

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**2:00 P.M.**  
**Room EW41**  
**Wednesday, January 08, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Introductions	
	Rule Distribution	

COMMITTEE MEMBERS

Chairman Raybould	Rep Nielsen
Vice Chairman Eskridge	Rep Thompson
Rep Anderson(1)	Rep Anderson(31)
Rep Hartgen	Rep Anderst
Rep Vander Woude	Rep Mendive
Rep DeMordaunt	Rep Monks

Rep Morse
Rep Trujillo
Rep Smith
Rep Rusche
Rep Woodings

COMMITTEE SECRETARY

Kaela Becklund  
Room: EW16  
Phone: 332-1128  
email: [henv@house.idaho.gov](mailto:henv@house.idaho.gov)

MINUTES  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**

**DATE:** Wednesday, January 08, 2014  
**TIME:** 2:00 P.M.  
**PLACE:** Room EW41  
**MEMBERS:** Chairman Raybould, Vice Chairman Eskridge, Representatives Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings  
**ABSENT/EXCUSED:** Representative(s) Anderson (31), Anderst, Hartgen  
**GUESTS:** Julie Hart, Westerberg and Asso.; and Jodi Louie, NIC Head Start

**Chairman Raybould** called the meeting to order at 2:03 p.m.

**Chairman Raybould** welcomed the legislators and introduced legislative attaches Kaela Becklund and Katelyn Manker to the committee.

**Chairman Raybould** requested Representatives Smith and Trujillo be the minute reviewers for this session.

**Chairman Raybould** stated that because there were fewer rules than usual the committee would review the rules as a whole committee rather than divide into subcommittees.

**Chairman Raybould** received questions about issues that may come before the committee and the different existing rules that could be addressed and what could be done about those rules.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:10 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

**AMENDED AGENDA #1**  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Tuesday, January 14, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>58-0101-1301</u></a>	Rules for the Control of Air Pollution in Idaho	Tiffany Floyd, Department of Environmental Quality
<a href="#"><u>24-0501-1302</u></a>	Rules of the Board of Drinking Water and Wastewater Professionals	Tana Cory, Bureau of Occupational Licenses

COMMITTEE MEMBERS

Chairman Raybould	Rep Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

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MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Tuesday, January 14, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Raybould, Vice Chairman Eskridge, Representatives Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings

**ABSENT/  
EXCUSED:** None.

**GUESTS:** Curt Fransen, IDEQ; Lynn Tominaga, IRWA; Barry Burnell, IDEQ; Tiffany Floyd, IDEQ; Matt Beeker, Larson-Miller; Hal Miller, Larson-Miller; Amanda Crane, Office of the Governor, Josh Weistaner, House Majority Intern; Jayson Vial, House Majority Intern; Jack Lyman, Idaho Mining Association; Alex LeBeau, IACI; Brad Hart, DARC; Jane Wittmeyer, Wittmeyer and Assoc.; Tana Cory, IBOL

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

**MOTION:** **Rep. Smith** made a motion to approve the minutes of January 8, 2014. **Motion carried by voice vote.**

**Curt Fransen**, Director of the Idaho Department of Environmental Quality, introduced **Tiffany Floyd** who would present the rule changes for 2014. He stated that all the changes in the rules were due to a requirement to be in compliance with federal regulations and the Idaho Code requirement that Idaho's laws be no more stringent than the federal requirements. These boundaries, he said, lead to regulations almost identical to federal statute. He also mentioned that there was such a small number of rule changes this year because there was no real change in federal regulation or in Idaho law that necessitated rule changes.

**DOCKET NO. 58-0101-1301:** **Tiffany Floyd**, Air Quality Division Administrator with the Idaho Department of Environmental Quality (IDEQ), presented **Docket No. 58-0101-1301** to the committee. She explained that the IDEQ did not conduct negotiated rulemaking on this rule because the requirement to be in compliance with federal standards mandated these changes while Idaho law states that the regulations be no more stringent than the federal standards. These fine boundaries left little, if any, room for negotiation. However, she stated that they did create a web site with information regarding the rule and allowed for time for a public hearing and public comment. She detailed the process of incorporation by reference which covered the majority of the changes in this rule. She explained that the changes were simply to comply with federal regulation, clear up language, and provide consistency.

**Ms. Floyd** explained that these rule changes outline how the State Implementation Plans are approved and how Idaho implements the programs consistent with the Clean Air Act. It also contains the federal plan requirements for "existing Hospital/Medical/Infectious Waste incinerators (HMIWI units or medical waste incinerators). She stated that only two facilities in Idaho would be affected by these changes and they were contacted to ensure compliance.

**Ms. Floyd** explained the last part of the rule was a reference to Idaho Code Section (39-128) and medical waste combustors. She stated that this statute contains the general provisions regarding capacity, zoning and local government involvement as well as to ensure that only new facilities will be aware that compliance with this existing provision is also required. Overall, she stated, this rule incorporates by reference the new federal plan requirements for existing medical waste incinerators, cleans up the obsolete state rules, and provides consistency with federal regulations as required by the Clean Air Act.

Committee members raised questions regarding the process of rulemaking and negotiation with the EPA and whether or not the IDEQ has the ability to negotiate with them about rules and requirements. **Ms. Floyd** said that they can, at times when it is appropriate, work with the EPA but that in this instance the federal regulations required certain changes be made.

**Ms. Floyd** also answered questions regarding the two plants in Idaho who were part of the discussions in creating these rules and the other plants in Idaho that may potentially be affected by the changes. Ms. Floyd said that there are only the two plants in Idaho that would be affected by these changes and assured the committee those two plants were not out of compliance to begin with but they were simply being brought up to speed and aided in the process to ensure continuing compliance.

**MOTION:** **Rep. Morse** made a motion to approve **Docket No. 50-0101-1301. Motion carried by voice vote.**

**Matt Beeker** and **Hall Miller**, representatives of Larson-Miller, one of the companies address in the presentation, introduced themselves to the committee and stated they were there to testify in support if needed and to state that, in their opinion, IDEQ and the legislature really had no choice in implementing these rules per federal regulation.

**DOCKET NO. 24-0504-1302:** **Tana Cory**, Chief for the Bureau of Occupational Licenses, presented **Docket 24-0504-1302** to the committee. She explained these rules come from the Board of Drinking Water and Wastewater Professionals and stated that changes in law made last legislative session allowed for this change in rule. She explained that the rule allowed the Bureau to charge the same amount for on-line and written exams as well as to state that the charged fees shall not be greater than those charged by the exam provider. She detailed that the Board was reducing the annual renewal fee from \$35 to \$30 and that the impact would be a reduction in dedicated funds collected by the Board of approximately \$19,280.00. She mentioned that this reduction in fee costs was possible because the Board's incoming fees exceeded its cost to operate. She also outlined that this rule would allow the Board to add additional courses to continue meeting the educational qualification for licensure.

**MOTION:** **Rep. Rusche** made a motion to approve **Docket No. 24-0504-1302. Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:00 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**3:00 P.M.**  
**Room EW41**  
**Thursday, January 16, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Pacific Northwest Economic Region Presentation	Gloria Totoricaguena, Coordinator, PNWER Idaho Council

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Eskridge

Rep Anderson(1)

Rep Hartgen

Rep Vander Woude

Rep DeMordaunt

Rep Nielsen

Rep Thompson

Rep Anderson(31)

Rep Anderst

Rep Mendive

Rep Monks

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Rep Smith

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Rep Woodings

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MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Thursday, January 16, 2014  
**TIME:** 3:00 P.M.  
**PLACE:** Room EW41  
**MEMBERS:** Chairman Raybould, Vice Chairman Eskridge, Representatives Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings  
**ABSENT/ EXCUSED:** Representative(s) Hartgen, Vander Woude  
**GUESTS:** Kevin Moriarty,

**Chairman Raybould** called the meeting to order at 3:01 p.m.

**Gloria Totricaguena** gave an overview of the Pacific Northwest Economic Region (PNWER) and the Idaho Council. She stated that the Idaho Council was created by **Governor Otter** to establish active participation within PNWER. She then introduced the PNWER Executive Director Matt Morrison.

**Matt Morrison** introduced the other members of the PNWER delegation. They included: **Alana DeLong** from Calgary, Alberta; Canada, **Herb Cox** from North Battleford, Saskatchewan; **David Kettles** from Edmonton, Alberta, **Colin Smith** from Victoria, BC, and **Dan Kirschner** from West Linn, Oregon. Mr. Morrison then detailed the remainder of the meeting and the presentations PNWER had prepared.

**Dan Kirschner**, PNWER Private Sector Co-Chair and Director of the Northwest Gas Association, gave a presentation about the natural gas resources available to the Northwest Region of the United States. This resource, he stated, is suspected to be approximately 2,384 trillion cubic feet (Tcf) which is a 100% increase in estimated available resource the last ten years. He stated that not only is the total available resource growing but the production is also increasing. By 2035 it will have increased nearly 50% from approximately 80 billion cubic feet (Bcf) per day to 115 Bcf per day. Mr. Kirschner then discussed the costs of natural gas; the cost of natural gas production and the changes in the ability to produce natural gas from shale has had on the cost of natural gas since 2008. He showed a comparison of natural gas to oil and stated that natural gas prices have continued to go down while oil prices have continued to rise. Mr. Kirschner showed a comparison of countries with natural gas availability and a comparison of countries who use natural gas vehicles. He wanted to point out that although the U.S. ranks number one in world availability, we rank 13th in usage of the resource as a fuel source. He stated that we have a lot of natural gas and that it looks to hold stable for the near future.

In response to a question, **Mr. Kirschner** stated that renewable resources and natural gas go hand in hand. He stated that it could be a possibility that natural gas could spell the end for coal, but that today's prices for coal are good and remain competitive with natural gas.

**Alana DeLong**, Member of the Legislative Assembly in Alberta, gave a presentation about the Alberta Oil Sands. She detailed Alberta's new Energy Regulator and the project's mission to oversee the responsible development of upstream oil, gas, oil sands and coal across the province. She stated that this system is very advanced and that it does a good job balancing all of the various needs and desires of all members of society. Next, she discussed the Climate Change and Emissions Management Fund (CCEMC). She stated that this fund was created to be a key part of Alberta's climate change strategy and movement toward a stronger and more diverse lower carbon economy. She also discussed the results of this Fund, saying that as of June 2013 there had been \$398 million collected in the fund and that it was estimated to contribute to annual carbon reductions of 1.7 Mt/year. Finally, she discussed the Alberta Oil Sands Economic impacts particularly in the PNWER Region. She stated that production will increase 100% over the next fifteen years, that this is a long term industry and that it is a job creating industry. In Idaho alone there are 240 to 560 jobs that work to support the Oil Sands region.

**Matt Morrison**, Executive Director of PNWER, then gave a presentation about the Invasive Species Working Group and the continuing attempts to unify the region and continue to keep these species out of the lakes. He stated that the North West is the last region in North America to remain uninfested. He discussed the preventative measures that are being taken to ensure that contaminated vessels do not bring these species to the North West. These measures include checkpoints, passports and continuing efforts to create regional preventative policies. Mr. Morrison discussed the policy aspect of the Working Group and gave examples of the actions that Montana and Washington have taken. He also discussed the action and involvement of PNWER to create a multi-state regional perimeter. He stated that the invasive species continue to move this way and they are being found closer and closer to our area. He stated that if we don't do something now it will be too late. He added that he hoped Idaho would continue its leadership role in this area and continue to move forward to gain the support necessary to coordinate the states and protect the region.

**Rep. Anderson(1)** added some comments to the presentation and his desire that Idaho stand up and lead in this area.

**Chairman Raybould** also mentioned that he hoped this is the beginning of Idaho working with other states to stop the invasion and promoting awareness. He thanked **Mr. Morrison** for bringing it to the committee.

**Matt Morrison** also mentioned the importance of the Columbia River Treaty and the benefits it brings to the North West Region.

**Rep. Trujillo** made a comment about the high amount of interest she has seen in the topic of invasive species and wanted to state that there was support for such legislation.

In response to a question regarding the Lake Mead invasion and how the species are transferred between lakes, **Rep. Anderson(1)** stated that it is through transportation of water vehicles that is contributing to the spread of these invasive species. In giving an example he said the Colorado River was completely infested in less than 18 months because the species moved through the water but water sources that are not connected are invaded because they are being transferred by water vehicles.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:36 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Monday, January 20, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">RS22394</a>	Definition of Sanitary Restriction	Barry Burnell, Idaho Department of Environmental Quality
<a href="#">RS22408</a>	Drinking Water and Wastewater Fund Transfers	Barry Burnell, Idaho Department of Environmental Quality
<a href="#">RS22426</a>	Water Quality Standards	Barry Burnell, Idaho Department of Environmental Quality

***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 Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

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MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Monday, January 20, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Raybould, Vice Chairman Eskridge, Representatives Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings

**ABSENT/  
EXCUSED:** Representative Aderson(1)

**GUESTS:** Barry Burnell, DEQ; Curt Fransen, DEQ; Brenda Tominaga, IWPG; Dale Atkinson; Norm Semanko, Idaho Water Users Association; Jack Lyman, Idaho Mining Association

**Chairman Raybould** called the meeting to order at 3:35 p.m.

**MOTION:** **Rep. Trujillo** made a motion to approve the minutes of January 14, 2014. **Motion carried by voice vote.**

**RS 22394:** **Barry Burnell**, Water Quality Division Administrator for the Idaho Department of Environmental Quality, presented **RS 22394** to the committee. He stated that the purpose of this legislation is to make a technical correction to the definition of "sanitary restriction" so that it will be consistent with other sections of Idaho Code. He said that currently the definition references the "Board of Health and Welfare by its administrator" however, it should reference the Director of the Department of Environmental Quality (DEQ). The intent of this legislation is to remedy this inconsistency.

**MOTION:** **Rep. Rusche** made a motion to introduce **RS 22394**. **Motion carried by voice vote.**

**RS 22408:** **Barry Burnell** presented **RS 22408** to the committee. He stated that the purpose of this legislation is to amend the State Revolving Fund (SRF) provisions to allow fund transfers between drinking water and wastewater loan accounts so all funds can be put to immediate use by the State. He mentioned that historically, there has been a much higher demand for loans from the Wastewater Fund than from the Drinking Water Fund and in the past two years, there has been excess funds in the Drinking Water Fund while the Wastewater Fund received more requests than they had funding ability. This bill would allow the Board of Environmental Quality through DEQ the flexibility to transfer funds between the two loan accounts.

In response to questions regarding tracking and accounting of transferred funds, **Mr. Burnell** stated that the exchanges have been limited to 30% by federal law and so the tracking issues would be minimal.

In response to questions regarding the transfer of funds back to the original account if they are needed or in repayment of the loan, **Mr. Burnell** stated that all the money stays within the control of DEQ and that the money goes back to the SRF. He also added that they are double audited to ensure appropriate accounting. Mr. Burnell also mentioned that once funds are transferred they can be transferred back if there is excess in the one and a need in the other.

In response to a question regarding the amount of money involved in these transfers, **Mr. Burnell** stated that last year the Drinking Water Fund had an excess of \$19 million and in 2012 there was an excess of \$5 million. He stated that because a law did not exist that allowed DEQ to transfer the funds, they could not be used to help cover the shortage of funds in the Wastewater Fund.

In response to a question concerning the input of the Bond Council and if this legislation would have any impact on the buying of bonds, **Mr. Burnell** stated that he did not take this to the Bond Council, but he was unsure whether or not the other loan officers had. He also mentioned that he did not think it would have an impact.

In response to a question regarding the stipulation that allow for local community negotiation, **Mr. Burnell** stated that there was no stipulation for that in this legislation because the loan would take place through DEQ. He added that, should a municipality wish to have negotiation as a part of their process, the Municipal Bond Banks are an available option.

In response to a question regarding why there is still a need for additional funding, **Mr. Burnell** stated that even though the loans have been refinanced at a lower rate there is simply not enough money to fill the need. He mentioned that the shortfall is almost \$70 million. When asked how much DEQ gets from the federal government, **Mr. Burnell** stated that Drinking Water gets about \$8-10 million and the Wastewater Fund gets about \$6-9 million. He added that these figures change based on the Congressional appropriations.

**MOTION:** **Rep. Rusche** made a motion to introduce **RS 22408**.

In response to a question about the impact of this legislation on competition for funds, **Mr. Burnell** stated that it should not have any effect on the competition for funds within a fund or between the funds because the plan is not to transfer the funds unless there is an excess in one account, meaning all of their requests have already been met. When asked why this intent was not in the legislation, **Mr. Burnell** stated that it could be added into the rules that would govern the process.

In response to inquiries about the 30% cap on the total transfer of funds, **Mr. Burnell** said that it is a fixed limit that is based on the total fund amount and the total of the amount granted. He stated that this allows for the security of both funds.

When asked why these funds are more desirable over the private sector funds **Mr. Burnell** stated that they typically have a one point lower interest rate than the bond banks. He also stated that the SRF program was established to be a vehicle to provide funding for projects and that, although in some ways it does compete with the bond banks, participating in this program brings additional money to Idaho to help communities with their needs.

**VOTE ON MOTION:** **Motion carried by voice vote.**

**RS 22426:** **Barry Burnell** presented **RS 22426** to the committee. He stated that the purpose of this legislation is to amend the Idaho water quality standards provision regarding insignificant degradations of water quality that are exempt from Tier II antidegradation review. This provision, known as the "de minimus exemption" as it currently stands in Code was disapproved by the EPA because it is inconsistent with the Clean Air Act.

When asked if this change had been reviewed with the EPA, **Mr. Burnell** stated that in the disapproval letter the DEQ received from the EPA this solution was one of the indicated options. He also confirmed that this option leaves the authority for these decisions with the DEQ and does not transfer it to the EPA.

**MOTION:** **Rep. Woodings** made a motion to introduce **RS 22426**.

In response to a question, **Mr. Burnell** stated that "simulative capacity" is the ability of a body of water to accept and absorb pollutants before the water reaches set water quality levels.

In response to concerns that the DEQ will continue to be no more stringent than the federal government, **Mr. Burnell** stated this legislation would give the DEQ discretion to determine whether or not there is significance and whether or not the Tier II review is needed or not.

In response to a question about what happens after DEQ determines that a particular degradation is "de minimus," **Mr. Burnell** stated that their recommendation and findings go to the federal agency granting the permit and they determine whether or not to grant the permit.

**MOTION:** **Motion carried by voice vote.**

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

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Wednesday, January 22, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">RS22376</a>	Drinking Water Licensees	Roger Hales, IBOL
<a href="#">RS22579</a>	National Pollution Discharge Elimination Program (NPDES) in Idaho	Alex LeBeau, IACI
	Electrical Transmission Presentation	John Chatburn, Idaho Office of Energy Resources

***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 Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

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MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Wednesday, January 22, 2014

**TIME:** 1:30 P.M.

**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 Anderson(1)

**GUESTS:** Doug Dockter, Idaho Power; Will Hart, ICUA; Scott Pugrud, OER; Dave Johnston, OER; Sean Ellis, Capital Press; Lynette Berriochoa, Idaho Power; Rich Hahn, Idaho Power; John J. Williams, BPA; Kristyn Kirschenman, Risch-Pisca; Parker Papworth, Lobby Idaho; Mitch Colburn, Idaho Power; Jared Ellsworth, Idaho Power; Joan Cloonan, Board of Drinking Water and Wastewater Professionals; Jim Lowe, Food Producers; Jerry Brady; Colby Cameron, Sullivan and Reberger; Elli Brown, Veritas Advisors; Elizabeth Criner, Veritas Advisors; Neil Colwell, Auista Corp; Russell Westerberg, RMP

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

**RS 22376:** **Robert Hales** from the Idaho Drinking Water and Wastewater Professionals Board, presented **RS 22376** to the committee. He stated that there is variation in licensing and that this bill equalizes the treatment of all the licensees they issue.

**MOTION:** **Rep. Morse** made a motion to introduce **RS 22376**. **Motion carried by voice vote.**

**RS 22579:** **Alex LeBeau**, President of the Idaho Association of Commerce and Industry, presented **RS 22579** to the committee. He stated that the intent of this legislation is to give Idaho primacy over the National Pollution Discharge Elimination Program (NPDES). He gave an overview of the roll out of the new program and what each stage would look like. He stated that there is other legislation that will be coming to deal with other aspects of the NPDES program like confidentiality and the appeals process.

**MOTION:** **Rep. Morse** made a motion to introduce **RS 22579** and allow for the sponsor to make corrections to the Fiscal Note.

In response to questions regarding whether or not federal money would be available to assist with the program, **Mr. LeBeau** stated that at first that aid would likely come in the form of professional expertise and could eventually come in the form of grants and other funds.

In response to a question regarding the rules that will be required for this program, **Mr. LeBeau** stated that there is still federal regulation like the Clean Water Act that must be met but this program is much more flexible.

With regard to a question about permittees and how many fall in the public and private sectors, **Mr. LeBeau** stated that about half of the permittees are municipalities and they tend to be in favor of moving forward with the NPDES program.

**VOTE ON  
MOTION:** **Motion carried by voice vote.**

**John Chatburn**, Director of the Idaho Office of Energy Resources, introduced **Jackie Flowers**, **Mitch Colburn**, and **Jared Ellsworth** to the committee for their presentation on electrical transmission in Idaho. He also pointed out the additional information that was distributed to the Representatives about the topics that would be discussed. He also made the committee aware of the others who were present to answer questions. They were **Doug Dockter** and **Rich Hahn** from Idaho Power, **Neil Colwell** from Avista, **Russ Westerberg** from Rocky Mountain Power Co., and **John Williams** from Bonneville Power Administration.

**Jackie Flowers**, Chair of the Idaho Strategic Energy Alliance, gave an overview of the Alliance and an update on energy in Idaho. This included efforts to raise the Energy IQ in Idaho and the report from the Transmission Taskforce.

In response to a question regarding the Energy IQ initiative and the intent to get a breakdown of individual usage of power from the various sources monthly bills, **Ms. Flowers** stated they do an annual report where they try and share that information with their clients. She mentioned that an obstacle to achieving this goal is the unique billing format of various companies, so each company has to do the reporting differently.

**Mitch Colburn** and **Jared Ellsworth** from Idaho Power, gave a presentation about the electrical system in Idaho and around the North West. They began with an overview of the electrical transmission systems across the country and the governing authorities. These authorities include the Federal Energy Regulatory Commission (FERC), the North American Electric Reliability Corporation (NERC), and the Western Electric Coordinating Council (WECC). They discussed the various types of transmission lines, their voltage, and the service capacity. They explained to the members of the committee the process of getting electricity from the generation point to its destination in homes/businesses. Lastly, they detailed the constraints and challenges that Idaho faces with regard to electrical transmission. They stated that Idaho only has about 96 MW of additional capacity space (mostly located in Eastern Idaho) left to bring electricity into the state. This issue, they said, is of the biggest concern during peak usage times when they are limited by the amount of power they can provide.

In response to a question regarding other technological solutions besides building new lines, **Mr. Ellsworth** stated that there may be some other options to help increase the capacity but not during the times when it is needed most, like during peak usage times.

In response to concerns about an electromagnetic pulse and its impact on the system, **Mr. Ellsworth** stated that they had looked at it, but stated that in Idaho our newer lines have series capacitors that block the flow of that particular kind of energy put out in those instances so they cannot disrupt the system. He stated that in the East most lines do not have those capacitors.

In response to questions regarding the power outage in Eastern Idaho, **Russ Westerberg** from Rocky Mountain Power Company, stated that it was caused by a variety of factors that compounded to create the outage. He stated that there was a cold snap and that some of the lines failed, that WECC had ordered them to shed some load, and they were doing some planned maintenance on one part of the line so when all those things combine it led to the large outage.

When asked about the status of the Gateway Project, **Mr. Chatburn** stated that they had most of their proposal approved but that two segments are under reconsideration by the Bureau of Land Management (BLM). Originally, they had an agreement with the Birds of Prey refuge but that was not approved by the BLM. They are still looking at this and alternate routes and will hopefully have some kind of decision in the next 30-60 days. When asked why the BLM ignored the local agreement, Mr. Chatburn said that they determined there was not enough information to prove the benefit to the raptors. However, they are allowing for additional information to be brought and re-look at this route as part of their further determination.

In response to a question regarding the cost of transmission, **Mr. Hahn** from Idaho Power stated that when they do a charge it is a bundled rate that includes a variety of factors like transmission, distribution, administrative costs etc. When asked if there was any effort to break out the costs not related to the actual production, Mr. Hahn said usually that bundled rate is split into a fixed cost.

When asked for an update on the Hell's Canyon Complex permit, **Mr. Hahn** stated that they are still waiting on the EPA to make a determination about temperature standards so their license can be approved. He stated that it has been an extremely long process.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:56 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW42**  
**Tuesday, January 28, 2014**

SUBJECT	DESCRIPTION	PRESENTER
HB 406	NPDES Program	Alex LaBeau, IACI
	LinkIDAHO Presentation	Mike Field, Executive Director
	<i>Idaho at a Glance, Household Internet Use in Rural Idaho: "Surveys of Residents in Lemhi and Idaho Counties"</i>	Priscilla Salant
	<i>Wireless Broadband Validation Test</i>	Melony Liebel
	<i>How Broadband Impacts Idaho Jobs and Opportunities</i>	Bill Gillis
	<i>Idaho Broadband, Lessons Learned and What Next?</i>	Bill Gillis

COMMITTEE MEMBERS

Chairman Raybould	Rep Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

Kaela Becklund  
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MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Tuesday, January 28, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman Raybould, Vice Chairman Eskridge, Representatives Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained in the committee secretary's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

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

**MOTION:** **Rep. Smith** made a motion to approve the minutes of January 20, 2014 and January 22, 2014. **Motion carried by voice vote.**

**H 406:** **Alex LaBeau** presented **H 406** to the committee. This legislation would give Idaho the go ahead to begin the process of taking over primacy of the NPDES program from the EPA. He detailed the various sections of the bill for the committee members and explained the history and importance of the legislation. He discussed the process of establishing the program and the subsequent legislation that will be needed to deal with issues such as, how to deal with confidential business information and the appeals process. He told the committee why the DEQ and IACI are bringing this forward now and what benefits the program will bring to the state. He concluded with an overview of the cost of the program.

In response to a question regarding comparable costs, **Mr. LaBeau** stated they will do everything they can to make the program as cost-effective as possible. He also stated that the wording of the legislation gives DEQ the flexibility to work with other agencies to be more efficient.

In response to questions concerning the federal requirements and Idaho's requirement that DEQ regulations be no more stringent than the EPA, **Mr. LaBeau** stated the fines and fees were per federal requirement and the Idaho stipulation of stringency is already codified so it did not need to be explicitly drawn out again in this legislation.

In response to questions regarding the funding of the program, **Mr. LaBeau** stated that originally the money would fund full-time employees (FTE's) and the administrative costs of starting the program. He stated that as the program continues to grow the money will fund more FTE's and that by 2019 there will be money coming in from application fees to offset some of the overhead costs. He went through the yearly projections and direct costs and explained that all the fee rules and financing will come through the legislature and the legislators will have the ability to approve or reject the funding for the program.

**MOTION:** **Rep. Morse** made a motion to send **H 406** to the floor with a **DO PASS** recommendation.

**Debbie King** from the Nampa Chamber of Commerce, testified to the committee **in support** of Idaho taking primacy of the NPDES program. She read a statement from the Nampa Chamber about why the NPDES will be better under the primacy of the state rather than the federal government.

**Curt Fransen**, Director of the Department of Environmental Quality, testified **in support** of the proposal. He discussed the importance of the issues and the benefits as well as acknowledged some of the challenges that the program will face. He stated that DEQ has worked closely with IACI to provide information, reports, and resources.

**Ken Harwood** with the Association of Idaho Cities, testified **in support** of the legislation. He stated that it would help create better coordination between programs and protect our water quality while providing flexibility. He said it would empower a state agency with a local presence and the understanding to administer the program, all of which would be beneficial to Idaho.

**Linda Lemmon** with the Idaho Agriculture Association, testified **in opposition** to the legislation. She stated that because the Idaho guidelines of strictness and similarity that are required, taking over primacy will not take program control out of the hands of the EPA. Rather, she said, it will simply force Idaho to take on the cost of the program and still have no ability to make decisions. She stated the uncertainty, especially in cost, is not something the small farmers can handle.

**Norm Semanko** with the Idaho Water Users Association, testified **in support** of the legislation. He gave an overview of the IWUA's history with NPDES permits and gave three main reasons why this was beneficial. He said the IWUA would prefer to work with the DEQ and the state, that water quality trade is a good thing. He acknowledged there are some concerns about the fees but said they will be active and engaged in rulemaking and would much rather go through that process with the state than with the EPA or the federal government.

**Alex LaBeau** was invited to make some closing remarks. He stated that this system is superior to the current structure and that negotiated rule-making will take place to work out all these issues.

**VOTE ON MOTION:**

**Motion carried by voice vote. Rep. Monks** will sponsor the bill on the floor.

**Mike Field**, Director of the Idaho Rural Partnership and the LinkIDAHO Broadband Coordinator introduced the LinkIDAHO initiative to the committee. He introduced the presenters: **Priscilla Sillant, Melony Liebel, and Bill Gillis.**

**Priscilla Sillant** from the McClure Center for Public Policy Research with the University of Idaho, spent time discussing the accessibility of the internet in rural households. She discussed the results of a study done in Idaho and Lemhi Counties. In this study they found that only 1% of families who responded said they didn't have internet because they couldn't get it, while 7% said they didn't have it because it was too expensive. However, 80% of those who responded said that they did have internet. She discussed the sources of the internet they are using and what people use their internet for. She stated that they need the internet for three major things that deal with economic development and education. She said 19-21% of families use the internet for home based businesses, on-line classes, and at libraries.

**Ms. Sillant** She then discussed the policy implications. She stated that rural Idaho is still recovering from the economic downturn but a sparse population makes infrastructure more expensive. She stated that public broadband investment makes more sense because the majority of those who want the internet, even if it is more expensive, already have it.

**Melony Liebel** from the Office of the CIO, gave a presentation via conference call about the Wireless Broadband Validation Test. She said this test was to map out the wireless broadband connections throughout Idaho and to work with providers to plan for future development. She explained the various apps being used to gather data and the ways the data is being used. She stated that this project allows Idaho residents to effectively document mobile broadband coverage problems in their communities, help ensure a efficient use of resources, and to gather tools for use by broadband planners. She stated however, that these are preliminary results and that work will need to continue to ensure the accuracy of the results and the maps.

**Bill Gillis** from Vision Tech 360 and member of LinkIDAHO ,gave an overview of the economic and social impacts of broadband investment. He focused on Idaho jobs and opportunities and what lessons have been learned. He stated that 80% of potential economic growth in Idaho will require the use of broadband and smaller communities are not positioned for growth because of lower connectivity to homes and businesses. He stated that broadband should connect important community sectors such as; healthcare, education, government, economics, and public safety. He said this would benefit Idaho because it would reduce duplication, save money, improve private investment (especially in rural areas), and strengthen economic development and quality of life in all of Idaho's communities. He stated that in 2009 the LinkIDAHO project was federally funded, but that funding will end in October of 2014. In discussions about how to move forward, there were three general agreements; Idaho needs to encourage private investment, establish sustainable solutions led by local initiative, and have a limited state governmental role. He discussed various ways to achieve these goals and stated that the bottom line is coordination on all levels.

In response to questions regarding the use of various technologies to provide the connection, **Mr. Gillis** stated there is no one magic way to provide connection but that there are many different technological solutions. However, he also emphasized that the more remote the connection becomes, the more expensive it gets.

**ADJOURN:**

There being no further business to come before the committee, the meeting adjourned at 3:34 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Thursday, January 30, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">H 405</a>	Drinking Water Operator License	Roger Hales, IBOL
<a href="#">H 390</a>	Definition of Sanitary Restriction	Barry Burnell, DEQ
<a href="#">H 391</a>	Drinking Water and Wastewater Fund Transfers	Barry Burnell, DEQ
<a href="#">H 392</a>	Water Quality Standards	Barry Burnell, DEQ

***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 Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

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MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Thursday, January 30, 2014

**TIME:** 1:30 P.M.

**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 Anderson(1)

**GUESTS:** John Lee, Drinking Water Board; Brenda Tominaga, Idaho Rural Water Association; Alex LaBeau, IACI; Joan Cloonan, Drinking and Wastewater Board; Curt Fransen, IDEQ; Norm Semanko, Idaho Water Users Association; Elizabeth Criner, NWFPA/Simplot; Jeri DeLang, City of Hayden

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

**H 405:** **Roger Hales**, on behalf of the Idaho Board of Drinking Water and Wastewater Professionals presented **H 405** to the committee. He stated that this legislation reduces regulation and makes it easier to renew and stay current on licenses. He described how the current renewal process works and then described the changes this legislation would make. He explained the purpose of this legislation is not only to make it easier for the drinking water operators to renew their licenses but to make the renewal process similar to the process of the other licenses issued by the Board of Drinking Water and Wastewater Professionals.

**Mr. Hales** introduced **John Lee, Barry Burnell, and Joan Cloonan** who were all there **in support** of this legislation.

**MOTION:** **Rep. Monks** made a motion to send **H 405** to the floor with a **DO PASS** recommendation.

In response to questions, **Mr. Hales** stated this legislation changes the requirement from every two years to every five years and to continue working as professionals, operators must have an active license.

**VOTE ON MOTION:** **Motion carried by voice vote. Rep. Nielsen** will sponsor the bill on the floor.

**H 390:** **Barry Burnell** from the Idaho Department of Environmental Quality (DEQ), presented **H 390** to the committee. He stated this is housekeeping legislation that revises the definition of "sanitary restrictions" to make it consistent with other sections of Code. He showed the committee that the words, "State Board of Health and Welfare through the administrator," are being replaced with the "Director of the Department of Environmental Quality."

**MOTION:** **Rep. Nielsen** made a motion to send **H 390** to the floor with a **DO PASS** recommendation.

In response to concerns regarding the role of public health districts and volunteers in the process, by replacing the Board with the Director of DEQ, **Mr. Burnell** stated that the public health districts act as agents for DEQ and the level of community involvement is not changing. He said this legislation simply makes the Code reflect the current process since the creation of the DEQ as a separate department from the Board of Health and Welfare.

**VOTE ON MOTION:**

**Motion carried by voice vote. Rep. Woodings** will sponsor the bill on the floor.

**Rep. Anderson(31)** introduced the newly elected Mayor of Blackfoot, **Paul Loomis**, and newly elected Council Woman, **Jan Simpson**, to the committee.

**H 391:**

**Barry Burnell**, DEQ, presented **H 391** to the committee. Mr. Burnell stated this legislation is a proposal to allow for fund transfers between the Drinking Water (DWSRF) and Wastewater (WWSRF) SRF loan accounts. He gave an explanation of a State Revolving Fund (SRF) and capitalization (cap) grants. He then went through both the WWSRF and the DWSRF accounts. He detailed when they were created, the grants they have received, the requests for assistance they have received and the monetary balances of each account. He went on to detail the annual process of distribution called the Intended Use Plan (IUP). Mr. Burnell stated that this legislation is important because for the last two years there have been funds unused in the DWSRF and a shortage of funds in the WWSRF. This legislation would have allowed the unused funds in the DWSRF to be used to cover some of the need in the WWSRF. He mentioned that although it would allow the DEQ to transfer money, there is a federal transfer restriction of 33% of the total SRF grant amount. He stated this transfer capability would better allow Idaho to get all available SRF funding out to communities. He stated these transfers would be subject to the IUP and that the accounts will continue to undergo the double accounting process done by the federal government and the state Legislative Services Office. Lastly, he outline the changes to Idaho Code made in the bill.

In response to questions regarding the grant process, **Mr. Burnell** stated there is only one time to submit applications. After that the department goes through the IUP to determine how to distribute the grants and loans. This is an annual decision. He stated that when the funding falls short of demand, those who did not get funding one year tend to come back the following year to try again and submit a new letter of interest.

**MOTION:**

**Rep. Trujillo** made a motion to send **H 391** to the floor with a **DO PASS** recommendation.

In response to questions about a pay back mechanism, **Mr. Burnell** stated the loan is paid back to the account it is given from, so if money is transferred from the DWSRF to the WWSRF and an organization received a WWSRF loan, the money would return to the WWSRF. He clarified that it is not a loan between the two accounts but a transfer of monies between two funds.

In response to questions regarding the source of funding for the two accounts, **Mr. Burnell** stated the grant comes from the U.S. Congress who determines the appropriation each year.

When asked if there is a forecast for long term need in the WWSRF, **Mr. Burnell** stated there does seem to be the continual need for assistance. In a need survey done for the next four years, the department continued to see a substantial deficit in funds in comparison to the need.

**VOTE ON MOTION:**

**Motion carried by voice vote. Rep. Eskridge** will sponsor the bill on the floor.

**H 392:** **Barry Burnell**, DEQ, presented **H 392** to the committee. He stated this legislation deals with anti-degradation significance determinations. He gave an overview of the history that has led to the need for the legislation and a letter of disapproval received by the DEQ from the EPA after a lawsuit against the previous statute. He said that under current policy, all discharge must be determined to be "significant" and is subject to a Tier II Review of the discharge. Mr. Burnell stated this additional review can be very expensive and time consuming for all involved. This legislation will allow the DEQ to classify discharge as "de minimus" and therefore not subject to additional review. He stated that this was one of the remedies suggested by the EPA in their disapproval letter. He stated the benefits would be DEQ control, lower costs, higher efficiency in the use of resources, and the ability to still maintain water quality. He then went through the various sections of the bill and outlined the needed changes. Mr. Burnell also stated that this legislation contains an emergency stipulation so it will have immediate effect if passed by the legislature.

In response to questions regarding where the test is done, **Mr. Burnell** stated the test is done at the point where the discharge is occurring.

**MOTION:** **Rep. Rusche** made a motion to send **H 392** to the floor with a **DO PASS** recommendation.

**Alex LaBeau**, President of the Idaho Association of Commerce and Industry, testified **in support** of the legislation. He stated that IACI and DEQ had worked closely together to get this legislation done. He stated that it is important and it will be good for Idaho industry.

**Norm Semanko**, from the Idaho Water Users Association, testified **in support** of the legislation.

**VOTE ON MOTION:** **Motion carried by voice vote. Rep. Thompson** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:33 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Thursday, February 06, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Presentation: Idaho Public Utilities Commission	Paul Kjellander

***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 Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

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MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Thursday, February 06, 2014

**TIME:** 1:30 P.M.

**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, Monks, Morse

**GUESTS:** Ken Miller, Snake River Alliance; Parker Papworth, Lobby Idaho

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

**MOTION:** **Rep. Smith** made a motion to approve the minutes of January 28, 2014 and January 30, 2014. **Motion carried by voice vote.**

**Paul Kjellander**, President of the Idaho Public Utilities Commission (PUC), gave a presentation to the committee identifying cases the PUC has seen recently which will likely be issues before the legislature in the next few years. He discussed six main issue areas. These areas were PURPA and gaming issues, net metering, coal fire generation, power cost adjustments, the legally enforceable obligations suit, and the changes occurring in the telephone industry with the rise in broadband influence.

**Mr. Kjellander** stated PURPA (Public Utility Regulatory Policy Act) is a federally mandated program that requires power companies to purchase local renewable energy. This policy, he said, has led to some gaming issues which were one of the leading factors in the PURPA case. He said in that case they tried to resolve the gaming cost issues to ensure the customers weren't paying for power before they needed it. This process, he stated, included setting the minimums and looking at deficits to determine whether or not the power is needed.

In regard to net metering, **Mr. Kjellander** stated this issues also has ties to PURPA but the major issue in this case was an imbalance between power and cost. He stated that net metering is a private source of generation used to offset other energy consumption. This becomes an issue, he said, when overbilling of the resource leads to additional gaming issues. This occurs when there is excess power from the consumer and the individual tries to receive payment from the utility for the excess power. He stated there needed to be a distinction between net metering and PURPA. What was decided, he said, was to reserve contracts for PURPA and to change the way the utilities handled net metering to not have set contracts. It was determined that net metering could only be used to off set power consumption and the excess could be banked and used as credit to off set future costs and not through direct individual refunds. These determinations were also attempts to deal with the distribution of and reallocate power with increasing numbers of net metering sites coming on line.

With regard to the Bridger Coal Fire Generation Complex, **Mr. Kjellander** talked about the decisions being made with regard to coal power and the direction the state will go in the future. He discussed the differences and difficulties that arise with multi-owner businesses, such as Bridger, and the impacts on company decisions and on those who use the power they provide. He stated these issues are further complicated by the fact that the people who use the resources are often not from the same state as where the power is generated. The issue Idaho utilities deal with, he said, is determining when the cost of the resource generation and the costs of maintaining that facility exceed the benefit of maintaining it.

With regard to the power cost adjustment, **Mr. Kjellander** stated that it is an annual mechanism to recover the incorporate revenue savings, and compensate for the forecasts in power distribution. He said the adjustment is made based on current working projects, fuel costs, the water forecast, purchases or improvements made, and the forecast of use in the area. The major issue of rising costs in Idaho the last few years, he said, was due to a compounding of a variety of circumstances that led to the volatile hike in power costs. A major factor, he said, was the inclusion of the PURPA wind projects which added to the cost of energy production. Another factor was the water power generation issue. He stated in order to solve some of these issues, the PUC is looking at moving the PURPA projects to the base rates and out of the annual adjustment so that companies will be better prepared to predict future costs.

In response to questions as to why the increased costs were not phased in over time, **Mr. Kjellander** said a layered recovery is not beneficial because costs will continue to add up which will leave companies no better off. He mentioned moving the PURPA projects to the base rates will help companies plan for future costs. He stated the costs will not go away but the change will allow for more predictability.

In response to questions regarding other base sources that can be used, **Mr. Kjellander** said natural gas will likely make the most sense because of the price, the ease of permitting and building, and transmission. However, it would be unwise to solely rely on natural gas when planning on future investments. Rather, it would be better to have a mixed resource portfolio to minimize the risk. He called this method integrated resource methodology planning.

**Mr. Kjellander** then gave an update about the FERC case and changes that had occurred in the lawsuit. This lawsuit, he explained, dealt with whether or not legally enforceable obligations could exist without a fully executed contract and if so, whether the agreements in questions were enforceable obligations. He stated the two parties (FERC and the PUC) worked out a deal to move forward and the suit was dropped from federal court. He stated that during this same time, a similar case, was before the Idaho State Supreme Court. The Court unanimously concurred the IPUC had acted appropriately which set some favorable precedent should any other action be pursued.

With regard to telephony, **Mr. Kjellander** stated the regulatory regime is extremely outdated and could possibly be an issue for the legislature. He stated this has been influenced most by the rise in mixed services and the inclusion of broadband networks. He stated the federal program, the Federal Universal Service Fund, which helps off set the high costs of telephony, was expanded to include broadband. This increased the number of people using the fund but, he stated, the federal government seems to have no intention of actually increasing the size of the fund. This could potentially create an increase in state costs. He stated the fund in Idaho which mirrors the federal fund does not include broadband. He said the biggest decision Idaho will have to make is whether or not to continue to mirror the federal program.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:22 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Monday, February 10, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>RS22611</u></a>	Water Quality Regulations Presentation: Idaho Soil and Water Conservation Commission	Rep. McMillan Teri Murrison, Administrator

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Eskridge

Rep Anderson(1)

Rep Hartgen

Rep Vander Woude

Rep DeMordaunt

Rep Nielsen

Rep Thompson

Rep Anderson(31)

Rep Anderst

Rep Mendive

Rep Monks

Rep Morse

Rep Trujillo

Rep Smith

Rep Rusche

Rep Woodings

COMMITTEE SECRETARY

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## MINUTES

# HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Monday, February 10, 2014

**TIME:** 1:30 P.M.

**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 Vander Woude

**GUESTS:** Parker Papworth, Lobby Idaho; Dennis Tanikuni, Idaho Farm Bureau; Elizabeth Criner, NWFPA/FWAA; Lynn Tominaga, IGWA; Jeff Burwell, USDA NRCS

**Chairman Raybould** called the meeting to order at 1:29 p.m.

**RS 22611:** **Rep. McMillan** presented **RS 22611** to the committee. She stated the proposed legislation would restrict DEQ from imposing purification requirements on the waters discharged into Idaho waterways which are more strict than the water in it's natural state. She said such requirements place an undue burden on industry, sewer districts, and others. She said the way to ensure the purification standards are not greater than the natural water quality, is that all headwaters, tributaries, and streams be tested to determine the natural quality of the water.

**MOTION:** **Rep. Anderson(1)** made a motion to return **RS 22611** to the sponsor.

**Rep. Anderson(1)** stated due to the problems raised by the committee and the potential confusion printing the bill could cause, it would be more appropriate if the legislation was reworked before being printed.

**SUBSTITUTE MOTION:** **Rep. Nielsen** made a substitute motion to introduce **RS 22611**.

**Rep. Nielsen** spoke to his motion and felt this RS needed to be introduced because there are several instances which users cannot control and for which the users should not be held responsible. He felt that giving all the parties involved a chance to come before the committee all together and discuss these issues would be the most beneficial for everyone.

**Chairman Raybould** made a statement regarding the bill saying the ideas behind the bill were good specifically, those putting water back into the system shouldn't have to establish a water quality higher than the original headwaters. However, the way the bill was written, he felt the language could be reworked and there were some questions which needed to be answered before moving forward.

**VOTE ON SUBSTITUTE MOTION:** **Chairman Raybould** called for a vote on the substitute motion to introduce **RS 22611**. **Motion failed by voice vote.**

**VOTE ON ORIGINAL MOTION:** **Chairman Raybould** called for a vote on the original motion to return **RS 22611** to the sponsor. **Motion carried by voice vote.**

**Teri Murrison** Administrator for the Idaho Soil and Water Conservation Commission, gave the Commission's Annual Report to the committee. She introduced **Ali Hardy** her assistant, **Benjamin Kelly** and **Steve Becker** from the Idaho Association of Soil Conservation Districts (IASCD), and **Jeff Burwell** from the Natural Resource Conservation Service. Ms. Murrison gave a history of the Commission and it's long time four-way partnership between local, state, and federal agencies and the landowners. She detailed the Commission's responsibilities, programs and services. She stated the Commission is responsible for developing appropriate technical, programmatic, informational and educational processes, and guidelines and policies for addressing agricultural pollution. She added the three core functions of the Commission are: providing support to districts, managing incentive-based and other conservation programs, and running a fiscally prudent administration. She gave examples of the various ways the Commission is involved in working and supporting local districts. She then outlined four of the major programs the Commission is currently involved with. These projects include the Conservation Reserve Enhancement Program (CREP), the Rangeland Resource Conservation Development Program (RCRDP), the Total Maximum Daily Load Program (TMDL), and the Ground Water Program.

**Steve Becker**, Treasurer from the IASCD, gave a presentation regarding the IASCD to the committee. He stated the Association's philosophy is that conservation decisions should be made by local people with technical and funding assistance from federal, state and local governments and the private sector. He gave an overview of the history and scope of the IASCD. He explained the key ways in which the Association supports soil and water conservation districts. These supports include representing districts as their voice on conservation issues, providing an avenue to reach above the local level to develop partnerships with federal and state agencies and other organizations in order to carry out district priorities and programs, keeping individual districts informed on critical and emerging issues and opportunities, and analyzing programs and policy issues that have an impact on local districts. He stated the Association maintains relationships with organizations and government agencies and work with leaders in agriculture, conservation, environment, education, and industry.

**Mr. Becker** then gave an overview of the Pebble Creek Project the Association has been involved with. This project was brought by the landowner and required the participation of several different agencies and interested parties coming together to reconstruct two channels, which had been straightened for irrigation purposes in the 1940's, to their original meandering pattern. This was done to promote a healthy stream, reduce livestock impacts, to promote exclusionary fencing, off-stream watering, and healthy fish habitat. He stated this project was successful because it showed the Association's ability to promote and participate in projects that enhance and preserve natural resources and their ability to bring a variety of partners together to ensure a larger impact in conservation.

**Jeff Burwell**, from the USDA Natural Resource Conservation Service, gave an overview of the NRCS and it's history. He outlined some of the NRCS duties like providing technical and financial resources to help others protect natural resources. He discussed some of the projects and programs the NRCS has been involved in such as efforts to protect sage grouse and others. He discussed the importance of the conservation partnerships to the goals of all involved.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:31 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Wednesday, February 12, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Presentation: Idaho Department of Water Resources	Mathew Weaver, Deputy Director  Brian Patton, Planning Bureau Chief

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Eskridge

Rep Anderson(1)

Rep Hartgen

Rep Vander Woude

Rep DeMordaunt

Rep Nielsen

Rep Thompson

Rep Anderson(31)

Rep Anderst

Rep Mendive

Rep Monks

Rep Morse

Rep Trujillo

Rep Smith

Rep Rusche

Rep Woodings

COMMITTEE SECRETARY

Kaela Becklund

Room: EW16

Phone: 332-1128

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## MINUTES

# HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Wednesday, February 12, 2014  
**TIME:** 1:30 P.M.  
**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 Anderson(31)  
**GUESTS:** John J. Williams, BPA; Brian Patton, IDWR

**Chairman Raybould** called the meeting to order at 1:28 p.m.

**Chairman Raybould** recognized the committee's page, **Katelyn Manker** and thanked her for her service and aid to the committee during her time in the Legislature. **Rep. Anderson(1)** also thanked Katelyn for her service to his committee and most especially his secretary.

**Chairman Raybould** turned the gavel over to **Vice Chairman Eskridge**.

**Brian Patton**, Bureau Chief with the Idaho Water Resources Board, gave an overview of the Idaho Department of Water Resources (IDWR) current programs, projects, and legislative proposals. He began with an update on the State Water Plan and the strategies for executing IDWR management policies and evaluating effectiveness. He reviewed the Water Board's loan function and gave an update on current projects with loans from the Board.

**Mr. Patton** then discussed the \$15 million one-time funding proposal in the Governor's Recommendation for the FY 2015 budget. He stated the Water Sustainability Initiative funding includes a variety of projects and surveys to ensure future sustainability. Mr. Patton discussed seven specific projects included in the proposal. The first part of the proposal was the Mountain Home Air Force Base Water Rights and Supply project and the need to ensure continual water supply to the Air Force base, its residents and workers. The second was the Eastern Snake Plain Aquifer Managed Recharge Infrastructure and Expenses project. This project is meant to address the need for additional infrastructure including the Milepost 31 managed recharge site, to provide storage and availability of water. It is also an attempt to prevent further Groundwater and Surface water conflicts and meet the State's Swan Falls Agreement obligations. This third aspect of the proposal was the Northern Idaho Future Water Needs Studies. These studies are gathering information and data to try and help solve the issue of nonexistent agreements or decrees to allocate water between Idaho and Washington. The last four aspects of the Governor's proposal deal with new water storage and supply control. These projects include the Galloway Reservoir project to determine the potential of the site to hold a large dam and reservoir, the Island Park and Boise River-Arrowrock enlargement projects to raise the reservoirs and add 30,000 and 317,000 acre-feet of additional storage to each respectively, and lastly the Water Supply Bank Computer Infrastructure Costs to install a computerized system to manage the immense and continual growth in water right rentals since 2008.

**Mr. Patton** briefly discussed the history of budget recommendations and allocation. He explained why the money was so important and how it has helped to drastically decrease the backlogs in the application, permitting, and leasing processes as well as the huge drop in the level of adjudication.

**Mr. Patton** moved on to discuss the water supply shortage and curtailments across Idaho. He discussed the Surface Water Coalition water call and the Rangen Fish Hatchery Delivery call. He stated these issues are currently being discussed and resolutions are being negotiated to try and avoid further curtailments in Idaho.

**Mr. Patton** then discussed the various pieces of legislation before the Legislature this session which have the Department's support. He briefly described what each piece does and why the Department thinks each would be beneficial.

In response to questions about the Galloway Site Project, **Mr. Patton** stated there are studies currently underway to determine not only the potential of the site but also the potential of the completed project to help address other water issues across the state, should the project be undertaken.

In response to concerns regarding the Northern Idaho water rights, **Mr. Patton** stated the Department is currently working on evaluations and determinations to be able to use and establish a minimal plan to protect the water rights in Idaho in the future from any disputes. He stated these studies and the evaluations must be done first before those plans can be discussed and determined as it is the demonstration of current use and future need that will be the key factors in determining Idaho's right.

**MOTION:** **Rep. Trujillo** made a motion to approve the minutes of February 6, 2014. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:39 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 P.M.**  
**Room EW42**  
**Thursday, February 20, 2014**

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SUBJECT	DESCRIPTION	PRESENTER
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**2014 Gold Room Workshop**

The Federal, State, Local Government  
Partnership– Is it working in Idaho?

Introduction of Speakers:

–Randy MacMillan, ICIE President

Introduction:

–Joan Cloonan, Attorney in the U.S. Department  
of Justice 1974-1979

Sage Grouse:

–Dustin Miller, Administrator, Governor's Office of  
Species Conservation

Gateway West:

–Doug Dockter, Idaho Power Co. Manager 500kv  
Projects

–Karen Steenhof, President Raptor Research  
Foundation, Member of the Boise District BLM  
Resource Advisory Committee

Grazing Issues:

–Neil Rimby, Extension Professor/Range  
Economist, Member of the Boise District BLM  
Resource Advisory Committee

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Eskridge

Rep Anderson(1)

Rep Hartgen

Rep Vander Woude

Rep DeMordaunt

Rep Nielsen

Rep Thompson

Rep Anderson(31)

Rep Anderst

Rep Mendive

Rep Monks

Rep Morse

Rep Trujillo

Rep Smith

Rep Rusche

Rep Woodings

COMMITTEE SECRETARY

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MINUTES

# HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Thursday, February 20, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**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:** None

**GUESTS:** Sharon Kiefer, IDFG; Doug Dockter, Idaho Power; Scott Pugrud, OER; Becky Johnstone, ICIE; Dustin Miller, OSC; Jim Wertz, US EPA- Idaho; Danelle Heath, OSC; Madeneie Herrich, Veritas Advisors; Reaveen Welton, RMP; Beth Markley, ICIE

**Chairman Raybould** called the meeting to order at 3:31 p.m.

**MOTION:** **Rep. Smith** made a motion to approve the minutes of February 10, 2014 and February 12, 2014. **Motion carried by voice vote.**

**Randy MacMillan**, President of the Idaho Council on Industry and Environment (ICIE), gave a brief overview of the ICIE and environmental law. He then introduced those who would present to the committee; **Joan Cloonan**, Attorney in the U.S. Department of Justice 1974-1979; **Dustin Miller**, Administrator, Governor's Office of Species Conservation (OSC); **Dough Dockter**, Idaho Power Co. Manager 500kv Projects, **Karen Steenhof**, President of Raptor Research Foundation, Member of the Boise District BLM Resource Advisory Committee; and **Neil Rimby**, Extension Professor/Range Economist, Member of the Boise BLM Advisory Committee.

**Joan Cloonan** gave an introduction on the history of environmental policy and the Environmental Protection Agency (EPA). She stated the original purpose of the EPA was to help fuse all the varied and scattered environmental policies and agencies into one effective program and provide assistance to states who implement the standards. She gave an overview of the growth of the EPA and the variety of ways it was forced to be an enforcement body and their performance and partnership with states today.

**Dustin Miller** gave a brief history and overview of the Office of Species Conservation, its purpose and continued work on Sage Grouse repopulating. Mr. Miller gave a history of the Sage Grouse and how they came to be considered a potential species for listing on the Endangered Species List in 2010. He said states were given the option to work with partners to try and keep the sage grouse off the Endangered Species List. He said they were given five years to reverse the trend of decline. He listed a variety of factors influencing the decline. These factors included Habitat fragmentation, fire and inadequate federal land use plans. He also explained the various steps Idaho has taken to try and reverse the trend. He said the main initiative used by the OSC is the Governor's Sage Grouse Alternative (Alt E) Plan. He stated they have continued to receive positive feedback about Alt. E from the U.S. Fish and Wildlife Service and are optimistic about the future of Sage Grouse in Idaho. He said there is still a lot of work to do and in order to be successful, there needs to be people continually involved at all levels. He said the program is working well and they continue to work with partners to meet the five year deadline.

**Doug Dockter** and **Karen Steenhof** gave their portion of the presentation on the Gateway West project. Mr. Dockter explained this project came about as a result of factors such as business need and State need for additional load and transmission capacity. He said building only some segments may provide localized transmission relief but will not provide the total benefits as planned.

**Mr. Dockter** gave an overview of the additional power needs in Idaho, explaining the greatest constraint is from Pocatello west to the Treasure Valley. He explained that this portion of the line has no additional available capacity to transmit power to meet future need. He said this new Gateway West project would allow Idaho Power to move additional amounts of energy across the electrical system especially during times when wind generation and consumer needs are the highest.

**Mr. Dockter** described the permitting process and the milestones and road bumps that have been encountered in the process of this project. He added there are several smaller projects underway to increase capacity but the power from those new lines is already spoken for. This will result in the additional transmission capacity leaving the state without options for power transfer.

**Mr. Dockter** focused on the two segments of the project, Segments 8 and 9 (Midpoint-Hemingway and Cedar Hill-Hemingway) that were not included in the Record of Decision project approval. In summary he said this project is essential to meeting long-term customer needs both regionally and locally and there is continued efforts to achieve permitting approval on Segments 8 and 9.

**Ms. Steenhof** discussed in further detail the issues that have occurred with Segments 8 and 9. She stated the key issue with lines 8 and 9 is the impact they would have on a protected area. She gave a history of the Snake River Birds of Prey National Conservation Area (NCA). She said the purpose of the NCA is conservation, protection and enhancement of raptor population and habitat while allowing for diverse and appropriate use of lands in the area consistent with the maintenance and enhancement of the raptor population and habitats. She stated the NCA is a part of the larger National Conservation Lands Service which encompasses 27 million acres across the U.S. She outlined research done in the 1980's and what was discovered about the impact of transmission lines through the NCA. They found that the lines actually enhanced the opportunity for raptor nesting and raven nesting in the area. She said these results were published in 1993 but have not seemed to be included in the current discussions on the Segment 8 and 9 plans.

**Ms. Steenhof** gave an overview of the policy that has further complicated the issue of permitting. She reviewed the 2009 Omnibus Public Land Management Act (Public Law 111-11) and the rules it entails. She said the rules deal with activities in the protected areas and discussed the complications they create for the Gateway West project on Segments 8 and 9.

**Ms. Steenhof** reviewed the Record of Decision which came from the BLM and the reason for the decision. She explained that as a result of this decision, a subcommittee was created to address the issues and various ways to solve the issues. She said the tasks of the subcommittee are to examine options to resolved the siting issues associated with Segments 8 and 9, consider the possibility of new routes not considered in the approval process, determine if additional issues or concerns exist that were not addressed in the environmental analysis for the segments. The subcommittee will evaluate any new information or modifications to the alternatives analyzed in the Final Environmental Impact Statement, and evaluate the companies' proposal for enhancements to resources in the NCA. She said the subcommittee has come up with new information and they are looking at the evaluation criteria in attempts to answer some of the questions.

**Neil Rimby** concluded the presentation with a discussion on grazing issues across Idaho. He discussed public lands and grazing, livestock facts and figures, economic impacts, and the cooperative range management program in Idaho. In discussing public lands, Mr. Rimby explained there is seasonal dependence on public lands for livestock grazing on public forage lands. He stated this land use is a part of many western ranches. When looking at data, he stated there was a rising trend in the number of grazing cattle from 1940 to 1975. However, it showed that from 1975 to today there has been a gradual decrease in the cattle population. In the number of sheep there has also been a downward trend, but the sheep have been in a large decline since 1940. He stated the gross dependency of these animals on public lands for forage each year is about 29%. He also explained that Federal Land Grazing adjustments are being made and NEPA is now required, along with economic and social assessments as a part of the approval process. He stated the loss in grazing land has resulted in a loss of ranch income and has had an effect on various other sectors as well. These effected sectors includes, agriculture services, forage crops, construction and maintenance, retail and trace, as well as transportation, communication, and public utilities.

In response to questions regarding the NEIS use of existing corridors to add more transmission capacity, **Mr. Dockter** explained that new lines are necessary because of WECC separation requirements, the issues between the old and new lines, and reliability concerns.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:58 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
1:30 PM or Upon Adjournment  
Room EW41  
Wednesday, February 26, 2014

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Economic Impact of Mining	Jack Lyman, Idaho Mining Association

***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 Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

Kaela Becklund  
Room: EW16  
Phone: 332-1128  
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MINUTES

**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**

**DATE:** Wednesday, February 26, 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:** Vice Chairman Eskridge, Representative(s) Anderson(1), Vander Woude, Nielsen, Rusche

**GUESTS:** None.

**Chairman Raybould** called the meeting to order at 2:38 p.m.

**MOTION:** **Rep. Smith** made a motion to approve the minutes of February 20, 2014. **Motion carried by voice vote.**

**Chairman Raybould** introduced the new page, **Erica Bullock**, to the committee.

**Jack Lyman**, Executive Director of the Idaho Mining Association, gave a presentation on the economic impact of mining in Idaho. He began with an introduction to the various mining operations located in Idaho; including the various facility locations and the resources mined at each of the facilities. During his presentation, Mr. Lyman used information compiled by **Mr. Steven Peterson**, a research economist.

**Mr. Lyman** then discussed overall mineral production in Idaho and the economic impact of that production. He explained this production adds around \$1 billion a year to the Gross State Product. Mr. Lyman then discussed the impact of production on the total compensation that comes as a result of mining production. He stated last year there were over \$278 million paid in direct compensation to mine employees. He stated that number doubles when expanded to include the monies paid out to all jobs created/induced as a result of mining operations. He also explained the impact of those compensation payments on total direct and secondary taxes. He explained that last year alone \$107 million was paid in State income/corporation, royalties/licences, sales and property taxes.

**Mr. Lyman** then detailed the impact of mining jobs. He said mining jobs in 2012 were some of the highest paid jobs in Idaho; when taking into consideration regular and overtime, bonuses and benefits. He explained that 3,206 mine workers necessitates 6,066 additional industry workers. He continued to say that one new mining job can add \$356,000 to the Gross State Product, create an additional 1.83 industry jobs, and has the potential to yield \$33,200 of additional taxes. He further stated creating one new mine, or 500 new mining jobs, could add \$175 million to the Gross State Product, create 946 additional industry jobs, and could potentially yield \$16.6 million in tax revenue.

Throughout his presentation, **Mr. Lyman** gave examples of projects several mines have completed to improve and restore the terrain to its natural state or to manage issues. These examples included the Pedro Creek NTCRA where work was completed to reduce the piling overburden in the disposal area and reduce the amount of erosion. The Georgetown Canyon Fertilizer Facility worked to restore the mountainside through reforestation and removing the railroad tracks to restore the original stream bed at the old mine site. As well as the TCMC Mill Stockpile, where the largest cathedral style wind fence in North America was completed in 2012 to help reduce the harsh effects of wind across the mine complex.

**Mr. Lyman** also discussed the fluctuating prices of silver and gold over the last five years. He explained that these prices peaked in 2011 and have both been in decline since those major peaks. He also discussed the declines in Moly and Fertilizer prices since 2008.

In response to questions regarding the percentage of mine production that leaves Idaho as a finished product versus those sent out as raw material, **Mr. Lyman** explained that approximately 30% of mined products leave Idaho as finished product. These products include fertilizer, feedstock and lubricants. However, most of the products mined in Idaho are sent to be further processed in other states.

In response to questions regarding the current status of the Midas Group, **Mr. Lyman** stated they still continue to develop and are currently in the exploration phase. He explained that it will be approximately five to seven years before full development. However, they are moving forward as planned.

In response to concerns regarding the future of mining, **Mr. Lyman** stated mine products are finite resources but as technology has improved and developed so has the mining process. He stated the resources are contingent on price and there are times when mines will shut down. However, he stated, there is a fifty year stockpile of reserve resources and mines are working on permitting and planning fifteen years out, to be ready for the ups and downs of the industry that follow the ups and downs of the economy. He explained, that as the economy regains strength, and the price of the resources rise, the mining efforts will rise in the state. **Chairman Raybould** added that as technology has improved, recovery and refining processes has also improved. This increases the amount of resource recovered from the work which had not previously yielded such results.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:01 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

**AMENDED AGENDA #1**  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 PM or Upon Adjournment**  
**Room EW41**  
**Tuesday, March 04, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Energy Advocacy in Idaho	Lane Allgood, Executive Director, Partnership for Science and Technology

COMMITTEE MEMBERS

Chairman Raybould	Rep Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

Kaela Becklund  
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Phone: 332-1128  
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## MINUTES

# HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Tuesday, March 04, 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) Anderson(1), Nielsen, Vander Woude, Thompson, Rusche  
**GUESTS:** Ken Miller, Snake River Alliance; John Chatburn, OER  
**Chairman Raybould** called the meeting to order at 2:32 p.m.  
**MOTION:** **Rep. Trujillo** made a motion to approve the minutes of February 26, 2014. **Motion carried by voice vote.**

**Lane Allgood**, Executive Director of the Partnership for Science and Technology (PST), began his presentation by explaining the purpose of the PST. He said their purpose as a "non-profit, public interest organization is advocating for the advancement of science, energy and technology and providing accurate and timely information on related regional activities including those at the Idaho National Laboratory." He then gave an overview of the history of the Idaho National Laboratory (INL) as well as the PST. He discussed the diversity of the PST members and the advantage that adds to their organization with different viewpoints, backgrounds, and experience. He stated the entire program is membership based and membership funded. For this reason, he said, the members are very important and the PST works to support their members through representation, advocacy, information, and analysis.

**Mr. Allgood** discussed the importance of the INL to Idaho. He said it is the second largest employer in the state and has an economic impact of \$3.5 billion. He quoted an economic impact study at BSU stating, "The presence of the lab & its steady level of activity add a measurable degree of stability to Idaho's economy."

**Mr. Allgood** then discussed the priorities of the PST. He said their main priorities include; the 2014 and 2015 Department of Energy budgets, recruiting new energy related businesses to Eastern Idaho, the NuScale Small Modular Reactor project, the LINE COMMISSION 2.0, state legislative involvement, continuing to grow membership, and the upcoming visit of **Senator Lisa Murkowski**.

In discussing the NuScale project, **Mr. Allgood** stated the company, based out of Oregon, has teamed up with Idaho and received a grant from the Department of Energy to build a small modular. He explained that part of this agreement is to build the reactor in Idaho. He stated this kind of new development would establish Idaho as a key player in the technological development of new energy technologies and add new jobs both direct and indirect to Idaho.

In response to questions about small modular reactors, **Mr. Allgood** explained they are still very new technologies. He said the reactors have the potential to produce 45 MW with up to twelve modules per facility. He said this would allow the facilities to grow as needed to accommodate the needs of different areas. He explained that NuScale has built a prototype and with the new grant from the Department of Energy can begin the process of building the first of its kind. He said the small reactor would be approximately a third the size of current reactors and thus put out a third of the power. He said the licensing process is looking to be between three and four years with another three to four years for construction. Mr. Allgood stated the targeted date for an operational reactor facility to produce power is 2023. He explained the cost seems to be around the same price as current nuclear power and still looks more dependable and cost efficient than wind or solar although not as cost-effective as coal or natural gas. In terms of storage, Mr. Allgood said the storage process would be similar to the process for the larger facilities except on a smaller scale.

In response to questions regarding the impact of the new energy output and current transmission constraints, **Mr. Allgood** said this is one of the biggest issues currently being discussed. He said if no one will buy the power, they won't be able to build the reactor and gain the extra power capacity. He said, first they need to prove the reactors will work for its intended purpose and then the issue of transmission and the future of the proposed designs will have to be addressed.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:09 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 PM or Upon Adjournment**  
**Room EW41**  
**Thursday, March 06, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Presentation: Idaho Technology Council	Jay Larsen, President, Idaho Technology Council

COMMITTEE MEMBERS

Chairman Raybould  
Vice Chairman Eskridge  
Rep Anderson(1)  
Rep Hartgen  
Rep Vander Woude  
Rep DeMordaunt

Rep Nielsen  
Rep Thompson  
Rep Anderson(31)  
Rep Anderst  
Rep Mendive  
Rep Monks

Rep Morse  
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Rep Smith  
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Rep Woodings

COMMITTEE SECRETARY

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## 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.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
**1:30 PM or Upon Adjournment**  
**Room EW41**  
**Monday, March 10, 2014**

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<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
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Idaho National Laboratory

Brian Whitlock, Director INL State  
Government Relations

Dr. Todd Allen, Deputy Director Idaho  
National Laboratory

Rick Provencher, Manager Department  
of Energy - Idaho

COMMITTEE MEMBERS

Chairman Raybould

Vice Chairman Eskridge

Rep Anderson(1)

Rep Hartgen

Rep Vander Woude

Rep DeMordaunt

Rep Nielsen

Rep Thompson

Rep Anderson(31)

Rep Anderst

Rep Mendive

Rep Monks

Rep Morse

Rep Trujillo

Rep Smith

Rep Rusche

Rep Woodings

COMMITTEE SECRETARY

Kaela Becklund

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Phone: 332-1128

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## MINUTES

# HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Monday, March 10, 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) Anderson(1), Hartgen, Vander Woude, Nielsen, Rusche  
**GUESTS:** Brian Parker, Snake River Alliance; Liz Woodruff, SRA; John J. Williams, BPA; Don Hudson, Lincoln Co.

**Chairman Raybould** called the meeting to order at 3:12 p.m.

**Brian Whitlock**, Director of the Idaho National Laboratory (INL) State Government Relations, introduced INL Deputy Director, **Dr. Todd Allen** and **Rick Provencher**, the Idaho Operations Office Manager for the Department of Energy who would present to the committee.

**Dr. Todd Allen** began his presentation with a virtual tour of the INL campus and facilities which detailed the complex, new structures, and the various functions of the INL. He then discussed the new modernizations out at the desert nuclear research facilities and the major changes there which included; the Radiation experiment assembly facility, the Irradiated Materials Characterization Lab, the Stress Corrosion cracking research facility, and the Transient Reactor Test (TREAT) Facility. He stated these advances in systems and technology have allowed for additional nuclear research such as advanced nuclear fuels research and the MOOSE or the Multi-Object Orientation Simulation Environment which is a modeling system that allows scientist to solve complex problems without having to understand extremely detailed computer programing.

**Dr. Allen** then discussed the INL commercial support for Small Modular Reactor (SMR) design and development. He explained that the Department of Energy (DOE) is also aiding companies in the effort to build modules for markets to help with the rising costs of energy. The various companies he mentioned that are currently working with the INL included, B&W's mPower Heat Transfer/Licensing, NuScale Heat Transfer, Holtec Design studies, X Energy Economic analysis and he added commercial advanced reactor support for TerraPower Waste-Reducing design.

**Dr. Allen** also explained to the committee the involvement of the INL in National and Homeland Security research. He said the INL has strong programs including the Wireless Test Bed National User Facility, the radiological emergency training, and armor development which make the INL unique for research in the field.

**Dr. Allen** concluded by discussing the INL new central campus. He discussed the new facilities which include the Energy Innovation Laboratory (EIL) which houses the EIN event center and the nuclear control room modernization, the Energy Systems Laboratory which houses advanced battery research and biofuels feedstock processing, the Center for Advanced Energy Studies (CAES) which allows for extensive partnership with Idaho's research universities, the computer assisted virtual environment, additional nuclear research, and the fuel efficiency demonstrator.

Lastly, **Dr. Allen** stated the INL has vast and unique physical opportunities but the successes of the Lab really depends on the workers and scientists behind the equipment to make the projects work.

In response to questions regarding the viability of SMR's, **Dr. Allen** stated the development of the SMR initiative is at a critical state. He said there is a lot of hope but there are still a lot of hurdles that must be overcome. He explained the DOE has chosen two companies and is currently in process of helping them through the licensing process that must be completed before they can begin to build prototypes. He stated that however, there must be customers to build a successful project. He said the next year or so will be really telling for the industry and where it will go. He added with the current low cost of producing and selling natural gas the timing of the SMR industry will be crucial to its success. He also mentioned the success of the industry may also be regionally dependent.

In response to questions regarding funding, **Dr. Allen** stated they received an increase in funding between 2005 and 2010 and then between 2010 and 2013 saw a drastic decrease. He said this last year there has been a rise in funding and it seems to be stabilizing but there was a very quick rise, a very quick drop and now they are having to deal with those ramifications. He explained they lost 20% of their staff during the decline in funding but are now in the process of hiring approximately 100 positions.

**Rick Provencher** began by stating there is a strong remaining commitment to the cleanup efforts and a desire to meet the Idaho Settlement Agreement. He first briefed the committee on the DOE support for the SMR design certification and licensing. He stated they are highly invested in the cost sharing program to accelerate commercial SMR development through financial assistance for design engineering, testing, certification, and licensing of promising SMR technologies with high likelihood of being deployed at domestic sites. He said they are also exploring additional mechanisms for SMR fleet deployment.

**Mr. Provencher** then gave an update on the status of the Idaho Settlement Agreement. He began with the processing of liquid waste and stated the goal is to treat the remaining approximately 900,000 gallons by December 31, 2014. He said they are currently undergoing readiness evaluations which, once approved, will allow for the completion of that aspect of the cleanup. Next he discussed the calcine disposition and the commitment to make the calcine road-ready for disposition or storage outside Idaho by 2035. He said the reason for the extended deadline is that there is no potential ground water contamination from this stable solid waste. He said there is currently a treatment plan in the works and a facility in the design process to handle the material. With regard to the spent nuclear fuel (SNF) management commitment, Mr. Provencher stated there is an immediate requirement to comply with a milestone to have all SNF in dry storage by December 31, 2023 and then to have the SNF repackaged and shipped out of state by 2035. Lastly, with regard to the Advanced Mixed Waste Treatment Project (AMWTP) and Remote Handled Transuranic Waste Project (RH-TRU), Mr. Provencher stated there is the goal to process and ship the legacy TRU by December 31, 2018. He said they are approximately 80% complete with above ground shipments having shipped 52,000m<sup>3</sup> of the 65,000m<sup>3</sup>. He said the exhumation of 5.69 acres of buried waste is 55% complete having exhumed 5,881m<sup>3</sup> so far and of that has shipped 5,710m<sup>3</sup>. He said this project has been hugely successful. He also added that there is potential to use these facilities to treat other wastes and process other material once these projects are completed to bring revenues. Lastly, Mr. Provencher discussed the various assets of the Idaho Nuclear Technology and Engineering Center (INTEC).

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 4:08 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
1:30 or Upon Adjournment  
Room EW41  
Wednesday, March 12, 2014

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S 1373</u></a>	Water Quality Trading	Norm Semanko, Idaho Water Users Association
<a href="#"><u>S 1260</u></a>	Hazardous Waste Management US Ecology, Inc.	Senator Heider Roy Eiguren, US Ecology, Inc.

***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 Nielsen	Rep Morse
Vice Chairman Eskridge	Rep Thompson	Rep Trujillo
Rep Anderson(1)	Rep Anderson(31)	Rep Smith
Rep Hartgen	Rep Anderst	Rep Rusche
Rep Vander Woude	Rep Mendive	Rep Woodings
Rep DeMordaunt	Rep Monks	

COMMITTEE SECRETARY

Kaela Becklund  
Room: EW16  
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## MINUTES

# HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

- DATE:** Wednesday, March 12, 2014
- TIME:** 1:30 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) Anderson(1), Hartgen, Vander Woude
- GUESTS:** Barry Burnell, IDEQ; Robert Bullock, IDEQ; Simon Bell, USE; Joe Weismann, US Ecology; Orville Green, IDEQ; Dennis Meier, IDEQ
- Chairman Raybould** called the meeting to order at 2:44 p.m.
- MOTION:** **Rep. Smith** made a motion to approve the minutes of March 6, 2014. **Motion carried by voice vote.**
- S 1260:** **Roy Eiguren**, representing US Ecology, Inc. (USE), introduced the presentation for **S 1260** to the committee. He stated the purpose of this legislation is to amend the Hazardous Waste Act and provide DEQ the authority to regulate waste materials and sites in the state. He said the DEQ regulates one commercial waste facility, located in Grand View, Idaho, which is owned and operated by USE. He introduced **Simon Bell**, Executive Vice President and Chief Operations Officer and **Joe Wiesmann** Vice President for radiologic programs for US Ecology, Inc. who would present to the committee.
- Mr. Bell** began by giving a background of US Ecology. He stated the company is publicly traded, based out of Boise, ID and employs 450 people throughout North America. He explained that the company accepts and treats hazardous waste and certain radioactive material for disposal within their network of facilities. He stated that USE is one of the largest hazardous waste management companies in North America. With regard to Idaho, Mr. Bell stated they accept hazardous waste, PCB waste and certain low-activity radiologic waste. He said the plant employs 60 people and generates \$23 million annually for the state with an additional \$2 million in tipping fees which go to the General Fund as well as the local counties. With regard to the safety and compliance of the facility, Mr. Bell said those issues are the foundation of the business, without a high safety and compliance record there is nothing to sell the customers. He said a few years ago USE entered into a Voluntary Protection Program (VPP) with OSHA. This VPP is an agreement for OSHA to come audit the facility and do a completely comprehensive audit. Mr. Bell told the committee that US Ecology is one of only 1,800 sites in North America to have received the VPP Star designation. Mr. Bell concluded by discussing some of the challenges faced by the company. He said the industry is very competitive, government revenues and thus, the volume of material coming from federal customers, have been decreasing. He said Idaho is quite a distance from the origination sites for the waste and the transportation costs to bring the waste to Idaho are also going up. He said the company is trying to find ways to diversify their ability to compete for federal government service and one of those ways is looking to markets that have been inaccessible in the past; which is what this legislation addresses.

**Mr. Weismann** stated this legislation is seeking to clarify wording in the Idaho Hazardous Waste Management Act to better allow USE to serve all the federal government agencies dealing with hazardous waste. He said this act has been in place since 2001 and over the years the company and the Legislature have tried to evolve the definition of hazardous waste to better access the customer markets. However, he said the unintended consequence of this was that the definition became a barrier to some markets. He said USE is seeking to harmonize the definition with federal law so USE will be allowed to better service all the federal government agencies. He said the current permit say they can only take low-activity radioactive waste provided it is not regulated under the Atomic Energy Act. However, he said the two agencies that deal most predominately with hazardous waste, The Nuclear Regulation Commission (NRC) and the Department of Energy (DOE) regulate in different ways. He said the NRC uses license and exemptions but DOE does not. He explained the amended definition would mirror the DOE definition to allow access to all sectors of the market. The key change, he said, was "released for radiological control" which will enable USE to work with DOE as well as the other agencies. With regard to safety concerns that had been raised about the facility, Mr. Weismann stated the radiological dosage is only around 20% of the allowable dosage from the NRC of 100 units. He stated the benefits of this legislation would be additional regulatory clarity and distinct boundaries. He said it would increase competition and had the potential to add additional dollars to the General Fund.

**Mr. Eiguren** concluded the presentation by stating the creation of the Hazardous Waste Act in 2001 gave specific authority to the IDEQ to regulate this kind of material and the activities have been ongoing since that time. He said USE is trying to certify the same kind of material released by the NRC, which is currently acceptable, it would also be acceptable when released from the DOE.

**MOTION:**

**Rep. Nielsen** made a motion to send **S 1260** to the floor with a **DO PASS** recommendation.

In response to questions regarding the approval of IDEQ and whether or not such change in definition is enforceable, **Orville Green**, Waste Management and Mediation Division Administrator for IDEQ, stated the IDEQ has worked with USE on this legislation and that simply having waste qualifying under the definition of hazardous waste is not the final barrier to material being received by USE. He said there are other waste acceptance criteria which is set by IDEQ that must also be followed.

**VOTE ON MOTION:**

**Motion carried by voice vote. Rep. Hartgen** will sponsor the bill on the floor.

**S 1373:**

**Norm Semanko** with the Idaho Water Users Association presented **S 1373** to the committee. He explained the purpose of this legislation is to provide legislative direction for the implementation of water quality pollutant trading and other innovations in attaining and maintaining water quality in Idaho water bodies. He said it achieves this goal by directing laws be administered to support and maximize such innovation, creating definitions, authorizes IDEQ to review and approve the trades, trading framework and means of verifying that trading will contribute to the attainment of water quality standards, and authorizing the Idaho Board of Environmental Quality to adopt rules relating to water quality trading.

In response to concerns regarding how the trading would work and how the water quality of water bodies would be affected, **Barry Burnell** Water Quality Division Administrator with IDEQ, stated there will be trading guidelines and various requirements that will be taken into account. He said trades will likely only be approved on a ratio basis so the water quality would be improved. He stated such qualifications and regulations will be determined in the rule making process.

In response to questions about the impact of NPDES primacy on this issue, **Mr. Burnell** stated there will be an immediate use for this legislation as it will allow for language in permits from the EPA to allow for such trading.

In response to questions regarding the players in the agreements and the time constraints on the permits, **Mr. Burnell** stated those involved will be different for each permit but can include a variety of different parties. He added the time periods would also be determined for each permit individually. He stated there will be some permits for short periods of time, such as two months, and some may seek to have more stability and will do a much longer agreement, such as twenty years.

**MOTION:** **Rep. Nielsen** made a motion to send **S 1373** to the floor with a **DO PASS** recommendation.

**Dan Steenson**, with the Water Users Organization and Watershed Council, stated any trading will be required to attain water quality standards and ensure the environmental baseline will be met. He said the trading framework must show it will contribute to the attainment of those water quality standards.

**VOTE ON MOTION:** **Motion carried by voice vote. Rep. Nielsen** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:57 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary

AGENDA  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**  
1:30 PM or Upon Adjournment  
Room EW41  
Tuesday, March 18, 2014

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SUBJECT	DESCRIPTION	PRESENTER
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Approval of Minutes

COMMITTEE MEMBERS

Chairman Raybould	Rep Nielsen
Vice Chairman Eskridge	Rep Thompson
Rep Anderson(1)	Rep Anderson(31)
Rep Hartgen	Rep Anderst
Rep Vander Woude	Rep Mendive
Rep DeMordaunt	Rep Monks

Rep Morse
Rep Trujillo
Rep Smith
Rep Rusche
Rep Woodings

COMMITTEE SECRETARY

Kaela Becklund  
Room: EW16  
Phone: 332-1128  
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MINUTES  
**HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE**

**DATE:** Tuesday, March 18, 2014  
**TIME:** 1:30 PM or Upon Adjournment  
**PLACE:** Room EW41  
**MEMBERS:** Chairman Raybould, Vice Chairman Eskridge, Representatives Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings  
**ABSENT/EXCUSED:** Representative Thompson  
**GUESTS:** None  
**MOTION:** **Chairman Raybould** called the meeting to order at 1:31 p.m.  
**Rep. Smith** made a motion to approve the minutes of March 10, 2014 and March 12, 2014. **Motion carried by voice vote.**  
**Chairman Raybould** recognized the committee page, **Erica Bullock** for all of her work and service to the committee. **Rep. Anderson(1)** also thanked Erica for her service to his committee.  
**Chairman Raybould** recognized and thanked the committee secretary, **Kaela Becklund** for all of her work and efforts on behalf of the committee.  
**Chairman Raybould** thanked the committee members for all of their work and participation on the committee this session and help in dealing with the issues that came before the committee.  
**Rep. Anderson(1)** recognized the Chairman for all of his work and efforts for the committee and its members as well.  
**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 1:36 p.m.

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Representative Raybould  
Chair

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Kaela Becklund  
Secretary