

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FEDERAL RELATIONS, ENERGY, AND TELECOMMUNICATIONS

Call to Order: By **CHAIRMAN ALAN OLSON**, on March 14, 2005 at 3:05 P.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Alan Olson, Chairman (R)
Rep. Dave Gallik, Vice Chairman (D)
Rep. Dennis Himmelberger, Vice Chairman (R)
Rep. Robyn Driscoll (D)
Rep. George G. Groesbeck (D)
Rep. Robin Hamilton (D)
Rep. Hal Jacobson (D)
Rep. Harry Klock (R)
Rep. Mark E. Noennig (R)
Rep. Diane Rice (R)
Rep. Wayne Stahl (R)
Rep. Karl Waitschies (R)
Rep. Brady Wiseman (D)

Members Excused: Rep. John Parker (D)

Members Absent: None.

Staff Present: Todd Everts, Legislative Branch
Cynthia Peterson, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SJ 23, 3/7/2005; SJ 19, 3/7/2005;
SJ 4, 3/7/2005; SJ 7, 3/7/2005; SJ
16, 3/7/2005; SJ 17, 3/7/2005

Executive Action:

HEARING ON SJ 23

Opening Statement by Sponsor:

SEN. JIM ELLIOTT (D), SD 7, opened the hearing on **SJ 23**, a resolution which would urge federal trade negotiators to consult with Montana officials. **SEN. ELLIOTT** submitted a memorandum dated June 25, 2003, which he received from Douglas Lucke, Georgetown University Law Center. **SEN. ELLIOTT** explained the resolution has to do with the North American Free Trade Act (NAFTA), but also deals with other treaties and trade agreements coming before Congress. **SEN. ELLIOTT** believed some of the treaties and trade agreements coming before Congress are deleterious to the sovereignty of Montana and the local control of municipalities and counties. SJ 23 would ask the Congressional Delegation to keep the best interests of Montana in mind when solidifying trade agreements. **SEN. ELLIOTT** provided background information on trade agreements and treaties.

[EXHIBIT \(feh56a01\)](#)

Proponents' Testimony:

Derek Goldman, a member of Community Action for Justice, testified there are currently 109 free-trade agreements under negotiation between developed and developing countries. **Mr. Goldman** believed it was important for Montanans to make their concerns known to the Congressional Delegation. **Mr. Goldman** testified the current trade agreements under negotiation are not fair, transparent, nor inclusive. **Mr. Goldman** spoke about the Central American Free Trade Agreement (CAFTA) that may be introduced in Congress in the spring and submitted an information sheet on CAFTA. **Mr. Goldman** believed CAFTA would adversely affect Montana in the areas of jobs, agriculture, ranching, and trade in services. **Mr. Goldman** submitted a statement from the Montana Cattlemen's Association.

[EXHIBIT \(feh56a02\)](#)

[EXHIBIT \(feh56a03\)](#)

Don Judge, Teamsters Local 190, testified that Teamsters in America have been greatly impacted by NAFTA and incidents that have occurred south of the border. The Teamsters are also very concerned about CAFTA and the loss of Montana jobs. **Mr. Judge** urged the Committee to pass SJ 23.

Daryl Holzer, AFL-CIO, supports SJ 23. **Mr. Holzer** believed the issue is about states' rights and suggested there needs to be a balance.

Cody Ferguson, Northern Plains Resource Council, depicted SJ 23 as a common sense resolution urging the government to take Montana's interest into account when negotiating free-trade agreements. **Mr. Ferguson** submitted a resolution passed by the Northern Plains Resource Council.

EXHIBIT (feh56a04)

Pat Torgerson, Women Involved in Farm Economics (WIFE), stated 640 people have signed WIFE's petition against CAFTA. **Ms. Torgerson** believed that people in the agricultural sugar and cattle industries would be adversely affected by CAFTA.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. BRADY WISEMAN, HD 65, BOZEMAN, said his understanding is that if a Canadian mining company wanted to sue Montana over NAFTA, the proceedings would take place in Switzerland in front of a secret court where Montana would not be represented. **Mr. Elliot** could not speak to where the proceeding would take place, but agreed the proceeding would be in a secret court, and Montana would not be represented.

Closing by Sponsor:

SEN. ELLIOT closed the hearing by stating the essential reason for treaties is to remove barriers to market access for international companies. However, the rules and regulations supercede the rights of states or local governments to protect their citizens.

HEARING ON SJ 19

Opening Statement by Sponsor:

SEN. JIM ELLIOTT (D), SD 7, opened the hearing on **SJ 19**, a resolution on the USA PATRIOT Act. **SEN. ELLIOTT** explained his belief that the PATRIOT Act was passed in haste without proper scrutiny by Congress. **SEN. ELLIOTT** explained how the PATRIOT Act allows the federal government to access, without judicial approval, personal information that should be private such as medical records, educational records, airline passenger lists, library records, bookstore purchases, internet sites and telephone calls. **SEN. ELLIOTT** stated that American citizens are

now victims of the very weapon designed to uproot their enemies, and that being secure at the expense of freedom is no real security. **SEN. ELLIOTT** submitted a paper entitled, "Conservatives Speak to the PATRIOT Act."

[EXHIBIT \(feh56a05\)](#)

SEN. ELLIOTT spoke about how specific personal information can be accessed without the need to show probable cause.

{Tape: 1; Side: A; Approx. Time Counter: 20.3 - 26.4; Comments: SEN. ELLIOTT'S opening statement on SJ 19.}

{Tape: 1; Side: B}

Proponents' Testimony:

Mike Mosolf, a concerned citizen from Dillon, submitted written testimony as a proponent of SJ 19.

[EXHIBIT \(feh56a06\)](#)

Eric Funk, Whitefish, submitted written testimony as a proponent of SJ 19.

[EXHIBIT \(feh56a07\)](#)

SEN. JIM SHOCKLEY, SD 45, VICTOR, believed the PATRIOT Act is an over-reaction by the government. **SEN. SHOCKLEY** identified the use of "pet judges" to obtain warrants as being a negative aspect of the PATRIOT Act. **SEN. SHOCKLEY** also spoke about the special intelligence court that was set up and Attorney General Ashcroft's suppression of evidence.

Mark Rice, Eureka, was on his way to work when he recalled his oath in the United States Army to preserve and defend the Constitution of the United States, both foreign and domestic. Therefore, **Mr. Rice** attended the hearing to support SJ 19. **Mr. Rice** read a paragraph from the Declaration of Independence and identified the PATRIOT Act as a serious danger to the citizens of Montana. **Mr. Rice** gave accounts of disappearing citizens in other countries.

Don Spivoy, Whitefish, provided information on how subpoenas can be issued without probable cause and stated there have been several thousand subpoenas granted under these circumstances.

Mr. Spivoy submitted information on the National Security Letter.

[EXHIBIT \(feh56a08\)](#)

{Tape: 1; Side: B; Approx. Time Counter: 22.6 - 28.4; Comments: Testimony of Don Spivoy.}

{Tape: 2; Side: A}

Stephen Papanek, a concerned citizen, submitted written testimony as a proponent of SJ 19.

[EXHIBIT \(feh56a09\)](#)

{Tape: 2; Side: A; Approx. Time Counter: 3.7 - 8.4; Comments: Testimony of Stephen Papanek.}

Eve Malo, Beaverhead County, testified that the one thing America has that distinguishes it from other countries is the Constitution and the Bill of Rights. **Ms. Malo** believed the PATRIOT Act undermines these documents.

Bernadine Abbott Hoduski was raised on the premise that she has constitutional rights. **Ms. Hoduski** spoke on behalf of all librarians who have been fighting the PATRIOT Act.

[EXHIBIT \(feh56a10\)](#)

John Roach, who is a former librarian, explained that there were 14 cases in King County where the PATRIOT Act was utilized to confiscate circulation records. To the best of Mr. Roach's knowledge, not one conviction has resulted from those confiscations.

John Board, a retired teacher, submitted written testimony as a proponent for SJ 19.

[EXHIBIT \(feh56a11\)](#)

Carol Higgins, Dillon, spoke about the simplicity of the Bill of Rights and the diversity of people who worked on Beaverhead County's Resolution not to support the PATRIOT Act.

Richard Notkin, a ceramic artist from Helena, submitted written testimony as a proponent of SJ 19.

[EXHIBIT \(feh56a12\)](#)

Matthew Elsaesser, Helena, suggested the strong traditions of civil liberties and due process have served the United States well. **Mr. Elsaesser** believed it is everyone's civil duty to protect these liberties.

Former Supreme Court Justice Bill Hunt testified the PATRIOT Act is not constitutional.

Paul Cartwright, Helena City Commissioner, believed the PATRIOT Act undermines the definition of "citizenship" and the Helena City Commission's ability to carry out its functions.

Renee Conn, Helena, invited the Committee to join in the recognition and celebration of the Constitution. Ms. Conn submitted a flyer entitled "Freedom, Liberty, The American Way." [EXHIBIT \(feh56a13\)](#)

Debbie Smith, an attorney in Helena, believes SJ 19 is very important. **Ms. Smith's** legal practice focuses on immigration law, and she is an adjunct professor at the University of Montana School of Law. **Ms. Smith** pointed out a portion of the PATRIOT Act is directed toward empowering local law enforcement to enforce federal immigration laws, and **Ms. Smith** thought this was a very bad idea. **Ms. Smith** suggested the PATRIOT Act infringes onto closely and dearly held rights.

Katie Knight, an educator in Helena, submitted written testimony in support of SJ 19. [EXHIBIT \(feh56a14\)](#)

Don Judge, representing himself, worked on the City of Helena's resolution, and supported SJ 19.

{Tape: 2; Side: B}

Jan VanRiper, ACLU Montana, urged the Committee to support SJ 19.

Wayne Lewis, Helena, submitted written testimony as a proponent of SJ 19. [EXHIBIT \(feh56a15\)](#)

Walter Knight, Helena, submitted written testimony as a proponent of SJ 19. [EXHIBIT \(feh56a16\)](#)

Paul Edwards submitted information to the Committee on the PATRIOT Act. **Mr. Edwards** suggested Montana should send a message to Washington that it will not accept or tolerate the piecemeal erosion and dismantling of the Montana Constitution or the United States Constitution. [EXHIBIT \(feh56a17\)](#)

Neil Haight asked people to keep in mind that warrants issued under the Act are issued by a secret court.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. WISEMAN commented that he has received more e-mail regarding SJ 19 than any other piece of legislation.

REP. GALLIK requested a rundown on the "Domestic Security Enhancement Act of 2003" referenced on Page 4, Lines 28-30. **Mr. Edwards** referred the question to Scott Crichton, American Civil Liberties Union (ACLU). **Mr. Crichton** explained that act would have given the U.S. Attorney General the power to take away citizenship and would have expanded the authority to eavesdrop without probable cause. **Mr. Crichton** explained that while this act was ultimately not passed, there have been attempts to get certain elements of the act attached to other essential pieces of legislation. **Mr. Crichton** submitted a detailed copy of PATRIOT Act II.

EXHIBIT (feh56a18)

Closing by Sponsor:

SEN. ELLIOTT closed the hearing with a quote from Justice William O. Douglas and thanked the Committee for the hearing on SJ 19.

HEARING ON SJ 4

Opening Statement by Sponsor:

SEN. JOHN COBB (R), SD 9, opened the hearing on **SJ 4**, which would urge review and adoption of tribal-secured transaction codes.

SEN. COBB explained how SJ 4 would also require ongoing training in secured transactions and Commercial Codes through education, curriculum development, and implementation. It would also require followup on the progress of the legislation.

Proponents' Testimony:

Jill Jarman, Director of Public Relations, Montana Credit Union Network, submitted written testimony as a proponent of SJ 4.

EXHIBIT (feh56a19)

Joseph Mazurek is a member of the National Conference of Commissioners on Uniform State Laws (NCCUSL). **Mr. Mazurek** has been working with the tribes on the issue and put together a committee on relations with Native American tribes and how to develop the economies on reservations. **Mr. Mazurek** suggested

economic development will occur through the establishment of Codes that people can follow and that will be enforced.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

Mr. Mazurek explained to **REP. NOENNIG** that they are working from the current version of the Uniform Commercial Code (UCC), but they are trying to make it not as complex as the current Article IX. **REP. NOENNIG** had questions about what entity would assume the Secretary of State's role on reservations. **Mr. Mazurek** replied that would be up to the tribes.

{Tape: 3; Side: A}

REP. GALLIK wondered why the focus was only with Article IX.

REP. COBB explained Article IX is a starting point and without a secure Article IX it is difficult to do anything.

REP. GALLIK asked if taking the National Commission on Uniform State Laws to the next step was anticipated with regard to the other Articles of the UCC. In addition, **REP. GALLIK** wondered why the National Conference of Commissioners on Uniform State Laws was not being included in the laundry list on Page 2, Lines 2-5.

Mr. Mazurek reiterated they are trying to address the problem one step at a time.

REP. GALLIK wondered if there would be a problem in getting the NCCUSL to assist in developing the training course. **Mr. Mazurek** replied NCCUSL is very interested in assisting with the training.

Closing by Sponsor:

SEN. COBB cited the need for good rules to achieve economic development.

HEARING ON SJ 7

Opening Statement by Sponsor:

SEN. DAN WEINBERG (D), SD 2, opened the hearing on **SJ 7**, which would urge comprehensive binational assessment of Flathead-Kootenai watersheds. **SEN. WEINBERG** explained he recently was reassured resolutions do make a difference in Washington. **SEN.**

WEINBERG explained SJ 7 will form baseline environmental studies on the Canadian/United States border on the issue of coal bed methane. **SEN. WEINBERG** believed SJ 7 is nonpartisan and appeals to the cooperative nature of two good neighbors, the United States and Canada. **SEN. WEINBERG** explained how in 1988 the International Joint Commission concluded risks to water quality justified further study. **SEN. WEINBERG** believed the need for an Environmental Assessment (EA) still exists.

*{Tape: 3; Side: A; Approx. Time Counter: 5.2 - 8.6; Comments:
SEN. WEINBERG's Opening Statement on SJ 7.}*

Proponents' Testimony:

Steve Thompson, Board of Directors of the Flathead Coalition, Whitefish, submitted a letter from Conrad Burns to the Flathead Coalition, as well as a position statement from the Flathead Coalition.

EXHIBIT (feh56a20)

Rich Moy, Flathead Basin Commission, submitted written testimony as a proponent of SJ 7.

EXHIBIT (feh56a21)

Mike Jopek, Whitefish, stated Dee Brown would like to carry SJ 7 on the floor of the House of Representatives. **Mr. Jopek** testified SJ 7 is a bipartisan effort and identified the Flathead Valley as one of the last great places in Montana.

Mark Aagenes, Montana Trout Unlimited, was primarily concerned with Page 1, Lines 22-23. **Mr. Aagenes** suggested keeping the North Fork of the Flathead pristine and pure would enable cutthroat trout to flourish. **Mr. Aagenes** also identified the Flathead area as critical to bull trout.

Tim Baker, Montana Wilderness Association, urged the Committee to pass SJ 7.

Derek Goldman, Montana Audubon and the Montana Chapter of the American Fisheries Society, supported SJ 7.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. GEORGE GROESBECK, HD 74, BUTTE, asked for a clarification on what SJ 7 is attempting to achieve. **SEN. WEINBERG** explained that if a coal bed methane development was to take place on the Montana side of the border, an EA would be in place. If the potential development occurs north of the border, Canada would not be quite as stringent, and damage could migrate south. **REP. GROESBECK** was not certain about the level of cooperation and wondered if SJ 7 was attempting to establish a paper trail to assure clean water. **SEN. WEINBERG** pointed out Governor Schweitzer sent his letter just a few weeks prior to the hearing, so no answer was anticipated quite yet. **SEN. WEINBERG** believed the Resolution would provide a good result, and that they are attempting to do more than simply establish a paper trail.

CHAIRMAN OLSON pointed out SJ 23 was also heard and that the resolution targets the Canadians regarding NAFTA. **CHAIRMAN OLSON** wondered how receptive the Canadians would be to SJ 7 in the wake of SJ 23. **SEN. WEINBERG** did not believe the two resolutions were related, but could not respond to **CHAIRMAN OLSON's** comment. **SEN. WEINBERG** commented that Canada would probably have the same resolution if the water flowed the other way.

Closing by Sponsor:

REP. WEINBERG closed the hearing by noting there was broad bipartisan support for SJ 7.

(**REP. HIMMELBERGER** chairs the meeting.)

HEARING ON SJ 16

Opening Statement by Sponsor:

SEN. CAROL WILLIAMS (D), SD 46, opened the hearing on **SJ 16,** a resolution which would urge Congress to resist privatization of Social Security. **SEN. WILLIAMS** provided a history of Social Security and stated 162,000 Montanans currently receive benefits, and over \$127 million per month comes into Montana and benefits Montana's economy. **SEN. WILLIAMS** explained the nonpartisan Congressional Budget Office has said if no change is made to Social Security, the fund would be able to rely on its reserve for four decades. **SEN. WILLIAMS** believed everyone benefits from Social Security. **SEN. WILLIAMS** suggested privatization of Social Security would leave Montana's most vulnerable citizens in trouble. **SEN. WILLIAMS** admitted the Social Security program

needs to be fine tuned, but did not believe privatization was the answer.

Proponents' Testimony:

Alex Ward, AARP Montana, submitted written testimony in support of SJ 16. **Mr. Ward** also submitted "Social Security: Montana Quick Facts" and a booklet on Social Security published by AARP.

[EXHIBIT \(feh56a22\)](#)

[EXHIBIT \(feh56a23\)](#)

[EXHIBIT \(feh56a24\)](#)

{Tape: 3; Side: B}

Neil Haight recalled the enactment of Social Security. **Mr. Haight** also recalled Montana Power Company's bankruptcy and the bankruptcy of Enron and the individuals who ended up with nothing. **Mr. Haight** suggested low-income individuals are the ones who benefit from Social Security and stated those are the individuals who will have the least expertise on how to invest their Social Security.

Daryl Holzer, Montana AFL-CIO and the **National AFL-CIO**, stated his organizations strongly support SJ 16. **Mr. Holzer** believed that the more citizens know, the less they will want to privatize Social Security. **Mr. Holzer** thought investment bankers would be the only winners from the privatization of Social Security.

Don Judge, Teamsters Local 190, supported SJ 16. **Mr. Judge** pointed out the cost of administering Social Security is less than one cent per dollar paid out. **Mr. Judge** stated the cost of privatizing Social Security in charges and investment fees alone would be \$940 billion over the next 75 years. **Mr. Judge** recalled seeing figures that indicated 58 percent of Americans oppose privatization of Social Security.

Brad Martin, Executive Director of the Montana Democratic Party, supported SJ 19 and stated Social Security is an insurance policy, not a pension plan. **Mr. Martin** found it ironic that Social Security could be fixed by gambling its assets on the stock market, when the crash of the stock market was largely responsible for the creation of Social Security.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. RICE stated she was concerned about the Social Security benefits her children would receive. **Mr. Martin** suggested the Social Security program is working well and that the program should not be subjected to risk. **Mr. Martin** deferred to **Mr. Ward** to address **REP. RICE's** concern. **Mr. Ward** pointed out how the deadline on Social Security, as far as the trust going bankrupt, has shifted from 2018 to 2042. **Mr. Ward** suggested raising the taxable liability from \$90,000 to \$140,000 would help. In addition, discussion has taken place about investing part of the trust in a limited portfolio. **Mr. Ward** identified another possible solution as taking five percent of the people who do not pay into Social Security and adding in new employees.

Closing by Sponsor:

SEN. WILLIAMS closed the hearing on SJ 16 by addressing the concerns of young people. **SEN. WILLIAMS** suggested fear had unnecessarily been placed into the conversation. **SEN. WILLIAMS** submitted AARP brochures on the myths and truths about Social Security and the future of Social Security.

[EXHIBIT \(feh56a25\)](#)

[EXHIBIT \(feh56a26\)](#)

HEARING ON SJ 17

Opening Statement by Sponsor:

SEN. GREG LIND (D), SD 50, opened the hearing on **SJ 17**, which would encourage renewable energy development. **SEN. LIND** explained how SJ 17 would encourage the U.S. Congress to extend the production tax credit for wind and other qualifying facilities for at least ten years. **SEN. LIND** believed SJ 17 would be good for business development and would assist business in planning for the future.

{Tape: 3; Side: B; Approx. Time Counter: 21.8 - 24.4; Comments: Opening statement on SJ 17 by SEN. LIND.}

Proponents' Testimony:

Van Jamison former Administrator of Montana's Energy Division, explained the tax credit was not intended to provide an advantage for wind and other kinds of covered generation. **Mr. Jamison** suggested the tax credit was intended to provide a level playing field. **Mr. Jamison** believed the number was not as important as the rationale behind the number. In addition, **Mr. Jamison**

thought people have a tendency to focus on the tax credit. **Mr. Jamison** identified the lack of stability and the impact it has on Montana's businesses and stated wind generation in Montana will not occur without the tax credit.

Bob Raney, Montana Public Service Commission (PSC), represented the majority position of the PSC.

{Tape: 4; Side: A}

Commissioner Raney expressed concern for the environment and the dangers of moving too slowly. **Commissioner Raney** suggested if the United States could afford hundreds of billions of dollars and the loss of soldiers' lives to fight for oil, then it could afford the millions of dollars it would take to reduce the need for fossil fuel.

Don Judge, Teamsters Local 190 and the **Montana Chapter of the Sierra Club**, spoke about the Apollo Project, which is an attempt to broaden investment in energy conservation and energy projection. **Mr. Judge** highlighted the benefits to both environmental interests and labor interests.

Patrick Judge, Montana Environmental Information Center (MEIC), Renewable Northwest Project and the **Natural Resource Defense Council**, thought it was exciting that Montana appears to be moving forward with getting utility grade wind developed. **Mr. Judge** identified renewal of the tax credit as key.

Pat Torgerson, Women Involved in Farm Economics (WIFE), views windmills on farms as being the result of strong, determined people. **Ms. Torgerson** believed wind power has had a large part in Montana's history and suggested wind power should also play a big part in Montana's future.

Opponents' Testimony:

Brad Molnar, Montana Public Service Commission, was in the minority position on the PSC. **Commissioner Molnar** referred the Committee to Line 13 of the bill and the reference to "increasing public preference." **Commissioner Molnar** pointed out that on Northwest Energy's (NWE) system, there are only 325 people signed up for renewable energy. The majority of the ratepayers believe they are already paying high enough rates and do not want to pay more. **Commissioner Molnar** continued to review SJ 17 and stated wind energy is only 38 percent efficient. **Commissioner Molnar** agreed that some renewable projects are inefficient, and it gives

rise to a basic government question as to whether those programs should be funded. **Commissioner Molnar** pointed out high taxes are not the only reason businesses leave the United States, and the high cost of energy is another reason. **Commissioner Molnar** testified about his own personal heating costs versus those of another homeowner with a new energy-efficient home. **Commissioner Molnar** suggested promoting fair competition and not forcing taxpayers to fund higher prices. **Commissioner Molnar** held it is the government's job to level the playing field of public policy on the questions of energy, and the best way to do that is to retreat from the field and allow the marketplace and personal preference to make the decisions.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. WISEMAN was unaware that as a NWE customer, he could chose to pay for green power and asked how he could make that choice. **Commissioner Molnar** explained that flyers come in the mail.

REP. WISEMAN was intrigued about Commissioner Molnar's comments about leveling the playing field, and noted the State of Montana grants \$96 million in tax credits. **Commissioner Molnar** replied that the tax credits and how they are applied is outside the scope of his current position on the PSC.

CHAIRMAN OLSON directed the Committee to § 69-8-210(3) which states the PSC may direct the default supplier to offer its customers multiple default supply service options if the PSC determines those options are in the public interest and are consistent with the provisions of 69-8-104 and 69-8-201. Subsection (4) continues by saying the default supplier shall offer its customers the option of purchasing a product composed of or supporting power from certified environmentally-preferred resources that include, but are not limited to, wind, solar, geothermal, and biomass subject to review and approval by the PSC. **CHAIRMAN OLSON** wondered how many people had taken advantage of that option. **Mr. Jamison** replied that he has consciously refused to purchase the green power option which has been offered to him as a customer of NWE. **Mr. Jamison** explained that the green power option asks NWE customers to pay \$20 more a megawatt hour. **Mr. Jamison** explained how wind costs less, but wind is an intermittent resource and is only part of the portfolio.

CHAIRMAN OLSON inquired when the wind is not blowing and the power needs to be firmed up, where **Mr. Jamison** would suggest the

power should come from. **Mr. Jamison** admitted it is an issue, and suggested there is a variety of places to get firming resources. **Mr. Jamison** suggested utilizing natural gas plants with fast ramp-up rates, and reserves from hydro-electric facilities. In addition, ancillary services could be purchased from Bonneville Power Administration. **Mr. Jamison** reiterated that he agrees wind cannot provide all the power needed in the portfolio.

CHAIRMAN OLSON agreed and spoke about the turbines on the Missouri River, and stated he agrees that hydro is the ideal firming power for wind. **CHAIRMAN OLSON** pointed out that if gas turbines are not being used at their full potential, it costs even more because the capital costs are still being paid. For these reasons, **CHAIRMAN OLSON** did not believe wind is cheaper.

Mr. Jamison agreed but stated some of the costs would be included in the calculation associated with the firming services. **Mr. Jamison** stated a comparison of the cost of coal to the cost of wind would not work because the products are not comparable. **Mr. Jamison** believed that NWE should take into consideration an individual's power preference when building its portfolio.

{Tape: 4; Side: A; Approx. Time Counter: 12.1 - 26.4; Comments: Questions from the Committee Re: SJ 17.}

Closing by Sponsor:

SEN. LIND closed by stating green power has been advertised two times since its existence. **SEN. LIND** believed Montana would be a net winner in terms of tax dollars because of the potential in Montana.

ADJOURNMENT

Adjournment: 6:25 P.M.

REP. ALAN OLSON, Chairman

CYNTHIA PETERSON, Secretary

AO/cp

Additional Exhibits:

EXHIBIT ([feh56aad0.PDF](#))