

USB Hearing Testimony
Dave Ryan, MREA President
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Energy prices are up, and it looks like no end in sight. World wide, use of non renewable petroleum is rising, and world oil production is at or near its peak or is in decline; the end of cheap oil is here. Continued and rising concern about the effects of global warming is causing increasing pressure in favor of carbon regulation, and therefore the use of coal and other non renewable fossil fuels has fallen even more out of favor.

The available menu of renewable energy is a big part of the solution. No one renewable energy source can replace fossil fuels; we need to develop all of our renewable energy options. Montana has a lot of potential for renewable energy – solar, wind, biomass, small scale hydroelectric; small generators used to supply homes and businesses, as well as large generators to generate power for export, We are fortunate in that we have access to a number of different renewable energy sources.

The Universal System Benefits Funds used to promote renewable energy as a public benefit has been a great help in advancing the use of renewable energy in Montana – we need to keep it up. There have been over 380 net metered generators interconnected to NorthWestern Energy's distribution system since the first one installed on Ed Roe's house in December 1999. Without USB funding to help educate people about the benefits of renewable energy and to demonstrate this technology, without question, the bulk of these systems would not have been installed. USB has funded education and demonstration about renewable energy systems, many more people nowadays know that using renewable energy is possible, and that renewable energy is a technically viable alternative to the use of fossil fuel for electric generation, and for the provision of useful space and water heat.

Renewable energy offers price certainty. Almost all of the cost is up-front capital cost. The RE systems have a long life, and because fuel cost is a small part of the cost of energy from these systems, the cost of energy is fixed at the time the system is purchased. There are no price increases for the energy after the system is installed. Once a system is installed, the fuel is delivered for free on site. The system owner is not prey to rising fossil fuel costs, and our precious fossil fuel resources can be conserved. USB funded systems installed on fire stations, senior centers, low income housing, and public buildings has been providing clean electric energy for years now, and will continue to do so for years to come. We need to continue to fund these installations that benefit everyone by decreasing the use of fossil fuels, and by decreasing the social costs of operating public facilities and subsidized housing. There is no hidden cost for renewable energy the way there is hidden cost for fossil fuels – No one will say that a solar electric system causes autism from mercury exposure, cancer from radioactive emissions, or global warming. The hidden environmental costs of fossil fuel use are largely absent from renewable energy sources.

USB facilitates the RE industry in Montana through education, and to a lesser degree direct subsidies for systems. USB has funded solar electric systems for emergency responders, public buildings, senior centers, low income housing, and has co-funded systems for private homes and businesses. All these activities have the purpose of making these technologies more available to Montanans. There are lots of people interested in installing renewable energy systems, and as the price of electric energy rises, the necessary incentives become smaller over time. The incentives have in fact fallen from \$4.00 per watt installed to \$3.00 per watt installed for solar electric systems, more cost effectively providing needed incentives to grow the renewable energy industry in Montana. Because the first cost of the renewable energy system is still by far the greatest barrier to installation, we feel that up-front incentive is still the best way to get people to act. The more systems there are, the more normal they appear, making them more available and acceptable to everyone. Also, hundreds of people have attended USB funded

seminars and workshops, and the general level of knowledge about renewable energy is much higher than it was in 1997.

The Montana Renewable Energy Association is a not for profit corporation with the mission to help develop renewable energy in Montana. We are a diverse group of businesses; solar and wind system installers, electricians, environmental advocates, investor owned and cooperative utilities, and concerned individuals. The diversity of our membership leads to some pretty interesting conversations before and after our meetings. While our main focus is to educate and inform Montanans about the benefits of renewable energy, we have been working hard on developing the professional expertise of our membership. One activity we have been involved with has been a partnership with the US Occupational Safety and Health Administration to provide safety training for dealers and installers of renewable energy systems. Facilitating this partnership was funded partly by the Universal System Benefits Fund. Properly installed systems work better, are safer for the system owner, and safer for the installer, decreasing the potential for on the job injuries - and thanks due to in part the USBF. The renewable energy industry is very proud of its safety record, and being proactive in developing safety programs for our members is fast becoming one of our hallmarks, and in my opinion, is probably the most important thing we do. We want the industry to grow, to continue to provide more high paying jobs in Montana, to help Montana's economy.

Renewable energy systems installed on homes and businesses decreases pressure on utility distribution and transmission systems by lowering facility peaks on hot days – times when utility systems are least efficient. Like electric energy conservation, as more distributed generation is installed, system peak loads will decrease, potentially deferring or even avoiding utility upgrades.

We feel strongly that the Universal System Benefits renewable energy program operated by NorthWestern Energy has yielded excellent results – more long lasting benefits than any other utility renewable energy program in the state certainly, and more than many utility renewable energy program nationwide. We urge you to continue and to expand this useful and necessary program for the benefit of all Montanans.