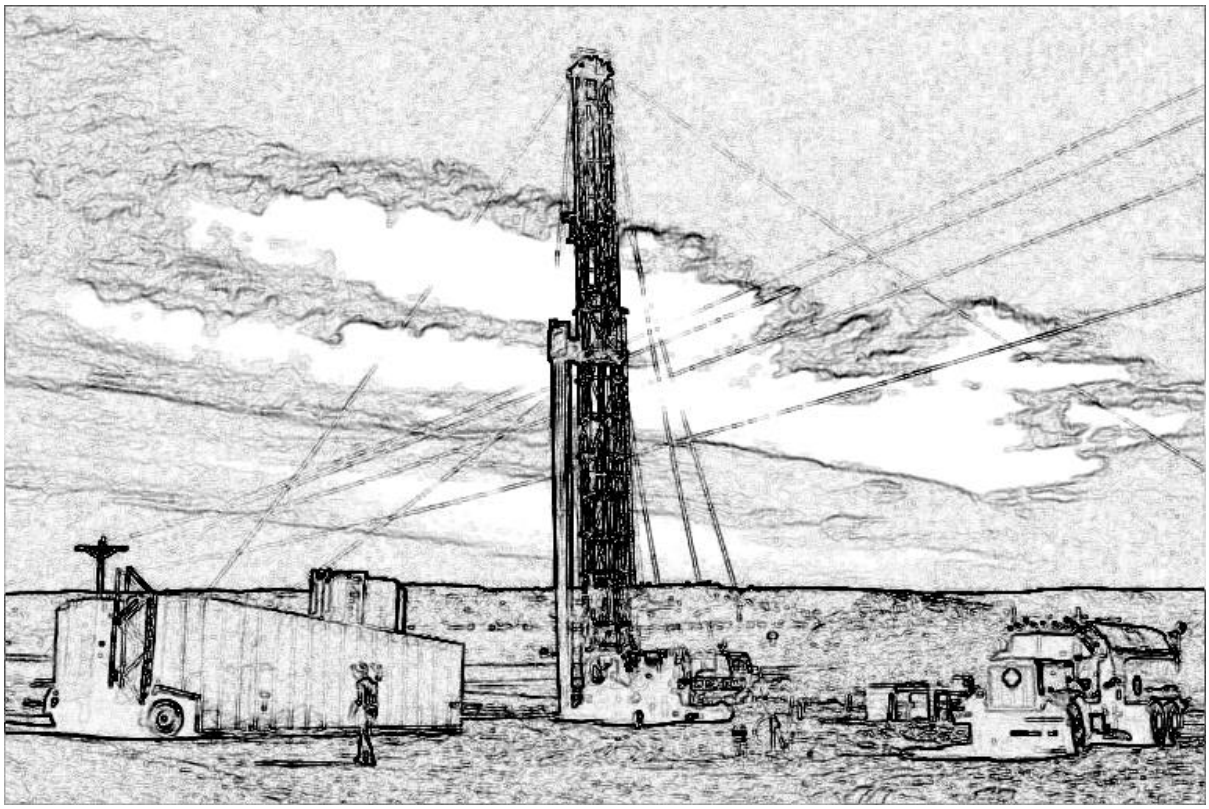
UNDERSTANDING ELECTRICITY IN MONTANA



A Guide to Electricity,
Natural Gas and Coal
Produced and Consumed in Montana

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Introduction

Over the last five years, to talk about energy in Montana has been to talk about electricity. The restructuring and sale of Montana Power Company, the California energy crisis, the potential for new markets for Montana coal, all are facets of the electricity industry. Continued public and private actions will be necessary to facilitate and to cope with the industry's on-going transition nationwide. The Environmental Quality Council (EQC) has prepared this guide to provide the background information policy makers and citizens alike will need to make the best decisions they can.

The guide focuses on historical and current patterns of supply and demand, but also gives some consideration to future trends. It lays out the background facts needed to interpret past and future policies. The guide is divided into four sections. First is an overview of electricity supply and demand in Montana. The second section covers the electricity transmission system, especially how it works in Montana and the Pacific Northwest. This is the critical issue affecting access to existing markets and the potential for new generation in Montana. A third section addresses natural gas supply and demand, important in its own right and now much more intertwined with the electricity industry. The final section covers the Montana coal industry, which exists to fuel the generation of electricity and whose future will depend on what happens in that industry.

The guide, with its focus on historical and current patterns, deals primarily with conventional resources, which are most of what exists now. Nonetheless, Montana can expect to see renewables take a larger role in electricity supply in the future. Energy efficiency (sometimes referred to as energy conservation) also is only given brief treatment, simply because so few data are available. Still, improving energy efficiency remains the cheapest way to meet energy demand. Finally, this guide does not address petroleum and transportation issues, even though that sector holds the potential for problems far larger than Montana has seen with electricity. Public agencies, private business and individual citizens need to keep this possibility in the back of their minds, even while they focus on the immediate need of dealing with electricity.