

SB50 Testimony
Senate Energy and Telecommunications Committee
January 6, 2005

The Department of Environmental Quality supports SB 50, which will expand the scope of the alternative energy loan program without increasing its cost. This program has provided 8 loans to Montanans for small-scale development of renewable energy resources. Loans have been made for 6 solar photovoltaic systems, 1 wind system, and 1 solar/wind hybrid system.

There is interest in loans for larger projects, particularly for small-scale wind generators. The cost of a 10kw wind generator, commonly used for homes or small ranches, is about \$40,000. Solar photovoltaic systems often run more than \$10,000, depending on the size of the system. Increasing the loan ceiling from \$10,000 to \$40,000 per project would provide greater benefit to Montanans who want to invest in renewable energy.

This bill would also expand the program to include non-profit entities as well as individuals and small businesses. This would allow for more entities to be eligible for the loans and may be of interest to groups that have buildings that are highly visible or in remote areas. For example, a local YMCA could get a loan for a solar system to heat water for a swimming pool. This would be a very feasible project and one that we would like to see included.

DEQ also supports the inclusion of energy efficiency measures in the loans when they are done in conjunction with the installation of a renewable energy system. For example, making a building more efficient before installing solar PV cells would reduce the amount of cells needed and thus would result in a more cost effective project.

DEQ agrees with the language that clarifies and sets a minimum amount for administration of the program. This provision will allow for reasonable administrative costs for program start up and advertising, and will cap the administrative costs when larger amounts of loans are made.

In summary, DEQ supports the expansion of the Alternative Energy Loans and expects that the increased eligibility for loans and higher loan amounts will result in more alternative energy being used in Montana.