

MINUTES
JOINT MEETING

HOUSE RESOURCES & CONSERVATION COMMITTEE SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Monday, February 27, 2012

TIME: 1:30 PM or Upon Adjournment

PLACE: WW02 Auditorium

MEMBERS: Chairman Stevenson, Vice Chairman Shepherd, Representative(s) Wood(35), Barrett, Moyle, Eskridge, Raybould, Bedke, Andrus, Wood(27), Boyle, Hagedorn, Harwood, Vander Woude, Gibbs, Pence, Higgins, Lacey

Chairman Pearce, Vice Chairman Bair, Senators Cameron, Siddoway, Brackett, Heider, Tippetts, Werk, Stennett

**ABSENT/
EXCUSED:** Representatives Barrett, Moyle, Bedke, Wood(27) and Boyle

GUESTS: Norm Semanko, Idaho Water Users Assn., Joan Cloonan, ICIE; John Williams, BPA; Don Sanke, Farm Bureau; Steve Cory, ICIE; John Chatburn, OER; Stephen Goodson, Governor's Office; Brenda Tominaga, IIPA; Jan Sylvester; Suzanne Budge, SBS Assoc.; Dave Goins, Idaho News Service

House Resources and Conservation Committee members joined the meeting at 2:13 p.m.

Scott Madison, Intermountain Gas Company, reviewed the company structure. He explained the oil and gas supply situation. He reviewed where the oil and gas reserves are in the United States. He said the utility group is supportive of oil and gas development in Idaho and want to participate in the development. He said Intermountain Gas is happy to serve Idaho in any way they can.

In response to Committee questions, **David Hawk**, Energy Analysis & Answers, said drilling will be similar from place to place, and will have the same engineering. He said the differences when drilling will be the types of rocks they encounter and then they will have to adjust how they drill. He also said they don't burn as much fuel oil for industrial use as they used to. He said they now use natural gas and the amount of coal used is slowly decreasing as the coal fire plants convert to natural gas. He said there are new regulations on coal fire plants and he sees most of them converting to natural gas in the future.

Senate Resources and Environment Committee members exited the meeting at 3:00 p.m.

Joan Cloonan, Idaho Council on Industry and Environment (ICIE), introduced the presenters to the House Committee.

In response to Committee questions, **Scott Madison**, Intermountain Gas Company, said they are flaring gas in North Dakota and in a lot of other places because there is no infrastructure to move it or sell it at this time. He said in North Dakota it is short term and there are plans to capture the gas and get it into the World's supply.

David Hawk, Energy Analysis & Answers, explained the technology that has come up in the last 20 years for production of oil and gas. He said they still haven't discovered all the oil available and haven't discovered all the technology to produce oil and gas. He said there will be a tremendous amount of oil for many years. He said the undiscovered unconventional areas of oil and gas are where the future is.

Mr. Hawk reviewed the amount of gas produced per day and the amount going into storage. He said they are producing more gas now than ever has been produced before. He reviewed the resources and proven reserves and the future gas supply. He explained the importance of the shale gas and that it is making a bigger contribution than it did before. Mr. Hawk explained the demand for natural gas and where we use natural gas. He reviewed the gas pipeline system flow and how Idaho gets its natural gas. He also explained how the land is reclaimed when gas exploration is done. He reviewed the renewable energy opportunities and explained they are careful about the economic climate. He explained the need for conservation and efficiency. He said the citizens in Idaho are interested in energy and the Office of Energy is a place to get answers.

Lynn Dahlberg, Williams Northwest Pipeline, said this is an exciting time to be in the energy industry. She explained how conversion to natural gas would reduced the amount of oil the United States would need to buy. She explained where pipelines are available and where gas is purchased in the West. She said this availability provides reliability and Idaho can price shop. She explained the benefit for Idaho if we have the ability to price shop. She reviewed the access to diverse supply options and the demand for natural gas across the United States. She said there has been a significant decrease in demand, due to the recession, conservation efforts and renewables. Ms. Dahlberg explained the opportunities for coal conversion in the northwest. She explained the market preservation and growth and the average pipeline contract is ten years. She explained the infrastructure and how to build it. She said state commissions need to understand the process and a way to plan and pay for the natural gas infrastructure. She said it takes at least three years for a pipeline expansion and it is very expensive. She said Idaho has access to growing supplies and has a pipeline that is diverse.

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 3:53 p.m.

Representative Stevenson
Chairman

Susan Werlinger
Secretary