

HOUSE BILL NO. 701

INTRODUCED BY VINCENT, BRADLEY

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONIES FOR A GEOTHERMAL EXPLORATION AND DEMONSTRATION PROJECT."

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

Section 1. The legislature finds that:

(1) The nation is currently suffering from a critical shortage of environmentally clean forms of energy; the cost of fossil fuels has risen greatly; and that the development of alternative sources of energy is a desirable goal and one suitable for the expenditure of public monies.

(2) One alternative source of environmentally clean energy is geothermal resources.

(3) The technology presently exists which makes utilization of geothermal heat economically feasible; a demonstration project of feasibility and utilization at a state institution is desirable.

Section 2. Purposes. The purposes of this act are:

(1) To make funds available for the construction of a geothermal demonstration project at Montana state university.

(2) To demonstrate the economic feasibility of using geothermal resources.

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(3) To develop data which will further knowledge in this field and to further perfect the art of utilizing geothermal resources in Montana.

Section 3. Definitions.

(1) "Demonstration project" shall mean a completed facility which illustrates the energy utility of useful hot water, useful steam, useful heat energy or any other form of subterranean heat energy which may be utilized as an energy resource either as a primary energy source or as a supplement to existing energy utilization facilities. The project shall include but not be limited to a deep shaft well, boilers, tanks, pumps, pipes, and miscellaneous equipment and necessary housing structures.

(2) "Project Director" shall mean that individual appointed by the board of natural resources in consultation with the president of Montana state university and the vice-president for research at Montana state university, who shall oversee and direct the construction of the demonstration project. His authority shall include, but not be limited to, negotiating contracts, consulting with Montana state university faculty selecting an appropriate site for the facility in consultation with the president of Montana state university or his appointed agent, hiring personnel and doing all things which are reasonable and necessary in constructing the demonstration project.

1 Section 4. The appropriation contained in this act  
 2 shall be made available upon passage of this act from monies  
 3 in the general fund of the state of Montana and shall remain  
 4 available until expended or until the demonstration is  
 5 completed, whichever event occurs first. In the event the  
 6 project is terminated prior to expenditure of all funds, any  
 7 unexpended funds will be returned to the general fund. The  
 8 appropriation made herein shall not prevent or be  
 9 interpreted to preclude application being made to the  
 10 federal government or any agency thereof for supplementary  
 11 funds for any facet of the demonstration project.

12 Section 5. There is hereby appropriated the sum of two  
 13 hundred thousand dollars (\$200,000) for the geothermal  
 14 resource exploration and demonstration project at Montana  
 15 state university.

16 Section 6. Director. The director of the  
 17 demonstration project shall:

18 (1) be paid a salary commensurate with his level of  
 19 training and experience and his responsibilities but in no  
 20 event shall it exceed twenty thousand dollars (\$20,000) per  
 21 annum.

22 (2) prepare quarterly reports of the state and  
 23 progress of the demonstration project; these reports and the  
 24 final project report shall be made available as they are  
 25 completed to the general public and to the governor,

1 lieutenant governor, members of the board of natural  
 2 resources, president and vice-president for research of  
 3 Montana state university.

4 Section 7. Project review. There is hereby created  
 5 for the purposes of this demonstration project a committee  
 6 for project review. The committee shall consist of five  
 7 members; the chairman and one other member shall be  
 8 appointed by the president of Montana state university, one  
 9 shall be appointed by the board of natural resources, one  
 10 shall be appointed by the governor, and one by the council  
 11 on environmental quality.

12 The project review committee shall meet quarterly and  
 13 review the project taking into consideration the director's  
 14 report, information developed by on-site inspections, and  
 15 any other information which is relevant to the project. The  
 16 project review committee shall have the power to: request  
 17 further fundings as they feel is necessary; direct that  
 18 application be made for federal assistance; make  
 19 recommendations to the director; and suspend operations if  
 20 the project seems technologically unfeasible. In the event  
 21 a suspension is ordered, a full report stating the reason  
 22 thereof shall be prepared by the committee and submitted  
 23 with its recommendations to the governor and the president  
 24 of Montana state university.