

MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Thursday, March 06, 2014
TIME: 1:30 PM or Upon Adjournment
PLACE: Room EW41
MEMBERS: Chairman Raybould, Vice Chairman Eskridge, Representative(s) Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings
**ABSENT/
EXCUSED:** Representative(s) Vander Woude, Nielsen, Thompson, Monks
GUESTS: John Chatburn, OER; Jay Larsen, ITC; Mike Lidinsky, ITC/Power Engineers Inc.
Chairman Raybould called the meeting to order at 3:18 p.m.
MOTION: **Rep. Smith** made a motion to approve the minutes of March 4, 2014. **Motion carried by voice vote.**

Jay Larsen, President of the Idaho Technology Council (ITC), began by explaining the mission of the ITC. He said they are focused on helping young technology based companies in Idaho to grow and thrive. He explained that in such endeavors, timing is everything; factors such as when and where to start a business, the costs, and the energy and resources needed all must come together at the right time to ensure a successful project. Mr. Larsen then discussed the history of the technology industry in Idaho. He described the people who helped build the companies and the successful tactics they used. He said it is important to look at the bigger picture and explained that Idaho has something special and unique to offer. Mr. Larsen then discussed entrepreneurship and the importance of meaning behind an idea. He said it is the work of the ITC to create opportunities for companies to be able to grow with the right spirit in the state.

Mike Lidinsky with Power Engineers Inc. and Chair of the ITC Energy Consortium, discussed the work of **Tim Barber** to bring high tech jobs to Idaho and provide an environment in which those companies can thrive. In discussing the ITC Tech Consortium, Mr. Lidinsky stated their goal is to help energy related companies start, grow, and thrive, help drive strategy in the energy space, help position Idaho in the energy space and be an advocate for that position, and help bring energy assets together within the energy space.

Together **Mr. Larsen** and **Mr. Lidinsky** discussed the energy and technology shifts in Idaho. Mr. Lidinsky discussed several companies across the state and their different functions. They said Idaho has a lot of ideas and it is going to be a matter of how to support those ideas and make them stronger, not just for success in the U.S. but in the worldwide market. Mr. Larsen discussed the economic situation with regard to manufacturing and how it has changed since the 1960s. He said there has been an increase in government jobs while the number of private sector manufacturing jobs has been going down. He discussed a few examples of product manufacturing that was sent overseas and then eventually brought back due to costs and other complexities created by overseas manufacturing.

Mr. Lidinsky introduced Power Engineers Inc. and explained the organizations global footprint and what work the business is involved with. He then discussed clusters and how they help bring like companies and like resources together to create the best environment for success. He said, "clusters are geographic concentrations of interconnected companies in any one particular field." These clusters encompass an array of linked industries and other entities important to competition. He explained that clusters increase both demand for specialized inputs but also supply. He said clusters promote "better access to employees and suppliers, access to specialized information, creates complementaries, promotes access to institutions and public good, and better motivation and measurement." He quoted **Steven Chu**, U.S. Energy Secretary who said, "Expanding U.S. clean technology exports is a critical step to ensuring America's economic competitiveness in the years ahead." Mr. Lidinsky then discussed how Innovative Ecosystem Components will help create the thriving atmosphere in the energy field. He said industry, capital, talent, government, research universities, and technology commercialization are all a part of an interconnected circle that requires all the parts to work together to be successful.

Mr. Larsen concluded by discussing the Kauffman Foundation of Entrepreneurship and Benchmarking Economic Transformation in the United States. He said according to this study, Idaho currently ranks 26th. He said this is down from where Idaho was in 2001. He explained that before the financial collapse, companies could not create enough energy. Then the collapse happened and there was no more demand for power. He said as we come out of the down economy there will be a large demand for energy again and Idaho needs to be prepared to meet that demand. He said there are two ways to do that, one is through suppliers and utilities with generation and transmission. The other is through technology and systems to find other ways to create more innovation and find more power resources.

In response to questions about ways the legislature might help the ITC, **Mr. Larsen** said some ideas included continuing to push internal growth and the state workforce as a whole, ensuring ways to protect creativity and intellectual property, investments and incentive. **Mr. Lidinsky** added, the education system could continue to be improved for those coming to the state.

In response to questions regarding the energy tax credit, **Mr. Lidinsky** said the demise of the credit has not hurt Idaho too specifically but has hurt the business overall. He said these credits typically effect renewable energy and can be helpful in showing support for businesses as the businesses all struggle when left on their own.

In response to questions regarding the importance of natural gas, **Mr. Lidinsky** explained that natural gas is a big deal and is great for the environment. He said there is a large export market and the natural gas sector of the energy industry will continue to grow.

In response to questions regarding industry clusters, **Mr. Larsen** stated it creates access to markets and brings resources. He said in Idaho we need to continue to look at the next generation and we need to continue to bring others together and be successful.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 4:18 p.m.

Representative Raybould
Chair

Kaela Becklund
Secretary