

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chair Bianchi, on February 1, 1993, at 1:04 p.m.

ROLL CALL

Members Present:

Sen. Don Bianchi, Chair (D)
Sen. Bob Hockett, Vice Chair (D)
Sen. Sue Bartlett (D)
Sen. Steve Doherty (D)
Sen. Lorents Grosfield (R)
Sen. Tom Keating (R)
Sen. Ed Kennedy (D)
Sen. Bernie Swift (R)
Sen. Chuck Swysgood (R)
Sen. Henry McClernan (D)
Sen. Larry Tveit (R)
Sen. Cecil Weeding (D)
Sen. Jeff Weldon (D)

Members Excused: None.

Members Absent: None.

Staff Present: Paul Sihler, Environmental Quality Council
Leanne Kurtz, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 214, SB 225
Executive Action: None.

HEARING ON SB 214

Opening Statement by Sponsor:

Sen. Weldon, SD 27, said he hopes SB 214 will strike a balance between the need to conserve cave resources and concerns of land owners. He said SB 214 prohibits the vandalizing of cave surfaces and cave formations, and forbids harming cave life, polluting caves and selling cave materials. He said Section 7 grants authority to the Department of Fish Wildlife and Parks (FWP) to employ cave resource management personnel, provide

technical assistance, and provide an inventory of cave resources. Sen. Weldon stated he did not intend to place a burden on FWP and has asked for an amendment to strike Section 7, negating the bill's fiscal note. Sen. Weldon said the objective of Section 8 was to encourage cave owners to allow more people in the caves. He added the bill authorizes the county attorney to assess a misdemeanor penalty. Sen. Weldon stated there are at least 350 caves in Montana, providing habitat and housing unique resources. He noted at least 23 other states have similar cave protection laws.

Proponents' Testimony:

David Roemer, a member of the Lake Missoula Grotto of the National Speleological Society, submitted a written copy of his testimony (Exhibit #1), and passed around photographs of cave features.

Bruce Boehmler, chairman of the Lake Missoula Grotto of the National Speleological Society, discussed examples of cave vandalism and pollution.

Richard Boehmler, Montana Chapter of the Sierra Club, stressed that caves may take tens of thousands of years to recover from vandalism and pollution. He stated private landowners should not be held liable if an individual is injured in a cave.

Sam Martinez, member of the Lake Missoula Grotto and the National Speleological Society, said he has studied caves for years. He noted caves on federal land are already protected and other states have cave protection laws. Mr. Martinez stated cave owners have little or no way to protect contents of a cave from damage and restoration would take "several lifetimes". He added SB 214 would be a deterrent to vandals and specimen hunters, and discussed the unique characteristics of caves and cave life. Mr. Martinez stated about 60% of Montana's caves are located on state or private land, and landowners are likely to close entrances to caves for fear of legal liability.

Janet Ellis, Montana Audubon Legislative Fund, stated the Fund supports SB 214 because the unique and fragile features of caves must be protected. She mentioned the slow growth of cave formations.

Jim Jensen, Montana Environmental Information Center (MEIC), said liability is an important policy question, and added MEIC is concerned with the wildlife that use the caves.

Bob Barry, former BLM staff specialist responsible for management of about 30 caves in Wyoming, said he sees SB 214 as just one aspect of cave management. Mr. Barry noted the bill would not involve extensive enforcement, but would act as a deterrent. He stated there is no attempt to restrict owners' property rights in

SB 214. Mr. Barry stated the job described in SB 214 would not entail the amount of work the fiscal note suggests. He discussed the extremely slow recovery and growth of cave features.

Arnie Olsen, administrator of the Parks Division, Montana Fish, Wildlife and Parks, read from written testimony (Exhibit #2).

Kirsten Talmage, a University of Montana environmental studies graduate student, discussed the importance of caves in education, as they are examples of geology and hydrology in action.

Opponents' Testimony:

Russell Hill, executive director, Montana Trial Lawyers Association (MTLA), read from written testimony (Exhibit #3), expressing opposition to Section 8 of SB 214.

Questions From Committee Members and Responses:

Sen. Weeding asked if Sen. Weldon had given any thought to the definition of a "sink hole" in drafting SB 214. David Roemer replied a sink hole is a feature where the entrance to a cave is formed on a flat plain. He said sink holes are not common in Montana, but the language was included to mirror standard language in other states. Sen. Weeding said he was concerned about the terminology because in eastern Montana, sink holes line the creeks. He said he would not want SB 214 to prohibit people from putting a dead animal or old barbed wire in the hole. Mr. Roemer assured Sen. Weeding that a sink hole as in SB 214 refers to an entrance of a cave. Sen. Weeding asked about liability and Sen. Weldon stated MTLA and people from the Lake Missoula Grotto have been working out language to strengthen the section concerning liability.

Sen. Kennedy asked what percentage of Montana's caves are on private land. David Roemer replied approximately 24 caves out of 350 are located on private land. Sen. Kennedy asked Sen. Weldon if he had spoken with any landowners who had caves on their land. Sen. Weldon said he had not.

Sen. McClernan asked Mr. Olsen how FWP prosecuted the individuals responsible for vandalizing Lewis and Clark Caverns last year. Mr. Olsen stated the case was tried in the Jefferson County courts, and FWP charged the offenders with breaking and entering, and vandalism. He noted FWP had difficulty placing a value on what was damaged because the features are irreplaceable.

Sen. Keating and Sen. Weldon discussed the idea that graffiti of 500 years ago constitutes historically significant pictographs now.

Sen. Kennedy asked Mr. Olsen why SB 214 is needed. Mr. Olsen said SB 214 is important to provide additional coverage for irreplaceable Native American cultural resources, geological features and wildlife resources.

Sen. Bartlett asked if the definition of cave life could apply to humans, and if an individual could make a case that interfering with a person in a cave might be in violation of the statute. Mr. Roemer said similar language regarding cave life is in most of the other states' laws, and he does not believe there has been any legal challenge to the statute in other states.

Closing by Sponsor:

Sen. Weldon stated people are working on the liability language and he is committed to presenting amendments in time for executive action.

HEARING ON SB 225

Opening Statement by Sponsor:

Sen. Rye, SD 47, stated SB 225 lays the ground work for future legislation. He said he is a member of the Environmental Quality Council (EQC) as well as the executive director of a Billings homebuilders association. Sen. Rye stated SB 225 is the result of a collaboration among people who generally do not agree on many other issues.

Informational Testimony:

Deborah Schmidt, executive director, EQC, described the process from which SB 225 resulted. She said energy resources received attention during the 1991 legislature because of the Persian Gulf war. The 1991 legislature directed EQC to conduct an energy policy study for Montana, but appropriated no money. Ms. Schmidt stated EQC felt the best way to spend its limited resources while complying with the legislature's mandate was to involve all groups and diverse interests concerned with energy policy. She distributed a copy of the energy policy report (Exhibit #4), as well as a list of individuals from various organizations that developed the state energy policy goal statement. Ms. Schmidt stressed Section 1 is intended to guide future state energy policy development, and would not affect existing programs. She noted SB 225 would "set up a process that would provide for an evaluation of the effects of proposed energy policy modifications." Ms. Schmidt stated Section 3 provides for energy policy development on a consensus basis wherever possible. She stated the Northwest Power Planning Council (NWPPC) has participated in the development of SB 225. Ms. Schmidt added SB 225 provides for the application of an energy fiscal note

process. She said SB 225 proposes adoption of the energy policy on a trial and voluntary basis.

Alan Davis, Department of Natural Resources and Conservation (DNRC), stated he planned to present informational testimony as well as be considered a proponent. He stated DNRC's role in the process of developing SB 225 was to provide energy expertise. Mr. Davis said Energy Policy Methodology is similar to a fiscal note. He said most energy legislation affects the environment, the fiscal well being of state government, the economy, and society. Mr. Davis added the purpose of SB 225 is to frame the debate and provide information to the legislature on various aspects of an energy-related proposal. Mr. Davis stressed SB 225 "is not intended to dictate any outcome at all". He discussed the goals of the working group and distributed summary sheets (Exhibits #6 and #7), documents similar to fiscal notes, which show costs, benefits and effects of a specific action. Mr. Davis also distributed a list of individuals involved in developing energy policy analysis methodology (Exhibit #8).

Proponents' Testimony:

Bob Anderson, chairman of the Public Service Commission (PSC), discussed the Commission's involvement in developing SB 225 and asked that Section 3 be amended to include the Public Service Commission.

Doug Abelin, Northern Montana Oil and Gas Association, stated SB 225 allows for uniformity in the direction of Montana's energy policy.

Gene Phillips, Pacific Power and Light, said those involved in developing SB 225 looked at what New Mexico had done with energy policy. He said the residential energy efficiency standards bill, yet to be introduced, is an example of the collaborative effort to define energy policy.

Jim Jensen, Montana Environmental Information Center, expressed his organizations' support for SB 225.

Janet Ellis, Montana Audubon Legislative Fund, stated she supports SB 225 because it "creates a systematic way to find solutions to identify energy policy problems."

Al Kurki, executive director, Alternative Energy Resources Organization (AERO), stated AERO's members and staff participated in developing the legislation.

Ted Lange, Northern Plains Resource Council (NPRC), read from written testimony (Exhibit #9).

John Hines, Northwest Power Planning Council (NWPPC), stated past energy legislation has been disjointed, but passage of SB 225

will point Montana towards least cost energy planning. He added SB 225 is consistent with NWPPC's energy plan in that it requires open public input, evaluates proposals consistently, and evaluates a wide range of variables.

Mike Pitchette, Montana Power Company (MPC), referred to Section 1, lines 13 through 19 regarding least cost. He said MPC has been working on least cost planning for resource acquisition.

Bob Barry, Montana Alliance for Progressive Policy (MAPP), expressed his organization's support for SB 225.

Alan Davis, DNRC, stated SB 225 would provide the opportunity for long-term sustainable energy policies.

Bob Nelson, Consumer Council, expressed support for SB 225.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Sen. Grosfield asked Ms. Schmidt who decides whether or not an energy policy note is needed, and who would develop it. Ms. Schmidt stated the methodology working group originally recommended that every energy related bill would receive an energy policy analysis. She presented the process to the Joint Rules Committee, which expressed concern that approving the analysis for every energy related bill would slow down the legislature. Ms. Schmidt said a committee or a bill's sponsor can request an energy fiscal note. She added the working group's goal is that eventually, every bill relating to energy will receive an energy analysis.

Sen. Swift asked Sen. Rye if DNRC's participation in the process was mandatory or voluntary. He noted the analysis phase appeared costly. Sen. Rye stated there would be no fiscal impact to the state, and projects will be completed at the personal expense of the parties concerned. Ms. Schmidt added page 5, Subsection 4 of SB 225 states DNRC would prepare the energy policy analysis "within the limits of available resources". She said the bill recognizes there are limited state resources to conduct the energy policy. Mr. Davis stated DNRC normally conducts ongoing energy policy development, and SB 225 creates a forum to bring other parties into the policy development process.

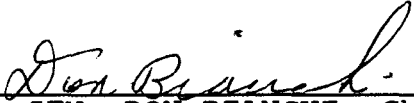
Sen. Tveit asked Sen. Rye for clarification of "presiding officer" on page 5, line 11. Sen. Rye stated it means Speaker of the House or President of the Senate. Ms. Schmidt stated the language is identical to the language for requests for fiscal notes.

Closing by Sponsor:


Sen. Rye stressed SB 225 is the result of a collaborative effort on the part of interests who normally view each other with suspicion.

ADJOURNMENT

Adjournment: 2:40 p.m.



SEN. DON BIANCHI, Chair



LEANNE KURTZ, Secretary

DB/lk

ROLL CALL

SENATE COMMITTEE NATURAL RESOURCES DATE 2/1

NAME	PRESENT	ABSENT	EXCUSED
Sen. Bianchi	X		
Sen. Hockett	X		
Sen. Bartlett	X		
Sen. Doherty	X		
Sen. Grosfield	X		
Sen. Keating	X		
Sen. Kennedy	X		
Sen. Swift	X		
Sen. Sunsgood	X		
Sen. McCernan	X		
Sen. Treitz	X		
Sen. Weeding	X		
Sen. Weldon	X		

Statement of David Roemer before the Senate Natural Resources Committee, February 1, 1993:

Mr. Chairman, members of the Committee; My name is David Roemer. I live in Missoula. I am a member of the Lake Missoula Grotto of the National Speleological Society, the American Cave Conservation Association, and Bat Conservation International, and have devoted considerable time over the past four years towards understanding an uncommon and oft-neglected resource - caves. I strongly support SB 214 because it will help to preserve a little-known, yet important part of Montana's heritage.

The testimony you will hear this afternoon from Montana cavers and members of conservation groups, will reflect on the importance of caves, and the need for legislation to protect Montana's cave resources.

There are approximately 350 known caves in Montana, with many more likely to be found. Caves are a rare and unique resource that is highly vulnerable to problems of pollution and vandalism. Less than three years ago there was a highly publicized incident of vandalism at Lewis and Clark Caverns State Park. That incident, unfortunately, was by no means rare. Vandalism and pollution are real threats to our fragile cave resource. A cave conservation act is a timely measure, needed to highlight the importance of Montana's caves before more damage is done.

Montana caves are important in several ways; for example, there is the **biological value** of caves. Cave ecosystems often contain small populations of uncommon or threatened species such as the Western Big-eared bat, which is considered to be a sensitive species in Montana. Caves likely contain undescribed and unstudied species of invertebrates. Protecting cave habitat now would help to prevent cave species from becoming endangered in the future.

Water quality is an issue that is highly connected to caves because many Montana caves serve as a natural conduit for surface water and groundwater. It is essential to keep caves free from pollution to protect water quality.

Montana caves have great **cultural and historic values**. Pictographs, stone tools, and burial sites have been discovered in caves in Montana. Many of these sites have been damaged by vandalism.

SENATE NATURAL RESOURCES

EXHIBIT NO. 1

DATE 2/1

Inscription Cave near Billings and Point-of-Rocks Cave near Whitehall are two caves that have had pictographs destroyed by vandals.

The **geological value** of caves is familiar to people who have ever visited Lewis and Clark Caverns or another cave. Caves may preserve features that we can use to interpret the geologic history of an area. The minerals found within caves - stalactites and stalagmites are the most familiar - may be rare, and have great scientific and aesthetic value. These formations fascinate people not only for their beauty, but for the great length of time required to make them. They may grow a few millimeters per year, if that much. Some formations are estimated to be 800,000 years old. When they are broken off, they are essentially irreplaceable.

Caves have **recreational and commercial value** as well. Organized caving is growing in the United States and in Montana. Many cavers are associated with national conservation groups, and use caves for recreation and research.

There are 23 states with cave protection legislation. In states without effective cave protection laws, cave resources are being destroyed at what is sometimes an alarming rate (Bexar County, Texas). Land development pressure and the lack of liability protection have led to some caves being bulldozed shut. Rather than face the prospect of being sued over a potential cave-related injury, cave owners sometimes close their caves to cavers, or more seriously, bulldoze them closed entirely. Some eastern caves have been closed because untreated sewage flows through them. People often dump trash and dead livestock in sinkholes which destroys cave life. In Montana, vandalism has destroyed irreplaceable cultural artifacts and cave minerals.

This bill is a good idea. It balances cave conservation with private landowner's rights. This bill will help to increase public awareness of caves, and for the need to use them wisely, not destructively. Only a strong cave conservation law will adequately protect Montana's great cave resources. I urge the committee to support this bill with all of its provisions intact.

Thank you.

SB 214
February 1, 1993

Testimony presented by Arnie Olsen, Dept. of Fish, Wildlife & Parks
before the Senate Natural Resources Committee

SB 214, the Montana Cave Conservation Act, calls for protection of the state's caverns. Some of the protection written into the bill already exists under separate state and federal legislation. However, SB 214 gives stature to and profiles the important cave resources in our state.

We support the preservation and protection concepts embodied in the bill. However, there is an operational concern that we would like to address with a proposed amendment. We proposed that section 7 be eliminated from the bill so the department is not taking on duties it cannot perform. Even though the Parks Division is the logical entity to manage these resources, under current financial constraints we are unable to take on additional duties, particularly on private lands.

We would support SB 214 if this amendment is adopted.

SENATE NATURAL RESOURCES
EXHIBIT NO. 2
DATE 2/1
BILL NO. SB 214

PROPOSED AMENDMENT TO SB 214
FIRST (WHITE) COPY

1. Title, page 1, line 8.
Following: "SPELEOGENS;"
Strike: "GRANTING THE DEPARTMENT OF FISH, WILDLIFE,
AND PARKS AUTHORITY TO ASSIST IN THE
MANAGEMENT OF MONTANA'S CAVE RESOURCES;"
2. Page 2, line 24 through 25.
Strike: subsection (3) in its entirety
Renumber: subsequent sections
3. Page 5, line 12 through page 6, line 2.
Strike: NEW SECTION. Section 7. in its entirety
4. Page 6, line 7.
Following: "cave"
Strike: "for recreational or scientific purposes"

Montana Trial Lawyers ASSOCIATION

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February 1, 1993

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Paul M. Warren
Governor

Sen. Don Bianchi, Chair
Senate Natural Resources Committee
Room 405, State Capitol
Helena, MT 59624

RE: SB 214

SENATE NATURAL RESOURCES

EXHIBIT NO. 3

DATE 2/1

BILL NO. SB 214

Mr. Chair, Members of the Committee:

Thank you for this opportunity to express MTLA's limited opposition to SB 214, which protects and preserves Montana's caves. MTLA bases its opposition to the bill solely on Section 8, which provides virtually blanket immunity to cave owners from liability for their own negligence, gross negligence, even wilfill or wanton misconduct.

MTLA recognizes the right of individuals in a free society to make decisions for themselves and to willingly and knowingly accept the risks and consequences of those decisions. MTLA does not--and can't--presume to deny those rights to decide.

MTLA also recognizes the legitimate interests of the state and concerned citizens in protecting and preserving Montana's caves. MTLA expects that it can cooperate with proponents of SB 214 to devise mutually agreeable amendments to Section 8.

At present, however, MTLA opposes Section 8 for several reasons:

1. Essentially, this section of the bill sells the fundamental right of every Montana citizen to be protected from the wrongdoing of others. Just as no citizen can sell his or her right to vote in a free society, so no citizen should be able to sell the right to protection from wrongdoing. Among cavers who obtain permission, those who don't pay give up their right to recover for wrongdoing while those who do pay retain those rights. More puzzling, there's no distinction whatsoever in this section between cavers who obtain permission and free access and cavers who trespass: both surrender their fundamental right to recover for

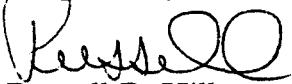
wrongdoing. Consequently, it seems, a caver has no incentive to obtain permission.

2. The current language of Sec. 8 immunizes serious wrongdoing. For example, it would prevent recovery by a caver when the cave collapses because of excavation or heavy machinery used by the cave owner. It would prevent recovery when the caver is overcome by methane gas from garbage dumped in the cave by the cave owner. Similarly, there would be no recovery for a youth injured or killed after trespassing to explore a cave on the edge of a landowner's property, even if dozens of other youths have previously been attracted to and hurt in the cave.

3. Currently, no caver or trespasser can recover damages unless they demonstrate that a cave owner caused the injury or damage through fault. MTLA believes that the intent of SB 214 would be better served by an amendment which prescribes, in statutory language, the contents of a signed notice or permission form. Such statutory language would create a rebuttable presumption that a cave owner who obtained such a signed form has properly granted access to the cave and would clarify that cavers accept those risks of injury and damage which are a necessary part of exploring caves.

Thank you for considering these comments. If I can provide additional information or assistance, please contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Russell B. Hill", with a stylized flourish at the end.

Russell B. Hill
Executive Director

Amendments to Senate Bill No. 214
First Reading Copy

Requested by Senator Weldon
For the Committee on Natural Resources

Prepared by Paul Sihler
January 28, 1993

1. Title, lines 8 through 10.

Strike: "GRANTING" on line 8 through "RESOURCES;" on line 10

2. Page 2, lines 4 through 6.

Strike: the second "and" on line 4 through "resources" on line 6

3. Page 2, lines 10 and 13.

Page 4, line 12.

Strike: "9"

Insert: "8"

4. Page 2, lines 24 and 25.

Strike: subsection 3 in its entirety

Renumber: subsequent subsections

5. Page 5, line 12 through page 6, line 2.

Strike: section 7 in its entirety

Renumber: subsequent sections

6. Page 6, line 13.

Strike: "8"

Insert: "7"

SENATE NATURAL RESOURCES
EXHIBIT NO. 3A
DATE 2/1
BILL NO. SB 214

HJR 31 ENERGY POLICY STUDY MONTANA ENERGY DATA

The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

**Final Report to the
53rd Legislature
of the State of Montana**



January 1993

**Prepared by the Montana Environmental Quality Council
and the
Montana Department of Natural Resources and Conservation**

SENATE NATURAL RESOURCES

EXHIBIT NO. 4

DATE 2-1

BILL NO. SB 225

APPENDIX C

HJR 31 ENERGY POLICY STUDY DESIGN WORKING GROUP

Senator Steve Doherty, Working Group Chairman/Environmental Quality Council (EQC)

Senator David Rye, EQC

John Fitzpatrick, EQC

Art Wittich, Governor's Office/EQC

Van Jamison, Department of Natural Resources and Conservation

Rep. Joe Quilici (Bob Nelson), Legislative Consumer Committee

Bob Anderson (Dan Elliott), Public Service Commission

Shirley Ball, Ethanol/Agriculture

Jay Downen (Jim Eskridge), Rural Electric Cooperatives

Dave Houser, Electric/Natural Gas Utilities

Ben Havdahl, Montana Motor Carriers Association

John Hines, Northwest Power Planning Council

Tom Marvin, Montana Local Government Energy Office

Jim Morton, District XI Human Resource Council

Gerald Mueller, Regulation/Least Cost Planning Group Coordinator

Jim Nybo, Conservation/Environmental Organizations

Dennis Pierce (Bill Kelldorf), Shell Western Exploration and Production, Inc.

Dave Simpson (Darrel Myran), Westmoreland Resources

Sandy Straehl, Montana Department of Transportation

EFFECTS SUMMARY TABLE

DIRECTIONS: Using the information in the Policy Evaluation Worksheet, summarize the potential effects of the proposed legislation as completely as possible in the space provided.

DESCRIPTION OF THE PROPOSED LEGISLATION: Bill No. _____, "Residential Energy Efficiency"	
The bill expands the application of the energy provisions of the state building code to single family through four-plex residential buildings in areas not currently adopting state building code.	
The bill also establishes residential energy efficiency policy and requires the Dept. of Commerce to adopt energy conservation rules that conform to the policy.	
COSTS AND BENEFITS	SUMMARY OF EFFECTS
A. ENERGY EFFECTS	
1. Potential Energy Production	State-wide minimum annual energy savings under the proposed code are estimated at 1,982 mcf for natural gas, 130,708 kWh for electricity, 5,084 gal. for LPG, and 56 cords of wood. Yearly state-wide savings in dollar terms are estimated at \$25,000. This figure will increase as the cost of fuel increases. The energy saving as a result of the proposed legislation are cumulative on an annual basis. (See worksheet for assumptions.)
Potential Energy Savings	Energy savings should be realized as soon as buildings affected by the legislation are built and inhabited. The code will probably be adopted in 1994. The annual savings will increase each year as more houses are built.
2. Time Period of Expected Production or Savings	
3. Risks and Uncertainties	None likely.
4. Impacts on Energy Reliability	Peak load capabilities for energy producers should improve due to increased energy efficiency.
5. Impacts on Energy Security	Change will be slight, but in a positive direction.
6. Energy Research and Development Benefits	Not Applicable
7. Total Project Dollar Costs	Not Applicable
B. ENVIRONMENTAL EFFECTS	
1. Effects on Air Quality	Outside air quality may be effected if increased energy efficiency in homes with primary wood heat results in a reduction in the amount of wood burned. Areas with wood smoke pollution may see less pollution. However, wood smoke pollution may increase if the legislation causes people to change wood stove sizes/damping capabilities.
2. Effects on Water Quality	No expected effects.
Effects on Water Quantity	No expected effects.

EFFECTS SUMMARY TABLE

COSTS AND BENEFITS		SUMMARY OF EFFECTS
B. ENVIRONMENTAL EFFECTS (Continued)		
3. Effects on Existing Water Rights		No expected effects.
4. Effects on Wildlife Populations and Habitats		No expected effects.
5. Effects on Land Use		No expected effects.
6. Other Environmental Effects (Specify):		Increased energy efficiency could reduce the amount of outside sound that can be heard inside.
7. Effects on Alternative Resource Uses		Increased energy efficiency would require use of additional insulating materials, such as fiberglass and cellulose. It is unlikely to require insulation using CFC. There is no readily available data on alternative uses.
C. ECONOMIC EFFECTS		
1. Impacts on Local, State, and Regional Jobs Specific Sectors Affected		There should be little or no change in construction jobs. Increased demand for energy efficient building materials may increase jobs in this sector slightly.
2. Effects on Local, State, and Regional Income Specific Income Groups Affected		Possible increases in income for construction companies, financial institutions, real estate brokers, producers and marketers of building materials, property tax revenues for local/state governments. Reduced expenditures on energy should increase available spending income for home owners, although some costs may increase as well.
3. Impacts on Energy Prices		No expected effects.
4. Impacts on Competitiveness of Energy Producers		No expected effects.
5. Impacts on Competitiveness of Non-Residential Users Specific Users Affected		No expected effects.
6. Effect on Affordability of Energy to Consumers		Lower consumer expenditures on space heating and water heating costs due to increased energy efficiency.

EFFECTS SUMMARY TABLE

COSTS AND BENEFITS	SUMMARY OF EFFECTS
D. FISCAL EFFECTS	
1. Change in Local and State Tax Revenue Change in Local and State Expenditures	Possible increases in state and local property tax revenue due to increased property values. Possible increase in state expenditures for development of energy efficiency labels for residential buildings.
2. Impacts on Government Services Timing of Effects	See above.
3. Barriers to Implementation	The building code revisions proposed in this bill will be void if the establishment of a home loan insurance pool under H.B. 10 is not passed. The two alternative paths for working group-proposed code efficiency level changes do not yield equivalent energy savings. The Dept. of Commerce may need additional directions on which path to codify.
4. Additional Federal, State, Local Tax Incentives/Subsidies Needed	Oil overcharge funding for a home loan insurance pool is required for the state building code revisions in this legislation to be passed.
E. SOCIAL EFFECTS	
Effects on Population, Lifestyles and Cultures	Possible increase in standard of living of residents of more energy efficient homes (due to lower energy expenditures).
F. DISTRIBUTION OF EFFECTS	
Who Benefits (Specify):	Effects generally are positive but minimal. Home owners should benefit from reduced energy expenditures. Utilities should benefit from having more efficient customers by reducing the need to find new energy resources.
Who Pays (Specify):	Local governments, Dept. of Commerce, and DNRC may incur start-up costs. However, since the energy code is revised on a regular basis, there may be no net costs. Contractors in areas where code currently is not enforced may incur additional certification costs; however, these may offset other customer-related costs.
ADDITIONAL NOTES OR COMMENTS:	

EFFECTS SUMMARY TABLE

DIRECTIONS: Using the information in the Policy Evaluation Worksheet, summarize the potential effects of the proposed legislation as completely as possible in the space provided.

DESCRIPTION OF THE PROPOSAL: Senate Bill No. 0225, 'Energy Policy Development Process'		SUMMARY OF EFFECTS
COSTS AND BENEFITS		
A. ENERGY EFFECTS		
1. Potential Energy Production	Potential Energy Savings	Not applicable.
2. Time Period of Expected Production or Savings		Not applicable.
3. Risks and Uncertainties		Not applicable.
4. Impacts on Energy Reliability		Not applicable.
5. Impacts on Energy Security		Not applicable.
6. Energy Research and Development Benefits		Not applicable.
7. Total Project Dollar Costs		Not applicable.
B. ENVIRONMENTAL EFFECTS		
1. Effects on Air Quality		Not applicable.
2. Effects on Water Quality	Effects on Water Quantity	Not applicable.

EFFECTS SUMMARY TABLE

COSTS AND BENEFITS		SUMMARY OF EFFECTS
B. ENVIRONMENTAL EFFECTS (Continued)		
3. Effects on Existing Water Rights		Not applicable.
4. Effects on Wildlife Populations and Habitats		Not applicable.
5. Effects on Land Use		Not applicable.
6. Other Environmental Effects (Specify):		Not applicable.
7. Effects on Alternative Resource Uses		Not applicable.
C. ECONOMIC EFFECTS		
1. Impacts on Local, State, and Regional Jobs Specific Sectors Affected		Not applicable.
2. Effects on Local, State, and Regional Income Specific Income Groups Affected		Not applicable.
3. Impacts on Energy Prices		Not applicable.
4. Impacts on Competitiveness of Energy Producers		Not applicable.
5. Impacts on Competitiveness of Non-Residential Users Specific Users Affected		Not applicable.
6. Effect on Affordability of Energy to Consumers		Not applicable.

EFFECTS SUMMARY TABLE

EXHIBIT #1

DATE

2-1-93

SB-225

COSTS AND BENEFITS		SUMMARY OF EFFECTS
D. FISCAL EFFECTS		
1. Change in Local and State Tax Revenue		No fiscal effect is expected as a result of this legislation.
Change in Local and State Expenditures		
2. Impacts on Government Services		None expected.
Timing of Effects		
3. Barriers to Implementation		Implementation requires legislative approval.
4. Additional Federal, State, Local Tax Incentives/Subsidies Needed		None expected.
E. SOCIAL EFFECTS		
Effects on Population, Lifestyles and Cultures		Not applicable.
F. DISTRIBUTION OF EFFECTS		
Who Benefits (Specify):		Not applicable.
Who Pays (Specify):		Not applicable.
ADDITIONAL NOTES OR COMMENTS: This bill will create an organized, collaborative energy policy development process. The use of the energy policy analysis methodology will assist in this process by providing information on total energy, environmental, economic, social, and fiscal costs and benefits of proposed energy-related legislation to decision-makers.		

HJR 31 ENERGY POLICY ANALYSIS METHODOLOGY WORKING GROUP

Doug Abelin, N. M. O. & G. Assoc.
Jerome Anderson, Attorney for Shell Western B. & P., Inc.
Shirley Ball, Ethanol Producers and Consumers
Richard Brown, MECA
Frank Buckley, Montana Consumer Counsel
Alan Davis, DNRC
Janelle Fallan, Montana Petroleum Assoc.
Patty Glick, DNRC
H.S. Hanson, Energy Conservation Consultants
Dave Hauser, Montana Power Company
John Hines, Northwest Power Planning Council
Van Jamison, DNRC
Gail Kuntz, EQC
Gerald Mueller, Regulation/Least Cost Planning Group Coord.
Larry Nordell, DNRC
Jim Nybo, Conservation/Environmental Organizations
Gene Phillips, Pacific Power and Light
J. Monte Sealey, Musselshell Valley Development Corp.
Dave Simpson, Westmoreland Resources/Mt. Consumer Counsel
Mike Volesky, Mt. Associated Util.
Art Wittich, Governor's Office/EQC

SENATE NATURAL RESOURCES
EXHIBIT NO. 8
DATE 2/1
BILL NO. SB 225

Northern Plains Resource Council

Testimony in support of SB225
Senate Natural Resources Committee
February 1, 1993

Mr. Chairman and members of the Committee,

My name is Ted Lange, and I represent the Northern Plains Resource Council

I'm speaking today in support of SB 225.

Since Northern Plains' inception in 1971, we have been closely involved in energy planning issues in Montana. Since 1989, Northern Plains has been involved in developing the Montana Power Company's Least Cost Planning Advisory Committee; and subsequently, the Least Cost Planning Working Group that has continued the work that the committee began. We have been very pleased and encouraged by the constructive and useful results of this working group thus far.

We therefore strongly support the creation of energy policy working groups as outlined in SB 225.

The success of the Least Cost Planning Working Group has shown that in spite of initial adversarial relationships, the different parties concerned with energy planning issues in Montana can work together to reach positive, consensus based decisions.

NPRC is also very encouraged that the State Energy Policy Goal Statement in SB 225 emphasizes the importance of taking a balanced approach to energy planning; including energy conservation, and focusing on minimizing social, environmental and economic costs in order to achieve the "greatest long-term benefits" for Montana citizens. Thank you.

SENATE NATURAL RESOURCES
EXHIBIT NO. 9
DATE 2/1
BILL NO. SB 225

DATE 2/1SENATE COMMITTEE ON Natural ResourcesBILLS BEING HEARD TODAY: SB 214, SB 225

Name	Representing	Bill No.	Check One Support Oppose
Al Karki	Alt. Energy Resources	SB 225	✓
Bob Barry		SB 225	✓
Arnie Olsen	MOFAP	SB 214	✓
Jeff Tibert	"	"	
Alan Davis	DAIRC	SB 225	✓
Ted Lange	NPRC	SB 225	✓
David Roemer	Lake Miss Grotto	SB 214	✓
Russell B Hill	MT Trial Lawyers	SB 214	
Jim Jensen	MEIB	SB 214	✓
"	"	SB 225	✓
Janet Ellis	MT Audubon Council	SB 214	✓
"	" " "	SB 225	✓
Doug Abelin	M. Northwest Polys	SB 225	✓
SAM MARTINEZ		SB 214	✓
Bus Rowe	PSC	SB 225	✓
Bob Anderson	PSC	SB 225	✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY.

DATE 2/1/93

SENATE COMMITTEE ON Natural Resources

BILLS BEING HEARD TODAY: SB 214, SB 225

Name	Representing	Bill No.	Check One Support Oppose	
Richard Boehmter	Sierra Club	SD 214	✓	
Bruce C Boehmter	Lake Missoula Grange	SD 214	✓	
Jim Reifel		SD 214	✓	
Kirsten Talmage	myself / citizen	S 214	✓	
John Hines	nwppc	SB 225	✓	
GENE PHILLIPS	PP&L	SB 225	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY