

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Tuesday, January 10, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|---------|--------------------------------|-----------|
| | Organizational Meeting | |
| | Rules Subcommittee Assignments | |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

Rep. Anderson

COMMITTEE SECRETARY

Jean Vance

Room: EW20

Phone: (208) 332-1128

email: jvance@house.idaho.gov

MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Tuesday, January 10, 2012

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** Representative(s) Anderson, Schaefer, and Vander Woude

GUESTS: Reed Peterson and Mitch Powlisa, Bear Lake Regional Commission; Brenda Tominaga, Idaho Rural Water Association; Benjamin Davenport and Max Greenlee, Risch Pisca; Lynn Tominaga, Idaho Ground Water; Rich Hahn, Idaho Power; Jason Kreizenbeck, Lobby Idaho; John Eaton, Realtors; Ron Miller, Snake River Alliance; M. Alex Neiwirth, National Association of Government Employees

Chairman Raybould called the meeting to order at 1:31 p.m.

Chairman Raybould welcomed the committee and introduced the new attachés. **Jordan Wright** of Meridian will serve as House Page for the first half of the 2012 Session and **Jean Vance** of McCall will serve as committee secretary.

Chairman Raybould announced the appointment of two subcommittee chairman for the review of the Administrative Rules. **Rep. Hartgen** will chair the Subcommittee on Water Quality. Committee members are: **Representatives Anderson, Vander Woude, Block, Gibbs, Nielsen, Thompson and Jaquet.** The Subcommittee on Air Quality and Hazardous Waste will be chaired by **Rep. Harwood.** Committee members are: **Representatives Eskridge, Simpson, Schaefer, DeMordaunt, Smith(30) and Cronin.**

Rep. Gibbs introduced members of the Bear Lake Regional Commission who had given a presentation on joint management of Bear Lake by Idaho and Utah to the Department of Environmental Quality earlier in the day. The commissioners were invited to present that same subject before the Environment, Energy and Technology Committee on a future date.

Chairman Raybould gave online directions for accessing the 343 page document of Administrative Rules to be reviewed by the Environment, Energy and Technology Committee. Committee members were advised to bring their laptops to the subcommittee meetings.

In response to a question concerning the deadline for legislative action on the Administrative Rules, **Chairman Raybould** stated that the committee should be finished with its review by February 3.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:45 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
HARTGEN SUBCOMMITTEE
Water Quality
1:30 P.M.
Room EW41
Wednesday, January 18, 2012

| <u>DOCKET NO.</u> | <u>DESCRIPTION</u> | <u>PRESENTER</u> |
|-------------------------------------|--|--|
| <u>58-0102-1101</u> | Water Quality: To revise two sections addressing temperature | Barry Burnell, Department of Environmental Quality |
| <u>58-0102-1102</u> | Water Quality: To include a site specific temperature criterion for the Snake River | Barry Burnell |
| <u>58-0102-1103</u> | Water Quality: To update the language on implementation of anti-degradation procedures | Barry Burnell |
| <u>58-0109-1101</u> | Rules Regulating Swine and Poultry Facilities | Barry Burnell |
| <u>58-0104-1001</u> | Rules for Administration of Wastewater Treatment Facility Grants | Barry Burnell |
| <u>58-0112-1001</u> | Rules for Administration of Water Pollution Control Loans | Barry Burnell |
| <u>58-0120-1001</u> | Rules for Administration of Drinking Water Loan Program | Barry Burnell |
| <u>58-0122-1001</u> | Rules for Administration of Planning Grants for Public Drinking Water Facilities | Barry Burnell |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Hartgen
Rep.Anderson
Rep.Vander Woude
Rep.Block

Rep.Gibbs
Rep.Nielsen
Rep.Thompson
Rep.Jaquet

COMMITTEE SECRETARY

Jean Vance
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MINUTES
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
HARTGEN SUBCOMMITTEE
Water Quality

DATE: Wednesday, January 18, 2012

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Hartgen, Representatives Anderson, Vander Woude, Block, Gibbs, Nielsen, Thompson, Jaquet

**ABSENT/
EXCUSED:** None.

GUESTS: Barry Burnell, Water Quality Division Administrator, Dept. of Environmental Quality (DEQ); Christine Riggs, Office of Attorney General; Jim Chandler, Chris Randolph, and Rich Hahn, Idaho Power Company; Camille Luna, Batt Associates; Sarah Higer and Albert Barker, Barker, Rosholt and Simpson; Brad Hunt, Office of Administrative Rules Control; Jason Kreizenbeck, Lobby Idaho; Lynn Tominaga, Idaho Ground Water Appropriators; Dale Atkinson, citizen.

Chairman Hartgen called the meeting to order at 1:31 p.m.

DOCKET NO. 58-0102-1101: **Barry Burnell**, Department of Environmental Quality (DEQ), regarding **Docket No. 58-0102-1101**, stated that the purpose of the rule was to remove the point source thermal treatment requirements and salmonid spawning temperature criteria so that the older standards would not be used in the National Pollution Discharge Elimination System discharge permits. He also stated that the DEQ board had approved this temporary rule on June 29, 2011. After DEQ submitted the temporary rule to the Environmental Protection Agency (EPA) Region 10 on July 20 and Oct 27 of last year, EPA approved the change in Site Specific Salmonid Spawning Temperature Criterion for the lower Boise River. Mr. Burnell remarked that the City of Boise supported the rule change.

In response to a question from the committee regarding stringency of the proposed rule, **Mr. Burnell** stated that the standards included in the proposed rule were no broader in scope, nor more stringent, than federal regulations and did not regulate an activity not regulated by the federal government. Additional committee concerns included the 13 degree Centigrade temperature standard for water coming into the Boise River from canals and treatment plants, and, also the value of flexibility in changing a site specific temperature. Mr. Burnell stated that the rule would not require change in canal water temperatures nor affect the compliance of the treatment plants. He explained that the current rule only allowed for one degree variance. If **Docket No. 58-0102-1101** is approved, the variance in water temperature in normal circumstances, which does not affect the spawning salmon during the fall and winter spawning seasons, would be more locally controlled.

MOTION: **Rep. Gibbs** made a motion to recommend approval of **Docket No. 58-0102-1101** to the full committee. **Motion carried by voice vote.**

**DOCKET NO.
58-0102-1102:**

Barry Burnell, DEQ, presented **Docket No. 58-0102-1102**. He said that the purpose of the rule change was to update the water quality standards for temperature in the Snake River from Hells Canyon to the confluence with the Salmon River as a revision of the existing site specific temperature criterion. He also said additional Fall Chinook Salmon studies had been conducted that demonstrated successful spawning at higher water temperatures than specified in the water quality standards. Mr. Burnell also testified that the Snake River Fall Chinook Salmon population had demonstrated a significant recovery over the past 10 years. He noted that the rule change would alter 13 degrees Centigrade from October 23 to April 15 to 14.5 degrees Centigrade from November 7 to April 15. Mr. Burnell also stated that the Snake River users in the proposed area had been contacted and DEQ had received written and/or verbal comments from all concerned.

When asked if the rule were approved would this be DEQ's final request for a temperature criterion change, **Mr. Brunell** responded that current studies supported the temperature change and that future studies may encourage further modification. Mr. Brunell stated that the salmon growth could not be attributed to temperature change.

In response to a question, **Jim Chandler**, Idaho Power Company, verified the distance from Hells Canyon to the confluence with the Salmon River as 60 miles.

Arthur Barker, Attorney at Law representing Idaho Power, testified that Idaho Power had requested changes in the rule after scientific studies supported the change.

MOTION:

Rep. Thompson made a motion to recommend approval of **Docket No. 58-0102-1102** to the full committee. **Motion carried by voice vote.**

**DOCKET NO.
58-0102-1103:**

Barry Burnell, DEQ, regarding **Docket No. 58-0102-1103** stated that the purpose of the rule was to implement **H 153** as enacted by the 2011 Legislature and combine **H 153** into the water quality standards. He also noted that the bill rejected sections of the anti-degradation rule. He stated that **H 153** in addition to replacing the rejected rule sections, put into statute that special resource waters should be evaluated in the same fashion as all other waters. Mr. Burnell remarked that the largeness of the rule was attributed to a cleanup section and an EPA recommended recreation approval section.

Lynn Tominaga, Idaho Ground Water Appropriators, was called on to respond to a concern from the committee that the rule follow the intent of the legislation. He indicated that he was present throughout the rule making negotiations and had been involved with water quality legislation for 25 years. He testified that the rule met the intent of **H 153**.

MOTION:

Rep. Thompson made a motion to recommend approval of **Docket No. 58-0102-1103** to the full committee. **Motion carried by voice vote.**

**DOCKET NO.
58-0109-1101:**

Barry Burnell, DEQ, presented **Docket No. 58-0109-1101**. He stated that the purpose of the rule was to implement **H 206** as enacted by the 2011 Legislature. The Legislature transferred the responsibility and oversight of current and future poultry operations from DEQ to the Idaho State Department of Agriculture. The rule also removes references to poultry facilities from DEQ's "Rules Regulating Swine and Poultry Facilities."

In response to a question from the committee regarding why swine were left within the jurisdiction of DEQ and poultry was not, **Mr. Burnell** stated that DEQ was following the directive given by the Legislature. He remarked that large swine farms had been anticipated because of the 1995-96 Big Sky Farms proposals. At that time, the Legislature gave jurisdiction of swine to DEQ. He noted that since the change there had been no permits requested for swine operations. However, the poultry industry, had seen a sizable increase in activity and since the poultry industry had a desire to be supervised by the Department of Agriculture, they pursued that course of action. Mr. Burnell also noted that DEQ had received no public comment in opposition to the rule change.

MOTION: **Rep. Jaquet** made a motion to recommend approval of **Docket No. 58-0109-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0104-1001: **Barry Burnell**, DEQ, presented **Docket No. 58-0104-1001**, He explained the primary changes to the Wastewater Grant Rules modified the priority rating criteria to match the loan priority rating criteria, brought greater consistency between companion loans/grants rules and reduced environmental documentation efforts. He noted that since DEQ hopes that a planning grant leads to a design and construction loan, it seemed logical that the two sets of rating criteria should complement one another. The rule change would provide grant applicants an early indication of how they rate on the DEQ loan priority lists. He also noted that the current rating criteria does not factor in compliance issues, planned sustainability efforts or integration of studies for possible pollutants.

In response to a committee question, **Mr. Burnell** explained that the words "green building practices" on page 219 of the Administrative Rules, Section 30, referred to those types of building practices that save money, save energy and create less waste water.

MOTION: **Rep. Jaquet** made a motion to recommend approval of **Docket No. 58-0104-1001** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0112-1001: **Barry Burnell**, DEQ, presented **Docket No. 58-0112-1001**. He explained that the purpose of the rule was to change the priority rating criteria to incorporate sustainability considerations, to achieve consistency with related loan and grant programs for cost eligibility issues, and to provide a detailed rule on how to apportion required loan subsidies.

In response to committee questions, **Mr. Brunell** explained disadvantaged loans and the principle of forgiveness. He also identified cities in Idaho that had secured disadvantaged loans and spoke to their success or failure in repaying the loans.

MOTION: **Rep. Jaquet** made a motion to recommend approval of **Docket No. 58-0112-1001** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0120-1001: **Barry Burnell**, DEQ, regarding **Docket No. 58-0120-1001** said that the primary changes to the Drinking Water Loan Rules adjusted the priority rating criteria to match the criteria by which the DEQ Drinking Water program evaluates system deficiencies and health. He also said that the rule brings greater consistency between the loan/grant rules. Mr. Burnell remarked that some of the current rating criteria had become outdated and unused. He explained that at the inception of the rule it was envisioned that requests for funding assistance would be supported by documented "health emergencies or "unreasonable risk to health". Since neither had been used, they were being deleted. However, DEQ retained and described public health hazard as a rating criteria; and sustainability efforts were incorporated to ensure compliance with emerging EPA requirements.

In response to a committee question regarding criteria for ranking loan applicants, **Mr. Brunell** stated that points were given to each category. He said that the criteria list assisted DEQ in judging which facility had the greatest need.

MOTION: **Rep. Thompson** made a motion to recommend approval of **Docket No. 58-0120-1001** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0122-1001: **Barry Burnell**, DEQ, presented **Docket No. 58-0122-1001**. He explained that the changes to the Drinking Water Grant Rules would modify the priority rating criteria to match the criteria by which the DEQ Drinking Water Program evaluates system deficiencies and health risk, to bring greater consistency between companion loans/grants rules and to reduce environmental documentation efforts. He noted that since DEQ hoped that a planning grant effort would lead to a design and construction loan it seemed logical that the two sets of rating criteria should complement one another. He also explained that the environmental information document preparation was made optional.

In response to a committee question, **Mr Burnell** explained that to obtain a grant, a community must send their completed list to the DEQ Board.

MOTION: **Rep. Gibbs** made a motion to recommend approval of **Docket No. 58-0122-1001** to the full committee. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:02 p.m.

Representative Stephen Hartgen
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Tuesday, January 24, 2012

| DOCKET NO. | DESCRIPTION | PRESENTER |
|------------------------------|--|------------------|
| | Report from Hartgen Subcommittee on Water Quality <u>Rules from the Department of Environmental Quality (approved by subcommittee)</u> | Rep. Hartgen |
| 58-0102-1101 | Pending rule revising water temperature | |
| 58-0102-1102 | Pending rule to include water temperature criterion for the Snake River | |
| 58-0102-1103 | Pending rule governing language on implementation of anti-degradation procedures | |
| 58-0109-1101 | Pending rule governing poultry facilities | |
| 58-0104-1001 | Pending rule governing administration of Wastewater Treatment Facility Grants | |
| 58-0112-1001 | Pending rule governing administration of Water Pollution Control Loans | |
| 58-0120-1001 | Pending rule governing administration of Drinking Water Loan Program | |
| 58-0122-1001 | Pending rule governing administration of planning grants for public drinking water facilities | |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Tuesday, January 24, 2012

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** Rep. Nielsen

GUESTS: Jim Chandler, Jim Tucker, and Rich Hahn, Idaho Power Company; Zack Hanes, Capitol West; Toni Hardesty, Director, Department of Environmental Quality (DEQ); Barry Burnell, DEQ

Chairman Raybould called the meeting to order at 1:31 p.m.

MOTION: **Rep. Smith** (30) made a motion to approve the minutes of the January 10, 2012, meeting. **Motion carried by voice vote.**

MOTION: **Rep. Jaquet** made a motion to approve the minutes of the **Rep. Hartgen** subcommittee meeting held on January 18, 2012. **Motion carried by voice vote of subcommittee members.**

Chairman Raybould requested a report from **Rep. Hartgen** who chaired the subcommittee on water quality.

**DOCKET NO.
58-0102-1101:** **Rep. Hartgen** presented **Docket No. 58-0102-1101.**

MOTION: **Rep. Hartgen** made a motion to approve **Docket No. 58-0102-1101. Motion carried by voice vote.**

**DOCKET NO.
58-0102-1102:** **Rep. Hartgen** presented **Docket No. 58-0102-1102.**

MOTION: **Rep. Hartgen** made a motion to approve **Docket No. 58-0102-1102. Motion carried by voice vote.**

**DOCKET NO.
58-0102-1103:** **Rep. Hartgen** presented **Docket No. 58-0102-1103.**

MOTION: **Rep. Hartgen** made a motion to approve **Docket No. 58-0102-1103. Motion carried by voice vote.**

**DOCKET NO.
58-0109-1101:** **Rep. Hartgen** presented **Docket No. 58-0109-1101.**

MOTION: **Rep. Hartgen** made a motion to approve **Docket No. 58-0109-1101. Motion carried by voice vote.**

**DOCKET NO.
58-0104-1001:** **Rep. Hartgen** presented **Docket No. 58-0104-1001.**

In response to a question from the committee, **Barry Burnell**, DEQ, clarified that the loan/grant guidelines required 30 percent of the grant proposal to set forth "green building practices." The applicants would be held responsible to include practices in the loan/grant proposal that save money, save energy, or create less waste water.

MOTION: Rep. Hartgen made a motion to approve **Docket No. 58-0104-1001. Motion carried by voice vote.**

DOCKET NO. 58-0112-1001: Rep. Hartgen presented **Docket No. 58-0112-1001.**

MOTION: Rep. Hartgen made a motion to approve **Docket No. 58-0112-1001. Motion carried by voice vote.**

DOCKET NO. 58-0120-1101: Rep. Hartgen presented **Docket No. 58-0120-1101.**

MOTION: Rep. Hartgen made a motion to approve **Docket No. 58-0120-1101. Motion carried by voice vote.**

DOCKET NO. 58-0122-1001: Rep. Hartgen presented **Docket No. 58-0122-1001.**

MOTION: Rep. Hartgen made a motion to approve **Docket No. 58-0122-1001. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 1:46 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
HARWOOD SUBCOMMITTEE
 Air Quality and Waste Management
 1:30 P.M.
 Room EW41
 Thursday, January 26, 2012

| DOCKET NO. | DESCRIPTION | PRESENTER |
|------------------------------|--|--|
| 58-0101-1001 | Rules for the Control of Air pollution in Idaho: To address small scale crop residue burns | Martin Bauer, Department of Environmental Quality |
| 58-0101-1003 | Rules for the Control of Air Pollution in Idaho: To streamline Idaho's Rules for Control of Kraft Pulp Mills | Martin Bauer |
| 58-0101-1101 | Rules for the Control of Air Pollution in Idaho: Prevention of deterioration for micrometers | Martin Bauer |
| 58-0101-1102 | Rules for the Control of Air Pollution in Idaho: Repeal of electric generating unit construction prohibition | Martin Bauer |
| 58-0101-1103 | Update of Federal Regulations | Martin Bauer |
| 58-0105-1101 | Rules and Standards for Hazardous Waste | Orville Green, Department of Environmental Quality |
| 58-0110-1101 | Rules Regulating the Disposal of Radioactive Materials | Orville Green |
| 58-0124-1101 | Standards and Procedures for Application of Risk Based Corrective Action at Petroleum Release Sites | Orville Green |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Harwood
 Rep. Eskridge
 Rep. Simpson
 Rep. Schaefer

Rep. DeMordaunt
 Rep. Smith(30)
 Rep. Cronin

COMMITTEE SECRETARY

Jean Vance
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MINUTES
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
HARWOOD SUBCOMMITTEE
Air Quality and Waste Management

DATE: Thursday, January 26, 2012
TIME: 1:30 P.M.
PLACE: Room EW41
MEMBERS: Chairman Harwood, Representatives Eskridge, Simpson, Schaefer, DeMordaunt, Smith(30), Cronin
**ABSENT/
EXCUSED:** None.
GUESTS: Christine Riggs, Office of Attorney General; Toni Hardesty, Director, Department of Environmental Quality (DEQ); Martin Baur, Orville Green and Bruce Wicherski, DEQ; Stephen McGary, James Williamson and Bret Rocks, Brigham Young University-IDAHO; Jeri DeLange, City of Hayden

Chairman Harwood called the meeting to order at 1:38 p.m.

DOCKET NO. 58-0101-1001: **Martin Baur**, Department of Environmental Quality (DEQ), presented **Docket No. 58-0101-1001**. He explained that the rule was an amendment to the Crop Residue Burning Rules and that it streamlined the burning permit process for propane flaming and small spot or broken baled burns. He stated that the spot or baled burn permits were valid for an entire calendar year, were allowed only on DEQ designated burn days, and cost \$20.00 dollars per year. In addition, the permits were valid for 10 acres annually but not more than one acre per day. Mr. Baur noted that the rule did not regulate an activity not regulated by the federal government, nor was it broader in scope or more stringent than federal regulations; and, like the rule adopted in 2008, the rule could only be implemented upon legislative approval and upon additional approval of the Environmental Protection Agency (EPA).

In response to committee questions, **Mr. Baur** stated that the farmer, after being trained, determined what constitutes a spot burn and that record keeping protected farmers from false accusations. He explained that the DEQ worked in conjunction with the Highway Department to manage burning permits adjacent to roadways and that examples of "sensitive populations" could be persons confined to hospitals and/or schools in session. He also stated that the burning permit was not just a piece of paper and that record keeping was part of compliance, which was reviewed annually by DEQ.

ORIGINAL MOTION: **Rep. Eskridge** made a motion to recommend approval of **Docket No. 58-0101-1001** to the full committee.

SUBSTITUTE MOTION: **Rep. DeMordaunt** made a substitute motion to approve **Docket No. 58-0101-1001** to the full committee, with the exception of Section .05, Record Keeping. He stated that record keeping imposed an additional and unwarranted burden on the farmer.
Motion failed by show of hands.

Chairman Harwood asked for a vote on the original motion to recommend approval of **Docket No. 58-0101-1001** to the full committee. **Motion carried by a 4 AYE and 3 NAY hand vote. Voting in favor** to the motion: **Reps. Eskridge, Schaefer, Smith(30), and Cronin. Voting in opposition** to the motion: **Reps. Harwood, DeMordaunt and Simpson.**

DOCKET NO. 58-0101-1003: **Martin Baur**, DEQ, presented **Docket No. 58-0101-1003**. He said that the existing Kraft Pulp Mill Sections in DEQ Air Quality Rules were promulgated as far back as 1972. Since then, federal rules and regulations had been passed that made some existing State Administrative Rules obsolete and confusing. Since the federal Kraft Pulp Mill Rules had been incorporated into **IDAPA 50.01.01.107**, the proposed rule change would cancel the obsolete and confusing rules. In addition, the rule would set forth requirements for the recovery boiler at the Clearwater facility in Lewiston, Idaho.

In a response to a committee question, **Mr. Baur** indicated that TSR was an acronym for Total Reduced Sulfur.

MOTION: **Rep. Simpson** made a motion to approve **Docket No. 58-0101-1003** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0101-1101: **Martin Baur** DEQ, presented **Docket No. 58-0101-1101**. He said that DEQ did an annual incorporation, by reference, to update citations and federal rules that had been delegated to the Idaho DEQ. **Docket No. 58-0101-1101** would incorporate those rules encompassed in the Federal Prevention of Significant Deterioration implementation rule for particulate matter 2.5 (PM2.5) micrometers or less. He indicated that the rule applied to industrial facilities that emit large quantities of PM2.5 and addressed how permits are to be written and analyzed.

MOTION: **Rep. Simpson** made a motion to approve **Docket No. 58-0101-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0101-1102: **Martin Baur**, DEQ, presented **Docket No. 58-0101-1102**. He explained that the rule repeals the electric generating unit construction prohibition that was adopted in 2007. He noted that the 2006 Legislature, prompted by a company's desire to build a coal-fired power plant in the Magic Valley, imposed a two year moratorium on the construction. At the same time the EPA and the states were incorporating new federal rules for the control of mercury emissions from electric generating units in the United States. EPA developed the Clean Air Mercury Rule, which required states to either opt-into or opt-out of a mercury cap and trade rule for electric generating units. Since Idaho opted-out, a program was required to regulate coal-fired power generation to maintain Idaho's mercury emissions. The 2011 Legislature approved the Idaho DEQ rule which set mercury emissions at zero for coal-fired power plants. As a result of that action, the electric generating unit construction prohibition is no longer needed.

MOTION: **Rep. Eskridge** made a motion to approve **Docket No. 58-0101-1102** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0101-1103: **Martin Baur**, DEQ, presented **Docket No. 58-0101-1103**. He said the rule incorporated federal changes made between July 1, 2010 and July 1, 2011 and was needed to ensure that Idaho's Air Quality Program maintained consistency with the federal regulations.

MOTION: **Rep. DeMordaunt** made a motion to approve **Docket No. 58-0101-1103** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 58-0105-1101: **Orville Green**, DEQ, presented **Docket No. 58-0105-1101**. He said that in the time frame between July 1, 2010 and June 30, 2011, there were two final federal hazardous waste regulations published in the Federal Register that were proposed for adoption. Mr. Green remarked that none of the regulations would have significant impacts to Idaho. One of the rules involved removing saccharin and its salts from the lists of hazardous constituents and commercial chemical products which are hazardous when discarded. The other regulation contained technical corrections to the existing federal Academic Labs Rule which was previously promulgated in 2008.

- MOTION:** **Rep. Smith** made a motion to approve **Docket No. 58-0105-1101** to the full committee. **Motion carried by voice vote.**
- DOCKET NO. 58-0110-1101:** **Orville Green**, DEQ, presented **Docket No. 58-0110-1101**. He testified that the rule was necessary to comply with **H 93**, which was approved by the Legislature and signed by the Governor in 2011. **H 93** was enacted to address the new definition of by-product material contained in the Federal Energy Act of 2005 and its intent is to clarify that certain materials now included in this new definition would continue to be disposed of at a commercial hazardous waste disposal facility located in Idaho.
- MOTION:** **Rep. Cronin** made a motion to approve **Docket No. 58-0110-1101** to the full committee. **Motion carried by voice vote.**
- DOCKET NO. 58-0124-1101:** **Orville Green**, DEQ, presented **Docket No. 58-0124-1101**. He stated that the rule change corrected chemical toxicity values, updated the Screening Level values for soil and ground water, added Screening Levels for soil vapor measurements, and incorporated the use of soil vapor into the risk evaluation process. He noted that the proposed changes to the rule occurred as a result of information provided during the development of guidance required by the rule and that guidance was developed in collaboration with the Petroleum Storage Tank Fund, the Idaho Petroleum Marketers, the Convenience Store Association, plus consultants involved in cleanups of contaminated petroleum sites.
- MOTION:** **Rep. DeMordaunt** made a motion to approve **Docket No. 58-0124-1101** to the full committee. **Motion carried by voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:35 p.m.

Representative R. Harwood
Chair

Jean Vance
Secretary

AMENDED # 1 AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Monday, January 30, 2012

| DOCKET NO. | DESCRIPTION | PRESENTER |
|------------------------------|--|--|
| 24-0501-1101 | For full Committee Discussion: Rules for the Board of Drinking Water and Wastewater Professionals | Roger Hales, Bureau of Occupational Licenses |
| | Report from Harwood Subcommittee on Rules <u>Rules from the Department of Environmental Quality:</u> (approved by subcommittee) | Rep. Harwood |
| 58-0101-1001 | Pending rule governing small scale crop residue burns | |
| 58-0101-1003 | Pending rule streamlining Idaho's rules for control of Kraft Pulp Mills | |
| 58-0101-1101 | Pending rule governing deterioration for micrometers | |
| 58-0101-1102 | Pending rule governing electric generating unit construction prohibition | |
| 58-0101-1103 | Pending rule updating federal regulations | |
| 58-0105-1101 | Pending rule governing standards for hazardous waste | |
| 58-0110-1101 | Pending rule regulating the disposal of radioactive materials | |
| 58 0124-1101 | Pending rule governing standards and procedures for application of risk based corrective action | |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

Jean Vance

Room: EW16

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

- DATE:** Monday, January 30, 2012
- TIME:** 1:30 P.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin
- ABSENT/
EXCUSED:** Rep. Nielsen
- GUESTS:** Shelly Roberts and Lynn Tominaga, Idaho Rural Water Association; Doug Amick, City of Greenleaf; Jerry Campbell, City of Fruitland; Mike Shepherd, City of Weiser; Kent Lauer, Idaho Farm Bureau; Bruce Evans, City of Emmett; Ken Harward, Association of Idaho Cities; John Lee and Roger Hales, Idaho Board of Drinking Water and Wastewater Professionals; Barry Burnell, Bruce Wicherski, and Orville Green, Department of Environmental Quality (DEQ); John J. Williams, Bonneville Power Association; Richard Dees, Tom Barry, and John Cabel, City of Meridian; Brent Orton, City of Caldwell; Dennis Stevenson, Rules Coordinator, and Ed Hawley, Administrative Rules; Michael Bache, Olympics Technical; Dar Olberding, Idaho Grain Producers Association; Suzanne Budge, SBS Associates, LLC
- Chairman Raybould** called the meeting to order at 1:36 p.m.
- MOTION:** **Rep. Harwood** made a motion to approve the minutes of the January 24, 2012 meeting. **Motion carried by voice vote.**
- MOTION:** **Rep. Smith (30)** made a motion to approve the minutes of the Rep. Harwood subcommittee meeting held on January 26, 2012. **Motion carried by voice vote of subcommittee members.**
- DOCKET NO. 24-0501-1101:** **Roger Hales**, Attorney at Law representing the Idaho Board of Drinking Water and Waste Water Professionals, presented **Docket No. 24-0501-1101**. He stated that the rule was an attempt to regulate the competency of the drinking and wastewater facilities operators with the priority being public safety. He explained that the Senate voted to approve **Docket No. 24-0501-1101** with the exception of **Section 375.02 (c)**. He indicated that the Idaho Board of Drinking Water and Waste Water Professionals would accept the Senate decision. However, he proposed the committee negotiate an additional change by reinstating the "strike out" of **Docket No. 24-0501-1101, Section 300.04**. Mr. Hales also explained that the Idaho Board of Occupational Licensing (IBOL) had simplified and consolidated the licensing dockets for operators to acquire their Class I, II, III and IV licenses. He noted that **Docket No. 24-0501-1101** streamlined licensing requirements for accessibility and comprehension.
- Shelly Roberts**, Idaho Rural Water Association, testified that on-site experience should be equal in value to university courses when licensing a drinking water and wastewater facilities operator. Ms. Roberts said that all operators have to function effectively at each level as well as study for and pass the Association of Boards of Classification exams for each level of administrative ability. She noted that many operators in rural communities hold multiple duties such as road maintenance and supervision of landfills.

In a response to questions by the committee, **Ms. Roberts** and **Lynn Tominaga**, Idaho Rural Water Association stated that Idaho Rural Water Association had input into the rulemaking process, but did not take part in the decision making nor did they have a member on IBOL.

Doug Amick, City of Greenleaf, **Jerry Campbell**, City of Fruitland; **Mike Shepherd**, City of Weiser; **Bruce Evans**, City of Emmett, and **Brent Orton**, City of Caldwell, testified that **Docket No. 24-0501-1101, Section 375.02 (c)**, posed a hardship on smaller communities. They explained the process of training by which wastewater facility operators obtained licenses. They noted that making college course-work mandatory for licensing resulted in small community managers being forced to fire their on-site experienced operators and to deplete their budgets. They said that engineers were more expensive to hire than Class IV experienced operators who had 12 to 13 years of on-site training. They stated that on-site experienced operators were no less conscious of public safety or of drinking water and wastewater site regulations than their college-educated colleagues. They also stated concern that municipalities' budget restraints, plus advanced educational requirements for operators, would cripple the industry.

John Lee, Idaho Drinking Water and Wastewater Professionals, testified in support of the proposed rule change. He stated that he had started in the drinking water industry but had quit his job to go to college. He said the rule change was a reasonable requirement. **Barry Burnell**, DEQ, also supported IBOL's decision.

Richard Dees, City of Meridian, stated that mandating small communities to meet large city standards forced sizable water rate hikes and resulted in substantial fines from the federal Environmental Protection Agency. Mr. Dees recommended that the committee strike out **Section 375.02 (c)** of the mandatory post education requirement, keeping the current experience for education substitution in the existing rules. He also proposed removal of the "stair step" approach from the existing water and wastewater treatment licensure process.

ORIGINAL MOTION:

Rep. Anderson made a motion to approve **Docket No. 24-0501-1101** with the exception of **Section 375.02 (c)**.

SUBSTITUTE MOTION:

Rep. Jaquet made a substitute motion to **hold for a time certain Docket No. 24-0501-1101** asking that Mr. Hales meet with stakeholders and bring a settled compromise to the House Environment, Energy and Technology Committee on Thursday, February 02.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Chairman Raybould requested a roll call vote on the substitute motion. **The motion failed by a vote of 5 AYE and 8 NAY. Voting in favor of the motion: Reps. Simpson, Gibbs, Thompson, Smith(30), and Jaquet.** Voting in opposition to the motion: **Reps. Raybould, Harwood, Anderson, Eskridge, Vander Woude, Block, DeMordaunt, and Schaefer.** **Reps. Cronin, Hartgen, and Neilsen** were absent/excused.

VOTE ON ORIGINAL MOTION:

Chairman Raybould called for a vote on the original motion to approve **Docket No. 24-0501-1101** with the exception of **Section 375.02 (c)**. **Motion carried by voice vote.**

DOCKET NO. 58-0101-1001: MOTION:

Rep. Harwood presented **Docket No. 58-0101-1001**, which streamlined the burning permit process for propane flaming and small spot or broken baled burns. **Rep. Harwood** made a motion to approve **Docket No. 58-0101-1001. Motion carried by voice vote.**

DOCKET NO. 58-0101-1003:

Rep. Harwood presented **Docket No. 58-0101-1003**, which cancelled obsolete and confusing language existing in the Kraft Pulp Mill Sections of the rule and set forth requirements for the recovery boiler at the Clearwater facility in Lewiston, Idaho.

MOTION: Rep. Harwood made a motion to approve **Docket No. 58-0101-1003. Motion carried by voice vote.**

DOCKET NO. 58-0101-1101: Rep. Harwood presented **Docket No. 58-0101-1101**, which updated the DEQ rules to meet federal mandates.

MOTION: Rep. Harwood made a motion to approve **Docket No. 58-0101-1101. Motion carried by voice vote.**

DOCKET NO. 58-0101-1102: Rep. Harwood presented **Docket No. 58-0101-1102**, which would delete the prohibition of electric generating unit construction.

MOTION: Rep. Harwood made a motion to approve **Docket No. 58-0101-1102. Motion carried by voice vote.**

DOCKET NO. 58-0101-1103: Rep. Harwood presented **Docket No. 58-0101-1103**, which updated Idaho's Air Quality Program to maintain consistency with the federal regulations.

MOTION: Rep. Harwood made a motion to approve **Docket No. 58-0101-1103. Motion carried by voice vote.**

DOCKET NO. 58-0105-1101: Rep. Harwood presented **Docket No. 58-0105-1101**, which updated federal hazardous waste regulations.

MOTION: Rep. Harwood made a motion to approve **Docket No. 58-0105-1101. Motion carried by voice vote.**

DOCKET NO. 58-0110-1101: Rep. Harwood presented **Docket No. 58-0110-1101**, which brought the rules in compliance with **H 93**.

MOTION: Rep. Harwood made a motion to approve **Docket No. 58-0110-1101. Motion carried by voice vote.**

DOCKET NO. 58-0124-1101: Rep. Harwood presented **Docket No. 58-0124-1101**, which corrected chemical toxicity values, updated the Screening Level values for soil and ground water, added Screening Levels for soil vapor measurements and incorporated the use of soil vapor into the risk evaluation process.

MOTION: Rep. Harwood made a motion to approve **Docket No. 58-0124-1101. Motion carried by voice vote.**

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

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Thursday, February 02, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|--------------------------------|---|------------------------|
| <u>RS20992</u> | Regarding exemption of low voltage (under 90 volts) installations from state regulatory oversight | Rep. Leon E. Smith |
| <u>RS21135</u> | Regarding tax deductions for energy upgrades | Rep. John Vander Woude |
| <u>RS21124</u> | Concurrent Resolution: regarding deletion of Docket No. 24-0501-1101, Section 375.02.c | Rep. Dell Raybould |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

Jean Vance

Room: EW16

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email: jvance@house.idaho.gov

MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

- DATE:** Thursday, February 02, 2012
- TIME:** 1:30 P.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin
- ABSENT/
EXCUSED:** Reps. Nielsen, Schaefer, Vander Woude, DeMordaunt, Jaquet, Cronin
- GUESTS:** Rep. Leon E. Smith (24); Steve Keys, Deputy Administrator, Idaho Division of Building Safety; Will Hart, Executive Director, Idaho Consumer-Owned Utilities Association; Ken Miller, Snake River Alliance; John Chatburn, Interim Director, Idaho Office of Energy Resources; Ben Otto and Courtney Washburn, Idaho Conservation League; Rich Hahn, Idaho Power Company; John J. Williams, Bonneville Power Association
- Chairman Raybould** called the meeting to order at 1:30 p.m.
- MOTION:** Rep. Thompson made a motion to approve the minutes of the January 30, 2012 meeting. **Motion carried by voice vote.**
- RS 20992:** **Rep. Smith (24)** presented **RS 20992**. He stated that the legislation would allow low voltage installers to continue their work without state oversight regulation of licensing and fees. He noted that this would keep the cost reasonable for the person wanting a low voltage phone or stereo system installed.
- In response to a question from the committee, **Rep. Smith (24)** stated that the legislation would not apply to alarm systems.
- MOTION:** **Rep. Harwood** made a motion to introduce **RS 20992**. **Motion carried by voice vote.**
- RS 21135:** **Chairman Raybould** announced that **RS 21135** would be moved to the agenda for Monday, February 6, 2012, since presenters were unable to be in attendance.
- RS 21124:** **Chairman Raybould** presented **RS 21124**, regarding the deletion of **Docket No. 24-0501-1101, Section 375.02.c.** from the rule governing education requirements for wastewater professionals.
- MOTION:** **Chairman Raybould** made a motion to introduce **RS 21124**. **Motion carried by voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 1:38 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Monday, February 06, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|--------------------------------|--|--|
| Presentation | Bear Lake Regional Commission: Joint Management of Bear Lake by Idaho and Utah | Reed Peterson and Mitch Powlsa, Bear Lake Regional Commissioners |
| <u>RS21135</u> | Regarding tax deduction/energy efficient upgrade | Rep. John Vander Woude |
| <u>RS21039</u> | Regarding Shoshone County Superfund Site | Rep. Shannon McMillan |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

| | |
|-----------------------|----------------|
| Chairman Raybould | Rep Block |
| Vice Chairman Harwood | Rep DeMordaunt |
| Rep Anderson | Rep Gibbs |
| Rep Eskridge | Rep Nielsen |
| Rep Hartgen | Rep Thompson |
| Rep Simpson | Rep Smith(30) |
| Rep Schaefer | Rep Jaquet |
| Rep Vander Woude | Rep Cronin |

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Monday, February 06, 2012

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** None

GUESTS: Reed Peterson, Mitch Poulsen, and Vaughn Rasmussen, Bear Lake Regional Commission (BLRC); Annie Roberts, BLRC Intern; Will Hart, Executive Director, Idaho Consumer-Owned Utilities Association; John Chatburn, Interim Director, Idaho Office of Energy Resources; Jesse Taylor, Westerberg & Associates; Dave Goins, Idaho News Service

Chairman Raybould called the meeting to order at 1:31 p.m.

Mitch Poulsen, Bear Lake Regional Commission Executive Director, presented an overview of the Joint Management of Bear Lake by Utah and Idaho. He explained that the Commission was formed in 1973 by the Governors of both states for protection of the lake. The objective was to coordinate federal, state, and local agencies across jurisdictional boundaries. Mr. Poulsen stated that the 10-member Commission was composed of elected officials, recreation and irrigation representatives, two hired staff and other ex officio members from both states. He explained that the Commission monitored Bear Lake, planned for the environmental stability, rehabilitated the watershed and had completed over 25 miles of streambank stabilization upstream from the lake. In addition, the Commission provided technical assistance to local communities. Long range plans for the lake include improvement of receiving waters, protection of the Bear Lake region, guarding water quality and effectively serving the adjacent organizations and agencies.

In response to questions from the committee, **Mr. Poulsen** clarified that the run-off from the Soda Springs did not reach Bear Lake and that the east side of the lake was less developed than the west side. He said that both states were responsible for the care of the sewer lagoons and that calcium carbonate was responsible for the vibrant blue color of Bear Lake. He also stated that Mudd Lake acts as a filter to the in-coming sediment flow and that persons from Utah's Wasatch Front made up the majority of second-home owners. In response to further questions, he said that development was being encouraged and that government regulations were in place to manage commercial and private development.

Rep. Anderson stated concern about infestation of the Quagga mussel in Idaho's lakes. He explained to the committee that mandatory inspections of boating equipment is required in Idaho but Utah monitors the Quagga mussel only through self certification. He encouraged **Mr. Poulsen** to negotiate for mandatory inspection in Utah and to be more aggressive in fighting the spread of the species. He referenced the invasive nature of the Quagga mussel and the infestation of Lake Mead, Nevada's and Arizona's shared lake.

Rep. Gibbs explained that although the Bear Lake Regional Commission had been a line item for the Joint Finance Appropriations Committee (JFAC) in the past, it had received no general funding for five years. **Chairman Raybould** suggested the commissioners request a hearing with JFAC.

RS 21135: **Rep. Vander Woude** presented **RS 21135** which amends Section 63-3022B, Idaho Code, to revise the eligibility criteria for taking a state income tax deduction for installing energy efficiency upgrade measures within existing residences and declaring an emergency plus providing retroactive application.

Questions arose regarding the committee's authority to introduce a resolution that was clearly a subject of taxation. **Chairman Raybould** accepted comment and ruled that the committee would introduce the resolution with a notation to the Speaker of the House that the bill hearing should be before the Revenue and Taxation Committee.

MOTION: **Rep. Eskridge** made a motion to introduce **RS 21135**. **Motion carried by voice vote.** He noted that a recommendation should accompany the Committee Report indicating that the bill be referred to the House Revenue and Taxation Committee.

RS 21039: **Rep. McMillan** presented **RS 21039** and explained that the purpose of the memorial was to remove the Environmental Protection Agency's (EPA) declaration of "Superfund Site" from the Silver Valley of the Coeur d'Alene Mining District in Shoshone County. She stated that testing of local residents for levels of lead in their blood had proven the hazard was gone and that, with existing technology, the cleanup should be accomplished within the allotted time. She noted the EPA's negative listing of the area should be withdrawn and that the restoration of roads and infrastructure was currently the responsibility of the EPA.

Rep. Simpson invoked Rule 38 stating a possible conflict of interest and that he would not be voting on the legislation since he is a Community Relations Plans Coordinator for the Superfund Cleanup Program for the Idaho National Laboratory.

In response to a question regarding the authority of the State of Idaho to reject the EPA, **Chairman Raybould** said the only way to over-ride an EPA ruling was to have an Idaho rule and/or law in place that was as stringent and/or as equal to the recommendation of the EPA.

Rep. Nielson argued that the memorial was a way to make Idaho's voice heard in the nation's capitol.

MOTION: **Rep. Nielsen** made a motion to introduce **RS 21039**. **Motion carried by voice vote. Rep. Simpson abstained. Reps. Cronin and Rep. Smith (30)** asked to be recorded as voting **NAY**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:37 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Wednesday, February 08, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|---------------------------|---|---|
| Presentation | General Activities at Idaho National Laboratory (INL) and Shaping the Future of the Lab | Admiral John Grossenbecker, Director of INL |
| H 476 | An act relating to licensure of electrical contractors and journeymen | Rep. Leon E. Smith |
| RS21210 | An act relating to licensure of electrical contractors and journeymen | Rep. Leon E. Smith |
| RS21132 | Concurrent Resolution to adopt the 2012 revised integrated Idaho Energy Plan | Rep. George Eskridge |
| RS21131C1 | To remove all authority which was given to the EPA by the State of Idaho | Rep Dick Harwood |
| HCR 32 | Rejecting a certain rule of the Bureau of Occupational Licenses | Chairman Dell Raybould |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould
Vice Chairman Harwood
Rep Anderson
Rep Eskridge
Rep Hartgen
Rep Simpson
Rep Schaefer
Rep Vander Woude

Rep Block
Rep DeMordaunt
Rep Gibbs
Rep Nielsen
Rep Thompson
Rep Smith(30)
Rep Jaquet
Rep Cronin

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Wednesday, February 08, 2012

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** None

GUESTS: Bob Pietras, Idaho Department of Lands; Dea Roth, Randy Lake and Mark Zaleski, Idaho Brotherhood of Electrical Workers (IBEW); Marty Durrand, IBEW and Building Trades Council; John Chatburn, Interim Director, and Sue Seifert, Idaho Office of Energy Resources; Will Hart, Executive Director, Idaho Consumer-Owned Utilities Association; Jeff Fitzluff, Underwriters Laboratories; Jeff Wheeler, Idaho Electric Board; Rich Hahn, Idaho Power; John J. Williams, Bonneville Power Authority; Max Greenlee, Risch Pisca; Courtney Washburn, Idaho Conservation League; Brenda Tominaga, Idaho Irrigation Pumpers Association; Clark Corbin, Post Register; Eldon Wallace, citizen; Admiral John Grossenbacher and Amy Lientz, Idaho National Laboratory; Caitlin Lavelle, Gallatin Public Affairs; Ken Miller, Snake River Alliance; Lynn Tominaga, Idaho Rural Water; Jack Lyman, Idaho Mining Association

Chairman Raybould called the meeting to order at 1:31 p.m.

MOTION: **Rep. Thompson** made a motion to approve the minutes of the February 2, 2012, and February 6, 2012, meetings. **Motion carried by voice vote.**

Admiral John Grossenbacher, Director, Idaho National Laboratory (INL), presented a report on Idaho's Leadership Role in Nuclear Energy. He reported that the INL's cleanup commitments were being met in compliance with the federal government, that transuranic, radioactive waste was being transported from the state, and that the aquifer was being protected. He stated his opinion that Yucca Mountain in Nevada was no longer an acceptable repository for nuclear waste but that until the federal law designates a different repository, all states must find alternative storage. He spoke to the burdens and benefits of nuclear technology for energy and defense.

In response to questions from the committee, **Admiral Grossenbacher**, said that modular reactors were a popular concept. He stated that, while there are some in use, it was costly and that there were too many uncertainties to know if they were truly reliable. He said that scientists were adept at storing nuclear waste safely and that early site permits had been approved for construction of nuclear reactors in Virginia, Mississippi, Illinois, and Georgia, with others under consideration in Ohio and Texas. He also said that while most states produced 60 to 70 thousand metric tons of nuclear waste, Idaho generated 300,000 metric tons of nuclear waste, annually, and that there were no geographical spots in Idaho suitable for a nuclear waste repository. Currently the Waste Isolation Pilot Plant in Calsbad, New Mexico, receives most of Idaho's transuranic, radioactive waste. He also said that the INL is an interim depository for some radioactive waste. In responding to additional questions regarding the aquifer, Admiral Grossenbacher remarked that the Department of Energy and other entities held responsibility for monitoring and testing the aquifer and that lawsuits were pending.

In response to further questions, **Admiral Grossenbacher**, said the cleanup of everything that was ever brought into the state containing an ounce of plutonium, was an unreasonable and unnecessary goal. He explained the causes of the November 8, 2011 event at the INL and the detoxification process for/of employees. He discussed his December 2011 visit to Japan regarding the Fukushima Reactor cleanup plus the future of nuclear power in Japan.

Admiral Grossenbacher reported the used fuel and high-level waste recommendations of the Blue Ribbon Commission which was formed in 2010. The Commission proposed a new, consent-based approach to sites for nuclear waste management facilities and a new organization solely dedicated to implementing the waste management program. They recommended accessing the funds nuclear utility ratepayers are providing for the development of one or more geologic disposal facility, plus one or more consolidated storage facilities. They also proposed efforts to prepare for large-scale transport of spent nuclear fuel and high-level waste; they supported continued U.S. innovation in nuclear energy technology; and they supported continued development of a highly-skilled, nuclear energy workforce. Active U.S. leadership in international efforts to address safety, waste management, nonproliferation, and security was also recommended by the Commission.

H 476:

Rep. Smith (24) requested to **HOLD H 476** in committee.

**UNANIMOUS
CONSENT
REQUEST:**

Chairman Raybould requested unanimous consent to **HOLD H 476** in committee. There were no objections.

RS 21210:

Rep. Smith (24) presented **RS 21210** which added another exemption from state regulatory oversight, under Idaho Code 54-1016. He said that the law now appears to require this oversight on low voltage installation of telephones, speaker systems, computer systems, home theater systems, stereo systems, sprinkler controls, and antenna systems and similar systems. The legislation makes clear that the oversight of specified activities are exempt under Idaho Code 54-1016.

MOTION:

Rep. Gibbs made a motion to introduce **RS 21210**. **Motion carried by voice vote.**

RS 21132:

Rep. Eskridge, Interim Committee Co-chair, presented **RS 21132** which provides for a House Concurrent Resolution accepting the revision of the 2007 Idaho Energy Plan. He noted that the 2012 Plan was completed in the Summer of 2011 by the Interim Committee on Environment, Energy and Technology with Senator McKenzie, Co-chair. The Committee also worked in partnership with the Idaho Strategic Energy Alliance. He stated that the current plan was in compliance with **HCR 013**. In addition, he said the Plan recognized that Idaho imports 80 percent of its energy; and, the Plan recommended that Idaho pursue a robust, cost-effective, and efficient development of its energy resources.

MOTION:

Rep. Thompson made a motion to introduce **RS 21132** with changes of "council" to "council's" and "\$1455" to "\$1,455" made to the accompanying Statement of Purpose. **Motion carried by voice vote.**

RS 21131C1:

Rep. Harwood presented **RS 21131C1**, which would remove all authority given to the Environmental Protection Agency (EPA) by the State of Idaho. He said that the EPA was created by Executive Order which pertains to the executive branch of the government, not states, cities or private property. He argued that if Idaho repealed the ten sections from the Idaho Code which allowed the EPA to have authority in the State, all state environmental issues could be under the control of the Idaho Department of Environmental Quality. He stated that in response to his research for the resolution, he was encouraged to begin the dialogue and that other states would join with Idaho in this venture and that the court system would eventually become involved.

Rep. Simpson invoked Rule 38 stating a possible conflict of interest and that he would not be voting on the legislation since he is a Community Relations Plans Coordinator for the Superfund Cleanup Program for the Idaho National Laboratory.

In response to questions from the committee, **Rep. Harwood** stated that the State would be capable of administering for the health and safety of Idaho citizens and would be more responsive to local priorities than the EPA. He stated that the resolution was not in violation of federal law since the EPA was not legally set forth under Executive Order in the Constitution. He said if states repeal sections of law that allow the EPA to have jurisdiction within the State, the EPA would be disallowed.

ORIGINAL MOTION:

Rep. Nielsen made a motion to introduce **RS 21131C1**.

SUBSTITUTE MOTION:

Rep. Gibbs made a substitute motion to return **RS 21131C1** to the sponsor.

Reps. Hartgen, Shaefer, Nielsen and **Thompson** argued in favor of the original motion holding that the EPA had become a rogue agency with callous disregard for the economic impact on states or citizenry. They said dialogue should begin, and that the resolution would prompt other states to join with Idaho in repealing laws and disallowing authority of the EPA. They noted that the EPA's authority, since it's inception, had been inappropriately broadened by the Courts.

Rep. Anderson argued against the original motion stating that putting one's name on wrong legislation was not the right thing to do. He said he did not support all the federal regulations of the EPA, but at the very least, the resolution should go to the amending order. **Reps. Vander Woude** and **Jaquet** were not in support of the resolution. They reasoned that the Clean Water and Clean Air Act, created through an act of Congress, had to be administered. **Rep. Smith (30)** stated that the legislation was flawed.

Rep. Gibbs stated he did not support the EPA nor did he favor the proposals within the resolution. **Chairman Raybould** stated that the Fiscal Note was incorrect and needed to be refigured.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Roll call vote was requested on the substitute motion to return **RS 21131C1** to the sponsor. **Substitute motion carried by a vote of 9 AYE, 5 NAY, 1 absent/excused and 1 abstained.** **Voting in favor** of the substitute motion: **Reps. Anderson, Vander Woude, Block, DeMordaunt, Gibbs, Smith (30), Jaquet, Cronin** and **Raybould.** **Voting in opposition** to the substitute motion: **Reps. Harwood, Hartgen, Nielsen, Schaefer, and Thompson.** **Rep. Eskridge was absent/excused.** **Rep. Simpson abstained.**

HCR 32:

Chairman Raybould presented **HCR 32** regarding the deletion of **Docket No. 24-0501-1101, Section 375.02.c.** from the rule governing education requirements for wastewater professionals.

MOTION: **Rep. Simpson** made a motion to send **HCR 32** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep Jaquet** requested that she be recorded as voting **NAY.** **Chairman Raybould** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:52 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Tuesday, February 14, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|-----------------------|---|--|
| Presentation | Public Utilities Commission on power rate assessment and renewable energy credits | Commissioners Marsha Smith and Paul Kjellander |
| HJM 9 | Dismissal of the Silver Valley from the Environmental Protection Agency's Superfund | Rep. Shannon McMillan |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

| | |
|-----------------------|----------------|
| Chairman Raybould | Rep Block |
| Vice Chairman Harwood | Rep DeMordaunt |
| Rep Anderson | Rep Gibbs |
| Rep Eskridge | Rep Nielsen |
| Rep Hartgen | Rep Thompson |
| Rep Simpson | Rep Smith(30) |
| Rep Schaefer | Rep Jaquet |
| Rep Vander Woude | Rep Cronin |

COMMITTEE SECRETARY

Jean Vance
Room: EW16
Phone: (208) 332-1128
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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Tuesday, February 14, 2012

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** Rep. Nielsen

GUESTS: James McMillan, Jan Sylvester and Hubert Osborne, citizens; Marsha Smith and Paul Kjellander, Commissioners, Idaho Public Utilities Commission (IPUC); Randy Lobb, IPUC; Brenda Tominaga, Idaho Irrigation Pumpers Association; Toni Hardesty, Director, Department of Environmental Quality (DEQ); Matt Kaiserman, Gallatin Public Affairs; Neil Colwell and Larry LaBolle, Avista Corporation; Pat Barclay, Idaho Council on Industry and the Environment; Jane Wittmeyer, Wittmeyer and Associates; Will Hart, Executive Director, Idaho Consumer-Owned Utilities Association; Russell Westerberg, Rocky Mountain Power; Dave Goins, Idaho News Service; Elizabeth Criner, Northwest Food Processors Association/Simplot; Ben Otto, Idaho Conservation League; Dan Olberding, Idaho Potato Growers Association; Shelley Davis, Barber, Rosholt and Simpson

Chairman Raybould called the meeting to order at 1:30 p.m.

MOTION: **Rep. Smith (30)** made a motion to approve the minutes of the February 8, 2012 meeting. **Motion carried by voice vote.**

Marsha Smith, Public Utilities Commissioner, reported on the Public Utility Regulatory Policy Act (PURPA) of 1978. She explained that PURPA had both a federal and state role. The Federal Energy Regulatory Commission (FERC) administers the Act at the federal level with the IPUC administering locally.

In response to questions from the committee regarding public frustration with the over-ride power of FERC, **Commissioner Smith** stated that FERC had primary jurisdiction. She said private utilities are allowed to recover 100% of the amount paid to purchase energy from PURPA Qualifying Facilities.

Commissioner Smith explained that a Qualifying Facility (QF) can be a small-power production facility whose primary energy source is renewable (hydro, wind or solar), biomass, waste or geothermal resources. It can also be a cogeneration facility that sequentially produces electricity and another form of useful thermal energy (heat or steam) in a way that is more efficient than the separated production of both forms of energy. She also explained that the avoided cost is the cost that an electric utility, such as Idaho Power, avoids by not having to generate or buy from another source. The Surrogate Avoided Resource can be a coal-fired plant, a natural gas-fired plant, etc.

In response to questions from the committee, **Commissioner Smith** stated that if the facility is a QF, the electric utility has to buy the power. She explained that wheeling power occurs when a power project, such as a wind farm, wants to sell power to another utility. In that case, she stated, the developer has to pay the wheeling cost. In response to further questions, she stated that the ratepayer always has, factored into their rate, the prudently incurred utility costs. She also explained that in 2011 the Commission put a cap on the size of wind and solar projects that would qualify for the Commission-published, avoided cost rate. She stated that if the electric utility buys a PURPA contract, it is bound to buy at the contract rate and that the contract becomes more valuable if the market rate decreases.

Commissioner Smith explained two charts about the Integrated Resource Plan Methodology and of the Idaho PURPA Contracts. She said that the first chart was an example of the a 20-year plan demonstrating how the state would meet needed-power projections. The second chart illustrated the contracted megawatts and the varied power sources in Idaho. (The charts will be in the Committee Secretary's office until the end of the session. Following the end of the session, they will be filed with the minutes in the Legislative Services Library.) Commissioner Smith also referenced a legal case (Case No. GNR-E-111-03) wherein the outcome should produce a methodology for calculating published avoided-cost rates.

Responding to questions from the committee, **Commissioner Smith** stated that the return on the investment for a regulated utilities is in the nine to ten percent range.

Paul Kjellander, Idaho Public Utilities Commissioner, presented Renewable Energy Credits (REC) portion of the IPUC report. He explained that with or without PURPA, RECs would exist. He also explained that RECs or "greentags" are an environmental commodity that represents the added value, environmental benefits and cost of renewable energy above conventional methods of producing electricity, namely burning coal and natural gas. RECs make other renewable energy facilities grow by making them more financially viable, thereby incentivizing development. He stated that the ownership of RECs is not clear; there is no statute specifying ownership. Purchasing these credits is the widely accepted way to reduce the environmental footprint of electricity consumption and help fund renewable energy development. He also stated that REC's are a tradable commodity and are priced at "what the market will bear" and are properly monitored so no "double-selling" occurs.

In response to questions from the committee, **Commissioner Kjellander** explained that a REC is a tradeable watt of electricity, that FERC says it does not have authority to regulate RECs, and that RECs only exist when the power is generated. He also said that RECs have to be sold or banked and that, if banked, RECs remain with the owner of the energy-supplying project. Regarding the regulation of RECs by a state, Commissioner Kjellander noted that some states have statutes, other states have taken the issue before the Courts, some have taken their issues, pertaining to RECs, to FERC. Regarding the artificial stature of the REC as a commodity, he stated that the REC is a "piece of paper" commodity.

Commissioner Kjellander explained that private utility companies have renewable energy as part of their portfolios. He said that some states are requiring that 33 percent of their portfolio must be renewable by 2020 and that there may be a federal statute regulating a utility's or a state's portfolio composition.

HJM 9:

Rep. McMillan presented **HJM 9** and explained that the purpose of the memorial is to remove the Environmental Protection Agency's (EPA) declaration of "Superfund Site" from the Silver Valley of the Coeur d'Alene Mining District in Shoshone County. She stated that testing of local residents for levels of lead in their blood has shown the hazard no longer exists and that, with existing technology, the cleanup of mining waste should be accomplished within the allotted time. She said the EPA's negative listing of the area should be withdrawn and that the restoration of roads and infrastructure was currently the responsibility of the EPA. Rep. McMillan also indicated that the EPA's constantly changing cleanup plans had stigmatized the once-prosperous but now economically depressed region.

Rep. McMillan read a letter into the record from **Chuck Reitz**, City Councilman, Mullan, Idaho. (A copy of the letter will be in the Committee Secretary's office until the end of the session. Following the end of the session, this will be filed with the minutes in the Legislative Services Library.)

Rep. Simpson invoked Rule 38 stating a possible conflict of interest and that he would not be voting on the legislation since he is a Community Relations Plans Coordinator for the Superfund Cleanup Program for the Idaho National Laboratory.

In response to questions from the committee, **Rep. McMillan** said that the lost tax base in Shoshone County was the result of lost businesses and permanent jobs. She explained that the remediation jobs were done by college kids and others not living within the Silver Valley.

Regarding the language in lines 11 and 12 of **HJM 9**, **Rep. Simpson** argued that typically it was a tri-party decision between local and federal agencies that decide on the course of action in a Superfund Site and not a decision "based on highly questionable scientific data." He said that it seemed inappropriate as a legislative body, to support the language.

James McMillan, testified in support of **HJM 9** and explained the circumstances that brought the EPA into the Silver Valley during the 80's and 90's. He referenced *North Idaho's Superfund* by Fred C. Traxler and Robert Hopper, stating that the book supported the premise that the Silver Valley Superfund Site had been mishandled by the EPA. He also cited the National Academy of Science's findings as evidence in the misdiagnosis of the impact to the environment and as evidence that a 50 to 100 year moratorium on reuse of, and reconstruction on, the land would permanently cripple the region.

Toni Hardesty, Director, DEQ, testified that the EPA had received significant public comment and was in the process of re-evaluating the Record of Decision (ROD). She stated that work and negotiations had been on-going for the Superfund designated site and that the agencies could not legally leave the area with the \$800 Million trust still earmarked for the remediation. She stated that the trust was collected in non-refundable fines from the Hecla and Sarco Mining Companies and that state and local agencies must be involved in administering the trust. She indicated that EPA's responsibility for the reconstruction and repair of roads was a valid issue. She also indicated that since the human health issue was winding to a satisfactory close, the issues of water quality and yard remediation still needed to be addressed.

In response to a question from the committee regarding the public perception that the cleanup was complete, **Director Hardesty** said that human health had been the first priority and that the yards within the acreage referred to as the "BOX" was complete but that yard remediation in the outlying areas was not. She explained that the yard cleanup required the top 6 inches of soil be removed as a remedy barrier. The water quality assessment and cleanup were also incomplete.

ORIGINAL MOTION: **Rep. Harwood** made a motion to send **HJM 9** to the floor with a **DO PASS** recommendation. He stated that the population in the Silver Valley had gone from 127,000 to 30,000 and that local residents were frustrated with the never-ending government demands. He noted that the Washington DC establishment needed to hear from Idahoans.

SUBSTITUTE MOTION: **Rep. Gibbs** made a substitute motion to **HOLD HJM 9** in committee at the discretion of the chair. He argued that the memorial was premature in light of information presented to the committee by **Director Hardesty**.

AMENDED SUBSTITUTE MOTION: **Rep. Hartgen** made an amended substitute motion to **HOLD HJM 9** in committee for a time certain. He noted that the Basin Commission meeting to be held on February 15, 2012, plus the Energy, Environment and Technology Committee's suggestions made during today's hearing, could mandate amendments to the memorial. He said future amendments could be accomplished by the sponsor and the committee within a week to 10 days.

ROLL CALL VOTE ON AMENDED SUBSTITUTE MOTION: Roll call vote was requested on the amended substitute motion to **HOLD HJM 9** in committee for a time certain. **Amended substitute motion failed by a vote of 10 NAY, 3 AYE, 2 absent/excused and 1 abstained. Voting in opposition to the amended substitute motion: Reps. Anderson, Eskridge, Vander Woude, Block, DeMordaunt, Gibbs, Smith (30), Jaquet, Cronin, and Raybould. Voting in favor of the amended substitute motion: Reps. Harwood, Hartgen, and Schaefer. Reps. Nielsen and Thompson absent/excused. Rep. Simpson abstained.**

VOTE ON SUBSTITUTE MOTION: **Chairman Raybould** called for a vote on the substitute motion to **HOLD HJM 9** in committee at the discretion of the chair. **Motion carried by voice vote.**

ADJOURNED: There being no further business to come before the committee, the meeting was adjourned at 3:55 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Thursday, February 16, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|------------------------|--|----------------------|
| HCR 34 | Adoption of the 2012 Energy Plan approved by the Legislative Council Interim Committee | Rep. George Eskridge |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

- DATE:** Thursday, February 16, 2012
- TIME:** 1:30 P.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin
- ABSENT/
EXCUSED:** Representative(s) Simpson, Schaefer, Gibbs
- GUESTS:** Jesse Taylor, Westerberg & Associates; Sue Seifert, Office of Energy Resources; Rich Hahn, Idaho Power; Neil Colwell, Avista Corporation; Russell Westerberg, Rocky Mountain Power; Pat Barclay, Idaho Council on Industry and the Environment; Jason Kreizenbeck, Lobby Idaho; Stephen Goodson, Office of the Governor; Jo Elg, United Electric; Jen Sampaio, Lisa Young and Liz Woodruff, Snake River Alliance; Will Hart, Executive Director, Idaho Consumer-Owned Utilities Association; Karen Ellen Elliott, Idaho Association of Counties; Ben Otto, Idaho Conservation League; Brenda Tominga, Idaho Irrigation Pumpers Association
- Chairman Raybould** called the meeting to order at 1:31 p.m.
- Chairman Raybould** recognized the service of **Jordan Wright**, House Page, who has been assigned to the committee for the first half of the session.
- HCR 34:** **Rep. Eskridge**, Co-chair, 2011 Summer Interim Committee on the Idaho Energy Plan, presented **HCR 34** which provides for a House Concurrent Resolution accepting the revision of the 2007 Idaho Energy Plan. Rep. Eskridge explained that the legislation provided for the current state's power generation needs and protects the health and safety of the citizens of Idaho and the products produced within the state regarding energy, environment and technology. He asked the committee to formally adopt the 2012 Energy Plan.
- Rep. DeMordaunt**, Interim Committee member, stated that he supported the Interim Committee proposals and was impressed with the ideas discussed. He questioned if the Energy IQ portion of the Plan, for educating rate payers and students, would be implemented.
- Responding to committee questions, **Rep. Eskridge** explained that the Plan and its recommendations would be given to the Department of Energy Resources. He also stated that the Plan's priorities were: (1) conservation, efficiency and demand response activities; (2) renewable resources; and (3) all other conventional resources. He also encouraged legislators to view the diverse supply of energy resources in Idaho as valuable.
- MOTION:** **Rep. Thompson** made a motion to send **HCR 34** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.**
- Rep. Jaquet** asked for the record to show that the 2012 Idaho Energy Plan included the minority report.
- ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 1:46 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 P.M.
Room EW41
Monday, February 20, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|----------------|------------------------------------|------------------------------|
| Presentation | Midas Gold: Golden Meadows Project | Anne Labelle, Vice President |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Monday, February 20, 2012
TIME: 1:30 P.M.
PLACE: Room EW41
MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** None

GUESTS: Caitlin Lavelle, Mckinsey Miller and Matt Kaiserman, Gallatin Public Affairs; Ryan Morgan and Lon Stewart, Centra Inc.; Anne Labelle and Rick Richins, Midas Gold; Steve West, Centra Consulting; Justin Hayes, Idaho Conservation League

Chairman Raybould called the meeting to order at 1:35 p.m.

Chairman Raybould introduced **Candace Aguirre**, House Page, who has been assigned to the committee for the second half of the session.

MOTION: **Rep. Smith (30)** made a motion to approve the minutes of the February 14, 2012 and February 16, 2012 meetings. **Motion carried by voice vote.**

Anne Labelle, Vice President, Midas Gold Corp., explained that Midas Gold Corp., through its wholly owned subsidiaries Midas Gold Inc., and Idaho Gold Resources, LLC, is focused on the exploration and, if warranted, development of the Golden Meadows Project. The parent company is located in Vancouver, British Columbia, Canada, and is listed on the Toronto Stock Exchange. Midas Gold Inc. is situated in the Spokane Valley of Washington State. Ms. Labelle presented an over-view of the Golden Meadows Project, the company's preliminary findings and projections for the mining of gold, antimony and tungsten near historic Stibnite, Idaho, in Valley County. She reviewed the mining from the 1880's and the Thunder Mountain gold rush through periods of high metals production and eventual dormancy to the 2009 acquisition by Midas Gold. Ms. Labelle also explained that currently, the company had a local hire/local purchase policy. She noted that in 2011, directly and indirectly, they employed more than 115 people and spent more than \$12 million on salaries, consultants, supplies, vendors and the operation of a manned camp. She also explained that the exploration had prompted their conceptual plan, which would include mining in three primary areas: Hangar Flats, Yellow Pine and West End. She projected that the life of the mine could be 10 to 15 years or more, that they were targeting a plan for processing approximately 20,000 tons of ore per day, and that the mining could mean several hundred million dollars in construction costs, 350-500 people directly employed, with \$25-\$30 million in direct compensation payments. She emphasized the Midas' commitment to the environment with emphasis on multiple use and government-guided reclamation.

In response to questions from the committee, **Ms. Labelle** stated that Midas Gold did not intend to move company people into the area. Their goal is to create jobs and be a part of the existing communities where unemployment is two to five percentage points above the national average. She said that Hecla Mining Company had remediated and reclaimed the area before their mining operation had ceased in early 1990. In response to a question regarding the type of mining, Ms. Labelle said that the mine would be "open pit", would be a milling and flotation operation, and that the assayed ore from the drilling samples has been encouraging.

Rick Richens, Midas Gold, was called upon to answer a question posed by the committee regarding water quality of proposed mining-site water sources. He said the water quality is good and that the existing lake contains both cold water and anadromous fish.

In response to questions concerning the Environmental Impact Statement (EIS) and other permitting and regulatory requirements, **Ms. Labelle** stated that the permitting program for a full-scale mining and processing operation at Golden Meadows was planned for late 2012. She noted that there were 50+ environmental permits required, including Ground Water Rule. Their goal is to get a Record of Decision (ROD) from the Environmental Protection Agency as soon as possible.

Responding to questions from the committee, **Ms. Labelle** stated that the federal and state permitting process could take from four to six years. She explained that the land ownership is mostly Forest Service Lands, that there were water rights with the property and that the company would restore existing roads when possible. She told the committee that the local agencies had been noncommittal, but positive. She noted that the processing would take place close to the ore deposit and that they would not "heap leach" but they would use crushing in a controlled and enclosed environment. She explained that any metal can pollute but that the company planned to keep the metals out of the water and control the sediment, thus minimizing pollution.

Ms. Labelle explained that China supplies approximately 90% of the world's antimony. The United States gets 73% of its antimony from China which is used in flame retardants, semiconductors and recordable media, welding and soldering products, motor vehicles, munitions and mechanical appliances.

Regarding China's plan to cut exports of antimony, **Ms. Labelle** stated that China's policy change would leave the United States dependent upon other sources. She also stated that exploratory drilling leads Midas Gold to believe there is enough antimony in the Valley County deposits to meet the nation's demand. In response to further questions pertaining to the economic feasibility, she said that the company was not doing their economic study based on the value of antimony but on the value of gold. She also stated that because of regulatory rules the company cannot state a specific price on the metals. They have to use a very conservative estimate. She told the committee members that the water license and the study by the Army Corps of Engineers would be the more expensive of the permits.

Chairman Raybould asked what actions the committee could take to support the Midas Gold's Idaho project. After discussion with **Ms. Labelle**, it was decided by the committee to work with the company and Valley County residents in preparing a resolution to send to Idaho's Congressional Delegation encouraging state and federal agencies to give priority to the Golden Meadow Project.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:34 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AMENDED #2 AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 PM or Upon Adjournment
Room EW41
Wednesday, February 22, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|-------------------------|---|--|
| SCR 115 | Rejecting a certain rule of the Bureau of Occupational Licenses | Chairman, Dell Raybould |
| Presentation | Rocky Mountain Power | James Campbell, Senior Analyst, Environmental Policy and Strategy |
| Presentation | Idaho Power | Tom Harvey Joint Projects Manager, Power Supply |
| Presentation | Avista Corporation | Neil Colwell |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

- DATE:** Wednesday, February 22, 2012
- TIME:** Upon Adjournment
- PLACE:** Room EW41
- MEMBERS:** Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block, DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin
- ABSENT/
EXCUSED:** Representative(s) Simpson, DeMordaunt
- GUESTS:** Robert Neilson, Idaho Strategic Energy Alliance; Brenda Tominaga and Lynn Tominaga, Idaho Irrigation Pumpers Association; Scott Tschirgi, Roth Dairy; John J. Williams, Bonneville Power Administration; Gerry Fleischman, citizen; Jeremy Pisca, Potlatch; Shelley Davis, Barker, Rosholt, Simpson; Tom Harvey, Jason Kreizenbeck, Rich Hahn, Jim Tucker, John Carstensen, and Chris Randolph, Idaho Power Company; Jesse Taylor, Westerberg and Associates; Russ Westerberg and James Campbell, Rocky Mountain Power; Lisa Young, Snake River Alliance; Brian Jackson, American Wind Group; Dene Breakfield, Community Action; Neil Colwell, Avista Corporation; Jane Wittmeyer, Clearwater Paper Corp.; Matt Kaiserman, Galletin Public Affairs; Trent Clark, Monsanto
- Chairman Raybould** called the meeting to order at 2:52 p.m.
- HCR 32:** **Chairman Raybould** presented **HCR 32** regarding the deletion of **Docket No. 24-0501-1101, Section 375.02.c.** from the rule governing education requirements for wastewater professionals. He explained that the resolution had remained on the House Calendar for an extended period, without action, and that the Senate sent a duplicate resolution **SCR 115**, which had passed the Senate. He explained to the committee that in order to expedite the legislative process, he requested the Speaker of the House to return **HCR 32** to the committee. He asked for a motion to **HOLD HCR 32** in committee.
- MOTION:** **Rep. Harwood** made a motion to **HOLD HCR 32** in committee. **Motion passed by voice vote.**
- SCR 115:** **Chairman Raybould** presented **SCR 115** regarding the deletion of **Docket No. 24-0501-1101, Section 375.02.c.** from the rule governing education requirements for wastewater professionals.
- MOTION:** **Rep. Harwood** made a motion to send **SCR 115** to the floor with a **DO PASS** recommendation. **Motion passed by voice vote. Rep. Raybould** will sponsor the bill on the floor.
- James Campbell**, Senior Analyst, Rocky Mountain Power, explained the environmental regulatory requirements put forth by the federal and state agencies in relationship to the mandated deadlines. He also explained that the Clean Air Act (CAA), as last amended in 1990, requires Environmental Protection Agency (EPA) to set National Ambient Air Quality Standards for pollutants considered harmful to public health and the environment. He directed the committee through a PowerPoint presentation explaining the pollutant standards put forth by the EPA and a brief description of the regulations pertaining to each pollutant. (A copy of the PowerPoint will be in the Committee Secretary's office until the end of the session. Following the end of the session, this will be filed with the minutes in the Legislative Services Library.)

Responding to a question pertaining to the over-reaching power of the EPA, **Mr. Campbell** said that in 1990 the amendments to the CAA stipulate that the states have to generate different scenarios or models for meeting air quality control in conjunction with adjoining states which are addressing the same issues. In the example of the pollutant called "regional haze," Utah, Wyoming and Idaho joined together and completed their State Implementation Plan (SIP) which also included an economic impact study.

The overreach came when Utah was told that its plan was not acceptable. EPA decided that Utah must implement a federal plan that contained far more expensive emissions control equipment. In the opinion of the industry, backed by the CAA, it is the states' job to create the SIP. The states, in conjunction with the industry, consider the economic and environmental impact to each state. **Mr. Campbell** said that the EPA came in after being prodded by the Sierra Club and changed the intent of the CAA. He said that the EPA does not follow the law. It over-reaches the law it was elected to oversee. In response to questions from the committee regarding possible procrastination on the part of the industry for not engaging in earlier conservation and/or qualification measures, Mr. Campbell explained that the regulations did not come in overnight but that the enforcement deadlines are all within a ten year period. (See PowerPoint.)

Jim Tucker, Senior Attorney, Idaho Power Company, stated that the hydro relicensing effort for the Hells Canyon Complex has been ongoing since approximately 1996. Idaho Power filed the company's license application for the Complex projects with the Federal Energy Regulatory Commission (FERC) in 2003. In September 2007, FERC issued the Final Environmental Impact Statement, which basically summarizes what will be contained in the new license and describes how the projects will be operated in the future. The two issues which remain unresolved before a new license is issued are: the Endangered Species Act (ESA) consultation on anadromous fish and bull trout, and the 401 Water Quality Certification. He said the fact that the ESA Agencies will not move forward with their consultation until the project obtains the 401 Water Quality Certification is problematic.

In response to questions from the committee regarding the cost of the relicensing process, **Mr. Tucker** explained that to date \$145 million has been spent with no final agreement from the federal agencies. The cost to Idaho Power for the relicensing of the Hells Canyon Complex could exceed \$500 million. In response to further questions, Mr. Tucker stated that, to Idaho Power's credit, the ratepayers have not received a rate hike resulting from the relicensing process.

In response to a question regarding fisheries temperature issues in the Hells Canyon Complex, **Mr. Tucker** said that a temperature control structure could cost \$50 million or more, whereas watershed measures could reach approximately \$120 million. He also said that failure of environmental agencies to consider the fish activity and population history prior to, and after the Hell's Canyon Dam's contribution to anadromous fish recovery, is part of the frustration. He clarified that prior to the Hell's Canyon Dam, salmon were not spawning there. The dam acts as a settling pond; there is more clean water and a better water flow. He said they were all unintended consequences, but positive conditions for salmon. Responding to a question regarding an example of successful relicensing of a moderate-sized dam, Mr. Tucker stated that the Swan Falls Dam relicensing had taken only two years, with no litigation. He acknowledged that the Hells Canyon Complex issues were unique.

Neil Colwell, Manager State Government Relations for Idaho and Montana, Avista Corporation, explained that Avista has two power plants in Idaho, the Cabinet Gorge on the Clark Fork River and the Post Falls Dam. He stated that, similar to the power companies previously presenting, Avista Corporation was subjected to regulations and decisions by a host of federal entities. He stated that some costs to power companies are easily identified such as pollution control, hydro relicensing and FERC compliance. The indirect costs can be annual training costs for the Department of Transportation, other FERC compliance measures, human resources activities, health and safety, equipment purchases, etc. He emphasized that costs to the company are not optional once they are imposed by federal and state statutes and that those costs accumulate. He noted that Avista attempts to minimize the expense of such transactions such as: acquiring of a communication band for gas pipeline safety and meter reading, negotiations with regulatory entities, staying in sync with new rules and integrating of mandated changes. He said that the regulatory costs are significant, but ultimately unknown. However as new costs arise from regulatory actions, Avista Corporation specifies those costs into the rates case requests.

In response to questions from the committee, **Mr. Colwell** explained that the transmission lines from the Avista Corporation's coal-fired plant in Montana, cross northern Idaho and continue on into Spokane, Washington and beyond.

MOTION: **Rep. Smith** (30) made a motion to approve the minutes of the February 20, 2012 meeting. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 4:27 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 PM or Upon Adjournment
Room EW41
Tuesday, February 28, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|--------------------------------|---|---|
| <u>SCR 116</u> | To Appoint a Committee to Undertake Feasibility for Obtaining Primacy over Regulation of Wastewater Discharges to Surface Water | Sen. James C. Hammond |
| Presentation | Building an Initiative Economy in Idaho | Jay Larsen, President and Founder of Idaho Technology Council |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

Jean Vance

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Tuesday, February 28, 2012

TIME: 1:30 PM or Upon Adjournment

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson (Keough), Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block (Block), DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** Representative(s) Schaefer

GUESTS: Curt Fransen, Nominated Director, Idaho Department of Environmental Quality; Alan Prouty and Alex LaBeau, Idaho Association of Commerce and Industry; Jay Larsen, Founder and President, Idaho Technology Council (ITC), Mike Reynoldson, Government Affairs Manager at Micron and ITC Executive Committee; John Eaton, Idaho Association of Realtors; Elizabeth Criner, Northwest Food Producers Association; Brenda Tominaga and Lynn Tominaga, Idaho Irrigation Pumpers Association; Benjamin Davenport, Risch Pisca, Potlach; Jared Tatro, Office of Performance Evaluations

Chairman Raybould called the meeting to order at 2:31 p.m.

MOTION: **Rep. Smith (30)** made a motion to approve the minutes of February 22, 2012.
Motion carried by voice vote.

Mike Reynoldson, Executive Committee Member, Idaho Technology Council (ITC) explained that the mission of ITC is to foster the growth and development of technology companies, primarily in the areas of information technology, agri-science and energy. It provides a forum for industry, research, educators, investors, and government throughout Idaho. Mr. Reynoldson said that the council was patterned after the Utah Technology Council in which several of Idaho's entrepreneurs had been participants. He noted that the ITC focuses on six general areas: (1) industry, (2) the access of capital, (3) leadership talent and a quality workforce, (4) three levels of government, (5) private and government research, and (6) commercialization or the creation of businesses. He also said that in the past three years, ITC has affiliated with 116 organizations but that influencing public policy is a new venture. In addition, he noted that ITC was supportive of Governor Otter's Idaho Global Entrepreneurial Mission (iGEMS).

Jay Larsen, Founder and President, ITC, stated that the Council is closely tied to the universities and is dependent upon their research and development for many of the ideas and products that could become commercially successful. He quoted the Wall Street Journal's report: In 1960 there were 15 million private jobs and 8.7 million government jobs. In 2010 there were 11.5 million private jobs and 22.5 million government jobs. Using a PowerPoint, he explained the findings from the Kauffman Foundation of Entrepreneurship and the Milken Institute in comparing and contrasting Idaho's global standing in education and technology. (A copy of the PowerPoint will be in the Committee Secretary's office until the end of the session. Following the end of the session, this will be filed with the minutes in the Legislative Services Library.) He emphasized the importance of growing Idaho's economy and in boosting private enterprise.

Regarding a question about technology being inhibited by taxes and the impact of the tax burden surrounding the implementation of the iGEM's initiative, **Mr. Larsen** stated that ITC's top public priority was support of iGEM's.

Mr. Reynoldson was called upon to answer the question regarding the ITC's stance on taxes. He stated that ITC is encouraging transferable tax credits.

In response to a question regarding the findings from the Center for Advanced Energy Studies, **Mr. Larsen** stated that the Center was one of ITC's main partners in the innovative transmission, generation and storage of energy. He said that the energy consortium continues to seek federal funding and that commercialization of intellectual findings is key to entrepreneurial success.

SCR 116:

Rep. Nonini presented **SCR 116**. He explained that the concurrent resolution would authorize the Legislative Council to appoint a committee to undertake and complete a study of the feasibility and means necessary for Idaho to obtain primacy over regulation of wastewater discharges to surface water. He reported that the Environmental Protection Agency (EPA) was trying to enlarge its authority and put Washington, D.C. in charge of Idaho's water. He noted that the EPA proposed such measures as pumping the water out of the Coeur d'Alene River, running it through a filter and then pumping the water back into the river. He used the example to demonstrate some of the proposals coming from the (EPA) in an effort to enforce the Clean Water Act (CWA). He submitted a letter to the committee from the Association of Idaho Cities in support of **SCR 116**. (A copy of the letter will be in the Committee Secretary's office until the end of the session. Following the end of the session, this will be filed with the minutes in the Legislative Services Library.)

Alex LaBeau, President of Idaho Association of Commerce and Industry, spoke **in support** of the resolution. He said that the Idaho-based Department of Environmental Quality (DEQ) could more rapidly and more knowledgeably administer the CWA in Idaho. He indicated that the settling of the primacy issue could stop the undue interference from the EPA and change the manner in which the Endangered Species Act conducts permitting. In addition, it would expand the capacity of the DEQ and allow for more autonomy.

In response to questions from the committee, **Mr. LaBeau** stated that the estimated cost to position Idaho DEQ to administer the CWA would be \$2.1 million. He said the projected composition for funding would be divided into thirds with the state government, federal government and fee payers sharing equal responsibility. He also said those stakeholders had yet to make that commitment. Responding to further questions from the committee, Mr. LaBeau explained that 47 states own primacy of their wastewater and that three do not. He said no commonality exists in procuring primacy and that the EPA in Region 10 has not been as cooperative as other regions in the United States.

John Eaton, Idaho Association of Realtors and **Elizabeth Criner**, Northwest Food Producers Association spoke **in support** of **SCR 116**.

In response to comments from the committee, **Rep. Nonini** cautioned that Idaho's DEQ standards for water quality would not be less stringent than EPA standards. However, the recommendations and licensing would be more in line with the realities of Idaho's environment and the actions granted to the permit applicants would be forthcoming within a more reasonable time.

Curt Fansen, Nominated Director, Idaho DEQ, was called upon to answer questions from the committee. He explained that the EPA oversees the National Pollution Discharge Elimination Permits, pending and/or standing. In Idaho there are currently 138 from Idaho Cities, 94 from aquaculture, 81 major industry permits, 1 general permit for all confined animal feeding operations and 589 storm water permits. He stated that the Air Quality Act is being administered by the Idaho DEQ, which has quickened the pace of permitting.

Responding to further questions from the committee, **Mr. Fansen**, said that the DEQ is ready to stand with the committee, that he thought Idaho interpretations for Idaho permits were more suitable, and that it may take three to five years to transition the primacy resolution. He agreed with the \$2.1 million estimate offered by **Mr. LaBeau**, and said that DEQ would probably need 21 additional full-time employees to accommodate the proposed changes.

MOTION: **Rep. Harwood** made a motion to send **SCR 116** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nonini** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:52 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 p.m. or Upon Adjournment
Room EW41
Thursday, March 08, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|--------------------------------|--|--------------------|
| <u>SJM 105</u> | Reconsideration of environmental laws governing EPA and ESA. | Rep. Eric Anderson |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

| | |
|--------------------------------|------------------|
| Chairman Raybould | Rep Block(Block) |
| Vice Chairman Harwood(DeVries) | Rep DeMordaunt |
| Rep Anderson | Rep Gibbs |
| Rep Eskridge | Rep Nielsen |
| Rep Hartgen | Rep Thompson |
| Rep Simpson | Rep Smith(30) |
| Rep Schaefer | Rep Jaquet |
| Rep Vander Woude | Rep Cronin |

COMMITTEE SECRETARY

Jean Vance
Room: EW16
Phone: (208) 332-1128
email: jvance@house.idaho.gov

MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

- DATE:** Thursday, March 08, 2012
- TIME:** 1:30 pm or Upon Adjournment
- PLACE:** Room EW41
- MEMBERS:** Chairman Raybould, Vice Chairman Harwood (DeVries), Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block (Block), DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin
- ABSENT/
EXCUSED:** Representatives Block, Schaefer, Thompson, Jaquet
- GUESTS:** Brenda Tominaga, Idaho Irrigation Pumpers Association; Benjamin Davenport, Risch Pisca
- Chairman Raybould** called the meeting to order at 1:32 p.m.
- MOTION:** **Rep. Smith** (30) made a motion to approve the minutes of February 28, 2012. **Motion passed by voice vote.**
- SJM 105:** **Rep. Anderson** presented **SJM 105**. He said the joint memorial would call on Congress to reclaim its Constitutional role over the management of species and public lands. It asks Congress to reexamine, reform and reauthorize the Endangered Species Act (ESA), the National Environmental Policy Act, the Equal Access to Justice Act, and any other federal law that disrespects the role of states and local governments in land management decisions. He explained that costly and frivolous lawsuits force federal agencies to vastly expand the number of protected species and habitats, and results in taxpayer burden. He stated that future proposals include: the U.S. Fish and Wildlife considering dramatic new regulatory constraints on the enjoyment of man-made water bodies such as Lake Lowell and Lake Walcott, and the U.S. Fish and Wildlife considering new regulations and constraints on 65,000 acres in Boundary and Bonner Counties which are currently school endowment lands. He also noted that federal authorization for the ESA expired in 1992.
- Rep. Anderson** asked the committee to take notice of the list of co-sponsors for **SJM 105**. He said there were many who believed that the continued over-reach by the courts in their interpretation of the aforementioned Acts threatens the economic livelihood of ranchers across the State of Idaho and has the potential to cause immeasurable financial harm to the economy of the entire state.
- Rep. Simpson** invoked Rule 38 stating a possible conflict of interest but that he would be voting on the legislation.
- In response to a question regarding the positive role of the ESA in the protection of wildlife species, **Rep. Anderson** stated that the legislation was not to rescind the Acts, but to change the executive order to a more concrete, congressional statute which should limit the powers of the court.
- MOTION:** **Rep. Eskridge** made a motion to send **SJM 105** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Cronin** asked to be recorded as voting **NAY**. **Rep. Anderson** will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 1:41 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 pm or Upon Adjournment
Room EW41
Monday, March 12, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|------------------------|-------------------------------|------------------------------------|
| S 1335 | Reduction of the Surety Bonds | Ron Williams, Williams Bradbury |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

| | |
|--------------------------------|------------------|
| Chairman Raybould | Rep Block(Block) |
| Vice Chairman Harwood(DeVries) | Rep DeMordaunt |
| Rep Anderson | Rep Gibbs |
| Rep Eskridge | Rep Nielsen |
| Rep Hartgen | Rep Thompson |
| Rep Simpson | Rep Smith(30) |
| Rep Schaefer | Rep Jaquet |
| Rep Vander Woude | Rep Cronin |

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Monday, March 12, 2012

TIME: 1:30 pm or Upon Adjournment

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block (Block), DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin

**ABSENT/
EXCUSED:** Representatives Hartgen, Vander Woude, Thompson, and Cronin

GUESTS: Ron Williams, Williams Bradbury; John Steiner and Marie Cardwell, Idaho Wind Farms, LLC; Gerry Fleischman, citizen

Chairman Raybould called the meeting to order at 1:41 p.m.

MOTION: **Rep. Smith (30)** made a motion to approve the minutes of the March 8, 2012 meeting. **Motion carried by voice vote.**

S 1335: **Ron Williams**, Attorney at Law, presented **S 1335**, which changes the bonding requirement for directors, officers and agents of the Idaho Energy Resources Authority (IERA) in order to be consistent with the bonding and insurance requirements of other Idaho cities, counties and special purpose districts or state instrumentalities, and to allow the Authority to purchase this coverage indemnity from the Idaho Counties Risk Management Program (ICRMP). He said that IERA was unsuccessful in finding a private carrier that would provide the directors and officers coverage of \$1.5 M directed in Idaho Code, Section 67-8907. He explained that ICRMP would cover \$500,000. Therefore, the legislation amends Section 67-8907 to reduce the amount of the surety bonds that directors and officers must execute and allows ICRIMP to provide the comprehensive insurance.

In response to a question from the committee regarding private insurers interested in covering the \$500,000 bond, **Mr. Williams** stated that there were none.

ORIGINAL MOTION: **Rep. Nielsen** moved to send **S 1335** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Eskridge** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:47 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 p.m. or Upon Adjournment
Room EW41
Tuesday, March 20, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|---------|--|--|
| | Anaerobic Digesters: From Dairy Waste to Power | Melinda Hamilton, Bio-Energy Lead, Center for Advanced Energy Studies |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block(Block)

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Tuesday, March 20, 2012
TIME: 1:30 pm or Upon Adjournment
PLACE: Room EW41
MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block (Block), DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin
**ABSENT/
EXCUSED:** None
GUESTS: Matt Wiggs, Office of Energy Resources; Brent Olmstead, Milk Producers of Idaho; Melinda Hamilton, Bio-Energy Lead, Center for Advanced Energy Studies, Idaho National Laboratories

Rep. Raybould called the meeting to order at 1:36 p.m.

MOTION: **Rep. Harwood** made a motion to approve the minutes of the March 12, 2012 meeting. **Motion carried by voice vote.**

Melinda Hamilton, Bio-Energy Lead, Center for Advanced Energy Studies (CAES), Idaho National Laboratories, spoke to the committee regarding the Anaerobic Digesters. She explained that anaerobic digestion was not new and that it had been around for a long time. Using a PowerPoint presentation, she explained the process and technology of transforming organic residue into biogas by use of anaerobic digesters. The more common digesters are the "covered lagoon" and the "plug flow" which is used in the Midwest. The most efficient is the "complete mix" digester because of the ability to control the products and to reach 60-80% efficiency. Ms. Hamilton said that the uses of biogas can be: medium BTU gas, electric power, High BTU gas and chemicals such as methanol, ammonia and urea. She noted that Idaho is interested in anaerobic digestion because it is the third largest producer of dairy products in the nation. And since the largest concentration of the dairies is in the Magic Valley, the estimated potential in that area is 10M kilowatt hours of power per day. She also said the benefits to anaerobic digestion of dairy waste are: (1) there is an abundant resource, and (2) there are environmental benefits in reducing greenhouse gas, reducing nitrogen loading, abating odor and recycling the solids for bedding and compost. (A copy of the PowerPoint will be in the Committee Secretary's office until the end of the session. Following the end of the session, this will be filed with the minutes in the Legislative Services Library.)

Ms. Hamilton spoke of the successful Idaho Dairy Anaerobic Digesters and those dairies which have recently been approved for digesters throughout the Magic Valley. She said the dairies with 5,000 or more cows are the most successful financially in using the business model for sustainable dairy digester systems created by the Innovation Center for U.S. Dairy. However, small scale digester operations are being used in New York and Vermont. (See PowerPoint.)

In addressing the barriers, **Ms. Hamilton** said that it all boils down to money. She said the high capital costs of digesters can be \$1M and beyond. It can cost \$400 per cow to build and operate biogas facilities. The interconnect agreements and permitting are costly and difficult. Also, the advanced technology and the unreliability of gas quality and flow makes for a 50% failure rate overall. The more successful operations bring in a third party to manage the digesters and the marketing of products, including the exchange of renewable energy credits (RECs). Then the dairymen go back to what they know best: milk.

Responding to questions from the committee, **Ms. Hamilton** said the permitting process of the state public utilities creates the greatest obstacles for the dairies. She noted that dry ration produces the better waste for production of biogas because it provides more solids for loading. The wet ration, such as silage, contains other constituents that have to be cleaned from the dairy waste, making it less cost effective. She also said the heating treatment can destroy the contaminants from the effluent stream, but the effluent is not guaranteed to be disease-free. In response to further questions, Ms. Hamilton indicated there is a workforce issue and that the College of Southern Idaho is partnering in the technology training for digester operators. Other community colleges are also creating curriculum wherein technology necessary for digester operators is incorporated into other established degrees. She stated that energy people cannot be unskilled.

In response to questions from the committee, **Ms. Hamilton** said that the cost per kilowatt hour was difficult to determine because it depends on the size of the herd and the size of the digester. She also said the model developed in Israel was one which has been studied by CAES but that the incorporation of greenhouses which produces hydroponic tomatoes does not produce enough revenue in the "dairy waste to power" scenario.

Rep. Raybould recognized the service of **Candace Aguirre**, House Page who has been assigned to the committee for the second half of the session. He also recognized the contribution of **Jean Vance**, House Environment, Energy, and Technology Secretary for the 2012 Legislative Session.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:25 p.m.

Representative Raybould
Chair

Jean Vance
Secretary

AGENDA
HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE
1:30 pm or Upon Adjournment
Room EW41
Thursday, March 22, 2012

| SUBJECT | DESCRIPTION | PRESENTER |
|---------|---------------------|-----------|
| | Approval of Minutes | |

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Harwood

Rep Anderson

Rep Eskridge

Rep Hartgen

Rep Simpson

Rep Schaefer

Rep Vander Woude

Rep Block(Block)

Rep DeMordaunt

Rep Gibbs

Rep Nielsen

Rep Thompson

Rep Smith(30)

Rep Jaquet

Rep Cronin

COMMITTEE SECRETARY

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MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Thursday, March 22, 2012
TIME: 1:30 pm or Upon Adjournment
PLACE: Room EW41
MEMBERS: Chairman Raybould, Vice Chairman Harwood, Representative(s) Anderson, Eskridge, Hartgen, Simpson, Schaefer, Vander Woude, Block (Block), DeMordaunt, Gibbs, Nielsen, Thompson, Smith(30), Jaquet, Cronin
ABSENT/EXCUSED: Chairman Raybould, Representative(s) Hartgen, Schaefer, Cronin
GUESTS:
Vice Chairman Harwood called the meeting to order at 1:20 p.m.
MOTION: **Rep. Smith (30)** made a motion to approve the minutes of the March 20, 2012.
Motion carried by voice vote.
There being no further business to come before the committee, the meeting was adjourned at 1:25 p.m.

Representative Harwood
Vice chairman

Jean Vance
Secretary