

**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-2**

**Market Transformation and Technology Development and Programs**

**(62% of participating EQC members voting 4 or 5 and 61% of the public voting 4 or 5)**

✓ By 2009 put in place mechanisms to allow broader coverage of market transformation efforts to all geographical areas.

**Conservation Considerations:**

- Potential energy conservation
- Pages F-10 through F-14 Appendices

**What's Being Done:**

- DEQ uses funds from Northwest Energy Efficiency Alliance (NEEA) to provide energy efficiency programs in western Montana. As funds allow, services are extended to eastern Montana. Activities focus on building technologies. NorthWestern, BPA, and electric cooperatives in the BPA service area are partners in NEEA.
- Existing Universal System Benefits program includes programs for market transformation designed to encourage competitive markets for public purpose programs, 69-8-402, MCA.
- BPA has worked with states, including Montana, in gaining a higher level of efficiency in new construction in the region.
- DEQ offers technical assistance and offers a loan program for renewable energy applications, 75-25-101, MCA. Agency provides consumers with information, convenes work groups to advance applications, and assists schools in entering into energy performance contracts. DEQ offers these services primarily using federal grants from the U.S. Department of Energy. DEQ is designated as the State Energy Office.
- Montana State University -- Integrated Design Lab. The lab provides education and consulting and technical services to architects and engineers on energy-efficient applications.
- State Buildings Energy program allows for upgrades, 90-4-601, MCA.
- "Montana In-State Investment Act of 1983": Expresses legislative policy and purposes of the permanent coal tax trust fund, which are to: (1) compensate future generations for the depletion of resources caused by coal development; and (2) develop a strong economy for Montana. The Act states that the Board of Investments shall endeavor to invest 25% of the fund in the Montana economy, with special emphasis on local enterprises. Title 17, chapter 6, part 3, MCA, also sets forth authorized investments, limitations on investments, and preferences for investments of revenue from the coal tax trust fund, which, under 17-6-309(1)(d), MCA, expressly includes energy efficiency investments.

- Performance contracting mechanisms for schools, 90-4-1103, MCA.
- Limited resources to administer programs above, about \$60,000 annually available. Focus historically on building sector.
- 20x10 Initiative activities will focus on capital improvements to state facilities.

**Potential Actions:**

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

- Legislation for incentives for energy efficient appliances or equipment.
- Rebates for high-efficiency appliances and equipment.
- Financing mechanisms for energy efficient improvements in residential, institutional and commercial arena. Similar to Alternative Energy Revolving Loan Program, which offer lower interest rates.
- Expand state buildings energy program to allow for more upgrades (RCII-12), 90-4-601, MCA.
- The 2007 Legislature contemplated Senate Bill No. 445 to revise the existing alternative energy revolving loan program to also include energy conservation projects. The bill died in committee.
- The 2007 Legislature contemplated House Bill No. 635 to create financial incentives for commercial construction or building renovations employing integrated design and other energy efficiency measure. It would have created an energy conservation credit against taxes for commercial construction. The bill died in committee.

\* Resolution or recommendation stating intent

\* No Action

\* Administrative options:

- Establish a state or independent entity to assess cost-effective efficiency potential.
- Expand education programs at DEQ. Provide technical assistance specific to Montana's climate, resources, and cost of energy. Resources?