

SB-31

22 March 2013

I would respectfully request the members of the House Federal Relations, Energy & Telecommunications Committee accept my testimony related to SB-31.

In 2011 I authored SB-109 with the support and encouragement of Senator Barrett. The bill passed by the legislature was vetoed by Governor Schweitzer.

Senator Barrett and I decided to reintroduce this common sense bill. Not one person in this room will deny that hydro-power is a renewable resource. The only opposition will be political interference to protect "Politically Correct Renewables". Opponents claimed in 2011 that this bill will cause irreparable harm to the Renewable Energy Credit Market while at the same time upsetting the Renewable Energy Portfolio Standards. Proponents testified in 2011 that every business in Montana had at that time secured sufficient renewable energy credits to meet current demand. If the market demand is satisfied, then there will be no market for the renewable energy credits created by the passage of this bill.

This is not a new concept. Currently nine states and the District of Columbia recognize all hydro-electric generation as renewable energy. Fourteen states have no renewable portfolio standards with regard to hydro-power. The remaining states including Montana have convoluted policy allowing facilities with generating capacity between five and one hundred megawatts of nameplate rating to be classified as renewable. SB-31 will allow most energy produced by the PSC regulated dams to be

renewable. I intentionally left out the federal hydro facilities from this bill until such time as all hydro-power generation regulated by the Montana PSC is renewable. This, hopefully, will encourage private sector investments in Montana.

The only request I have of the committee is to leave pumped storage hydro development to a separate bill. I like the concept of pumped storage however have concerns about water rights. After far too many years of drought, water is becoming worth more than gold. Where will the initial water come from and whose water right will be affected. Additionally in a 4/20/11 Reuters article by Susan Kraemer, described the slow, cumbersome and very expensive permitting process to build a pumped storage facility. Thank You.

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