

MINUTES

## HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

**DATE:** Wednesday, February 04, 2015

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

**PLACE:** Room EW41

**MEMBERS:** Chairman Thompson, Vice Chairman Anderst, Representatives Raybould, Hartgen, Vander Woude, Nielsen, Anderson, Mendive, Trujillo, Beyeler, Chaney, Nate, Scott, Smith, Rusche, Jordan, Rubel

**ABSENT/  
EXCUSED:** Rep. Vander Woude

**GUESTS:** John Chatburn, Office of Energy Resources (OER); Tiffany Floyd, Carl Brown, Department of Energy Equality (DEQ); Will Hart, Idaho Consumer Owned Utilities Association (ICUA); Ken Miller, Kelsey Nunez, Snake River Alliance; Mike Colburn, Idaho Power; Suzanne Budge, SBS Associates; Neil Colwell, Avista Corp; Dustin Hayer, ICL; Jack Lyman, Idaho Mining Association

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

**MOTION:** **Rep. Beyeler** made a motion to approve the minutes of January 22, 2015. **Motion carried by voice vote.**

**John Chatburn**, Office of Energy Resources (OER), gave a presentation on EPA's Clean Power Plan 111(d) proposed guideline. EPA proposed on June 2, 2014 to cut carbon dioxide emissions from existing power plants by thirty percent nationally by 2030 through state specific goals. The proposed compliance includes heat rate reductions from coal fired power plants, conversion from coal to natural gas, additional renewable energy generation (RE) and additional energy efficiency measures (EE). EPA's goal for Idaho included on increasing RE and EE because Idaho has no in-state coal generation. Idaho should not be subject to the carbon dioxide emissions performance goal since Idaho's carbon profile is already next the lowest in the nation and Idaho has already more than mitigated instate carbon emissions through existing RE and EE. He said the EPA should consider hydropower a renewable energy in Idaho and treat existing hydro like other forms of RE in the rule. EPA's proposal significantly limits Idaho's ability to utilize its natural gas plans and would effectively idle its two NGCC facilities.

In response to questions, **Mr. Chatburn** said after considering other states comments the guideline should come out on approximately August 1, 2015. If Idaho ignores 111(d) it would require Idaho to establish a substitute plan or the EPA will generate and enforce the plan for the state.

**John Chatburn**, Office of Energy Resources (OER), gave a presentation on Gateway West Transmission Line Project, Boardman to Hemmingway Transmission Line Project and Hooper Springs Transmission Line Projects. Gateway West is a 500 kV transmission line from Glenrock, Wyoming to the Hemmingway substation near Marsing, Idaho. Rocky Mountain is the lead utility and Idaho Power is also involved. Boardman to Hemmingway is a 500 kV transmission line from Boardman, Oregon to the Hemmingway substation. Idaho Power is the lead utility, PacifiCorp is also involved. Hooper Springs is a 115 kV transmission line in Caribou County, Idaho and BPA expects a ROD to be issued by summer 2015.

In response to questions, **Mr. Chatburn** explained no infrastructure is presented without affecting somebody or something, their responsibility is to find the least impact on resources and people.

**John Chatburn**, Office of Energy Resources (OER), gave a presentation update on renewable energy. The Public Utilities Regulatory Policies Act (PURPA) of 1978 (Sections 201 and 210) require utilities to purchase the generation from Qualifies Facilities and each state has limited authority to set some parameters for Qualifies Facilities. To be a Qualifies Facility, the Facility must provide up to 80 MW by solar, wind, geothermal, hydro, wood waste, landfill gas, biogas, and cogeneration. Most of the type of renewable energy facilities have had significant increases with wind.

In response to questions, **Mr. Chatburn** explained it is an ongoing discussion projecting who can be an individual power producer. Fossil fuel is not decreasing at this time. Implications of growth are primary considerations and can be integrated and maintain grid reliability. Most utilities already have voluntary demand project programs.

**Tom Shultz**, Director, Idaho Department of Lands, gave a presentation on the development of natural gas in Idaho. The Oil and Gas Conservation Act administration is a five member citizen commission appointed by the Governor and confirmed by the Senate. IDL is the administrative arm of the commission holding quarterly meetings which have recently transitioned to bimonthly. The first drilling permits were issued in late 2009 and drilling started in early 2010 where gas was discovered later the same year. The 2014 statistics show fifteen wells capable of producing, one well producing and servicing New Plymouth, four wells drilled in Payette County, one well drilled in Canyon County, two permits to drill issued, and one well in Canyon County plugged and abandoned. More than \$2.1 million has been generated for the State of Idaho from 2014 lease auctions. Idahoans benefit through severance taxes on production of oil and gas by a twelve percent royalty on production which benefits the owner of the minerals, one and a half per cent on productions goes to the Oil and Gas Conservation Commission and a one percent tax on production is split between county, cities, Public School Income Fund and local economic development account.

In response to questions, **Mr. Shultz** explained the percentages come from the amount at the time of point of sale. There is no regulated production. The royalty percentage is based on a code and the oil and gas royalty in one eighth of share which is consistent after considering costs due to all the risk when drilling wells. The auction process is competitive, some properties even averaging a \$7 bonus per acre.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:04 p.m.

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Representative Thompson  
Chair

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Heidi McKay  
Secretary