



ENVIRONMENTAL QUALITY COUNCIL

PO BOX 201704
HELENA, MONTANA 59620-1704
(406) 444-3742

GOVERNOR BRIAN SCHWEITZER
DESIGNATED REPRESENTATIVE
MIKE VOLESKY

HOUSE MEMBERS
CAROL LAMBERT--Vice Chair
NORMA BIXBY
SUE DICKENSON
JULIE FRENCH
CHAS VINCENT
CRAIG WITTE

SENATE MEMBERS
DAVID WANZENRIED--Chair
BOB HAWKS
CHRISTINE KAUFMANN
DANIEL MCGEE
JIM SHOCKLEY
ROBERT STORY JR

PUBLIC MEMBERS
JEFF PATTISON
BRIAN CEBULL
DIANE CONRADI
DOUG MCRAE

COUNCIL STAFF
TODD EVERTS, Lead Staff
JOE KOLMAN, Research Analyst
SONJA NOWAKOWSKI, Research Analyst
HOPE STOCKWELL, Research Analyst
CYNTHIA PETERSON, Secretary

April 21, 2008

To: Environmental Quality Council members
Fr: Sonja Nowakowski, EQC staff
Re: 15 climate change recommendations analysis

As requested by the EQC in March, staff completed an analysis of the 15 recommendations selected by council members from the Montana Climate Change Action plan. The analysis below includes a summary of key points from the Montana Climate Change Action Plan and the associated appendices.

The legislative and administrative options were prepared by EQC staff and participating agencies. Unless noted otherwise, the Department of Environmental Quality assisted in compiling the information. The information below does not include an economic analysis of the recommendations.

By looking at the 15 recommendations, council members have noted that they are not endorsing those 15 recommendations or dismissing any of the others. Members requested the following information on the 15 recommendations:

- Conservation considerations
- What is currently being done in this area
- What potential new legislation in this area could be considered

The information below has been posted on the EQC Website at <http://leg.mt.gov/eqc>. EQC members were notified of the information's availability via e-mail on April 8.

AFW-11

Programs to Promote Local Food and Fiber

(75% of participating EQC members voting 4 or 5 and 59% of the public voting 4 or 5)

✓ 20% of food consumed in Montana to be grown and processed in MT by 2010; 30% by 2020.

*Note: Much of the information below was prepared and offered by the Department of Agriculture.

Note provided by the Department of Agriculture on AFW-11:

The detailed description of AFW-11, under Policy Design, indicates that the Montana Department of Agriculture could be involved in promotion and tracking of in-state product consumption. The Department currently does not track in-state product consumption in any quantitative manner; this would require tracking in significant detail. This would be a major undertaking and if implemented would involve much more cost and effort than the ½ FTE identified as the cost of the alternative.

It is also questionable whether the grocery and food service supply chains will (or even can) provide the information needed to quantitatively track the progress of this alternative. The metrics appear to require monitoring food consumption by weight, which could be difficult to determine. This sort of market monitoring/census is not a competency of the Department and may be more appropriately handled by the University of Montana Bureau of Business and Economic Research, a trade organization, or a private contractor with experience monitoring the grocery and food service industry.

AFW-11 is very ambitious and Montana Department of Agriculture staff believe that realistically a significantly greater investment will be necessary (than the ½ FTE identified in the plan appendices) to meet the objective of doubling consumption of Montana grown, harvested, and processed food by 2020.

It also should be noted that the Made in Montana Program is managed by the Montana Department of Commerce.

While the Montana Department of Agriculture seeks to expand food production and processing in Montana, it recognizes that AFW-11 likely provides little benefit in greenhouse gas emissions reductions relative to other alternatives. Thank you for the opportunity to participate in the policy development process as it pertains to Programs to Promote Local Food and Fiber.

Conservation Considerations:

- Reduces transportation and manufacturing emissions and costs
- Pages I-66 through I-70 in Appendices

What's Being Done:

- Grow Montana program. Broad-based coalition with common goal to promote community economic development policies that support sustainable Montana-owned food production, processing, and distribution.
- Mobile Meat Slaughter bill. Passed by 2005 Montana Legislature authorizes Department of Livestock to inspect mobile meat slaughter units. A mobile poultry processing unit also has been ordered.
- Local food for government agencies. Senate Bill No. 328, approved by the 2007 Legislature, establishes an optional procurement exception applicable to the purchase of Montana-produced food products by governmental bodies.
- The Montana Department of Agriculture and the Travel Montana Program (Montana Department of Commerce) promote Farmers Markets.
- Community Gardens throughout Montana.

- Department of Agriculture Food and Agricultural Products Directory and companion references, the AgriBusiness Resource Directory and the Sheep Directory list agricultural producers and processors in the state.
- *Abundant Montana*. Directory published by AERO that includes sustainable farms, ranches, and retailers by region and by farm name.
- Department of Agriculture Montana Organic Program.
- Grow through Ag grants. Funding sunsets in 2010.
- BioProduct Innovation Centers. Funded by WIRED grant that sunsets in 2010.
- Senate Joint Resolution 13 Interim Study on the redevelopment of a Montana food processing industry.(Under the oversight of the Economic Affairs Interim Committee.)
- Farm to College Programs.
 - University of Montana Missoula Farm to College Program – purchases have reached the \$2 million dollar mark.
 - University of Montana – Western (Dillon) Farm to College Program – approximately 16% of annual food budget.
- Montana State University Food Service Montana Made Program – approximately 10% of food budget on products processed in Montana, about \$300,000 per year.
- Montana State University’s Towne’s Harvest Garden is expanding.
- Montana State University-Bozeman, University of Montana-Western at Dillon, Salish Kootenai College, and Missoula County Public Schools are working with "Food Corps" of Americorps VISTA volunteers, who will help them increase the amount of Montana-grown or processed food they serve in their cafeterias.
- A School to Farm group is organizing in the Bozeman School System.
- Sustainable Food Systems Degrees at Montana State University – a joint effort of the College of Agriculture and the College Education, Health and Human Development.
- “Made in Montana” label promoted through the Montana Department of Commerce.
- Made in Montana Show – City of Great Falls and the Montana Department of Commerce, with limited assistance by the Montana Department of Agriculture.
- Congressional appropriation requests:
 - A \$3 million appropriation request for the cannery in Deer Lodge has been forwarded to the Congressional Delegation.
 - A \$3.46 million appropriation request for Mission Mountain Food Enterprise Center and a similar facility in Glendive has been forwarded to the Congressional Delegation.
- DPHHS has developed an electronic benefit card (food stamp) with limited geographic usage.
- DPHHS revised its policies to allow organic food purchases for food stamp benefits.
- Food and Agriculture listserv with 400 participants has been developed.
- A group calling themselves the “Montivores” (which is interested in promoting local food for local people) has started in the Bozeman area.
- Montana Cooperative Development Center. Funding sunsets in 2010.
- While not an activity in Montana, the February 2008 recall of 143 million pounds of ground beef processed by Westland/Hallmark Meat Company in Chino, Calif. may have

implications that will encourage local beef processing and market development. Much of the beef was destined to school lunch programs and other institutional buyers, and 246 Montana schools were affected by the recall.

Potential Action:

* Legislative or EOC options (not complete, intended to be starting point for discussion):

- Encourage/require institutions that purchase large quantities of food to buy local. For example, the 2007 Legislature contemplated, House Bill No. 716, a grant program to help local schools develop relationships with local food providers. The bill died in committee.
- Incentives for enhancing the state's production, processing, storage, and distribution infrastructure.
- Establish funding sources for programs that may sunset in 2010.
- Funding to finance the statistical tracking of food consumption in Montana by weight of Montana-sourced food products and all non-Montana sourced food products, presumably by categories of product types.
- Research funding for the Montana Manufacturing Extension Center to evaluate the logistics of increased produce production (relying on research identified above) in combination with the logistics of the current food manufacturing and distribution system to provide useful information for existing and new private enterprise in the food manufacturing industry.
- Research funding for the MSU Agriculture Research Centers earmarked for:
 - vegetable and fruit variety trials and demonstrations that would provide information useful for the establishment of increased commercial produce production in Montana.
 - geospatial analysis of soil, climate, and irrigation analysis to evaluate and identify cropland resources conducive to vegetable and fruit production, as well as identification of which produce crops can likely be successfully grown in the locations identified.
- Funding to the Montana Manufacturing Extension Center to provide subsidized technical assistance to new entrants in the produce, meat processing, and food manufacturing industries to help solve logistics and labor supply challenges; to determine appropriate scales and scopes of operation; and to identify potential synergies to be exploited.
- New funding for the promotion of Montana grown, harvested, processed food – beyond the current level of funding of related existing programs.
- Tax and finance incentives sufficiently enticing to encourage the establishment of efficient large scale meat processing facilities in Montana.
- Increased funding for public institution food procurement – to offset the almost inevitable higher costs of purchasing Montana grown, harvested, processed food. This has to be accompanied by some safeguards to ensure that opportunistic businesses do not price-gouge Montana institutions and to make sure that a “new” food processing industry in Montana is not excessively nurtured so as to become competitively weak, according to the Department of Agriculture.
- Continued or increased public investment in irrigation infrastructure and advantageous

public finance for irrigation development for more productive irrigated farming, more efficient use of water, and increased acreage under irrigation.

* Resolution or recommendation stating intent

* No Action

* Administrative options:

- Encourage large purchasers, like corrections, to buy local food products.
- Expand on education and information programs that promote local food and fiber. Focus on promoting, educating, or encouraging use of "Made in Montana" products, promoted through the Department of Agriculture.

AFW-12

Enhanced Solid Waste Recovery and Recycling

(75% of participating EQC members voting 4 or 5 and 63% of the public voting 4 or 5)

✓ Increase Montana solid waste recycling rates by 17% by 2008, 22% by 2011, 25% by 2015, and 28% by 2020 using a variety of methods, including source reduction, reuse, recycling and composting.

Conservation Considerations:

- Reduces the manufacturing of products
- Reduces materials stored in landfill
- Pages I-71 through I-78 Appendices

What's Being Done:

- DEQ responsible for implementing Integrated Solid Waste Management Act, 75-10-803, MCA, which requires them to convene a group of interested parties to review and recommend goals for increasing recycling. This recommendation (AFW-12) sets higher goals. Goals would be updated in 2011, based on current law.
- State's recycling rate is now over 18%, ahead of state's 2008 goals (17% was goal). DEQ has put more resources toward recycling and is doing more with private businesses, schools, nonprofits, and state government. There has been a 2% increase in state recycling rate and community electronics recycling events, pesticide plastic recycling collections, mercury thermostat and thermometer collections, and more market development.
- DOA and DEQ are establishing a task force on recycling and purchasing in state government. In Winter 2007 DEQ hosted an educational event for all state agencies in the Capitol Rotunda.
- DEQ educates consumers on benefits and opportunities for recycling as outlined in 75-10-215, MCA.
- State government, lead by example source reduction and recycling program, as outlined in 75-10-805, MCA.
- State government, procurement of recycled supplies and materials. DOA develops specifications for purchasing materials and supplies that have recycled content, 75-10-806, MCA.
- Licensing. DEQ provides licenses for recycling and composting businesses at no cost.

- Tax credit for investment in property used to collect or process reclaimable material and for purchase of recycling equipment. Set to expire in 2011, 15-32-601, MCA.
- Recycled materials deduction. Taxpayers purchasing recycled material as a business-related expense can deduct 10% of the expense from federal adjusted gross income in arriving at Montana adjusted gross income. Set to expire in 2011, 15-32-609, MCA.
- Deduction for purchasing Montana produced organic fertilizer. Taxpayers may deduct expenditures for organic fertilizer that is produced in Montana, 15-32-303, MCA.
- Credit against air permitting fees for certain uses of post-consumer glass. Can receive credit against fees imposed in 75-2-220, MCA, for using glass in recycled material. Expires in 2009.

Potential Action:

* Legislative or EOC options (not complete, intended to be starting point for discussion):

- Provide additional resources to broaden educational outreach program through DEQ, expand upon program in 75-10-215, MCA. Lead by example. Evaluate and update state government source reduction and recycling program, 75-10-805, MCA.
- Redevelop or expand incentives for recycling. For example, the 2007 Legislature contemplated House Bill No. 607 to create the waste reduction and recycling grant act. It authorized a fee on solid waste to fund grants. Died in committee. House Bill No. 258 contemplated by the 2007 Legislature would have created a tax credit for recycling certain electronics. Died in committee.
- New legislation could assist small businesses and assist in developing local markets for recycling.
- Increase, require, and incentivize recycling of construction and demolition waste. In Western Montana and high growth areas, construction and demolition waste may account for 30% of total waste.
- Extend tax credits or programs set to expire in 2011, as noted above.
- Tax credit for investment in property used to collect or process reclaimable material and for purchase of recycling equipment is currently only in Session Law. With legislative changes, could become permanent.
- Provide for demonstration projects to encourage waste to solid energy or biogas. New legislation could offer assistance to waste to energy sewage treatment plant upgrades.

* Resolution or recommendation stating intent

* No Action

* Administrative options:

- Develop local markets for recycled materials. Investigate methods for developing markets for local uses of recycled materials.
- Encourage inter-county cooperation, using Headwaters Recycling Model. (Program utilized and paid for by collection of southwest Montana counties). Work with local governments or MACO to increase effectiveness.
- Encourage Montana landfills to participate in the EPA Methane Outreach program. When landfills come in for permitting, plan could be presented.
- Encourage composting of biosolids over landfilling.

TLU-10

Transportation System Management

(69% of participating EQC members voting 4 or 5 and 61% of the public voting 4 or 5)

✓ Promote the development of efficiencies in Montana's transportation system to achieve fuel savings and improved safety.

* **Note:** Much of the information below was prepared and offered by the Montana Department of Transportation.

Conservation Considerations:

- Reductions in transportation sector
- Pages H-44 through H-46 Appendices

What's Being Done:

- MDT, county road supervisors, and Montana transit providers evaluate current infrastructure, options and opportunities on regular basis.
- MDT, working with transit providers has expanded transit service in smaller communities from nine providers in 2005 to 36 community transit providers by 2008, a consolidated service model.
- All urban areas consider bicycle and pedestrian transportation needs in transportation plans which are funded by MDT.
- Billings, Great Falls, and Missoula use their Metropolitan Planning processes and all other urban areas use their transportation planning processes to consider allocating urban highway funds to transit or bike/pedestrian facilities (23 USC Section 134, and MCA 62-127-(3)).
- MDT allocates over \$5 million annually to local and tribal governments for “transportation enhancements” through the Montana Community Transportation Enhancement Program (CTEP). This program is established via a tri-party agreement between MDT, Montana Association of Counties, and the League of Cities and Towns. In CTEP, local and tribal governments select eligible projects with this funding after engaging in a public involvement process. More than 50% (5 year average = \$2,456,138) of the projects selected are for locally important bicycle and pedestrian infrastructure.
- MDT also considers bike and pedestrian infrastructure in all projects and constructs these features as appropriate. Beyond the CTEP program, MDT annually expends over \$3 million on footpaths and bicycle trails (5 year average = \$3,166,758). MCA 60-3-301(3) provides that MDT must let an average of \$200,000 each year on footpaths and bicycle trails over a five year period. Actual expenditures exceed statute by 1583% over a five year period.
- MDT allocates approximately \$2.0 million annually for locally developed urban transportation plans. These transportation plans must consider the following factors in developing plans and programs (23 USC Sections 134 and 135) as does the states long-range transportation plan. They explicitly consider bike and pedestrian needs. They are developed locally to ensure consistency with local land-use goals and local buy-in for the

adopted strategies. Note that these locally developed transportation plans must consider the following factors:

1. energy conservation
 2. Support for economic vitality
 3. Safety of the transportation system for motorized and non-motorized users
 4. Increased security of the transportation system
 5. Increased accessibility and mobility for people and freight
 6. Protect and enhance the environment, promote energy conservation, improve quality of life, and promote consistency between transportation improvements and state and local planned growth and economic development patterns
 7. Enhance the integration and connectivity of the system across and between modes for people and freight
 8. Promote efficient system management and operation
 9. Emphasize the preservation of the existing transportation system.
- MDT has committed to a schedule that will update all transportation plans in Montana before 2012 with an emphasis on operations and safety. The operations element in urban transportation plans will improve traffic flow and reduce conflict points. In metropolitan areas the transportation plans will meet air quality conformity requirements for criteria pollutants.
 - MDT has committed to implement congestion management plans for construction projects on all high volume corridors by 2009. These plans will implement strategies to keep traffic flowing through construction zones.
 - Urban Transportation Districts receive money allocated by MDT for operating and contracting for operation of public transportation systems, 7-14-102, MCA. Urban Transportation Districts are formed pursuant to 7-14-201, MCA.
 - Zoning regulations contemplate traffic congestion, pursuant to 76-2-304, MCA. Local subdivision regulations contemplate congestion pursuant to 76-3-501, MCA.
 - Department of Transportation required to provide “energy-efficient and ecologically compatible transportation services with optimum efficiency, effectiveness, and economy,” 2-15-2505, MCA.

Potential Action:

* Legislative or EOC options (not complete, intended to be starting point for discussion):

- Legislation to strengthen current access management programs.
- Legislation could review options for further expansion of transit services. This would require a new or expanded state revenue source. Transit cannot operate without subsidy, according to MDT. The only currently available state funding available for transit is approximately \$250,000 annually generated via the TransAde program (MCA 7-14-112). Since 2005 MDT has been able to expand community transit services using federal funds through the 49 USC Section 5311 program.
- State and local governments ensure that all new streets are designed to provide full range of transportation options. Amend existing planning laws. This would have funding

implications for the cost of infrastructure. The current federal and state funding invested in bike and pedestrian facilities is in excess of \$5.7 million annually. A mandated a design standard will increase the overall cost of infrastructure, according to MDT.

- Preserve railroad right-of-ways. The only federal funding available for this is to use CTEP funding to preserve the right-of-way for bike/ped facilities. The Moore to Lewistown line was preserved using this funding source. MDT has also acquired railroad right-of-way for future highway construction. This mechanism is only available if a highway construction project is under development and needs the right-of-way.
- Expand upon MDT purpose in 2-15,2505, MCA to include reducing vehicle miles traveled where efficient. The agency purpose statement now includes providing “energy efficient” and “ecologically compatible transportation services.”
- The 2007 Legislature contemplated House Bill No. 505 to create a travel reduction task force, provide for state agencies to develop alternative commuting options for state employees, provide guidelines for reducing travel for official purposes by state agencies, and provide benchmarks for reducing travel by state employees. The bill died in committee.

* Resolution or recommendation stating intent

* No Action

* Administrative options:

- MDT evaluate and recommend roundabout installation as appropriate and evaluate no less than 15 intersections or locations annually. Evaluations are currently an on-going agency commitment. MDT encourages roundabout installation, when the installation is based on sound engineering principles. All right-angle intersections considered for new construction and any intersection being analyzed for safety are considered for this treatment.
- MDT continue commitment to multimodal transportation systems by continuing to invest in bicycle and pedestrian facilities. MDT currently spends about \$5 million annually on these activities. MDT also invests about \$7 million annually in 36 community transit services. The Billings, Great Falls, and Missoula transit systems receive another \$3.6 million annually for metro-transit services. All urban areas may transfer highway funds to be used for either transit or bike/pedestrian facilities.
- MDT continued support of community transit systems.
- MDT will complete signal synchronization on all state managed routes in urban areas, mostly arterials, by 2009.
- MDT continues to develop access management plans
- MDT continues to convert traffic lights to LED bulbs by 2010 and works with cities to convert lights under city jurisdiction.

RCII-13

**Metering Technologies w/Opportunity for Load Management and Choice
(69% of participating EQC members voting 4 or 5 and 53% of the public voting 4 or 5)**

✓ Develop a pilot program for installing smart meters for residential and non residential buildings starting in 2009, targeting 10% of homes by 2011 and an additional 30% by 2020.

Conservation Considerations:

- Potential energy conservation
- Pages F-52 through F-54 Appendices

What's Being Done:

- NorthWestern Energy considered a time-of-use pilot program in Missoula. NorthWestern and the PSC spent a substantial amount of time considering the cost-effectiveness of the program, and concluded that a larger study of a system-wide application of advanced metering infrastructure and command demand response programs needs to be completed.

Potential Action:*** Legislative or EQC options (not complete, intended to be starting point for discussion):**

- Set up a stakeholder, technical committee to consider the option and report back to interim committee with technical recommendations, including how to move forward with a pilot program.
- Require PSC and NWE participate in development of such a pilot program.
- Set target for participation of pilot, for example 45,000 homes by 2011.
- Under existing energy portfolio contracts, contracts are not structured for time-of-use.
- Eventually would need to accommodate different electricity tariff structure, including time-of-use rates.
- Encourage utilities to invest in new metering technologies.

*** Resolution or recommendation stating intent***** No Action****RCII-2****Market Transformation and Technology Development and Programs**

(62% of participating EQC members voting 4 or 5 and 61% of the public voting 4 or 5)

✓ By 2009 put in place mechanisms to allow broader coverage of market transformation efforts to all geographical areas.

Conservation Considerations:

- Potential energy conservation
- Pages F-10 through F-14 Appendices

What's Being Done:

- DEQ uses funds from Northwest Energy Efficiency Alliance (NEEA) to provide energy efficiency programs in western Montana. As funds allow, services are extended to eastern Montana. Activities focus on building technologies. NorthWestern, BPA, and electric cooperatives in the BPA service area are partners in NEEA.
- Existing Universal System Benefits program includes programs for market transformation designed to encourage competitive markets for public purpose programs, 69-8-402, MCA.
- BPA has worked with states, including Montana, in gaining a higher level of efficiency in

new construction in the region.

- DEQ offers technical assistance and offers a loan program for renewable energy applications, 75-25-101, MCA. Agency provides consumers with information, convenes work groups to advance applications, and assists schools in entering into energy performance contracts. DEQ offers these services primarily using federal grants from the U.S. Department of Energy. DEQ is designated as the State Energy Office.
- Montana State University -- Integrated Design Lab. The lab provides education and consulting and technical services to architects and engineers on energy-efficient applications.
- State Buildings Energy program allows for upgrades, 90-4-601, MCA.
- "Montana In-State Investment Act of 1983": Expresses legislative policy and purposes of the permanent coal tax trust fund, which are to: (1) compensate future generations for the depletion of resources caused by coal development; and (2) develop a strong economy for Montana. The Act states that the Board of Investments shall endeavor to invest 25% of the fund in the Montana economy, with special emphasis on local enterprises. Title 17, chapter 6, part 3, MCA, also sets forth authorized investments, limitations on investments, and preferences for investments of revenue from the coal tax trust fund, which, under 17-6-309(1)(d), MCA, expressly includes energy efficiency investments.
- Performance contracting mechanisms for schools, 90-4-1103, MCA.
- Limited resources to administer programs above, about \$60,000 annually available. Focus historically on building sector.
- 20x10 Initiative activities will focus on capital improvements to state facilities.

Potential Actions:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Legislation for incentives for energy efficient appliances or equipment.
- Rebates for high-efficiency appliances and equipment.
- Financing mechanisms for energy efficient improvements in residential, institutional and commercial arena. Similar to Alternative Energy Revolving Loan Program, which offer lower interest rates.
- Expand state buildings energy program to allow for more upgrades (RCII-12), 90-4-601, MCA.
- The 2007 Legislature contemplated Senate Bill No. 445 to revise the existing alternative energy revolving loan program to also include energy conservation projects. The bill died in committee.
- The 2007 Legislature contemplated House Bill No. 635 to create financial incentives for commercial construction or building renovations employing integrated design and other energy efficiency measure. It would have created an energy conservation credit against taxes for commercial construction. The bill died in committee.

* Resolution or recommendation stating intent

* No Action

* Administrative options:

- Establish a state or independent entity to assess cost-effective efficiency potential.

- Expand education programs at DEQ. Provide technical assistance specific to Montana's climate, resources, and cost of energy. Resources?

RCII-8

Support for Renewable Energy Applications

(62% of participating EQC members voting 4 or 5 and 58% of the public voting 4 or 5)
Same as ES-4, Incentives and Barrier Removal (including Interconnection Rules and Net Metering Arrangements) for Combined Heat and Power and Clean Distributed Energy. (54% EQC and 52% public).

✓ Provide 470 MW of Combined Heat and Power, 4.5 MW of solar PV, and 30 MW of small wind by 2020

Conservation Considerations:

- Displaces fossil fuel use and avoids electricity transmission and distribution losses
- Pages G-20 through G-26 Appendices

What's Being Done:

- **Financial incentives in place**
 - Alternative Energy Investment Corporate Tax Credit (15-32-401 MCA)—Commercial and net metering alternative energy investments of \$5,000 or more are eligible for a tax credit of up to 35% against individual or corporate tax on income generated by the investment.
 - Residential Alternative Energy System Tax Credit (15-32-201 MCA)—Residential taxpayers who install an energy system using a recognized non-fossil form of energy on their home after December 31, 2001, are eligible for a tax credit equal to the amount of the cost of the system and installation of the system, not to exceed \$500. The tax credit may be carried over for the next 4 taxable years.
 - Residential Geothermal Systems Credit (15-32-115 MCA)—Resident Montana taxpayers who install a geothermal heating or cooling system in their principal dwelling can claim a tax credit based on installation costs, not to exceed \$1,500.
 - Bonneville Environmental Foundation–Renewable Energy Grant—Using revenues generated from the sales of Green Tags, BEF, a not-for-profit organization, accepts proposals for funding renewable energy projects located in the Pacific Northwest (Oregon, Washington, Idaho, and Montana). Any private person, organization, or local or tribal government located in the Pacific Northwest may participate. Projects that generate electricity are preferred. Acceptable projects include solar PV, solar thermal electric, wind, hydro, biomass and animal waste-to-energy.
 - BEF–Solar 4R Schools—This program began in 2002 to install small-scale solar energy systems at schools interested in increasing the visibility of renewable energy. BEF will generally completely fund or supply 1.1 kW system installations, fund up to 33% of other larger renewable energy projects, and provide curriculum

modules developed for schools. The school agrees to own and maintain the solar energy system, provide access to the system, and implement an educational outreach strategy.

- Renewable Energy Systems Exemption (15-6-224 and 15-32-102 MCA)—Montana’s property tax exemption for recognized non-fossil forms of energy generation or low emission wood or biomass combustion devices may be claimed for 10 years after installation of the property. The exemption is allowed for single-family residential dwellings up to \$20,000 in value and for multifamily residential dwellings or a nonresidential structure up to \$100,000 in value.
- Alternative Energy Revolving Loan Program (75-25-101 MCA)—Provides loans to individuals, small businesses, local government agencies, units of the university system, and nonprofit organizations to install alternative energy systems that generate energy for their own use. The program is funded by air quality penalties collected by the DEQ. In 2005, Senate Bill No. 50 amended the loan program, increasing maximum loan amount to \$40,000 (subject to available funds) and extending the repayment period to 10 years. Interest rates are set annually and are fixed for the term of the loan.
- Universal System Benefits Programs (69-8-402 MCA)—All distribution utilities and cooperatives must collect a Universal System Benefits charge (USB), which is used for renewable energy programs, as well as low-income assistance and weatherization, energy efficiency, and R&D programs. Beginning January 1, 1999, 2.4% of each utility’s annual retail sales revenue in Montana for the calendar year ending December 31, 1995, was established as the initial funding level for universal system benefits programs. The USB programs will remain in effect until December 31, 2009. Utilities, cooperatives, and large customers can self-direct their funds to approved internal programs.
- Energy performance contracts: Allows local government such as county, city, school districts, and community colleges to enter into energy performance contracts that conserve energy for buildings and vehicles that those local government units operate, 90-4-1101, MCA.
- **Montana Rules, Regulations, and Policies**
 - Net metering (69-8-601 et seq. MCA)—Net metering is an arrangement that allows surplus energy generated by the customer’s renewable energy system to go back to the utility electric system. The customer receives “credit” at retail rates for the electricity put back up to the amount of power the customer actually consumes at his/her location. Only NWE is required by legislation to offer net metering. Montana–Dakota Utilities and the electric cooperatives are voluntarily offering net metering. Terms of the offers vary by utility and can differ from these legislative requirements.
 - Interconnection standards (69-8-604 MCA)—Montana’s net metering legislation, enacted in 1999, requires interconnected facilities to comply with all national safety, equipment and power-quality standards. NWE has published a standard interconnection agreement for net metered facilities; the agreement includes

language on the technical requirements for interconnecting. Technical language mirrors the state law requirements with respect to national standards but also requires a manual, lockable, external disconnect switch. NWE does not require system owners to purchase additional liability insurance, but encourages system owners to confirm with their insurance provider the limits of coverage applicable to interconnected systems.

- Electric Cooperatives–Net metering—The Montana Electric Cooperatives' Association (MECA) developed and adopted a model Interconnection of Small Customer Generation Facilities policy in 2001. The model policy includes guidelines for net metering, which have been adopted in whole or part by most of the 26 electric cooperatives in Montana. Cooperatives are currently working on streamlining the process for interconnection.

Potential Actions:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Maintain Universal Systems Benefits program for small scale and community renewables. (Under consideration by Energy & Telecommunications Interim Committee).
- Provide specific incentives for combined heat and power.
- Consider offering different interconnection and net metering rules for smaller systems.
- Increase, review, or change incentives or regulations in existing law.
- Expand Alternative Energy Revolving Loan Program to defray some of initial costs of systems. Loan program outlined in 75-25-101, MCA.
- Develop a set of state-issued licenses for renewable energy system technicians and installers. Licenses would be tailored to renewable energy industry.
- Consider combined heat and power as a net-metering eligible resource.

* Resolution or recommendation stating intent

* No Action

RCII-10

Industrial Energy Audits and Recommended Measure Implementation

(62% of participating EQC members voting 4 or 5 and 57% of the public voting 4 or 5)

✓ Reduce industrial energy use by 10% by 2020.

Conservation Considerations:

- Reducing fossil energy and electricity use
- Pages F-37 through F-40 Appendices

What's Being Done:

- Universal Systems Benefits programs. Industries can self-direct payments for upgrades
- Montana Manufacturing Extension Service. Program provides assistance to small manufacturing businesses to improve process and efficiencies. Not targeted to energy use, but may be part of efficiency programs.
- Alternative Energy Investment Corporate Tax Credit, 15-32-401 MCA — Commercial

and net metering alternative energy investments of \$5,000 or more are eligible for a tax credit of up to 35% against individual or corporate tax on income generated by the investment. (This is for implementation, not audits.)

Potential Actions:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Low-cost financing. Low- or no-interest loans for efficiency improvements, particularly for efficiency improvements for larger equipment.
- Monitoring and evaluation. Monitoring and evaluation arrangements to confirm effectiveness of installed measures, ensuring that emissions reduction levels are appropriately matched to incentives (including tax credits) awarded.
- Tax Incentives. Tax incentives for industrial energy efficiency improvements, possibly as an extension to the energy-related tax incentives recently adopted in House Bill No. 3, during the May 2007 Special Session.
- Self-audits and incentives. Offer opportunities for industrial facilities to self-identify measures for GHG reduction and to apply for incentives to implement identified measures that lead to demonstrable and cost-effective GHG emissions reduction. Audits exist under USB.

* Resolution or recommendation stating intent

* No Action

* Administrative options:

- Energy Star incentives. Provide incentives and information to encourage industries to adopt EPA Energy Star standards and measures.
- Waste heat to energy. Encourage collaboration between utilities and large industries that may have waste heat that could be tapped for power generation (this may also be an implementation option for RCII-7 and ES-4).

CC-4

State Climate Public Education and Outreach

(67% of participating EQC members voting 4 or 5 and 54% of the public voting 4 or 5)

✓ Shift in public consciousness to commitment to choices that enhance personal community and statewide health and contribute to productive, thriving natural systems.

Conservation Considerations:

- Pages J-11 through J-13 Appendices

What's Being Done:

- DEQ developing climate change website.
- DEQ developing materials and making materials available across the state.
- Alternative energy, financing mechanisms, and energy conservation research development and demonstration account established in 90-4-103, MCA.
- State energy policy goal statement to promote "energy conservation," 90-4-1001, MCA.

Potential Options:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Direct DEQ to implement program and provide funding.
- Design program aimed at specific audiences, for example, younger generations, community leaders, industrial and economic sectors.
- Establish new office, provide funding. As example, proposal by Helena-based Policy Institute to create energy conservation office in Department of Commerce.

* Resolution or recommendation stating intent

* No Action

TLU-9**Procurement of Efficient Fleet Vehicles**

(62% of participating EQC members voting 4 or 5 and 60% of the public voting 4 or 5)

✓ Goal of 70% all heavy duty vehicles and 90% of all light duty vehicles in state fleet to be energy efficient by 2020.

* **Note:** Much of the information below was prepared and offered by the Montana Department of Transportation.

Note provided by MDT on TLU-9:

MDT purchases fuel efficient vehicles that meet or exceed the Governor's 20x10 initiative and Senate Bill No. 449 requirements. MDT considers the EPA fuel efficiency ratings calculated over the life of vehicles for each purchase of light duty vehicles. MDT also purchases the most fuel efficient vehicles it can for heavy duty vehicles.

The 20x10 initiative states that state vehicles purchased between now and the end of 2010 are supposed to have a fleet average of 30 mpg. Senate Bill No. 449 states that vehicles purchased need to meet current CAFE standards, however, gives an exception to purchase alternative fueled vehicles (e.g. E85 vehicles). If alternative fuel vehicles are purchased as authorized by Senate Bill No. 449, then the fleet average of 30 mpg, as required by the 20x10 initiative, may not be realized. E85 vehicles average 4 to 6 mpg less than a standard fueled vehicle.

Conservation Considerations:

- Fuel Efficiency
- Pages H-41 through H-43 Appendices

What's Being Done:

- Governor's 20x10 initiative sets goals for the state vehicle fleet to achieve a 30 mpg average on all new vehicles purchased, with some exceptions. MDT began to meet this initiative by purchasing Hybrid sedans with a CAFE rating of 65.778 mpg from the spring call. MDT plans to follow this initiative as it makes purchasing decisions in the future.
- The 2007 Legislature approved Senate Bill No. 449, requiring fuel efficiency standards for certain state-owned vehicles and requiring a plan for fuel and travel reduction by state agencies. Vehicles purchased after January 1, 2008 must meet or exceed CAFE standards,

with exemptions. The CAFE standards are 27 mpg. MDT met this goal with the fall purchase of vehicles by checking each grouping of vehicle ordered to ensure they met the CAFE standards. This is currently part of MDT's process in purchasing vehicles for the future.

- State Energy Policy requires the state to adopt a state transportation energy policy as provided in 90-4-1010, MCA and an alternative fuels policy and implementing guidelines as provided in 90-4-1011, MCA.

Potential Actions:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Implement goals above through legislation. (Identify barriers to purchasing hybrid vehicles and research and develop solutions to procure hybrid or other lower GHG emitting vehicles in the state in considerations).
- Expand existing programs as outlined above.

* Resolution or recommendation of intent

* No action

* Administrative options:

- Establish that the state or appropriate agency will implement
- Enact procurement policies and/or join the EPA SmartWay program. The program provides information and suggested strategies to improve fuel economy and environmental performance of vehicle fleets.

AFW-8

Afforestation/Reforestation Programs -- Restocking

(62% of participating EQC members voting 4 or 5 and 59% of the public voting 4 or 5)

✓ Ensure restocking on 20% of accessible forest lands impacted by high severity (stand replacement) wildfire since 2000 to restocking rates of 200/400 trees/acre. For future fires, restock 30% within 5 years of wildfire. Plant 42,250 new trees in Montana communities by 2020.

***Note:** Much of the information below was prepared and offered by the Department of Natural Resources and Conservation.

Note provided by DNRC on AFW-8:

Since 2000, it is estimated that over 1 million forested acres have been burned in Montana, with about 1/3 of those being high severity burns that require some level of restocking. Some of these areas have been replanted; however, there are an estimated 70,000 acres still requiring replanting. In addition, each year there are an estimated 20,000 acres/year of forests burned with high severity. Together, there is a need for restocking on about 25,000 acres/year on federal, state, and private lands in Montana between 2008 and 2020 to meet the goals of this policy.

Conservation Considerations:

- Reforestation

- Pages I-43 through I-49 Appendices

What's Being Done:

- Montana Conservation Seedling Nursery, Urban and Community Forestry, and reforestation programs are managed by the DNRC at traditional levels. Includes Forestry Assistance Program.
- DNRC Trust Lands Division manages a replanting program that plans 1,000-1,500 acres/year.
- DNRC's Forestry Best Management Practices encourage rapid reforestation post-harvest, but Montana does not have regulations that direct landowners to replant post-harvest.
- Long-term maintenance. General rules for maintaining long-term productivity of forestlands on state trust lands, but not specific rules for reforestation.

Potential Actions:

* Legislative or EQC options: (not complete, intended to be starting point for discussion):

- Expand or review existing programs.
- The 2007 Legislature contemplated House Bill No. 227, which created a terrestrial carbon sequestration loan account. The bill would have established a revolving loan account administered by the DNRC. It required outcome measures and provided funding for the program. The bill died in committee.
- Market-based incentives. Support and engage in private sector markets for terrestrial carbon sequestration (e.g., Chicago Climate Exchange).
- Provide state funding to support and staff DNRC Forest Stewardship and Pest Management Programs. These programs provide education and incentives to non-industrial forest landowners, encouraging the importance and practice of stand regeneration, post-fire reforestation, restocking, and identifying and managing forest insects and diseases. These programs are currently federally funded but are at risk of losing those funds.

* Resolution or recommendation of intent

* No action

* Administrative options:

- Technical assistance. Develop interagency partnerships with the NRCS, USFS, conservation districts, and the Montana DNRC to deliver comprehensive private forest landowner assistance and cost-share programs for forest management and post-fire rehabilitation. Develop interagency site-specific reforestation plans post-burn with planting targeted for stand replacement fires.

AFW-7

Expanded use of Biomass Feedstocks for Energy Use

(69% of participating EQC members voting 4 or 5 and 51% of the public voting 4 or 5)

✓ Increase the use of woody biomass residue for renewable electricity, heat and steam generation to 450,000 tons/year by 2020 and agricultural biomass to 540,000 tons annually by 2020.

***Note:** Much of the information below was prepared and offered by the Department of Natural Resources and Conservation.

Conservation Considerations:

- Reduce fossil fuel use
- Pages I-36 through I-42 Appendices

What's Being Done:

- UM Western installed a biomass boiler in 2007 with grant from DNRC and State Building Energy Program from DEQ (will be repaid through energy savings). UM Western, DNRC, A&E, and DEQ have worked to sell the carbon offsets from the boiler to The Climate Trust and received \$117,000 for the project in carbon offsets.
- Eight additional wood biomass boiler systems have been installed in Montana public schools under the DNRC Fuels for Schools and Beyond Program since 2003.
- Montana Renewable Portfolio Standards. Requires public utilities to obtain 15% of their retail electricity sales from eligible renewable resources by 2015.
- Renewable Energy Credits. Create market for clean power generated by biomass. Western Governors' Association and California Energy Commission are developing Western Renewable Energy Generation Information System, a regional renewable energy tracking and registry system.
- Alternative Energy Revolving Loan Program. Provides loans to individuals, small businesses, local government agencies, units of the university systems, and nonprofit organizations to install alternative energy systems that generate energy for their own use. Maximum loan amount is \$40,000 with a fixed interest rate, and the loan must be paid back within 10 years, 75-25-101, MCA.
- Capital investment in biomass combustion devices are exempt from taxation for a period of 10 years following installation of the property: (1) \$20,000 in the case of a single-family residential dwelling and (2) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure, 15-6-224, MCA.
- Small electrical generation equipment exemption, including biomass equipment, 15-6-225, MCA. Additional incentives in 15-32-101, MCA. Tax credits also in law.
- House Bill No. 3 approved during May 2007 Special Session provides tax incentives for use of biomass, Title 15, Chapter 24, part 31, MCA.
- Montana Electric Cooperatives–Net-metering. Under the model policy, customers generating their own electricity using (but not limited to) wind, solar, geothermal, hydro, biomass, or fuel cells may participate in net-metering.
- Mandatory Green Power Program. NorthWestern Energy offers its customers the option of purchasing a product composed of or supporting power from certified environmentally preferred resources generated by renewables, including biomass.
- DNRC Biomass Utilization and Fuels for Schools and Beyond Program. Promote the use of forest biomass as an energy source for heating schools and other public facilities.
- DNRC Forestry Assistance Programs. Maintain and improve the health of Montana's forests, forested watersheds, and the communities that depend on them. Tools include

- information and education, technical assistance, and financial assistance.
- USFS Woody Biomass Utilization policy. Recently implemented, it requires that contractors doing work on federal lands haul and pile slash at landings to help facilitate removal of biomass during forest operations for utilization.
- DNRC State Trust Lands Forest Management Program. Timber sale bid process incentivizes removal of biomass residues for utilization.

Potential Actions:

* Legislative or EOC options (not complete, intended to be starting point for discussion):

- State lead by example. Require consideration of renewable energy resource systems (including biomass heat/energy) in all new state building constructions and renovations, including public schools, where cost-effective.
- Provide continued state support to the DNRC Biomass Utilization and Fuels for Schools and Beyond Program, which identifies financially viable opportunities for biomass utilization and energy generation. Includes conducting project feasibility assessments and assisting facilities in identifying funding, securing fuel supply, and providing technical assistance and support from project design to installation and operation.
- Expand the Alternative Energy Revolving Loan Program. Increase the maximum loan amount to \$500,000, lower interest rate to $\leq 2\%$ and make more funds available.
- Source reduction. Reduce the amount of open slash pile burning on all lands and/or provide viable alternatives to open burning. Revise DEQ air quality permits and local ordinances to discourage open burning and encourage alternatives.
- Provide full spectrum of tax incentives, or revisit existing incentives, to reduce the capital costs of biomass energy production, including electricity generation and heating of residences and public buildings.
- Establish utility “buyback rates” for biomass-derived energy where utilities offer a standard rate for which they purchase biomass-generated energy (electricity and/or heat).
- Modify Montana Renewable Portfolio Standards to include mandatory standard for energy generation from renewables and include standards for thermal energy production. Heat production is the highest value, most efficiently derived energy product from wood biomass when compared to electricity production.
- Pilot projects on the use of different forestry (e.g., bio-refineries) and agriculture residues (e.g., cellulosic ethanol plants) for energy and liquid fuel production (e.g. cellulosic ethanol plants and bio-refineries) are needed.
- Research and development. Research on techniques for the collection, processing, transportation, storage, and distribution of forestry and agriculture residues, as well as market development or expansion for these materials.
- Research to characterize emissions from biomass boilers and their impacts on community air pollution and development of ways to minimize those impacts.
- Market-based mechanisms. Incentives (e.g., preferential tax rates).
- Expand the Montana Renewable Energy Tax Credit. Lower the eligible threshold capacity from 10 MW to 1 MW and expand the classification of corporate taxpayers and include general income taxpayers.

- Expand existing net-metering regulations to enable smaller projects of up to 2 MW to net-meter at retail energy rates.
- * Resolution or recommendation of intent
- * No action
- * Administrative options:
 - Voluntary/negotiated agreements. Voluntary, incentive based programs used to foster the development of the industry and associated economic markets. Provide landowners and/or corporations with opportunity to enter into agreements to better utilize biomass for energy.
 - Work with local communities to develop responsible ordinances and continue to evaluate and discuss those that allow the use of EPA-certified wood/pellet burning equipment (instead of broad burn bans that apply to all wood-burning equipment). Work with regional and national efforts to increase efficiency standards and cost-effective emission control technologies for wood-burning equipment (e.g., furnaces, stoves, boilers).

AFW-4

Incentives for Enhancing GHG Benefits/ Farm Bill Conservation

(67% of participating EQC members voting 4 or 5 and 51% of the public voting 4 or 5)

- ✓ Retain land that is being retired from CRP in some type of management program that protects the soil carbon.

Conservation Considerations:

- Pages I-24 through I-27 Appendices

What's Being Done:

- CRP is currently capped at 25% of Montana cropland per county.
- NRCS CRP rewards farmers financially for removing highly erodible and marginally productive land from production.
- Program is national in scope and potential actions may be as well.

Potential Actions:

- * Legislative or EQC options (not complete, intended to be starting point for discussion):
 - Education and training. Workshops or expansion of existing efforts.
 - Leverage existing federal and state conservation cost share programs. Have state agencies incorporate USDA-approved carbon sequestration planning criteria into program literature and technical assistance to landowners.
 - Provide assistance to conservation districts in discussing terrestrial carbon sequestration.
- * Resolution or recommendation of intent
- * No action

CC-7.1

Target for Reducing the State's Own GHG Emissions

(64% of participating EQC members voting 4 or 5 and 52% of the public voting 4 or 5)

✓ Reduce GHG emissions from Montana State Government to 1990 levels by 2018 and 5% below 1990 levels by 2020.

Conservation Considerations:

- Pages J-2 through J-4 Appendices

What's Being Done:

- Governor has set goal of 20% reduction in energy use in state government by 2010.
- State Building Energy Conservation Act, 90-4-601, MCA.
- The 2007 Legislature approved Senate Bill No. 449, requiring fuel efficiency standards for certain state-owned vehicles and requiring a plan for fuel and travel reduction by state agencies. Vehicles purchased after January 1, 2008 must meet or exceed CAFE standards, with exemptions.
- State Energy Policy requires the state to promote energy conservation, production, and consumption of a reliable and efficient mix of energy sources that represent the least social, environmental, and economic costs and the greatest long-term benefits to Montana citizens, 90-4-1001, MCA.

Potential Actions:

* Legislative or EOC options (not complete, intended to be starting point for discussion):

- Additional resources for state building energy efficiency.
- Require renewable energy sources, i.e. solar, etc, at state buildings, where cost-effective.
- The 2007 Legislature contemplated House Bill No. 238 to require efficiency audits in state-owned buildings. The bill missed a transmittal deadline and died in committee.

* Resolution or recommendation of intent

* No action

* Administrative options:

- Develop program for keeping inventory of emission sources and sinks on continuing basis with forecasts. (This could be integrated into DEQ's existing inventory and forecasting functions). Depending on scope could require resources.

RCII-11

Low Income and Rental Housing Energy Efficiency Program

(54% of participating EQC members voting 4 or 5 and 58% of the public voting 4 or 5)

✓ Increase energy efficiency by 30% in 50% of low income units by 2015.

Conservation Considerations:

- Reduce energy consumption
- Pages F-41 through F-45 Appendices

What's Being Done:

- Department of Health and Human Services provides low income weatherization and fuel bill assistance program. LIEAP is used to prioritize homes. For example, in the current

year, the weatherization program weatherized about 1,800 homes annually, with 19,000 homes eligible and in need of weatherization. Currently, it is the income of the household at the time of application that determines eligibility.

- Warm Homes campaign initiated by Governor Schweitzer in 2006.
- AARP and Habitat for Humanity are two organizations that currently strive to educate people about existing programs.
- Low-income energy programs are funded either through federal money allocated to the state or through the Universal System Benefits program charge assessed to electricity and gas consumers, 69-3-1408, MCA and 69-8-402, MCA.
- Energy Share of Montana is a nonprofit organization funded by USB dollars and private and corporate donations. Energy Share helps Montanans faced with energy emergencies meet their needs by providing bill assistance, furnace safety, and weatherization.
- Public utilities and some electric cooperatives assist low-income Montanans by providing their LIEAP customers with an additional discount on their electric bills. Discounts range from 15% to 30%, depending on the utility and the fuel source. Some utilities and cooperatives also provide flexible payment options. Public utilities and electric cooperatives also help fund low-income weatherization.
- Tax credits. In 2006, about 3% of eligible Montana households used state tax credits for energy conservation.
- The 2007 Legislature approved House Bill No. 41 that eliminated restrictions on the use of the principal of the energy conservation and energy assistance account in the federal special revenue fund.

Potential Actions:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Expand existing programs, additional funding sources.
- Revise existing USB program to change how funds are allocated and for what purposes.
- Grant program for qualified homeowners to complete weatherization projects.
- Tax credit program for landlords. Income tax credits for rental property owners who weatherize rental properties to meet energy efficiency standards.
- Utility bill disclosure. Require that at time of sale or rental disclosures include existing utility bills for a dwelling.
- Rental property efficiency programs. Command-and-control requirements, for example, a program for licensing or certifying energy efficiency of rental properties.
- Financing. Provide low-interest loans, aimed specifically at low income homeowners or rental property owners and managers, for energy efficiency improvements.
- Replace substandard housing. State support for financing or purchasing of efficient manufactured housing to replace manufactured (or other) housing that can't be practically weatherized. House Bill No. 2, approved during the May 2007 Special Session, authorized \$354,886 for a revolving loan program for manufactured home replacement.
- The 2007 Legislature also contemplated Senate Bill No. 210 to increase the individual income tax credit for energy-conserving expenditures. The bill included a proposed tax credit for taxpayers with a family income of less than or equal to 150 percent of the federal poverty level. The bill died in committee.

* Resolution or recommendation of intent

* No action

* Administrative options:

- Prioritize and increase efficiency in delivering existing weatherization dollars.

RCII-6

Consumer Education Programs

(54% of participating EQC members voting 4 or 5 and 58% of the public voting 4 or 5)

✓ Educate consumers and children to make informed decisions to reduce energy use, improve efficiency, and reduce environmental consequences. Educate professionals working in energy efficiency to better inform consumers.

Conservation Considerations:

- Pages F-27 through F-30 Appendices

What's Being Done:

- DEQ participating in home shows, answering consumer questions, and distributing print materials. (Information on Montana tax credits and general energy savings information most often requested).
- DEQ conducts training for builders and building code officials.
- Public Service Announcements through Governor's Office air on television.
- Montana Energy Education Council (MEEC) provides training for teachers and students on energy.
- Many existing, nonprofit organizations, such as AERO, provide information on conservation.

Potential Actions:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Provide resources to expand existing programs. For example, dovetail consumer education related to energy efficiency with public broadcasting media.
- Direct the Montana Office of Public Instruction and others to develop and implement curricular for primary and secondary schools that educate students on consumption choices.
- Implement and enhance professional education and certification programs for educators and others involved in providing products and services related to energy use. Train professionals, for example, architects, engineers, and builders, to advise the public on energy choices. Provide follow-up surveys to gauge effectiveness of programs.
- Design programs to discourage use of excessive lights.
- Provide funding for advertising of existing programs or expanded programs.
- Incentives. Offer incentives or vouchers (for energy efficient products) for consumers who undertake consumer education and/or change consumption patterns.

* Resolution or recommendation of intent

* No action

In addition to the analysis of the 15 climate change recommendations, I also am sending a Question & Answer background document on the 20x10 initiative. The questions were prepared by the Legislative Fiscal Division of Legislative Services. The responses were provided by the Department of Environmental Quality.

If you have questions prior to the EQC meeting on May 12 & 13, please feel free to contact me at snowakowski@mt.gov or at 444-3078.

Sonja Nowakowski
Research Analyst
Montana Legislative Services Division

Phone: (406) 444-3078
Fax: (406) 444-3971
Email: snowakowski@mt.gov

CI0429 8109slea.