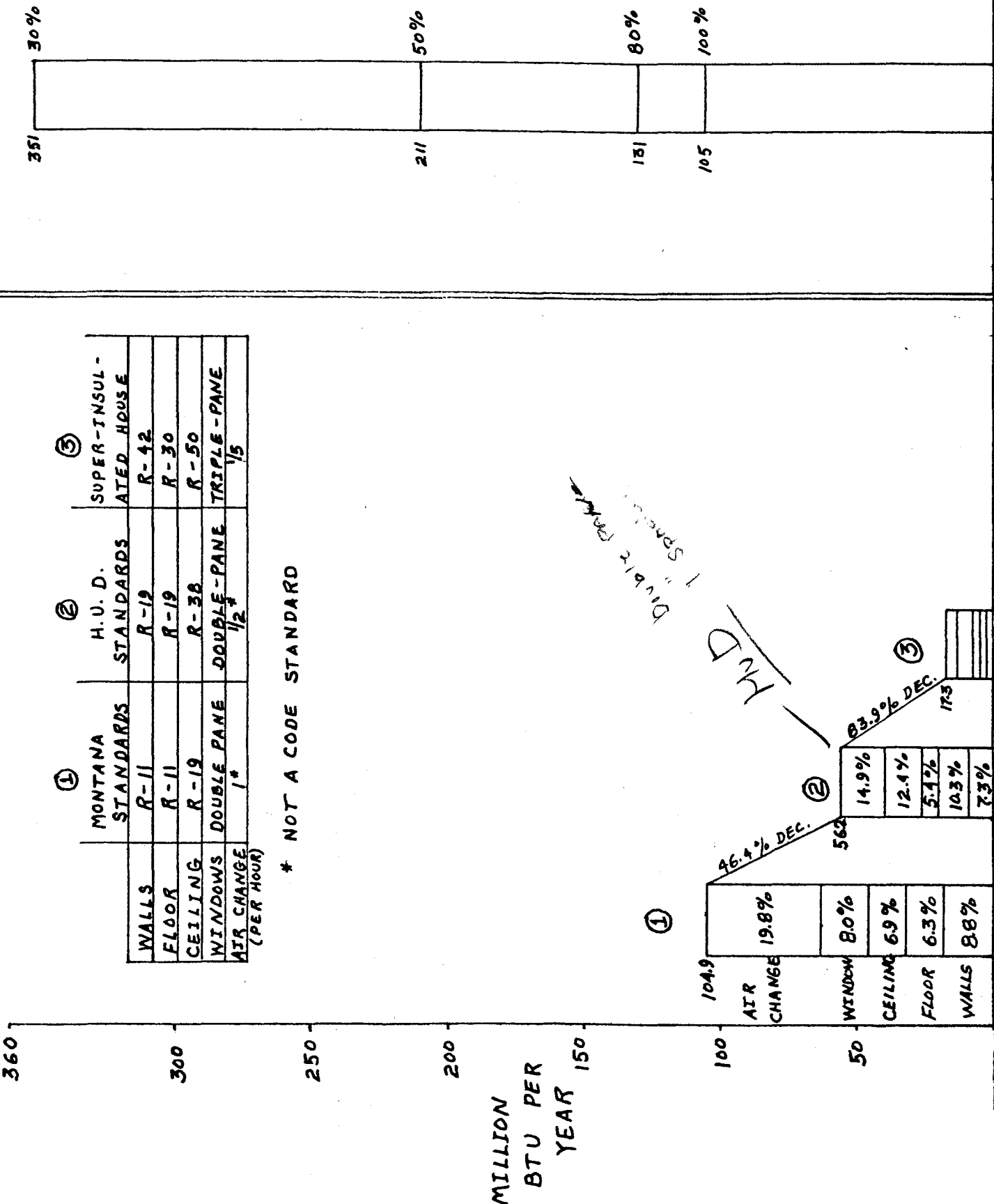
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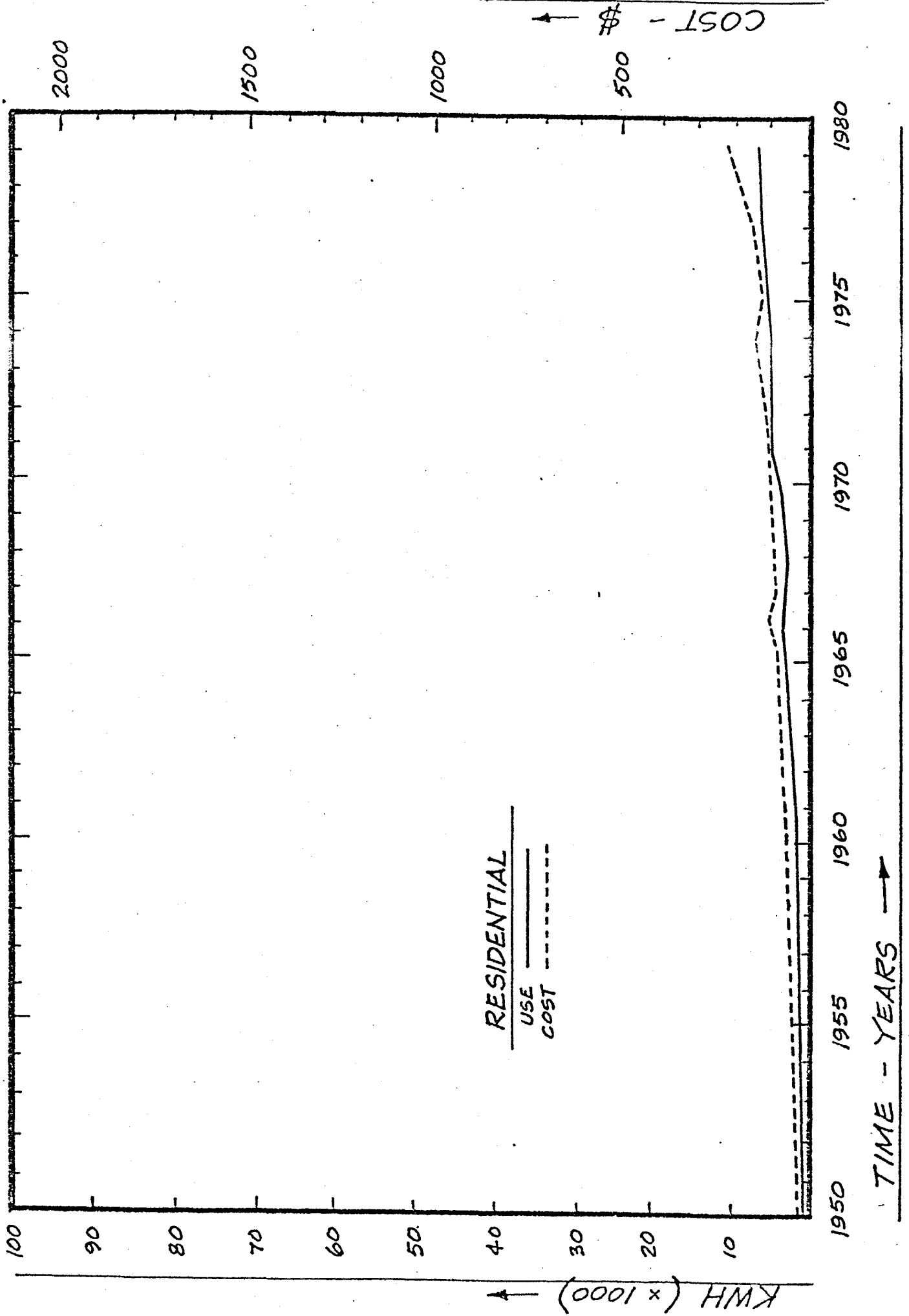
Thank You,

Gary Decker, Chairman
Standards Committee,
Missoula Valley Energy
Conservation Board



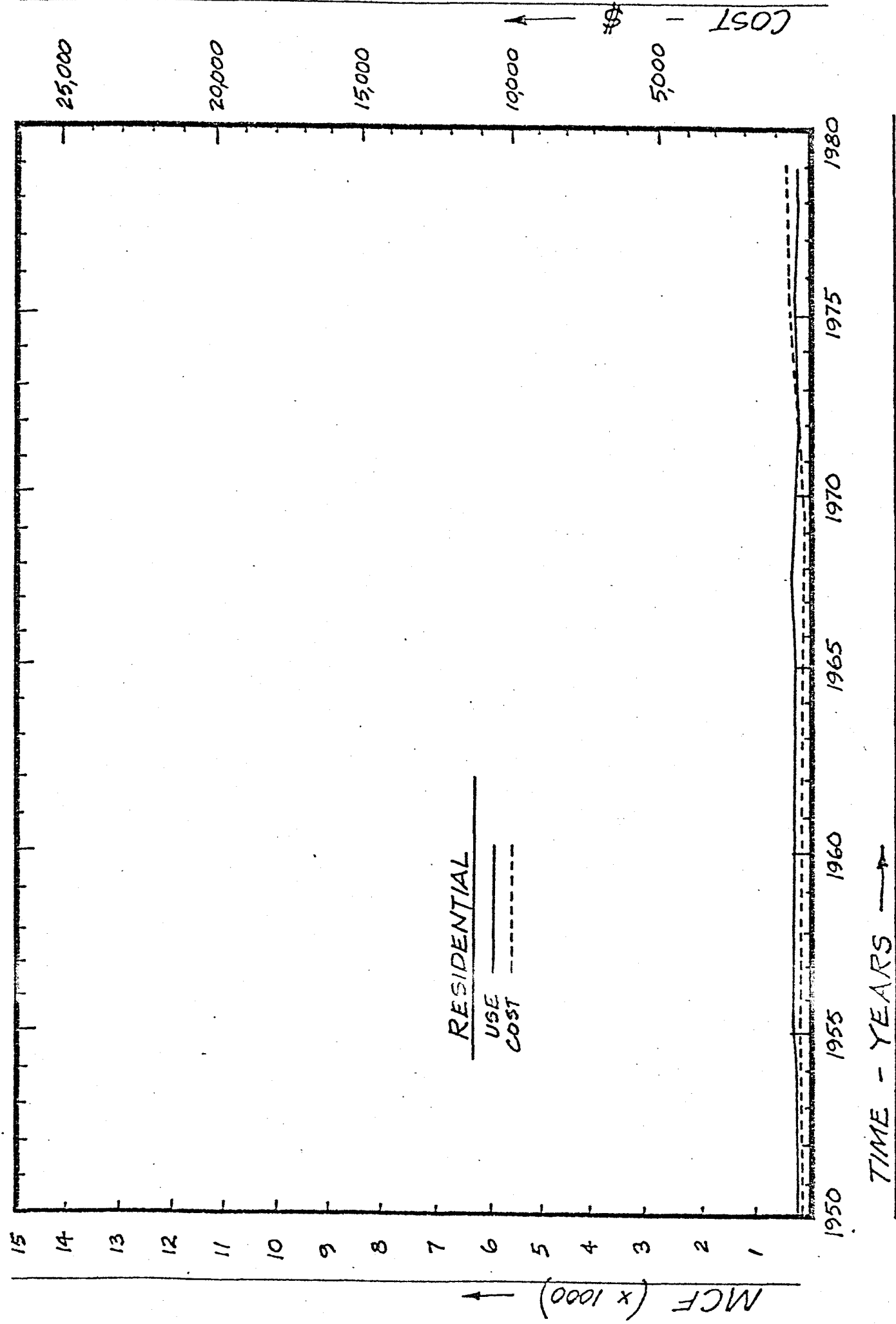
BTU'S LOST THROUGH BUILDING ENVELOPE AND INFILTRATION (1512 sq. ft. House, 8 ft. walls, 15% infiltration)

BTU INPUT AS FUNCTION OF FURNACE EFFICIENCY

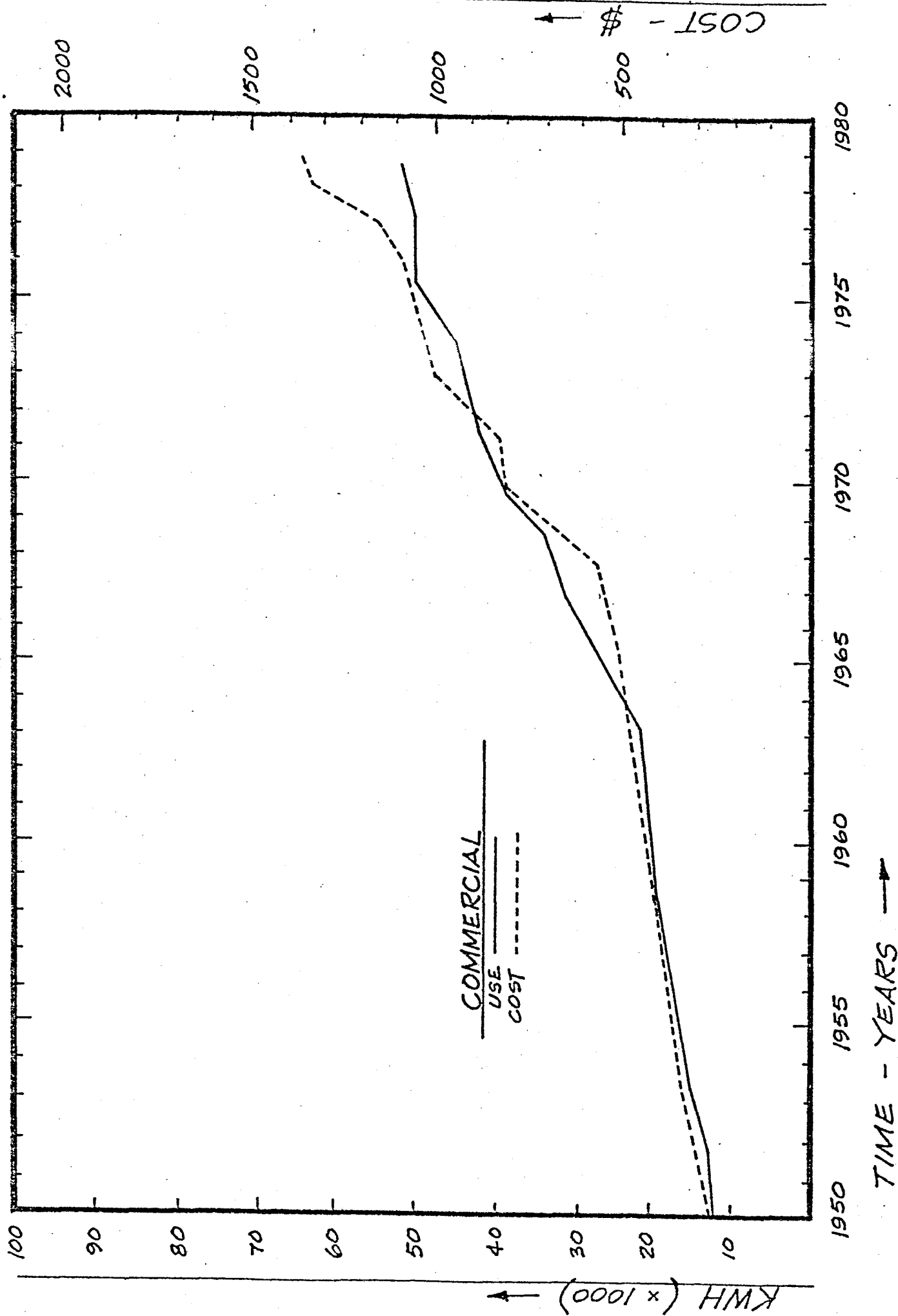
ELECTRICITY, USE, COST



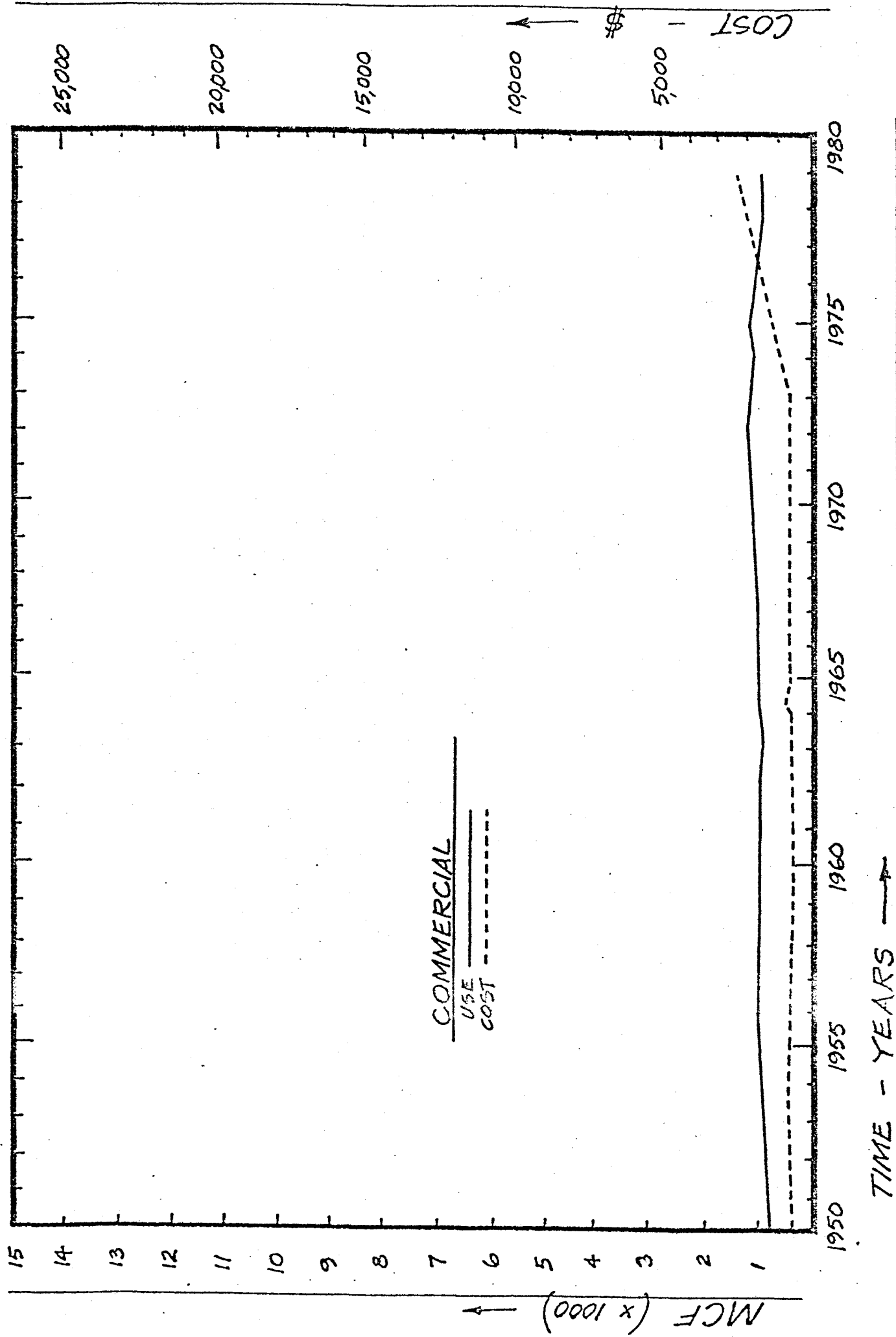
NATURAL GAS, USE & COST



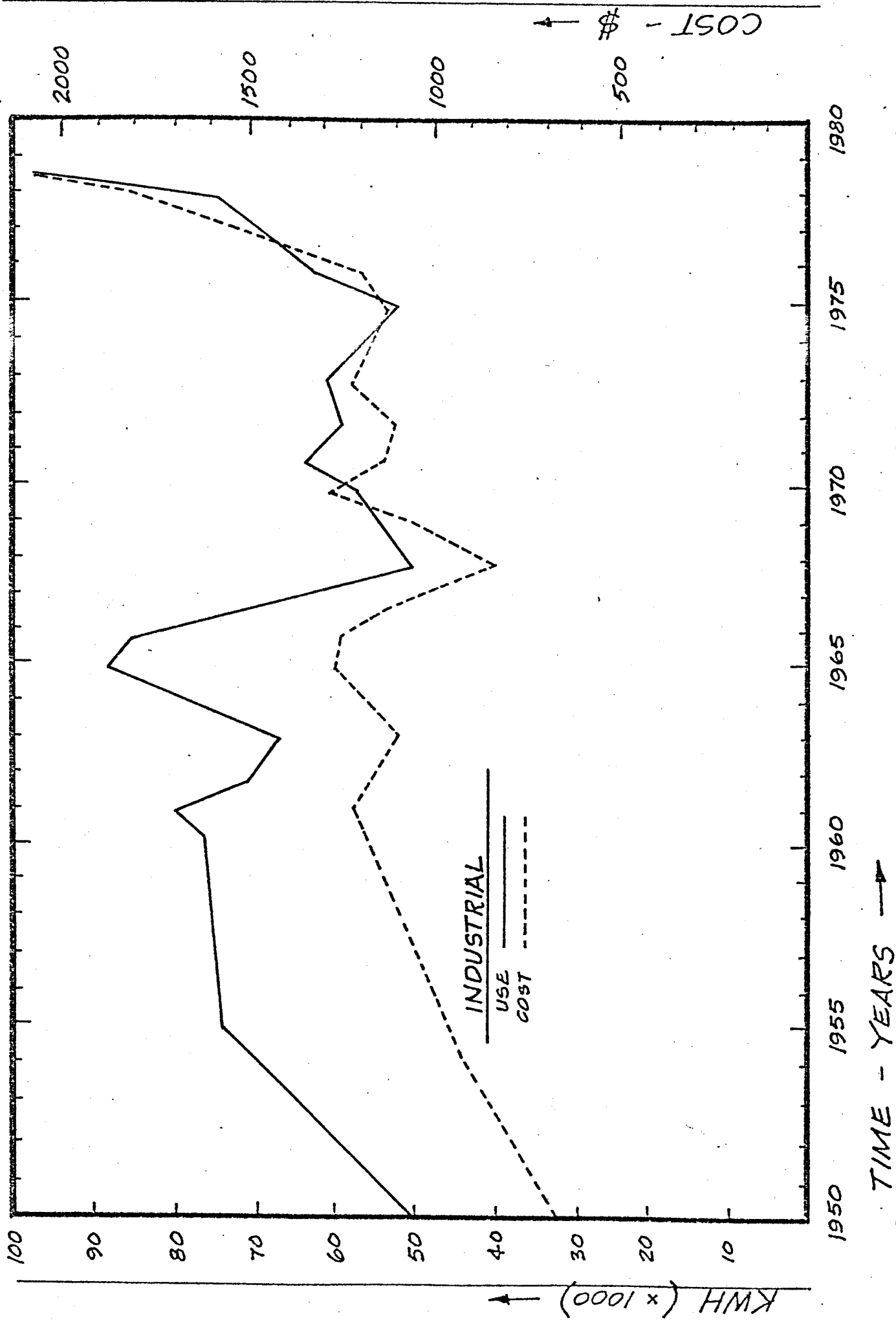
ELECTRICITY, USE, COST



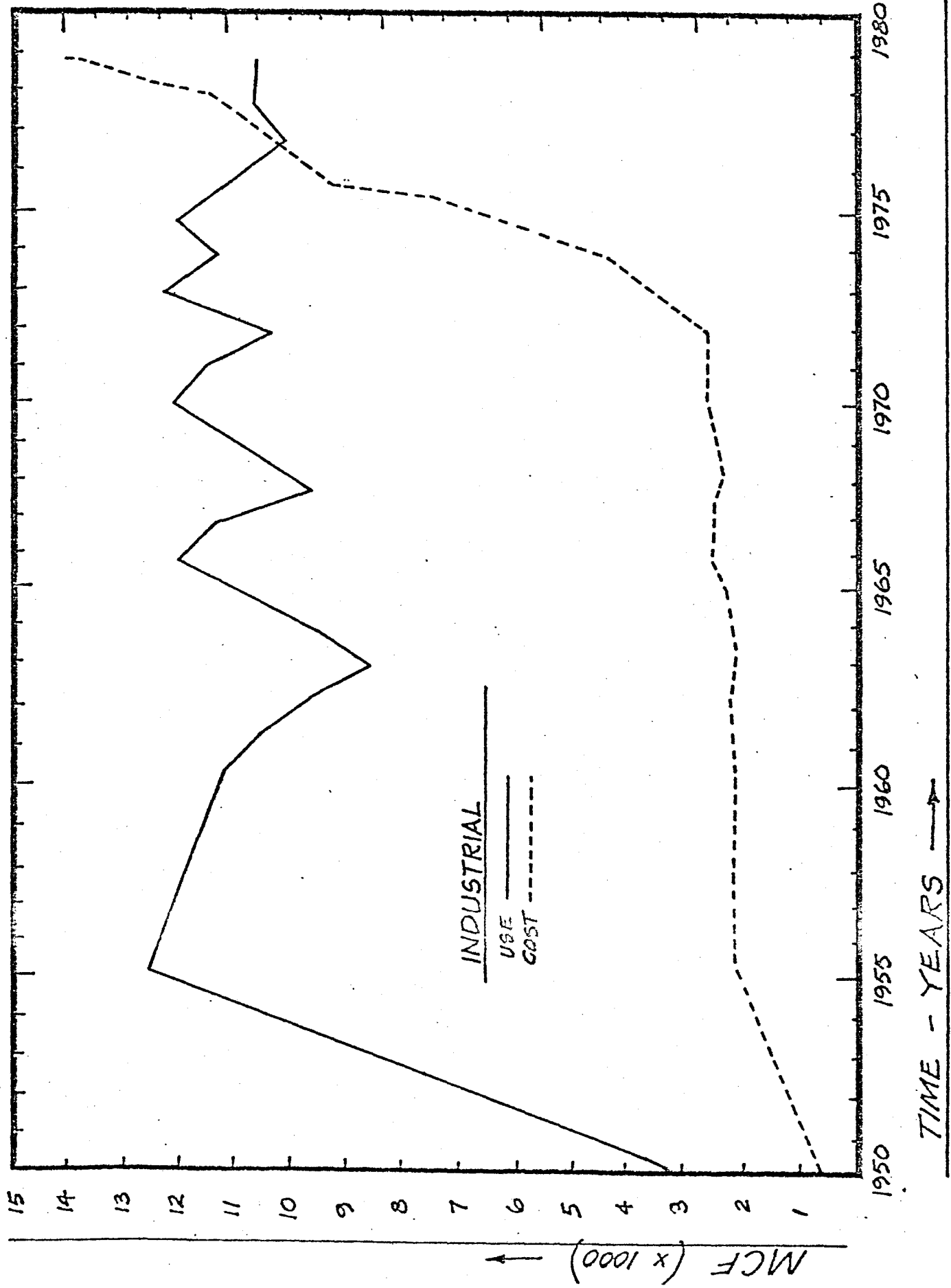
NATURAL GAS, USE & COST



ELECTRICITY, USE & COST



NATURAL GAS, USE & COST



VISITORS' REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

FILE HB 278

Date Feb. 17, 1981

SPONSOR _____

12:30 p.

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

LEAGUE OF WOMEN VOTERS OF MONTANA

Testimony in support of HB 278: An Act to Promote Energy Planning by Local Governments through Grants...

February 17, 1981

In recent years we have seen rapidly rising energy costs eating up larger and larger chunks of city and county budgets. Money which might have gone toward long-range planning is instead going to pay for heating and transportation costs. Without a comprehensive plan of attack, these costs will continue to escalate. Our local governments need assistance to halt this cycle.

The League of Women Voters supports all three criteria stated in the purpose of this bill: "savings of traditional energy sources, development of renewable energy systems, and broad community involvement." We believe people working together at all levels can create plans which will help solve our energy problems. We ask you to give HB 278 a "do pass" recommendation.

Karen Strickler

NAME Karen Strickler BILL No. 278
ADDRESS 1500 Jerome Pl. Helena DATE 2/17/81
WHOM DO YOU REPRESENT League of Women Voters of Montana
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: please see prepared statement

Statement of Intent - HB 278

1. A statement of intent is required for this bill because it grants rulemaking authority to the Department of Natural Resources and Conservation in section 3.
2. Not contemplated in this act is the use of grants where other funds may be available or for the use of specific energy saving applications. The grants are to be awarded for the analysis of a community's energy use, so that by viewing the community as an energy use system the community may comprehensively address its energy efficiency and hence effectively allocate its resources where they will provide the greatest good.
3. The authority delegated to the Department of Natural Resources and Conservation by House Bill 278 is for the purpose of establishing the procedure for submitting applications for grants under the act and establishing the review procedure and criteria under which the department will determine the sufficiency of applications and the award of grants.

Amend HB 278 as follows:

1. Title, line 4.

Following: "PROMOTE"

Insert: "COMPREHENSIVE"

2. Title, line 7.

Following: "APPROPRIATING"

Strike: "\$1,000,000"

Insert: "\$250,000"

3. Page 3, line 4.

Following: "income"

Strike: "\$1,000,000"

Insert: "250,000"

HOUSE BILL 278
TESTIMONY IN SUPPORT OF ENERGY MANAGEMENT PLANNING
BY TOM PELLETIER
FEBRUARY 17, 1981

There is a definite need for local government and communities to address the problems related to energy supply and costs. I have been working with community groups, individuals and local governments around the United States for several years and have seen the values of local energy management programs.

Butte has become an energy center and is proud to be the home base for the Montana College of Mineral Science and Technology, Montana Power's general offices, the Montana Energy Research and Development Institute, Anaconda Company, the National Center for Appropriate Technology and the National MHD (Magnetohydrodynamics) Project.

Butte is an energy conscious area and we are acutely aware of the problems facing the future of local governments and the community as a whole. In the spring of 1980, the local Butte-Silver Bow Government and the National Center for Appropriate Technology (NCAT) set out to develop an energy management program for Butte-Silver Bow. Many communities from throughout the United States have asked NCAT for help in solving their local energy problems and NCAT has responded through grants, technical assistance and information.

Communities throughout Montana and the United States are being hit with some very serious energy problems. Something must be done before it is too late. Positive, constructive efforts must be made to get a handle on local energy problems and to direct the communities towards a course of energy efficiency.

In the United States there is a great deal of waste in our energy systems. Many studies indicate 40-50% of our energy consumed in the United States is wasted and could be saved through conservation efforts.

The Harvard Business School Report - Energy Futures by Staubach and Yergin suggest that at least 40% of all energy consumed by a community could be saved. Amory Lovins claims it is more like 50%.

Communities are faced with severe problems of energy costs taking more and more out of the local government budget and draining increasing amounts out of the local economy. Energy costs in Butte-Silver Bow were approximately \$16,500,000 in 1969 that jumped to \$46,500,000 in 1979 and will be about \$139,063,500 in 1989. These figures are for the same exact amounts of energy for each year. The increases over a 20 year period are staggering and even more impressive when you realize that a large percentage of that money goes directly out of the community (50% - 80%).

The problems exist and something can be done on the local level. We need to reorganize our priorities, goals and incentives. We must cooperate and try to turn our communities and our people into more wise and efficient energy users. Production, consumption and competition should no longer be the name of the game. Using our resources wisely and efficiently will be most beneficial for everyone.

There is a need for an energy plan in this country and there is an even bigger need for thousands of energy plans, all across the United States, in every community. Interested, involved, committed people can make a difference and they are: Portland, Oregon has saved millions of dollars through efficient energy use; Davis, California has adopted model solar laws that require solar energy applications on all new buildings; Fitchburg, Massachusetts has weatherized almost the entire housing stock and saved significant amounts of money and energy; Boulder, Colorado, Jackson Hole, Wyoming, Madison, Wisconsin and many other communities have completed energy studies for their communities and have developed energy management plans that are designed to help

reach the goal of energy efficiency. The application of energy conservation wherever applicable and the use of renewable energy must be pursued.

The concept of community energy management planning is new, yet it is extremely important and has proven to be very successful. There are big savings to be made and many communities are presently reaping the profits of their energy management projects.

This bill will be very good for Montana's local governments and local communities to start plugging up the leaks in their own cities and towns and it would encourage local jobs in energy conservation work and renewable energy development. A national study by the Department of Labor shows that there are about three times more jobs created in energy conservation and renewables as for the same amount of money that is spent on nuclear.

This legislation would allow communities an opportunity to go to work now to try and stay out of serious trouble in the energy world in the future. Communities and local governments need assistance in this difficult task. There are large amounts of energy and money to be saved for Montana communities through energy management. It is not only good economic sense to set up local community energy management, but it is an increasingly important security issue. The more efficient a community and the more local renewable energy sources that have been developed, the better off the community is. The community will be more stable and less vulnerable to any future problems due to energy shortages or power outages. I would like to quote from Thomas Jefferson, (September 28, 1820) "I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion."

support this needed piece of legislation.



the National Center for Appropriate Technology

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December 1980

Contact: Tom Pelletier

COMMUNITY ENERGY MANAGEMENT METHODOLOGY

A community Energy Management Program is intended to make a community more energy efficient and energy-independent. To be successful, such a program must address all areas of community energy consumption and must enlist the support of a wide variety of groups and individuals.

For purposes of this discussion, "community" is defined as any city/town, county or Indian tribe that has a local governing body. This governing body is responsible for administering policies and programs which help determine the energy-use pattern of the community.

The nine-point method presented below will assist communities in designing successful energy management programs. The method is a general guide; it should be understood that every community is different and therefore every CEMP will differ in its specifics. The order of the method is not hard-and-fast; steps can be switched or can occur simultaneously.

1. ORGANIZE

It is crucial that a CEMP establish credibility in the community from the programs' inception. Program leaders must quickly determine which groups and individuals should be contacted and what kind of energy management structure will work best for the particular community.

An advisory committee is vital in the initial stages of a CEMP. The advisory group should represent key community elements, including local government, utility companies, non-profit organizations, industry, schools, neighborhood groups, businesses and others. The diversity of the committee makes it much easier to reach all segments of the community.

Local resources should be assessed and utilized. It is a good idea to get as much support as possible from the various groups--in-kind services, financial support and volunteers. The organizers should always be diplomatic and positive in generating support for the program, and emphasize its positive impact on local residents.

2. INVESTIGATE EXISTING RESOURCES

Don't reinvent the wheel. Review and analyze existing literature from ongoing and completed CEMP projects in various locations around the United States. Talk to and learn from others who have coordinated those projects; their experience and insights can help you identify the important steps in the process and avoid common pitfalls.

3. DEVELOP A SOCIOECONOMIC PROFILE

Obtain information on population trends, income levels, employment, trade, housing conditions, industry, utility hookups, transportation and communications networks, motor vehicle registration, agriculture, local government, lending institutions, land use and educational facilities. Carefully evaluate such information to get a clear sense of the community's evolution, its needs, its people and most importantly, its direction and goals for the future.

4. CONDUCT A COMMUNITY ENERGY STUDY

Analyze energy consumption data for the entire community. The study must address energy-use patterns from all of the following sectors: residential, commercial, industrial, transportation, city/county government, agriculture, non-profit organizations and other agencies.

Much of this data may be available through the local utility company, local government, state energy office and other agencies. Establishing a good working relationship with these organizations is very important. Don't become a nuisance: Get the information and data that is available and fill in the blanks with good educated estimates.

5. PROJECT FUTURE ENERGY NEEDS

Analyze the past (1950-1980) and present community energy situations and make projections of future energy use and costs. Calculate the economic, social, environmental and political impacts of continued traditional energy development. Use these projections and calculations to build a strong case for energy conservation and renewable energy development.

6. DEFINE THE POTENTIAL OF ENERGY ALTERNATIVES

Describe the economic benefits of conservation and identify practical conservation techniques. Inventory the locally-available renewable energy resources and assess current technologies for utilizing these resources.

7. SURVEY THE COMMUNITY

Size up residents' attitudes toward conservation and renewable energy use. Determine their current level of awareness and activity in these areas and assess the potential for energy savings.

8. REACH OUT TO THE COMMUNITY

Community outreach and public awareness activities are vital to the success of a Community Energy Management Program. Start an information campaign to generate interest. Enlist the local radio and television stations and the daily newspaper to get groups and individuals involved with the program. Distribute information on energy conservation, energy planning, and renewable energy options; brochures can be prepared by program staffers or acquired from various organizations such as the U.S. Department of Energy, the State Energy Office and the local utility. Contact and cooperate with community service organizations as much as possible. Conduct hand-on workshops, demonstration projects (such as low-cost/no-cost measures) and other educational activities.

9. IMPLEMENT THE POLICIES AND PROGRAMS

The final activity of the CEMP is to implement the policies and programs that promote energy conservation and renewable energy use. This process involves the entire community and its legal bodies.

Legislation must be drafted; study areas include transportation systems, energy education programs, tax policies and economic incentives. Local regulations and ordinances, such as zoning and building codes, must be reviewed and revised. Personal lifestyles and energy use patterns must be evaluated.

Remember, the success of a Community Energy Management Program is measured by the amount of energy saved.

STANDING COMMITTEE REPORT

February 21, 1961

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 278

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROMOTE ENERGY PLANNING BY LOCAL GOVERNMENTS THROUGH GRANTS ADMINISTERED BY THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION; AND APPROPRIATING \$1,000,000 FOR THE GRANT PROGRAM."

HOUSE

278

Respectfully report as follows: That..... Bill No.

Amend House Bill 278, introduced copy, as follows:

1. Title, line 4.
Following: "PROMOTE"
Insert: "COMPREHENSIVE"
2. Title, line 7.
Following: "APPROPRIATING"
Strike: "\$1,000,000"
Insert: "\$250,000"
3. Page 3, line 4.
Following: "income"
Strike: "\$1,000,000"
Insert: "\$250,000"

STATEMENT OF INTENT ATTACHED

DO PASS AS AMENDED

DO PASS

Amendment to House Bill 278
Page Two

Statement of Intent - House Bill 278

1. A statement of intent is required for this bill because it grants rulemaking authority to the Department of Natural Resources and Conservation in section 3.
2. Not contemplated in this act is the use of grants where other funds may be available or for the use of specific energy saving applications. The grants are to be awarded for the analysis of a community's energy use, so that by viewing the community as an energy use system the community may comprehensively address its energy efficiency and hence effectively allocate its resources where they will provide the greatest good.
3. The authority delegated to the Department of Natural Resources and Conservation by House Bill 278 is for the purpose of establishing the procedure for submitting applications for grants under the act and establishing the review procedure and criteria under which the department will determine the sufficiency of applications and the award of grants.

STANDING COMMITTEE REPORT

February 21,

1921

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 280

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 50-60-301, MCA, TO PERMIT A LOCAL GOVERNING BODY TO ADOPT BUILDING REGULATIONS REQUIRING STRICTER INSULATION STANDARDS THAN THOSE OF THE STATE BUILDING CODE."

HOUSE

280

Respectfully report as follows: That Amend House Bill 280, introduced copy, as follows: Bill No. 280

1. Page 1, line 16.
Following: line 17
Strike: "stricter"
Insert: "more stringent"

DO NOT PASS AS AMENDED

DO PASS

STANDING COMMITTEE REPORT

February 17, 1931

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 712

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT A VACANCY IN A MUNICIPAL ELECTED OFFICE BE FILLED BY THE CITY OR TOWN COUNCIL WITHIN 30 DAYS AND UNTIL A SUCCESSOR IS ELECTED TO FILL THE UNEXPIRED TERM OF THE OFFICE; AMENDING SECTION 7-4-4112, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HOUSE 712
Respectfully report as follows: That Bill No.

DO PASS