

Appendix J

2007 CO₂-related legislation

HB 3 "Jobs and Energy Development Incentives Act"// Approved Special Session// Rep. Llew Jones.

Provides permanent property tax rate reductions from 12 percent to 3 percent of market value for new investments in transmission lines for "clean" electricity, "clean" liquid and carbon sequestration pipelines. Property taxes on new generation technology with sequestration goes from 6 percent to 3 percent. New DC converter stations serving two regional power grids go from 6 percent to 2.25 percent. Nonpermanent incentives from 3 percent to 1.5 percent are available for new investments in biodiesel, biomass and other defined technologies.

HB 25 Revise Electric Industry Restructuring laws// Approved Regular Session// Rep. Alan Olson

The "Electric Utility Industry Generation Reintegration Act" includes a carbon sequestration component. Until the state or federal government has adopted uniform, applicable standards for the capture and sequestration of carbon dioxide, HB 25 prohibits the PSC from approving electric generating units primarily fueled by coal unless a minimum of 50 percent of the CO₂ produced by the facility is captured and sequestered. Natural gas plants also must include cost-effective carbon offsets.

The bill applies only to electric generating units constructed after January 1, 2007. Montana joins California, Oregon, and Washington as states that have adopted a CO₂ emissions performance standard for electric generating units.

HB 715 Clean coal and renewable research grant money//Approved Regular Session// Rep. Alan Olson

Requires that 30% of the Research and Commercialization Expendable Trust be used for clean coal and renewable energy research and development.

SB 449 Fuel efficiency standards for certain state-owned vehicles.// Approved Regular Session//Sen. Kim Gillan

Requires fuel efficiency standards for certain state-owned vehicles. Requires state agencies to develop a plan for reducing fuel and travel.

HB 24 Revise laws related to carbon dioxide for energy purposes//VOID//Rep. Harry Klock
Provides common carrier status to pipelines carrying carbon dioxide that is transported for permanent sequestration in a geological formation.

This bill, however, was contingent upon the passage and approval of SB 218, which authorized the Board of Environmental Review to adopt rules establishing a carbon sequestration program and permit system. SB 218 was tabled, so HB 24 is void.

HB 55 Carbon sequestration -- ecosystem services leasing and licensing. Tabled by House Natural Resources//Rep. Kevin Furey

Authorized the Department of Natural Resources and Conservation to lease or license state trust lands for carbon sequestration or other ecosystem services such as open space or biodiversity. The board of land commissioners was charged with promulgating rules for this

program.

HB 227 Create carbon sequestration loan program. Tabled by House Appropriations//Rep. Ron Erickson

Established a carbon sequestration revolving loan account administered by the DNRC. Funded by interest income off a portion of the interest on coal severance taxes. Funds from the loan account would be used to provide loans to individuals, small businesses, units of local government, units of the university system, and nonprofit organizations for the purpose of terrestrial carbon sequestration. The amount of a loan could not exceed \$50,000, and the loan must be repaid within 10 years

HB 282 Sequestration to slow global warming. Tabled by House Natural Resources//Rep. Ron Erickson

Required all coal-fired electrical generation facilities or synthetic fuel facilities that file construction permits with the DEQ to capture CO₂ at the site and permanently store it in a geological formation or provide verification that 100 percent of the carbon emissions would be offset.

HB 753 Montana global warming solutions act. Tabled by House Natural Resources//Rep. Betsy Hands

Required the DEQ to develop and the Board of Environmental Review to adopt a global warming program for the State of Montana that included identification of historical and current sources of greenhouse gas emissions. A plan also would have been developed to reduce emissions to 1990 levels.

Modeled after legislation in California, it also would have allowed the BER to adopt a schedule of fees that would be paid by greenhouse gas emission sources.

HB 828 Study carbon sequestration. Died in process// Rep. Alan Olson

Outlined a study of carbon sequestration issues in Montana and required the Energy and Telecommunications Interim Committee to complete such a study.

HJ 60 Study climate change. Tabled by Federal Relations, Energy and Telecommunications// Rep. Sue Dickenson

Required a study that would review existing federal and state regulations related to greenhouse gas emissions, energy efficiency, renewable energy, and tax incentives. Included review and analysis of findings by Governor's Climate Change Advisory Council.

SB 105 Tax break for equipment to sequester carbon. Tabled House Taxation// Sen. Greg Lind

Placed equipment specifically used for carbon sequestration in class 5 (3 percent) and made such property exempt from taxation for three years after it becomes operational.

SB 218 Sequestration standards for carbon dioxide. Tabled by House Natural Resources// Sen. Greg Lind

Required the state to develop a new program to monitor underground injection of carbon dioxide. The Board of Environmental Review would be charged with adopting rules to administer the program. It also created a special revenue fund with fees and penalties to support

the program.

SJ 20 Carbon reduction timeline. Tabled in House Natural Resources// Sen. Mike Cooney
Urged Congress to enact a mandatory and science-and-market based limit on overall limits of greenhouse gas emissions and to provide incentives for development of energy efficiency and renewable energy programs.

LC 1469 Carbon Dioxide as pollutant. Not introduced//Requested by Rep. Ron Erickson
Revised the definitions of "air pollutants" under the Clean Air Act of Montana to include CO₂. Required the BER to establish CO₂ emission levels.

There were multiple additional bills considered that examined fuel efficiency standards, building efficiency requirements, overall energy efficiency and auditing, renewable energy, and energy conservation related to climate change. The bills listed here focus specifically on carbon sequestration and greenhouse gas regulatory issues.