

MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

- DATE:** Monday, January 26, 2015
- TIME:** 1:30 P.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Thompson, Vice Chairman Anderst, Representatives Raybould, Hartgen, Vander Woude, Nielsen, Anderson, Mendive, Trujillo, Beyeler, Chaney, Nate, Scott, Smith, Rusche, Jordan, Rubel
- ABSENT/
EXCUSED:** Representative Vander Woude and Nielsen
- GUESTS:** Brent Olmstead, Milk Producers; Gordon Hamilton, Williams NWP; Matt Wiggs, Office of Energy Resources; John Chatburn, Office of Energy Resources; Kari Kostka, Tiffany Floyd, Jess Byrne, Department of Environmental Quality; Scott Pugrud, Office of Energy Resources; John J. Williams, BPA; Roger Batt, Idaho Heartland Coalition; Mike Tatko, Paul Kimmell, Neil Colwell, Avista Utilities; Will Hart, Idaho Consumer Owned Utilities; Elizabeth Crimer, NWFPA/FWAA; Ken Miller, Sanke River Alliance; Sean Ellis, Capital Press; Jason Shaw, Administrative Rules
- Chairman Thompson** called the meeting to order at 1:30 p.m.
- DOCKET NO. 58-0101-1401:** **Tiffany Floyd**, Air Quality Division Administrator with the Idaho Department of Environment Quality (IDEQ) presented **Docket No. 58-0101-1401** to the committee. The docket was initiated by the agricultural community to define agricultural activities and generally recognized agricultural practices. The purpose is to ensure operating in conformance and reasonable control of fugitive dust.
- In response to comments, **Ms. Floyd** explained that it is unusual for the community to come to the committee and they wanted clarification.
- Rodger Batt**, representing Idaho Heartland Coalition, gave a presentation in full support of the rules. The situation began when a complaint was filed with DEQ about a feedlot that was grinding hay to feed their animals. DEQ investigated and fined the feedlot owner for violating Idaho's Fugitive Dust rules. It was discovered that Idaho's current Fugitive Dust rules left farming and ranching operations vulnerable to violations and fines for common farming and ranch practices. As a result of these findings a Core Group was established and began working together on a solution to protect these operations. The Agricultural Industry and the DEQ formulated a reasonable solution, that is the solution proposed amendments.
- MOTION:** **Rep. Trujillo** made a motion to approve **Docket No. 58-0101-1401**. **Motion carried by voice vote.**
- John Chatburn**, Office of Energy Resources (OER), gave a presentation providing an overview of Idaho's electricity and natural gas systems. Approximately 85% of Idaho's electricity consumers are serviced by three investor owned electric utilities. Approximately 15% of our consumers are serviced by 11 municipal utilities and 17 rural electric cooperatives/mutuals. Idaho's natural gas consumers are serviced by three investor owned utilities. While prices can vary, Idaho has some of the lowest average electricity rates in the United States and natural gas rates are comparable to those in our neighboring states. Of our largest sources of electricity, many of them are located outside the state of Idaho or on the border with Oregon. In 2013 78% of Idaho's net in-state electricity generation came from renewable energy sources including hydro, wind, geothermal, bioenergy, and solar. Idaho imports approximately 35% of its electricity, mostly from coal plants in neighboring states

that are partially owned by Idaho utilities. Idaho's actual electricity generation mix changes on a daily basis and will continue to move toward more renewables as evidenced by the recent approval of 401 MW of utility scale solar.

In response to comments, **Mr. Chatburn** explained in Idaho hydro is considered a renewable energy while EPA may not consider it as renewable. While coal plants are closing all over the country the office of energy resources and PUC is actively looking into the effects of utility rates in Idaho. Only one coal fire power plant is scheduled for closure in 2020 and Idaho does not receive much coal energy from the plant.

Mitch Colburn and **Jared Ellsworth** provided a presentation on the electric transmission system. Federal Energy Regulatory Commission (FERC) is designated as the Electric Reliability Organization (ERO) for the United States. They regulate the interstate transmission of electricity and oversees North American Electric Reliability (NERC) in the US. The NERC develops and enforces mandatory reliability standards for North America. They also coordinate reliability through eight Regional Reliability Organizations (RRO's) like Western Electricity Coordination Council (WECC). The WECC is the RRO for the Western US and develops regional criteria and standards. They can be more restrictive than NERC.

Distribution voltage is 12,500 volts that runs through lines up and down our streets. These service approximately 2,000 customers. Sub-transmission voltage runs at 138,000 volts transmitting energy between substations on boulevards or state highways. This power is equivalent to 80,000 residential customers. Transmission voltage runs at 345,000 volts transmitting voltage for long distance, bulk energy near interstate highways. Power is equivalent to 150,000 residential customers. Larger transmission voltage of 500,000 volts are used for efficient long distance, bulk energy transmission along freeway through Los Angeles. This power is equivalent to 300,000 residential customers. There are some development challenges, large projects can take up to 10 years to obtain a permit. There are limited corridors and the risk of cost, cost recovery, and time.

In response to comments, **Mr. Colburn** explained that only fractions of energy is lost in transmission. Depending on the distance, it can be up to 5%. Idaho does export at times. During the winter months the Northwest peaks in use and in the summer the south peaks so Idaho transfers both ways. The preferred system is to provide the lowest cost power to consumers whether in state or out.

Gordon Hamilton provided an overview of Idaho's Interstate Natural Gas Pipeline system operated by Williams Northwest Pipeline. Williams operates three major natural gas pipeline systems which are Transco, Northwest Pipeline, and Gulfstream which delivers approximately 12% of natural gas consumed in US. There are 15,000 miles of interstate natural gas pipelines.

The Northwest Pipeline is a 3,900 mile pipeline system that crosses the states of Washington, Oregon, Idaho, Wyoming, Utah and Colorado creating the ability to deliver 3.9 million dekatherm cubic feet of natural gas each day. Transmission Pipelines are high-strength steel pipe ranging in diameter from 6 to 48 inches moving trillions of cubic feet of natural gas thousands of miles from producing regions to market.

According to the U.S. Department of Transportation, pipelines are the safest way to transport energy. Seventy percent of fatalities involving pipelines are due to damage from outside forces. Pipeline markers alert excavators of the presence of pipelines with an easement containing the name of the operator and emergency contact information. Williams' Pipeline Integrity Management Program is designed to protect public safety. Elements include prevention maintenance, detection, assessment, mitigation and monitoring exceeding federal requirements for inline inspections, investigation and repair. Inspections are completed by sophisticated tools known as "smart pigs" that allow inspection of both the inside and outside of the steel pipe.

Federal law requires highly populated areas be evaluated at least every seven years. Gas control center is the heart of pipeline operations operating 24 hours a day 365 days a year. In the event of an emergency the control center can immediately shut down the pipeline and isolate the source of the leak. Annual meetings are held with emergency officials to coordinate emergency response efforts through training, mock drills, and table top training exercises. One-call centers assist in locating underground pipelines by dialing 811.

In response to comments, **Mr. Hamilton** explained that locations and proposals for new locations go through environment assessment and extensive research done on the environmental impact statement before construction can proceed. This can take up to 10 years to start building.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 2:42 p.m.

Representative Thompson
Chair

Heidi McKay
Secretary