Chairman Raybould called the meeting to order and requested the secretary to take a silent roll call.

Chairman Raybould asked Representative Eskridge to introduce **Matt Morrison**, Executive Director of PNWER for the Pacific NorthWest Economic Region. Mr. Morrison explained what PNWER is doing, where it started, what they have accomplished and where they want to go, by presenting a power point program and printed material to the committee. See attachments 1, 2, 3 & 4.

PNWER continues to staff the Energy Chairs Task Force, hosts quarterly conference calls and bi-annually holds face-to-face meetings, providing regular updates on regional energy policy issues. It also serves as a resource for state legislative committees and provincial energy ministries.

PNWER works with stakeholders to prepare a series of primers on a range of energy-related issues that can be presented at the beginning of the 2007 legislative sessions and be used as background material for briefings organized by provincial energy ministries. The organization has worked closely with the U.S. Department of Energy to disseminate information about the provisions of the Energy Policy Act (Section 368 and 1221) which relate to identifying energy corridors on Federal Lands and the potential designation of National Interest Electric Transmission Corridors. PNWER also facilitates the participation of Canadian stakeholders in this process.

The Energy Chairs Task Force, in order to retain decision-making authority at the regional level, requested that PNWER initiate a regional discussion on the potential for establishing a multi-state transmission siting compact. The Energy Policy Act, under certain circumstances, gives the Federal Energy Regulatory Commission backstop siting authority over transmission projects in corridors designated as “National Interest Electric Transmission Corridors”. A study regarding energy corridors was mandated by Congress in 2005 to be implemented by
August 2007. Various agencies indicated that the deadline for completion of the Programmatic Environmental Impact Statement could not be met by the August date and probably would be ready for public perusal by April or May. It was suggested that the Environment, Energy & Technology committee consider sending a letter to the Secretary of the Interior inquiring as to the current status of this congressional mandate encouraging the completion of this report. Chairman Raybould asked Mr. Morrison for some direction in the composition of this letter.

Questions from the Environment, Energy and Technology committee members were addressed by Mr. Morrison. He displayed a map of the current and proposed energy infrastructure in the Pacific Northwest. PNWER has designed the map of these infrastructures to facilitate planning and discussion among policymakers and stakeholders.

More than 50 representatives from the PNWER and the Northwest Energy Technology Collaborative toured the INL facilities for a series of regional energy discussions, hands-on INL tours, information exchanges, and one-on-one roundtable talks. A summary of biofuel legislation proposed in the Pacific Northwest and at the U.S. and Canadian Federal level, can be found on the PNWER website.

The Chinese government has established ambitious renewable energy goals and is a natural market for technical expertise that exists in the Pacific Northwest. PNWER is working with state and provincial trade/economic development offices to establish a China/Pacific Northwest Technology Exchange Center in Beijing to facilitate entry into that market by emerging cutting edge energy technology firms.

Policymakers are asking for a more comprehensive analysis of resource planning in the bi-national region. PNWER is continuing to work with resource and transmission planners, regulators and stakeholders throughout the region to address questions regarding what public-owned and investor-owned utilities are planning for future acquisitions. Other questions regarding synchronizing planning processes, using common definitions and sharing time horizons to facilitate the comparison of IRPS within and across different jurisdictions are being addressed.

Several states are reviewing their energy plans, and have asked PNWER to help facilitate a comparison of plans and policies throughout the region by including such information on the PNWER energy website - www.info@pnwer.org Or www.pnwer.org. Mr. Morrison concluded his report with a question and answer period. Chairman Raybould thanked Mr. Morrison for his informative presentation.

Chairman Raybould asked the committee members to introduce themselves and give a brief biography of their achievements.
The next meeting for the committee will be on January 16, 2007 with a presentation from the Idaho Council on Industry and the Environment Committee on Environmental and Regulatory Affairs.

Chairman Raybould announced the target date for completion of rules to be January 29.

Meeting adjourned at 3:40 p.m.

Representative Dell Raybould  
Chairman

Peggy Heady  
Secretary
MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE: January 16, 2007
TIME: 1:30 p.m.
PLACE: Room 406

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representatives Edmunson, Snodgrass, Eskridge, Anderson, Mathews, Crane, Labrador, Vander Woude, Smith(30), LeFavour, Jaquet, Shively

ABSENT/EXCUSED: None

GUESTS: Toni Hardesty, DEQ. Director, Dr. Joan Cloonon, IDEQ Board chairman; Jack Lyman, Exec. Dir., ID Mining Assoc., Norm Semanko, Exec. Dir. ID Water Users Assoc., Roy Eiguren, Attorney-Lobbyist, Pat Barclay ICIE Executive Director, John Barclay, ICIE Consultant and Scott Nichols, Regulatory Consultant.

Chairman Raybould called the meeting to order at 1:35 p.m and requested the secretary take a silent roll. Representative Harwood moved the minutes of January 10 be approved. Motion carried by voice vote. Chairman Raybould introduced a new member of the committee, Representative Steve Kren.

Chairman Raybould introduced the speakers on the agenda. Norm Semenko, Idaho Water Users rose to address the committee. Mr. Semenko introduced the ICIE staff Pat Barclay, Executive Director, John Barclay, ICIE Consultant and Scott Nichols, Regulatory Consultant. He explained the ICIE is a nonprofit, non-partisan group established in 1989. The mission of ICIE is to facilitate the use of science and facts in shaping public policy on environmental issues. The membership includes individuals, associations, business and industry.

Mr. Roy Eiguren spoke in reference to the APA (Administrative Procedures Act) and explained the definition of a rule as interpreted by the Idaho Supreme Court. Within the definition and treatment of guidance documents in the APA, there appears to be several similarities between rules and guidance documents. The definition of a rule and the factors the Idaho Supreme Court has determined should be considered when determining whether an agency action meets this definition and therefore requires rulemaking; also the definition of agency guidance documents set forth in the APA and the APA provisions which allow agencies to use guidance documents. Mr. Eiguren explained the promulgation of rules that have the force and effect within the law. He gave an example of the TMDL rule in the ASARCO INC v. STATE court case and MEAD v. ARNELL decision. (See attachments # 1)

Mr. Jack Lyman stood before the committee and welcomed Representative Kren. He pointed out the photo hanging on the wall and explained he gave it as a gift to the committee. This photo represents the
Mr. Lyman explained Idaho environmental law has contained provisions that prevent the state's environmental regulators from adopting rules that impose requirements that are more severe than those imposed by the federal government. These provisions assure that Idaho will comply with all requirements imposed by the federal government but will not exceed those requirements without direct involvement of the legislature. This prevents an unelected bureaucracy from usurping the authority of the legislature to set state environmental policy. He discussed the hazardous waste management act, toxic substance control act, the clean air act, the clean water act and land remediation act.

Joan Cloonon, spoke concerning the prospective of DEQ bringing rules to the Board. Some in the regulated community become concerned that the DEQ was moving without legislative direction to regulate several activities that were not regulated by the federal government. She explained how the Board facilitates the promulgating of rules and stringency.

Questions from the committee members were addressed by Toni Hardesty. She indicated an overview of formalized guidance is included in attachment #1. She explained the definition of stringency and how it applies over all rule making. Any agency can petition the DEQ board however the rules have to be made to fit the law. An agency cannot promulgate a rule; it can only recommend.

Mr. Semanko wrapped up the meeting by inviting the committee to a bio tech workshop to be held in future in the Gold Room. Chairman Raybould thanked the presenters for their information.

Tana Corey, Bureau of Occupation Licenses appeared before the committee explaining the change in Docket No. 24-0501-0601, Rules of the Board of Drinking Water and Wastewater Professionals.

**MOTION:** Representative Jaquet moved to accept the rule change as submitted. The motion passed by voice vote.

Chairman Raybould announced the next meeting of the committee will be January 18, 2007

**ADJOURN:** Meeting adjourned at 2:25 p.m
The meeting was called to order by Chairman Anderson at 2:40 p.m. Mr. Barry Burnell rose before the committee to present the following DEQ Rules.

DOCKET NO. 58-0112-0501 - State revolving fund program loan fee, Pending Fee Rule. Representative Eskridge moved to approve the rule. Motion passed by a voice vote.

DOCKET NO. 58-0111-0601 - Add a standard for fecal coliform and E. Coli bacteria. Pending Rule. Representative Vander Woude moved to approve the rule. Motion passed by a voice vote.

DOCKET NO. 58-0102-0505 - Codify existing policy on use of frequency of exceedance of numeric criteria in evaluating certain water quality parameters. Pending Rule. Representative Eskridge moved to approve the rule. Motion passed by a voice vote.

DOCKET NO. 58-0108-0601 - Point of use treatment devices. Pending Rule. Representative Eskridge moved to approve the rule. Motion passed by a voice vote.

DOCKET NO. 58-0108-0602 - Phase 2 development of facility and design standards for wastewater systems. Pending Rule. Representative Vander Woude moved to approved the rule. Motion passed by a voice vote.

Following the testimony of each Docket Number, questions from the committee members were answered by Mr. Burnell.
MOTION: Representative Eskridge moved Subcommittee #3 report back to the full committee recommending approval of the rules listed above. Motion passed by voice vote.

ADJOURN: Chairman Anderson adjourned the meeting at 3:35 p.m.

__________________________________________________________
Representative Eric Anderson                           Peggy Heady
Chairman, Sub Committee # 3                             Secretary
Chairman Raybould called the meeting to order at 1:30 p.m. and requested the secretary take a silent roll.

RS # 16563 Chairman Raybould announced the first item on the agenda was RS16563 and recognized Mr. Rob Hanson, IDEQ, to present the proposed legislation. Mr. Hanson addressed the committee explaining the IDEQ worked with the Division of Purchasing and learned of the need to clarify the nature of removal and remediation contracts at the Bunker Hill Superfund site and to designate the IDEQ as the authority for letting and overseeing these contracts. Bill Little, Division of Purchasing rose to indicate the support of RS 16563. Questions from the committee members regarding the Kellogg area and impact on other contracts were discussed.

MOTION: Representative Eskridge moved to introduce RS 16563. Motion passed unanimously on a voice vote.

RS # 16574 Chairman Raybould announced the next item on the agenda was RS16574 and introduced Mr. Joe Nagel, IDEQ, to present the proposed legislation. Mr. Nagel introduced himself and described the responsibilities of his position. He presented some background on the reason for this legislation. In August 2005 the U.S. Congress amended the federal laws which governed the installation and operation of
underground storage tanks. The new federal law seeks to prevent leaks from underground tanks as opposed to cleaning up leaks after the fact. Meetings held across the state, from Sandpoint to Challis resulted in the fact that most of the people who attended the meetings indicated they prefer the State of Idaho implement the new law rather than EPA. This legislation, if approved, would direct the IDEQ to establish an underground storage tank program to implement the new federal law. It directs the department to develop regulations. It requires the Petroleum Storage Tank Fund Board to participate in rule-making. It prohibits fuel delivery to underground storage tanks after August of this year, if ineligible to receive fuel. Finally, it requires secondary containment for tanks installed within 1,000 feet of a drinking water well after this law goes into effect. It also contains an emergency clause because of the federal law requirements. Questions from the committee followed.

MOTION:
Representative Smith (30) moved to introduce RS 16574. Motion passed unanimously on a voice vote.

RS # 16670
Chairman Raybould called upon Representative George Eskridge to present RS16670. Representative Eskridge stated this RS authorizes cities to participate as owners in joint electric generation and transmission projects. Current Idaho law is unclear whether municipalities have authority to purchase an interest in a jointly owned project or whether their authority is merely limited to ownership of wholly owned facilities. This bill eliminates that statutory ambiguity and provides municipal governments with an alternative to volatile market-based power supply contracts. Mr. Ron Williams, Attorney, rose to assist Representative Eskridge in answering questions from the committee.

MOTION:
Representative Harwood moved to introduce RS 16770. Motion passed unanimously on a voice vote.

RS # 16671
Chairman Raybould announced Representative Eric Anderson would present RS 16671. Representative Anderson explained that the legislation was for the purpose of amending the Idaho Energy Resources Authority Act. The legislation provides three technical changes to the IERA Act. The first change adds the word “distribution” so the IERA can also finance electric distribution facilities for utilities. The second amendment would allow the IERA to “operate or manage” the electric facilities it finances or owns. The last change simply authorizes the state treasurer to purchase either fixed or variable rate bonds of the IERA, at his discretion, provided such bonds are investment grade.

MOTION:
Representative Eskridge moved to introduce RS 16771. Motion passed unanimously on a voice vote.

SUB COMMITTEE MINUTES:
Representative Eskridge moved to accept the minutes of Sub Committee # 3 meeting held on January 16, 2007 as written. Motion passed unanimously on a voice vote.

MOTION:
Representative Smith (30) moved to accept the minutes of the meeting held on January 16, 2007 as written. Motion passed unanimously on a voice vote.
ADJOURN: There being no further business to come before the committee, Chairman Raybould adjourned the meeting at 2:25 p.m.

Representative Dell Raybould
Chairman

Peggy Heady
Secretary
Chairman Snodgrass called the meeting to order at 2:35 p.m. And recognized Mr. Orville Green, IDEQ to present the following rule change:

**Docket No. 58-0105-0602** - Update of federal regulations. Mr. Green presented the rule changes. Discussion within the committee followed. Representative LeFavour moved to accept the rule as presented. Motion passed by voice vote.

**Docket No. 58-0116-0502** - Phase 2 development of facility and design standards for public drinking water systems. Chairman Snodgrass introduced Mr. Barry Burnell who presented the rule changes. Mr. Ken McClure rose to present support of the rule change. Discussion within the committee followed. Representative LeFavour moved to accept the rule as presented. Motion passed by voice vote.

**Docket No. 58-0117-0601** - Permit issuance flexibility; disinfection requirements; Class A uses and mixing; turbidity. Mr. Burnell presented the rule changes. Discussion within the committee followed. Representative Edmunson moved to accept the rule as presented. Motion passed by voice vote.

Representative Edmunson moved subcommittee # 2 report back to the full committee recommending approval of the rules listed above. Motion passed by voice vote.

**ADJOURN:** Meeting was adjourned at 2:50 p.m.
MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

SUB COMMITTEE # 1

DATE: January 22, 2007

TIME: 1:30 p.m.

PLACE: Room 406

MEMBERS: Chairman, Dick Harwood, Representatives Russ Mathews, Brent Crane, Elaine Smith (30)

ABSENT/EXCUSED: None

GUESTS: Martin Bauer, IDEQ Administer Air Quality, Toni Hardesty, IDEQ Director, Mike Edwards DEQ, Paula Wilson, AG paralegal

Docket No. 58-0101-0303 - Title V air quality operating permits registration fees - Pending Fee Rule. Mr. Bauer explained the changes in the rule answering many questions from the committee.

MOTION: Representative Smith (30) moved to send Docket No. 58-0101-0303 to the full committee with a recommendation the Rule be approved as written. The vote was a tie with Chairman Harwood and Representative Crane voting Nay. As the vote was tied, the rule will be returned to the full committee without recommendation.

Docket No. 58-0101-0502 - Rule for the control of ammonia from dairy farms. Pending Rule. Mr. Bauer explained compliance with this rule answering questions from the committee.

MOTION: Representative Mathews moved to send Docket No. 58-0101-0502 to the full committee with a recommendation the Rule be approved as written. Motion passed unanimously by voice vote.

Docket No. 58-0101-0602 - Update of federal regulations incorporated by reference and Docket No. 58-0101-0603 - Electric generating unit construction prohibition, Pending Rules were addressed in tandem by Mr. Bauer. Discussion with questions and answers followed.

MOTION: Representation Smith (30) moved to send Docket No. 58-0101-0602 to the full committee with a recommendation the rule be approved as written. Motion passed unanimously by voice vote.

MOTION: Representative Mathews moved to send Docket No. 58-0101-0603 to the full committee with a recommendation the Rule be approved as written. Motion passed unanimously by voice vote.

Representative Eskridge commented on the fact that rumors were circulating regarding the ‘opt out’ rule. Also that Sempra was in Idaho again researching coal fired facilities. These rumors are unfortunate and unsounded and simply create inefficient use of everyone’s time.
Docket No. 58-0101-0601 was presented by Mr. Mike Edwards, IDEQ, giving the background of the rule. A question and answer period followed.

**MOTION:** Representative Smith (30) moved to send Docket No 58-0101-0601 to the full committee with a **recommendation the Rule be approved as written.** Motion passed with Chairman Harwood voting Nay.

**ADJOURN:** Meeting was adjourned at 2:35 p.m.

______________________________     ______________________________
Representative Dick Harwood          Peggy Heady
Chairman, Sub Committee # 1          Secretary
Chairman Raybould called the meeting to order at 1:30 p.m. and asked the secretary to take a silent roll. Minutes of January 18, 2007 were approved as written by a voice vote.

Chairman Raybould introduced Mr. John Lawson, DEQ to present information regarding cyanide in mining. He explained that cyanide is composed of Carbon + Nitrogen. It is produced naturally by bacteria, algae, fungi and 1000 type of plants (cassava, peaches, almonds, sorghum). Cyanide is a naturally occurring compound that readily breaks down under most environmental conditions - it is biodegradable. Cyanide was first synthesized in 1782. 87% of cyanide is used in industries other than mining such as synthesis of nylon, metal plating, case hardening of steel, production of plastics, fertilizers, dyes, printing and ink, cosmetics, food processing and medicines; Prussian Blue is used to set the dye in Levis - a common and stable compound.

Cyanide is used in mining as a leaching agent to removed precious metals from mined ore. Once the cyanide in solution picks up the gold or silver it can be recovered and reused. Cyanide in solution is neutralized by hydrogen peroxide, or various chlorine based chemicals. Mr. Lawson described how cyanide is used in mining and how ore is placed on a leaching pad. The danger of cyanide was explained in humans and the environment. Reaction of cyanide in water is rapidly broken down and diluted and in most cases, CN based leach solutions are initially not strong enough to harm humans if further diluted by storm water or surface water. Spills in soils are quickly bound up in the soil matrix. CN was once used as a fertilizer for the Nitrogen component. Cyanide is more toxic to animals that respire to gain oxygen. The smaller the animal, the more toxicity. Different concerns for cyanide in ore processes were addressed.

Rule changes for ore processing by cyanidation were substantially improved following the 2006 Legislative Session. The proposed metal recovery process is permitted for closure - with these rules, planning for
closure of CN processing facilities is part of permitting before the mine gets approved. The DEQ has improved environmental protection in the permitting process by including closure requirements, updated engineering requirements for water protection and new monitoring standards and reporting requirements. 2006 changes in bonding includes a cap of $100,000 to essentially total cost bonding; bonds will be reviewed on a regular basis; bonding is set with a full closure plan that is reviewed by agencies. Permitting is more thorough and coordinated through the Idaho “Joint Review Process”. There are new limited and specific time lines to permit an operation with maximum time of 180 days. Mr. Lawson concluded with a question and answer period.

BILL # HB 30:

Chairman Raybould called upon Representative Eskridge to present HB 30. Representative Eskridge explained the bill which relates to the ability of cities to enter into long term power supply contracts to secure reliable and affordable electricity for their citizens. Idaho law is unclear whether municipalities have authority to purchase an interest in a jointly-owned projects or whether their authority is limited to ownership of wholly owned facilities. Questions from the committee followed. Representative LeFavour expressed concern that the word “remediation” and the concept of clean up and waste storage was not mentioned as an aspect of energy production facilities that would have to be financed or included in contracts. Ron Williams, Attorney, rose to clarify some of the inquiries regarding supreme court decisions. Mr. Robert Mooney explained some of the contracts with cities and the requirements for bond elections.

MOTION:

Representative Mathews moved to send HB 30 to the floor with a Do Pass. Motion carried by voice vote.

BILL # HB 32:

Representative Anderson addressed the committee regarding HB 32. This bill amends the Idaho Energy Resources Authority Act with three technical housekeeping changes. It add the word “distribution” to the Act so the IERA can also finance electric distribution facilities for utilities. The second amendment would allow the IERA to “operate or manage” the electric facilities it finances or owns. The last change authorized the state treasurer to purchase either fixed or variable rate bonds of the IERA, at his discretion, provided such bonds are investment grade. Questions from the committee members were addressed by Ron Williams and Bob Mooney.

MOTION:

Representative Edmunson moved to send HB 32 to the floor with a Do Pass. Motion carried by voice vote.

BILL # HB 31:

Rob Hanson was called to present HB 31. Mr. Hanson informed the committee that this bill is to clarify the nature of removal and remediation contracts at the Bunker Hill Superfund Site and to designate the IDEQ as the authority for letting and overseeing these contracts.

MOTION:

Representative Smith moved to send HB 31 to the floor with a Do Pass. Motion carried by voice vote.

BILL # HB 33

Mr Joe Nagel presented this amendment to Idaho Code, Title 39. Mr. Nagel explained this amendment adds a new chapter to the Idaho Code
which will authorize DEQ to inspect federally regulated underground storage tanks in lieu of the EPA and to implement new requirements contained in the federal “Underground Storage Tank Compliance Act of 2005”. Passage of this legislation would give DEQ the authority necessary to administer the UST program and would allow us to meet the requirements of the federal act and ensure that no funding is lost. Questions clarifying concerns from the committee were discussed.

Suzanne Schaefer, Idaho Petroleum Marketers & Convenience Store Association representative came before the committee with a report regarding Idaho Underground Storage Tank Data. See attachment #1. She concluded by remarking that Idaho has done a good job cleaning up tanks and keeping in compliance with EPA requirements.

**MOTION:**

Representative Jacquet moved to send HB 33 to the floor with a Do Pass. Motion carried by voice vote.

Chairman Raybould asked Representative Eskridge to carry HB 30; Representative Anderson to carry HB 31; Representative Vander Woude to carry HB 31; and Representative Jacquet to carry HB 33 to the floor.

Chairman Raybould called for reports for the Sub Committees.

Representative Snodgrass, Chairman, reported Sub Committee #2 reviewed Docket Nos. 58-0105-0602, 58-0116-0502, 58-0117-0601 and reports to the full committee with the recommendation of Do Pass.

Chairman Snodgrass asked for approval of the minutes of the sub committee meeting held January 18. Motion passed with one correction.

Representative Anderson, Chairman, reported Sub Committee #3 had reviewed Docket Nos. 58-0112-0501, 58-0111-0601, 58-0102-0505, 58-0108-0601, 58-0108-0602 and reports to the full committee with the recommendation of Do Pass. Minutes of Sub Committee #3 meeting held on January 16 were approved previously on January 18 at the full committee meeting.

Representative Harwood, Chairman, reported Sub Committee #1 had reviewed Docket Nos. 58-0101-0502, 58-0101-0601, 58-0101-0602, 58-0101-0603, and reports to the full committee with the recommendation of Do Pass. Docket No. 58-0101-0303 was reviewed by the committee and returns Docket No. 58-0101-0303 to the full committee with no recommendation.

Chairman Harwood asked for approval of the minutes of the sub committee meeting. Motion passed.
Representative Eskridge commented on his concern of erroneous information which has been e-mailed to many of the legislatures regarding the "cap and trade" rule and also regarding SEMPRA. He stressed caution in judgement that such mis-information can influence our citizens.

Martin Bauer, DEQ rose to speak to the committee regarding Docket No. 58-0101-0502. He answered questions from the committee regarding the rule changes.

Roy Eiguren, Algamated Sugar Representative, testified in support of Docket No. 58-0101-0303. He indicated negotiations had been on going between DEQ, Micron, Simplot, Algamated Sugar, Potlatch & ??? in support of this rule with positive results of agreement with all parties involved.

Chairman Raybould asked the full committee to consider the Rules as listed below and asked for a motion to report recommendations to the Speaker of the House.

**MOTION:** Representative Harwood moved to send Docket Nos. listed below to the floor with recommendation of Do Pass.

Docket No. 58-0105-0602
58-0101-0303
58-0101-0502
58-0101-0601
58-0101-0602
58-0101-0603
58-0112-0501
58-0111-0601
58-0102-0505
58-0108-0602
58-0116-0502
58-0116-0502
58–0117-0601

Representative Eskridge asked to be recorded as voting Nay on Docket No. 58-0101-0303.

Chairman Raybould announced the next committee meeting will be on January 30, 2007 at 1:30 p.m.

**ADJOURN:** There being no further business to come before the committee meeting was adjourned at 3:36 p.m.
Chairman Raybould called the meeting to order at 1:35 p.m. and requested the secretary take a silent roll. Representative LeFavour moved to accept the minutes of January 24, 2007 with the addition of a sentence on page two. Motion carried by voice vote. (The addition has been completed).

Chairman Raybould introduced Amy Lientz, Vice President Communications and Government Affairs, ICP. Ms. Linetz began with a power point presentation explaining there are three contractors working on the DOE Idaho National Laboratory Site.

1. INL is developing scientific and engineering solutions to critical energy, national security, environmental challenges, research and mission development.
2. ICP - is remediating contamination and waste management legacies to make way for future missions, risk reduction, cleanup, and protection of the Snake River Plain Aquifer.
3. AMWTP - is processing waste including characterizing, packaging and shipping it out of Idaho; retrieval, packaging and transport of stored transuranic waste.

Parent companies working with the project are CH2MHL, Premier Technology, Inc. and Washington Group International.

The cleanup area is centered around five facility areas. Idaho Nuclear Technology and Engineering Center, Reactor Technology Complex, Radioactive Waste Management Complex, Power Burst Facility and Test Area North.

The Idaho Nuclear Technology and Engineering Center has dispositioned 240 nuclear material items. It has transferred 1,200 spent nuclear fuel units from wet storage in basins to safe, dry storage in casks. It has developed alternatives for disposal of calcine and obtained approval for the second phase of steam reformer design. It has also completed grouting the first 4 of 15 high-level waste tanks at the INL site. It has
completed grouting of 603 basin (a former spent fuel storage basin). Representative LeFavour, Harwood and Jacquet asked questions regarding the grouting process and the steam reformer design and emissions.

Radioactive Waste Management Complex is preparing remote-handled transuranic shipments to the Waste 3 Isolation Pilot Project (WIPP) - first in the Complex. A total of 225 shipments out of the state is anticipated during the next few years to meet 2012 cleanup commitments ahead of schedule. They have disposed of more than 11,500 cubic meters of low-level and mixed low-level waste (MLLW). All currently stored MLLW has disposition paths moving forward either on-site or off-site. The Idaho CERCLA disposal facility is completed and has begun receipt of waste in cell 2. They have disposed of 70,000 cubic meters (~38 percent capacity). The West Area Group 7 (buried waste at subsurface disposal area), has continued exhumation of targeted waste at the accelerated retrieval project I facility. It has excavated 3,555 cubic yards of material from the subsurface disposal area. It is continuing environmental investigation of buried waste as required by the Federal Facility agreement and consent order. It is finalizing a feasibility study with DOE, EPA and IDEQ. The anticipated proposed plan for public outreach is planned by the end of 2007. Completion of decontamination, decommissioning, and demolition of 4 industrial buildings, 10 radiological buildings, 2 nuclear facilities including the loss-of-fluid test (LOFT) reactor facility, and 40 other structures. Also, completed is major dismantlement on the interior of the Engineering Test Reactor.

Plans for the future include: finalizing of plans for shipment of unirradiated light water breeder reactor fuel to the Nevada test site; continuing to transfer spent fuel (wet to dry); continue high-level waste tank grouting; receive final permit to construct from DEQ to allow onsite construction of steam reformer units; continue exhumation of targeted buried waste; continue environmental investigation under the FFA/CO; complete shipments offsite to WIPP; complete internal dismantlement and initiate demolition of first reactor vessels and associated buildings; complete demolition of an additional 18 facilities and reactor building and vessels and to begin demolition of TAN Hot Shop facility.

Representative LeFavour inquired as to the liquid spent waste and safety in technology being used. **Ms. Leintz** replied that the ICP has learned a great deal regarding the procedures in disposition and dismantling. They are working with Congressional delegates in improving rules and with engineers in improving the technology. Representative Mathews inquired as to **Ms. Lientz**'s opinion if she would characterize the waste materials being cleaned up as being technology from the 1950's and 1960's. She indicated to the affirmative. A follow up question from Representative Mathews asked would she characterize these old materials as items being Model “T” equipment of the nuclear industry?” She replied, again to the affirmative.

**Ms. Lientz** concluded her presentation describing the Outreach Activities Plan to inform the public with briefings, open houses, media interviews, press tours, web site content and mailings. She welcomed questions by phone at # 208-520-7718.
Representative Jacquet came before the committee to present RS16820 explaining students had approached her asking what young people can do regarding global warming or climatic changes. Climatic changes can mean the world is changing in both ways, getting colder or warmer. Constituents in her district have also expressed concern about the climatic changes occurring. There is an obligation to the children of the future to continue detailed legislation to investigate approaches on dealing with this phenomenon addressing renewable energy, economical energy resources, fuel efficient technologies, wind, solar, geothermal, motor vehicles and biofuels, hazardous waste disposal, water and air pollution, education. Representative Jacquet indicated she had worked with other contemporaries in writing the RS in attempting to have the document heard before the committee in a timely manner.

Representative Smith moved to send the RS 16820 to the floor with a do Pass recommendation. Discussion followed.

Representative Anderson indicated his concerns about rushing into introducing RS 16820 due to the fact there is a governmental panel which will release a report soon. He suggested some changes and refining of the language of the RS. Chairman Raybould also indicated a need to rewrite some of the document.

Representative Anderson suggested having a group from the committee work with Representative Jacquet in refining the content of the document.

**MOTION:**

Representative LeFavour presented a Substitute Motion to return RS 16820 to the sponsor for changes. Roll Call Vote was called with all committee members voting aye.

Chairman Raybould suggested committee members contact Representative Jacquet and Representative Anderson if they want to help in the process of changing RS 16820.

**ADJOURN:**

There being no further business to come before the committee, meeting adjourned at 2:40 p.m.

Representative Dell Raybould
Chairman

Peggy Heady
Secretary
MINUTES
JOINT MEETING
HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE
AGRICULTURE
RESOURCES & CONSERVATION

DATE: February 6, 2007
TIME: 1:30 p.m.
PLACE: Gold Room

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representatives Edmunson, Snodgrass, Eskridge, Anderson, Mathews, Crane, Labrador, Vander Woude, Smith(30), LeFavour, Jaquet, Shively, Kren
ABSENT/EXCUSED: Crane

GUESTS: Tom Jacob, Government Affairs Manager, Western Region, DuPont Company; Paul Kowallis, Senior Chemical Engineering Specialist, Monsanto Company; Becky Johnstone, ICIE President, Knipe Land Company; Pat Barclay, ICIE Executive Director, John Barclay, ICIE Consultant

Chairman Raybould called the meeting to order and requested the secretary take silent roll. Chairman Raybould introduced Becky Johnstone, ICIE President. Ms. Johnstone welcomed those attending the workshop and explained the mission of the ICIE and introduced Mr. Tom Jacob, Government Affairs Manager, Western Region, DuPont Company to present DuPont’s Biotechnology and Biofuels program and Mr. Paul Kowallis, P.E. Senior chemical Engineering Specialist, Monsanto Company to present Growing Benefits and Innovations for the future.

Mr. Tom Jacob began indicating he has not visited Idaho areas often and was happy to have the opportunity to present the ongoing transformation at DuPont to Idaho’s House of Representative committee members. Mr. Jacob stated that today’s company is different than the old days. The list of endeavors they are involved in has many topics. Some of the science based solutions include Agriculture and Nutrition, Bio-based materials, including Biofuels, Electronics and Communication Technologies, Coatings and Color Technologies, Performance Materials, Safety and Protection.

Dupont is focused on innovation and has 34,000 patents shifting the company’s focus to Chemistry and Biology to increase knowledge of intensive solutions. Dupont’s core values include Safety, Ethics, Respect for the Environment and Sustainability...all things which involve our lifetimes and future generations. Additionally, one DuPont goal also includes Globally Responsible Corporate Citizenship. DuPont began by publishing a “Corporate Environmental Report” in 1992. The report presented goals of measurement and accountability. Among the 2015
goals are Greenhouse Gas Emissions Reduction, Fleet Fuel Efficiency, Environmentally Smart Market Opportunities from R&D, Products that Reduce Greenhouse Gas Emissions and Double Revenue from Non-Depletable Resources. Projected opportunities ahead are Ag Biotech which will deliver greater productivity and enhance the value of agricultural products. Bio-Based materials are next on the list which will produce renewable, sustainable products and processes and include next generation biomaterials. Also Biofuel opportunities are projected to expand agricultural markets for farmers and fuel options for consumers, including the next generation biofuels, biobutanol and cellulosic ethanol.

Mr. Jacob continued describing DuPont's plans in agricultural biotechnology, rapid global adoption of biotech crops, bio-based products combining agricultural and industrial biotechnology, bio-PDO opportunities. He informed the committee members about sustainable processes and metabolic engineering. He discussed in detail biofuels and DuPont's development milestones such as cellulosic feedstocks for ethanol and biobutanol development, biodiesel, and improvements that are being made.

Mr. Jacob finalized his presentation describing the business challenge DuPont projects globally in a market place increasingly dependent upon getting more from less. The company plans to position their business to be part of the solution by gaining insight and experience to help their industries and customers prosper in the market place. More information can be found on their web site at www.dupont.com.

Mr. Paul Kowallis, addressed the audience regarding Monsanto Company and the growing benefits and innovations for the future. He indicated that Monsanto’s goal is care of customers with all problems taken into account, explaining how science is continuously improving the quantity and quality of food production. Mr. Kowallis cited examples of food production beginning as far back as 10000 BC with fermentation & leavening (yeast) to contemporary times with human, plant and animal genome. Man has been learning how to manipulate and read genetics of plant and animals for generations. Monsanto is building on centuries of science, biotechnology as a collection of tools used to improve and enhance plants, animals and microorganisms for the benefit of society. Other examples were displayed showing the change from Teosinte to modern corn. A Wilaman professor at Penn State University stated “modern maize was the outcome of a bold act of conscious biological manipulation, arguable man's first, and perhaps his greatest feat of genetic engineering.” Mr. Kowallis continued stating new technology creates positive economic impact with increasing speed. Dr. James Watson, Nobel Laureate, USA was quoted as stating “Recombinant DNA is the safest technology I’ve ever heard.” Monsanto researches Genomics and Bio technology in many fields for the benefit of farming seeds which are drought tolerance and provide improvement of yield in water deficit areas. The economic benefit resulting from this research affects all walks of life. The research also affects nitrogen efficiency. It benefits output per unit. It creates improved crop performance and enhanced nitrogen uptake.

Monsanto has an extensive corn hybrid testing program. The processor benefit creates sustainable fuels from renewable resources. Monsanto’s
bio-ethanol corn initiatives produce over 90 seed corn brands carrying Processor Preferred for dry mill ethanol plants. Processor Preferred hybrids deliver 2 - 4% more ethanol per bushel. Analytical methods are used to determine ethanol yield. The highest ethanol producing hybrids are designated and sold as Processor Preferred.

Questions from committee members followed regarding Idaho’s light sandy soil and depletion of soil by not incorporating crop residue back. Questions regarding Europe boycotting bio tech seeds were addressed. France and the U.K. have are now using bio tech products in limited amounts. Regarding a comment about incurring costs on grain products Mr. Kowallis described Monsanto as a company and business which relies on its customers. The value added to farmers has to play out in a market which the seeds can produce more than it costs to grow them. It is an ‘economic dance’. The investment is done on the premise that if we deliver and the yield is significant, the value is there to recoup the investment. The market place comparison to partnership with U.K petroleum market evaluation was discussed. Crop production in Idaho and keeping up with the challenges and competition of the market was a concern. Energy gain from bio fuel in Idaho in comparison to other sources of energy, as in wind and solar was discussed.

Chairman Raybould called for any questions from the audience.

Becky Johnstone thanked the Chairman and the committee members as well as the speakers. She also thanked the sponsors of the program.


ADJOURN: There being no further business to come before the committee the meeting was adjourned at 3:10 p.m.

Representative Dell Raybould
Chairman

Peggy Heady
Secretary
RS16978 Representative Jacquet presented RS 16978 which recognizes that Idaho's citizens hold an enduring property right to Idaho's natural resources and that the state of Idaho has a duty to protect these resources for the benefit of present and future citizens. Representative Jacquet reported the changes requested at the former committee meeting have been made and asks that the committee introduce the document to the floor of the House.

MOTION: Representative Anderson moved to introduce RS16978. Motion passed by voice vote.

RS16884C1 Representative Boe began by acknowledging that Mr. Ken Eklund and Mr. Jim Szatkowski were instrumental in working with her in drafting the RS. She explained the purpose of the RS is to require all future state funded building construction and major renovations to meet recognized high performance standards. State agencies will monitor and document annual energy costs and savings for the building and with the assistance of the Permanent Building Fund Advisory Council, report to the governor and the legislature. Discussion followed regarding the definition of ‘statement’ and ‘state funded’. There would be no effect on pre- planned renovations in designer stage dated by July 2007. Comment was made that green building standards have hurt the lumber industry.

A statement was made indicating information presented in the Idaho Energy Plan will answer many of the questions.

MOTION: Representative Harwood moved to introduce RS16884C1 with a change on ‘definition’. Motion passed by voice vote.

RS16967 Representative Eskridge explained the Idaho Energy Plan has been developed by the Legislative Council’s Interim Committee as directed by House Concurrent Resolution #62. This is a lengthy document and can be found on the Legislature’s Web site under 'Announcements', “Idaho 2007 Energy Plan.” There will be an open public hearing on this plan. The date
will be announced on the Legislature web site ‘Agenda’. Discussion followed.

MOTION: Representative Smith moved to introduce RS16967. Motion passed by voice vote.

RS16787 Representative Eskridge represented this legislation. It is written to assist Idaho bio-fuel producers that use Idaho grown feedstock during a period of significantly reduced fuel prices. If fuel prices drop significantly, the incentive is available to help service debt on the capital investment for a limited time period. A short discussion followed on reviewing the bill with leadership.

MOTION: Representative Anderson moved to introduce RS16787. Motion passed by voice vote.

RS16784C2 Representative Eskridge rose to explain the purpose of this legislation is to clarify applicability of federal law governing certain biofuel contracts between wholesalers and fuel retailers. It also extends these current contractual relationships to all bio-fuels. It opens the market place and allows fuel retailers to have access to bio-fuel if they chose.

MOTION: Representative Mathews moved to introduce RS16784C2. Motion passed by voice vote.

RS16785C1 Representative Eskridge explained the legislation creates a 50/50 matching grant program for Idaho retail fuel dealers who choose to invest in qualified fueling infrastructure projects dedicated to providing bio-fuels to their customers. The program sunsets on July 1, 2012. If this grant fund is not used, it will go back to the grant fund. Implementation of the legislation would have to go before JAFAC.

MOTION: Representative Shively moved to introduce RS16785C1. Motion passed by voice vote.

RS16901 Representative Snodgrass stated this document gives limited authority to the PUC to act as the state transmission siting authority only if the U.S Dept. Of Energy designates a “national interest electric transmission corridor” in Idaho. The bill requires that a “transmission utility” notify affected landowners, affected local governments, and state and federal permitting entities. Representative Snodgrass answered questions from the committee members regarding the US Dept of Energy usurping authority. Representatives Eskridge and Anderson are co-sponsors of this bill.

MOTION: Representative Smith moved to introduce RS16901. Motion passed by voice vote.

RS16972 Representative Snodgrass explained the legislation enacts recommendation 17 of the 2007 Idaho Energy Plan recommending that Idaho state agencies play a role in providing technical information to support local energy facility siting decisions. The 2006 Interim committee recommended that resources be made available at the request of local officials to provide information and advice on energy facility siting. This
bill creates a system to request information from state departments when considering applications for a permit to establish a new electrical generation facility.

**MOTION:** Representative Anderson **moved to introduce RS16972.** Motion passed by voice vote.

**RS16902**

Representative Harwood represented this legislation which removes a provision that allows sewer and water districts to annex property into their district and then decline to provide them with service, or agree to provide service under vastly different terms or conditions from those in place when the annexation petition was received and accepted by the board. A discussion followed regarding the possibility the RS will be sent to another committee by leadership.

**MOTION:** Representative Anderson **moved to introduce RS16902.** Motion passed by voice vote.

A ten minute break was declared by Chairman Raybould.

**PRESENTATION**

Chairman Raybould introduced Mr. Karl Tueller from the office of Science and Technology to present an update of the activities of the Office of Science and Technology for Idaho. Mr. Tueller began by listing the Science and Technology’s Advisory Council Members. (See attachment #1). He described the strategic plan mission of the S & T office. “Idaho will have, and be recognized as having a vibrant technology-based economy that provides employment opportunities and high wage jobs for Idaho citizens. Increased emphasis on the application and use of science and technology in Idaho will continue to spawn new companies and industries, while contributing to the global competitiveness of its traditional industries.” A summary of the S & T activities in 2007 called for an organized stimulus package. S & T created the Idaho Innovation Award (Stoel Rives was organizing sponsor). They executed the State TechConnect Performance Agreement. An Idaho SBIR funding program was launched. They facilitated a biotechnology tax incentive task force and also formed a broadband infrastructure working group. S & T held web cast S&T advisory council meetings. The office launched an Idaho Technology license plate. They hosted first Ideas Innovations Idaho Day at the legislature and supported Intermountain Venture Forum and Boise Angel Alliance.

Mr. Tueller continued stating U.S, advantages in science and technology have been steadily eroding. A joint report by National academy of Sciences, Engineering and the Institute of Medicine call for the following to create jobs for all American in today’s knowledge-based economy: Increase America’s talent pool in schools, sustain long term basic research, develop recruit and retain top students in tech fields, ensure the U.S is innovating and provides tax incentives for innovation. Technology is important to Idaho’s economy. 55,000 Idaho jobs were classified as science and technology in 2005. The average high-tech worker in Idaho earns $61,400 annually, twice the state average. Strategies focused on for the future are skilled workforce, R & D excellence, commercialization entrepreneurial culture, infrastructure and image. Priorities are, building the R&D base by developing infrastructure to support entrepreneurs and
start-up companies and marketing Idaho’s technology assets. Core competencies are Ag/biosciences, imaging, new materials, Nano technology, power and energy. Technology platforms are alternative electric power, bio-based fuels and products and ecological health.

The 2008 stimulus package legislative recommendations are, technology stimulus funds, research matching grant programs, Idaho TechConnect, Idaho small business innovation research programs, technology investment tax credit and technology marketing funds. S & T also endorses the formation of a technology committee in the Idaho Senate and the Idaho Board of Education proposal to increase math and science requirements for high school students and efforts to increase access to affordable post-secondary education (community colleges). Governor Otter’s 2008 budget includes research that facilitates economic development, dairy and animal research and education facilities, college & university competitive salaries, need- based scholarships endowment, community colleges and new nursing facilities. Mr. Tueller concluded with a questions and answer period which included broadband money and reevaluating the system so that small business owners can be prepared to meet the criteria. Mr. Tueller will supply a list of grant money recipients to Chairman Raybould and committee members.

**ADJOURN:**

There being no further business to come before the committee the meeting was adjourned at 3:25 p.m.

Chairman, Del Raybould       Secretary, Peggy Heady
Chairman Raybould called the meeting to order at 1:30 p.m. and requested the secretary take a silent roll. Representative Mathews moved to approve the minutes of February 8, 2007. Representative Snodgrass asked for a correction of the minutes to add Representatives Eskridge and Anderson as sponsors of the H 152. **Motion passed by voice vote.**

Chairman Raybould introduced Stephen Heleker, the page assigned to the committee for the remainder of the legislative session.

Chairman Raybould announced the 2007 Energy Plan Concurrent Resolution 13 will be heard February 20, 2007 in the Gold Room. He requested the committee study, before the meeting, the 2007 Energy Plan books that have been supplied to them.

**BILL: HCR14**

Chairman Raybould recognized **Representative Jacquet.** She began her testimony explaining the changes that have been made on **HCR14** as written in the document currently before the committee. Preserving the environment is her desire for the future of her grandchildren and mankind. Representative Jacquet referred to a document written by Monsanto which stated that climate changes are placing greater demands on the environment. It is among the most pervasive threats to the web of life. Corporations, schools, organizations are striving to educate the public about the need to protect our environment. Smart choices about energy use, material consumption, and production methods have the potential to reduce some of the effects of climate change. They will also help society treat the finite resources of the earth responsibly. Environmental action, through sustainable resource management and production, can make a difference. Representative Jacquet introduced Representative Block to continue.
Representative Block continued explaining information taken from scientific publications regarding arctic ice core samples and statistics regarding climatic changes which occurred 1000's of years ago linking how humans are involved in the changes. She sited burning of fossil fuels, destroying rain forests, melting of the Pacific Northwest snow pack, stream changes and drought are creating a risk to human health. Representative Block stood for questions from the committee members. Questions were raised about scientific proof the climactic changes are caused by humans. Nuclear energy and waste disposal was discussed. Also brought forth in the discussion was greenhouse gas emissions by coal fired plants, rising sea levels, hurricanes and the studies of the ice caps.

Representative Jacquet introduced Representative Chew who supported HCR 14 indicating the need to take action working hand in hand with the State of Idaho in implementing programs to curb climate change. Scott Points rose to speak about the projects of students from Riverstone International School, with their Earth Science teacher, John Pederson. Mr. Pederson introduced Megan Sears and Arianna Garadedian who spoke about board games they have invented to help educate the public about climate change and how to participate in preventing further progress. Nikki Kennedy and Blake Waller presented pictures of equipment they have invented that can scientifically prevent CO2 emissions from cars. Rachael Rice, Julia Fishman and Sarah Stano told of what they do to help keep the environment safe and clean. Committee members asked the students questions regarding their projects and complimented for their fine presentations and work.

Representative Jacquet concluded, thanking the students and answering questions from the committee.

MOTION: Representative Smith moved to send HCR14 to the floor with a Do Pass.

SUBSTITUTE MOTION: Representative Eskridge moved to Hold HCR14 in committee at the call of the chair to allow time to review the Energy Plan to determine if conflicts may exist.

Representative Eskridge explained the Energy Plan is substantially in concert with the resolution, however, he does not want to pass legislation that would conflict with the Interim Committee’s Energy Plan if the committee is in support of that report. Comment was extended that the Resolution does differ in part with the Energy Plan. Representative Jacquet indicated that there is a distinction in the plan because the Resolution is written to protect the environment.

Roll call vote was requested. The Substitute Motion passed with a 9 - 4 vote.

BILL: H 169 Chairman Raybould called upon Representative Boe to present HB169. She explained the purpose of the legislation is to require all future state funded building construction and major renovations to meet recognized high performance standards. State agencies will monitor and document annual energy costs and savings for these buildings and, with the
Chairman Raybould recognized Gary Christensen to speak before the committee. Mr. Christensen indicated his support for HB169. His company has experience with high performance building, having completed the Banner Bank Building in Boise which has received a LEED-CS Platinum certification from the US Green Building Council. High performance buildings do not have to cost more. Savings in many construction divisions offset the apparent additional cost of the features used in the Banner Bank Building. The building is designed to use 50% less energy in the base building and to use over 60% less water. The building also provides a working environment that has better light and better air quality for the people who work there. A LEED project checklist is in the packets given to the committee members. (See attachment #1) The checklist explains points and how they are configured. High performance buildings require a team comprised of a determined owner, a cohesive and experienced design team, with committed and involved contractors and subcontractors. Mr. Christensen stated he would be willing and ready to share experiences and solutions with all parties who are interested in creating buildings that are more efficient and environmentally friendly. A Power Point DVD was presented for viewing regarding the Banner Bank Building.

A lengthy question and answer period followed regarding amendments which could possible written in the bill. Representative Boe projected her feeling that the bill solved the purpose at this time and could possibly be amended in the future.

Chairman Raybould recognized Ken Eklund, Idaho Water Resources, to speak to the bill. Mr. Eklund explained the Energy Division is in support of the bill stating it leads the way in finding grants because it supports energy efficiency. Questions to Mr. Eklund as to why we need a law for this was answered that “good ideas need direction.” Other questions referred to letters given to the committee from Tim Shestek, Director, American Chemistry Council who asked to be put on record as requesting amendments to reference other green building rating systems. (See attachment #2). Also a letter from Mark Rossolo, Director, Green Building Initiative asking for an amendment of HB169 to add language that specifically states the use of “LEED, Green Globes, or other comparable rating systems. (See Attachment #3.)

Ken Baker was introduced by Chairman Raybould. Mr. Baker rose in support of HB169 stating this legislation helps keep money in Idaho. State building projects should take leadership in certified buildings. Idaho Power has a good program with a ten year plan to help make costs less and provide for economic development in Idaho using Idaho labor and products. The subject of the reevaluation of the capitol wings and saving the taxpayers money was discussed.

Bruce Poe testified next regarding the process of implementing green building into the construction phase and the importance of negotiating with all parties involved in creating a workable concept. The process is extremely important. Discussion with the committee followed. He explained Green Globes organization is a not-for-profit organization.
promoting a commercial building rating system. Their web site is www.thegbi.org. The American Chemistry Company was described as dealing with recycled vinyl. Comments and concerns were raised regarding certified wood and the concept behind the process. One comment discussed was the negative affect the lumber industry is experiencing by the Leed System and other regulations regarding green building codes. It is hurting the lumber industry and favoring other countries over Idaho. Also asked of Mr. Poe; is the cost and energy effect of certified wood going to make the building any more efficient? He indicated, put in that context, specifically, it would not. Representative Boe referred to adding amendments at a later date to include more specific standards after they are studied more. Representative Eskridge commented the main interest in the language of the bill is to save the taxpayer money.

**MOTION:** Representative Mathews moved to hold **H 169 in committee at the call of the chair** and that the sponsors report back with amendments they have agreed upon, so that if approved by the committee, the bill can be sent to general orders with committee amendments attached.

Roll call was requested. **Motion passed with a 14 - 1 vote.**

**BILL: H 152** Representative Snodgrass was recognized by the chair to present H 152 and explained that after working with the Public Utilities commission and President Paul Kjellander, this legislation is being proposed in the national interest to give limited authority to the PUC to act as the state transmission siting authority only if the U.S. Department of Energy designates a “national interest electric transmission corridor” in Idaho. A short discussion followed.

**MOTION:** Representative Crane moved to send **H 152 to the floor with a Do Pass.** Motion passed by voice vote.

**ADJOURN:** There being no further business to come before the committee, meeting was adjourned at 4:25 p.m.
Chairman Raybould, Vice Chairman Harwood, Representatives Edmunson, Snodgrass, Eskridge, Anderson, Mathews, Crane, Labrador, Vander Woude, Kren, Smith(30), LeFavour, Jaquet, Shively

None

Senator McKenzie, Representative Eskridge, Representative Block, Senator Noh. See attached sign up sheet for other guests.

Chairman Raybould called the meeting to order at 1:30 p.m. and requested the secretary take a silent roll. Representative Anderson moved to approve minutes of February 14. Motion passed by voice vote.

BILL #HCR 13 Chairman Raybould announced Senator McKenzie would be the first to present the interim committee 2007 Idaho Energy Plan. Representative Eskridge would follow with a presentation. Representatives Smith (30) and Jacquet would present the minority plan. If the Energy Plan is approved today, it will go to the House of Representative. If it is not approved, it will go back to the Interim committee. Comments will be allowed from those who have signed up to testify according to time allowed. Chairman Raybould called upon Senator McKenzie to begin his presentation of a power point program.

Senator McKenzie explained that he and Representative Eskridge were the co-chairs of the Interim Energy Committee and they each will present a portion of the recommended Energy Plan.

The Interim committee undertook a comprehensive investigation of all of Idaho’s energy systems and developed recommendations that will help Idaho achieve the committee’s objectives of ensuring a reliable, low-cost energy supply protecting the environment and promoting economic growth. It is the first time the legislature has taken the lead in making that review and analyzing this policy. It is also the first time that a specific policy, directive and goals with regard to energy has been developed. The Interim Committee reached a plan after a thorough investigation and debate over energy issues in the state, not just electrical, but all classes of energy. The impetus of the plan was to help HCR # 62, which passed in the last session, in the wake of some very intense debate over energy issues and specific energy regeneration in the state. The instructions in the current resolution are to develop an integrated state energy plan that provides state energy needs and protects the health and safety of the citizens of Idaho and report back to the Governor and the Legislature on
the findings and recommendations. In addition to developing these recommendations, the committee also saw that it was important for the development of a framework for the Energy Plan where a debate of the energy issues could be based. The process of research by the Interim Committee was extremely thorough. Nineteen public meetings were held. Testimony was presented by numerous State regional experts such as Northwest Power and Conservation Council and many Idaho citizens. The Interim committee placed twenty-seven citizens on four subcommittees. As the committee debated each of the four major areas, it developed recommendations and policies on a consensus plan. The Energy Plan doesn’t go as far as several people wanted, and it goes farther than some would have liked, but they believe that it was important for there to be a consensus. There wasn’t a consensus in every area. There are two minority reports, but the recommendations that the committee does have in the plan are all consensus recommendations. There are some areas where some members of the Interim Committee wanted to go a little bit farther, but agreed that the recommendations we do have in the plan are good and help us achieve our goals in regards to the energy needs of the state. The final plan was adopted unanimously on a non partisan basis.

Objectives for the energy plan in a general consensus by the committee for the State are:

1. To ensure a secure, reliable and stable energy system for the citizens and businesses of Idaho.
2. Maintain Idaho’s low-cost energy supply and ensure access to affordable energy for all Idahoans.
3. Protect Idaho’s public health, safety and natural environment and conserve Idaho’s natural resources.
4. Promote sustainable economic growth, job creation and rural economic development.
5. Provide the means for Idaho’s energy policy to adapt to changing circumstances.

These are crucial objectives that were kept in mind as the energy issues were debated. As you look at these objectives you need to try to balance all of them. The committee did not want to overlook one issue at the detriment of another.

The key findings of the energy plan address Idaho’s energy systems which have provided enormous benefits to Idaho citizens and businesses. Idaho has the second to lowest electric rate in the country. Idaho has had abundant and efficient energy supplies to meet our past needs. There are some concerns about energy future. However, coal and hydro resources are now sources at risk, and new energy resources will be costlier and riskier than in the past. As importers of 80% of our energy needs, using less energy is the best way to keep dollars at home. Developing in-state, renewable resources will help create jobs, especially in rural areas although Idaho will still need conventional resources to keep a low-cost energy advantage.

Idaho imports 100% of its natural gas and petroleum requirements. Idaho has no production of coal, oil or natural gas and no petroleum refineries. Increasing east bound pipeline capacity from the Rockies will erode the
Northwest’s current price advantage for natural gas. Idaho needs to address reducing the dependency on the major sources of those products coming from out of state. The most promising new sources of natural gas are the far north of Alaska and Canada (Arctic gas) and imported liquefied natural gas (LNG). The U.S. continues to become more dependent on oil imports from places like Venezuela, Russia and the Middle East.

Senator McKenzie concluded his remarks and introduced Representative Eskridge to speak to recommendations in the Energy Plan.

Representative Eskridge addressed the chairman and committee members explaining the electricity policy recommendations in the Energy Plan. The first priority is Idaho utilities should acquire reliable, diverse, cost-effective and environmentally sound resource portfolios. In conjunction with that, the state utilities should give priority first to conservation, energy efficiency and demand type activities that reduce Idaho’s requirements on energy and therefore free up energy resources for additional needs and growth. Also Idaho should emphasize the development of customer-owned renewable resources, while recognizing that these alone may not fulfill Idaho’s growing energy requirements. Idaho utilities should have the ability and the appropriate incentives to construct needed transmission facilities and should prepare for the possibility of federal regulation of greenhouse gas emissions. Conservation by all Idaho utilities should be incorporated as a priority in their integrated resource planning. The Idaho PUC should establish appropriate shareholder incentives for investor-owned utilities that achieve conservation targets. Recommended are tax incentives for investments in energy efficient technologies by Idaho businesses and households. Adoption of international building codes on a three-year cycle and State assistance to local governments is recommended. A credit backstop to enable the Idaho Energy Resources Authority to provide low-cost financing for customer-owned renewable generation facilities is recommended. Idaho utilities shall report annually to their retail customers their sources of electricity (their “fuel mix”). The PUC, DEQ and DWR should investigate and report on the status of “clean coal” technologies and barriers that prevent Idaho utilities from investing in environmentally preferred uses of coal. Idaho agencies and Idaho utilities should work with the INL to investigate the feasibility of bringing a “next-generation” nuclear facility to Idaho. Idaho should participate in regional efforts aimed at increasing the capability of the western transmission grid and bringing to Idaho the benefits of cost-effective remote resources.

Natural gas policies should employ the highest and best use of natural gas and ensure that Idaho consumers have access to an abundant and reliable supply from diverse and varied resources. It is Idaho’s policy to support responsible exploration and production of natural gas supplies and the expansion of the transmission, storage and distribution infrastructure. The Idaho PUC should ensure that its line extension policies, electric and natural gas tariffs, and other policies encourage the direct use of natural gas in applications for which natural gas is the most efficient energy source. Idaho should provide incentives for investments in non-traditional natural gas supply resources, including landfill methane, anaerobic digesters, and biomass methane.
Idaho petroleum policies should promote the production and use of alternative fuels. It is Idaho policy to promote conservation and efficiency as a means of reducing transportation fuel expenditures and air emissions. Idaho should support responsible exploration and production of petroleum supplies and the expansion of transmission, storage and distribution infrastructure. Recommendations are; to provide incentives for the purchase of efficient flex-fuel and alternative fuel vehicles; establish a “countercyclical” incentive for the production of ethanol and biodiesel; promote research and development to speed the commercialization of alternative fuel technologies, with particular emphasis on cellulosic ethanol, and to work with other states to promote an increase in Federal CAFÉ standards.

Energy facility siting policies in Idaho state agencies should play a role in providing technical information to support local energy facility siting decisions. The Energy Plan recommends the Idaho PUC should be vested with the authority to site transmission facilities within areas that have been designated as National Interest Transmission Corridors. Also an “Energy Facility Site Advisory Team” shall be established consisting of members appointed by the DEQ, DWR, Commerce, Health and Welfare, Fish and Game, and Agriculture to provide information as requested by the local jurisdiction. Implementation of the policies would raise the profile of energy with state government and provide resources to oversee and promote implementation of this energy plan. Any siting of generation facilities that would violate rules of any state department would be preempted by those rules and the authority of that department. The state should consider renaming the DWR as the Department of Water and Energy Resources, with the necessary statutory framework prescribing the duties of the Energy Division. The Energy Division and the PUC should report to the Legislature every two years on the progress of implementing the recommendations in this Energy Plan. The Legislature should revisit the Energy Plan and develop new recommendations on a five-year cycle. This should be a living document and the committee would have the ability to review the document on a consistent basis in a shorter period of time, with a maximum of every five years.

Representative Eskridge concluded that this is not meant to be legislation, but a guide for those who want to use this as a basis for developing legislation. Because of this Energy Plan there are already pieces of legislation in the works facilitating the recommendations such as Energy Siting Advisory legislation, the use of ethanol resources and other legislation.

Chairman Raybould called upon Representative Jaquet for the Minority report. Referring to pages 62 and 63 of the Energy Plan, addressing energy facility siting, Representative Jaquet stated, the technical information is offered to the county jurisdiction upon request and members can be appointed by the DEQ, Water Resources, Commerce, Health and Welfare, Fish and Game and Agriculture. Appendix 3, the Minority report on energy facility siting which is signed by Senators Kelly and Werk, Representative Smith(30) and myself, ad hoc member of the committee, believe that a siting by an electric generating facility is a matter of state-wide concern, that the current law is piece meal and that the Energy Plan continues to be piece meal and that the current process will not balance some of the impacts and benefits that the process
proposed. It doesn’t recognize the generation impact on the counties with
regard to the proposal and doesn’t provide for broad public participation
and opinion. The third objective of the Energy Plan is to protect Idaho
public health, safety and natural environment, to preserve Idaho’s natural
resources. In contrast to the consensus Energy Plan we offer this
Minority report on siting. Siting requirements, at the minimum, should
require that 60 megawatt facilities or larger should not be voluntary and
local jurisdiction should be required to respond to the recommendations in
the final decision making process. The reports continues to say that
currently we do believe that state oversite of the facility process should be
instituted with more stringent requirements for the use of siting facilities by
the facility siting team as is outlined in the Energy Plan.

Representative Smith rose to continue addressing the Chairman,
committee members and audience. She continued that she was speaking
to the Minority report of the Energy Plan, appendix A-5 and A-6. The
Energy Plan says that Idahoan’s spend more on energy than anyone in
the United States and so I refer you to that graph on page 32 and I won’t
read in detail the Minority report on the energy assistance which was
signed by Senators Kelly and Werk, myself and Representative
Jaquet. You will see it talks about how low income families are
vulnerable and on item #2 it talks about $3,000. You will find that the
$3,000 is broken down into various categories. I would like to say from
the whole energy affordability gap report of April of 2006 that home
energy is a crippling financial burden for low income Idaho households.
Idaho households with incomes below 50% poverty pay 35.6% of their
annual income simply for their home energy bills. Items 3 & 4 give the
details of a block grant program of the low income home energy
assistance which goes through Health and Welfare. It talks about the
weatherization and the energy assistance managed by the private, non
profit community action agencies. Where I live in Pocatello this is
managed by Southeast Community Action Agencies. I have information
about the different communities that are served, the households and the
benefits they receive. I have a copy of this if you would care to see it
later. I would like to read # 8 of the Minority report on energy assistance.

“The second of the five objectives of the Idaho Energy Plan is to maintain
Idaho’s low-cost energy supply and ensure access to affordable energy
for all Idahoans. The undersigned believe that, consistent with this
objective, the Energy Plan should include specific policies and/or actions
that indicate support for efforts to work toward the stated objective. To
ensure that a lack of heat and power does not jeopardize the health and
safety of our most vulnerable citizens, the Energy Plan of the state of
Idaho should recognize a goal of a baseline level of affordable energy
service available to all Idaho households. For this to happen, the Idaho
Energy Plan should endorse the concept that Idaho utilities be allowed to
offer reduced rates with a tiered rate design that offers quantities of
energy at a reduced “lifeline” rate, and indicate support for state funds to
supplement the other available energy assistance and weatherization
programs. “ Representative Smith concluded, standing for questions. A
comment was made regarding the possibility of a committee member
signing the Minority report in addition to the Interim committee members in
support. Chairman Raybould replied he did not have authority to allow
any additional signatures to the Minority report.
Chairman Raybould called Leslie Bradshaw, President for Blaine County Citizens for Clean Energy, a local citizens group. She began by indicating there were many pros as well as cons to the Energy Plan and thanked the Interim committee and members for their hard work. Citing some of the shortcomings of the Energy Plan in its existing form are a concern of the citizens she represents. The Plan contains no state oversight of the facilities siting of any large scale projects and most importantly approval of a large proposed project solely at the county level. Any one county could approve a project despite immense opposition from the neighboring counties. Approval of a project could rest with county commissioners of only one county. A project that effects many counties should not be subject to approval at a local level. Conservation and renewables in the Plan are good but there are no guidelines to follow to bring about change for a better environment. This plan has no provision to make this change. The absence of guidelines and benchmark deadlines simply leaves implementation of these goals up in the air. Part of the implementation of these goals are left up to Idaho Power, a company, by definition, has no interest meeting these goals. The BCCCE asked that these problems be addressed. The BCCCE states the public has never been asked to review the draft of this plan until today. The organization considers this a breach of the democratic process and ask that the committee amend the Plan to address the facility siting problems as well as mandate conservation and renewables. Questions from the committee followed regarding broadening the siting to state borders. The BCCCE is simply asking for participation by all counties to be included in the process. Ms. Bradshaw concluded her testimony. A comment was made, from the committee, regarding the Plan and the reason for recommending state wide siting authority over local siting authority because of the possibility of infringing on the local leaders in the process. It was also noted that public input in meetings was addressed by Senator McKenzie. Chairman Raybould thanked Ms. Bradshaw and indicated the information and concerns would be considered in the Interim committee meetings in the future.

David Barneby, Retired VP, Nevada Power Co & Sierra Pacific Power Co., Engineer, began by bringing to the attention of the committee that the siting subcommittee did not address health & safety in significant ways, except to leave siting responsibility with local governments which are generally ill equipped to deal with these complex matters. There is some assistance from an Energy Facility Site Advisory Team, but there is no requirement to follow the Advisory Team’s advice. There is still a need for comprehensive and tough environmental regulations. He respectfully urged the committee to reconsider the Energy Plan draft and develop one with comprehensive state regulations on siting and all aspects of environmental quality. See Attachment # 2.

Bill Block, Registered Engineer in Idaho, President of “Keep Magic Valley Magic” addressed the problem of mercury increasing in the environment in the Magic Valley. The Environment, Energy and Technology committee should have the fiduciary responsibility of oversee to address these issues and needs to look at development and the health, safety and welfare of its citizens. Mr. Block understands that DEQ is considering ‘opting back into the cap and trade plan’ which may seem premature due to the current situation regarding mercury contamination. Item E-19 on Senator McKenzie’s presentation and the study of clean
coal capturing co2 and sequestering it is an issue. Mr. Block suggests having clean energy that does not have to be sequestered and pursuing clean technology, such as nuclear energy, needs to more specifically planned.

Rick Carlson, concerned citizen, KMVM, explained his concerns include the fact the Plan needs to have more time to be implemented. Regarding siting regulations and local control there is a need for more public hearings and input before approving HCR 13 with full disclosure.

Gale Kleinkopf, KMVM, Professor emeritus, U of I, former Mayor of Twin Falls, rose to discuss his concerns regarding siting which should not be left to local governments in siting and regulations because local governments are not equipped to deal with complex issues. Standard siting must be in state wide control with input from all counties concerned Idaho stringency rules will come into play and litigation may arise in any attempt to make regulations more stringent than EPA. He asked the committee to establish state wide siting authority legislation to develop Idaho’s environmental standards to meet our needs and the wishes of the people. Transmission and transmission corridors is the next issue which is Federally regulated. Idaho should develop a ‘search progress agency’ in dealing with transmission issues. There should be some requirement in reporting transmission issues to the public. It was noted that there is a state Energy Advisory Committee written in the Plan indicating state assistance will be available to local governments. Mr. Kleinkopf feels it is important for the state to develop standards that the local counties can use as a guideline for making decisions on these issues. In reply to Mr. Kleinkopf’s concerns it was noted by committee members that agencies can come to the legislature with a request for more stringent rules with a reason and justification for that issue. There is a process to make rules without legislation and to activate this process in the various departments. The PUC has been following the PERC process diligently and Public Service Commission’s ability to site transmission within those national energy corridors. Idaho is represented in the Northwest Power Planning and Conservation Council and they are involved in how transmission issues effect Idaho’s citizens. Idaho is staying involved with the Federal Government process. Chairman Raybould referred to Paragraph 3.5.4 Energy Facilities, and asked Mr. Kleinkoph if he would agree that this Energy Plan is a step forward to helping local government.

David McClusky physician, Twin Falls, rose to speak regarding concerns about mercury and health issues. The medical profession is scientific and sees the problem of mercury in our environment as real. It is very toxic, accumulative and very hazardous to human beings. The ‘cap and trade’ is inconsistent in comparison with rules energy producing plants have to adhere to and requirements the medical profession is required to meet. Zero tolerance to mercury in our environment is the medical health providers belief. The future of Idaho relies on the way the state uses energy. It is asked that the committee vote with the health and welfare of the people of Idaho as first priority. A question from committee members asked what specific items in the Energy Plan would he like addressed. Mr. McCluskey feels the ‘cap and trade’ is not clear. Another question was asked if Mr. McClusky felt the committee had clear understanding when the governor ‘opted out’ of the ‘cap and trade’. It was explained by a committee member that if cap and trade is ‘opted in’ that decision will be
made by the DEQ not the committee. The committee worked toward future technology which included sequestering carbon and they discussed changes in the future. The plan states that with advanced technology, coal could be a viable option in the future. Comments regarding the future balance of our technology, future costs of production, and the value of having this Plan as a guideline, as opposed to having no guidelines, were discussed at length.

**Senator Laird Noh** was called to testify. He explained regulated and unregulated utilities. Idaho public utility companies, because of deregulation, established holding companies with various subsidiaries. At that time in order to receive authority the Idaho PUC introduced in the Senate affiliated transaction authority to provide the authority to the PUC to obtain the necessary data to do their job. The bill passed the Senate but the utility lobbyists were able to prevent even a hearing being held in the House of Representatives. The Federal Land Deregulatory Commission recently levied major fines against Pacific Corp now owned by Bercher-Hathaway based upon failure to report necessary information when Pacific Corp was owned by Scottish Power. I want to think the forces that generated deregulation will not go away. I would hope that this Energy Plan and future plans will contain language which advocates for a strong, independent utilities commission with added authority. A question was asked if Senator Noh thinks this plan is a good start. He replied: Compared to previous plans this is a good beginning. It has more work to be done. There will be many more meetings to ensure that the Energy Plan goes forward for the benefit of all Idaho citizens.

Representative Eskridge complimented Senator Noh on his work and influence which kept Idaho from making a mistake of following the line of deregulation like neighboring states have done.

**Representative Block** was introduced by Chairman Raybould. She indicated she has concern about the health and well being of the people of the State of Idaho. In that regard, she has been concerned regarding the proposals to build a number of coal-fired power plants in Idaho. The question is, does the 2007 Idaho Energy Plan adequately address the concerns of Idaho’s citizens about coal fired power plants? Coal fired plants are addressed in this Energy Plan while wind, hydro and bio mass resources in Idaho are not addressed. A copy of a study from Boise State University is available for your research as well as petitions with signatures of 8,500 people who reject coal fired generation plants in Idaho. Chairman Raybould asked if Representative Block felt the Energy Plan was a step in the right direction so that these issues can be addressed this summer when the Interim Committee meets? She replied: The moratorium against coal fired power plants expires April 2008. We need to be ahead of the game. Utilities begin far in advance organizing plans for construction of facilities. If DEQ ‘opts in’ to the ‘cap and trade’ plan, it will open the entire state up for coal fired generation plants. The moratorium does not prohibit coal fired gasification plants or other utilities from building in Idaho so we need to address these issues now. See attachment #3

**Lane Allgood,** Executive Director, Partnership for Science and Technology, a public nonprofit organization formed to provide accurate and timely information on existing and proposed activities at the Idaho National Laboratory, and to advocate for nuclear and environmental
technologies and decisions that are in the public interest. Our organization applauds the Interim Committee on the efforts to address the future energy needs of Idaho. However, our organization believes acknowledgement in the Energy Plan of the assets the state has in the INL has not been fully addressed. INL is a long-time national leader in hydropower and geothermal energy systems; has mapped national wind, geothermal and hydropower resources; has a rapidly growing bio energy portfolio; leads the nations Advanced Vehicle Testing Activity; and has key capabilities in battery and ultracapacitor development and testing. Overlooking an energy laboratory with a research portfolio of more than $600 million dollars a year is an error the state- in the development of its first energy plan in nearly 27 years - can ill afford to make.

There was groundbreaking of the $17 million, 55,000 square foot, Center for Advanced Energy Studies facility in Idaho Falls this morning. The center is to address critical science and engineering issues that will help resolve the challenges associated with providing an appropriate mix of energy technologies needed to address critical U.S., and global energy needs. Energy technologies to be addressed at the center include nuclear, hydrogen, fossil fuels and the full spectrum of renewable energy sources. The Center is also developing its research agenda to advance the education of the next generation of scientists and engineers and provide them with skills and experience needed to address critical future energy workforce needs. Idaho State University is supervising the construction of the building, and will manage it once it is built. See attachment # 4 for amendments suggestions. Discussion followed with committee members.

Chairman Raybould informed the testifiers their written documents will be entered into the Minutes if they so desire and asked them to leave their papers with the secretary.

Jeremy Maxand, Executive Director, Snake River Alliance was called to the podium. He thanked the committee for developing the Energy Plan. He explained the SRA has monitored the action of the INL for more than 28 years and are actively involved in the push for clean energy development in the State of Idaho as an alternative to coal. In hearing some of the testimony around the state it brought up a lot of issues. Testimony we hear today is made transparent and open and there was no opportunity early in the planning process to comment on these plans so that when we get to these issues we are not faced with an ultimatum. It is not clear just how our comments today are going to be used. It is important to have public input on the plans. The Energy Plan, as it stands today, will move our state in the right direction. No plan is perfect but there are several issues that need to be addressed. Facility siting in the context of nuclear is one issue. A company based in Virginia, Alternative Energy Holdings, has proposed a 1500 Megawatt nuclear light water reactor near Bruno, Idaho. It is now up to 1600 megawatts. The company has negotiated to purchase 4,000 acres along the Snake River to build this reactor. No information they are aware of has been provided for safety standards, water standards to any elected Idaho officials or Bruno residents. Mr. Maxand is testifying for the need of state wide facilities siting authority, for economy, safety and the environment of Idaho, not to debate nuclear energy. He asked who is going to provide state wide trained personnel emergency services in case of an accident?
Where is the first responder coordination? Where are we going to get adequate state oversite? facilities which Idaho currently doesn’t have?
INL has oversite. They are charged with protecting INL, not other nuclear facilities in the state. We don’t have the resources to monitor low-level waste facilities. U.S. Ecology waste dump pays, out of pocket, to manage oversite for a health physicist to monitor that site. Air traffic is an important consideration. Guidance on water issues and nuclear facilities needs to be addressed in the Energy Plan. I urge you to rise to the challenge of reviewing the concerns of the citizens of Idaho in all energy issues. An ad hoc interim committee for local facilities siting issues would be a mistake and not be the right path to take in solving facility issues.

Chairman Raybould asked Mr. Maxand if he would want to retract a statement which indicated the public did not have any opportunity for input in the committee meetings. Chairman Raybould suggested there were numerous meetings last summer (2006) when the Interim Committee developed this Energy Plan and were open to the public and, in fact, the public was invited to participate in sub committees. I would not want it to be indicated to the committee or the public that there was no outside opportunity to participate in this committee. Mr Maxand replied he did not want to retract his statement, but agrees that there were opportunities for the public to participate in the committee meetings, however, he believes it is important the public, as a whole, has more opportunity to secure more information regarding planning schedules. Chairman Raybould also informed Mr. Maxand that the minutes and schedules of the Energy Committee have been published on the Web. Another committee member cited there are bills in the 2007 legislature covering some of his concerns.

Niles Ribi, Member of Sun Valley City Council. Mr. Ribi explained as a local council member he disagrees with the decision to have local jurisdiction make decision on energy issues. Leadership is the way to go. The term “Advisory” means just that and he thinks it is important to develop state wide standards that a state wide siting authority agency be implemented to address the siting issues. There is one year left on the moratorium for coal fired plants in Idaho and he urges the committee to add that to your Energy Plan.

Justin Hayes, Program Director of Idaho Conservation League. The Conservation league supports this Energy Plan Resolution and hopes that you will move to accept the plan before you. The siting issue is important and my organization shares these concerns as well as water, air and the environment concerns. He looks forward to the Interim Energy committee meetings this summer. The current Legislation regarding energy seems to be developed by special interest groups moving on their own interests. Hopefully a strategy can be developed to craft these legislations in a more holistic form.

Jim Kempton, Northwest Power and Conservation Council. Mr. Kempton stated the language that binds County Commissioners is a concern. Next summer meetings of the Interim Committee need to address the statutory language in the Energy Plan. There are a number of issues in the Energy Plan in which I had the privilege to participate. It gives the Interim Committee somewhere to start. I know they are as concerned with issues
as the testifier addressed. I encourage the committee to address issues that have been presented. Attachment # 5

Karen McWilliams, Board Member, Idaho Community Active Network stated the group works on issues that impact low income and stands before the committee on the issue of low income energy assistance. It is important because there is no reason why any family should have to go without heat in the winter. Ensuring that energy assistance is included in the State Energy Plan is critical for all Idahoans. See Attachment # 6

Dr. Peter Rickards, explained he did ask for the opportunity to speak at several committee meetings and was told there was not time to have him included in the process. There is a need for more stringency rules to stop the invasion of merchant plants. The State of Idaho has the power to call for more stringency rules. Idaho has enough wind, hydro power and geo thermal power. Idaho Power also has not responded to questions I have presented to them. I have had no response from any committee members from my comments sent to the committee members. Representative Eskridge rose to indicate the public was given an opportunity to speak before the committee. Dr. Rickards continued. The committee needs to pay attention to transmission plans. The rhetoric in the Energy Plan is workable, but you need to address concerns regarding transmission grids. Public participation needs to be heard.

Lee Flynn, Director, Conservation Voters for Idaho. The organization speaks in support of the Energy Plan. The Energy Plan is a good step in the right direction. There is much to do. Many stakeholders have a role in this Energy Plan. Many of the action items require legislation and executive order. We would like to have this plan move forward.

Robert Simison was called and did not appear.

Chairman Raybould called for a motion on HCR 13.

Representative Anderson commented on the public opportunity to testify at the Interim Committee meetings.

MOTION: Representative Edmundson complimented the committee’s hard work. He supports the Energy Facility siting for local control.

ADJOURN: Representative Eskridge moved to send HCR 13 to the floor with a Do Pass. Motion passed by voice vote unanimously

Meeting adjourned at 4:40 p.m.
MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE: February 22, 2007
TIME: 1:30 p.m.
PLACE: Room 406

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representatives Edmunson, Snodgrass, Eskridge, Anderson, Mathews, Crane, Labrador, Vander Woude, Kren, Smith(30), LeFavour, Jaquet, Shively

ABSENT/EXCUSED: None

GUESTS: Ken Baker, Association of Idaho Cities; Representative Snodgrass

Chairman Raybould called the meeting to order at 1:30 p.m. and asked the secretary to take a silent roll. There were no minutes. Chairman Raybould announced a change in the sequence of the Agenda and introduced Representative Snodgrass to present H 154.

BILL # 154

Representative Snodgrass began describing the purpose of H 154 which adopts the process recommended by the Interim committee on Energy that Idaho state agencies play a role in providing technical information to support local energy facility siting decisions. It provides resources and technical information to support local energy facility siting decisions. The legislation creates a system for cities and counties to request and receive information from state departments when they are considering an application for a permit to establish a new electrical generation facility.

Discussion followed regarding local cities and counties that do not ask for advice. Representative Snodgrass explained that it could be they already have the information and do not need to request assistance or advice from state agencies. Other questions were discussed regarding the fiscal impact statement and were explained that state agencies have travel expenses and assistance requests already built into their budget. It would not cause the need for additional personnel.

Neil Colwell, Lobbyist, Avista Corporation, stated support of H 154.

Justin Hayes, Program Director, Idaho Conservation League rose in support of H 154.

Kelci Karl-Robinson, IAC, supports H 154.

Ron Williams - Consumer-Owned Utilities, spoke in support of H 154.

MOTION: Representative Edmunson moved to send the bill to the floor with a Do Pass.
Representative Jaquet moved to send the bill to General Orders with amendments. Amendments to read: Making the County Commissioners advisory mandatory; hearing should be more inclusionary; Commissioners may approve or reject; have a report on environmental risk and litigation; report should be required from applicant on process (DEQ) and analysis; prior applicants on water bill and changes on page 3, Numbers 2356, 2357, 2358.

Further discussion regarding pros and cons of the substitute motion followed.

Substitute motion to send H 154 to General Orders with Amendment: Roll Call vote was called. Voting Aye Representatives Jaquet, Smith (30), LeFavour, Shively. Motion Failed 11-4.

Motion to send H 154 to the floor with a Do Pass - passed by voice vote.

Ken Baker was recognized by Chairman Raybould to present H 137. Mr. Baker explained the purpose of the bill is to adopt the 2006 International Energy Conservation Code. The International Energy Conservation Code has been revised for energy efficiency and to make it more use-friendly for designers and builders. The adoption of the codes is for the state of Idaho division of building safety and shall only be applied by local governments as prescribed by section 39-4116, Idaho Code.

Questions were discussed on how to obtain agency information.

Representative LeFavour moved to send H 137 to the floor with a Do Pass. Motion passed by voice vote. Representative LeFavour will carry the bill to the floor.

There being no further business to come before the committee, meeting was adjourned at 2:35 p.m.
Chairman Raybould called the meeting to order at 2:05 p.m. requesting the secretary take a silent roll. Representative Eskridge moved to approve the minutes of February 20, 2007. Motion passed by a voice vote. Chairman Raybould introduced Mr. Tim Forhan, Sr. V.P., Corporate Quality, AMI Semiconductor.

Mr. Forhan described AMI’s program which is called SEMI High Tech U. SEMI High Tech U is a fun, 3 day program geared to bringing high school students to the school to have an interactive experience that exposes them to potential careers in the semiconductor and high tech industries. The school is a philanthropic initiative of the US Semiconductor Equipment Manufacturers Institute. It teaches about the semiconductor Industry, what semiconductors are, how they are made and how they work. The students have hands on in the factory and fun exercises like the “human calculator.” Students learn about engineering and other careers in high tech. They experience how math and science skills are used in real industry. Instructors are working professionals from host companies. Students attend classes on the ISU campus and learn skills in the laboratories.

Chairman Raybould thanked Mr. Forhan for his informative presentation and called for questions from the committee. A short discussion followed.

Chairman Raybould introduced Mr. David Hill, Deputy Laboratory Director, Science & Technology, Idaho National Laboratory.

Mr. Hill began with a power point presentation. He explained INL’s objectives are to meet the energy challenges of today and tomorrow. As electricity grows, the need for clean energy grows and that need must be addressed. Energy is the key to peace and the fuel of national prosperity. INL’s goals for the future include: Fostering education, research, industry; work with government and international collaborations to produce needed investment programs and expertise; becoming a leading clean energy and internationally recognized nuclear RD&D laboratory and a regional...
resource; becoming a major center for national and homeland security technology development and becoming a multi-program national laboratory with world-class nuclear capabilities. INL is a leader in the development of clean energy technologies for our country and the region. The Center for Advanced Energy Studies is a regional resource which brings high tech industry to this area. Our region contains world-class conventional and unconventional fossil energy reserves complemented by significant renewable resources and energy infrastructure. Integration of energy supply, infrastructure, markets, and energy systems approach is critical. Idaho has the potential for many solutions for clean energy, wind, geothermal, bio-mass and hydro.

INL takes a leadership role in National and Homeland Security. It maintains isolated electric grid reliability and isolated cellular phone wireless communication and provides critical infrastructure protection in key areas of Homeland Security. Nuclear non-proliferation, safeguards and security technology are vital in INL’s policy. INL multi-program science base is to support NE, DoD and DHS missions on alternative fuels, water and hydrogen. It is a leader in the development of a national reactor and fuel cycle laboratory such as NGNP (Next generation nuclear plant), GNEP (Global nuclear energy partnership), and Space Nuclear. Team work and people are the greatest asset at INL. Retention, recruitment and development of a highly-skilled work force are critical to implementing the laboratory’s mission.

INL’s business growth is the key to regional prosperity. Business growth represent 28% from previous year with an expanded customer base. It reports a business volume of $686M. INL is Eastern Idaho’s largest employer, one of the state’s top five employers and has the highest average annual wage among large businesses in Idaho. It has purchased more than $117M worth of goods and services from Idaho large and small businesses.

Chairman Raybould thanked Mr. Hill for his informative presentation and suggested it would be advantageous if the committee would take a tour of the site.

Roy Eiguren . Attorney/lobbyist, came to the committee with information on Senate bill 1148, regarding: 1. Correction of statute of DEQ on oversite at INL, 2. Correcting obsolete radiation control statute. 3. Repeal of the PCB disposal act. The bill is sponsored by Senator Darrington and Representative Snodgrass and was assigned to the Environment, Energy and Technology Committee today in the Senate.

ADJOURN: There being no more business to come before the committee, meeting was adjourned at 3:10 p.m.
Chairman Raybould called the meeting to order and asked the secretary to take a silent roll. Representative Smith moved to approved the minutes of February 22, 2007 and February 28, 2007. Motion passed by voice vote.

BILL #: S 1148  
Mr. Roy Eiguren explained S 1148 makes technical corrections to the statue that created the DEQ. He stated Idaho has no authority to regulate radioactive materials except pursuant to the federal law that allows states to receive delegated authority from the U.S. Nuclear Regulatory Commission to regulate materials containing relatively high level of radioactivity. Idaho requested and received such authority from 1968 through 1991 but returned it due to insufficient appropriated funding and pursuant to Idaho law; the state regulates certain “low activity” radioactive materials that are exempt from regulation by the NRC. Accordingly, the state does have authority to regulate “low activity” radioactive materials not regulated pursuant to federal law but it does not have authority to regulate the higher levels of radioactivity. Thus, the state’s current statute regulating “low activity” radiation is constitutional and thus legally effective, but the state’s current radiation control act is not. The correction is in this statute.

Idaho has exercised its delegated authority from the federal government to regulate activities at the INL that generate waste. The state, initially through the Governor’s office, but now through the Idaho DEQ, has also established a policy and a program, funded by the U.S. DOE, to independently monitor environmental emissions from the INL and to interact with DOE on INL activities. However, the state has never adopted a statute requiring such monitoring or interaction. This statute codifies this.

Mr. Orville Green, DEQ, presented information regarding PCB disposal act. This act provides the basis for the DEQ to administer a PCB waste disposal program if legal authority to do so could be delegated from the EPA to the DEQ. Such authority cannot be delegated from EPA to the...
state. Accordingly, EPA regulates the disposal of PCBs in Idaho. This statute makes that correction.

A short discussion followed.

MOTION: Representative Mathews moved to send S 1148 to the floor with a Do Pass. Motion passed by voice vote, unanimously.

ADJOURN: There being no further business to come before the committee, meeting was adjourned at 2:13 p.m.

Representative Dell Raybould
Chairman

Peggy Heady
Secretary
MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE: March 8, 2007
TIME: 2:30 p.m.
PLACE: Room 406

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representatives Edmunson, Snodgrass, Eskridge, Anderson, Mathews, Crane, Labrador, Vander Woude, Kren, Smith(30), LeFavour, Jaquet, Shively

ABSENT/EXCUSED: Representative Snodgrass, Representative Anderson

GUESTS: Representative Mortimer, Jeremy Maxand, Snake River Alliance; Gary E. Richardson, Snake River Alliance; Austin Porter and Trenten Kammormen, students Jefferson Montessori; Louis J. Riepl, Regional Manager for Public Affairs, INL; Lyn Darrington, lobbyist Energy Solutions.

BILL #: HCR 107 Representative Mortimer presented HCR 107 explaining the memorial is intended to make clear to the representatives of the federal government the resolve of the State of Idaho to continue its nearly 60 year partnership with the U.S. DOE and its predecessor agencies that has done and continues to do so much to advance the energy supply and security interest of the State of Idaho and The United States.

The Global Nuclear Energy Partnership is a comprehensive strategy to increase U.S. and global energy security, reduce the risk of nuclear proliferation, encourage clean development around the world. The aims of GNEP are to reduce America's dependence on foreign sources of fossil fuels and encourage economic growth; to recycle nuclear fuel using new proliferation-resistant technologies to recover more energy and reduce waste; to utilize the latest technologies to reduce the risk of nuclear proliferation worldwide; to encourage the growth of prosperity and sustainable development around the world; reduce use of fossil fuels and improve the environment. GNEP strategies are to encourage a new generation of nuclear power plants in the U.S.; pursue integrated U.S. recycling capabilities; aggressively plan to manage spent nuclear fuel and nuclear waste in the U.S., including permanent geologic disposal at Yucca Mountain; provide a reliable fuel services program; call for a program to design grid-appropriate reactors; improve nuclear safeguards to enhance the proliferation-resistance and safety of expanded nuclear power.

Discussion followed regarding nations who are not in partnership, siting, waste disposal and Idaho’s participation in the partnership.

Jeremy Maxand, Executive Director, Snake River Alliance, rose in opposition of HCR 107. Discussion followed.

Gary E. Richardson, Snake River Alliance rose to discuss HCR 107, suggesting the facts in the resolution should be researched.
Austin Porter, Student, appeared before the committee in support of HCR 107. He commented his father is a chemical nuclear engineer. He pinpointed two major points discussing nuclear waste and nuclear weapons.

Trenten Kammorman, Student, spoke of the power of nuclear energy and the fact that it should not be made for destruction. He reiterated, the world needs to keep up with technology and join the forces of the world, in partnership, in the use of nuclear power.

Representative Eskridge complimented Austin and Trenten for appearing before the committee and for their presentations.

Lyn Darrington, Lobbyist, Energy Solutions rose in support of HCR 107.

Louis J. Riepl, INL rose in rebuttal to information presented by a former testifier, stating INL endorses U.S. energy policies.

MOTION: Representative Mathews moved to send HCR 107 to the floor with a Do Pass.

MOTION: Representative LeFavour moved to Hold HCR 107 in committee, time certain, until Monday, March 12. Roll call vote was called. Motion failed 7 - 3. Representative Jaquet, Smith (30) LeFavor voting Nay.

The original motion called to send HCR 107 to the floor with a Do Pass. Motion passed by voice vote. Representative LeFavour requested to be recorded as voting Nay. Representative Labrador asked to be excused due to possible conflict of interest.

A request was made for Chairman Raybould to contact a representative of DEQ to appear before the committee, if possible, March 12. The representative is to be asked to present information regarding the GNEP resolution and Idaho’s part in this plan. Also a letter to the Office of Nuclear Energy, U.S. Department of Energy, will be written on behalf of the House Environment, Energy and Technology Committee members asking for additional public involvement opportunities.

ADJOURN: There being no more business to come before the committee, meeting was adjourned at 4:05 p.m.
MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE:            March 20, 2007
TIME:            3:30 p.m.
PLACE:           Room 406

MEMBERS:        Chairman Raybould, Vice Chairman Harwood, Representatives
                Edmunson, Snodgrass, Eskridge, Anderson, Mathews, Crane, Labrador,
                Vander Woude, Kren, Smith(30), LeFavour, Jaquet, Shively

ABSENT/EXCUSED: Representatives Edmunsen, Vander Woude, Kren

GUESTS:         Kathleen Trevor, DEQ, Mark Dietrich, DEQ

Chairman Raybould called the meeting to order and asked the secretary
to take a silent roll. Representative LeFavour moved to approve the
minutes with an additional comments as follows: Representative
LeFavour expressed concern that bringing one or more of GNEP’s three
facilities to Idaho would require Idaho to bring new spent nuclear fuel here
for recycling and that our state may also be required to store highly
radioactive bi-products of nuclear fuel recycling for potentially hundred or
thousand of years. **Motion passed by voice vote.**

This is the final report from the House Environment, Energy and
Technology Committee, Legislative Session 2007.

A question and answer session followed with comments from Kathleen
Trevor and Mark Dietrich from DEQ.

ADJOURN:       Meeting adjourned at 4:45 p.m.

Representative Dell Raybould                     Peggy Heady
Chairman                                           Secretary