ENVIRONMENTAL QUALITY COUNCIL

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COUNCIL STAFF
TODD EVERTS, Lead Staff

MINUTES

Date: March 10, 2008 Room 102, State Capitol Building

Please note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.**

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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COMMITTEE MEMBERS PRESENT

SEN. DAVID WANZENRIED, Chair
SEN. BOB HAWKS
SEN. CHRISTINE KAUFMANN
SEN. DANIEL MCGEE
SEN. JIM SHOCKLEY
SEN. ROBERT STORY JR.
REP. SUE DICKENSON
REP. JULIE FRENCH
REP. CAROL LAMBERT, Vice Chair
REP. CHAS VINCENT
REP. CRAIG WITTE
MR. BRIAN CEBULL
MS. DIANE CONRADI
MR. DOUG McRAE
MR. JEFF PATTISON
MR. MIKE VOLESKY

COMMITTEE MEMBERS ABSENT

REP. NORMA BIXBY

STAFF PRESENT

TODD EVERTS, Lead Staff
JOE KOLMAN, Research Analyst
SONJA NOWAKOWSKI, Research Analyst
CYNTHIA A. PETERSON, Committee Secretary

Visitors

Visitors' list (Attachment 1)
Agenda (Attachment 2)

COMMITTEE ACTION

- The EQC approved the January 14-15, 2008, minutes.
- The EQC agreed to address the first 15 recommendations contained on the rankings provided by Sen. Hawks (Exhibit 30), down through RCII-6, and have staff look at legislative actions.

CALL TO ORDER AND ROLL CALL

00:00:02 Sen. David Wanzenried, Chairman of the Environmental Quality Council (EQC), called the meeting to order at 2:00 p.m. The secretary noted the roll (Attachment 3). Sen. Wanzenried welcomed Mr. Jeff Pattison, a former State Representative, to the EQC.

00:00:54 Mr. Pattison greeted the EQC.

AGENDA

ADMINISTRATIVE MATTERS

00:01:52 Sen. Hawks moved the January 14-15, 2008, minutes be approved. The motion carried unanimously by voice vote. Rep. Bixby voted by proxy.

CLIMATE CHANGE SURVEY

00:03:50 Chairman Wanzenried discussed climate change in terms of the Governor's recommendations, public comment, and the EQC survey. Chairman Wanzenried requested the EQC to provide staff with direction. Chairman Wanzenried invited people to weigh in on the climate change topic by completing the on-line survey. Chairman Wanzenried noted the survey takes three to four hours to complete and, because of the length of time involved, Chairman Wanzenried thought that it

was unlikely that individuals took the survey more than once. Chairman Wanzenried cautioned the survey was not intended to be scientific.

Overview of Results--Ms. Nowakowski

00:07:28 Ms. Nowakowski explained how the survey was developed. An opportunity was given for both the EQC members and the public to complete the same survey, which was available online from February 4, 2008, until February 29, 2008. There were 1,986 surveys completed, and 13 of the 16 EQC members participated. More than 600 pages of public comment were received. Ms. Nowakowski agreed the survey was not a scientific poll, and that there was no controlled sample. Persons taking the survey were not required to leave their names, and there were no restrictions on the number of times an individual could take the survey. Ms. Nowakowski directed the EQC to the Synopsis of EQC Ratings (EXHIBIT 1) and Synopsis of Public Rankings (EXHIBIT 2). Ms. Nowakowski outlined the similarities and differences between the recommendation rankings submitted by the EQC members and the public. Ms. Nowakowski thought it was difficult to draw scientific conclusions from the survey because the EQC makes up a smaller sample. Ms. Nowakowski emphasized the survey results were meant to be used as a tool by the EQC.

Questions from the EQC

00:15:20 Chairman Wanzenried thanked Ms. Nowakowski for her work in preparing the survey and summarizing the results. The EQC members acknowledged the effort Ms. Nowakowski expended in conducting the survey.

00:15:29 Sen. Story explained that people had an opportunity to write in comments and asked Ms. Nowakowski what she learned from the comments.

00:16:14 Ms. Nowakowski responded there were very detailed comments submitted outlining concerns. Ms. Nowakowski stated recommendations with strong support received a substantial amount of comments. Ms. Nowakowski stated there were very good points in the comments and suggested it would be worthwhile taking an in-depth look at the comments. Chairman Wanzenried thought the comments made it clear that people believe that climate change should be addressed.

00:18:10 Sen. Story thought it was interesting the ranking results did not indicate a lot of people were in the middle. Ms. Nowakowski agreed that people voted either 1 or 5.

00:19:09 Sen. Story asked whether the distribution was the same among the EQC members. Ms. Nowakowski reported there was a more even distribution among the EQC members.

00:19:35 Mr. Pattison asked Ms. Nowakowski how much weight she placed on the EQC member responses versus the public responses when she calculated the ranking

percentages. Ms. Nowakowski responded she looked for the highest percentages, and that the EQC and public responses were analyzed separately.

00:20:44 Mr. Pattison wondered how different the outcome would have been had all the EQC members participated in the survey. Ms. Nowakowski acknowledged the percentage could have shifted dramatically.

Public Comment

00:22:03 John Sinrud, HD 67, Belgrade, thanked the EQC for its hard work on studying climate change and conducting the survey. Rep. Sinrud expressed concern about the Center for Climate Strategies (CCS) and had questions regarding how CCS's services were procured. Specifically, Rep. Sinrud noted CCS's activities in other states and was concerned that CCS's presentation and recommendations were actually "canned." Rep. Sinrud was interested in obtaining assistance from other organizations. Rep. Sinrud stated he has heard CCS does not have information on economics in Montana and what would happen if the recommendations were implemented. Rep. Sinrud believed it was extremely critical to look at the economics and where the information is coming from. Rep. Sinrud stated he believes in conservation, but cautioned there is a need to look at the economic effects of any steps that are implemented. Rep. Sinrud requested the EQC look at the source of the original information. Rep. Sinrud commented that Montanans are independent and suggested looking at whether the recommendations are cost-effective for the people of Montana. Rep. Sinrud submitted the following information for the EQC's consideration:

- Article regarding climate change from the North Carolina Climate Action Plan Advisory Group (EXHIBIT 3);
- Article from the South Carolina Climate Change Advisory Group (EXHIBIT 4);
- Article from the Center for Climate Strategies (EXHIBIT 5);
- Article from the Vermont Climate Change Advisory Group (EXHIBIT 6);
- Article from the Colorado Climate Project (EXHIBIT 7);
- Article from the Florida Governor's Action Team on Energy and Climate Change (EXHIBIT 8);
- Article from the Arkansas Climate Change Advisory Group (EXHIBIT 9);
- List of the Current Members of CCX (EXHIBIT 10);
- Article from GreenBiz News (EXHIBIT 11);
- Article from the Iowa Climate Change Advisory Council (EXHIBIT 12);
- Article from the Minnesota Climate Change Advisory Group (EXHIBIT 13);

- Article from the New Mexico Climate Change Advisory Group (EXHIBIT 14);
- Article from the Arizona Climate Change Advisory Group (EXHIBIT 15);
- Article from the Michigan Climate Change Advisory Group (EXHIBIT 16);
- Climate Action Plan from the Maryland Commission on Climate Change (EXHIBIT 17); and
- Leading the Way: A Comprehensive Approach to Reducing Greenhouse Gases in Washington State, Recommendations of the Washington Climate Advisory Team (EXHIBIT 18).

00:28:10 Allen Barr, a retired meteorologist from Stevensville, agreed the weather has been warmer but believed the planet's temperatures have been warmer in past history. Mr. Barr stated that warming and cooling are not unusual for the planet. Mr. Barr did not agree that humans are heating up the planet through CO^2 emissions, and that 97 percent of CO_2 comes from natural occurrences. Mr. Barr explained how models used for prediction indicated global warming trends in the future, and that the models fail when they use real-world data. Mr. Barr believed that even using the best models, it is only possible to approximate what is happening in the atmosphere. Mr. Barr emphasized that CO_2 is not a pollutant and is not the current cause of the climate's warming. Mr. Barr depicted current temperatures as being within the normal variation. Mr. Barr identified change as the one absolute constant in the climate. Mr. Barr suggested regulation of CO_2 would be unwise and the cost would make the country a third-world nation.

00:38:07 Dustin Stewart, Montana Building Industry Association, submitted "Color your community green" (EXHIBIT 19); a letter from Jeff Junkert, President of the Montana Building Industry Association, and Dan Wagner, President of the Montana Association of REALTORS® (EXHIBIT 20); and "Montana Green Building - Quick Facts Sheet" (EXHIBIT 21). Mr. Stewart commented the decision to be green must remain voluntary and emphasized the importance of offering affordable housing. Mr. Stewart believed the best way to promote green is to educate and provide incentives. Mr. Stewart urged that a cost analysis be conducted before any mandates are implemented.

00:45:13 Glenn Oppel, Montana Association of REALTORS®, agreed with Mr. Stewart's testimony and urged the EQC to consider the impacts on housing affordability.

00:45:50 Kerry White, President of the Gallatin County Planning Board, submitted written testimony (EXHIBIT 22).

00:49:38 Chuck Magraw, Natural Resources Defense Council and Renewable Northwest Project, testified that every economic analysis has indicated reducing green house gas emissions will produce significant economic benefits. Mr. Magraw believed the same result would occur in Montana. Mr. Magraw believed if Montana did not act to transition to a low-carbon economy, Montana would be at a disadvantage relative to its neighbors, who are all taking action.

00:51:10 Tim Ravndal, representing Montana Multiple Use Association, agreed with Sen. McGee's earlier comment that lobbying government for more government is insane. Mr. Ravndal applauded Rep. Lambert for pointing out that private property takings deserve more attention. Mr. Ravndal noted that 24 percent of the EQC did not participate in the on-line survey. Mr. Ravndal read an excerpt from Professor S. Fred Singer, University of Virginia (EXHIBIT 23).

00:56:46 Gary Wiens, Montana Electric Cooperatives' Association (MECA), wondered how to go about mitigating climate change. Mr. Wiens cited a need to factor in job losses which would result in an economic drain. Mr. Wiens explained that MECA's not-for-profit mission is to keep the lights on while keeping rates affordable. Mr. Wiens posed three core questions:

- What is the plan to make sure we will have the electricity we will need in the future?
- What is being done to fully fund the research required to make emissions-free electric plants an affordable reality?
- Balancing electricity and environmental goals will be difficult. How much is all this going to increase my electric bill and what will you do to make it affordable?

Mr. Wiens stated recent polls of MECA's members indicated the members are just as concerned about keeping power bills affordable as they are about climate change. Mr. Wiens explained MECA commented on four of the recommendations: (1) raising the state's renewable energy purchase mandate to 25 percent by 2025 and including the electrical co-ops; (2) imposition of an energy-efficiency mandate; (3) removing all net metering barriers to customer-owned generators to the grid; and (4) reducing green house gas emissions to 1990 levels by 2020 and 80 percent below 1990 levels by 2050.

01:01:57 Dave Galt, Director, Montana Petroleum Association (MPA), stated MPA spent a substantial amount of time developing three principles: (1) if the measure increased costs to MPA members, MPA did not support the measure; (2) if the recommendation did not directly affect MPA members, MPA did not take a position; and (3) if the measure was a conservation issue, MPA supported it. Mr. Galt cited ES-11 as an example of a measure that MPA supported in principle, but did not ultimately support because of the details contained in the appendix. In addition, Mr. Galt explained there were significant cost issues with many of the recommendations and suggested the EQC take a detailed look at the costs up front.

01:05:23 Debbie Shea, Montana Mining Association, thanked the EQC and staff for their hard work on the climate change issue. Ms. Shea took the on-line survey and thought the survey was difficult. Ms. Shea stated she does not support mandates and penalties, and that she gravitated toward incentives and volunteer participation. Ms. Shea supported the need for a cost-benefit analysis since, in the end, consumers would be picking up the tab.

01:07:07 Julia Page, Northern Plains Resource Council (NPRC), thanked the EQC and staff for their hard work on the survey. Ms. Page testified NPRC supports the recommendations and stated the time is here for leadership and the need to act is now. Ms. Page suggested if coal is to be developed and used in the future, Montana needs to find a way to utilize coal without increasing green house gases. Ms. Page emphasized the recommendations came from two years of discussion among a diverse group, and that the recommendations were made by consensus. Ms. Page explained the newly constructed green NPRC building in Billings was constructed under average costs and is using 21 percent of the energy of a comparable commercial building. Ms. Page cautioned against assuming there will be greater costs associated with constructing green and believed there would be greater costs associated with doing nothing. Ms. Page urged the EQC to support the recommendations and craft the necessary implementing legislation.

01:11:40 Candace Payne, Southern Montana Electric, corrected Ms. Page's comment about coal development and stated the decision regarding RUS financing was aimed at all coal facilities and not just the Highwood generating station.

01:12:25 Don Quander, representing himself, thought the survey was a constructive exercise to help educate people. Mr. Quander stated he was struck by the number of people who were concerned about climate change, and the number of comments expressing concerns about potential government action. Mr. Quander thought there were many useful recommendations and that the rankings were less significant than some of the individual comments. Mr. Quander suggested the EQC should include a cost-benefit analysis in any legislation.

Comments from the EQC

01:19:16 Rep. Witte requested permission to show a ten-minute video he received from a constituent.

01:19:41 Rep. Vincent stated he was one of the three EQC members who did not complete the on-line survey. Rep. Vincent stated he would be a "1" on everything. Rep. Vincent informed the EQC that he attended an international climate control conference in New York and brought back a substantial amount of information.

01:21:23 Rep. Lambert asked whether the EQC members received a quiz from Northwest Energy on global warming (EXHIBIT 24). Rep. Lambert requested the quiz be copied and distributed to EQC members.

01:22:47 Rep. French submitted an article to be distributed to the EQC entitled "Electric Power Plant Emissions" (EXHIBIT 25).

01:23:38 Sen. Story complimented the EQC staff on the survey and stated the information came directly from the Governor's Council. Sen. Story identified one problem with the survey as being many of the points of the survey contained more than one concept and not all the concepts were headed in the same direction. Therefore, a

person might not agree with all the concepts. Sen. Story believed the EQC should work to obtain as much information as possible on all sides of the climate change issue.

01:25:53 Chairman Wanzenried commented the staff attempted to meet the intention of the original motion, and there was no conscious effort made to guide anyone in a certain direction. In addition, the survey's purpose was to put the information out and provide the public an opportunity to comment. Sen. Story agreed that EQC staff did exactly what was requested. Chairman Wanzenried stated he would take full responsibility for any subjectivity.

01:26:40 Sen. Shockley disclosed that he did not fill out the survey.

Questions from the EQC

01:27:02 Mr. Cebull asked Mr. Barr if he applied to be on the Climate Change Advisory Committee (CCAC). Mr. Barr responded he did not apply.

01:27:36 Sen. Story asked Mr. Stewart about his reference to the building code being 15 percent better than standards. Sen. Story wondered if that goal would be attainable since the standards always change. Mr. Stewart agreed there are substantial unknowns, and that the15 percent would be a moving standard.

01:29:37 Sen. Hawks wondered about Rep. Sinrud's work with a group on an economic study and asked whether anyone knew what group Rep. Sinrud is working with.

01:30:46 Rep. Vincent stated Rep. Sinrud was also at the international conference in New York City, and that there were many economists at the conference.

01:32:03 Rep. Witte asked Mark Lambrecht, PPL Montana, what the green house gas emission standards were in 1990 and what the levels were last year. Rep. Witte recalled testimony that Washington state had a similar proposal. Mr. Lambrecht read information he just received stating the Washington State Senate just passed legislation calling for reducing green house gas emissions to 1990 levels by 2020, 25 percent below those levels by 2035, and 50 percent below those levels by 2050. The legislation began the process of enacting a regional cap and trade system as part of the Western Climate Initiative, of which Montana is a member. Rep. Witte pointed out it is the same in Washington as Montana.

01:34:49 BREAK

01:49:03 Chairman Wanzenried believed opinions and positions on the climate change issue are all over the board. Chairman Wanzenried referred to the Executive Summary of the CCAC and asked whether there was anyone on the EQC who disagreed with the CCAC policy recommendation to lower green house gas emissions to 1990 levels by 2020.

01:52:02 Sen. Shockley, Mr. Cebull, and Rep. Lambert disagreed with the policy recommendation.

01:52:22 Sen. Shockley agreed the climate is getting warmer, but had doubts whether CO_2 is the problem. Sen. Shockley suggested the EQC is receiving propaganda and not science. Sen. Shockley believed the fact that both CO_2 and the temperature are rising may not necessarily indicate a correlation. Sen. Shockley suggested if the models do not work, maybe the thesis does not work. Sen. Shockley thought questions were being evaded and stated he was suspicious of the theory.

01:55:07 Mr. Volesky commented almost all of the scientific community, public, political community, and industry agree there is a problem. Mr. Volesky stated the three presidential candidates have serious plans to address climate change in a focused manner. Mr. Volesky stated the CCAC is making recommendations and some of the recommendations will need legislation and some will not. Mr. Volesky agreed there are costs involved, but that there are more opportunities than costs involved if done correctly. Mr. Volesky declared the verdict on climate change is already in.

02:00:31 Mr. Cebull stated he does not support the recommendation and that the train has not left the station. Mr. Cebull commented the CCAC did not have the option of debating whether global warming is occurring. Mr. Cebull did not believe CO_2 is having the impact that scientists are saying. Mr. Cebull stated he would not support any legislation that supports the theory that green house gases are causing global warming. Mr. Cebull stated he would consider conservation legislation if it makes economic sense.

02:02:52 Rep. Witte stated he asked Richard Opper, Director of the Department of Environmental Quality, how much CO_2 Montana produced and recalled Director Opper had stated Montana produced 12 million metric tons. In 2007, Montana put out 322 million metric tons because of forest fires. Rep. Witte stated he received the information from Ellen Engstedt, Montana Wood Products Industry. Rep. Witte addressed the suggestion that the program is "canned" and noted that the reports from the other states contain the same chapters in the same order. Rep. Witte noted the report is not organic but came from someone with another design in mind. Rep. Witte stated he would not support the recommendations.

02:05:30 Sen. Kaufmann commented that the reason CCS was chosen was because of its experience, and that now it would seem their experience has been turned against them. Sen. Kaufmann was not surprised with the plan similarities between states since the issue is global. Sen. Kaufmann had hoped the EQC members could agree that Montana should have a stated goal to reduce green house gas emissions.

02:08:16 Sen. Shockley agreed the EQC should do something, but cautioned it has not been demonstrated that CO_2 is the big problem. Sen. Shockley was not interested in the presidential candidates' plans to address global warming. Sen. Shockley believed industry views carbon credits as a way to cut their costs and is not interested in the environment.

02:11:00 Sen. McGee submitted "U.S. Senate Report: Over 400 Prominent Scientists Disputed Man-Made Global Warming Claims in 2007" (EXHIBIT 26); and

"Temperature Monitors Report Wide Scale Global Cooling" (EXHIBIT 27). Sen. McGee thought it was unfortunate the EQC would not have an opportunity to debate whether global warming is occurring. Sen. McGee noted the change in reference from "global warming" to "climate change." Sen. McGee noted that the climate constantly changes. McGee summarized the proposed recommendations into categories and summarized that the recommendations: 47 times expand government programs; 57 times expand government mandates; provide for 14 incentives; 73 times propose increased regulations; 15 times provide for education; 26 times provide for enforcement; 38 times provide for increased fees; 35 times provide for permitting; propose 58 new laws; propose 50 new taxes; 57 times increase government spending; provided 5 times to join national or international organizations; 5 times for the state to purchase green power; 6 times to purchase air; 5 times to change the constitution; 1 time for child indoctrination; and 1 time to build a railroad. Sen. McGee submitted a DVD for the EQC members to watch and reminded the EQC that the people on the IPCC, by their own testimony, lied about the people who favored the IPCC report. Sen. McGee questioned whether data from the Soviet global tracking stations was included after the Soviet Union collapsed. Sen. McGee pointed out that all four major global temperature tracking outlets indicated temperatures have dropped. Sen. McGee believed the proposed recommendations were founded on a flawed concept. Sen. McGee believed it would be more helpful to reduce the size of state government instead of growing state government to make reductions. Sen. McGee stated he would vote no on all the recommendations.

02:19:34 Rep. Lambert commented the right science is unknown to determine whether the occurrence is natural or man-made. Rep. Lambert believed the recommendations were not based on good science.

02:20:24 Rep. Vincent agreed with Sen. McGee's comments and stated a large number of people at the New York City conference were members of the IPCC and had spent decades studying climate change and were concerned about how science has been politicized. Rep. Vincent referred to a climate change report released March 8, 2008, which indicated there is no consensus on the cause of climate change. Rep. Vincent cited a need to obtain objective opinions on climate change. Rep. Vincent thought attempting to set policy decisions at this point in the conversation would be ludicrous and suggested discussing ways to move forward to mitigate climate change.

02:24:38 Rep. Dickenson stated she was a member of the CCAC and believed the work was done thoroughly and openly. Rep. Dickenson believed the concern about the template was distracting and noted legislators often rely on existing information. Rep. Dickenson pointed out only 3 of the 17 states have identical levels and, therefore, the target recommendations are not boilerplate. Rep. Dickenson addressed Sen. McGee's concerns and numbers stated she believed the recommendations were fairly non-specific. Rep. Dickenson believed people were confusing weather and climate. Rep. Dickenson explained climate consists of trends and long-term observations and that cooling could occur as a result of climate change. Rep. Dickenson suggested that if industry is seeing opportunities in Montana's plan, it could result in great economic opportunity. Rep. Dickenson

emphasized Montana's need to take climate change seriously and stated there is overwhelming evidence from the scientific community.

02:32:59 Mr. Volesky clarified that he did not intend to shut off debate, but believed the point to be that Montana can produce energy and should take advantage of the opportunities being presented.

02:34:29 Sen. Shockley recalled that deregulation came from the national level and was supported by industry.

02:34:52 Sen. Hawks asked the EQC not to think in terms of conspiracy. Sen. Hawks stated science is nothing more than pure logic. Sen. Hawks explained that models are built on evidence, are ever changing, and that the people who challenge them are very important. Sen. Hawks suggested facing the evidence and moving on to do what is best for Montana. Sen. Hawks summarized his comparison of the survey responses between the EQC members and the public and stated there were 30 recommendations that received an approval rating of 50 percent or better.

02:40:06 Sen. Story directed the EQC members to page 17 of Montana Climate Change Action Plan which depicted the green house gas estimates for 1990. Sen. Story was uncertain 1990 would be a good baseline year. Sen. Story addressed electrical generation and believed some of the generators are getting old, and it may be better to scrap the generators. Sen. Story suggested electric generation from coal is probably not going to happen in Montana. Sen. Story suggested that practically speaking, Montana could implement things such as voluntary efficiency buildings, but suggested setting a target of 1990 emissions levels might not be a possibility.

02:47:08 Sen. Kaufmann wondered if it would make sense to look at the 11 items that fell above 50 percent and ask the EQC staff to work on potential legislation to address those issues.

02:48:01 Sen. Hawks clarified the top 11 recommendations are approved at a 60 percent rate.

02:48:31 Sen. Story recalled *The Billings Gazette* poll indicated environmental issues were rated number 11 by Montana citizens and that 65 percent of Montanans were willing to have an impact on climate change.

02:50:01 Sen. Shockley stated he agreed with Sen. Kaufmann's proposal, but would also like to discuss the sequestering of carbon from powerplants. Sen. Shockley believed many of the EQC members agreed on the importance of conservation.

02:51:01 Rep. French believed her district is in crisis because of their high gas prices and the farmers pay three times the amount for fertilizer than they paid last year, and propane and electricity are extremely high. Rep. French stated she did not agree with doing nothing, and believed the legislators owed the people of Montana a plan.

02:52:25 Ms. Conradi agreed legislators have a duty to examine the recommendations.

02:53:58 Mr. Pattison provided his perspective and depicted Montana as small when it comes to global climate change. Mr. Pattison was concerned about efficiency and believed there were efficiencies that could be imposed on state government and that common sense would need to rule. Mr. Pattison believed incentives are more effective than mandates. Mr. Pattison saw a need to encourage people to save energy.

02:58:33 Rep. Witte read an excerpt from a book entitled *Americans Speak Out About America's Top Ten Problems*. Rep. Witte believed scare tactics were being used.

03:00:02 Sen. Hawks suggested any motion should represent that the EQC is going to move ahead on some issues, but is not excluding the other issues that may surface at a later date.

03:00:53 Sen. McGee recalled that initially he had agreed to hear information regarding global warming, and that he had spent a substantial amount of time reading both the pros and cons. Sen. McGee disagreed with the recommendation to procure efficient fleet vehicles and noted several of the recommendations are particularly sinister. Sen. McGee stated he supports conservation but would not support mandates or the expansion of government programs. Sen. McGee complimented Chairman Wanzenried on facilitating the debate.

03:05:38 Sen. Shockley thought the debate would have to be limited.

03:06:06 Sen. Kaufmann suggested the EQC could address the top 11 recommendations and ask staff to determine whether there needs to be a legislative proposal and, if so, ask staff to provide the EQC with draft legislation. Sen. Kaufmann thought her suggestion would provide a starting place.

03:07:32 Mr. Cebull expressed concerns about who participated in the survey. Mr. Cebull commented the energy crisis is a separate issue and that very few, if any, of the recommendations, outside of efficiencies, would cause a cost decrease to consumers.

03:09:30 Rep. French asked whether more efficiency and less demand for products would result in a lower price. Mr. Cebull agreed.

03:10:38 Rep. French stated she supports incentives and has a responsibility to her constituents.

03:11:08 Sen. Story asked whether any of the proposals would come forth as administration initiatives. Mr. Volesky agreed and stated several proposals have already come to fruition.

03:15:19 Director Opper submitted "Executive Branch Work on Climate Change Recommendation" (EXHIBIT 29). Sen. Story suggested the EQC members could argue over the Governor's proposals in legislative committees.

03:16:18 Sen. Shockley moved the EQC consider the first 11 recommendations in numerical order beginning with AFW-12 through AFW-7. At the request of Sen. McGee to hear from Chairman Wanzenried, Sen. Shockley withdrew his motion.

03:17:21 Chairman Wanzenried wondered when enough science, is enough science. Chairman Wanzenried viewed the issue as extraordinarily complicated, and stated he would rather be safe and take steps now. Chairman Wanzenried believed even marginal savings could set the tone for other states. Chairman Wanzenried suggested some of the other ideas contained in the recommendations are good ideas. Chairman Wanzenried suggested raising the standard of the debate.

03:21:52 Sen. McGee cautioned against destroying the individual liberty of the people of Montana by implementing government mandates.

03:23:56 Sen. Shockley commented that the EQC members seemed to agree on conservation measures. Sen. Shockley moved the EQC discuss all of the suggestions that relate to the conservation of energy only and request staff to conduct research, determine if any of the suggestions need legislation on the state level, and provide the EQC with the information. Chairman Wanzenried restated the motion as directing staff to review, do the research necessary and prepare draft legislation or at least draft a recommendation the EQC could make for those things that do not require legislation, and have it prepared for the meeting in May.

03:25:47 Sen. Shockley agreed with the staff work and stated that his motion is to address the top 11 that relate directly to the conservation of energy.

03:27:01 At the request of Chairman Wanzenried, Mr. Everts explained staff could identify what recommendations have conservation elements to them and identify within those recommendation which ones would require legislation. Mr. Everts stated staff would need direction from EQC on the specifics the EQC would like to see in legislation. Mr. Everts explained staff could provide a range of options for legislation.

03:28:50 Ms. Nowakowski commented she was concerned and hesitant about how conservation would be defined.

03:29:56 Sen. Shockley agreed with Ms. Nowakowski and identified TLU-10. TLU-9, RCII-10, AFW-4, and RCII-11 as relating to conservation. Sen. Shockley then removed AFW-4 as being a conservation measure.

03:31:47 Sen. Story directed the EQC to the green sheet because there could be multiple ideas identified. Sen. Story thought it might be useful for the EQC to break into small groups.

03:33:44 Rep. Lambert agreed it would be useful to break into smaller groups to weed out the suggestions that center around conservation.

03:34:44 Mr. Volesky responded the list is an attempt to say what is currently happening.

03:35:29 Sen. McGee suggested the EQC could review each recommendation individually and decide whether to pursue each recommendation by a show of hands.

03:36:25 Ms. Conradi asked whether the Executive Branch Work on Climate Change Recommendations, Exhibit 29, indicated the items did not need any legislation.

03:37:07 Mr. Volesky disagreed and stated the list was an attempt to say what types of activities are occurring.

03:37:30 Ms. Conradi supported the idea of the EQC breaking into small subject area groups. Chairman Wanzenried cautioned against over-complicating the procedure.

03:39:06 Sen. Story agreed with Chairman Wanzenried. Sen. Story wondered whether the EQC was going to discuss the broad general topics or address specific legislative ideas.

03:39:26 Chairman Wanzenried asked how best to segregate what is on the sheet.

03:39:48 Ms. Nowakowski directed the EQC to the rankings provided by Sen. Hawks (EXHIBIT 30) and the synopsis of the rankings she provided, Exhibits 1 and 2. Ms. Nowakowski noted the top ten on each list was the same. In addition, Ms. Nowakowski stated she has a list of the Department of Environmental Quality's (DEQ) suggestions of recommendations. Sen. Shockley withdrew his motion.

03:41:49 Chairman Wanzenried stated the EQC could request staff to prepare draft legislation for the EQC's consideration at its May meeting. Once the legislation is approved by the EQC, it would be put out for public comment. In July, the EQC could decide whether to proceed. Alternatively, the EQC could ask staff to take guidance from the EQC and focus on conservation and bring back information to the EQC in May. The EQC could then make preliminary decisions and solicit public comment and make final decisions in October.

03:43:39 Mr. Everts commented on the EQC decision-making process and the EQC Work Plan and cautioned that staff would need specific directions.

03:44:43 Sen. Shockley suggested the EQC should review Exhibit 30 and ask staff to research and prepare information regarding the top ten.

03:45:38 Chairman Wanzenried suggested staff would need more specific directions.

03:45:48 Sen. Shockley suggested the top ten items could be discussed and staff directed to draft legislation if the EQC decided legislation was needed.

03:45:57 Sen. McGee stated he would prefer the EQC have time to be deliberative and the ability to provide specific instructions to staff. Sen. McGee reminded the EQC it could also do nothing or decide to continue the study. Sen. McGee was

concerned since many of the recommendations needed legislation even though there was no directive contained in the recommendation.

03:51:09 Sen. Kaufmann believed government would need to be part of the solution, and disagreed with the idea of throwing out anything that has to do with government. Sen. Kaufmann suggested taking the top ten and asking staff to determine what are conservation considerations, what is being done currently, and whether legislation is needed. If legislation is needed, staff could outline options for legislation.

03:53:18 Sen. Story recalled the EQC tried to sort down the 54 possibilities and that was the purpose of the survey. Sen. Story suggested the EQC should now narrow the field. Sen. Story stated legislators could always introduce other recommendations. Sen. Story moved the EQC address the first 15 recommendations contained on Exhibit 30, down through RCII-6, and have staff look at legislative actions.

03:55:48 Sen. Kaufmann supported Sen. Story's motion.

03:56:33 Ms. Nowakowski summarized the instructions to staff and stated she would take the first 15 items on Exhibit 30, AFW-12 through RCll-6, and determine what is already being done, what are the related conservation considerations, what legislation is needed, and provide a brief outline on what types of legislation could be proposed. Ms. Nowakowski would then prepare a report to be presented to the EQC at its next meeting. At that time, the EQC would decide what legislation staff would present at the July meeting of the EQC. The legislation would then go out for public comment, and the EQC could make any needed adjustments, based on public comment, at its September meeting.

03:58:00 Mr. Cebull emphasized the EQC would need to consider economic ramifications before legislation is proposed.

03:58:48 Chairman Wanzenried noted there will be time on the March 11, 2008, agenda to discuss the cost-benefit analysis. Chairman Wanzenried believed finding someone whose work is totally objective would be challenging.

03:59:27 Sen. Shockley pointed out that in September the EQC would have a full two days because there would not be an Agency Oversight Subcommittee meeting.

04:00:02 Sen. McGee commented he would not support the motion and believed the list did not capture his priorities.

04:00:35 Rep. French asked Sen. McGee if he would be presenting another option.

04:01:05 Sen. McGee stated he would not redo what has already been done. Sen. McGee believed other issues would come up in the future.

04:02:01 Mr. Cebull stated he thought it would be important to go back to the issues the EQC identified as important.

04:02:47 Mr. Pattison recalled the DEQ identified a number of things as being energy conserving.

04:03:39 Ms. Nowakowski stated she had not had an opportunity to compare DEQ's suggestions with Sen. Hawks' list.

04:04:00 Sen. Story closed on his motion and stated his motion in no way states that he supports all 15 items, and that the motion was made in an effort to move forward. Chairman Wanzenried emphasized by moving on the 15 items, there was no intent to dismiss the other recommendations. Sen. Story's motion carried 12-4 by roll call vote. Rep. Bixby voted by proxy.

04:06:52 Sen. Story stated his desire to see the staff's ideas and work in advance of the EQC meeting in an effort to keep the conversation moving.

04:07:25 Rep. French wondered how the EQC came up with the idea to have the survey and recalled the idea was to obtain public input.

04:07:45 Chairman Wanzenried explained there may have been a perception on the part of the public that the survey was scientific and stated that was not the intent of the survey. Chairman Wanzenried clarified the survey was only meant to be a tool to engage public opinion.

04:08:15 Sen. Story recalled the survey was an attempt to try to get input from affected industries.

04:08:50 Sen. McGee asked if roughly 50 percent of the surveys were not signed. Ms. Nowakowski agreed. Sen. McGee asked Ms. Nowakowski if she tried to compile a rating based on those surveys that were signed. Sen. McGee thought knowing the source of the ratings might help the EQC with its decision making. Chairman Wanzenried viewed the suggestion as problematic since the EQC would have to verify names.

04:10:57 Sen. Hawks noted the data indicated the agreement between the public's and the EQC's responses was quite tight. Sen. Hawks thought there was probably not a lot of new information to be learned from segregating the data. Sen. McGee agreed the study provided input rather than scientific data.

04:12:12 Mr. Pattison stated there were 11 individuals who testified, and 2 of those individuals were in favor of the recommendations in their entirety, and the rest either opposed all the recommendations or favored only portions.

04:12:56 The March 10, 2008, meeting of the EQC recessed.

Additional Exhibits:

Letter dated March 3, 2008, addressed to Sen. Wanzenried and Rep. Lambert, from Chuck Kerr, Great Northern Properties, L.P. (EXHIBIT 31).

Economic Impacts of Potential Montana Climate Change Initiatives: Evidence from MIT and Penn State Analyses, December 2007 (EXHIBIT 32).

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