

# Energy Policy Summary

Below is a review of the draft energy policy statements that ETIC members have agreed should receive additional committee review, as it works on potential revisions to Montana's energy policy -- as outlined in Senate Bill No. 290. Members developed the statements during their November 2009 and January 2010 meetings.

## **Increasing the supply of low-cost electricity with coal-fired generation**

Montana is committed to supplementing energy needs with renewable energy sources, while recognizing the value of existing coal-fired generation and its place in Montana's energy portfolio. Continued research and pilot projects to convert coal into synthetic petroleum products, hydrogen, methane, and natural gas also may extend Montana's competitive advantage with coal well into the future.

The state supports an increase in oil and gas exploration and development to reduce the recent decline in Montana's production levels and, most importantly, to wean the nation off foreign oil.

## **Promoting alternative energy systems**

Montana encourages the development of educational programs that prepare the workforce for creating and obtaining jobs in an emerging renewable energy economy.

Montana supports:

- the advancement of new alternative energy technologies to improve vehicle mileage and reduce exhaust emissions;

- incentives and loan programs to promote the development of biomass plants to generate heat for industrial use or electricity; and

- promotion of the long-term growth of large utility scale wind and small-scale distributed generation.

Montana should promote additional hydroelectric power expansions by classifying them as renewable under the "Montana Renewable Power Production and Rural Economic Development Act."

## **Rebuilding and extending transmission lines**

Montana recognizes the need for new transmission lines in the state, while noting that the need for new transmission lines may be mitigated by focusing on energy efficiency, distributed energy, demand response, and smart grid technologies.

Montana urges developers and utilities to increase the capacity of existing lines in existing corridors and maximize the potential of existing lines. When new transmission lines are developed in Montana, developers should work closely with affected local governments in the preliminary stages of development.

If companies build transmission lines that allow for the export of Montana-generated electricity, the costs of those lines should be borne entirely by the transmission customers who will benefit from the lines not by Montana customers who will not benefit.

Montana should strengthen its level of participation in regional transmission efforts and organizations, recognizing that endeavors to improve the management of the transmission grid often require a broad, regional approach.

### **Wind integration**

The State of Montana encourages the testing and application of new and innovative technologies, such as compressed air energy storage, batteries, flywheels, hydrogen production, smart grid, smart garage, and intra-hour balancing services, to address wind integration.

Geographic diversity and regional planning in the siting of future wind development can mitigate firming needs and ensure that the economic benefits of wind are shared across the state.

Montana recognizes that there are areas of the state where large-scale, commercial-industrial wind development may not be appropriate. Montana encourages developers and regulators to closely review potential impacts to landscapes, wildlife, and existing land uses, including recreation and agriculture, while advancing development.

Montana recognizes that contracts between small-scale qualifying facilities and utilities require qualifying facilities to pay the cost of integrating its power, and the state is committed to providing the lowest-cost firming resources available to encourage renewable development.

### **Maximizing state land use for energy generation**

In pursuing energy development on state lands, the state must continue to weigh its overall management responsibilities (fiduciary and multiple-use), as mandated by the Montana Constitution and state law.

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