

HOUSE JOINT RESOLUTION NO. 39

Introduced: 04/01/83

Referred to Committee on Natural Resources: 04/01/83

Hearing: 4/11/83

Died in Committee

House JOINT RESOLUTION NO. 39

INTRODUCED BY

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A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA DIRECTING THE ENVIRONMENTAL QUALITY COUNCIL TO CONDUCT A STUDY OF THE MONTANA MAJOR FACILITY SITING ACT AND TO MONITOR THE REVISION BY THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF RULES IMPLEMENTING THE ACT; REQUIRING THE ENVIRONMENTAL QUALITY COUNCIL TO REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE LEGISLATURE AND THE GOVERNOR.

WHEREAS, the State of Montana is faced with important decisions on various energy futures affecting the State's environmental quality and economic health; and

WHEREAS, the nation will continue to need many of Montana's energy resources; and

WHEREAS, Montana's citizens desire the protection of the State's unique environmental values while still encouraging existing and new businesses and industries to stay and locate in Montana, thus creating jobs and revenues for the State; and

WHEREAS, Montana has an abundance of coal resources and the coal industry is important to Montana's economy; and

WHEREAS, the Montana Major Facility Siting Act is

recognized both in Montana and nationwide as a model law through which Montanans may control the location and impacts of new energy facilities; and

WHEREAS, Montana may be the site of new synthetic fuel plants; and

WHEREAS, it is essential that the State regulate the siting of synthetic fuel plants under the Montana Major Facility Siting Act; and

WHEREAS, it is necessary that the Legislature insure that the Montana Major Facility Siting Act is fair, reasonable, and otherwise able to withstand legal challenges to its validity; and

WHEREAS, it is necessary to make decisions under the Montana Major Facility Siting Act within time frames sufficient to adequately review applications while ensuring that undue financial burdens are not placed on applicants because of delays; and

WHEREAS, the Department of Natural Resources and Conservation is currently in the process of revising its rules implementing the Montana Major Facility Siting Act and is working closely with various interested groups to ensure that the rules meet statutory requirements, eliminate unnecessary regulation, and facilitate orderly planning and energy development; and

WHEREAS, the Environmental Quality Council is

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1 responsible under the Montana Environmental Policy Act for
2 evaluating the State's environmental policies and programs.

3
4 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
5 OF REPRESENTATIVES OF THE STATE OF MONTANA:

6 (1) That the Environmental Quality Council conduct an
7 interim study of the Montana Major Facility Siting Act which
8 shall include:

9 (a) the potential impacts of synthetic fuel plants and
10 what criteria should apply to the review of such plants;

11 (b) whether consideration of public need is an
12 appropriate standard for the review of facilities not
13 regulated by the Montana Public Service Commission,
14 balancing market considerations with Montana's interest in
15 the financial stability of new facilities;

16 (c) the optimal time frames for review of applications
17 under the Montana Major Facility Siting Act;

18 (d) the most appropriate means for the Department of
19 Natural Resources and Conservation to evaluate alternative
20 primary end products, alternate sites, and alternative
21 technologies to ensure that the Board of Natural Resources
22 and Conservation can make comparisons and choose the
23 facility with minimum adverse environmental impact while
24 preventing the major expense of unnecessary studies to be
25 performed by an applicant;

1 (e) the meaning of "minimum adverse environmental
2 impact" under the Montana Major Facility Siting Act;

3 (f) the importance of environmental mediation and
4 negotiation in the early stages of the siting process.

5 (2) That the Environmental Quality Council shall
6 consult with state agencies involved in administering the
7 Montana Major Facility Siting Act, representatives of
8 industry, conservation and citizen groups, and other
9 individuals and groups concerned with the siting of new
10 facilities under the Montana Major Facility Siting Act.

11 (3) That the Environmental Quality Council closely
12 monitor the revision by the Department of Natural Resources
13 and Conservation of rules implementing the Montana Major
14 Facility Siting Act.

15 (4) That the Environmental Quality Council report its
16 findings to the Legislature and the Governor not later than
17 November 1, 1984, including any recommendations for
18 legislation that will enhance the development of energy
19 facilities while fulfilling the environmental goals and
20 ensuring the fairness, strength, and validity of the Montana
21 Major Facility Siting Act.

-End-

STATE OF MONTANA

REQUEST NO. 531-83

FISCAL NOTE

Form BD-15

In compliance with a written request received April 5, 19 83, there is hereby submitted a Fiscal Note for House Joint Resolution 39 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Joint Resolution 39 directs the Environmental Quality Council (EQC) to conduct a study of the Montana Major Facility Siting Act and to monitor the revision by the Department of Natural Resources and Conservation (DNRC) of rule implementing the act. The resolution requires EQC to report its findings and recommendations to the Governor and the Legislature.

ASSUMPTIONS:

- 1) It will require approximately one-quarter (.25) FTE of DNRC staff time to consult with and provide technical assistance to EQC during the study. This time and the costs will be absorbed by rearranging work priorities of DNRC staff.
- 2) It will require approximately 1.0 additional FTE on EQC's staff to conduct the study; 1/3 FTE clerical staff and 2/3 FTE staff study coordinator. Staff travel will total \$1000.
- 3) The EQC subcommittee (composed of 5 members) will be assigned to the study and will need to hold 10 meetings during the biennium. The compensation and travel for each meeting will be \$1000.
- 4) The full EQC (12 members) will meet twice for the study. The compensation and travel for each meeting will be \$2,350.

FISCAL IMPACT:

This resolution will not cause an increase or decrease in DNRC revenues or expenditures, as operational costs and staff time will be absorbed through shifting of work priorities.

EQC's costs would be approximately \$56,300 for the biennium:

Personal Services and Compensation for EQC members	\$ 27,200
Travel	12,100
Consultant Fees	12,000
Supplies and Printing	5,000
	<u>\$ 56,300</u>

FISCAL NOTE 17:W/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 4-8-83