

MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE: Wednesday, March 08, 2017

TIME: 1:30 PM or UPON ADJOURNMENT

PLACE: Room EW41

MEMBERS: Chairman Raybould, Vice Chairman Thompson, Representatives Hartgen, Vander Woude, Anderson, Anderst, Mendive, Trujillo, Chaney, Nate, Cheatham, Horman, Malek, Moon, Smith, Scott, Jordan, Rubel

**ABSENT/
EXCUSED:** Rep. Vander Woude, Rep. Anderst; and Rep. Malek

GUESTS: Matt Wiggs, Governor's Office of Energy and Mineral Resources (OEMR); Tyler Mallard, OEMR; Chris Jensen, DBS; Neil Colwell, Avista Corp., Russell Westerberg, RMP; Shannon Graham, OEMR; Jennifer Pope, OEMR, Scot N. Pugrud, OEMR; Austin Hopkins, ICL; John Chatburn, OEMR; Jeff Larsen, RMP; Will Hart, ICUA; Ken Miller, Idaho Energy Report.

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

MOTION: **Rep. Rubel** made a motion to approve the minutes of February 22, 2017. **Motion carried by voice vote.**

Chairman Raybould inquired of committee members whether they had reviewed the letter to Idaho's U.S. Congressional delegation regarding quagga mussels. [Attachment 1.]

MOTION: **Rep. Horman** made a motion to approve sending letters from the committee to U.S. Senators Crapo, and Risch, and U.S. Representatives Simpson and Labrador. **Chairman Raybould** said four individual copies of the letter would be sent to them.

John Chatburn, Administrator, OEMR, provided updates to issues for the Gateway West Transmission Line, the Boardman to Hemingway Transmission Line, the Hooper Springs Transmission Line, the Idaho Falls Power 161 kV transmission expansion, and the Southwest Intertie Project. Increased fuel costs in southern Idaho and Utah were attributed by Mr. Chatburn to a pipeline carrying crude oil from Wyoming to refineries in Salt Lake City that had sensor problems causing it to be taken off line and which led to a reduction in the amount of crude oil available to refineries in the Salt Lake City area. OEMR will continue to work with and monitor the oil and natural gas industry that is still developing in Idaho. OEMR continues to monitor the legal process of the Clean Power Plan under stay from the U. S. Supreme Court and the process of the appointment of a trustee, a trust effective date and Idaho's acceptance as a beneficiary of the \$2.9 billion Volkswagen Settlement Environmental Trust where Idaho's initial allocation is \$16.2 million upon Idaho's acceptance as a beneficiary and Department of Environmental Quality's (DEQ) submission of a plan to reduce nitrous oxide (NOx) emissions. Pacificorp's attempts to join the California Independent System Operator to create a regional ISO are pending decisions from the Federal Energy Regulatory Commission and the California Legislature. OEMR will participate in developing Idaho's comments for the energy portion of the Columbia River System Operations EIS. Mr. Chatburn presented a statistical overview of the energy situation in Idaho.

In response to committee questions, **Mr. Chatburn**, explained that the DEQ's plan to reduce NOx emissions for the Volkswagen Settlement Environmental Trust is different than the plan they prepared for the Clean Air Act in that it would only involve planning for the use of settlement monies to reduce NOx emissions. He also responded that the fuel that makes up 4.46% of the fuel consumption mix for electricity in Idaho is a combination of solar, woody biomass, geothermal, combined heat and power, landfill gas, anaerobic digesters, and does not include left over nuclear fuel from the Wolf Project. Answering committee questions regarding the relationship of higher electricity generation costs to use of wind or solar electricity generation, Mr. Chatburn said it involves a case-by-case analysis based on the price paid to a developer for electricity under a PURPA contract negotiated between the utility and the developer that is then approved by the Public Utilities Commission. He replied to a question on whether the ISO created by the California Independent System Operator would have an Idaho footprint by saying it would be a California footprint with PacificCorp and the states they serve added.

Mr. Chatburn introduced **Jackie Flowers**, Board Chair, Idaho Strategic Energy Alliance, and General Manager, Idaho Falls Power, who said the industry is undergoing dynamic modification and modernization, resulting in different technologies, so it is not going to be the same industry as seen by our grandfathers.

In response to committee questions on how Idaho could take advantage or lower rates for Idaho customers if the new federal administration went through with their plans to cut Environmental Protection Agency rules, **Ms. Flowers** introduced **Jeff Larson**, Vice President of Regulation, Pacificcorp, to speak to the potential impact on coal facilities. Mr. Larson explained that they are currently dealing with regional haze requirements for a number of power plants. Dealing with visibility rules requires the coal plant to make a significant investment of between \$120-200 million to put a selective catalytic reduction unit in to lower their admissions per unit. When a plant does not know what is going to proceed, such as looking at the impact of coal shutdown and what to replace it with, how do they determine economical investment. The key is to have more certainty to know what regulations are going to impact coal plant production and how they can move forward to serve their customers.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:19 p.m.

Representative Raybould
Chair

Lorrie Byerly
Secretary