

Meeting called to order at 1 p.m. in Room 111 at the Department of Environmental Quality (Metcalf Building Office) in Helena.

Present: Marla McCombie (in the chair), Roy Nollkamper, Georgia Brensdal, Bob Anderson, Patrick Judge, Marga Lincoln, LuMarie Strickland, Mikey Strickland, Van Jamison, Starla Gade, Wendy Kleinsasser, Chris Daum, Kathi Montgomery, Dave Ryan, Christopher Borton, Logan Bryce, Tony Boniface, Lee Tavenner, Jim Tracy.

Apologies: Jerry Spencer

Minutes: Minutes of the June 2002, meeting were read and approved.

Treasurer's Report: Chris Daum reported that the MREA had \$3,354.39 in its account and that 16 individuals and organizations had paid dues, all as voting members. Chris also reported that MREA had spent \$1,000 to co-sponsor the Sustainability Fair 2002 in Livingston in July.

Old Business:

- A. Public Service Commissioner Bob Anderson reported on the possibility of a renewable portfolio standard being included in the nation's comprehensive energy bill. He also noted the difficulty of predicting the outcome of congressional action. "Don't take any bets on what is going to come out of Congress," Anderson said. He said the state Legislature might see a bill from Sen. Emily Stonington (D-Bozeman) seeking to create a 7 percent renewable portfolio standard for Montana utilities. Such a policy would require utilities to provide wind, solar, hydro, biomass and geothermal options to consumers.

Anderson also discussed the uncertainty surrounding a proposed 50MW wind project near Whitehall. The developers, including Navitas Energy of Minnesota, want the project to be designated a qualifying facility, requiring NorthWestern Energy to buy the power it generates. (The Public Service Commission was expected to decide the matter in December 2002.)

Anderson reported that the PSC had raised the issue of changing the distribution of funds under Montana's Universal System Benefits charge paid by customers of NorthWestern Energy. USB was created as part of 1997 restructuring legislation. Beginning January 1, 1999, all electricity suppliers began annually contributing 2.4% of their 1995 revenues to the USBP – the equivalent to \$14.9 million annually, collected at a rate of 1.1 mills/kWh. The funds support energy efficiency, renewable energy resources, low-income energy assistance, and renewable energy R&D. Distribution of the funds among these programs for NorthWestern Energy, formerly Montana Power Company, the first utility to submit a

plan for implementation, was established through an order issued by the Montana Public Service Commission (PSC) on February 2, 1999: Large Customer Rebate (\$2.5 million or 29%); Market Transformation (\$1.132 million or 13%); Local Conservation (\$1.804 million or 21%); Low Income (\$1.786 million or 21%); Renewable Resources (\$1.113 million or 13%); and Research and Development (\$0.225 million or 3%).

Montana's USBP is effective until July 31, 2003. Anderson said some PSC members and some legislators are considering raising the percentage of USB distribution for Low Income purposes, mainly through Energy Share, a private, nonprofit organization established in 1982 to help Montanans who are facing energy emergencies.

"If we're interested in keeping the allocation the way it is, we need to let the Legislature know," said Dave Ryan.

- B. Tony Boniface and Dave Ryan reported on Farm Bill renewable energy subsidies that are being administered by the Natural Resource Conservation Service through the Environmental Quality Incentives Program (EQIP) that was reauthorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill). EQIP, a voluntary conservation program for farmers and ranchers, promotes agricultural production and environmental quality as compatible national goals. EQIP offers financial and technical help to assist eligible participants install or implement structural and management practices on eligible agricultural land. EQIP contracts provide incentive payments and cost-shares to implement conservation practices in livestock or agricultural production. EQIP may cost-share up to 75 percent of the costs of certain conservation practices. Incentive payments may be provided for up to three years to encourage producers to carry out management practices they may not otherwise use without the incentive.
- C. Georgia Brensda reported on the Montana wind power map posted on the Department of Environmental Quality Energize Montana website. The map shows areas that are predicted to have high wind speeds and therefore high amounts of wind power. Brensda said the map also identifies state lands that show a high potential. The data set on wind power was provided by the National Renewable Energy Laboratory (NREL) and the map was prepared by Montana's Natural Resources Information System (NRIS).
- D. Kathi Montgomery of DEQ reported on the Alternative Energy Loan Program established by the 57th Montana Legislature in Senate Bill 506. The loan program aims to provide a financing option to Montana homeowners and small businesses to install alternative energy systems that generate energy for their own use. Montgomery said the loan rules were still being reviewed and that DEQ had contracted with Gateway Economic Development Corporation to administer the loans. Montgomery noted that information on the loan program is available on the DEQ's Energize Montana website: www.energizemontana.com. Montanans can add their names to the loan availability notification list by

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calling Montgomery at 444-6778 or by e-mail:
kmontgomery@state.mt.us.

Loans can be made up to a maximum of \$10,000 (subject to available funds), and must be repaid within five years. It is anticipated the interest rate will be 4 percent to 5 percent, Montgomery said. She said DEQ was still working out terms with a financing company to administer the loans. The program is funded by air quality penalties collected by the Department of Environmental Quality. The fund has grown to about \$350,000, Montgomery said. She said she had dozens of inquiries for potential borrowers and two applicants who had also sought funding under the Universal System Benefits program.

- E. Chris Borton of Sage Mountain Center suggested that MREA distribute bumper stickers with a catchy renewable energy slogan. He agreed to further develop the idea and report again at the next meeting.
- F. Pat Judge of the Montana Environmental Information Center reported on Initiative 145. This initiative would have created a five-member elected Public Power Commission to determine whether purchasing hydroelectric dams is in the public interest. The initiative would have given Montanans the chance to buy back the dams that PPL Montana bought from Montana Power, as well as the Noxon dam from Avista. The Public Power Commission would be to conduct an analysis to determine which dams should be bought, and a separate Public Power Agency would sell power to Montanans at the price of production. Judge noted a provision in the initiative that would allow the commission to devote some proceeds from the sale of power to development of renewable energy in the state.

Anderson said he supported the Initiative with some reservations, but emphasized that “it’s not a panacea to deregulation.” Anderson said he also doubted proponents claims that a state Public Power Agency could sell electric power at rates cheaper than NorthWestern energy customers are paying now. A vote for I-145 would be viewed by some, he said, as “a poke in the eye with a sharp stick to the people who brought us deregulation.” Anderson noted that opponents of the measure were outspending proponents 80 to 1.

- G. Pat Judge reported on two successful Solar Home tours sponsored by MEIC. The first took place Sept. 7 in Bozeman. A second tour Oct. 5 in Helena was again affiliated with the American Solar Energy Society’s “National Tour of Solar Homes and Buildings.” Judge reported that a record 75 participants showed up for this year’s tour, the fifth organized by MEIC in Helena in recent years. Among the stops on the tour was the State Capitol boiler plant, where a 2.4kW net-metered solar electric system has been installed.
- H. Roy Nollkamper, member services manager for Glacier Electric Cooperative in Cut Bank, and Logan Bryce, owner of Pine Ridge Products in Great Falls, reported on MREA’s participation in Co-op Day

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at the State Fair in Great Falls on Aug. 6. They agreed it was a good venue for promoting renewable energy.

- I. Tim Ranf of Pioneer Technical Services reported that about 24 kids attended Community Works first annual Renewable Energy Camp, July 15-19, in Helena.
- J. Marga Lincoln of AERO (Alternative Energy Resource Organization) asked MREA to participate in a renewable energy event sponsored by in December 2002 in conjunction with Mission Valley Power's annual meeting. (AERO later decided to work on a larger renewable energy event in the spring of 2003.)
- K. Jim Evanoff of Yellowstone National Park asked MREA to participate in a "greening conference" June 11-13, 2003, at Big Sky.

The meeting adjourned at 4 p.m.

NEXT MREA MEETING: Wednesday, January 8, 2003, 1 to 4 p.m. at the Metcalf Building in Helena.

— END —
