

**Considerations for discussion of 15 Climate Change Advisory Committee  
Recommendations  
Environmental Quality Council  
Draft April 2008**

The information below is a summary of key points from the Montana Climate Change Action Plan and the associated appendices. The legislative and administrative options prepared by staff and participating agencies do not include an economic analysis.

**RCII-10**

**Industrial Energy Audits and Recommended Measure Implementation**

**(62% of participating EQC members voting 4 or 5 and 57% of the public voting 4 or 5)**

✓ Reduce industrial energy use by 10% by 2020.

**Conservation Considerations:**

- Reducing fossil energy and electricity use
- Pages F-37 through F-40 Appendices

**What's Being Done:**

- Universal Systems Benefits programs. Industries can self-direct payments for upgrades
- Montana Manufacturing Extension Service. Program provides assistance to small manufacturing businesses to improve process and efficiencies. Not targeted to energy use, but may be part of efficiency programs.
- Alternative Energy Investment Corporate Tax Credit, 15-32-401 MCA — Commercial and net metering alternative energy investments of \$5,000 or more are eligible for a tax credit of up to 35% against individual or corporate tax on income generated by the investment. (This is for implementation, not audits.)

**Potential Actions:**

\* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Low-cost financing. Low- or no-interest loans for efficiency improvements, particularly for efficiency improvements for larger equipment.
- Monitoring and evaluation. Monitoring and evaluation arrangements to confirm effectiveness of installed measures, ensuring that emissions reduction levels are appropriately matched to incentives (including tax credits) awarded.
- Tax Incentives. Tax incentives for industrial energy efficiency improvements, possibly as an extension to the energy-related tax incentives recently adopted in House Bill No. 3, during the May 2007 Special Session.
- Self-audits and incentives. Offer opportunities for industrial facilities to self-identify measures for GHG reduction and to apply for incentives to implement identified measures that lead to demonstrable and cost-effective GHG emissions reduction. Audits exist under USB.

\* Resolution or recommendation stating intent

\* No Action

\* Administrative options:

- Energy Star incentives. Provide incentives and information to encourage industries to

- adopt EPA Energy Star standards and measures.
- Waste heat to energy. Encourage collaboration between utilities and large industries that may have waste heat that could be tapped for power generation (this may also be an implementation option for RCII-7 and ES-4).