MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By Rep. Ernest Bergsagel, Chairman, on February 17, 1993, at 8:00 AM.

ROLL CALL

Members Present:
Rep. Ernest Bergsagel, Chair (R)
Sen. Bob Hockett, Vice Chair (D)
Rep. Francis Bardanouve (D)
Sen. Ethel Harding (R)
Sen. Eleanor Vaughn (D)
Rep. Tom Zook (R)

Members Excused: None

Members Absent: None

Staff Present: Jim Haubein, Legislative Fiscal Analyst
Jane Hamman, Office of Budget & Program Planning
Sandra Boggs, Committee Secretary

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

Committee Business Summary:
Hearing: HB 10, OIL OVERCHARGE FUNDS
Executive Action: NONE

HEARING ON HB 10, OIL OVERCHARGE FUNDS

Tape No. 1:A:045

Informational Testimony: **Van Jamison, Administrator, Energy Division, Department of Natural Resources,** briefed the committee on the origin of oil overcharge funds and presented a copy of HB 10. **EXHIBITS 1 AND 2.**

Questions, Responses, and Discussion: **REP. FRANCIS BARDANOUVE** asked how soon the oil overcharge funds will run out. **Mr. Jamison** stated that the funds are slowly dropping off. The account started with $14 Million in 1987. A lot of settlements are being paid off early to avoid interest payments. Next biennium very few funds will be available. What the committee decides to do this biennium will decide whether there are any carryover funds at all for next biennium. If the committee over appropriates there will be fewer funds next biennium.

REP. BARDANOUVE asked if it would not be wiser to leave the principal of the trust alone since revenue is dropping. **Mr. Jamison** stated that one requirement on the trust is that restitution be made in a timely fashion. The U. S. Department of Energy has rejected some state's proposals to put these funds in a trust and only use interest to pay restitution. The benefits have to go directly to the people who were harmed, not future generations.

Proponent's Testimony: **CHAIRMAN ERNEST BERGSAGEL** presented a letter from the Montana Department of Energy for an amendment to HB 10. **EXHIBIT 3.** He also presented a letter of support from the Local Government Energy Committee. **EXHIBIT 4.**

Section 8 and Section 11

Steve Powell, Chairman, Montana Local Government Energy Committee, and Ravalli County Commissioner, spoke in support of Section 8 and Section 11 of HB 10.

Mr. Jamison introduced amendments to HB 10. **EXHIBIT 5.**

Section 6 and Section 8

Kathy Macefield, City of Helena, spoke in support of Section 6 and Section 8 of HB 10. She asked the legislature to support HB 10.

Section 7

Mr. Jamison briefly summarized Section 7 of HB 10.

Section 6

Shirley Ball, Executive Director of Ethanol Producers and Consumers, spoke in support of Section 6 of HB 10. **EXHIBIT 6.**

Tape 1:B:034

Al Kurki, Executive Director, Alternative Energy Resources Organization, stated that AERO's 400 members support Section 6 because it will develop alternative fuels and address transportation issues in Montana. He stated that the whole bill is supported by AERO membership. Section 9 and Section 6 will give direct benefits to farmers.

Section 5

John Rife, Executive Director, Energy Share of Montana, spoke in support of Section 5 of HB 10. **EXHIBIT 7.**

Billie Krenzler, Human Resources Development Council, Billings, spoke in support of Section 5 of HB 10. She assured the committee that the Energy Share program is extremely important to many

families that do not meet the income guidelines under the Low-Income Energy Assistance program.

Harley Warner, Montana Association of Churches, spoke in support of Energy Share. He stated that this program truly helps the needy.

REP. SHEILA RICE, HD 36, Cascade, spoke in support of the Energy Share program. She stated that this is an ideal assistance program because it combines dollars from individuals, business, and the state into a unique package to help people.

Section 4

Jim Nolan, Social and Rehabilitation Services, informed the committee that SRS is in support of the low-income weatherization program. SRS does not support Section 4 of HB 10 that would fund the weatherization program from the principal of the trust account. SRS would like to see additional new funds from Oil Overcharge funds used to continue the weatherization program and not be forced to go into the trust fund.

Jim Morton, Human Resource Development Corporation, spoke in support of Section 4 of HB 10. He stated that the HRDC has revised its request from $700,000 to $300,000 and is no longer requesting funds from the trust. He stated that HRDC believes it is appropriate to take $300,000 from the current funds for the weatherization program. This appropriation will make it possible for the program to begin on October 1, 1993 in the event that Congress does not appropriate funds for this program.

Judy Carlson, HRDC, spoke in support of Section 4 of HB 10. She introduced amendments to HB 10 which amendments reflect the change in the amount requested and changes the source of the funds so they no longer come from the trust. **EXHIBIT 8.**

Mr. Jamison stated that current revenue estimates for the Oil Overcharge fund is $1.2 million; therefore, the $300,000 is available.

Ms. Carlson suggested moving the full $2.5 million in the trust into a protected account that cannot be touched by the legislature.

Questions, Responses, and Discussion: **CHAIRMAN BERGSAGEL** asked if the $750,000 could be placed into an account and only the interest could be used by SRS. **Mr. Jamison** stated that current statute allows them to use interest off the trust. If SRS incorporates the trust funds into an existing federal program plan, then the interest and the principal will be tied to that program. The legislature's options would be to appropriate or not appropriate to that project, but the legislature could not look at a full range of eligible projects.

CHAIRMAN BERGSAGEL asked if the committee passed the original bill and placed the $750,000 into a sub account to be used for a specific purpose, could the legislature or the HRDC or SRS use the funds for a different purpose. **Mr. Jamison** replied that they could never be used for a different purpose. Federal regulations would prevent the state from changing the purpose of those funds.

Proponent's Testimony:

Section 4

Mr. Nolan stated that SRS wishes the funds for the weatherization program to stay in the Energy Conservation Account in order to allow more interest to accrue on the higher balance that results from the funds being in one place.

Ms. Krinzler spoke in support of the weatherization program. The program is extremely important to low-income populations. She urged the committee to support the amendments to HB 10 and urged the committee to provide $300,000 in new funds to the weatherization program. She urged the committee to not reduce the funds in the Energy Conservation Account.

Gene Leuwer, Rocky Mountain Development Council, spoke in support of keeping the trust account intact.

Denise Peterson, Staff Attorney, Montana Public Service Commission, spoke in support of Section 4 and Section 10 of HB 10. **EXHIBIT 9.**

Nancy Griffin, Executive Director, Montana Building Industry Association, spoke in support of keeping the trust account intact.

REP. RICE spoke in support of the amendment to appropriate $300,000 in new oil overcharge funds for the weatherization program.

Tape 2:A:014

Section 9

Ray Beck, DNRC, spoke in favor of Section 9 and the appropriation of $100,000 to DNRC to be utilized by conservation districts for energy conservation projects.

Laurie Zeller, DNRC, spoke in support of Section 9. **EXHIBIT 10.**

Clint Peck, Montana Farmer-Stockman Magazine, spoke in support of Section 9 of HB 10. He stated that one advantage of this program is that the ideas are developed by the farmers and ranchers. There is very little bureaucracy and administration involved.

Section 10

Mr. Jamison stated that the Energy Division would like to see Section 10 moved up to a higher funding priority.

Gerald Mueller, Environmental Quality Council Residential Energy Efficiency Working Group, spoke in support of Section 10 and HB 10. **EXHIBIT 11.**

Ms. Griffin, spoke in support of Section 10. **EXHIBIT 12.**

REP. RICE stated that she is a proponent of the collaborative process proposed to provide a loan reserve account for affordable housing in Section 10.

Dave Houser, Director of Energy Management, Montana Power Company, stated that MPC is a proponent of the amendments to Section 10 proposed by the DNRC. **EXHIBIT 5.**

Mr. Morton stated his support for Section 10 and the funding package proposed for the loan program.

Ms. Peterson stated that the Montana Public Service Commission supports Section 10. Refer to **EXHIBIT 9.**

Section 11

Bill Daehling, President, Northern Montana College, spoke in support of HB 10 and asked the committee to consider an amendment. **EXHIBIT 13.** The amendment would fund the implementation phase of Northern Montana College's Tractor Resource Center.

Tom Welch, Northern Montana College, spoke concerning the activities of the proposed Tractor Resource Center. Refer to **EXHIBIT 13.** He asked that the committee give the proposal serious consideration.

Tape 2:B:012

Lynn Stilger, Diesel Mechanics Instructor, Northern Montana College, spoke concerning the data acquisition system used on tractors. **EXHIBIT 13.** He stated that revenue will be generated to operate the Tractor Resource Center by charging service fees to farmers.

Bob Stephens, Montana Grain Growers Association, spoke in support of an amendment to fund the implementation costs of the Tractor Resource Center. He stated that currently only tractor dealers and manufacturers are available to help farmers. They often charge outrageous rates and do not offer quality help. Engineers just place weights on the front or back of the tractor which cause higher fuel consumption and more wear on the tractor. The Tractor Resource Center would bring experts into the field to collect data while the tractor is working and would offer technical help. If the committee can find a way to fund this

center the amount of diesel fuel consumed in Montana will be cut significantly.

Section 6 and Section 9

Mr. Stephens also spoke in support of Section 6 and Section 9.

Questions, Responses, and Discussion: **REP. TOM ZOOK** asked why more farmers don't read operating manuals to learn proper tire pressure and maintenance procedures for their tractors. He stated that information is available from Nebraska tractor tests in regards to ballasts. **Mr. Stephens** stated that on his farm alone, tire dealers and the John Deere Company have changed the tire pressure on one of his tractor four times. It is confusing when the manufacturer can't figure it out. **Mr. Stephens** stated that he does not know how Montana farmers can continue to afford buying new tires to change tire pressure. **Mr. Stilger** stated that there have been significant changes in radial tires in the past eighteen months to attempt to deal with power hop problems. Operating manuals do not refer to power hop. In addition, there is a lot of speculation among tire and tractor dealers concerning how power hop should be dealt with on an individual basis. There are many variables to deal with, and a simple across-the-board statement to change tire pressure does not address the problem. The ability to put a computer on the tractor and measure the tractor's performance provides insight into that particular situation. Logical decisions can then be made based on that information.

REP. BARDANOUVE stated that if the committee funds this program, funds will have to be cut elsewhere. **Mr. Jamison** stated that decision is ultimately the committee's decision. The committee has the choice of taking some funds from everyone, or adding this project to the bill in priority order. The bill is structured so that if more revenues are realized than were expected, more funds can be distributed. The committee can place this at the bottom of the priority list and it may or may not get funded, depending upon revenues.

Dr. Daehling stated in conclusion that this project has potential for tremendous energy savings and financial savings for Montana farmers. He requested the committee's consideration for funding of the project.

CHAIRMAN BERGSAGEL commented that most farmers have received their oil overcharge rebates because they are big consumers of fuel oil. The committee has the moral question of farmers asking for additional overcharge funds when they have already received a rebate.

Section 11

Mr. Jamison stated that Section 11 contains carryover money from previously appropriated oil overcharge funds; therefore, this

section has less flexibility than new revenue funds. He presented amendments that do some housekeeping and that update information on available carryover funds. **EXHIBIT 14.**

Questions, Responses, and Discussion: **CHAIRMAN BERGSAGEL** requested that Ms. Hamman and Mr. Haubein go through the amendments and get a good understanding of how the bill is affected before the committee takes executive action on the bill. He stated that executive action would be taken on HB 10 after transmittal.

ADJOURNMENT

Adjournment: 10:45 AM

ERNEST BERGSAGEL, Chair

SANDRA BOGGS, Secretary

EB/sb

HOUSE OF REPRESENTATIVES

LONG - RANGE PLANNING **SUB-COMMITTEE**

ROLL CALL **DATE** 2/17/93

NAME	PRESENT	ABSENT	EXCUSED
SEN. BOB HOCKETT, VICE-CHAIR	✓		
REP. FRANCIS BARDONOUVE	✓		
SEN. ETHEL HARDING	✓		
SEN. ELEANOR VAUGHN	✓		
REP. TOM ZOOK	✓		
REP. ERNEST BERGSAGEL, CHAIR	✓		

HOUSE BILL NO. 10

INTRODUCED BY BERGSAGEL

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; CLARIFYING THAT ONLY INTEREST AND EARNINGS ARE STATUTORILY APPROPRIATED; AND AMENDING SECTION 90-4-215, MCA."

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

NEW SECTION. **Section 1.** Policy. [Sections 1 through 13] implement the policy stated in 90-4-210.

NEW SECTION. **Section 2.** Definitions. As used in [sections 1 through 13], the following definitions apply:

(1) "Carryover" means unspent oil overcharge funds previously appropriated and incorporated into an approved program plan for one of the federal energy conservation programs, but not included in unspent project funds as defined in subsection (9).

(2) "Cities service payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the consent agreement between cities service oil and gas and the U.S. department of

energy, as affirmed by the federal energy regulatory commission, and includes any interest accrued on the payments.

(3) "Diamond shamrock payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court for the southern district of Ohio eastern division in Civil Action No. C2-84-1432 and includes any interest accrued on the payments.

(4) "Energy conservation and energy assistance account" means the account established within the federal special revenue fund established by 90-4-215.

(5) "Exxon payments" means the oil overcharge payments made by the exxon corporation to the U.S. treasury for distribution to the state of Montana pursuant to the order of the U.S. district court for the District of Columbia in Civil Action No. 78-1035 and includes any interest accrued on the payments.

(6) "Getty oil payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the order of disbursement issued in Civil Action No. 77-347 (MMS) in the U.S. district court for the district of Delaware and includes any interest accrued on the payments.

(7) "Stripper well payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court for the district of Kansas, Cause No. M.D.L. 378, and includes any interest accrued on the payments. The term also includes but is not limited to cities service payments, as defined in subsection (2), getty oil payments, as defined in subsection (6), texaco payments, as defined in subsection (8), and unspent project funds, as defined in subsection (9).

(8) "Texaco payments" means the oil overcharge payments made to the U.S. treasury for distribution to the state of Montana pursuant to the texaco final consent order, 53 Fed. Reg. 32929, August 29, 1988, and includes any interest accrued on the payments.

(9) "Unspent project funds" means stripper well payments that were not expended or otherwise legally obligated during the 1993 biennium but that were appropriated for the 1993 biennium in Chapter 553, Laws of 1991, in:

(a) section 5(1);

(b) section 6;

(c) section 7;

(d) section 9; and

(e) section 10(1).

NEW SECTION. **Section 3. Deposit of oil overcharge revenue.** All funds from stripper well and exxon payments must be deposited by the state treasurer in the federal special revenue fund. All interest earned on any of these funds or payments must also be deposited in the federal special revenue fund.

NEW SECTION. **Section 4. Low-income home weatherization -- appropriation.** There is appropriated $700,000 from the exxon payments transferred to the energy conservation and energy assistance account to the department of social and rehabilitation services for use in the home weatherization program created in 90-4-201.

NEW SECTION. **Section 5. Matching funds for low-income energy assistance -- appropriation.** (1) There is appropriated $100,000 from the stripper well payments contained in the federal special revenue fund to the department of social and rehabilitation services for the purpose described in subsection (2).

(2) The department of social and rehabilitation services shall match private contributions to energy share, inc., to be used to assist persons not eligible for federal low-income energy assistance whose income is less than 150% of the federal poverty threshold published by the U. S. bureau of the census in the most recent edition of its publication, Poverty in the United States. All of the funds

appropriated to the department for this purpose under subsection (1) must be used for clients' fuel bills or other energy needs.

NEW SECTION. **Section 6. Promotion of transportation energy conservation and alternative fuels -- appropriation.** There is appropriated from the stripper well payments contained in the federal special revenue fund $260,000 to the department of natural resources and conservation and $80,000 to the department of transportation for a cooperative program between the departments to promote transportation management and to foster expanded use of alternative fuels.

NEW SECTION. **Section 7. Petroleum substitutes from agricultural and timber products -- appropriation.** There is appropriated $150,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation to continue development and demonstration of safflower oil as a fuel additive or substitute that may reduce petroleum consumption and result in a new potential cash crop for Montana farmers and to develop and demonstrate technologies and processes using waste from the pulp and paper industry and from agricultural commodities to reduce the cost of ethanol production. Money expended under this appropriation must be matched at least dollar for dollar with private or federal

revenue, or both.

NEW SECTION. **Section 8. Technical assistance to local governments -- appropriation.** There is appropriated $235,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation to contract with a public or private entity to provide technical assistance outreach to local government entities for the purpose of identifying energy conservation measures. Approximately $215,000 of the appropriation must be administered through the board of investments as an energy conservation loan and bridge financing program for energy improvements to local government buildings. A loan contract to a local government under this section must include provisions designed to use local government energy savings to generate local funds to pay back loans for future projects. A contract implementing a loan under this section must be approved pursuant to 10 CFR 465.8.

NEW SECTION. **Section 9. Agricultural energy conservation program -- appropriation.** There is appropriated $100,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation for use by the conservation districts in funding local energy efficiency or renewable energy projects, such as solar livestock watering systems, stockwater tank insulation and solar heating, and farming

techniques, to more efficiently use irrigation water, pesticides, and fertilizers.

NEW SECTION. **Section 10. Institutional conservation program -- appropriation.** There is appropriated $300,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation for use in the institutional conservation program for schools and hospitals administered by the department pursuant to 10 CFR 455.

NEW SECTION. **Section 11. Carryover -- reappropriations.** (1) There is appropriated $40,000 of carryover funds from the stripper well payments, $70,000 of carryover funds from the exxon payments, and $70,000 of carryover funds from the diamond shamrock payments contained in the federal special revenue fund to the department of natural resources and conservation for use in the state energy conservation program administered by the department pursuant to 10 CFR 420.

(2) There is appropriated $80,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation for technical assistance to local governments through the energy extension service program administered by the department pursuant to 10 CFR 465 to augment the funds provided in [section 8].

(3) There is appropriated $200,000 from the stripper well payments contained in the federal special revenue fund to the department of natural resources and conservation for use in the institutional conservation program for schools and hospitals administered by the department pursuant to 10 CFR 455.

NEW SECTION. **Section 12. Conditions applied to appropriations.** The appropriations made in [sections 4 through 11] are biennial appropriations.

(1) One-half of the total amount appropriated to each program in [sections 4 through 10] is appropriated in fiscal year 1994 and the remainder is appropriated in fiscal year 1995. As biennial appropriations, the unexpended funds appropriated in fiscal year 1994 may be carried forward within each program to fiscal year 1995.

(2) The appropriations in [section 11] are limited to available funds. Carryover funds may not exceed the actual amount of unspent funds available.

NEW SECTION. **Section 13. Appropriations prioritized.** (1) The appropriations in [sections 5 through 10] are approved in order of priority as they appear in [sections 5 through 10], with the appropriation in [section 5] having the highest priority and the appropriation in [section 10] having the lowest priority. If the U. S. department of energy does not approve one or more of the programs that are

funded by [sections 5 through 10], any stripper well payments that are not used to fund higher-priority programs must be provided to lower-ranked programs up to the amounts appropriated in [sections 1 through 12].

(2) If stripper well payments are insufficient to fully fund the appropriations made in [sections 1 through 12], allocations to the lowest-ranking program must be reduced until the deficiency is eliminated. If the deficiency is in excess of the appropriation to the lowest-ranking program, allocation to the next lowest-ranking program must be reduced until the deficiency is eliminated and so forth as the programs are prioritized. These priorities must be applied to one-half of the total amount appropriated in [sections 5 through 10] for fiscal year 1994 and to the remaining appropriation for fiscal year 1995.

(3) In order to provide continuity for the programs when allocating the appropriations for each fiscal year of the 1995 biennium, anticipated stripper well payments that will be received under terms of the agreements during the biennium may be considered as available to fund the activities.

(4) The expenditure of money appropriated by [sections 1 through 12] may not exceed the amount of the stripper well and exxon payments available in the biennium.

NEW SECTION. **Section 14.** Coordination instruction. If

__ Bill No. __ [LC 234] is passed and approved, the stripper well payments appropriated in __ Bill No. __ [LC 234] have a higher priority than any appropriation of stripper well payments in [sections 5 through 10 of this act].

Section 15. Section 90-4-215, MCA, is amended to read:

"**90-4-215. Account established -- use.** (1) There is created an energy conservation and energy assistance account within the federal special revenue fund established in 17-2-102.

(2) The ~~amounts--deposited-in-the-account-and~~ interest and earnings on the account are statutorily appropriated as provided in 17-7-502 to the department of social and rehabilitation services to fund its low-income energy assistance and home weatherization programs created in 90-4-201. However, the department may use the principal of the account only if the federal grants for either of those programs is reduced below the federal fiscal year 1987 level or pursuant to a specific legislative appropriation. The department may not use the principal to increase expenditures to either program above the level of the federal grant for that program for federal fiscal year 1987."

-End-

DATE 2-17-93

SB

Oil Overcharge

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

Oil overcharge monies may not be used to replace state funds and may only be used in authorized program areas. Under DOE regulations, 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 to DOE prior to expenditure of the funds. Oil overcharge funds may not be used to supplant state funds.

Limits on Use of the Funds
Oil overcharge monies may only be spent on energy-related activities in the following program areas according to DOE regulations:

1. State Energy Conservation Program - DNRC
2. Constitutional Conservation Program - DNRC
3. Energy Extension Service - DNRC
4. Low-Income Energy Assistance Program (LIEAP) - SRS
5. Low Income Weatherization Assistance Program - SRS
6. Highway and bridge maintenance and repair
7. Ridesharing programs
8. Public transportation projects
9. Residential or commercial building energy audits
10. Grant or loan programs for weatherization or other conservation equipment installation
11. Energy assistance programs
12. Airport maintenance programs
13. Reduction in airport user fees
14. Energy conservation or energy research offices or administration

Two Montana Projects Recognized as Outstanding
In August, 1992, the DOE published "America's Best: Outstanding State Energy Grant Projects" to commemorate the 15th year of state energy efficiency federal funding. Montana was recognized for two projects: (1) State Buildings Energy Program, which received oil overcharge funds to initiate energy improvements in state buildings and now sells general obligation bonds, with the savings exceeding debt service on the bonds; and (2) Safflower as a petroleum substitute or extender for diesel fuel, which first received oil overcharge funds in the 1991 session, was recognized as innovative for Montana, which uses twice as much diesel per capita as the average state and has a farming system suited to safflower cultivation. The safflower project is recommended for continued funding during the 1995 biennium funding in item four below.

Single Program Plan
The DOE requires that states present a single plan for all oil overcharge monies. The executive budget proposes appropriation of oil overcharge monies in a single piece of legislation (HB10) to ensure that the DNRC can make formal application to DOE following the legislative session.

Allocation of Funds
Recommended appropriations for the 1995 biennium total $2,385,000 comprised of $1,225,000 new appropriations from recent and projected restitution; $700,000 from the Exxon payments transferred to the energy conservation and energy assistance account in HB621, Section 4(1), Laws of 1987; and $460,000 from carryover funds which must be reappropriated for the same purpose as originally allocated. All are federal special revenue fund appropriations.

The allocation of funds is recommended for the projects summarized below.

1. Low-income home weatherization is recommended as a $700,000 appropriation to the Department of Social and Rehabilitation Services from the Exxon payments which were transferred to the energy conservation and energy assistance of timely restitution, **the state must begin spending these funds for use in the home weatherization program created in 90-4-201, MCA.**

2. Matching funds of $100,000 for low-income energy assistance from the stripper well payments to the Department of Social and Rehabilitation Services to match private contributions to Energy Share, Inc. The funds will be used to assist persons who are not eligible for federal low-income energy assistance and whose income is less than 150% of the federal poverty threshold published by U.S.Bureau of the Census in the most recent edition of its publication, Poverty in the United States.

3. Promotion of transportation energy conservation would receive $340,000 for a cooperative program between DNRC and the Department of Transportation to promote transportation demand management and to foster expanded use of alternative fuels.

4. Petroleum substitutes from agricultural and timber products is recommended for $150,000 to DNRC to continue development and demonstration of safflower oil as a fuel additive or substitute to reduce petroleum consumption, and result in a new potential cash crop for eastern Montana farmers, and to develop and demonstrate technologies and processes using waste from the pulp and paper industry and from agricultural commodities to produce ethanol. Stripper well funds will be matched at least dollar for dollar with federal and/or private contributions.

5. Technical assistance to local governments would receive $235,000 of new funds and $80,000 of carryover funds, which are appropriated to the DNRC to contract with a private or public entity, to provide technical assisstance outreach to local governments and allocate about $215,000 to be administered through the Board of Investments as an energy conservation load and bridge financing program with energy savings generating local funds to pay back loans for future projects.

6. Agricultural energy conservation would receive $100,000 from the stripper well payments to the DNRC for use by the conservation districts in funding local projects such as solar livestock watering systems, stockwater tank insulation and solar heating,2 and farming techniques to more efficiently use irrigation water.

7. Institutional conservation would receive $300,000 from the stripper well payments and $200,000 from carryover funds for use in the Institutional Conservation Program for schools and hospitals administered by the DNRC pursuant to 10 CFR 455.

8. The State Energy Conservation Program administered by the DNRC would be reappropriated $180,000 from carryover funds.

The following table shows the 1995 biennium recommendations which will be introduced in **HB10**.

EXHIBIT
DATE 2-17-93
~~BB~~

OIL OVERCHARGE 1995 BIENNIUM RECOMMENDATIONS		
Agency	**Project Description**	**Biennial Approp**
New Appropriations:		
SRS	Continue Energy Share Low-Income Assistance	$100,000
DNRC/DOT	Transportation Planning & Modeling/Alternative Fuels	340,000
DNRC	Petroleum Substitutes from Ag and Timber Products	150,000
DNRC	Local Government Energy Conservation Grant	235,000
DNRC	Agricultural Energy Conservation	100,000
DNRC	Institutional Conservation for Schools & Hospitals	300,000
New Appropriations Subtotal		1,225,000
Appropriate Transferred Funds:		
SRS	Low-Income Home Weatherization (Exxon Account)	700,000
Reappropriate Carryover Funds:		
DNRC	State Energy Conservation Program	180,000
DNRC	Local Government Energy Conservation Grant	80,000
DNRC	Institutional Conservation for Schools & Hospitals	200,000
Carryover Appropriations Subtotal		460,000
TOTAL APPROPRIATIONS		$2,385,000

EXHIBIT 3
DATE 2-17-93
SB

Department of Energy

Bonneville Power Administration
Montana District
800 Kensington
Missoula, Montana 59801-5631

February 12, 1993

In reply refer to: UM
(406) 329-3060

Representative Ernest Bergsagel, Chairman
Long Range Planning Committee
Montana State Legislature
State Capitol
Helena, MT 59620

Dear Chairman Bergsagel:

On February 17, 1993 the Long Range Planning Committee is scheduled to hear HB 10 which appropriates oil overcharge money to various programs administered by the State of Montana. It is our understanding that an amendment will be offered to HB 10 to allocate $300,000 of oil overcharge money, which would be matched with utility funds, to support a proposed Board of Housing loan program for new energy efficient homes.

Based upon available information, the proposed program appears to be a cost-effective way to encourage construction of energy efficient housing in Montana. The purpose of this letter is to inform the committee that Bonneville Power Administration (BPA) supports the Board of Housing program proposal. We are presently investigating whether we can provide funds to this program on behalf of our Montana utility customers.

I would be glad to provide further information to the committee as needed and to answer any questions that may arise related to BPA's potential involvement with the proposed Board of Housing program. I can be reached at (406) 329-3060.

Sincerely,

Gail Kuntz

Gail Kuntz
State and Local Government Coordinator

EXHIBIT 4
DATE 2-17-93

Re: HB 10
From Margaret Crennen - Vice-Chmn. Local Govt. Energy Committee - also Helena City Commissioner -

I support HB 10 -

for state progra...

The Energy Committee is requesting $235,000 plus about $80,000 in carryover money from its 92-93 oil overcharge appropriation. $215,000 would be dedicated to a revolving loan fund and the balance would provide for staffing for marketing, coordination and general facility technical assistance. The committee has successfully obtained about $235,000 for each of the last three bienniums. If HB 10 passes, the program would start in the fall of 1993.

The HB 10 appropriation would allow the committee to set up an energy retrofit revolving loan program with the Montana Board of Investments. BOI and MLGEC would coordinate the development of a variety of loan packages. The Energy Office would market the program with individual jurisdictions across the state and work with utilities to complete the analysis, design and cost-sharing for retrofit projects. The Board of Investments bond officer would execute loans with jurisdictions, administer loan funds and repayments, and provide other financial expertise for the revolving fund.

The Energy Committee believes that this program will be a good initiative, given the financial situation of many local governments. A revolving loan program would also fit well with a variety of utility projects because it adds another financing mechanism at a time when many local governments are financially constrained. Furthermore, it would allow more flexibility with respect to holistic retrofits -- money could be loaned for the jurisdiction to cost-share retrofits for electrical consumption and

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PROPOSED AMENDMENTS
HOUSE BILL 10
INTRODUCED BILL

1. Page 7, lines 3 and 4.
Following: "Section 10."
Strike: "Institutional conservation program"
Insert: "Energy efficient home mortgage reserve account"

2. Page 7, line 7.
Following: "and conservation"
Strike: "for use"
Insert: "to establish an energy efficient home mortgage reserve account that would enable the board of housing to sell bonds and offer loans for energy efficient new houses costing more than the FHA limit. These funds must be matched at least dollar for dollar from utility or other contributions. If the board of housing does not issue bonds to establish the energy efficient home mortgage program by July 1, 1994, then the funds appropriated in this section may be used"

3. Page 8, line 11.
Following: "through"
Strike: "10"
Insert: "9"

4. Page 8, line 16.
Insert: "(2) The total amount appropriated in [section 10] is appropriated in fiscal 1994. As a biennial appropriation, any unexpended funds from fiscal year 1994 may be carried forward to fiscal year 1995.
Renumber: subsequent subsection

5. Page 9, line 14.
Following: "through"
Strike: "10"
Insert: "9"
Following: "]"
Insert: "and the total amount appropriated in [section 10]"

EXHIBIT 6
DATE 2-17-93

ETHANOL PRODUCERS AND CONSUMERS

Shirley Ball, Executive Director
(406) 785-EPAC (3722)

EPAC

South Route, Box 206
Nashua, Montana 59248

HB 10 Testimony February 17, 1993

For the record, I am Shirley Ball, Executive Director of EPAC, Ethanol Producers And Consumers. EPAC is a non-profit, broad based organization THe members support increased production and use of ethanol because they know it will result in economic and environmental benefits. Membership represents all segments of the ethanol process, grain production, processing to ethanol, main street marketing and consumption. Taking members of Cooperatives into consideration, EPAC represents over 90,000 people.

Thank you for the opportunity to address the committee. I am here to urge that you support Section 6 of HB 10, that will foster increased use of alternative fuels, by educating about alternatives.

EPAC is involved in educating Montanan's about ethanol and why we need alternatives, and we find the public interested in learning about ethanol. EPAC goals include to develop a strong citizen awareness of ethanol production and consumption and how it affects Montana jobs, tax base, farm income, and environment.

Currently, over 50% of U.S. oil needs are imported, making us dependent on other countries for our fuel. That compares to about 30% at the time of the oil embargo in the 70's that caused fuel shortages and long gas lines. This dependency is a good reason to seek alternatives.

To support alternatives is to improve the environment. Ethanol is a clean non-toxic fuel, and is one of the clean fuels required in the CAA.

Another reason to support ethanol is because it is a domestic fuel that can be grown on Montana farms and processed in Montana, bringing about obvious economic advantages of a value added process for our raw materials.

EPAC believes that consumers, educated about ethanol's benefits, will ask for the product, creating a market pull.

EPAC provides education by sponsoring conferences and workshops, publishing a newsletter, and in other ways supplying information. A couple of other examples where EPAC has been able to supply information: In Scobey, a feasibility study is currently being done about a grain processing business, with one of the products to be ethanol. They credit the EPAC sponsored 1991 Montana Ethanol Conference with providing information that got the planning started.

A person who owns a small ethanol plant in Nebraska called EPAC about the possibility of moving the operation to Montana. EPAC was able to supply him with names of officials in half a dozen communities who have contacted the office about ethanol plants. He was in Montana last week looking at a site. Now, it may happen, and it may not. But it is a good effort. So, if education of alternative fuels is approved, not only will it provide the means to educate but it can also help in economic development that may help the state out of this budget crunch we are in.

EPAC members supply in kind effort through membership activities, and they and the sponsors supply matching funds through dues and donations. We ask your help in the eductional activities of promoting ethanol.

EXHIBIT 7
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~~SB~~

PROPONENT FOR HB10

ENERGY SHARE OF MONTANA, INC.

Committee Secretary

Transcript of Testimony

Presented to the Long Range Planning Committee

February 17, 1993

by

John F. Rife, Executive Director
Energy Share of Montana, Inc.

EXHIBIT
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Thank you for allowing me to tell you about Energy Share. This brief overview of our activities should give you some idea as to who we are and what we do.

Energy Share's mission is to help people who have heating related emergencies but lack the resources necessary to help themselves. The emergency may be in the form of an overdue utility bill, a broken heating system, or some other occurrence. Whatever the cause, the common thread is that if someone doesn't help, the home will be without heat. When we have temperatures as severe as they are today, that's not just inconvenient, that can be deadly.

Eligibility for Energy Share is based on need rather than on meeting specific guidelines. Every application is reviewed by a committee of volunteers from the applicant's community. The committee makes the determination whether to help someone or not. The committees are coordinated by the ten Human Resource Development Councils, which are located throughout the state.

Energy Share applicants are required to exhaust all other sources of help first, using Energy Share as a last resort.

Our funding comes from contributions from utility companies and private individuals, from the Stripper Well grant, and from fees generated by various projects Energy Share has undertaken.

Its important to point out that there are no administrative dollars included with the Stripper Well grant. Every dollar we receive from you goes directly to help someone in need.

We are a nonprofit 501(c)(3) corporation, and we were founded to ensure that no one would have to face a Montana winter without heat. So far I believe we have successfully met that goal.

I hope this information helps you to better understand the role of Energy Share, and encourages you to continue to support us.

EXHIBIT 8
DATE 2-17-93

PROPOSED AMENDMENTS TO H.B.10

1. Page 1, line 9.
Following: "appropriated"
Strike: "; AND AMENDING SECTION 90-4-215, MCA"

2. Page 4, line 8.
Following: "appropriated"
Strike: "$700,000"
Insert: "$300,000"

3. Page 4, lines 9 & 10
Following: "from the"
Strike: "exxon payments transferred to the energy conservation and energy assistance account"
Insert: "stripper well payments contained in the federal special revenue fund"

4. Page 8, line 20
Following: "sections"
Strike: "5"
Insert: "4"

5. Page 8, line 21
Following: "sections
Strike: "5"
Insert: "4"

6. Page 8, line 22
Following: "section"
Strike: "5"
Insert: "4"

7. Page 10, lines 5 through 22

Strike Section 15 in its entirety.

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February 17, 1993

TESTIMONY OF PUBLIC SERVICE COMMISSION CONCERNING OIL OVERCHARGE APPROPRIATIONS, HOUSE BILL 10

I am Denise Peterson, Staff Attorney, speaking on behalf of the Montana Public Service Commission in support of two appropriations of the oil overcharge money in House Bill 10. The Commissioners are attending a Northwest Power Planning Council meeting this week and are unable to appear in person and testify today.

First, the Public Service Commission supports an appropriation as recommended in the amendment of the DNRC to the new Section 10 of HB 10. As amended, this section would allow an appropriation of $300,000 from the stripper well payments to the Energy Efficient Home Mortgage Reserve Account. This reserve account is essential to allow the Montana Board of Housing to issue bonds for new residential construction that meets new higher energy efficiency standards. The Commission supports this appropriation because it will garner cost-effective energy conservation. Utilities and other entities will match the oil overcharge funds in this account, dollar for dollar. This reserve account would enable moderate income Montanans to build energy efficient, affordable houses by guaranteeing only the portion of their loans not already insured by FHA.

Second, the Public Service Commission supports and endorses an appropriation of $300,000 for weatherization of low and moderate income families' residences. Weatherization programs provide many benefits to Montanans. Of immediate benefit, low and moderate income families whose homes are weatherized realize lower utility rates along with more comfortable homes. Other rate payers benefit by having to cover less expenses in rates for collection, late payment, disconnection and reconnection costs. All ratepayers (and the utilities) benefit from the resulting energy conservation. By reducing the growth in energy demand, weatherization conservation helps postpone the need to build new, costly utility facilities, keeping rates more affordable for all utility customers.

There are perhaps 40,000 moderate and low income Montana households needing weatherization. Existing public and private resources assist in weatherization, but are not enough to meet this urgent need. Since 1987 the Energy Conservation Account has been essential to supplement reduced federal appropriations for Low Income Energy Assistance Payments and to weatherize hundreds of homes. A $300,000 appropriation targeted for exclusively low income needs (up to 150% of the poverty level) would be an equitable share of the Stripper Well settlement.

SRS's low income weatherization proposal would realize an energy savings of more than 15% of the weatherized households'

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energy consumption. The Energy Efficient Home Mortgage Reserve Account, in conjunction with higher conservation standards, would result in housing stock for moderate income households and contributes to energy efficiency.

To conclude, the Public Service Commission supports SRS's request for a $300,000 appropriation for low income weatherization. The Commission also supports the DNRC's recommended appropriation of $300,000 to the Energy Efficient Home Mortgage Reserve Account. The Commission considers energy efficiency and conservation to be critical components of an energy policy.

EXHIBIT 10
DATE 2-17-93

AGRICULTURAL ENERGY CONSERVATION PROGRAM

BACKGROUND

In 1987 - Conservation Districts Bureau received $500,000 for ag energy conservation demonstration projects. Funded 25 projects in FY 88 and 89, some of which are still active.

In 1991 - Conservation Districts Bureau received $100,000 for demonstration projects that were significantly different from previously funded projects. Funded 17 projects to date, all of which are currently active. Began pilot program to fund small grants to groups of producers to try on-farm agricultural practices that conserve energy, soil, and water.

Over the five years of the program, requests for funding have far exceeded the amount of funding available (over $2.6 million requested for the $600,000 available).

Attached is a list of projects funded to date.

PROPOSED FOR 1993

$100,000 in oil overcharge is requested. Conservation Districts Bureau would request applications from conservation districts to carry out agricultural energy conservation demonstration projects. Applicants from areas of the state where projects have not been funded would be encouraged to apply. We would not fund project types that were previously funded by this program. For example additional solar livestock watering systems will not be funded; however, newer, cost effective solar technology would be considered.

About half of the $100,000 would go toward larger projects such as testing and demonstration of conservation equipment and/or farming or ranching practices ($10,000 maximum grant). The remaining funds would go to support producer-led, on-farm trials of energy conservation-related practices. Grants of up to $1,000 would be used to help offset seed costs, soil tests, technical assistance, or other expenses. Producers would be required to work in groups of four or more. Technical assistance and expert guidance has been committed from existing federal, state, or local governments.

Federal and private money is also secured for this and other related phases of the program.

FUNDED IN FY 1988 AND 1989

Bitterroot CD	Soil moisture monitoring, irrigation water management	$22,962

Bitterroot CD	Farm energy audits and follow-up technical assistance	$44,355
Carter CD	Energy-related newsletter	$2,000
Dawson CD	Surge irrigation valves	$2,500
Fergus, Petroleum, McCone	Living snow fences	$30,000
Flathead	Nitrogen management for mint	$12,265
Gallatin	Water measuring device bulletins	$10,400
Gallatin	Leafy spurge grazing using solar-powered electric netting	$1,200
Gallatin	Agrimet weather station, irrigation water management	$15,000
Gallatin	Energy efficient swine confinement facility demonstration	$30,000
Jefferson/Madison	Cereal/legume crop rotations	$61,203
Little Beaver (Fallon Co)	Solar Livestock Watering Demonstration - stationary system and portable pump jack	$8,900
Chouteau, Roosevelt, Daniels, Pondera, Toole	Inoculation techniques for legumes - inoculating soil	$35,000
Mile High (Silverbow Co)	Irrigation system audits	$44,800
Missoula	Gravity sprinkler demonstration	$16,188
Missoula	Weed education project	$21,677
Meagher	Solar livestock watering system	$5,200
Phillips	Soil moisture monitoring for irrigation water management and dryland crop management	$31,288

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Powder River	Solar livestock watering system	$16,223
Richland	Soil moisture monitoring	$9,500
Roosevelt	Irrigation Scheduling	$20,700
Rosebud	Conservation tillage demonstration	$13,947
Stillwater, Carbon	Soil moisture monitoring	$20,000
Treasure	Soil moisture monitoring	$14,540
Upper Musselshell (Wheatland Co.)	Solar livestock watering system	$10,150

FUNDED IN FY 1992 AND FY 1993

Carbon	Straw mulch demonstration for row crops	$9,000
Cascade	Solar workshop for teachers	$5,650
Chouteau	High lift solar livestock watering system	$10,000
Little Beaver (Fallon Co.)	In-row interseeding and cultivation for organic safflower production	$5,000
Little Beaver (Fallon Co.)	Residue management demonstration - conservation tillage	$7,650
Lewis & Clark	Curriculum for middle school - from farm to market	$8,000
Lower Musselshell (Musselshell and Golden Valley Cos.)	Surge/border dike demonstration	$10,000
MT Salinity Control Association	Per unit incentive based water management	$7,200
Park	Alternative crops, conservation tillage	$4,000
Pondera	Irrigation water measurement	$6,000
Richland	Soil moisture monitoring	$6,000
Farm Improvement Program	See below	$16,500

Ag Energy Conservation Education	Ag energy conservation for schools	$5,000

FARM IMPROVEMENT PROJECTS - FY 92 and 93

Blaine	Legumes for cover crops, green manure	$750
Carbon	Hay marketing for higher return on hay products	$646
Dawson	Sheep grazing on leafy spurge along Yellowstone River	$950
Eastern Sanders	Pasture management - no till grass seeding	$1,000
Prairie	Legumes for green manure - snail vetch and hairy vetch	$758
Toole	Soil crusting - planting and harvesting techniques for local soil types	$1,000

TESTIMONY OF GERALD MUELLER
BEFORE THE LONG RANGE PLANNING COMMITTEE
OF THE MONTANA LEGISLATURE
February 17, 1993

EXHIBIT 11
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SB

Chairman Bergsagel, members of the Committee, my name is Gerald Mueller, and I live at 7165 Old Grant Creek Road in Missoula. I appear before you in support of the amendment to HB 10 that would allocate $300,000 of oil overcharge dollars to a loan reserve account established in the Department of Natural Resources and Conservation. I testify this morning as the spokesperson for the Environmental Quality Council Residential Energy Efficiency Working Group (Working Group).

The appropriation of the $300,000 for the loan reserve account is the linchpin holding together an agreement reached by the Working Group to settle an on-going ten year controversy regarding residential energy efficiency in general and Montana building codes in particular. The Working Group agreement would be codified by SB 340 which has been introduced by Senator Doherty on behalf of the Environmental Quality Council.

Before explaining the need for the reserve account appropriation, I want to highlight the participation in the Working Group so that this Committee can appreciate the broad base of interests the Working Group agreement encompasses. The Working Group was established last year by the EQC to seek a consensus statement of policy and implementation strategies regarding residential energy efficiency in Montana. Its participants, a list of which is attached to this testimony, include representatives of:

- All four of Montana's private electric and natural gas utilities;
- Rural electric co-ops from western and eastern Montana;
- Both of the federal power marketing agencies which serve our state, BPA and WAPA;
- The Northwest Power Planning Council;
- Members of the home building industry, including home builders, energy conservation consultants, a lumber yard supply company, and home mortgage lenders;
- Environmental and low-income organizations;
- A spokesperson for local government; and
- State agencies, including the Departments of Commerce, Natural Resources and Conservation, and the Public Service Commission.

This group containing several long-time adversaries worked together over the last seven months and succeeded in developing consensus recommendations for a residential energy efficiency policy statement and implementation strategies which the EQC subsequently adopted and included in SB 340. Among other provisions, SB 340 would expand enforcement of the energy provisions of the state building code to the 50% of new homes not now covered through a new enforcement mechanism, self-certification by home builders. Home builders agreed to this provision only in return for the Working Group's support of a housing affordability program that would increase the affordability of new housing to

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first time Montana home buyers.

The Board of Housing has developed and agreed to offer a program that meets the needs of the home builders and is supported by the Working Group and the EQC. In the program, the Board of Housing would sell bonds that would allow first time home buyers to exceed the upper mortgage limit established by the Federal Home Administration and still retain only a 5% downpayment requirement rather than the 20% requirement of conventional mortgages. To sell the bonds, the Board of Housing would need a loan reserve fund to cover the amount of any mortgage in excess of the amount guaranteed by FHA. To qualify for the Board of Housing program, a new home would have to include energy efficiency levels in excess of code requirements. The Board of Housing has agreed to offer the program. The DNRC is seeking approval from this Committee and the legislature to use money available from oil overcharge funds to establish the loan reserve account. Montana private and public utilities have agreed to match the DNRC contributions to this account dollar-for-dollar. The loan reserve account would require no general fund dollars.

SB 340 specifically provides that if the loan reserve fund is not approved, then the self-certification enforcement is void. This action would effectively nullify the consensus of the Working Group and would result in the loss of the following benefits: utilities would lose the increased energy efficiency resource that would have been provided by the expanded coverage of the energy provisions of the state building code; consumers would lose the lower power bills that would have resulted from the increased energy efficiency; and first time home buyers would lose access to new affordable housing.

On behalf of the Working Group, I urge this Committee to approve the appropriation so that these benefits need not be lost.

Thank you.

EQC RESIDENTIAL ENERGY EFFICIENCY WORKING GROUP

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ORGANIZATION	PARTICIPANTS
Montana Power Company	John Ralph & Dave Houser
Pacific Power & Light	John Graham
Montana Dakota Utilities	Duane Anderson
Great Falls Gas Company & Transmission Co-op	Shiela Rice
Montana Electric Co-operative Assoc.	Mack McConnell
Flathead Electric Co-op	Gary Mahugh
Missoula Electric Co-op	Sharon Jacobson
Bonneville Power Administration	Gail Kuntz
Western Area Power Administration	Diane Noennig
Northwest Power Planning Council	John Hines
Montana Building Industry Assn.	Don Chance & Nancy Griffen
Lumber Yard Supply	Mike Fasbender
Energy Conservation Consultants	H.S. "Sonny" Hanson
Montana Bankers Association	Janeth Martin
Montana Environmental Information Center	Sam Toole
District XI Human Resource Council	Jim Morton
Montana Local Government Energy Office	Tom Marvin
Montana Department of Commerce	Jim Kembel
Montana Department of Natural Resources & Conservation	Alan Davis & Lou Moore
Montana Public Service Commission Staff	Dan Elliott & Denise Peterson
Committee Facilitator	Gerald Mueller

Homebuilders Assoc. of Billings
252-7533

S.W. Montana Home Builders Assoc.
585-8181

Great Falls Homebuilders Assoc.
452-HOME

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B

Flathead Home Builders Ass
752-2522

Missoula Chapter of NAHB
273-0314

Helena Chapter of NAHB
449-7275

Montana BUILDING INDUSTRY ASSOCIATION

Nancy Lien Griffin, Executive Director
Suite 4D Power Block Building • Helena, Montana 59601 • (406) 442-4479

HB 10
Oil Overcharge Appropriations

Recommend:
Support DNRC Amendment for Loan Reserve Account for Energy Efficient Housing

Nancy Griffin, Executive Officer, Montana Building Industry Association, representing six local homebuilder associations, with 800 small business members employing nearly 32,000 workers and subcontractors.

The conference room at DNRC has seen some interesting discussions and disagreements during the past year. The participants in the EQC group were for the past two legislative sessions before House and Senate business committees on opposite sides of building codes and housing energy issues. We stand before you today with agreements in hand--it was a truly an impressive and effective exercise in collaborative issue resolution.

Very early on the EQC collaborative process **affordability** emerged as the primary barrier in the construction standards debate. With assistance from the Board of Housing, utility companies, and bankers; a solution was developed. That solution is before you today as a mortgage program insured above FHA limits by a loan reserve account. The loan reserve account is a one time expense necessary to authorize a tax exempt housing bond sale. The account is composed of equal match by utility company dollars on a loan by loan basis. Let me stress some important aspects of the program:

1. No State Dollars
The appropriation requires no general fund dollars, only an appropriation of discretionary oil overcharge dollars, whose mandated purpose is conservation.

2. Public-Private Partnership
Draws on the account, jointly funded by oil overcharge funds and utility incentive payments, will only occur in cases of default (The Board of Housing default rate is .005%); and then only in the amount of delinquency above the FHA insured portion of the mortgage.

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3. One Time Expense

Interest and earnings and homeowner mortgage insurance payments will generate to the account. It is expected this account will regenerate over the term of the bond sale.

4. Code Upgrades Linked to Development of Finance Program

Another important component of the agreements reached within the EQC collaborative, was the agreement among the parties that the various components of the program would be a "package deal". One of the two agreements which require legislative approval appears before you in the amendments to HB 10, the other is a change to the building codes enforcement which requires builders to certify that homes have been built to upgraded energy efficient standards. Those changes in building standards constitute regulatory compromise on the part of homebuilders across Montana and are the subject of SB 340 which will be heard today before the Senate Business committee. Language in SB 340 links it's adoption to appropriation amendments which appear before this committee in HB 10.

The energy Montana consumes is largely consumed in homes. This is why all parties involved in the collaborative process have considered this a critical industry issue. Any financial strategies we can develop, any consumer education we can promote which served to drive the market for construction of energy tight homes is not just good energy conservation--it is good business. These homes not only create a lasting cost-effective value for Montana families; but constitute a solid, well-built community resource for years to come.

Please support the DNRC amendment for authorization for the energy efficient housing program--the program not only serves the state goal of assisting families in affordable housing; but serves the state goal of conserving Montana's precious hydroelectric and natural gas resources.

Our association has long supported affordable energy efficient housing for Montana families--in furtherance of that goal Montana's consumers have for many years benefited from the HRDC Weatherization program. OBPP has asked that that program draw it's funds from a trust account held for energy assistance payments. A request will be made to this committee for amendment of the oil overcharge appropriation to fund home energy weatherization programs. We also support that request.

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NORTHERN
MONTANA
COLLEGE

President

February 3, 1993

Representative Earnest Bergsagel
House of Representatives
Capitol Station
Helena, MT 59620

Dear Representative Bergsagel:

Enclosed is a revised proposal for funding from the oil overcharge funds available to the Long-Range Planning Committee. Funds are being requested to support the implementation phase of Northern Montana College's Tractor Resource Center. An original proposal was submitted to Jane Hamman, Office of Budget and Planning, on October 21, 1992 requesting $437,500 over the next biennium. The proposal was not recommended by the committee for funding from the 1995 oil overcharge resources primarily because we did not demonstrate the College's ability to maintain the Center once the requested funds had been expended.

Our local legislative delegation as well as personnel in the Montana Department of Agriculture, who have worked closely with us during the design and development stage of the Center, have encouraged us to reevaluate our original proposal and to submit a revised draft for your committee's review and recommendation.

During this revision process, the Center coordinators have worked closely with the Department of Agriculture and discussed modifications with Van Jamison of the Department of Natural Resources and Conservation with Jane Hamman. The enclosed revised proposal reflects those suggested modifications. The revised proposal is requesting a little over $223,000 of support from the oil overcharge funds and is anticipated to reach a level of self-support in the third year of implementation. We believe the Center can provide considerable savings to the tractor users of the state through the conservation of fuels and proper tractor set up procedures.

Post Office Box 7751 • Havre, Montana 59501 • (406) 265-3720 • FAX (406) 265-3777
Member of the Montana University System • AA/EOE

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We ask that you and your committee review the revised proposal. We will also be more than pleased to make a presentation to your committee when you consider the allocation of the oil overcharge funds. It is our understanding that you have scheduled hearings on these projects on February 11, 1993, and we will plan to attend your deliberations. For your convenience, I have enclosed additional copies for your committee members.

Thank you in advance for your review and consideration.

Sincerely,

William Daehling
President

/db
Enc
c: Jane Hamman
Van Jamison
Leo A. Giacometto

EXHIBIT 13
DATE 2-17-93

A REVISED PROPOSAL FOR

ASSISTING THE

NORTHERN TRACTOR RESOURCE CENTER

Submitted To:
Representative Bergsagel - Chair
Long Range Planning Committee
State Capitol
Helena, MT 59620

Submitted By:
Northern Montana College

Submission Date:
02/04/93

Project Coordinators:
Thomas Welch, Assoc. Professor, Agricultural Technology
Greg Clouse, Asst. Professor, Diesel Technology
Lynn Stilger, Instructor, Diesel Technology
Northern Montana College
Havre, Montana 59501
(406)265-3700

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INTRODUCTION

In response to the needs of farm machinery owners, a team of faculty at Northern Montana College (Havre Montana), has been working to establish a tractor resource center. The overall objective of the center **(see exhibit A, executive summary)** is to provide Montana agriculturalists with unbiased tractor performance testing services, education and expertise that will enhance tractor and implement performance and efficiency. Considerable time and effort by the faculty of the college's Agricultural and Mechanical Technology Department has gone into the very successful design and development phases of the project **(see exhibit B, article).** The requested funds will make it possible to complete the implementation phase of the project and establish the Northern Tractor Resource Center as an integral part of the college.

BACKGROUND INFORMATION

Agricultural tractor owner/operators are faced with many equipment efficiency problems. They include improper ballasting techniques, improper tractor weight splits between front and rear axles, radial tire power hop problems, improper tire inflation pressures, poor maintenance procedures, incorrect implement sizing, premature tractor component failures, inefficient fuel usage and a host of others. In fact, recent studies (Farm Journal, 2/90) show that a shocking 60% of tractors tested, were improperly weighted and operating with appreciable inefficiency. These inefficiencies result in excess fuel consumption, accelerated tire wear, premature power train failure and poor use of horsepower.

Common problems associated with tractor engine performance and traction efficiency increase the cost of crop production and make it more difficult for farmers to survive economically. The tractor is the most used machine on the farm and is often the most expensive. Besides obvious inefficiencies such as increased fuel use, decreased fuel efficiency, and excessive tire wear, there are also some hidden costs. One is reduced field capacity which is a measure of the amount of acres a tractor/implement can cover in an hour or in a day. A tractor with 20% wheel slip, which is about 10% higher than recommended, will do appreciably less work in a day than one with proper wheel slip. Farmers work with constraints of time when performing field operations and delayed planting dates, for example, can cause reduced yields and economic hardship.

Another hidden inefficiency cost is power train failure. Tractor overloading due to improper ballasting can cause drastic reductions in component life. Four-wheel drive tractors sometimes have premature rear differential failures. An informal survey of Montana farmers also supports this occurrence. Interestingly, most of the time it is the rear differential and not the front differential that fails. This indicates improper weight transfer or over ballasting that again reduces power train life. Some manufacturers state that 15% overloading will reduce power train life by 50%. Again, major power train failures are expensive to repair and farmers

are faced with high costs. A large amount of fuel is also wasted moving unnecessary weight down the field.

Northern Montana College faculty and the Alberta Farm Machinery Research Centre (AFMRC) personnel have developed an on-board data acquisition package allowing dynamic in-field tractor performance testing. The instrumentation consists of: (1) A lap-top computer for on-board data acquisition; (2) A 50,000 pound load cell for measuring draft; (3) Two radar guns for measuring wheel and ground speeds; (4) An accelerometer for measuring bounce (ride characteristics) (4) An electronic tachometer for engine rpm; (5) Various gauges for monitoring engine performance; (6) Portable electronic platform scales for determining tractor weight and front and rear weight splits; (7) A dynamic fuel consumption device (being developed). This system is ideal for measuring tractor performance in-the-field and would be used for helping tractor owner/operators overcome performance and efficiency problems. However, the implementation phase of the center needs to be funded before the data acquisition system can be used for testing tractors and disseminating tractor efficiency information throughout Montana.

IMPLEMENTATION PLAN

It is proposed that oil overcharge funds be used to fund the implementqtion phase of the tractor resource center which will provide Montana agriculturalists with unbiased tractor performance testing services, education and expertise. The Tractor Resource Center will be operated as a non-profit entity affiliated with Northern Montana College. However, some income will be generated via center services to help sustain the center's operation.

Montana's farmers need to become more aware of tractor inefficiencies, what it is costing them, and what can be done to correct them. In addition, farmers need access to in-field tractor testing and setup services so their tractors can be customized to match the unique combinations of soils, tires, implements and other operating variables.

Services

The center will offer the following services:

* In-field testing and setup of agricultural tractors to maximize efficiency
* Applied agricultural tractor efficiency research for dissemination
* Tractor efficiency education and information dissemination through regional workshops and on-site clinics

Various in-field tractor testing options will be available to producers. These options may range from weighing services or complete in-field performance testing with subsequent tractor modification and customized setup. In-field farm tractor testing services are not offered, to our knowledge, by any private firms. Consequently the Tractor Resource Center will not be in competition with local businesses. In fact, the center will continue to complement tire and tractor dealers and work with them to maximize equipment performance and better serve the agricultural producer.

Customers

* Montana agricultural tractor owner/operators
* Montana tractor dealers
* Montana tractor tire dealers

Agricultural tractor owners/operators will be the main target audience. There are approximately 12,000 small grain producers in Montana. Some of these farmers have more than one tractor. Tractor and tire dealers will also be invited to utilize the center's services. New or used tractors may be sold to a producer with the agreement that the dealer will have it customized by the tractor center for the farmer's specific implement and farm conditions.

Personnel

A part-time center director will be hired and be responsible for coordinating center activities and the scheduling of testing and educational activities. The director will also establish technician work schedules, compile reports and attempt to seek supplementary funding through grantsmanship for the development of additional services.

A team of part-time technicians will do in-field testing. Much of the necessary test equipment has already been acquired and evaluated. Test equipment and procedures have been designed and evaluated by the current center coordinators and the Alberta Farm Machinery Research Centre. Approximately 30-40 tractors will be tested each year. In-field testing will have to be conducted from April to October because of climate constraints. Educational and promotional activities will be conducted during the winter time periods.

Budget

Northern Montana College is requesting **$223,297.30** for the fiscal year biennium. This will be used to complete the implementation phase of the project.

The budget **(see exhibit C)** includes salary for a part-time director ($16,000 per yr.), 3 part-time technicians ($36,000.00 per yr.), and Northern Montana College student help ($11,687.00 per yr.). Operating expenses will include a service truck, additional test equipment, travel, repairs, promotion/education costs, and other miscellaneous expenses shown on the budget. These funds will allow for the full implementation of the Northern Tractor Resource Center and cover major operating costs for two years.

Some income will be generated by charging customers for center testing services. A fee schedule will be developed and farmers will be charged for testing services. This fee will vary depending on the extent of testing, time required and modification requested or needed. Fees are projected to be from $500.00 to $1500.00 per unit. The fee for testing services may have to be altered to reflect market demand. It is critical that the customers be fully satisfied with the work and recognize the potential savings through efficiency improvement. The benefit and savings from tractor testing must offset the cost of testing to the farmer and this will help promote the center's services and its potential value to others.

The third year (1995-96) is included with the budget to show sustainability once the overcharge funds are expended. Income for the third year of operation will come from testing income, grants and contracts and perhaps fees for supplemental services such as clinics or seminars. The center's staff will also have a better understanding for what producers will pay for tractor testing and will also become more efficient at testing and customizing tractors. Again, the third year budget reflects sustainability after the oil overcharge funds have been expended.

Benefits & Energy Savings

The establishment of the Northern Tractor Resource Center will result in:

1. Large savings on repair, maintenance and fuel conservation for agricultural producers

2. Improved agricultural tractor and machinery performance

3. Maximized returns for Montana agricultural producers

4. The availability of unique applied research and beneficial resources and services for Montana agriculturalists

Tractor center activities will result in appreciable energy savings for Montana agricultural producers. Montana State University farm management specialists estimate a 4-wheel drive 225 horsepower tractor, if used 600 hours per year, will use $5,940.00 of fuel per year and have repairs of $5200.00 per year. Tractor efficiency

studies and the initial testing of approximately fifteen tractors by the current coordinators lead them to believe that it may be possible to decrease fuel and repair costs by at least twenty percent for many tractors. This will be accomplished through proper weighting, proper engine rpm, proper tire air pressure, and other optimizing techniques. Based on the above fuel and repair cost figures, this will result in an estimated savings of $2,228.00 per tractor.

An example of a simple fuel savings problem **(see exhibit D)** shows a tremendous savings to just one agricultural producer. Multiply this times the number of producers potentially assisted by the center and the savings are astounding. Add the other efficiency improvements and the savings figure becomes even larger.

The tractor center will test as many tractors as possible and savings in energy and repairs will be evident for many of those tractors. In addition, information gained from testing a variety of tractors can be passed on to the other 12,000 tractor owner operators in Montana. This will be done through seminars, clinics, publications and the sharing of techniques via farmer to farmer interactions. Guidelines will be established and disseminated for specific tractor models with specific tires and other components. With the availability of these guidelines, many additional farmers will have the potential to save on fuel and repairs even though the center may not test their specific tractors.

Conclusion

The Tractor Resource Center will help maximize agricultural tractor efficiencies by conducting in-the-field tests for an agricultural producer under their actual farming conditions. The center will be the only facility in North America with an emphasis on computerized in-field testing customization and set-up of agricultural tractors.

This Tractor Resource Center, if funded, will have an extremely positive impact on Montana agriculturalists. Oil overcharge monies and other resources invested will result in immediate savings through fuel conservation and generate returns to farmers for many years to come.

EXHIBIT 13
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EXHIBITS

"Exhibit A"

EXHIBIT 13
DATE 2-17-93

EXECUTIVE SUMMARY
NORTHERN TRACTOR RESOURCE CENTER

1. THE PROBLEM

Farming is a capital intensive industry. The USDA reports that farm equipment in the northern plains represents 16% of farm assets and is second only to land and buildings. Equipment sophistication makes it difficult to match to the various combinations of soil types, soil conditions, implements, tires, and other variables. Tractor operators, for example, face problems with improper ballasting, radial tire hop, tire inflation pressures, and tractor maintenance procedures that reduce efficiency, cause premature component failure and increase fuel consumption. The end result of these inefficiencies is increased production costs.

It is hard for a farmer to find in-field assistance that will optimize his or her tractor and implement performance for the farm's specific in-field conditions. A strong network exists to provide agronomic and financial management information to farmers. State extension services, research stations, and private seed, fertilizer and chemical companies and others provide a wealth of information and assistance to farmers. However, farmers find difficulty in finding on-site machinery performance assistance and services.

2. THE OPPORTUNITY

In response to the needs of farm machinery owners, a team of faculty at Northern Montana College has been working to establish a tractor resource center. The center will offer three basic services: (1) On-farm agricultural equipment testing and set-up; (2) Agricultural tractor and equipment clinics and seminars (3) Collection and dissemination of tractor and equipment performance information.

The center will be affiliated with Northern Montana College, which has a mission of applied technology, and the Alberta Farm Machinery Research Centre in Lethbridge, Alberta. AFMRC has an established reputation as a testing center for agricultural implements and equipment and is in close proximity to Havre Montana. In addition, the center could work with equipment manufacturers, dealers, and the extension service to cooperatively provide a unique service for farmers throughout the region.

The project will have several benefits, including: (1) Improved agricultural tractor and machinery performance; (2) Maximized net returns for Canadian and American prairie region farmers; (3) Independent in-field tractor performance library and database; (4) Savings on repair, maintenance, and fuel; (5) Enhanced educational opportunities for Northern Montana College technology students and the public it serves.

3. THE DEVELOPMENT

The tractor resource testing center is being developed in three phases: (1) Design (2) Development (3) Implementation. Phase one is complete and consisted of defining current equipment problems, necessary instrumentation and resources, and the development of the center's structure. The second phase involved test procedure development, resource acquisition, information database establishment, producer education, and other development activities. The final implementation phase will hopefully result in an established center that delivers tractor center services to agriculturalists in Montana, surrounding states and Canadian provinces.

EXHIBIT B

EXHIBIT 13
DATE 2-17-93

Northern Tractor Resource Center And Agricultural Tractor Performance

* Is your tractor properly weighted?
* Does your tractor have the correct amount of tire slip?
* Is the front to rear weight split proper on your 4X4 tractor?
* Do your tractor tires have correct inflation pressures?
* Does your tractor ride rough or have power hop problems
* Are you wasting fuel and drastically reducing your power train life?
* Are you putting horsepower to work?

In response to the needs of farm machinery owners, a team of faculty at Northern Montana College (Havre Montana), is establishing a tractor resource center. The center will provide in-the-field agricultural tractor testing, set-up, agricultural tractor/equipment clinics, and collect and disseminate tractor and equipment performance information. The Center's main goal will be to assist agricultural producers in putting horsepower to work.

The center will be affiliated with Northern Montana College, which has a mission of applied technology and the center will work closely with the Alberta Farm Machinery Research Centre (AFMRC) in Lethbridge, Alberta. AFMRC has an established reputation as a testing center for agricultural implements and equipment and is in close proximity to Havre Montana. The Resource Center will network with equipment manufacturers, dealers, the extension service and others to cooperatively provide a unique service for farmers throughout Montana.

Resource Center activities will result in improved agricultural tractor and machinery performance and help maximize net returns for Montana farmers through savings on repair, maintenance, and fuel. The Center will also provide opportunities for Northern Montana College technology students.

Resource Center and AFMRC personnel have developed an on-board data acquisition package allowing dynamic in-field tractor performance testing. The instrumentation consists of: (1) A lap-top computer for on-board data acquisition; (2) A 50,000 pound load cell for measuring draft; (3) Two radar guns for measuring wheel and ground speeds; (4) An accelerometer for measuring bounce (ride characteristics) (4) An electronic tachometer for engine rpm; (5) Various gauges for monitoring engine performance; (6) Portable electronic platform scales for determining tractor weight and front and rear weight splits; (7) A dynamic fuel consumption device (being developed)

Tractors are instrumentated and then a series of runs are made at varied implement depths and in selected gear and rpm ranges. The on-board data acquisition package records all information dynamically at five times per second and each run is recorded on disk. A discussion will be held with each operator on field speeds, cultivator depth, gear selection, etc. The center will be senstive to the specific farming methods of each individual producer. Tests will be conducted at the farm site with the farmer's implement so the tractor is performance tuned for the conditions it will be working in.

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Drawbar horsepower will be calculated from each run and the results compared with typical engine horsepower and tractor weight performance levels. Ballast amounts, weight distribution, tire pressures and other variables can be adjusted and modified to improve tractive performance. Engines and drive train components will be checked prior to testing to be sure they are capable of performing properly. Areas of consideration are: fuel quality, fuel restriction and the fuel system, air intake and exhaust gas restriction, blow-by, idle and no-load high idle rpm, fluid levels and leaks, turbo boost pressures, tire pressures and cooling system integrity. Tractors will be subjected to maximum performance levels of drawbar horsepower and tractive effort during the test procedure.

Tractor center services may include: (1) The locating and isolating of mechanical problems (minor repairs may be immediately made but major repairs must be arranged); (2) Liquid ballast removal and replacement; (3) In-field weighing for proper total tractor weight and front to rear splits; (4) Tire pressure management based on the tractor's static load, with emphasis on radial tires; (5) Computerized in-field testing and report summaries; (6) Adjusting and modifying tractors and equipment for optimum performance.

NOTE: Northern Tractor Resource personnel should be available to test and customize agricultural tractors during the spring and summer of 1993. Center coordinators (Greg Clouse, Lynn Stilger, Tom Welch) can be reached at Northern Montana College, Havre, MT 59501 or called at (406)265-3700.

NOTE: Development monies and other tractor center resources were provided by: Montana Wheat & Barley Committee, Montana Growth Through Agriculture Program, Economic Development Administration, BearPaw Development, Burlington Northern Railroad, First Security Bank of Havre, First Bank of Havre and Bank of Montana of Havre, Northern Montana College and the Alberta Farm Machinery Research Centre. Additional implementation monies are being pursued from stripper oil well overcharge funds of the state of Montana.

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EXHIBIT C

Northern Tractor Resource Center
Proposed Budget

INCOME	1993-94	1994-95	Total	1995-96
Oil Overcharge Funds	$141,610.00	$81,687.30	$223,297.30	$0.00
Testing Income	$25,000.00	$25,000.00	$50,000.00	$30,000.00
Grants/Contracts	$0.00	$20,000.00	$20,000.00	$20,000.00
Supplemental Services	$0.00	$0.00	$0.00	$5,000.00
Carryover test income	$0.00	$0.00	$0.00	$30,000.00
TOTAL INCOME	$166,610.00	$126,687.30	$293,297.30	$85,000.00
EXPENSES	**1993-94**	**1994-95**	**Total**	**1995-96**
Facility				
Rent/storage construction	$2,500.00	$2,500.00	$5,000.00	$2,500.00
Utilities	$0.00	$0.00	$0.00	$0.00
Office Supplies	$1,000.00	$1,000.00	$2,000.00	$1,000.00
Wages				
Salaries	$47,078.00	$49,039.00	$96,117.00	$51,001.59
Benefits	$14,032.00	$14,648.30	$28,680.30	$15,234.24
Communications	$2,500.00	$2,500.00	$5,000.00	$2,700.00
Equipment				
Truck	$30,000.00	$0.00	$30,000.00	$0.00
Instruments	$5,000.00	$10,000.00	$15,000.00	$2,500.00
Chloride Transfer	$7,500.00	$0.00	$7,500.00	$0.00
Tools	$10,000.00	$0.00	$10,000.00	$0.00
Supplies	$5,000.00	$5,000.00	$10,000.00	$5,000.00
Computers	$5,000.00	$5,000.00	$10,000.00	$0.00
Travel	$12,000.00	$12,000.00	$24,000.00	$0.00
Repairs	$3,000.00	$3,000.00	$6,000.00	$2,500.00
Misc.	$1,000.00	$1,000.00	$2,000.00	$1,000.00
Promotion/Education	$6,000.00	$6,000.00	$12,000.00	$1,500.00
TOTAL EXPENSES	$151,610.00	$111,687.30	$263,297.30	$84,935.83
NET INCOME	$15,000.00	$15,000.00	$30,000.00	$64.17

NOTE: Some testing income will be used for expenses not covered by oil overcharge monies
Remaining test income (net income) will be placed in account for 3rd year of operation.

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EXHIBIT D

FUEL SAVING EXAMPLE

Dynamic fuel consumption of an agricultural tractor is a concept where the operator of a tractor could realize the best operating parameters of the tractor while the tractor is being tested under load. Operating a tractor engine properly can save an agricultural producer thousands of dollars over the life expectancy of the tractor.

Here is an example of dynamic fuel consumption and its importance to the agricultural producer. Suppose there are two ag-producers using the same brand of tractor with the same type and footage of implement, farming in similar soils. The two agricultural producers expect 5000 hrs of operating time from their tractors before a major over haul. Today a gallon of diesel fuel costs $1.10. Both tractors are equipped with a Cummins NT-855-C Turbocharged 310 BHP engine. Producer A operates the tractor at 2100 RPM most of the time. Producer B operates the tractor at 1600 RPM most of the time.

Producer A's operating parameters and fuel costs over 5000 hrs:
RPM = 2100
BHP = 310
TORQUE = 780 LB. FT.
Fuel consumption is .37 lbs/bhp hr. or 310 X .37 = 114.7 lbs. of fuel per hour. (# 2 diesel fuel weighs aprox. 7.2 lbs)
114.7/7.2 = 15.9 gal. of fuel per hour.
15.9 gal X $1.10 = $17.49 per hour expense for fuel.
$17.49 X 5000 = **$87,450.00** is what PRODUCER A will pay for fuel at $1.10/gal, over 5000 hours of operating time.

Producer B's operating parameters and fuel cost over 5000 hrs:
RPM = 1600
BHP = 280
TORQUE = 920 LB. FT.
Fuel consumption is .35 lbs/bhp hr. or 280 X .35 = 98 lbs. of fuel per hour.
98/7.2 = 13.6 gal. of fuel per hour.
13.6 gal X $1.10 = $14.96 per hour expense for fuel.
$14.96 X 5000 = **$74,800.00** is what PRODUCER B will pay for fuel at $1.10/gal, over 5000 hours of operating time.

By applying different operating techniques, it cost PRODUCER B **$12,650.00** less than PRODUCER A. Each producer will probably get approximately the same amount of money for their crop, yet with this hypothetical example it can be seen which producer is reducing input costs, conserving fuel and hopefully profiting. The above engine specification are from Cummins Engine Company, INC. Engine performance curve # C-3893-C.

EXHIBIT 14
DATE 2-17-93
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PROPOSED AMENDMENTS
HOUSE BILL 10
INTRODUCED BILL

1. Page 5, line 11.
Following: "transportation"
Insert: "demand"

2. Page 5, line 22.
Following: "industry and"
Strike: "from"

3. Page 6, line 16 through line 17.
Following: "projects."
Strike: remainder of line 16 through "465.8." on line 17.

4. Page 7, line 1.
Following: "techniques"
Strike: ","

5. Page 7, line 11.
Following: "appropriated"
Strike: "$40,000"
Insert: "$20,000"

6. Page 7, line 12.
Following: "payments,"
Strike: "$70,000"
Insert: "$35,000"

7. Page 7, line 13.
Following: "and"
Strike: "$70,000"
Insert: "$75,000"

8. Page 8, line 17.
Following: "funds."
Insert: "Expenditures of"

9. Page 9, line 4.
Following: "sections"
Strike: "1"
Insert: "5"
Following: "through"
Strike: "12"
Insert: "10"

10. Page 9, line 6.
Following: "sections"
Strike: "1"
Insert: "5"
Following: "through"
Strike: "12"
Insert: "10"

EXHIBIT 14
DATE 2-17-93
SB

11. Page 9, lines 22 and 23.
Following: "sections"
Strike: "1"
Insert: "5"
Following: "through"
Strike: "12"
Insert: "10"

12. Page 10, line 22.
Following : "1987."
Insert: "NEW SECTION. Section 16. Effective date. [This act] is effective July 1, 1993."

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Long Range Planning COMMITTEE BILL NO. ________

DATE 2/17/93 SPONSOR(S) ________

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Ralph Peck	Mt Dept of Ag - Tractor Center	✓	
BILL DAEHLING	NORTHERN MT COLLEGE	✓	
Lynn Stelser	NORTHERN Mt. COLLEGE	✓	
Thomas Welch	Northern MT College	✓	
Kathy Macefield	City of Helena	✓	
Al Kurki	Alternative Energy Resources Org	✓	
Laurie Zeller	MT Dept Natural Resources	✓	
Denise Peterson	Mt Public Service Comm	✓	
Ray Beck	DNRC	Sec 9 ✓	
Leon Stalcup	Dist 11 HRDC	✓	
Steve Lenwer	Rocky Mountain Development Coun	✓	
Sheila Rice	HP36 Sect 4	✓	
Nancy Griffin	Montana Building Industry Association - Sect 10 Amend.		
Dave Cogley	Montana Building Industry Assc.	Sec 10 Amd. ✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Long Range Planning COMMITTEE BILL NO. HB 10

DATE 2/17/93 SPONSOR(S) ________

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
John Rife PO Box 9280, Helena	Energy Share of MT	X	
Billie Krenzler PO Box 2016 Blgs	HRDC		
Gerald Mueller 7165 Old Grant Cr. Rd Missoula	EQC Residential Energy Efficiency Working Group	X	
Steve Powell 243 Meadowlark Ln Hamilton	MT Local Gov't Energy Committee	X	
Peter Blouke	SRS	✓	
Jim Nolan	"	✓	
Shirley Ball	EPAC	✓	
Clint Peck	MT Farmer-Stockman	✓	
Judith Carlson	HRDCs	✓	
Jim Morton	HRDCs		
Dick Torkildson	MLGEO	X	
Dave Hauser	Montana Power	X	
John Ralph	MPC	X	
Bob Stephens	Mt. Grain Growers assn Tractor Center	✓	

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