

62 nd Legislature: Job Listening Session

January 8, 2011

Summary :

Diane Yarus

AirWorks, Inc, Heating and Cooling, Kalispell, MT

406-257-1341

Renewable energy and efficiency policy and incentives create jobs over a wide spectrum. The federal tax credit of \$1500 was a huge boost to my businesses bottom line in 2010. The expiration of that one incentive motivated consumers to upgrade heating systems before December 31, 2010 (in this case the drop from up to \$1500 tax credit to \$150). As a result, sales in November and December represent 28% of our total annual sales. While we had customers that were able to take advantage of these tax credits we saw more customers that simply could not afford the initial investment in high efficiency heating equipment. This is important because in Montana we spend 49% of our energy costs on space heating. We see customers everyday throw money away as it inefficiently burns out the flue or through leaks in the building envelop. This is money that can be better used purchasing goods and services in other sectors or our economy. It also represents a savings that could be applied to a low interest energy loan, if our State were to create a revolving loan program for energy efficiency measures like we have for alternative energy projects (wind, solar, and geo-thermal).

To this ends, Montana has to make a commitment to support and encourage energy efficiency measures by:

Encouraging energy efficiency standards for both Utilities and Electric Cooperatives.

Revise the USB (Universal Systems Benefit) program . USB charges need to be applied to homes and businesses that heat with propane. These consumers need to pay into and benefit from these funds in the way of rebates for audits and other energy efficiency incentives.

I would suggest that these funds no longer be collected and disperse by utilities, but be managed by a non-profit third party administrator as is done in Oregon and Pennsylvania very effectively.

State energy codes need to be enforced and a fine schedule set to give the code some teeth with the money collected invested in the revolving loan program. Companies like my own have invested in the training and equipment to verify building efficiencies but can't put them to use. If there is no penalty for code violation there is no incentive to implement the code.

Encourage the PSC to set up inverted or inclining rates that charge a customer less if they use less energy. Flathead Electric Co-op has started this and it is a driver for investment in efficiency improvements. As a co-op member I appreciate this effort to recognize through a rate break the improvements I have invested in at my home and business.

Finally, put wood waste/biomass on the same playing field as solar and wind projects for state incentives. In the Flathead we can re-tool many of the unemployed workers from the wood industry to work in the biomass field.