

1999 HOUSE NATURAL RESOURCES

HCR 3069

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 3069

House Natural Resources Committee

Conference Committee

Hearing Date 2/25/99

Tape Number	Side A	Side B	Meter #
1		x	7.6-25.7
2		x	13.7-19.0
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes: REP. EKSTROM introduces the bill. EKSTROM talks about green house power.

REP. SOLBERG voices his concerns with the wording of the bill. SOLBERG asks if there are numbers available of persons that are willing to pay more. EKSTROM replies that there are not here, but in other states there is.

REP. NOTTESTAD asks is there 50% or more people in Minnesota willing to pay more.

EKSTROM replies that yes there is.

REP. NELSON asks if there is people in her district willing to this. EKSTROM replies that there are definite frequent numbers with interest in it.

OPPOSE

MARY ANN JOHNSON, LIGNITE ENERGY COUNCIL. SEE HANDOUT.

REP. KELSH asks if there are consequences with toxic discharge with Geo. thermal energy.

JOHNSON replies that she is not qualified enough to answer that.

REP. SOLBERG asks about extensive studies on global warming. JOHNSON replies that it is a very divided issue.

REP. MARTINSON comments about other opposition to other studies that relate with energy.

INFORMATIONAL

BRUCE KOPP, NORTHERN STATES POWER. KOPP talks about services around Moorehead, MN.

OPPOSE

GARY JACOBSEN BASIN ELECTRIC. JACOBSEN talks about mandates and going against the grain.

The hearing was then closed until later in the day. The committee came back to do action on the bill. REP. KELSH makes a motion to accept the amendment that is before the committee, seconded by REP. MARTINSON. REP. GROSZ calls for voice vote. The motion fails.

REP. SOLBERG moves for a DO NOT PASS, seconded by REP. DEKREY. The roll call vote was taken with 11 YES, 3 NO, 1 ABSENT. Motion carries. The CARRIER of the bill on the floor will be REP. SOLBERG.

Date: 2.25.99
 Roll Call Vote #: 1

**1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO.**

House House Natural Resources Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken 3069 accept the amendment of

Motion Made By Kelsh Seconded By Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Mick Grosz					
Vice-Chairman Dale Henegar					
Representative David Drovdal					
Representative Pat Galvin					
Representative Duane DeKrey					
Rep. Darrell D. Nottestad					
Representative Jon O. Nelson					
Representative Byron Clark					
Representative Todd Porter					
Representative Jon Martinson					
Representative Lyle Hanson					
Representative Scot Kelsh					
Representative Deb Lundgren					
Representative Sally M. Sandvig					
Representative Dorvan Solberg					

Voices
~~*AILS*~~

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____
 If the vote is on an amendment, briefly indicate intent:

Date: 2-25-99
 Roll Call Vote #: 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO.

House House Natural Resources Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken 3069 Do Not Pass

Motion Made By Solberg Seconded By DeKrey

Representatives	Yes	No	Representatives	Yes	No
Chairman Mick Grosz	✓				
Vice-Chairman Dale Henegar	✓				
Representative David Drovdal	✓				
Representative Pat Galvin	✓				
Representative Duane DeKrey	✓				
Rep. Darrell D. Nottestad	✓				
Representative Jon O. Nelson	✓				
Representative Byron Clark	✓				
Representative Todd Porter	✓				
Representative Jon Martinson		✓			
Representative Lyle Hanson	✓				
Representative Scot Kelsh		✓			
Representative Deb Lundgren		✓			
Representative Sally M. Sandvig		✓			
Representative Dorvan Solberg	✓				

Total (Yes) 11 No 3

Absent 1

Floor Assignment Solberg
 If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 25, 1999 2:55 p.m.

Module No: HR-34-3614
Carrier: Solberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3069: Natural Resources Committee (Rep. Grosz, Chairman) recommends DO NOT PASS (11 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HCR 3069 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

HCR 3069

**Testimony of
Mary Ann Johnson, Vice President - Administration, Knife River Corporation
Before
House Natural Resources Committee**

HCR 3069

On behalf of the Lignite Energy Council, which includes the producers as well as the utilities and rural electric cooperatives generating electricity from lignite, we want to express our opposition to House Concurrent Resolution 3069.

While the lignite industry is not opposed to renewable forms of energy, we are opposed to “mandates” that would require our state’s utilities and cooperatives to offer consumers renewable energy.

First, we believe a “mandates approach” will have the end result of raising consumer electricity bills. The Lignite Energy Council believes that legislative “mandates” should not govern the electricity marketplace. Specifically, studies show that renewable forms of energy are more expensive to generate than other forms of energy. I refer you to a Resource Data International study which clearly makes this point in the attached exhibit. From this exhibit, you can see that coal generation costs are less than half those costs attributed to renewable energy.

The President of the Institute for Energy Research, in a 1997 study for the CATO Institute, said:

“...Even improved new generation renewable capacity is, on average, twice as expensive as new capacity from the most economical fossil-fuel alternative and triple the cost of surplus electricity. Solar power for bulk generation is substantially more uneconomic than the average; biomass, hydroelectric power, and geothermal projects are less uneconomic. Wind power is the closest to the double-triple rule....”

In brief, the consumer will pay more if the utility provider is not free to make its generation choice.

Secondly, a "mandates approach" ignores environmental consequences. There are environmental consequences from all forms of energy development, whether it be waste disposal from nuclear, surface mining from coal, river habitat destruction from hydro, bird kills from wind energy, air emissions from biomass or toxic discharges from geothermal. The point is that a utility presently considers environmental consequences from all sources of energy before proceeding with development of a particular energy source. To "mandate" development of one energy source over another by legislative directive, fails the test of objectively analyzing all factors – both environmental and economic.

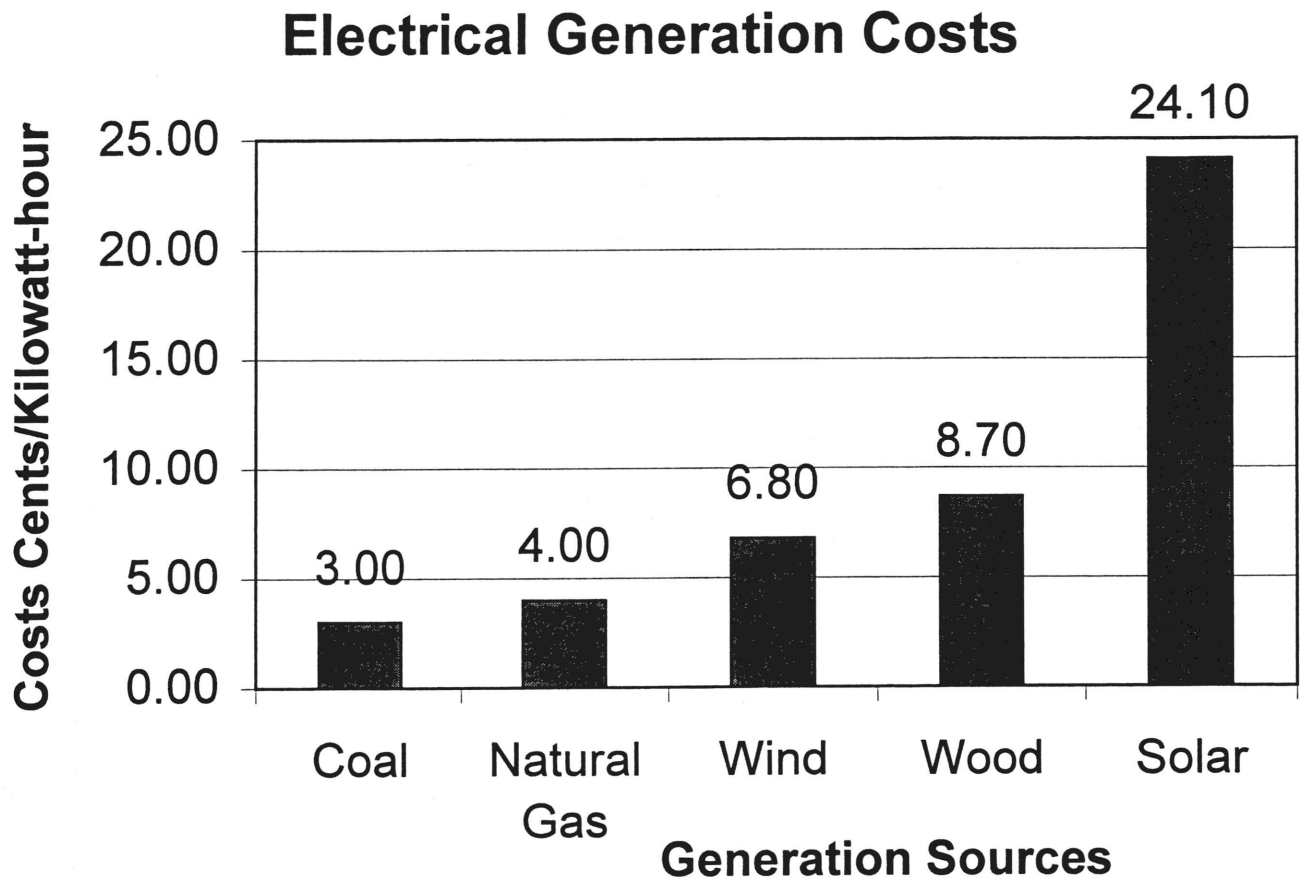
Finally, I think the CATO Institute study I referred to earlier put it best, and I quote:

"The uncompetitiveness of renewable generation explains the emphasis pro-renewable energy lobbyists on both the state and federal levels put on quota requirements, as well as continued or expanded subsidies. Yet every major renewable energy source has drawn criticism from leading environmental groups.....

"Current state and federal efforts to restructure the electricity industry are being politicized to foist a new round of involuntary commitments on ratepayers and taxpayers for politically favored renewables, particularly wind and solar. Yet new government subsidies for favored renewable technologies are likely to create few environmental benefits; increase electricity-generation overcapacity in most regions of the United States; raise electricity rates; and create new "environmental pressures," given the extra land and materials (compared with those needed for traditional technologies) it would take to significantly increase the capacity of wind and solar generation."

Mr. Chairman and Committee members, the Lignite Energy Council and its members would urge the House Natural Resources Committee to give HCR 3069 a "Do Not Pass Recommendation".

I will be happy to answer any questions at this time.



Source: "Energy Choices in a Competitive Era"
Resource Data International, Inc., April 1995