

Senate Bill 31: Revise definition of eligible renewable resource

Testimony for Public Hearing
Senate Energy and Telecommunications Committee
January 15, 2012

Tom Kaiserski
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Good Afternoon Energy and Telecommunications committee. My name is Tom Kaiserski and I am the program manager for the Montana Department of Commerce, Energy Promotion and Development Division (EPDD). EPDD supports the responsible development of all of Montana's vast energy resources for the economic benefit of our citizens.

I am here today to oppose the passage of Senate Bill 31 because it would deter further investment in development of Montana's renewable energy resources including hydroelectric projects.

Hydroelectricity is important to Montana: A dam installed on the Madison River provided Montana with its first electrons in 1906 and hydroelectric facilities were responsible for 42% of the electricity generated in the state in 2011.

The purpose of the Montana Renewable Power Production and Rural Economic Development Act, commonly known as the Renewable Portfolio Standard, was to encourage the development of *new* generation projects and the associated economic development and job creation. The RPS has stimulated economic development through a number of projects:

- Diamond Willow Wind Farm: \$40 million investment
- Judith Gap: \$200 million investment
- Mill Creek natural gas to balance variable wind projects: \$200 million
- Spion Kop wind farm: \$85 million
- Turnbull Hydro: \$10 million
- Gordon Butte Wind: \$20 million

Overall wind development in Montana has led to approximately \$1.5 billion in capital investment, \$23 million in property taxes collected, 86 direct permanent jobs and approximately \$1.5 million annually paid to landowners that lease their land for wind development. Renewable Portfolio Standards throughout the west have driven this development by letting developers know there will be a sustained demand for their projects. With the passage of Senate Bill 31 approximately 1100 MW of new facilities would immediately qualify for the RPS and remove incentives for further investment in electricity generation in Montana.

While our hydroelectric facilities have been an enduring and important component in the Montana energy system, qualifying these legacy facilities — as I mentioned some dating back to the early 1900's

— for the RPS doesn't incentivize further hydro investment and would discourage the further development of other renewable resources.

Additional hydroelectric development is good for Montana, and hydroelectricity is clean, renewable energy. However, it appears that the language contained in another bill before this committee, Senate Bill 45, modifying the RPS to include expansions to existing hydroelectric facilities better serves the intent of the law by encouraging further investment in Montana resources.

Thank you for your consideration.

A handwritten signature in blue ink that reads "Tom Kaiserski". The signature is written in a cursive, flowing style.

Tom Kaiserski

Senate Energy and Telecommunications
State Capitol, Room 317
3 p.m., Tuesday, January 15

AGENDA ITEM TIMES ARE APPROXIMATE.

- 3 p.m. **Call to Order -- Roll Call -- Welcome -- Chairman Olson**
- 3:05 p.m. **Introductions of members and staff**
 Members
 Staff and Secretary
- 3:10 p.m. **Staff Function -- Ms. Nowakowski**
 Secretary Function -- Ms. Emge
- 3:15 p.m. **Draft Rules of Procedure -- Chairman Olson**
 Review handout
 Discussion
 Adoption of rules
- 3:30 p.m. **Hearings on SB 31, SB 45, and SB 52**
 Revise RPS to include all Hydro -- Senator Barrett
 Revise RPS to include Hydro Expansions -- Senator Keane
 Clarify RPS credit reporting requirements -- Senator Keane

Senate Energy and Telecommunications Draft Rules of Procedure - 2013

(Based on rules adopted by the 2011 Senate Energy Committee)

I. Public Hearings on Proposed Legislation

A. Hearing Process

1. At the time set for hearing, the Presiding Officer will recognize the sponsor of the bill who will open the presentation.
2. Proponents of the bill will present testimony.
3. Opponents of the bill will present testimony.
4. Informational witnesses will present testimony.
5. Questions will then be asked by committee members only.
All questions will be directed through the Presiding Officer.
6. All discussion will begin and end at the discretion of the Presiding Officer.
7. The sponsor of the bill will close the presentation.

B. Witnesses

1. All witnesses shall sign the witness sheet before presenting testimony.
2. Proponents and opponents should try to state new points of testimony only. If they wish to agree with points already made, they should simply say that they agree.
3. Witnesses presenting testimony before the committee should remain in the room until the hearing is closed to answer any questions from committee members.
4. Written copies of the testimony also may be submitted for the permanent committee record.

C. General

1. Everyone will act and be treated in a courteous manner.
2. The Presiding Officer shall maintain order within the committee room and the environs during all committee meetings.
3. Suggested amendments to bills should be presented to the committee in writing.
4. Cell phones and PDA's should be in silent mode during committee meetings. Messages that are received while in committee, concerning business before the committee, should be disclosed by a member.
5. Testimony requiring the use of video, audio, or other equipment will be permitted at the discretion of the Presiding Officer, if arrangements are made in advance.
6. Committee meetings will be broadcast live via the internet and streaming audio. Most meetings also are televised.

II. Executive Session

- A. Generally, executive session will not be held the same day as the public hearing on the bill.
- B. Although executive sessions are open to the public, no comments may be made by anyone but committee members. Members of the public may be asked questions by committee members at the discretion of the Presiding Officer.

C. Voting

1. Absentee voting by committee members is permitted through the use of a standard form. Authorization for proxy voting must be reflected in the committee minutes and through the adoption of rules and procedures.

Senator _____ will hold the forms for the Democrats and Senator _____ will hold the forms for the Republicans.

2. Proxy votes, however, are discouraged and meeting attendance is requested.
3. Pairs in standing committee are prohibited. (S30-100)

D. Motions

1. Motions by committee members do not require a second.
2. The motion to "indefinitely postpone" will not be recognized by the Presiding Officer -- the proper motion is to move to "table" the bill.
3. The committee should avoid sending an adverse committee report to the floor. Rather than a "Do Not Pass" recommendation it is more appropriate to move to "Table" the bill in committee. This helps to address work load concerns of the entire Senate and is a courtesy to the sponsor of the bill.

III. Amendments

- A. Amendments to be presented to the committee for consideration during executive session must be requested by a committee member or the sponsor of the bill.
- B. Committee members are the only legislators who can move amendments to a bill while the bill is in committee.
- C. No lobbyist amendments should be directly requested of staff without a legislator's approval (signature or note). All amendments must be submitted in writing to the staff researcher by noon of the day prior to executive action on a bill. A simple amendment may be considered on shorter notice at the discretion of the Presiding Officer. For example, a change in a date or number could be a simple amendment. Amendments may be requested in writing, e-mail, via a phone call, or personally. Staff will not write amendments for bills outside of this procedure.
- D. Conceptual amendments should not be offered.
- E. Pursuant to Article V. Section 11 of the Montana Constitution, amendments must be within the title of the bill.