

MINUTES OF THE MEETING
LONG RANGE PLANNING SUBCOMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Long Range Planning Subcommittee was called to order by Chairman Rep. Robert Thoft on February 9, 1987 at 7:00 a.m., in Room 202B of the State Capitol.

ROLL CALL: All members of the Long Range Planning Subcommittee were present.

Tape 62:A:000

CAPITAL CONSTRUCTION PROJECTS

Executive Session

Madalyn Quinlan, Legislative Fiscal Analyst, presented the Long Range Planning Subcommittee with a fact sheet (Exhibit #1).

Department of Administration: (185)

Asbestos Abatement:

Action: Sen. Van Valkenburg MOVED to APPROVE \$500,000 for asbestos abatement. The MOTION CARRIED unanimously.

Roof Replacements:

Action: Sen. Van Valkenburg MOVED to APPROVE \$103,500 for roof replacements. The MOTION CARRIED unanimously.

Handicap Modifications: (343)

Action: Rep. Bardanoue MOVED to APPROVE \$206,390 for handicap modifications. Sen. Van Valkenburg made a substitute motion to APPROVE \$235,700 for handicap modifications. The MOTION CARRIED with Rep. Bardanoue voting no.

Fire Protection Capitol Complex: (419)

Action: Sen. Walker MOVED to APPROVE \$50,000 for fire protection in the Capitol Complex. The MOTION CARRIED with Chairman Thoft and Sen. Aklestad voting no.

Energy Retrofit: (480)

Action: Sen. Walker MOVED to APPROVE \$200,000 for energy retrofit. The MOTION CARRIED unanimously.

Department of Commerce: (62:B:000)

Replace Terminal Building Roof, Yellowstone Airport:

Action: Rep. Bardanouve MOVED to APPROVE \$65,000 to replace Yellowstone Airport roof. Rep. Bardanouve WITHDREW his MOTION when Sen. Walker said that he wanted to get more information on the project.

Montana School for
the Deaf and Blind: (071)

Action: Sen. McLane MOVED to APPROVE \$32,800 for the Montana School for the Deaf and Blind. Sen. McLane WITHDREW his MOTION.

Department of Military Affairs:

Roof Replacement:

Action: Sen. Van Valkenburg MOVED to APPROVE \$45,000 for roof repairs. The MOTION CARRIED unanimously.

Federal Spending Authority:

Action: Sen. Walker MOVED to APPROVE \$600,000 federal spending authority. The MOTION CARRIED with Sen. Aklestad voting no.

OIL OVERCHARGE

House Bill 621: (147)

Rep. Joe Quilici, introduced HB 621 to the Subcommittee.

Dave Hunter, Director, Office of Budget and Program Planning (OBPP), said the \$14.4 million of the oil overcharge monies includes HB 22 (passed in June 1986) for \$1.666 million.

Mr. Hunter said \$2 million would be for a revolving loan for retrofit of state buildings. (371)

Mr. Hunter said in regards to the low pressure sodium vapor lights (highways), the Bonneville Power Administration has provided monies to install these lights west of the continental divide.

Dave Lewis, SRS, presented the subcommittee with worksheets (Exhibit #2, #3). Mr. Lewis stated the executive budget will cut Low Income Energy Assistance Program (LIEP) from \$11 million to \$7.5 million. (469)

(63:A:000)

Bill Fogarty, Department of Commerce, said he was in favor of the trans loading facility.

Van Jamison, DNRC, presented the Subcommittee with a fact sheet (Exhibit #4). Mr. Jameson said the grants to the conservation districts are for agriculture energy conservation.

Bill Gosnell, Department of Highways, said there was an annual savings of \$36,000 west of the Continental Divide.

Viggo Anderson, Grain Growers Association, said he was in support of the bill. (131)

Evan Barrett, Butte Local Development Organization, Butte and Anaconda Chamber of Commerce, Gallatin, Missoula, Anaconda Development Council, said there will be an annual savings of \$4 million. Mr. Barrett stated 250 jobs will be created 90 primary jobs and 160 secondary jobs from the transloading facility. (194) Mr. Barrett said reduced shipping rates allow the market to expand.

Dave Fuller, Lewis and Clark County Commissioners Office, said he is in favor of the bill. (223)

Tom Marvin, Montana Local Government Energy Office, submitted a worksheet (Exhibit #5).

Fritz Tosberg, said he was in favor of the bill. (248)

Bill Kirkpatrick, Champion International, said he was in support of the bill.

House Bill #551: (311)

Rep. Jack Sands, presented a worksheet (Exhibit #6) for the Subcommittee. Rep. Sands said this program is better than LIEAP.

Jim Smith, Human Resource Development Council (HRDC), said House Bill 551 could be an insurance fund for fuel assistance. Mr. Smith stated the \$1.666 million appropriated in June 1986 will be spent by March 1987. (374)

Gary Griffith, Bozeman School District, said he is in favor of House Bill 621. (432)

Mark Filman, HRDC, said 30 home were weatherized with oil overcharge monies.

John Lahr, Montana Power Company, and Jim Morton, HRDC, said they are in favor of House Bill 551.

Martin Staley, said he supports House Bill 551.

Steve Caroo said he supports House Bill 551.

Sue Fifield, Montana Low Income Coalition (MLIC), said she is in favor of the bill. (63:B:000)

House Bill #653

Rep. Kelly Addy, presented the Subcommittee with a fact sheet (Exhibit #8).

Carol Visor, said she was in support of the bill.

House Bill #663

Rep. Mary Ellen Connelly, said this bill appropriates \$200,000 from the stripper well monies for energy conservation systems in new elementary schools.

House Bill #621

Ray Beck, DNRC, submitted his written testimony to the Subcommittee (Exhibit #9).

Nancy Matheson, Alternative Energy Resources Organization, said in 1982 farmers and rancher spent \$281 million in energy costs. Ms. Matheson stated \$500,000 is not high enough for grants to agricultural energy conservation. (177)

Jim Welsh said he was in favor of the bill.

Bill Hiett, Montana Weed Association, submitted a fact sheet (Exhibit #19).

Doug Johnson, said he is in favor of the bill.

Jo Brunner, Water Development Association, said she was in favor of the bill.

Mary Siccum, Head Waters Conservation District, said she was in favor of House Bill 621. (294) Ms. Siccum stated \$37,000 was an annual savings on the McHessor Dry Gulch Conservation gravity sprinkler system.

Ole Ueland said he submitted a work sheet (Exhibit #11).

Debbie Brammer, Montana Association of Conservation Districts, submitted a fact sheet (Exhibit #12). (450)

(64:A:000)

PROPOSALS

Montana Low Income Coalition (MLIC): (115)

Ms. Fifield presented a packet of worksheets (Exhibit #13).

The following people said they were in support of the proposal, Martha Dias, Karen Anderson, Greg Sanders, and Shirley Martell.

Carolyn Good, Concern Citizens Group of Great Falls, Miss Wheelchair Montana, said she is in favor of the proposal.

Babbitto Harry, submitted written testimony to the Subcommittee (Exhibit #18).

Denise Byrd, Concerned Citizen Coalition (CCC) submitted a worksheet (Exhibit #20). (382)

John Ortwein, Montana Catholic Conference, submitted written testimony to the Subcommittee (Exhibit #16).

Mary Schriber, CCC, submitted written testimony to the Subcommittee (Exhibit #17).

National Center for Appropriate Technology: (64:B:000)

Kathy Hadley, Vice President, development of NCAT, submitted a group of fact sheets (Exhibit #'s 21, 22, 23, 24, 25, 26). Ms. Hadley stated \$99,000 was appropriated for the research program that began in 1984.

Barbra Miller, NCAT, presented a slide show for the Subcommittee. (226)

Questions on Bills and Proposals:

Sen. Van Valkenburg asked a question in regards to the NCAT. He asked why there aren't funds available from the Western Energy Commission. Ms. Hadley said the western area power administration serves the equivalent of BPA in eastern Montana.

Bill Gosnell said 1,118 lights would be switched to the low pressure sodium vapor lights in eastern Montana.

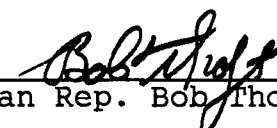
Jim Nolan, SRS, said the affordable heat plan would double the cost of the program. (482)

(65:A:000)

Bill Fogarty said the transloading facility's total cost is \$7-8 million.

Chairman Thoft asked if the NCAT would cease to exist without the \$99,000. Ms. Miller said yes.

ADJOURMENT: There being no further business the Long Range Planning Subcommittee adjourned at 11:30 a.m.



Chairman Rep. Bob Thoft

law

DAILY ROLL CALL

LONG RANGE PLANNING

SUBCOMMITTEE

DATE February 9, 1987

[illegible]

2/9/87

LONG-RANGE PLANNING SUBCOMMITTEE

Agenda

February 9, 1987

7:00 a.m. Executive Action- Capital Construction Program

8:00 a.m. Hearing on Oil Overcharge Proposals

**House Bill 621 (Quilici)
Governor's Proposal**

**House Bill 551 (Sands)
\$1,666,000 of Exxon overcharge monies in each of fiscal
years 1988 and 1989 for use in the low-income home
weatherization program. Total appropriation \$3,332,000
to SRS.**

**House Bill 653 (Addy)
\$100,000 of Stripper Well monies in each of fiscal years
1988 and 1989 to be used by SRS to match private
contributions to Energy Share, Inc.
Total Appropriation \$200,000 to SRS.**

**House Bill 663 (Connelly)
\$200,000 of Stripper Well monies for fiscal 1988 to
be used for grants to school districts for energy
conservation in new elementary schools. Total
appropriation \$200,000 to the Office of Public
Instruction.**

Other Proposals

**Montana Low Income Coalition
National Center for Appropriate Technology**

LONG-RANGE PLANNING SUBCOMMITTEE

Oil Overcharge Proposals 1989 Biennium

<u>Proposal</u>	<u>Exxon</u>	<u>Amoco</u>	<u>Stripper</u>	<u>Diamond Shamrock</u>	<u>Total</u>
* LIEAP (SRS)	\$4,660,958		\$1,089,042		\$5,750,000
Transloading Facility (Commerce)	2,100,000				2,100,000
Grants to Conserv Districts for Agric Energy Conservation (DNRC)	500,000				500,000
Retrofit of State Buildings (DNRC)	2,000,000				2,000,000
Institutional Conservation Pgm (DNRC)	1,089,042				1,089,042
Technical Assistance Local Govts (DNRC)	235,000				235,000
Low-Pressure Sodium Vapor Lights (Hwys)		\$124,000	87,000		211,000
State Energy Conserv Pgm for Small Energy Consumers (DNRC)	305,439		338,000		643,439
Low-Income Home Weatherization (SRS)	3,332,000				3,332,000
Energy Share (SRS)			200,000		100,000
Grants to School Districts (OPI)			200,000		200,000
Admin (DNRC)				\$234,916	234,916
Total Requests	\$14,222,439	\$124,000	\$1,914,042	\$234,916	\$16,495,397
	=====	=====	=====	=====	=====

* House Bill 621 also appropriates the remaining balance of the \$1,666,000 appropriation approved in House Bill 22 by the June 1986 special session.

OIL OVERCHARGE

Oil overcharge monies are allocated to states by the federal Department of Energy (DOE) or the federal court system as a result of litigation against oil companies overcharging for oil products. The funds are awarded as restitution. States must use the funds to assist those who were harmed as defined by DOE criteria.

Oil overcharge monies may not be used to replace state funds and may only be used in authorized program areas. Under DOE regulation, oil overcharge monies are to be allocated by the Governor. He must make signed assurances to the court and DOE that the funds will be expended according to the established criteria. A plan must be submitted for approval to DOE prior to expenditure of funds.

Funds available:

	Award Amount	Interest as of June 30, 1987	Total
Exxon	\$ 9,584,666	\$ 971,773	\$10,556,439
Stripper	3,290,875	223,167	3,514,042
Diamond Shamrock	220,444	14,472	234,916
Amoco	124,000	0	124,000
Total	\$13,219,985	\$1,209,412	\$14,429,397

Limits on usage of funds:

Exxon monies may be spent only on the following 5 approved programs administered by the indicated agencies:

- 1) State Energy Conservation Program - DNRC
- 2) Institutional Conservation Program - DNRC
- 3) Energy Extension Service - DNRC
- 4) Low Income Energy Assistance Program (LIEAP) - SRS
- 5) Weatherization Assistance Program - SRS

Stripper, Diamond Shamrock and Amoco monies may be spent on the same programs as Exxon or on any of the following programs:

- 1) Highway and bridge maintenance and repair
- 2) Ridesharing programs (vanpooling, carpooling)
- 3) Public transportation projects
- 4) Residential or commercial building energy audits
- 5) Grant or loan programs for weatherization or other energy conservation equipment installation
- 6) Energy assistance programs
- 7) Airport maintenance or improvement
- 8) Reduction in airport user fees
- 9) Energy conservation or energy research offices and administration

Single Program Plan:

The Department of Energy requires that states present a single program plan for any monies allocated to the 5 programs eligible for Exxon expenditures. Any monies proposed for those programs must be allocated to DNRC or SRS to meet DOE criteria. Allocations to the additional programs eligible under "Stripper" may be made separately.

Governor's Allocation:

Legislation will be proposed to the 1987 legislative session to provide appropriations to implement the allocations.

Exxon:

1) \$1,666,000 to SRS for weatherization. This supports the appropriation made by the June Special Session for weatherization in FY87.

2) \$5,750,000 to SRS to create a trust fund for LIEAP and weatherization. The director of SRS will be allowed to spend the interest earnings on either program at his discretion. The director will be allowed to use the principal to replace federal funds if the allocation for either program is reduced.

3) \$2,100,000 to the Department of Natural Resources and Conservation (DNRC) to be administratively appropriated to the Department of Commerce for a grant to build a transloading facility. Commerce will accept proposals on a competitive basis from Montana communities to build the facility.

4) \$500,000 to DNRC for grants for energy conservation programs in agriculture.

5) \$235,000 to DNRC for a grant to the Montana Local Government Energy Office for technical assistance to local governments and school districts.

6) \$305,439 to the DNRC for the State Energy Conservation Program.

Stripper, Diamond Shamrock, and Amoco:

1) \$2,000,000 to DNRC for energy retrofit revolving loans for state buildings.

2) \$1,089,042 to DNRC for the institutional conservation program. These funds will be available to schools and hospitals on a competitive basis. The budget also contains approximately \$1 million of federal grant money, bringing the total funds available to schools and hospitals to \$2 million.

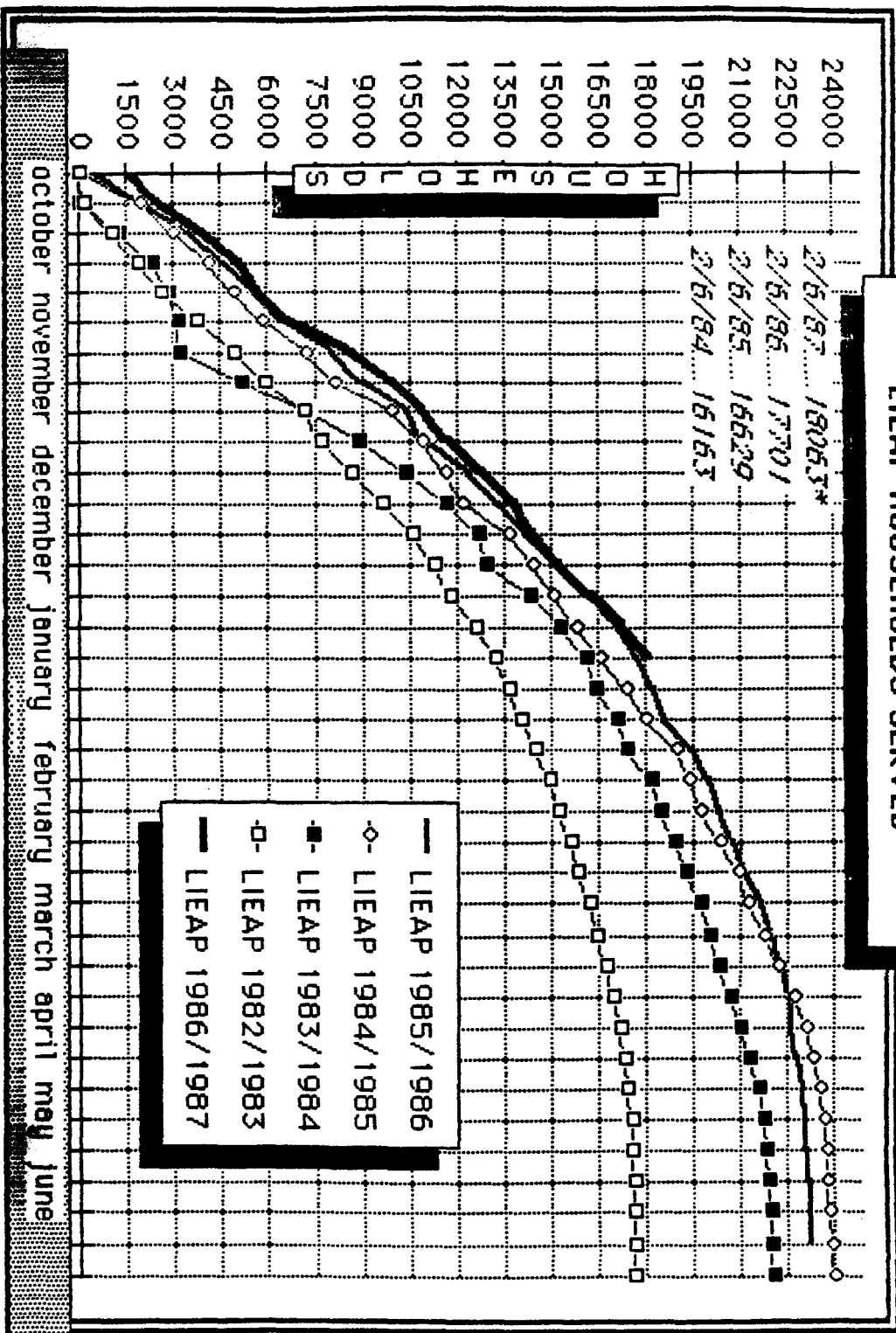
3) \$288,000 to DNRC for the State Energy Conservation Program.

4) \$50,000 to DNRC for energy conservation research and analysis.

5) \$234,916 to DNRC for administration of the Energy Conservation Programs. (Diamond Shamrock)

6) \$211,000 to the Department of Highways to install low pressure sodium vapor lights east of the divide.

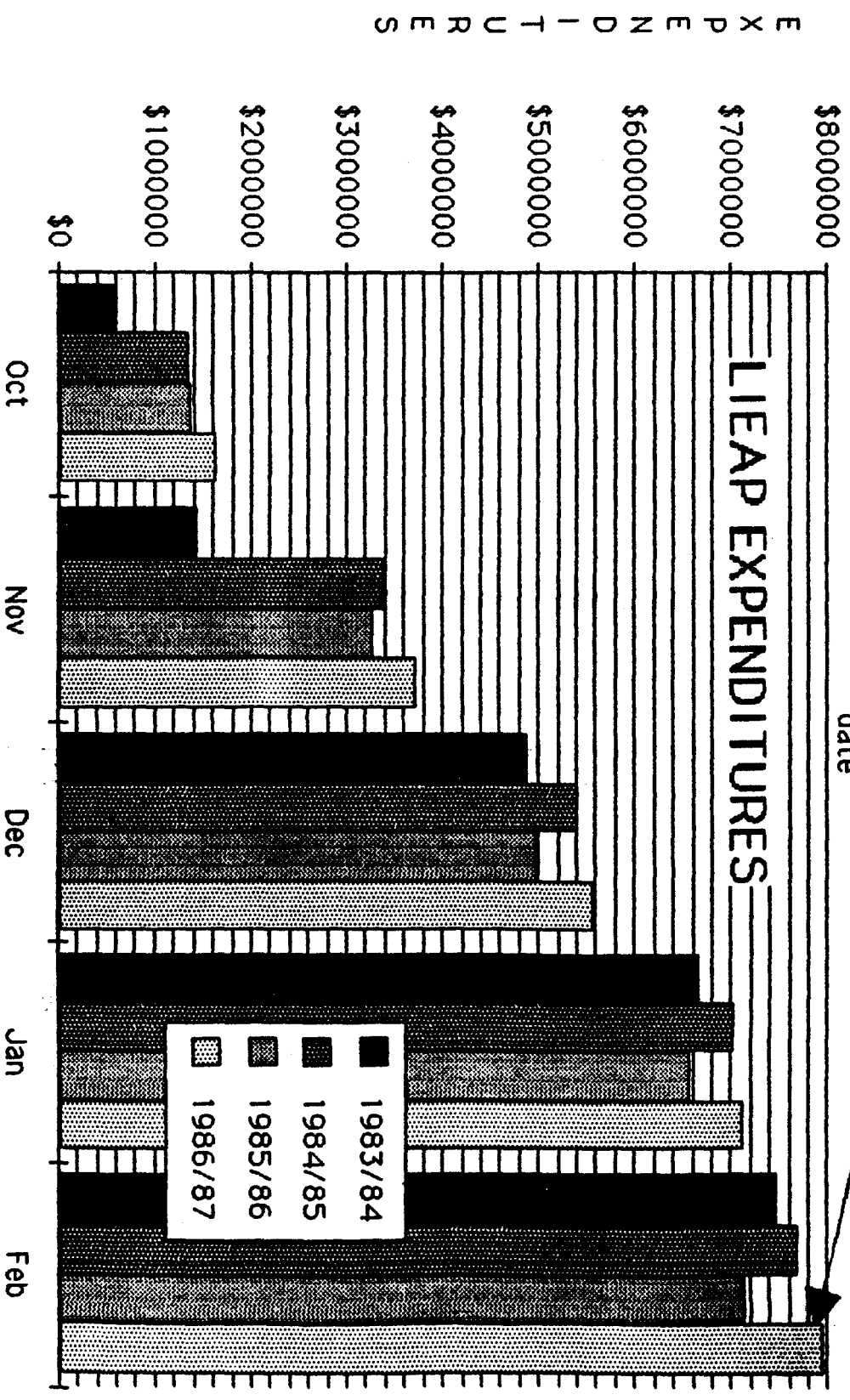
LIEAP HOUSEHOLDS SERVED



* An increase of 2,058
from last year ceased at this date.

2/9/87

Expenditures are 11.37% above last year at this date



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2/9/87

OIL OVERCHARGE FUNDING PROPOSAL
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
ENERGY DIVISION
OCTOBER 28, 1986

PROPOSALS ATTACHED:

PVE REQUEST

State Energy Conservation Program/Energy Extension Service	\$ 593,438
Institutional Conservation Program	1,089,042
Revolving Loan Program for State Buildings	2,000,000
Energy Conservation Research and Analysis	50,000
TOTAL	<u>\$3,732,480</u>

**OIL OVERCHARGE PROPOSAL
PROJECT INFORMATION**

Project Title: State Energy Conservation Program/Energy Extension Service

Description: The State Energy Conservation Program and the Energy Extension Service provide Montanans with technical and economic information on energy conservation so they can make informed decisions to conserve energy. Because of the similarities between the two programs, DNRC has combined them into one comprehensive proposal. Together, these programs serve the residential, commercial, agricultural, education and transportation sectors.

Project Budget:

OIL OVERCHARGE \$593,438
FUND REQUEST:

APPLICANT INFORMATION

Applicant: Montana Department of Natural Resources and Conservation

Address: 1520 East Sixth, Helena, MT 59620-2301

Telephone: (406) 444-6697

Contact Person: Van Jamison
Administrator, Energy Division

OIL OVERCHARGE PROPOSAL
STATE ENERGY CONSERVATION PROGRAM/
ENERGY EXTENSION SERVICE

Objective

To conserve energy in the residential, commercial, agricultural, education and transportation sectors. These programs provide Montanans with technical and economic information on energy conservation so they can make informed decisions to conserve energy and consequently to reduce energy costs. This proposal would maintain current level services statewide through the 1988-89 biennium.

Background

Through a variety of state, regional and federal energy programs, the Department of Natural Resources and Conservation has established itself among Montanans as a source of accurate, unbiased information on energy conservation and renewable energy. DNRC's activities range from research and analysis to dissemination of information on what does and does not work in Montana. The State Energy Conservation Program (SECP) and the Energy Extension Service (EES) transfer information learned through this research to the residential, commercial, education and transportation sectors. SECP and EES are the only programs serving these sectors that operate statewide and that cover all fuels.

DNRC operates a similar program through the Bonneville Power Administration, although the Bonneville program deals only with electricity and is limited to western Montana. In many cases, SECP and EES transfer information learned in Bonneville programs to eastern Montana residents and thus ensure that all Montanans have access to similar information and services. The programs also enable DNRC to provide a more balanced perspective by providing information on non-electric heating sources such as natural gas, wood and propane.

Under these programs, DNRC provides specific technical information to its various audiences, outlining which energy conservation measures are relevant for their particular situations. DNRC also conducts more general information activities to increase consumer awareness of the cost effectiveness and long-term benefits of energy conservation. Through this approach, the programs not only cause immediate energy and cost savings but also create long-term capability for acquiring energy conservation in the future.

Creating acceptance and awareness among various publics is a long-range effort. Repeated exposure to a basic concept is usually necessary for an individual or group to attain sufficient familiarity to even consider investigating it for their own use. These programs enable DNRC to maintain a level of activity necessary to preserve this public awareness.

Program Description

Energy products and issues change rapidly, with new technologies developing yearly. DNRC adjusts its activities accordingly, updating information, adding new projects, and dropping work that is outdated or whose objective has been

achieved. Projects chosen by DNRC are based on cost effectiveness of the technologies, benefits to the specific audience or to the general public, market research and public demand. The activities proposed here represent a continuation of current services; the projects themselves are either new activities or updates of existing activities.

RESIDENTIAL CONSUMERS

A. Workshops -- For consumers, DNRC will conduct statewide workshops on energy-efficient new homes, energy retrofits to existing homes, and energy-saving window treatments. Additional workshops on related topics also may be offered.

B. Publications -- DNRC will continue to publish information on state-of-the-art energy technologies and practices. Several new publications are planned, along with updates of existing DNRC publications in greatest demand. Proposed residential publications include new generation natural gas furnaces and demand (tankless) water heaters.

C. Information Centers -- DNRC will continue its network of 62 Energy Information Centers in county courthouses and libraries across the state. The centers offer free DNRC publications on energy conservation and renewable resources in communities across Montana. The information centers feature 50 different publications put out by DNRC and other agencies. Montanans have picked up more than 325,000 publications from the centers in the past three years.

D. Home Shows and Fairs -- Last year DNRC distributed more than 20,000 publications at home shows and fairs around the state. Staff members also were available to answer specific questions on energy-efficient construction or remodeling techniques during the shows. DNRC proposes attending four or five shows, such as the Billings Home Improvement Show, the Missoula Home Show and the Winter Fair in Bozeman, in both SFY 88 and 89. Fairs and home shows in other communities across the state will be served through publication racks from the local energy information centers.

E. Energy Audits -- DNRC will continue to monitor the residential energy audits conducted by the four major utilities in Montana, as required by federal mandate under the Residential Conservation Service.

BUILDERS

The building industry is changing rapidly with new products and techniques to make homes more energy efficient. In the past three years nearly 100 energy-efficient homes have been built in western Montana under incentive programs funded by the Bonneville Power Administration. DNRC has administered these programs and trained the builders who participated. DNRC has used information gained in these programs for builder training programs in eastern Montana. Under this proposal DNRC will continue to offer training for builders and subcontractors in SFY 88 and 89. DNRC also plans to write and distribute several builder fact sheets as new construction techniques are tested.

LENDERS, REALTORS, APPRAISERS

Because lenders, appraisers and Realtors have so much influence on home purchases, DNRC conducts an aggressive information program to inform these people of the latest developments in energy-efficient housing and its impact on their businesses. DNRC staff spoke to or met with more than 100 Realtors, 80 bankers and 25 appraisers at various meetings in 1986. Many of these individuals have asked for follow-up meetings and training for their respective staffs. Under this proposal, we will continue to offer this training and outreach.

FARMERS AND RANCHERS

A. Workshops -- DNRC will conduct a series of workshops on improving energy efficiency in irrigation. DNRC would expand into central and eastern Montana a series of irrigation workshops that have been successfully offered for several years in western Montana under Bonneville Power Administration funding. The workshops concentrate on low-cost maintenance and operations procedures.

B. Publications -- DNRC will distribute its publication, Saving Energy on Montana Farms and Ranches. This book, currently under production, emphasizes low-cost and no-cost operation and maintenance procedures that will save farmers and ranchers energy and money. Irrigation efficiency, conservation tillage, fertilizer and pesticide management and weatherizing buildings are among the topics covered. DNRC also will develop a slide-tape or videotape presentation on practical, low-cost energy conservation measures for Montana farms and ranches. The presentation, which also would encourage farmers and ranchers to read the above book, would be made available to agricultural groups such as conservation districts, county extension offices and the Soil Conservation Service.

COMMERCIAL SECTOR

A. Energy Audits -- DNRC will continue to audit representative commercial buildings and to use the results of those audits to inform other small businesses of potential energy savings. DNRC will encourage businesses to contract with engineering firms for comprehensive energy audits.

B. Case Histories -- DNRC will continue to write case histories of three or four businesses each year that have reduced their fuel bills by conserving energy. The case histories will be sent out in the trade association newsletters and handed out at industry conventions. These case histories have proven to be effective in encouraging commercial sector conservation by showing Montana business owners how similar businesses in the state have significantly reduced their energy costs.

C. Convention Speakers -- DNRC will continue to provide national-caliber speakers at three trade association state conventions each year. DNRC staff will speak at four or five local trade association meetings each year to present information on audits. These speakers have proven effective in educating Montana business owners on conservation measures specific to their business.

ENERGY EDUCATION

Educating children in energy conservation is important in developing values regarding energy use. Three projects involving education in the schools are proposed:

A. Conservation for Children trains elementary school teachers in the use of a nationally-recognized energy conservation curriculum and provides them with free curriculum material. This curriculum was selected by DNRC with input from the Office of Public Instruction. A total of 248 teachers participated in Conservation for Children workshops during the 1985-86 school year. Through the 248 teachers, Conservation for Children reached more than 6,000 Montana children. During SFY 87, DNRC will put on another 21 to 25 Conservation for Children Workshops for teachers. Another 25 workshops would be offered in both SFY 88 and 89.

B. The Energy Challenge would be issued to schools participating in Conservation for Children to see which elementary school can save the most energy. After a DNRC staff member leads a team of students on a walk-through energy audit of their school, the students will help the school save energy by turning off lights, keeping track of meter readings, checking thermostats and pointing out energy waste to staff members. This program has been extremely successful in several other states.

C. Presentations to vocational-technical classes would train both teachers and students in up-to-date energy-efficient construction technology. The workshops would cover topics such as advanced framing, continuous air/vapor barrier installation, airtight dry wall approach and heat recovery ventilation systems. Where possible, these techniques would be incorporated into houses built and sold by each year's class.

TRANSPORTATION

Under this proposal DNRC will reprint the Energy Efficient Resource Guide for Driver Educators. This book contains units of instruction on vehicle operation, maintenance, environmental conditions and traffic strategies. DNRC will distribute the manual to each of Montana's 169 high schools. The manual would help the 10,000 Montana high school students who take drivers' education courses each year incorporate energy-saving techniques into their driving habits.

SENIOR CITIZENS

Approximately 82,000 Montana households include one or more senior citizen members (29 percent of Montana's 284,000 households). Many of these seniors live in single family households. Because their housing is generally older and more leaky, senior households spend a larger percentage of their income on utility costs than average Montana households. And despite requiring higher home temperatures for health and comfort, older Montanans have lower rates of participation in home conservation programs. Because of seniors concerns about

financial obligations and possible limits on their ability to live independently, they insist upon much shorter time frames for recovering the costs of energy investments they install.

During the 1988-89 biennium, DNRC will develop its "Seniors Helping Seniors" program. The program is a partnership of local utilities, the Retired Senior Volunteer Program and the State of Montana to provide home energy conservation measures to lower and middle income senior citizen households. The project, which has been successful in several other states, trains senior citizen volunteers in basic energy conservation measures. The volunteers visit homes of senior citizens to install basic conservation measures where appropriate and to discuss with the residents how they can use energy more efficiently. DNRC has met with representatives of the Retired Senior Volunteer Program, who have expressed great interest in the projects; DNRC has just begun to discuss the project with Montana utilities.

STATE BUILDING ENERGY AUDITS

Energy audits provide specific information on energy consumption, potential energy saving measures, and payback; they are a critical component of any major retrofit project. Under this program DNRC would sponsor energy audits on candidate buildings for the State Buildings Energy Program. This information would enable DNRC to identify cost-effective retrofit measures and to effectively target its retrofit efforts under the State Buildings Energy Program. Audits would be conducted by qualified energy auditors or professional engineers. Each year, \$60,000 of the total budget would be dedicated to this activity. Approximately 600,000 square feet would be audited each year at a cost of \$0.10 per square foot; this could work out to 7 buildings averaging 40,000 square feet and 16 buildings averaging 20,000 square feet.

BENEFITS

Through its various workshops, presentations and publications, DNRC reaches thousands of Montanans each year with energy conservation information. Because these programs serve relatively large numbers of people, SECP and EES have been included among the five programs deemed appropriate for use of Exxon settlement funds. Also, these two programs would provide restitution to diverse occupational groups and income levels.

By targeting its efforts, DNRC is able to deliver conservation information specific to a given audience or occupational group. This targeted information has enabled Montana farms, ranches and small businesses to reduce their energy costs and thus increase their profit margin. DNRC training has shown builders how to construct energy efficient houses and has helped them to meet growing consumer demand for these homes.

In many cases, DNRC is the only source for energy conservation information, especially for information not tied to the sale of a particular product. Information available from DNRC is technically accurate, it is available statewide, and it deals equitably with all major fuel types. Without the State Energy Conservation Program and Energy Extension Service, DNRC would be

confined to offering programs in the western third of Montana with funding from Bonneville. Citizens in eastern Montana would receive no services or very limited services.

DNRC's combined efforts with builders, home buyers, lenders, Realtors and appraisers are having a significant impact on the way new houses are being built in Montana. The energy audits, workshops and case histories are helping agriculture and other targeted businesses to reduce energy costs and are encouraging other companies to proceed with energy conservation on their own. Energy education activities last year reached hundreds of students and have been extremely well received by teachers; the curriculum material and training sessions remain in high demand.

In addition to the benefits to specific target groups listed above, DNRC's general public information projects continue to be in demand. Window Insulation workshops are held each year; last year almost 700 people attended across Montana. Last year, more than 60,000 publications were distributed through the information center network, another 20,000 through homeshows, and hundreds more through write-in requests.

**OIL OVERCHARGE PROPOSAL
PROJECT INFORMATION**

Project Title: Institutional Conservation Program

Description: The Institutional Conservation Program provides grants to schools and hospitals to install cost effective energy conservation improvements in their buildings. Grants are matched dollar for dollar by the institutions. Administered by the Department of Natural Resources and Conservation, the program currently is funded by the U.S. Department of Energy and is one of the five programs qualifying under the Exxon oil overcharge settlement. At the current funding level only about half of the applications received each year are funded. This proposal requests funds to continue and expand the program for fiscal years 1988 and 1989.

Project Budget:

OIL OVERCHARGE \$1,089,042
FUND REQUEST:

APPLICANT INFORMATION

Applicant: Montana Department of Natural Resources and Conservation

Address: 1520 East Sixth, Helena, MT 59620-2301

Telephone: (406) 444-6697

Contact Person: Van Jamison
Administrator, Energy Division

OIL OVERCHARGE PROPOSAL INSTITUTIONAL CONSERVATION PROGRAM

Objective

To save energy and reduce costs in Montana schools and hospitals by providing matching funds for energy conservation retrofits.

The Montana Department of Natural Resources and Conservation proposes to use oil overcharge funds to continue and expand the Institutional Conservation Program. This proposal would allow DNRC to grant an additional \$.54 million each year in SFY 88 and 89 above the federally appropriated funding level, for a total of almost \$.84 million. The program has been constrained by the amount of funds available for several years and is currently able to fund only about half the number of applications received.

Background

DNRC staff administers the program by recruiting participants, training auditors and analysts, reviewing studies for accuracy, ranking projects for funding, monitoring projects for compliance and generally providing information and technical assistance. Each year DNRC receives numerous applications with very little promotion of the program. There are 551 public school districts eligible for the program; 78 have received funding since the program began in 1979. Post secondary schools, non-profit private schools, public hospitals and non-profit private hospitals also are eligible for the program.

When combined with federally appropriated funding to this program, almost \$1.5 million would go directly to local schools and hospitals for grants over the biennium; institutions would match this amount with an additional \$1.5 million. The existing Institutional Conservation Program would be expanded to provide the additional grants.

Benefits:

With more than a 30 percent estimated return on the funds invested, institutions have and will continue to reap a substantial benefit from participation in this program. The Department request for \$1,089,042 in oil overcharge funds for the Institutional Conservation Program would provide retrofit jobs in communities throughout Montana, reduce energy consumption in public buildings and provide long-term savings in energy costs that are borne by the public.

Once a retrofit is complete, the energy costs are reduced for the life of the materials installed, which is often the remainder of the life of the building. Institutions in Montana participating in ICP are realizing a combined estimated savings of \$4.5 million each year from investments of approximately \$11 million over the past 7 years. This proposal would provide significant restitution to all Montana taxpayers for the overcharging of energy costs.

**OIL OVERCHARGE PROPOSAL
PROJECT INFORMATION**

Project Title: Revolving Loan Program for State Building Retrofits

Description: The project would provide energy retrofits to state-owned buildings that would be partially paid back with energy savings. The funds would then be loaned out for other building retrofits. The program would utilize energy audits conducted under SECP and would provide training of state building maintenance personnel.

Project Budget:

OIL OVERCHARGE \$2,000,000
FUND REQUEST:

APPLICANT INFORMATION

Applicant: Montana Department of Natural Resources and Conservation

Address: 1520 East Sixth, Helena, MT 59620-2301

Telephone: (406) 444-6697

Contact Person: Van Jamison
Administrator, Energy Division

OIL OVERCHARGE PROPOSAL REVOLVING LOANS FOR STATE BUILDING RETROFITS

Objective

To reduce energy costs and to provide long-term savings to the state by making improvements to state-owned buildings and by training state maintenance personnel in energy saving operation and maintenance procedures.

Background

Investments in energy conservation retrofits in Montana's schools, hospitals and office buildings have proven to be cost effective. The return on these investments is often 25 percent or greater, yet relatively few state buildings have received energy retrofits.

Recognizing the potential for conserving energy and saving tax dollars in state buildings, DNRC requested and was authorized by the 1985 legislature to offer a State Buildings Energy Program, as part of the Renewable Energy and Conservation Program funded through the coal severance tax. Four buildings received grants in SFY 86 and additional buildings are being reviewed now.

State buildings can receive assistance from a few other sources. Schools and hospitals can apply to the Institutional Conservation Program for energy analyses and retrofits. Many have received grants through this program, which is funded by the U.S. Department of Energy and administered by DNRC. Approximately \$11 million worth of retrofits have been completed through this program since 1979. As a result, \$4.5 million is being saved annually by public and private institutions. Only schools and hospitals are eligible for this program, and state-owned buildings must compete for limited funds with all other schools and hospitals in Montana. Buildings selected for funding must match the federal grant with an equal amount of state or local dollars.

Some energy retrofits to state buildings are completed through the Long Range Building Program, generally as part of a larger renovation project. There is no opportunity to recapture the savings from energy conservation or to reinvest the savings in other projects. In addition, energy projects must compete with all other repair, maintenance and remodeling projects.

Project Description

Loans would be awarded for building retrofits based on the simple payback; i.e., the length of time it takes for the cost of energy saved to equal the cost of the initial investment. Payback periods would range from 2 to 10 years and provide a return on investment of 10 to 50 percent. The project would consist of three parts.

1. ENERGY AUDITS

Energy audits provide specific information on energy consumption, potential energy saving measures, and payback. These audits would be conducted under the combined State Energy Conservation Program/Energy Extension Service proposal, which is included in this package.

2. REVOLVING LOANS

Agencies would apply to DNRC for loans to retrofit buildings. Decisions on buildings or portions of buildings to be modified would be based primarily on the payback of a combined set of measures recommended in the energy audit. Other factors would be considered, such as a scheduled renovation under the Long-Range Building Program.

The retrofit cost and the resulting savings would be shared by DNRC and the participating agency. DNRC would loan the agency the full amount of the retrofit and the agency would repay 75 percent of the loan. The term of the loan would be the simple payback period so that DNRC and the agency would share in the savings for the term of the loan. Once the loan was repaid, the agency would continue to receive the savings and DNRC would loan the money for other projects.

3. TRAINING MAINTENANCE PERSONNEL

As much as 15 percent of the energy used to heat buildings may be saved through low-cost or no-cost energy saving measures and practices. Building maintenance personnel are responsible for how a building is operated and maintained. With training they can implement energy saving practices as part of regular maintenance programs. Understanding a building's new equipment or altered heating needs after a retrofit will be important to ensure that the greatest amount of energy will be saved.

A series of courses would be developed on topics such as boiler efficiency, heating system controls and lighting. The courses will be offered several times each year through an established delivery mechanism such as the Department of Administration's Personnel Training Network. The cost of developing the training materials and conducting the sessions will be \$20,000 for the first year. The cost will decrease after training materials have been developed and tested and could eventually be supported through fees charged to attendees.

Benefits

The revolving loan program provides immediate and long-term savings to the state. Energy use will decrease with the first loan made and benefits will multiply each time a loan is repaid and another project is funded. Retrofits will reduce the amount of natural gas and electricity needed to operate state buildings and consequently will make the state less vulnerable to price increases for these fuels.

The restitution to energy consumers will be widespread with this program. Savings will be realized in the state general fund and, if they participate, in self-liquidating building accounts. All taxpayers and users of Montana Institutions will benefit from the reduced energy use.

PROJECT INFORMATION

Project Title: Energy Conservation Research and Analysis

Description: The Department of Natural Resources and Conservation will conduct energy conservation research and analysis on areas that will significantly impact its energy conservation programs. This will include analysis of the risk associated with investments in conservation; and analysis of the effects of the use of a single fuel conservation standard based on electrically heated homes.

Project Budget:

OIL OVERCHARGE \$50,000
FUND REQUEST:

APPLICANT INFORMATION

Applicant: Department of Natural Resources and Conservation

Address: 1520 East Sixth, Helena, MT 59620-2301

Telephone: (406) 444-6696

Contact Person: Van Jamison
Administrator, Energy Division

OIL OVERCHARGE PROPOSAL ENERGY CONSERVATION RESEARCH AND ANALYSIS

Objective:

To conduct research and analysis on several aspects of energy conservation impacting DNRC conservation programs. Improved understanding of the nature, economics and risk of investing in conservation will permit better targeting of state and regional conservation incentive programs.

Background

The proposed studies are aimed at filling gaps in the understanding of conservation issues on which major policy decisions are currently being made. For example, the Northwest Power Planning Council includes conservation as a major resource for meeting load growth in the region. The Council has analyzed the cost effectiveness of various conservation measures and has devised a set of Model Conservation Standards for electrically heated homes. The Council wants the MCS adopted as building codes. Whether or not MCS is adopted, however, DNRC is actively promoting extensive conservation in new and existing homes.

The Council analysis of the cost effectiveness of conservation (and other resources) focuses insufficient attention on risk. Most other analyses of conservation also focus on cost effectiveness and do not consider risk. Yet risk evaluation is a crucial element of any investment decision when the future is uncertain. One analysis proposed here would evaluate the risk of conservation investments by examining the likelihood that the individual measures will actually be cost effective.

The other major analysis proposed here would focus on the determining the difference between optimal conservation in electrically heated houses and those heated with natural gas. It would investigate the economic effect of imposing the Model Conservation Standards on both fuels, and it would examine policy alternatives better aimed at encouraging all cost effective conservation.

Most existing analyses of conservation, especially those conducted by the Council, have focused exclusively on electrically heated homes. Much new home construction occurs in areas where natural gas is available for home heating. Since the cost of gas heating is considerably less than that of electric heat, the payoff to conservation investments is lower and few measures above current practice are cost effective. Investments in measures that are cost effective for electric houses would not be economic for gas home builders. The second proposal in this package addresses these issues, from the perspectives of economics and policy analysis.

Methodology:

Conservation Risk Analysis: DNRC would reconstruct the Council staff analysis of performance of the optimal conservation package. DNRC would work with the Council staff to model a permanent block reduction in load, starting in 1987, and would compare the net present value of future costs for each run of the Council's decision model, with and without the load reduction. DNRC

then would analyze the dispersion in outcomes to determine the probability that MCS will impose significant extra costs on the region. The analysis would be repeated with alternate formulations of the conservation package to determine the tradeoff between cost and risk.

Cross-fuel residential analysis: Cost and performance data from the Residential Standards Demonstration Program, BPA, and the Council would be used to evaluate the building shell. Contractors, suppliers, and the literature would be surveyed to determine the costs and efficiencies of electric and gas heating systems. Infiltration in gas heated houses would be estimated from available data. Prototypical houses would be designed and their performance simulated to determine the cost-effectiveness of different levels of energy efficiency, relative to current practice houses built to HUD Minimum Property Standards of energy efficiency. Cost-effectiveness and optimal levels of energy efficiency will be determined using DNRC's levelized cost/net present value model.

Benefits:

An improved understanding of the implications of conservation investments will make cost effective conservation more marketable and will increase its rate of penetration. Increased application of cost effective conservation will reduce costs to homeowners, tenants and businesses. In the long run costs will be reduced to all utility ratepayers as well.

2/19/87

MONTANA LOCAL GOVERNMENT

ENERGY CONSERVATION ASSISTANCE

SUMMARY

OBJECTIVE

A MACo-LEAGUE PROGRAM TO ESTABLISH STATEWIDE LOCAL GOVERNMENT ENERGY CONSERVATION TECHNICAL ASSISTANCE SERVING CITIES, TOWNS, COUNTIES AND OTHER LOCAL JURISDICTIONS WITH FUNDING PROVIDED FROM OIL OVERCHARGE SETTLEMENT FUNDS FOR FY 88 AND FY 89.

NEED

NO CURRENT STATEWIDE COMPREHENSIVE PROGRAM EXISTS FOR PRIMARY ENERGY CONSERVATION TECHNICAL ASSISTANCE FOR LOCAL GOVERNMENTAL UNITS. ENERGY SAVINGS PROVIDE LOCAL TAX RELIEF.

ELIGIBILITY

PROGRAM APPROPRIATE UNDER BOTH EXXON AND STRIPPER WELL: ADDRESSES ENERGY CONSERVATION TO STATEWIDE CONSTITUENCY AND IS RESTITUTIONARY IN EFFECT.

THE PROGRAM

TWO-TIERED APPROACH PROVIDING TECHNICAL ASSISTANCE FOR:

- A. LOW-COST / NO-COST MEASURES;
- B. FACILITY OPERATION AND MAINTENANCE.

IMPLEMENTATION

CONTRACT ADMINISTERED BY DNRC AND EXECUTED BY MONTANA LOCAL GOVERNMENT ENERGY COMMITTEE (MACo-LEAGUE ORGANIZATION). THE ENERGY COMMITTEE HAS ADMINISTERED SIMILAR PROGRAMS IN THE BPA PORTION OF MONTANA FOR FOUR YEARS.

BENEFITS

ESTIMATED ANNUAL ENERGY SAVINGS.....	(FY 88)	\$280,641
	(FY 89)	\$561,282

BUDGET	(FY 88)	\$117,684
	(FY 89)	\$117,684

COMPLETE PROGRAM AND BUDGET DETAIL ON THE ENERGY CONSERVATION ASSISTANCE PROGRAM HAS BEEN PROVIDED TO THE GOVERNOR'S BUDGET AND PROGRAM PLANNING OFFICE.

FOR FURTHER INFORMATION CONTACT: MT. LOCAL GOV'T. ENERGY OFFICE
101 EAST BROADWAY SUITE 513
MISSOULA, MT 59801 PH 721-7294

6
2/9/97
HB

HOUSE BILL 551
Introduced by Rep. Jack Sanis (D-Fillings).

Proven Program . . . Weatherization Act

In the June Special Session, Rep. Jack Sanis introduced HB 25, which would have appropriated \$1.5 million for the Low Income Home Weatherization Program in 1987, 88, 89.

A total of \$1.5 million, for 1987, was finally appropriated during Special Session VII.

HB 251, introduced by Rep. Sanis, would renew and continue the appropriation - \$1.5 million per year during the 1988-89 biennium - of Exxon Oil Overcharge Funds - to the Low Income Home Weatherization Program, administered locally by the ten (10) Human Resource Development Councils (HRDCs).

Weatherization is a Proven Program that generates positive results - for Minnesota's low income people, for small businesses, and for local economies throughout the state.

The results of the appropriation to Weatherization in June are impressive - and positive.

. Over 75 Full-Time Equivalencies (FTE's) created. HRDCs either hire individuals directly, or contract out Weatherization work to qualified local contractors. All persons employed were previously unemployed. Many were receiving public assistance.

. Approximately \$200,000 paid in wages. The average Weatherization worker makes more \$6- per hour.

Approximately \$15,000 paid in local telephone rates.

Approximately \$100,000 paid in Federal withholding taxes.

. Over 350 homes weatherized at an average cost of \$1600 per home. Priority service is given to senior citizens and disabled citizens.

. Approximately \$200,000 spent with small businesses in rural communities throughout Montana - hardware stores, lumber yards, gas stations. Materials routinely purchased includes: caulking, weather stripping, storm windows and doors, wall and attic insulation.

By March 30, 1987 all of the funds made available in June will have been spent.

Passage of HB 551 will enable this vital work to continue through the 1988-89 Biennium. The Weatherization Program meets the needs of Montana's low income people and the needs of Montana itself.

. Montana needs jobs - funding Weatherization creates jobs.

. Montana's small businesses need business - Weatherization means business.

. Montana's poor need decent shelter - Weatherization provides it.

. Montana's small towns need a positive cash flow during these hard times - Weatherization generates dollars, dollars spent locally, dollars that "turn over" locally.

The ERDCs urge your favorable consideration of HB 551.

Prepared by Jim Smith, Lobbyist,
Montana ERDC Directors Association

Reynolds



MANUFACTURING COMPANY

'QUALITY PRODUCTS SINCE 1933'

P. O. Box 1637
CISCO, TEXAS 76437

BILLINGS BRANCH: P.O. BOX 2525
BILLINGS, MONTANA 59103

February 4, 1987

The Honorable Jack Sands
Capitol Station
Helena, Montana 59601

Dear Mr. Sands,

In brief I would like to convey our feelings to you in regards to the Low Income Weatherization Program.

We are an energy efficient window manufacturer with 8 employees currently on our Billings payroll. We indirectly, through our dealer network, supply many of the windows used in the program. In Montana's sagging economy, any loss of sales large or small slowly erodes any chances of staying in business.

On a personal level, I have a grandmother who has benefited from this program. Her fuel bills reduced drastically after her home was weatherized. Since she is on a fixed income, I shudder to think that she might have turned the heat off in the winter as so many others have who couldn't afford it.

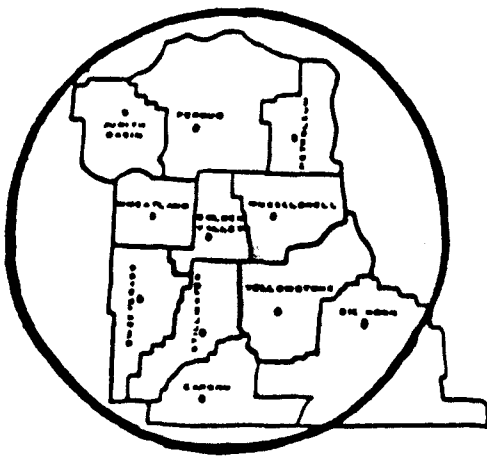
The Low Income Weatherization Program is one of the very few social programs that actually do some good for the people in need of it. You do us a great justice in sponsoring any funding bill to keep this program alive. We all benefit and you have our whole hearted support.

Sincerely,



Dale M. Haider, Asst. Mgr.
Reynolds Manufacturing Co.

DMH/dh



AREA AGENCY ON AGING MONTANA - AREA II

2031 HEWITT DRIVE
BILLINGS, MONTANA 59102
PHONE (406) 656-6746

February 5, 1987

Representative Jack Sands
Capitol Station
Helena, Montana 59620

Dear Representative Sands:

I was very pleased to get and read a copy of HB-551 being sponsored by you. As you know, I have been a volunteer advocate for senior citizens for several years and have had the opportunity to work very closely with the Human Resources Development Council here in Billings who administers the Weatherization Program in a five-county area.

In my volunteer work with the elderly, I have observed on many occasions various weatherization jobs such as storm doors and windows, caulking, insulation, minor roof repairs, etc. In talking to these people, especially widows in their 70's and 80's, without exception they were very appreciative for such work and without such a program they could never afford it since most of them are on limited fixed incomes. They felt that this helped in keeping their heating bills down and made their homes so much more comfortable. In addition, a few of them reported to me that they felt so much better health wise and attributed this to a much warmer and comfortable home.

Jack, I would like to tell you about one of many success stories. About seven (7) years ago, in January, I visited a widow lady about 81 years old living in a very small house about 63 years old. She liked to sit back in her comfortable rocker by her large picture window and watch school kids and other activities around the neighborhood. However, I observed that she had her chair quite away back from the picture window and had difficulty in seeing what was going on outside. I asked her why she didn't move her chair closer to the window and she replied, "I'd very much like to but it's too drafty and cold around it." I replied, "Are you aware there is a program that could remedy this problem by installing an outside storm window which no doubt would correct the problem and make it more comfortable?" She was not aware of such a program and was somewhat reluctant to accept help until I explained it was not a welfare program and was specifically designed to help people like her with such problems. Of course I referred the case to the Human Resources Development Council and in a very short time the problem was corrected. It is gratifying to know that such a program exists that with very little costs to the agency can benefit a person so much who otherwise could not afford the costs.

This I am sure is just one of many examples that can be given of how much good this program has done and can do for those who cannot afford paying to correct such problems.

Jack, on behalf of all the elderly that I represent in Area II, an eleven (11) county area, I sincerely want to thank you for sponsoring HB-551. It is an excellent program and is being carried out by the Human Resources Development Council in a very prompt and efficient manner. God Bless.

Sincerely,



S. J. "Stan" Rogers
Area II, Senior Citizens Advocate

SR/mac

Glendive

Forward



Of Montana

200 N. Merrill Ave. • P.O. Box 930

Glendive, Montana 59330

(406) 365-8612

January 30, 1987

Representative Bob Thoft, Chairman
Senate Long Range Planning Committee
Capitol Station
Helena, MT 59620

Dear Representative Thoft:

Glendive Forward is vitally interested in the disposition of the \$9,000,000 remaining from the Exxon Company overcharge recently returned to the State of Montana. It is our understanding that the decision rests with the Long Range Planning Committee.

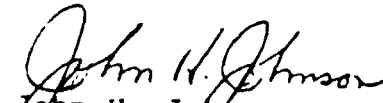
We are totally in agreement with the Warner Amendment, limiting utilization of these funds to energy related projects. We also believe that citizens of the State, who were overcharged, should benefit and that the remaining funds should be diverted to a state-wide weatherization and fuel assistance program. Because of the impossibility of returning the over-charges to those individuals generating the fund, providing low-income families with a fuel assistance and weatherization program is what we support.

Because Glendive Forward is concerned about the economy, such a program will, as a secondary benefit, stimulate our economy. Based upon the latest figures available from Action for Eastern Montana, 12.1% of any weatherization money is allocated to the 17 county area served by Action. Of this, 25% is awarded to local carpenters and contractors. In Glendive, contractors earned 38% of the contracted labor budget. Local lumber, glass dealers and hardware stores received 40% of the budget. Local salaries accounted for 28% with 60% of weatherization salaries remaining in Glendive. Transportation, rent and tools accounted for the remaining 7%.

We support such a dispersion of funds because it stimulates the economy with material purchases, wages and increases to some extent, the discretionary funds available to those who work in the weatherization. Proper weatherization leads to fuel or energy savings which is the basic objective of returning the Exxon Overcharge to the State.

We strongly urge the Long Range Planning Committee to consider this very carefully and then to allocate these funds toward weatherization and fuel assistance.

Sincerely,


John H. Johnson
Executive Director

cc-Senate Long Range Planning Committee
Patricia Callaghan, Action for Eastern Montana
Gary Witsoe, Action for Eastern Montana

JHJ/dlh



UNITED BUILDING CENTERS

A Division of Lanoga Corporation

Box 596 Glendive, Montana 59330

To Whom It May Concern;


Action For Eastern Montana has been responsible for in excess of \$10,000 spent with us thru 1986.

Money spent thru our system is helping to keep local contractors and carpenters working at this time of depressed economics as well as helping the needy in home weatherization and the conserving of energy. It also helps some people to help themselves in weatherizing their own homes, where financially they could not afford to do so but now have a source of help.

Action For Eastern Montana also gives comfort and pride to the elderly who before lived in cold depressed houses, but now are warm and comfortable.

We feel that Action For Eastern Montana is a great asset to our elderly, misfortunate and financially depressed people as well as helping the businesses that benefit from this program.

We would like to see this program continued on a larger scale.


Harley Wuest
Manager

hw/sd

Windshields

— Mirrors

— Windows

— Store Fronts

"Drive-In Glass Service"

NEVIN'S HOUSE OF GLASS

229 South Main
Livingston, Montana 59047



"GLASS OUR SPECIALTY"

Phone 222-3170

January 8, 1987

Jim Smith, Lobbyist
c/o Patty Callahan
Action for Eastern Montana
123 North Merrill Avenue
Glendive, Montana

Dear Sir;

Nevin's House of Glass, Inc. is a manufacturer of aluminum storm windows throughout Montana, Wyoming, South Dakota and North Dakota. Our company is located in Livingston, Montana.

From April, 1985 to April, 1986, Action for Eastern Montana purchased \$21,566.82 worth of storm windows. From April, 1986 to January, 1987, \$32,010.50 was purchased. This constitutes a substantial portion of our gross income. During this period we have employed two full time and two part time employees in our storm window department alone.

We appreciate any help you can give in obtaining allocation of funds for this weatherization project.

Please, contact us if you need any further information.

Sincerely,

NEVIN'S HOUSE OF GLASS, INC.

William G. Nevin
President

WGN/slh



UNITED BUILDING CENTERS

A Division of Lanoga Corporation

Dear Action For Eastern Montana

We at United Building Center appreciate your business for the year 1986 and feel you have been a real boost to our economy here in Glasgow Montana. We are looking forward to doing business with you in 1987 and will try to serve you better.

Thankyou,

Vic Pugh
Contractor Sales Estimator



UNITED BUILDING CENTERS

A Division of Lanoga Corporation

Box 1515
Billings, MT 59103
February 4, 1987

Representative Jack Sands,
Long Range Planning Committee
Capitol Station
Helena, MT 59601

Dear Representative Sands,

We, here at United Building Centers, would like to take this opportunity to let you know just how important the "Low Income Home Weatherization Program" has been, to not only us, but to the hundreds of low income families in the Billings area.

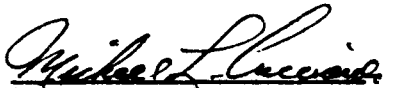
Without this needed service, I believe many families would eventually be driven from their homes by the ever increasing utility costs. Moreover, in cases concerning the elderly and those in poor health, lives would be at stake.

Again, Human Resources Development Council has been a viable part of our business and a "Life Saver" for our low income families.

Let us maintain jobs and promote health while reducing energy waste.

Thank you for your time and efforts in this cause.

Sincerely,


Michael L. Cucciardi
Assistant Manager

MLC:lg

February 4, 1987

State Rep. Jack Sands
Capital Station
Helena, MT. 59601

Dear Sir:

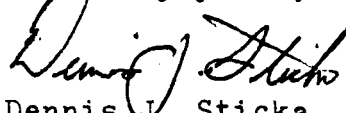
We at American Glass, Inc. in Billings would like to take this opportunity to address the importance of House Bill #551 appropriating funds for low-income home weatherization. In our community, fortunately, there are programs like these to assist the financially strapped families in saving precious and expensive energy.

Speaking from a business standpoint, the jobs alone created at the Human Resources Development Council and suppliers as myself benefit the community as well. More people working and not on Unemployment Compensation draining state funds mean a stronger economy and return revenue to our government. Also, most importantly, this program helps turn the wheels of small business- meaning jobs.

Eventually all new residences of the next few years will be built with super-insulating innovations through the home. Of course, lower income families cannot afford these newer homes. With this program the extra cost of weatherization is a great assistance in sealing drafts and heat loss saving on the pocket-book.

We all know our state economy could be in better shape, but I think it is VITAL to keep the H.R.D.C. weatherization program funded. Lets help the less fortunate and keep businesses like mine going in the right direction- looking forward to tomorrow with a few less things to worry about.

Sincerely yours,



Dennis J. Sticka
Vice Pres.
American Glass, Inc.

ATTIC RATS
JESKE CONST.
120 CHERRY ST.
BLGS., MT 59101
PH. 406-252-2227

February 5, 1987

Representative Jack Sands,
Long Range Planning Committee
Capitol Station
Helena, Montana 59601

Dear Representative Sands:

We at Jeske Construction feel H.B. #551 is very important,
not only to low-income families but also Montana businesses.

Our insulation firm is family owned and operated. Weatheri-
zation funds help boost our production to make ours a
viable business. We purchase our products from a Montana
insulation manufacturer, which in turn creates jobs locally.

Please give H.B. #551 your most serious consideration
as it means everything to our small business and the low
income families that receive savings in energy costs.

Sincerely
Jeske Const.
Billie Jo Jeske

WIN-DOR INDUSTRIES
20 NORTH 31ST STREET
BILLINGS, MONTANA 59101
(406) 248-2051

February 4, 1987

State Representative
Jack Sands
Capitol Station
Helena, Montana 59601

Dear Representative Sands:

Regarding House Bill #551, we at WIN-DOR INDUSTRIES as manufacturer and supplier of building materials for District 7 Human Resources Development Council's Weatherization Program feel that this bill should be enacted as it is a very worthwhile program and because of it we as a new small business have been able to create employment for four (4) employees. We feel a good share of our success is due to the Weatherization Program and the potential is there to create two (2) or three (3) more jobs if we continue to furnish materials for the program.

Sincerely,


Toby Kline


Bud Reed

Oil Overcharge Funding Use Testimony

THE MAIN QUESTION IS, WHAT ARE OUR PRIORITIES TO BE FOR THIS ONE-TIME-ONLY AVAILABILITY OF OIL OVERCHARGE FUNDS?

---ARE WE GOING TO USE THEM FOR THE GENERAL PURPOSES FOR WHICH THE OIL OVERCHARGE ACT WAS ESTABLISHED? AND ARE WE GOING TO LISTEN TO RECENT INTENTIONS CLEARLY DISCUSSED BY CONGRESS AS TO HOW THESE FUNDS SHOULD BE UTILIZED?

---ARE WE GOING TO USE THEM FOR PROVEN, EFFECTIVE PROGRAMS AND PURPOSES, AND IMPROVE EMPLOYMENT OPPORTUNITIES AND REDUCE FUTURE NEED FOR LIEAP AND WEATHERIZATION PROGRAM FUNDING AT THE SAME TIME, OR FOR PROGRAMS THAT HAVE PROVEN TO BE LESS EFFECTIVE OR OFFER LESS IMPACT WITH THE SAME FUNDING LEVEL, OR ARE UNUSED?

I. FIRST PERSPECTIVE:

WHAT ARE OTHER STATES WITH SIMILAR PROBLEMS DOING WITH THESE OIL OVERCHARGE DOLLARS?

Nationally, Current Patterns of State Uses
for Oil Overcharge Funds [initial findings, November
1986 National Consumer Law Center study in progress]

Comparable States---Sample Northern Tier State Uses

State Name	Program Name		Other Low-Income Application*	Total
	LIEAP	Weatherization		
Illinois	59%	29%	3%	91%
Michigan	47%	16%	0%	63%
Minnesota	15.5%	15.5%	7.5%	38%
Connecticut	85%	0%	0%	85%

*funds used by that state's Energy Extension Service specifically targeted to reach people on low and fixed incomes so that they will utilize existing LIEAP and Weatherization programs and no cost/low cost conservation measures.

II. SECOND PERSPECTIVE:

WHAT HAS CONGRESS "INTENDED" THAT THESE FUNDS BE USED FOR?

The Federal Government has cut federal funding for LIEAP and Weatherization programs for each state by roughly the same amount that each state is receiving from the Exxon and Stripper Well lawsuit settlements. In its debates on funding for these programs Congress has clearly indicated that these funding cuts are made with the intent that each state should use the lawsuit settlements to supplementarily fund LIEAP and Weatherization.

The State of Ohio is currently debating applying its share of these Oil Overcharge funds toward its decreased levels of

funding for Ohio LIEAP and Weatherization programs. Other states like Ohio are attempting to maintain these programs at past funding levels as per the clear intent of Congress.

Should not Montana also consider these same facts and approaches? Are senior citizens and others on low and fixed incomes less valued in Montana than in Illinois or Michigan or Connecticut?

III. PERSPECTIVE THREE:

WHAT ARE MORE EFFECTIVE AND LESS EFFECTIVE WAYS TO USE THESE SCARCE ONE-TIME-ONLY OIL OVERCHARGE ACT FUNDS?

---DO WE SPEND THESE SCARCE DOLLARS SIMPLY TALKING ABOUT CONSERVING ENERGY, OR SHOULDN'T WE ACTUALLY JUST GO AHEAD AND CONSERVE ENERGY BY DOING ENERGY CONSERVATION?

A. National DOE Study Results of Energy Conservation Audits

---wasteful, or at least ineffective...no impact
lack of measurable follow-through

B. National and Internal Analyses of Workshops and Presentations as Means to Bring About Energy Conservation

---perhaps the least effective way
---low actual turnout at DNRC workshops
and presentations [only exception: schools]
---history of past efforts at public education
on energy conservation: Project EnergyCare

C. Perceived Quality and Perceived Real Need for DNRC Conservation Publications

---choice between pamphlets and keeping warm
---quality of DNRC pamphlets
quantity of distribution does not equal
quality or public utilization or need
---reaction of those in energy conservation
field to DNRC publishing efforts
---do ranchers and farmers need another slide/tape
or videotape on conservation, or wouldn't
an actual conservation job for their farm be
better?
---recommendations to leave this to the
private sector and utilities

D. Lack of Utilization of Existing Revolving Loan Program For State Buildings

---Revolving Loan Program good in concept
but cumbersome in bureaucratic red tape
and administration---more money being
spent on administering the program than
is being saved in energy conservation

---Do we really want to put more money into a
program that is not able to attract
state agencies to use the funds
currently available?

E. RECOMMENDATIONS FROM ALL GROUPS CONTACTED REGARDING USE OF THESE SCARCE FUNDS

- DON'T JUST TALK ABOUT ENERGY CONSERVATION, ACTUALLY DO IT
- FUND PROGRAMS THAT ARE ACTUALLY BEING UTILIZED BY SCHOOLS, THE PEOPLE, AND OTHER STATE AGENCIES

IV. PERSPECTIVE FOUR:

HOW MANY PEOPLE, AND WHERE, CAN WE EMPLOY BY FOCUSING THE USE OF THESE ONE-TIME-ONLY OIL OVERCHARGE ACT FUNDS?

- A. Governor's Moratorium on New State Building Construction, recommendation of other groups such as Priorities For People that additional state building construction be put off until higher level people priorities are met
- B. Funding Crisis and "bang for the buck" ---is building a new trans-shipment center in Butte, and creating employment just in Butte as effective as creating a larger number of jobs, all around the state, targeted at those currently unemployed, and thereby also reducing the costs of State General Assistance?

C. RECOMMENDATION

A. Take funding from proposed but less effective DNRC programs, combine with funding for proposed but less effective Butte trans-shipment center, combine with the proposed 5.7 million dollar LIEAP/Weatherization Program, and make a new

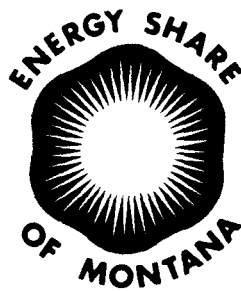
9 million dollar LIEAP & Weatherization Trust Fund, the \$800,000 annual interest of which would employ approximately 40 full-time people all around the state, and not just for a two year period, but until such time as there was no further need for Weatherization or LIEAP [current projections are for at least 20 years of need for Weatherization, based on the current Weatherization progress being made in Montana]. Individuals employed through this LIEAP & Weatherization Trust Fund could be specifically designated to be from those who are low-income and unemployed, thereby substantially reducing state General Assistance program costs and substantially increasing state and federal income taxes.

V. PERSPECTIVE FIVE:

IS THE ENERGY CRISIS REALLY OVER?

SHOULDN'T WE WORK HARD, NOW, TO REDUCE THE NEED FOR LIEAP AND WEATHERIZATION BEFORE ENERGY COSTS GO BACK UP?

- A. Current Rise in Gasoline Prices
- B. Current High Levels in Natural Gas Prices
- C. Current Instability in Middle East and Prospect of Crisis and Oil Embargo and Regional War There
- D. Projections for Return of Higher Oil and Gas Prices
- E. Need to Weatherize Montana Homes Now to Reduce Future Need for Weatherization and LIEAP funding



P.O. Box 2016
Billings, Montana 59103

8
2/9/87
HB

Sponsors & Endorsers

Mt. Assoc. of Churches
Mt. Assoc. of Evangelicals
Mt. Catholic Conference
Aging Network
State Visual Services
Advisory & Rehabilitation
Service Council
Great Falls Gas Company
Montana-Dakota Utilities
Montana Power Company
Pacific Power and Light
Human Resources
Development Councils

Local Offices

17 North 31st Street
P.O. Box 2016
Billings, MT 59103
248-1477

321 East Main Suite 300
Bozeman, MT 59715
587-4486

424 North Main
Butte, MT 59701
782-7200/ 782-8886

123 North Merrill
Glendive, MT 59330
365-3364

211 9th Street South
Box 2289
Great Falls, MT 59403
761-0310

College Park Plaza
P.O. Box 1509
Hayre, MT 59501
265-6743

201 South Main
Helena, MT 59624
442-1552

First & Main Bldg.
P.O. Box 1058
Kalispell, MT 59901
752-6565

505 West Main, Rm. 409
Lewistown, MT 59547
538-2372

617 S. Higgins
Missoula, MT 59801
728-3710

HISTORY: Energy Share of Montana is beginning its fifth year helping needy Montanans with energy-related emergencies. It was a cooperative effort as business and social service organizations joined to target those individuals and families who didn't qualify for state or federal programs. This team spirit and concern consists of Human Resource Development Council, Montana Association of Churches, State Visual Services Advisory and Rehabilitation Council, S.R.S., Public Service Commission, the investor-owned utilities, and Rural Electric Cooperatives.

Energy Share of Montana was the first statewide private energy assistance program in the nation. It was first because of the cooperaton and interest of the many people involved in the program.

Energy Share of Montana is proposing in HB 653 to match private contributions with stripper well monies. We feel that this small portion, and because of the limited way it can be used, would be an ideal show of support by state government of the partnership of businesses and citizens of this state, along with the government, to help those have no other place to turn.

Private donations would be matched by this fund and all monies would return to the area where it was given. Another key point to remember is that there are no administration costs attached to this money.

Energy Share of Montana provides assistance from furnace repairs to energy bills. We target the most needy, such as the elderly, the handicapped, who may have experienced unexpected medical bills, or the young family trying to find employment. Even though our program is small compared to L.I.E.A.P., we have been able to bring a warm spot to someone's heart.

Duane A. Anderson
President

DAA/mw



Energy Share of Montana Background Information

Energy Share of Montana was born around a table in Helena, Montana, in 1982. Representatives from the Human Resource Development Councils, the aging network and utilities formed their partnership to create an energy emergency fund. Working together they talked about forming a nonprofit organization funded through voluntary contributions to help those individuals falling through the cracks...to assist those who needed help to help themselves with their energy needs.

This cooperative spirit spread as other organizations joined the Energy Share team. The Montana Association of Churches and the Montana Catholic Conference not only endorsed Energy Share, but became full members of the Energy Share partnership. Energy Share's first chairman was the executive director of the Montana Catholic Conference. The Montana Association of Evangelicals also strongly endorsed Energy Share.

The State Visual Services Advisory & Rehabilitative Services Council joined the Energy Share team in its beginning. Today, they still remain as full supporters and participants in Energy Share's Board of Directors, along with representatives from the State Department of Social and Rehabilitation Services. They administer the federal energy assistance program.

Local partnership committees were formed to administrate Energy Share. Out of their kind generosity, the Human Resource Development Councils provide staffing hours to handle the funds and the applications to the local committees. Then local committee members from the churches, utilities, welfare agencies, family service agencies, cooperatives, credit bureaus, and senior centers donate their time to screen Energy Share applicants for those who qualify and are most in need. This joint problem-solving often leads to finding more community resources resolve the families' needs.

Being the only statewide program of its kind in the country, Energy Share's strength is its spirit and dedication. Though money comes to a state headquarters, all individual contributions are returned to their respective areas. A

dollar donated from a Havre citizen helps someone from Havre.

FIRST YEAR (1982-1983) -- Beginning with approximately \$30,000 in seed money from Montana Power Company, Montana Dakota Utilities, Great Falls Gas and Pacific Power & Light, Energy Share asked for contributions through mailings, public service announcements and information distributed through the utility bills. Montana Power Company matched employee contributions. Raising \$57,000 this first year, Energy Share was able to assist 195 families.

SECOND YEAR (1983-84) -- Energy Share received a tremendous boost with a \$300,000 contribution from Montana Power because of the extremely cold winter. Energy Share's Board of Directors decided to use the funds to help establish a strong base for the program for three years. Private donations jumped from 975 individuals contributing to 2,900. Approximately 685 families were assisted. Energy Share was growing.

THIRD YEAR (1984-85) -- With continuing support from individuals and utilities, Energy Share assisted 874 people with \$175,000.

FOURTH YEAR (1985-86) -- More than 3,100 individuals contributed to Energy Share. Combined with corporate support, the program received \$176,088 in income. And the need continues. There are always more people needing Energy Share than there is money to meet those needs.

Great Falls Gas and Montana Dakota Utility have taken the lead in installing a checkoff program to allow customers to donate to Energy Share.

Energy Share hosts an annual kickoff to boost the spirit, knowledge and morale of all those who donate of their time and money to this voluntary fund.

With plans to grow to a \$300,000 program, Energy Share will continue to work on informing the public about those who receive Energy Share assistance: the older couple with high medical bills and nowhere else to turn; the unemployed couple with a family; the single mother whose furnace went out in the middle of winter. This is Energy Share.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

H3

2/9/87

TED SCHWINDEN, GOVERNOR

1520 EAST SIXTH AVENUE



STATE OF MONTANA

DIRECTOR'S OFFICE (406) 444-6699

HELENA, MONTANA 59620-2301

Mr. Chairman, members of the committee, for the record, my name is Ray Beck. I am the administrator of the Conservation Districts Division of DNRC.

If these funds are approved, they will be administered by our division. Agriculture has many areas where energy saving conservation programs would not only provide a benefit to farmers and ranchers, but also to the general public and to the environment. A few examples of such projects could include biological control of weeds, grasshoppers and insects; irrigation efficiency testing and updating; conservation tillage activities; fertilizer management; growing of legume crops in rotations; proper forestry practices; proper equipment tuning; proper fuel management; and the list goes on. All of these activities, if implemented correctly, will provide significant energy savings.

Other states are planning similar activities. The state of Iowa is proposing to use \$30 million of oil overcharge funds over the next five years for a pesticide management program. This program is projected to save a significant amount of fuel oils, but probably more important will help improve a serious groundwater contamination problem. Arizona and Colorado are proposing similar programs to ours. Many other states have not developed proposals as yet, so the actual amount of funds going for conservation activities in agriculture in these states is difficult to determine.

If these funds are approved, they will be distributed to applicants that correctly meet the criteria as defined by DOE. They will also be reviewed by the department and ranked on their overall energy savings and statewide use merits. Also, out of the portion of funds that goes to the department for administration, a portion of an agricultural engineer's time will be devoted to assist us in the review and approval of these proposals.

Using 1982 figures, which were the most current that we could recover, Montana's farmers and ranchers spent \$157.7 million on energy cost, most of which was gasoline, diesel, motor oils, and grease. Plus, they spent \$79.8 million on fertilizers and \$43 million on crop chemicals. Because of this large input, we urge you to approve funding for agricultural energy conservation activities.

Thank you.

Ray Beck

Module 1 - Title: Economic & Health Effects of Mosquitoes

Montanans spend few summers without hearing a mosquito's whine, slapping exposed skin and scratching red, raised welts. Our retreats to golf courses, parks, lakes, streams and other healthful outdoor recreation areas become unbearable when mosquitoes are active.

Mosquitoes annoy us. More importantly they rob our pocketbooks and threaten our health.

From an economic viewpoint, stockmen are particularly vulnerable.... When mosquito densities are light to medium, cattle space themselves out and graze or drink contentedly. As mosquitoes intensify their attack, cattle crowd together in the corners or high areas of pastures and trample the vegetation. The cattle may refuse to graze.

In the evening, when clouds of mosquitoes assault them, cattle form very compact herds and mill, tossing their heads and swishing their tails. They may march around the pasture or run until they are exhausted.

Louisiana researchers have shown that mosquito attacks can cause a significant reduction in average daily weight gains in unprotected cattle herds. Their study concluded that reduced weight gains by Hereford steers would have cost ranchers an average of \$4.20 per head in 1971 and \$6.85 in 1972.

Four Milk River ranchers estimated mosquitoes were directly responsible for an annual weight loss of 75 pounds or more per calf. Wyoming ranchers who graze cattle in irrigated mountain meadows estimated similar losses and calculated a cost of \$22.50/head. At current market prices losses would be greater.

Milk production in dairy herds may be lowered when mosquito densities are high.

Mosquitoes reduce farm worker productivity.

The income that dairymen and stockmen lose to mosquito pests is as real as crop losses to hail, insects and drought.

When mosquito infestations occur, nearly all resort activities and businesses are adversely affected -- from eating at outdoor restaurants to riding horseback on mountain trails. Tourists don't want to share their vacations with mosquitoes. They'll change their plans instead.

Real estate values in developments that have mosquito problems may be significantly lower than properties in mosquito-free areas. Homeowners won't pay for a patio, barbeque and backyard they can't use comfortably.

Householders, outdoor enthusiasts and people who work outside invest thousands of dollars annually in house and garden aerosols and insect repellants to relieve themselves of these tiny tormentors.

Mosquitoes make us pay for enjoying the Big Sky Country.

In addition to economic and aesthetic costs, mosquitoes can transmit disease to livestock, wildlife, household pets, and man. While many mosquito-borne diseases are found only in the tropics, a number occur in the western and midwestern regions of the United States. These diseases include heartworms in dogs...fowlpox in birds...equine infectious anemia in horses...and anaplasmosis in cattle.

Recommendation for *Use of Oil Overcharge Funds*

Irrigation Management Practices - Specialists

EX-102 - 11

by Ole Ueland, Rancher
Silver Bow, Mt.

2/9/87

To: Long Range Planning Committee

My name is Ole Ueland. My family and I have been associated with agricultural enterprises all my life as ranchers, grain growers, and hay producers. I have also served as a conservation district official for many years. I appear here today as an irrigator.

Agriculture is a major consumer of oil based products such as gasoline, diesel fuel, fertilizers, ag chemicals, etc. It is only natural in my opinion that a goodly portion of these ~~debate~~ ^{overcharge} funds be directed toward the opportunities and State of Montana responsibilities in the area of conservation and development of the states natural resources which form the agriculture base - soil, water, vegetation. Certainly the opportunity exists to invest saome of these funds for noxious weed control, and promotion of no till, minimum till farming practices which are currently of great concern to ranchers and farmers.

IRRIGATION MANAGEMENT PRACTICES - Probably of equal importance which I would like to emphasize is the opportunity and need to invest in improvements for ibrigation water management thruout the state. Greater efficiencies are possible in the opportunities to reorganize many irrigation systems, improvements in application of water , improvements in use of fertilizers and agricultural chemicals . Such things as improving pumping systems, better designed surface water spreading systems, installation of gravity sprinkler systems, surge systems , will bring benefits in proper amounts of water for maximum crop production which are dependent on large amounts of energy being used.

This then is consistent with several recommendations of tthe Legislative Water Policy Committee regarding water use efficiencies and preferential consideration to development of agriculture in Montana.

I strongly recommend that a goodly portion of these funds be apportioned to supplement the efforts of state and local agencies that currently have the authority and capability to carry this out. ^{As an example;} The employment of at least one irrigation water management specialist to work with irrigators in each of Montana's major river basins would do much to contribute to economic development, provide stability in drouth years, enhance low income farming, and to conserve energy resources.

Thank you for your consideration.

Ok Ueland

12
2/9/87
HD

Mr. Chairman, members of the committee, for the record, my name is Debi Brammer. I represent the Montana Association of Conservation Districts.

As ^{has been} ~~we~~ mentioned, Montana's agricultural producers spent, based on 1982 figures, over \$280 million on energy costs.

As you are aware, the oil overcharge funds are to be awarded as restitution to those that were harmed by over charges. Our association feels that Montana's farmers and ranchers as a group spends a larger percent of their income on fuel oils and fuel oil products than any group in the state. Yet, outlined in the recommendations, only \$500,000 out of over \$14 million is going directly to energy conservation programs in agriculture.

Mr. Chairman and members of the committee, we ask you to consider raising this amount to 1.5 million. We do not feel that this is an unfair request since agricultural producers use such a large percentage of the fuel oils in the state. Also, we feel that there are many worthwhile agricultural programs that these funds can be used for that will not just benefit farmers and ranchers, but all Montana citizens.

Thank you.



Debi Brammer

MONTANA LOW-INCOME COALITION



P.O.Box 1029
107 West Lawrence
Helena, Montana 59624
(406) 449-8801

	LOW INCOME SENIOR CITIZENS ADVOCATES
	MONTANA SENIOR CITIZEN ASSOCIATION
	NORTHERN ROCKIES ACTION GROUP
Helena	LAST CHANCE PEACEMAKERS COALITION
Missoula	LOW INCOME GROUP FOR HUMAN TREATMENT
	NATIVE AMERICAN SERVICES AGENCY
Great Falls	CONCERNED CITIZENS COALITION
Butte	BUTTE COMMUNITY UNION
Bozeman	BOZEMAN HOUSING COALITION

EX-103 2/9/87

JOB CREATION AND WEATHERIZATION

DUE TO HIGH UNEMPLOYMENT AND THE INCREASING NUMBER OF PEOPLE WHO MUST SEEK PUBLIC ASSISTANCE, THE MONTANA LOW-INCOME COALITION IS MAKING JOB CREATION ONE OF IT S PRIORITIES THIS SESSION. WE WOULD LIKE TO WORK IN COOPERATION WITH THE LEGISLATURE TO ADDRESS THIS ISSUE. THE USE OF EXXON OIL OVERCHARGE MONEY FOR WEATHERIZATION AND JOB CREATION IS ONE OF THE WAYS WE SAW AS USING THE OIL OVERCHARGE MONEY IN IT S DESIGNATED USE BY LAW.

IF A TOTAL OF 5 MILLION DOLLARS WAS PUT INTO THIS PROGRAM THE BENEFITS WOULD BE THE FOLLOWING:

1. IT COULD CREATE OR SAVE 236 JOBS
2. BY TARGETING THOSE JOBS TO PEOPLE ON PUBLIC ASSISTANCE (GENERAL RELIEF) SAVINGS TO THE STATE WOULD BE APPROXIMATELY \$611,712.00 PER YEAR IN UNPAID BENEFITS (NOT INCLUDING MONEY SAVED IN THE STATE MEDICAL PROGRAM)
3. APPROXIMATELY 3,125 HOMES WOULD BE WEATHERIZED.
4. OVER \$235,000.00 WOULD BE PUT BACK INTO GOVERNMENT COFFERS THROUGH TAXES.
5. APPROXIMATELY \$2.5 MILLION WOULD BE SPENT IN LOCAL COMMUNITIES ON MATERIALS FOR WEATHERIZATION.

CONSIDER THE MANY BENEFITS THAT WOULD COME FOR THESE PEOPLE DUE TO LEARNING A MARKETABLE SKILL AND HAVING THE DIGNITY OF EMPLOYMENT.

PLEASE SUPPORT THIS PROPOSAL FOR THE STRENGTHENING OF MONTANA THROUGH THESE JOBS.

THANK YOU FOR YOUR SUPPORT!!

MONTANA LOW-INCOME COALITION



P.O. Box 1029
107 West Lawrence
Helena, Montana 59624
(406) 449-8801

Statewide	MONTANA ALLIANCE FOR PROGRESSIVE POLICY MONTANA HRDC DIRECTOR ASSOCIATION MONTANA LEGAL SERVICES EMPLOYEES LOW INCOME SENIOR CITIZENS ADVOCATES MONTANA SENIOR CITIZEN ASSOCIATION NORTHERN ROCKIES ACTION GROUP
Helena	LAST CHANCE PEACEMAKERS COALITION
Missoula	LOW INCOME GROUP FOR HUMAN TREATMENT NATIVE AMERICAN SERVICES AGENCY
Great Falls	CONCERNED CITIZENS COALITION
Butte	BUTTE COMMUNITY UNION
Bozeman	BOZEMAN HOUSING COALITION

AFFORDABLE HEAT SUMMARY

In 1984 the Montana Low-Income Coalition began a study to determine if the heating needs of low-income people were being adequately met by the Low-Income Energy Assistance Program.

This evaluation found major discrepancies between the intent of the program and the actual impact of the program. The program was intended to supplement low-income peoples heating bill during the months of the freezing temperatures for basic survival. Unfortunately the study found that many people were drastically underserved. Tragically, those who were most underserved were the poorest of the low-income people.

The following facts underscored the discrepancies:

1. In April ¹⁹⁸⁶ 55% of LIEAP clients have heating bills still owing from the winter while 45% have credits to carry through the spring & summer.
2. Last year over 10,000 families had their power terminated due to inability to pay.
3. The poorest people on LIEAP are paying the largest % of their income for heating for example the poorest people in the state are paying up to 40% of their income for heat while in contrast the state and national average of income paid for heat is 5%.

A modification of the present method of administering the funds would result in a more equitable distribution of benefits as demonstrated in other states. This would greatly benefit low-income people, utilities, and the state.

By being required to pay a proportion of the heating bill it would encourage self-sufficiency and conservation.

Due to the distribution being more equitable fewer shut-offs would be required in the spring benefiting all concerned parties.

Because the poorest of the low-income people are paying the biggest portion of their income for their heat and are the least able to do so we recommend the following sliding scale.

AFFORDABLE HEAT SUMMARY

(PAGE 2)

-50% of poverty and below pay 3% of Heat Bill

-51% to 75% pay 6% of Heat Bill

-76% to 100% pay 9% of Heat Bill

-101% to 125% pay 13% of Heat Bill

One of the advantages of this program is that the %'s can easily be adjusted according to available resources.

The Montana Low-Income Coalition strongly supports this plan and urges the Legislature to give this proposal their favorable support.

1
2
3
4 A BILL FOR AN ACT ENTITLED: AN ACT APPROPRIATING FUNDS FOR AN
5 EFFECTIVE AFFORDABLE HEAT PLAN FOR LOW-INCOME CITIZENS FROM THE
6 OIL OVERCHARGE PAYMENT.
7

8 INTENT: It is the intent of the legislature that social and
9 rehabilitation services shall have \$100,000 appropriated to
10 it in order to develop and initiate an affordable heat plan.
11 This will therefore offer all low-income citizens equal benefits
12 which adequately meet their needs and are representative of
13 percentages payed by all households. Furthermore, that social
14 and rehabilitation services shall involve low-income citizens,
15 senior citizens and other interested community organizations
16 in developing and initiating the program.
17

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 Section 1. Appropriation. To appropriate to the social
20 and rehabilitation services \$100,000 coming from the oil
21 overcharge payment. This money is to be placed in an interest
22 bearing account which is readily available to social and
23 rehabilitation services as needed for development and
24 research of an affordable heat plan. The interest is to be
25 placed in the Low Income Energy Assistance Program to further

1 aid in benefitting low-income citizens.

2 Section 2. Clarification of Terms.

3 - Affordable Heat Plan. An Affordable heat plan is one
4 in which low income energy assistance benefits are based on
5 a percentage of winter household heating costs, for both
6 primary and secondary heating sources; and in which lower income
7 households pay a smaller percentage of household income for
8 winter heating bills. This percentage should vary on an equally
9 distributed sliding scale.

10 Effective. Effective is defined as the following matching
11 benefits to need.

12 - Reducing the amount by which the Low Income Energy
13 Assistance benefits fall short of or exceed winter heating
14 bills.

15 - Keeping the percentage of income which low-income
16 households pay for winter heat even with that paid by all
17 households.

18 Section 3. Effective Date. This act is effective on July
19 1, 1987.

1
2
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING FUNDS FOR A
5 JOB CREATION AND WEATHERIZATION PROGRAM FROM THE OIL OVERCHARGE
6 PAYMENT."

7
8 INTENT: It is the intent of the Act to appropriate \$5,000,000
9 to social and rehabilitation services for immediate use into a
10 job creation and weatherization program. This program will be
11 targeted towards low-income citizens.

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Appropriations. To appropriate to the social
15 and rehabilitation services \$5,000,000 coming from the oil
16 overcharge payment. This money is to be used for
17 administration costs, job creation, and weatherization
18 materials.

19 Section 2. Appropriation Guidelines. Guidelines to be
20 followed upon passage of the bill.

21 - Job creation should be targeted such that at least 50
22 percent of those hired for weatherization are low-income
23 citizens at 100 percent or below the poverty line, particularly
24 for those eligible to receive public assistance.

1 - Affirmative action should be taken to recruit
2 low-income applicants by contacting local and state job
3 training programs.

4 - Local weatherization companies and materials shall be
5 utilized whenever possible.

6 Section 3. Effective Date. This act is effective July 1,
7 1987.

2/9/87

TO ~~whom~~ THIS MAY CONCERN

I AM WRITING THIS LETTER IN HOPES THAT IT MIGHT HELP CHANGE SOME MINDS. IN OCTOBER 85 I APPLIED FOR HEAT AND WINTERIZATION. I REQUESTED BOTH THEY ALLOWED ME \$355⁰⁰

UTILITIES AUG. \$118⁰⁰ FOR FIVE MONTHS THIS IS MORE THAN MY HEAT ASSISTANCE. THE NEXT YEAR I FILED AGAIN I WAS GRANTED \$305⁰⁰ AND WINTERIZATION. WHY DO I NEED WINTERIZATION AGAIN WHEN I DIDNT GET IT THE FIRST TIME.

THIS WINTER WAS CALLED THAN LAST UTILITIES FOR OCT-NOV-DEC. WAS \$342⁰⁰ I HAD TO MOVE THE COST OF UTILITIES WAS TOO MUCH I LOST MY TRAILER BECAUSE OF THIS. IF THEY WOULD OF WINTERIZED MY TRAILER LAST YEAR LIKE THEY SAID I WOULD STILL BE THERE.

WE NEED A BETTER PLAN TO GET ME AND OTHER PEOPLE LIKE ME THE HELP WE NEED.

THANK YOU FOR ~~LISTENING~~ HEARING ME OUT

Betty L. Laughman
2-8-87

EX-107

2/9/87

to whom it may
concern

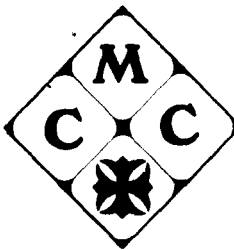
I am writing in
regard to the high
energy costs. it cost us
\$115.50, during Jan through
Feb.

we put in for Leap, ~~and~~ we
only got a little over
\$120.00, but that doesn't
help, my wife has
asthma and that doesn't
help her or my self with
Enphysema.

maybe this will help
make some doing some
thinking so that the
Bills won't be so high

Jerry Diefz

2225 River Rd.
Missoula, MT,
59801



Montana Catholic Conference

February 9, 1987 ¹⁶

DATE 2/9/87

HB _____

MEMBERS OF THE LONG RANGE SUBCOMMITTEE:

I am John Ortwein representing the Montana Catholic Conference. The Montana Catholic Conference serves as the liaison between the two Roman Catholic Bishops of the State of Montana in matters of public policy.

I am here today to speak in behalf of the Montana Low-Income Coalition's proposal on job creation and weatherization.

For several years members of the coalition have come to various committees of the Montana Legislature stating the same phrase, "We would like to have a job." Monies from the Exxon Oil overcharge would well serve as a means for the employment of many on public assistance. In the recently completed U.S. Bishops' Pastoral Letter on the Economy, the following is stated: We recommend increased support for direct job-creation programs targeted on the long-term unemployed and those with special needs. The cost of providing jobs must also be balanced against the savings realized by the government through decreased welfare and unemployment insurance expenditures and increased revenues from the taxes paid by the newly employed.

Jobs that are created should produce goods and services needed and valued by society. It would seem to us that it is good common sense and sound economics to create jobs directly for the purpose of meeting society's unmet needs. The weatherization of homes is a need that is felt by many.

In conclusion it would seem to us that the overriding moral value of enabling jobless persons to achieve a new sense of dignity and personal worth through employment also strongly recommends the proposal of the Montana Low-Income Coalition to you.

The Montana Catholic Conference would urge you to give thoughtful consideration to the Montana Low Income Coalition's proposal. Thank you.



Tel. (406) 442-5761

P.O. BOX 1708

530 N. EWING

HELENA, MONTANA 59624



Mr. Chairman & Committee EXHIBIT 17
DATE 2/9/87 2-9-87
HB

My name is Marie Schreiber, I live at 1508 1st West Hill Dr. Great Falls.

I and my 4 children live in a large 4 bedroom single family home. I live on A.F.D.C. and Foodstamps. I pay more than 10% of my income per month for utilities through the winter months, even after L.I.E.A.P. benefits and even with this mild winter.

My L.I.E.A.P. benefits will be exhausted before winter is over but I will manage as long as the weather holds out.

My L.I.E.A.P. benefits might have covered my bill this year if I hadn't gone into this heating season with a \$150⁰⁰ arrearage, from last year.

I firmly believe the affordable heat plan will work and will not need alot of initial funds to get it going if S.R.S. will acknowledge and embrace the positive and proactive proposals of M.L.I.C. and its

Member groups, working to meet
the needs of the neediest.

Thank you.
Marie Schreiber

EXHIBIT 19
DATE 2/19/87
HB _____

TESTIMONY OF MONTANA WEED CONTROL ASSOCIATION
FOR OIL OVERCHARGE FUNDS
MONDAY, FEBRUARY 6, 1987

Chairman Thoft and Members of the Committee. Noxious weeds on rangeland cost the state of Montana an estimated \$47 million dollars annually in lost forage production, livestock losses, and cost of research and control. Long-term weed management is dependent on the development of more cost effective, energy efficient, and environmentally safe methods to control noxious weeds. The use of grazing animals, grazing systems, and biological control agents such as insects and pathogens have shown that energy self-sufficient, selective and permanent methods of weed control are possible. Field implementation, testing, redistribution, and monitoring are essential if these methods are to be improved and accepted statewide.

The establishment of effective biological weed control methods for noxious weeds on rangeland is important from an energy utilization standpoint. By using biological rather than chemical weed control techniques, the total savings on fuel products for control of spurge and knapweed would be 5.5 million gallons in the state. This includes savings in application and herbicide production. There would also be increased savings in equipment and labor.

The development and application of biological weed control techniques meets the requirements to qualify for oil overcharge settlement funds. The Montana Weed Control Association requests your full consideration in funding the biological weed control effort in Montana.

Bill Huett
Montana Weed Control Assn.

EXHIBIT 20
DATE 2/9/87
HB _____

~~My~~ Name is Henrie Byrd, I am a resident of Great Falls, a recipient of AFDC and am now a LIEAP -

I have never lived in such a COID STATE before and last winter scared the Heck ^{out} of me. I am now very concerned about heat.

Last month I was invited to sit in on a meeting between the Concerned Citizens Coalition, Great Falls Gas Co and the S.R.S. Everyone seemed real interested in putting together a pilot project in Great Falls to help LIEAP become more efficient for low income people.

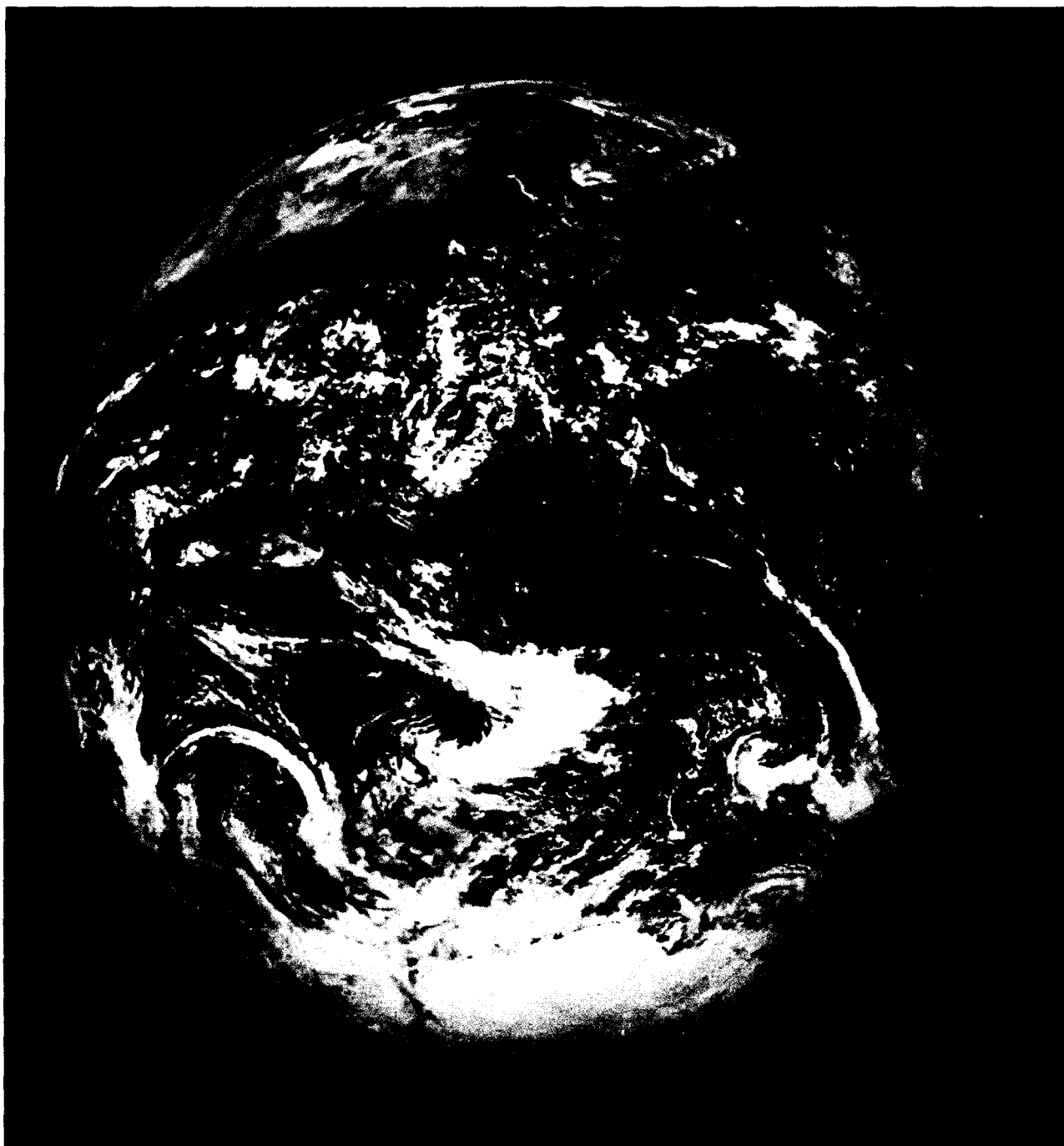
Some how, something has to be done before another hard winter hits and we take a ~~big~~ chance on more Elderly and low income people die because of lack of funds to pay Heating Bills.

Thank You
Mrs. Henrie M. Byrd

EXHIBIT 21
DATE 2/9/87
#

USING THE EARTH

TO HEAT AND COOL HOMES



Prepared for

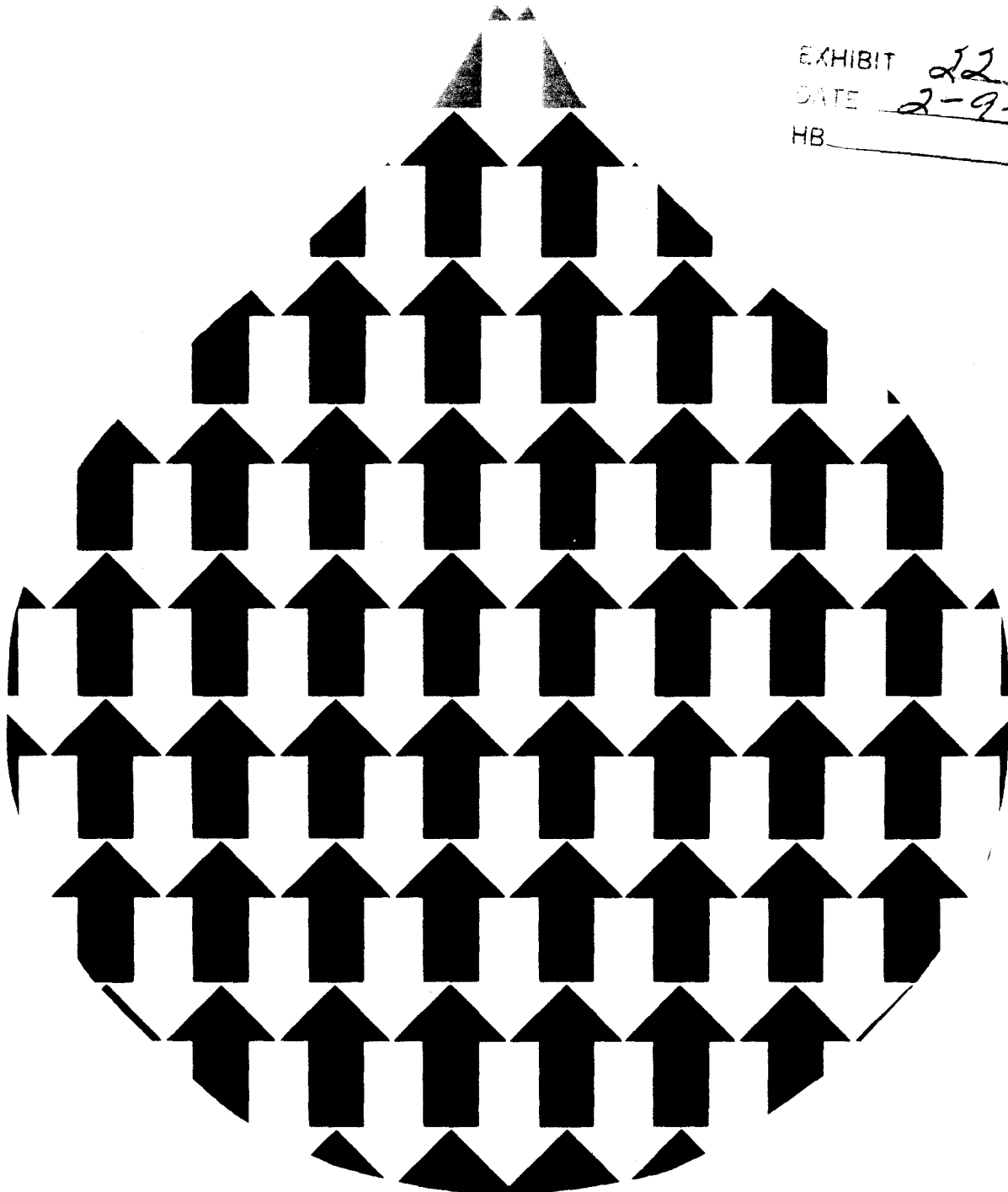
U.S. Department of Energy
Assistant Secretary, Conservation and
Renewable Energy
Small Scale Technology Branch
Appropriate Technology Program
Under Contract No. DE-AC01-82CE15095

EXHIBIT 22
DATE 2/9/87

MOISTURE AND HOME ENERGY CONSERVATION

How to Detect, Solve and Avoid Related Problems

EXHIBIT 22
DATE 2-9-87
HB _____



ST 23

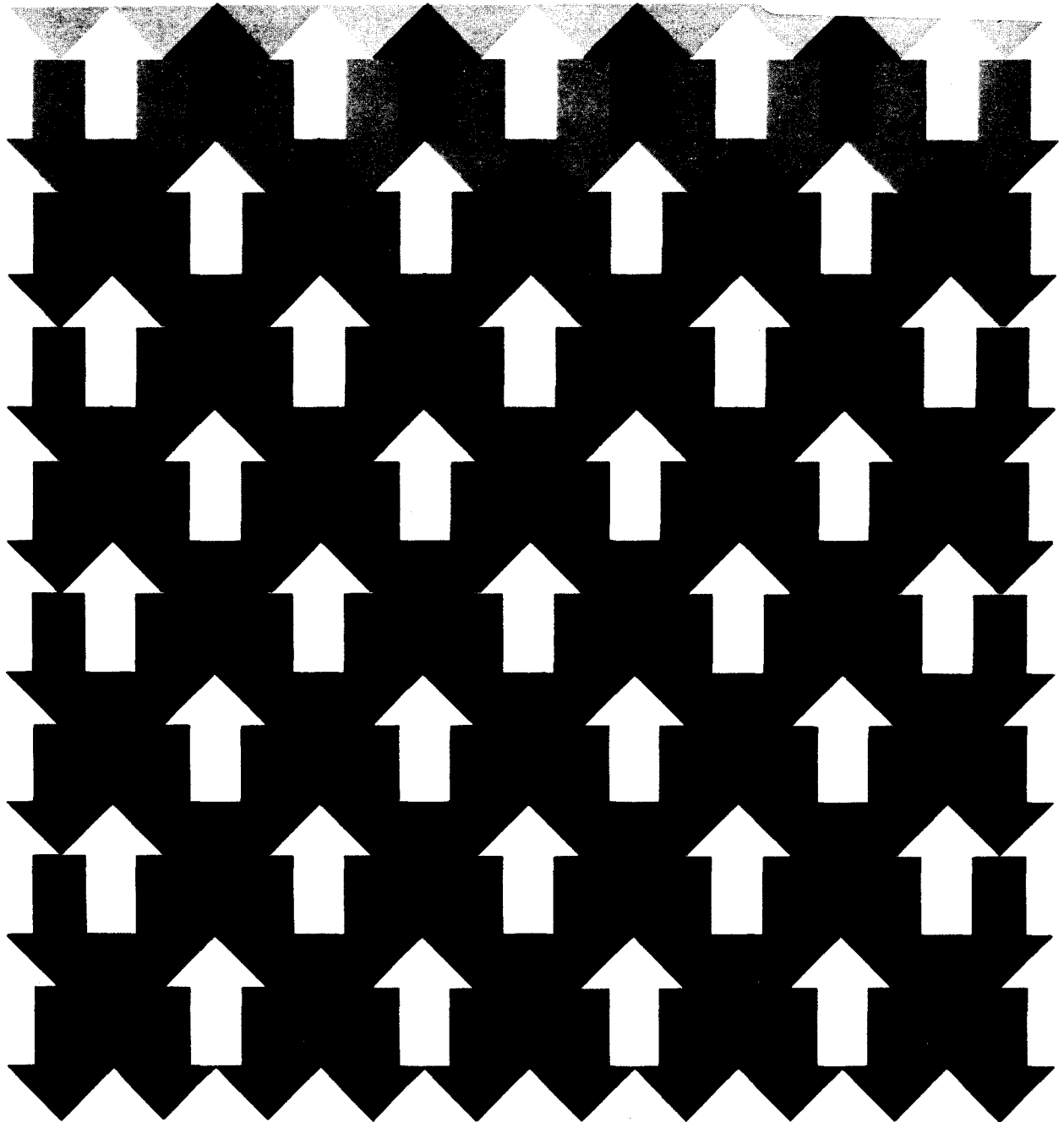
DATE 2/9/87

WASTES TO RESOURCES

July 1983

EXHIBIT 23
2-9-87

APPROPRIATE TECHNOLOGIES FOR SEWAGE TREATMENT AND CONVERSION



Prepared for:

U.S. Department of Energy
Assistant Secretary, Conservation
and Renewable Energy

Small Scale Technology Branch
Appropriate Technology Program
Under Contract No. DE-AC01-82CE15095

NATAS

EXHIBIT ²⁴DATE ^{2/9/87}

FIB



A GUIDE TO THE SERVICES OF

THE NATIONAL APPROPRIATE TECHNOLOGY ASSISTANCE SERVICE

The National Appropriate Technology Assistance Service, NATAS, provides tailored information and technical assistance on energy-related appropriate technologies.

The term "appropriate technology" is commonly defined as a small-scale, environmentally sound, low-cost, locally based approach to problems that also emphasizes self help. While appropriate technologies can be applied broadly (to food and health issues, for example), NATAS assists those who want to investigate or implement the appropriate technologies that conserve energy or use renewable energy resources.

NATAS is available to anyone in the United States, but users are most often homeowners or renters, small businesses, state and local governments, and institutions.

NATAS can be contacted by calling a toll-free telephone number, 1-800-428-2525 (1-800-428-1718 in Montana), or by writing NATAS

U. S. Department of Energy
P. O. Box 2525

Butte, Montana 59702-2525

The telephone service operates from 9:00 am to 6:00 pm Central Time on weekdays; it is not available on weekends or Federal Holidays.

Calls are received by Information Specialists who will answer some questions on the phone or send out information by mail immediately. More complex questions are referred to Technical or Financial Specialists, who will prepare more detailed written responses.

Often, NATAS specialists will contact clients to further clarify the question or problem prior to response.

The following sections provide a more detailed look at the NATAS tailored information and technical assistance services.

NATAS SERVICES

NATAS provides tailored information, engineering/scientific technical assistance, and commercialization technical assistance. NATAS can help with the full spectrum of small-scale renewable energy and conservation technologies, but the most numerous inquiries to NATAS are related to:

- solar thermal energy,
- energy-efficient new construction,
- energy-efficient appliances,
- energy-efficient building retrofits,
- heating, ventilation and air-conditioning systems,
- greenhouses and sunspaces,
- weatherization,
- wind and hydropower, and
- recycling or resource recovery.

Tailored Information

NATAS emphasizes the delivery of information that is tailored to the specific needs and circumstances of each NATAS user. Trained specialists, with extensive knowledge of appropriate technologies, will answer the question directly on the phone or by letter. In some cases, they will select an existing article or brochure, or provide a list of other publications that best answers the question, and send it to the client. Sometimes, the most useful response will be to refer the user to another source of assistance.

THE CONTINUATION OF RESEARCH AND DEVELOPMENT OF HEAT RECOVERY
VENTILATION AND INDOOR AIR QUALITY FOR RESIDENCES IN MONTANA

DATE 2/9/87
HB

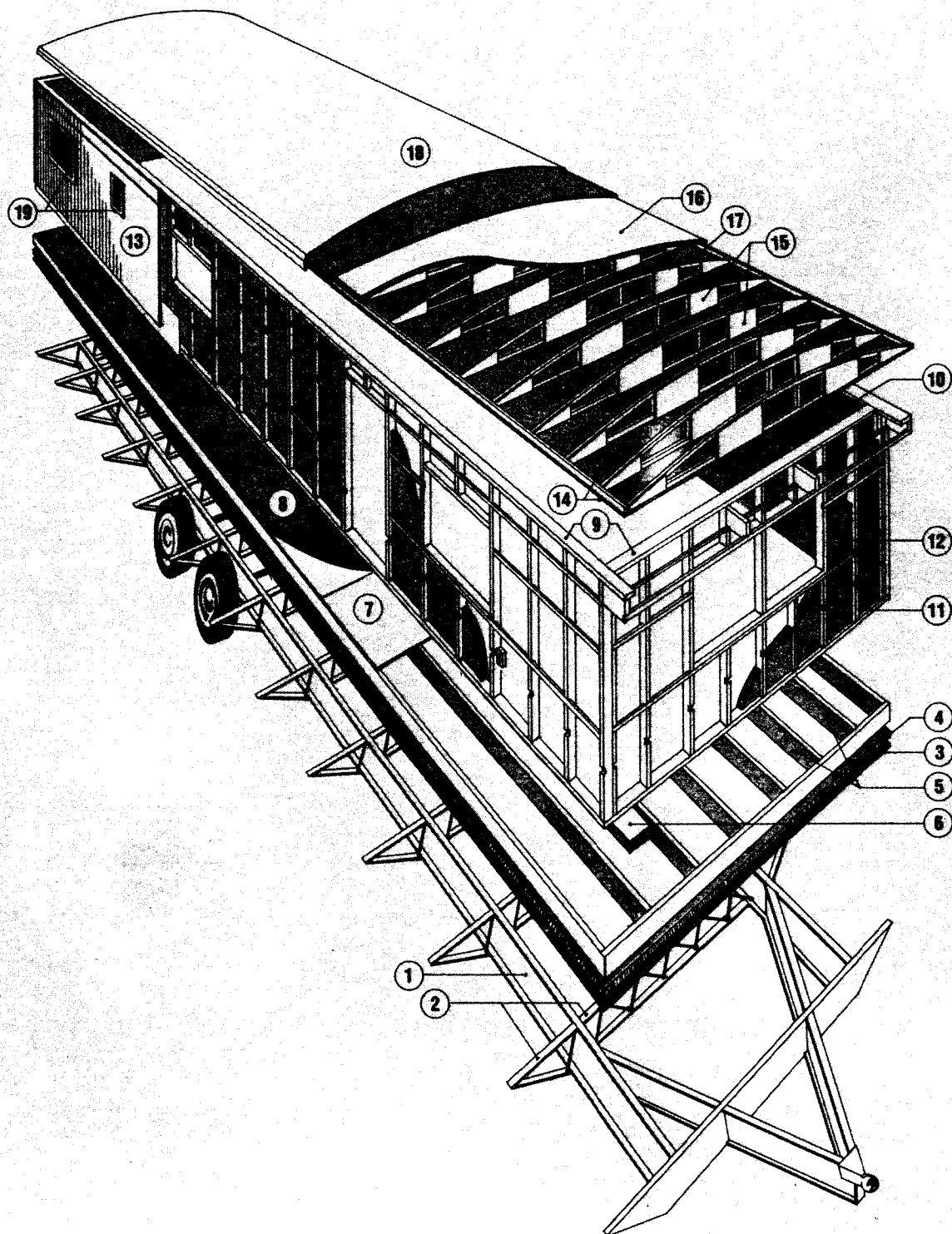
INTRODUCTION

Montanans spend nearly one-half billion dollars annually to heat their residences. A number of new technologies and methods hold promise to dramatically reduce heating costs in new residences built in the state, as well as offer potential benefits to existing housing. Yet, applications research and development of these methods and technologies has been at a virtual standstill for nearly five years in this country due to lack of support.

Through the Montana Renewable Energy and Conservation Grants Program, the National Center for Appropriate Technology (NCAT) has been under contract to the Department of Natural Resources and Conservation (DNRC) to conduct an in-depth study of the methods and technologies known as "superinsulation." The Montana Superinsulation Project has been one of the most successful research and development programs undertaken in the nation on this very promising group of methods, methods that are well suited to Montana's severe climate. The Montana Superinsulation Project leverages more than \$400,000 in federal research and development conducted by NCAT in Montana during 1979-82.

Unlike field demonstrations conducted in Western Montana by the Bonneville Power Administration, the Montana Superinsulation Project is designed to get data of high resolution to provide reliable information for DNRC, Montana contractors and designers, and others in the shelter industry related to the real performance of this type of energy-efficient housing and its components. The research is on-going on a limited basis this heating season, with emphasis on detailed field data from the heat recovery ventilation systems, but it is funded at a level that is too low to allow the experiment to continue past April 30, 1987. NCAT has secured augmented funding from the Northwest Power Planning Council for the project, and anticipates other professional groups providing support, including anticipated funding in late 1986 related to the study of indoor air quality in these research houses. However, without an extension of the basic measurement period, this important work may come to a halt before critically needed information is obtained.

EXHIBIT 26
2-9-87



VISITOR'S REGISTER

LONG RANGE PLANNING

SUBCOMMITTEE

AGENCY(S) _____

DATE FEBRUARY 9, 1987

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
KEN ELLIOT	senior P.T. Jär		✓
Van Jamison	DNRC	✓	
R.A. Ellis	M W O A		
Mickey Mann	Missouri		
Herbert on Coy	Missouri		
HUGHSTANDLEY	Missouri		
NORMAN MANN	Helen, Lincoln		
Elith Carpenter	Anacosta		
Robert Baillie	Anacosta		
Mark Carpenter	Anacosta		
Arlene Foley	Anacosta		
D. Allen Bellon	Anacosta		
Bartana Miller	Butte NEA		
James Taylor	NEA		
Scott Miller	NEA		
Gordon Morris	NEA - LLEO Front	✓	
Ken Landers	Heat Falls Mont (CA)	✓	
Carolyn Gault	Heat Falls (CA)		
Ken Liraas	MLK		
Bill Hunt	MONTANA DECID Control Assn	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT
 IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY

VISITOR REGISTER

LONG RANGE PLANNING

SUBCOMMITTEE

AGENCY(S) _____

DATE FEBRUARY 9, 1987

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
Tom O'Connell	State of Montana	X	
Gertrude Downey	HRDC		
Corinne Shea	HRDC		
F.B. Tossberg	Ravalli County	X	
Tom Morvin	MT LOC. GOVT ENERGY OFF	X	
Tim Kearney	BCU		
Sai Merone	B.C. U.		
Jackie Campbell	B.C. U.	X	
David Anderson	BCU / MLC		
Thelma Liebman	BCU		
Shirley E. Marten	BCA		
MICHAEL FIELDMAN	DIST. 4 HRDC		
Jim Morton	DIST. XI HRDC		
Rick Griffith	Butte-Silver Bow	X	
Bob Nelson	PSC		
OLE LELAND	RANCHER-SELF		
CARL VISSER	HRDC 7 Billings		
Patricia O'Leary	HRDC 1-2-3 - Glendive		
Rick MORTIMER	COMMISSIONER WITH COPT	V	
CHET KINSEY	MLIC		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

John Barrett
Rifle

Representing
Fuller Leaf Pro Corp
Shelburne Pro Corp
Merrimack Pro Corp
Hess Pro Corp
Fuller Pro Corp
Hess Pro Corp

John Arthur
Mary Schuler
Mary Schuler
Bill Fogarty
John Schuler

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Mount St. Ignace

Dept of Commerce

Mount St. Ignace

Support 551 (sales)

Support 653 (sales)

Support 653 (sales)
Support 653 (sales)
Support 653 (sales)