



# The Policy Institute

## “Interim Legislative Committee Plays Penny Ante in Large Stakes Game”

A Report of The Policy Institute

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*The Policy Institute blends authoritative research and hands-on political engagement to create public policy based on economic justice, fair taxation, corporate accountability and environmental responsibility.*

The Environmental Quality Council, a bi-partisan, bi-chamber committee that meets between regular sessions of the Montana Legislature, has asked for public comment on its proposals for how Montana should address the issue of climate change. Measured against the quickly unfolding, ever-increasing severity of global warming and the related need for human mobilization on an unprecedented scale, the EQC's spit-in-the-wind offering should be rejected by Montanans as grossly insufficient to the task.

In failing to adequately confront the climate issue, the EQC's proposals rely largely on volunteer endeavors, let industry off the hook, and fail to pursue the sizable economic rewards associated with potential large-scale energy conservation and efficiency projects. In fact, even if one questions the reality of climate change or rejects the role of humans in the phenomenon, the EQC should be challenged about its refusal to implement - or even adequately investigate - energy conservation and efficiency measures that could save Montanans hundreds of millions of dollars between now and 2020.

The EQC's deliberation about climate change has spanned many months, several committee meetings, and a previous exercise in public input. The focus of its consideration about how Montana's state government should address climate change has been the "Montana Climate Change Action Plan," a comprehensive analysis and associated recommendations released in November 2007 by Governor Brian Schweitzer's Climate Change Advisory Committee.

Of the Climate Change Advisory Committee's 54 recommendations, all those promoting energy conservation or efficiency are calculated to have positive net economic return to the people of Montana. Those recommended public policies include the creation of state-level efficiency standards for appliances, strengthened building codes, fuel-efficient replacement tire standards, and industrial energy audits, among others. Collectively, the conservation/efficiency recommendations offer an economic value to the state of over \$700 million in the next 12 years, or \$1,942 per Montana household.

Climate change naysayers on the EQC, led by Sen. Dan McGee (R-Laurel) and Rep. Craig Witte (R-Kalispell), disputed the report's findings and charged its authors with bias, but offered no corrective data. Then, after a flawed survey of public opinion and a subsequent culling of the most effective recommendations of the climate change report in reducing carbon and saving money, the EQC settled on a package of a dozen proposals that comprise a shadow, ever so faint, of the Climate Change Advisory Committee's recommendations.

The EQC package includes four bill drafts that address recycling, one to increase allocations of motor vehicle revenue to transportation for seniors and disabled people, one to increase low-income weatherization funds, two that request reports and studies from state agencies, two to provide tax breaks for businesses, one to set energy efficient standards for construction of state buildings, and one that asks the federal government to "fast-track" logging plans by allowing state declarations of crisis and limiting public involvement on forest mitigation plans.

Giving benefit of doubt about costs and carbon yields, and liberally equating study processes with substantial program results, the sum effect of the legislative package would produce a net

COST of about \$175 million and a reduction in carbon emissions of 10 million metric tons over a 12-year period.

Compare the \$175 million COST of the EQC package with the estimated net BENEFIT of \$700 million from execution of all the conservation and efficiency recommendations in the Advisory Committee's report. And compare the EQC's 10 million tons of reduced carbon to the 63-million-ton total from the Advisory Committee's report. (This quantification of impacts of the EQC package doesn't come with the committee's draft bills, by the way. Just as in the EQC's public survey on climate change conducted in February, the EQC provides no proposal-specific cost or carbon data with the material it is asking the public to evaluate.)

Examining the EQC package from another perspective, one can see that big business and industry have escaped any obligation to participate in the effort to ameliorate climate change. The ideas that survived the EQC process are small, limited, and oriented to voluntarism.

The EQC is not known for producing measures that ultimately pass in the Legislature and become law, but the current situation presents a good opportunity for Montanans who care about climate change and/or energy management to expose the inadequacy of the policies offered by the EQC. Substantial legislation related to both climate and energy will assuredly be introduced in the 2009 Montana Legislature (by individual legislators), and the fate of those bills may depend in part on the expression of public opinion in the EQC process and other, related exercises that may evolve in the coming months.

Comments to the Environmental Quality Council are due by 5:00 p.m., Friday, August 22. Send comments to [snowakoski@mt.gov](mailto:snowakoski@mt.gov) with "climate change" in the subject line, or by mail to: Sonja Nowakoski, Legislative Environmental Policy Office, P.O. Box 201704, Helena, MT 59620-1704.