



TREASURE STATE RESOURCES ASSOCIATION OF MONTANA

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TREASURE STATE RESOURCES ASSOCIATION NEWS October, 2019

Montana Legislature Plans January “Mini Session”

At the suggestion of the Legislative Council, a majority of interim legislative committees will be meeting in Helena the week of January 13 – 17, 2020. It is hoped the compact schedule will allow more legislators to participate in larger discussions about the HJ 35 Study of Montana’s tax system and the HB 715 Study of state and local revenue sustainability. As many as 100 legislators are expected to attend.

Energy and Telecommunications Interim Committee Delves Into Energy Supply Issues

The Energy and Telecommunications Interim Committee (ETIC) had a very full agenda for their September 23rd meeting. Members took a deep dive into understanding some of the challenges faced by utilities in terms of having sufficient energy available for peak use times – particularly in cold weather. Renewable energy sources are playing a bigger role as they become more affordable, but storage options have not yet evolved to the point where they can adequately address reliability concerns.

Some presenters noted the “warning light” is flashing in terms of ensuring energy reliability as we move away from more traditional energy sources. Our transmission “infrastructure” becomes increasingly important in the new marketplace for energy. That points to ETIC’s priority study for the interim – a look at the state’s ability to protect the state’s transmission

system to withstand threats from acts of terrorism and wildfires, but also evaluate new technologies and their potential effect on grid reliability.

To that end, ETIC allocated a portion of the study to learning more about electric vehicles and the demand their increased use will place on our energy supply.

ETIC expects to hear from stakeholders on issues of grid security in their January 13th meeting, as well as hold a stakeholder panel on recommendations to improve or enhance the Public Service Commission and the Montana Consumer Council. Staff will also report on how other states are approaching the challenges of energy storage.

Montana Supreme Court Issues Ruling in MEIC and Sierra Club v. Montana DEQ and Western Energy

Source: Montana Supreme Court

On September 10th the Montana Supreme Court reversed a lower court decision that had ruled the Department of Environmental Quality (DEQ) had illegally issued a permit to Western Energy Company to discharge rain and snow water into the surrounding ditches and creeks from its Rosebud Coal Mine in Colstrip, Montana.

The Supreme Court sent the matter back to the District Court in Lewis and Clark County to conduct a trial to determine factual issues that must be decided before the Court can make a ruling involving the permit.

In 2012, DEQ renewed a permit (modified in 2014) for Western Energy to discharge certain pollutants contained in waters that were created by ongoing precipitation-driven events. The Montana Environmental Information Center and the Sierra Club successfully challenged the permit in the First Judicial District Court in Helena in 2016.

In overturning that decision, the Supreme Court specifically ruled that DEQ's permit did not reclassify the receiving streams and therefore the Montana Board of Environmental Review was not required to make a new stream classification for the Yellowstone River drainage. The Court also ruled that Montana law provides that DEQ could allow the mine to monitor a sample of the discharges that were representative of the precipitation water being released.

However, the Court ruled the District Court must determine whether those releases are actually representative of the mining and discharge activities that are taking place at the Mine. Further, the District Court was directed to determine whether the East Fork of Armells Creek, having previously been determined to be a pollutant-impaired stream, should be monitored with a much higher environmental standard than the current permit requires.

TSRA joined with the Montana Coal Council, Montana Mining Association, and the Montana Petroleum Association in filing an Amicus Brief in the case supporting the DEQ's actions.

The Montana Environmental Information Center and the Sierra Club plan to ask for a rehearing in the matter.

Sage Grouse Population Stumbles in Montana Due to Drought

Sources include the Missoulian, September 13, 2019 article by Matthew Brown, AP and the Montana Department of Fish, Wildlife and Parks

Montana's greater sage grouse population has fallen more than 40% in the past three years, dropping from 78,000 grouse in 2016 to about 44,000 in the spring of 2019. The drop was traced to an extreme drought in eastern Montana in the summer of 2017. By September 2017, every county in eastern Montana that supports the sage-grouse (except Carbon County) was considered extremely or exceptionally dry. That was followed by a bad spring in 2018.

In a report submitted to the Montana Environmental Quality Council at its recent meeting in Libby, Montana, FWP staff explained that "the extreme drought meant that wet areas with critical good resources during the late summer brood-rearing season were very limited. Of the three vital rates affecting sage-grouse populations – nest success, chick survival, and hen survival (Taylor et al, 2011) -- chick survival and possibly hen survival were likely impacted by the limited late summer resources....Sage-grouse population numbers oscillate over a period of 8-10 years across large scales (Fedy and Doherty 2011). Thus the apparent decline in estimated population numbers in 2018-2019 is likely a result of natural fluctuations and **does not warrant immediate concern.**" (Emphasis added)

FWP Wildlife Division Administrator Ken McDonald told EQC members that "no one is panicking and sage-grouse numbers are looking better this year. Good sitings have already been reported this hunting season."

In the meantime, the Montana Sage Grouse Conservation Program has moved forward with the approval of over \$3 million in additional conservation easements or leases aimed at maintaining or improving sage-grouse habitat. That action helped generate credits for future land management activities.

Montana Grizzly Bear Advisory Council to Meet Oct. 3-4th

Sources include Montana Fish, Wildlife and Parks and the US Fish and Wildlife Service

The Grizzly Bear Advisory Council appointed earlier this year by Montana Governor Steve Bullock will hold its first meeting October 3-4, 2019 in Helena. Members will meet at the Pavilion Building at the Kleffner Ranch in East Helena. Most of the two-day agenda involves clarifying

expectations for the Council's activities, along with a series of information sessions addressing: grizzly bear biology and ecology, grizzly management, and grizzly bear legal considerations.

The increasing number of grizzly bears across the landscape signals success for past management activities, but also poses challenges for ranchers, timberland owners, other resource development activities and those who hunt or recreate. The diverse members of the Council are tasked with developing recommendations that could be implemented to avoid human/bear conflicts.

Meanwhile, the Environmental Quality Council learned more about the status of the Cabinet Mountains Grizzly Bear Population Augmentation at their September 25th meeting in Libby.

Wayne Kasworm from the US Fish and Wildlife Service provided a progress report on efforts to grow the grizzly bear populations in both the Cabinet Mountains and the Yaak River drainage. In the late 1980's, USFWS determined that due to the very low number of bears, the continued existence of the grizzly population in the area was in doubt. Their recommendation was to augment the population through the transplant of additional animals.

With the guidance of a local advisory group, the effort proceeded conservatively with four bears being transplanted between 1990-1994. 22 bears have been released in the Cabinet Mountains through 2019. Today the Cabinet Mountains population is 25-30 bears with another 25-30 bears in the Yaak River drainage and is increasing at a rate of 1-2%. The population goal for that area, based on the Grizzly Bear Recovery Plan (developed in 1982 and updated in 1996) is 100 bears.

EQC members raised a question that is anticipated to also be considered by the Grizzly Bear Advisory Council as well. Are we making the right decisions about activities aimed at managing grizzly bears when the research and data used to set current population goals may be outdated?

TSRA Board of Director's member Chuck Roady is a member of the Advisory Council.

To Lead in Clean Energy, the U.S. Must Lead in Minerals

Source: U.S. Senate Committee on Energy and Natural Resources

On September 17, 2019 U.S. Senator Lisa Murkowski chaired a hearing to examine the sourcing and use of minerals needed for clean energy technologies.

In her opening statement, Murkowski outlined the link between minerals and renewable energy technologies, the fundamental role that minerals play in modern society, and the need for strong domestic supply chains.

“Minerals are the fundamental building blocks for any modern technology, but they don’t just appear out of thin air,” Murkowski said. “As our energy sector transitions to greater use of renewables, we must acknowledge that these technologies are built from materials that come from the ground. Batteries don’t work without lithium, graphite, cobalt and nickel; solar panels require silver gallium, indium, tellurium; and wind turbines are not just built from steel, but also aluminum, copper and rare elements.”

Ranking minority member Senator Joe Manchin said “Renewable energy sources and energy storage play growing and crucial roles in the energy sector. In fact, according to a recent report, renewable energy investments will likely exceed \$2.6 trillion dollars in this decade. Electric vehicles are also expected to be a growing part of our energy future. The common denominator between all of these clean energy technologies is a handful of minerals that either occur in limited abundance or only in certain countries around the world.”

During the hearing, Murkowski released a report compiled by the Congressional Research Service that compares global forecasts for minerals used in renewable technologies. One study, from the World Bank, projects that demand for certain minerals would increase by 1,200 percent under a scenario that aggressively reduces global greenhouse gas emissions.

“The United States is capable of being a leader in the development of the minerals needed for clean energy technologies. We have incredible high-grade deposits in states like Alaska, but we have also ceded production, manufacturing, and recycling to our competitors,” Murkowski said. “We have to find the political will to advance policies that allow us to rebuild a robust domestic supply chain. Until we do that, our nation’s ability to develop and lead the world in renewable energy will be limited.”

Daniel Simmons, Assistant Secretary for the Department of Energy’s Office of Energy Efficiency and Renewable Energy, testified that, “This Administration is very concerned about strategic vulnerabilities related to critical minerals...we need an increase in private-sector domestic exploration, production, recycling and reprocessing of critical minerals. The federal government needs to do more to expedite and enable exploration, mining, concentration, separation, alloying, recycling, and reprocessing critical minerals.”

According to the U.S. Geological Survey, the United States imported at least 50 percent of its supply of 48 different nonfuel minerals in 2018, including 100 percent of 18 of them.

Montana Climate Solutions Council Committees Begin Work

As reported earlier, the Montana Climate Solutions Council created by Governor Bullock to develop recommendations for addressing climate change in Montana has divided its work

amongst three committees: GHG Mitigation Strategies, Technology Innovation and Transitions, and Climate Adaptation, Information and Decision Support.

The Climate Adaptation, Information and Decision Support Committee met September 24th to discuss the scope of their work under the outline set forth in the Executive Order. Participants heard an update from the drafters of the Montana Climate Assessment who described the process as very stakeholder driven. A key focus was learning how Montanans use climate information to make decisions about agricultural practices or other land uses in order to provide tools that make climate data accessible and “user friendly”.

The Montana Health Care Foundation is expected to issue a report in 2020 on health risks, both physical and mental, associated with climate change.

The impacts of climate change on fish and wildlife was not a focus of the current Climate Assessment, but federal and state agencies will likely add more information to the discussion as the study is expanded.

The Committee tasked itself with developing a common set of definitions for terminology that will be part of the larger Council discussion, such as what is meant by mitigation vs. adaptation. Another goal is to develop tools that can help communities of all sizes.

The GHG Mitigation Strategies Committee will meet Tuesday, October 8th in Helena beginning at 9 am. at the Department of Environmental Quality. They will discuss carbon emissions inventory and emissions trends as they consider how they’ll make recommendations to be “carbon neutral” by 2035. They will also take up consideration of an economy-wide goal that seeks to reduce emissions in other sectors beyond electricity generation.

The Technology, Innovation and Transitions Committee will meet Wednesday, October 9 at 1:30 pm. in the Metcalf Building, Room 111 (DEQ). They will also be developing their work plan as they consider how such things as energy efficiency, carbon-capture, storage and precision agriculture relate to climate adaptation and mitigation. The Committee is also charged with looking at community transitions, including those for communities and workers reliant on wages and revenue from fossil fuel energy and extraction.

The Climate Change Forum called for in the Executive Order is now expected to be held in the spring of 2020 and will include discussions of recommendations from the different committees.

The Council now has a web presence on the Montana Department of Environmental Quality website. The new web page includes details about upcoming meetings of the Council and its Committees, a list of members, a link to subscribe to emails, and additional resources related to the work of the Council.

Check out the page at the following link: <https://deq.mt.gov/DEQAdmin/dir/Climate>

The web page is still under development, but according to DEQ it will serve as a one-stop-shop for all details related to the Council. There are two Committee meetings scheduled for next week. You will find location and call-in information for these meetings on the web page, as well as draft agendas.

If you have any questions or concerns, please contact the Council's DEQ staff support:

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Rebecca Harbage, RHarbage@mt.gov, 406-444-2813

Upcoming Events/Dates

October 29, 2019	State Administration Interim Committee State Capitol, Helena, MT
November 7, 2019	Economic Affairs Interim Committee State Capitol, Helena, MT
November 13, 2019	Local Government Interim Committee State Capitol, Helena, MT
November 18-19, 2019	Revenue Interim Committee State Capitol, Helena, MT
December 3, 2019	State Administration Interim Committee State Capitol, Helena, MT
December 4, 2019	Montana Taxpayers Association Annual Meeting Great Northern Hotel, Helena, MT

2020 Schedule of Events:

Note: Interim Committees usually meet in Helena, but have an option to meet in other communities. Be sure to verify the meeting date and location before making plans to attend.

January 6-7, 2020	Water Policy Interim Committee State Capitol, Helena, MT
January 13, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT

January 13, 2020	Revenue Interim Committee State Capitol, Helena, MT
January 15, 2020	Local Government Interim Committee State Capitol, Helena, MT
January 15-16, 2020	Environmental Quality Council State Capitol, Helena, MT
January 17, 2020	State Administration Committee State Capitol, Helena, MT
February 27, 2020	State Administration Committee State Capitol, Helena, MT
March 9 – 10, 2020	Water Policy Interim Committee State Capitol, Helena, MT
March 18, 2020	Local Government Interim Committee State Capitol, Helena, MT
March 19-20, 2020	Revenue Interim Committee State Capitol, Helena, MT
March 23-24, 2020	Energy and Telecommunications Interim Committee State Capitol, Helena, MT
March 25-26, 2020	Environmental Quality Council State Capitol, Helena, MT
May 12-13, 2020	Revenue Interim Committee State Capitol, Helena, MT
May 13, 2020	Local Government Interim Committee State Capitol, Helena, MT
May 18-19, 2020	Water Policy Interim Committee State Capitol, Helena, MT
May 21-22, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT

May 27-28, 2020	Environmental Quality Council State Capitol, Helena, MT
June 17-18, 2020	TSRA Annual Meeting DoubleTree Hotel, Billings, MT
June 17, 2020	State Administration Interim Committee State Capitol, Helena, MT
July 13-14, 2020	Water Policy Interim Committee State Capitol, Helena, MT
July 14, 2020	Local Government Interim Committee State Capitol, Helena, MT
July 15, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT
July 20-21, 2020	Revenue Interim Committee State Capitol, Helena, MT
July 29-30, 2020	Environmental Quality Council State Capitol, Helena, MT
August 25, 2020	State Administration Interim Committee State Capitol, Helena, MT
September 8, 2020	Energy and Telecommunications Committee State Capitol, Helena, MT
September 9, 2020	Local Government Interim Committee State Capitol, Helena, MT
September 9-10, 2020	Environmental Quality Council State Capitol, Helena, MT
September 11, 2020	Revenue Interim Committee State Capitol, Helena, MT
September 14-15, 2020	Water Policy Interim Committee State Capitol, Helena, MT

October 29, 2020

State Administration Interim Committee
State Capitol, Helena, MT

November 19, 2020

Revenue Interim Committee
State Capitol, Helena, MT

If you don't want to receive the TSRA Newsletter, please let me know. If you want to share with others in your company or organization, please do so. The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.