

Energy Policy Summary

Below is a review of the draft energy policy statements that ETIC members agreed should be put out for formal public comment. Public comment will be used by the committee as it continues its work on potential revisions to Montana's energy policy -- as outlined in Senate Bill No. 290. Members reached a consensus on the statements during the May 2010 meeting. The statements will be incorporated into 90-4-1001, MCA in the form of a bill draft.

Increasing the supply of low-cost electricity with coal-fired generation and increasing the supply of other forms of energy derived from coal to contribute to the nation's energy independence.

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.

Montana supports the development of projects using technologies that convert coal into electricity, synthetic petroleum products, hydrogen, methane, natural gas, and chemical feedstocks, while substantially reducing the emissions of manmade greenhouse gases. These projects will increase utilization of Montana's vast coal reserves in an environmentally sound manner, to increase the nation's energy independence.

Montana supports increasing local oil and gas exploration and development to reduce the recent decline in Montana's production levels, offer living wage jobs, and strengthen Montana's economy. The state recognizes and supports expanded technological innovation, including using carbon dioxide for enhanced oil recovery in declining oil fields. Montana also recognizes the value of its petroleum refining industry as a significant contributor to Montana's manufacturing sector in supplying the transportation energy needs of Montana and the region.

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 classify capacity expansions to existing hydroelectric facilities as renewable resources under the "Montana Renewable Power Production and Rural Economic Development Act" provided that the targets in the Act are strengthened (20% by 2020 and 25% by 2025) and that the Act applies broadly to Montana's many energy utilities.

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 all affected stakeholders, including 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 by those who will benefit from the lines. The state should protect Montana's rate-payers from the costs of serving others.

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

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. Developers and regulators should closely review potential impacts to landscapes, wildlife, and existing land uses, including recreation and agriculture.

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.

Montana encourages the development of Best Management Practices for energy development on state lands.

Promoting energy efficiency and conservation incentives

Energy efficiency and conservation form the cornerstone of Montana's energy policy and have the potential to meet the majority of Montana's growing energy needs and save consumers money on their energy bills.

Recognizing that Montana cooperatives have a long history of local control, utilities in Montana, including both rural electric cooperatives and investor-owned utilities, should demonstrate that they are prioritizing and pursuing the acquisition of all cost-effective energy efficiency on their system. This should include the offering of energy audits to their customers.

In addition, the Public Service Commission, using its existing authority, should implement and encourage efficiency-related initiatives for regulated public utilities, including smart grid deployment, demand response, decoupling, and energy efficiency resource standards.

Expanding energy incentives is necessary to promote and encourage consumer investment in energy efficiency. It is also useful to monitor existing incentives to determine if they are cost effective.

Promoting Energy Efficiency Standards for New Construction

A strong energy code ensures that all homeowners and business owners experience the economic benefits of energy efficiency and conservation.

An energy code must work in tandem with an enforcement system that is unique to Montana, recognizes tribal sovereignty, local government authority, and existing self-certification programs.

The appropriate state agencies, local government entities, and stakeholders are encouraged to work together and review the existing enforcement system in Montana and recommend changes to the Legislature, if necessary.