SENATE BILL NO. 225

INTRODUCED BY RYE, DOHERTY, YELLOWTAIL, GRADY BY REQUEST OF THE ENVIRONMENTAL QUALITY COUNCIL

IN THE SENATE

JANUARY 20, 1993 INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.

FIRST READING.

FEBRUARY 6, 1993 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 8, 1993 PRINTING REPORT.

SECOND READING, DO PASS.

FEBRUARY 9, 1993 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 46; NOES, 4.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 10, 1993

ON NATURAL RESOURCES.

INTRODUCED AND REFERRED TO COMMITTEE

FIRST READING.

- MARCH 10, 1993 COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
- MARCH 13, 1993 SECOND READING, CONCURRED IN.

MARCH 16, 1993 THIRD READING, CONCURRED IN. AYES, 93; NOES, 7.

MARCH 17, 1993 RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 19, 1993 RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS CONCURRED IN.

MARCH 20, 1993

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THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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Senate BILL NO. 225 INTRODUCED BY BY RÉQUEST OF THE ENVIRONMENTAL QUALITY COUNCIL A BILL FOR AN ACT ENTITLED: "AN ACT ADOPTING A STATE ENERGY POLICY GOAL STATEMENT; PROVIDING FOR AN ONGOING STATE ENERGY POLICY DEVELOPMENT PROCESS; PROVIDING FOR THE AND APPLICATION OF AN ENERGY POLICY ANALYSIS METHODOLOGY FOR ENERGY-RELATED LEGISLATION." 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 NEW SECTION. Section 1. State energy policy goal 13 statement. (1) It is the policy of the state of Montana to 14 promote energy conservation, production, and consumption of 15

a reliable and efficient mix of energy sources that 16 represent the least social, environmental, and economic 17 costs and the greatest long-term benefits to Montana 18 19 citizens.

(2) In pursuing this goal, it is the policy of the 20 21 state of Montana to:

(a) recognize that the state's energy system operates 22 within the larger context of and is influenced by regional, 23 national, and international energy markets; and 24

(b) maintain a continual process to review this energy 25



1 policy statement and any future changes so that Montana's energy strategy will provide for a balance between a 2 3 sustainable environment and a viable economy.

NEW SECTION. Section 2. Definitions. As used in 4 5 [sections 3 and 4], the following definitions apply:

(1) "Council" means the environmental quality council 6 7 established in 5-16-101.

(2) "Department" means the department of 8 natural resources and conservation established in 2-15-3301. 9

10 NEW SECTION. Section 3. Energy policy development process. (1) The department and the council, in cooperation 11 with the consumer counsel, shall maintain a continual 12 13 process to develop the components of a comprehensive state energy policy. 14

15 (2) Because of limited state resources and the need to 16 focus intensive effort on specific issues of importance, the 17 development of a comprehensive state energy policy must 18 occur on an incremental basis. As the need arises, the department, in cooperation with the appropriate state 19 20 agencies and with extensive public involvement, shall identify and recommend to the council specific components of 21 a state energy policy for development under the consensus 22 process described in subsection (3). 23

24 (3) (a) Upon selection of a specific energy policy component, the council shall assign to a working group 25

> 58225 -2-INTRODUCED BILL

composed of representatives of the parties with a stake in
 that specific component the task of developing consensus
 recommendations for that component of state energy policy.

4 (b) The working group must include the broadest 5 possible representation of stakeholders in the issues to be 6 included within the specific component of state energy 7 policy.

(c) Whenever possible, the working group shall use a ß g consensus process to develop recommendations for a specific energy policy component to be submitted to the council. 10 11 Recommendations that are not based upon consensus must be so noted by the working group. Upon consideration of the 12 13 working group's recommendations, the council shall forward its recommendations to the legislature and to the 14 appropriate state agencies for adoption. 15

(d) The department shall:

16

17 (i) provide staff support to the working group,
18 including policy analysis, data gathering, research,
19 technical analysis, and administrative support;

20 (ii) provide administrative coordination among the
21 appropriate state agencies in the energy policy development
22 process;

23 (iii) prepare reports for and make recommendations to24 the council; and

25 (iv) consult regularly with the council to coordinate

l each agency's activities.

2 (4) In carrying out their responsibilities under this 3 section, the department and the council may contract with 4 experts, consultants, and facilitators and may seek funding 5 from a variety of private and public sources for technical 6 and other assistance necessary to accomplish their 7 responsibilities.

8 <u>NEW SECTION.</u> Section 4. Application of energy policy 9 analysis methodology for energy-related bills. (1) All bills 10 reported out of a committee of the legislature that would 11 affect state energy policy, including the consumption, 12 production, and conservation of the state's energy 13 resources, may include an energy policy analysis that 14 evaluates the costs and benefits of that bill.

15 (2) The analysis must include:

16 (a) an energy policy evaluation worksheet, which 17 consists of:

18 (i) a description of the bill;

19 (ii) identification of the problems or issues addressed20 by the bill;

21 (iii) an explanation of the intent of the bill; and

(iv) an evaluation of the bill's effects on energy, the
environment, and the economy, along with information on the
fiscal effects, social effects, and the distribution of the
potential effects among different income groups, sectors of

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LC 0275/01

1 the economy, and geographic areas; and 2 (b) an effects summary table that reviews the 3 information provided in the energy policy evaluation worksheet in summary form. 4 (3) An energy policy analysis may also be requested on 5 a bill, as allowed by the joint rules of the legislature, б 7 by: (a) a committee considering the bill; 8 9 (b) a majority of the members of the house in which the 10 bill is to be considered, at the time of second reading; or 11 (c) the sponsor, through the presiding officer. 12 (4) The department, in cooperation with other appropriate state or local agencies, shall prepare the 13 energy policy analysis, within the limits of available 14 15 resources, within 6 days or as soon as reasonably 16 practicable.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0225, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: This bill adopts a state energy policy goal statement, provides for an ongoing energy policy development process to be undertaken as needed by the DNRC and the EQC, and provides for the application, on a voluntary basis, cf "energy fiscal notes" on energy-related legislation.

ASSUMPTIONS:

- 1. The Department of Natural Resources and Conservation (DNRC) and the Environmental Quality Council (EQC) will conduct the consensus-based energy policy development process within the limits of existing appropriations.
- 2. The DNRC will not reimburse working group members for traveling or participating in the energy development process.
- 3. Any major studies or policies that the EQC requests DNRC to staff will be funded with new sources of revenue as provided in section 3.

FISCAL IMPACT: No fiscal impact to the state.

-26-93

DAVE LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

OR. - 27-6 DAVID RYE, PRIMARY SPONSOR DATE

Fiscal Note for SB0225, as introduced

SB 225

APPROVED BY COMM. ON Natural resources

	1	SENATE BILL NO. 225	1
	2	INTRODUCED BY RYE, DOHERTY, YELLOWTAIL, GRADY	2
	3	BY REQUEST OF THE ENVIRONMENTAL	3
,	4	QUALITY COUNCIL	4
	5		5
	6	A BILL FOR AN ACT ENTITLED: "AN ACT ADOPTING A STATE ENERGY	6
	7	POLICY GOAL STATEMENT; PROVIDING FOR AN ONGOING STATE ENERGY	7
	8	POLICY DEVELOPMENT PROCESS; AND PROVIDING FOR THE	8
	9	APPLICATION OF AN ENERGY POLICY ANALYSIS METHODOLOGY FOR	9
	10	ENERGY-RELATED LEGISLATION."	10
	11		11
	12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12
	13	NEW SECTION. Section 1. State energy policy goal	13
	14	statement. (1) It is the policy of the state of Montana to	14
	15	promote energy conservation, production, and consumption of	15
	16	a reliable and efficient mix of energy sources that	16
	17	represent the least social, environmental, and economic	17
	18	costs and the greatest long-term benefits to Montana	18
	19	citi zen s.	19
	20	(2) In pursuing this goal, it is the policy of the	20
	21	state of Montana to:	21
	22	(a) recognize that the state's energy system operates	22

within the larger context of and is influenced by regional,
national, and international energy markets; and

25 (b) maintain a continual process to review this energy



1	policy statem	ent and a	any futu	re change	es so tha	t Montana	's
2	energy strate	egy will p	provide	for a	balance	between	a
3	sustainable en	vironment a	and a vi	able eco	nomy.		
4	NEW SECTIO	on. Sectio	n 2. De:	finition	s. As	used	in
5	[sections 3 and 4], the following definitions apply:						
6	(1) "Cou	ncil" mean	s the e	nvironme	ntal qual	ity cound	i 1

7 established in 5-16-101.
3 (2) "Department" means the department of natural

resources and conservation established in 2-15-3301.

NEW SECTION. Section 3. Energy policy development process. (1) The department and the council, in cooperation with the consumer counsel <u>AND THE PUBLIC SERVICE COMMISSION</u>, shall maintain a continual process to develop the components

14 of a comprehensive state energy policy.

(2) Because of limited state resources and the need to focus intensive effort on specific issues of importance, the development of a comprehensive state energy policy must occur on an incremental basis. As the need arises, the department, in cooperation with the appropriate state agencies and with extensive public involvement, shall identify and recommend to the council specific components of a state energy policy for development under the consensus process described in subsection (3).

(3) (a) Upon selection of a specific energy policy
 component, the council shall assign to a working group

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SECOND READING

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composed of representatives of the parties with a stake in
 that specific component the task of developing consensus
 recommendations for that component of state energy policy.

4 (b) The working group must include the broadest 5 possible representation of stakeholders in the issues to be 6 included within the specific component of state energy 7 policy.

8 (c) Whenever possible, the working group shall use a 9 consensus process to develop recommendations for a specific 10 energy policy component to be submitted to the council. 11 Recommendations that are not based upon consensus must be so 12 noted by the working group. Upon consideration of the 13 working group's recommendations, the council shall forward its recommendations to the legislature and to the 14 appropriate state agencies for adoption. 15

16 (d) The department shall:

17 (i) provide staff support to the working group,
18 including policy analysis, data gathering, research,
19 technical analysis, and administrative support;

(ii) provide administrative coordination among the
 appropriate state agencies in the energy policy development
 process;

23 (iii) prepare reports for and make recommendations to24 the council; and

25 (iv) consult regularly with the council to coordinate

-3-

1 each agency's activities.

2 (4) In carrying out their responsibilities under this 3 section, the department and the council may contract with 4 experts, consultants, and facilitators and may seek funding 5 from a variety of private and public sources for technical 6 and other assistance necessary to accomplish their 7 responsibilities.

8 <u>NEW SECTION.</u> Section 4. Application of energy policy 9 analysis methodology for energy-related bills. (1) All bills 10 reported out of a committee of the legislature that would 11 affect state energy policy, including the consumption, 12 production, and conservation of the state's energy 13 resources, may include an energy policy analysis that 14 evaluates the costs and benefits of that bill.

15 (2) The analysis must include:

16 (a) an energy policy evaluation worksheet, which17 consists of:

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21 (iii) an explanation of the intent of the bill; and

(iv) an evaluation of the bill's effects on energy, the
environment, and the economy, along with information on the
fiscal effects, social effects, and the distribution of the
potential effects among different income groups, sectors of

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the economy, and geographic areas; and 1 (b) an effects summary table that reviews the 2 information provided in the energy policy evaluation 3 worksheet in summary form. 4 5 (3) An energy policy analysis may also be requested on a bill, as allowed by the joint rules of the legislature, 6 by: 7 8 (a) a committee considering the bill; 9 (b) a majority of the members of the house in which the 10 bill is to be considered, at the time of second reading; or 11 (c) the sponsor, through the presiding officer. 12 (4) The department, in cooperation with other 13 appropriate state or local agencies, shall prepare the 14 energy policy analysis, within the limits of available 15 resources, within 6 days or as soon as reasonably 16 practicable.

-End-

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SB 0225/02

SB 0225/02

1	SENATE BILL NO. 225	1 policy statement and any future changes so that Nontana's
2	INTRODUCED BY RYE, DOHERTY, YELLOWTAIL, GRADY	2 energy strategy will provide for a balance between a
3	BY REQUEST OF THE ENVIRONMENTAL	3 sustainable environment and a viable economy.
4	QUALITY COUNCIL	4 <u>NEW SECTION.</u> Section 2. Definitions. As used in
5		5 [sections 3 and 4], the following definitions apply:
6	A BILL FOR AN ACT ENTITLED: "AN ACT ADOPTING A STATE ENERGY	6 (1) "Council" means the environmental guality council
7	POLICY GOAL STATEMENT; PROVIDING FOR AN ONGOING STATE ENERGY	7 established in 5-16-101.
8	POLICY DEVELOPMENT PROCESS; AND PROVIDING FOR THE	8 (2) "Department" means the department of natural
9	APPLICATION OF AN ENERGY POLICY ANALYSIS METHODOLOGY FOR	9 resources and conservation established in 2-15-3301.
10	ENERGY-RELATED LEGISLATION."	10 NEW SECTION. Section 3. Energy policy development
11		1) process. (1) The department and the council, in cooperation
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12 with the consumer counsel AND THE PUBLIC SERVICE COMMISSION,
13	NEW SECTION. Section 1. State energy policy goal	
14	statement. (1) It is the policy of the state of Montana to	
15	promote energy conservation, production, and consumption of	14 of a comprehensive state energy policy.
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16	a reliable and efficient mix of energy sources that	16 focus intensive effort on specific issues of importance, the
17	represent the least social, environmental, and economic	17 development of a comprehensive state energy policy must
18	costs and the greatest long-term benefits to Montana	18 occur on an incremental basis. As the need arises, the
19	citizens.	19 department, in cooperation with the appropriate state
20	(2) In pursuing this goal, it is the policy of the	20 agencies and with extensive public involvement, shall
2 1	state of Montana to:	21 identify and recommend to the council specific components of
22	(a) recognize that the state's energy system operates	22 a state energy policy for development under the consensus
23	within the larger context of and is influenced by regional,	23 process described in subsection (3).
24	national, and international energy markets; and	24 (3) (a) Upon selection of a specific energy policy
25	(b) maintain a continual process to review this energy	25 component, the council shall assign to a working group

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THIRD READING

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composed of representatives of the parties with a stake in
 that specific component the task of developing consensus
 recommendations for that component of state energy policy.

4 (b) The working group must include the broadest
5 possible representation of stakeholders in the issues to be
6 included within the specific component of state energy
7 policy.

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23 (iii) prepare reports for and make recommendations to24 the council; and

25 (iv) consult regularly with the council to coordinate

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1 each agency's activities.

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appropriate state or local agencies, shall prepare the
energy policy analysis, within the limits of available
resources, within 6 days or as soon as reasonably
practicable.

-End-

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HOUSE STANDING COMMITTEE REPORT

March 10, 1993 Page 1 of 1

Mr. Speaker: We, the committee on <u>Natural Resources</u> report that <u>Senate Bill 225</u> (third reading copy -- blue) <u>be concurred</u> <u>in as amended</u>.

Signed: Chair Knox.

And, that such amendments read:

Carried by: Rep. Knox

1. Title, line 8.
Following: ";"
Strike: "AND"

2. Title, line 10.
Following: "LEGISLATION"
Insert: "; AND PROVIDING A TERMINATION DATE"

3. Page 5. Following: line 16 Insert: " <u>NEW SECTION.</u> Section 5. Termination. [Section 4] terminates on October 1, 1995."



5B 225

Committee Vote:

SB 0225/03

1 INTRODUCED BY RYE, DOHERTY, YELLOWTAIL, GRADY 2 BY REQUEST OF THE ENVIRONMENTAL 3 QUALITY COUNCIL 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT ADOPTING A STATE ENERGY 6 POLICY GOAL STATEMENT; PROVIDING FOR AN ONGOING STATE ENERGY 7 PROVIDING FOR THE POLICY DEVELOPMENT PROCESS: ANÐ 8 APPLICATION OF AN ENERGY POLICY ANALYSIS METHODOLOGY FOR 9 ENERGY-RELATED LEGISLATION; AND PROVIDING A TERMINATION 10 DATE." 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 13 NEW SECTION. Section 1. State energy policy goal 14 statement. (1) It is the policy of the state of Montana to 15 promote energy conservation, production, and consumption of 16

SENATE BILL NO. 225

a reliable and efficient mix of energy sources that 17 represent the least social, environmental, and economic 18 costs and the greatest long-term benefits to Montana 19 20 citizens.

(2) In pursuing this goal, it is the policy of the 21 state of Montana to: 22

(a) recognize that the state's energy system operates 23 within the larger context of and is influenced by regional, 24 national, and international energy markets; and 25

1 (b) maintain a continual process to review this energy policy statement and any future changes so that Montana's 2 energy strategy will provide for a balance between a 3 4 sustainable environment and a viable economy.

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(3) (a) Upon selection of a specific energy policy 25

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Montana Legislative Council

SB 225 REFERENCE BILL AS AMENDED

component, the council shall assign to a working group
 composed of representatives of the parties with a stake in
 that specific component the task of developing consensus
 recommendations for that component of state energy policy.

5 (b) The working group must include the broadest 6 possible representation of stakeholders in the issues to be 7 included within the specific component of state energy 8 policy.

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(iv) consult regularly with the council to coordinate
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1 potential effects among different income groups, sectors of 2 the economy, and geographic areas; and 3 (b) an effects summary table that reviews the information provided in the energy policy evaluation 4 5 worksheet in summary form. (3) An energy policy analysis may also be requested on 6 a bill, as allowed by the joint rules of the legislature, 7 8 by: 9 (a) a committee considering the bill; (b) a majority of the members of the house in which the 10 11 bill is to be considered, at the time of second reading; or 12 (c) the sponsor, through the presiding officer. 13 (4) The department, in cooperation with other 14 appropriate state or local agencies, shall prepare the 15 energy policy analysis, within the limits of available 16 resources, within 6 days or as soon as reasonably 17 practicable.

18 NEW SECTION. SECTION 5. TERMINATION. [SECTION 4]

19 TERMINATES ON OCTOBER 1, 1995.

-End-

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