Explanation of Montana's "Cohesive Renewable Energy Policy, Fossil Fuel Worker Retraining, Coal Revenue Replacement and Rural Economic Development Act" Initiative I-18??, Which Generally Revises Renewable Energy Policy and Tax Law.

80% renewable electricity required: To reduce atmospheric CO2 levels that are heating up the earth, the initiative will take Montana's investor-owned utilities gradually to 80% renewable electricity by 2035. It will increase renewables from the present 15% to 22% by 2022. From 2022 through 2027 renewable energy provided by investor-owned utilities will increase by 6% per year, totaling at least 40% in 2025 and 52% in 2027. From 2028 through 2034 renewables will increase by 4% per year. (See I-184 § 8(3)) Section 8(2)(c) requires at least 2% of the cumulative calculated nameplate renewable energy capacity to be from battery or other non-fossil fuel electricity storage resources.

Renewable electricity exceeding 80% facilitated. Section 8(15) requires a public utility to meet with any governmental entity setting a renewable resource standard exceeding the amount of eligible renewable resources required by the initiative to determine how the higher standard will be met in that government's area.

Benefits of 80% section: The gradual increase over 15 years will allow utilities to plan and to depreciate their fossil fuel generating assets. It will allow fossil fuel work forces to be downsized gradually as a result of retirements and other labor transitions. It will reduce atmospheric CO2 to levels the overwhelming majority of climate scientists deem necessary to limit man-caused climate change. Because it requires 52% renewables by 2027, the initiative will help meet America's Clean Power/Paris Climate Accord commitments.

Worker protection: The initiative requires safe grid interconnection of renewable projects, and construction/operation by Montana-preference labor earning prevailing-wages. It provides for up to 2 years of retraining with full unemployment benefits plus an additional 20% of those benefits for displaced fossil fuel workers employed by coal mines, power plants, and railroads. It makes up pension deficiencies in payments promised to workers by defunct coal mines or fossil fuel generating plants. (§§ 19, 14(4), 7(10c), 9(3b), 22-24)

Coal job loss offsets: Approximately 28.2% of 1776 jobs, (i.e., 500 coal jobs) will be lost by the initiative over 15 years. Additional jobs will be lost because not as much coal or electricity generated by it will be exported. That 500-job-loss calculation acknowledges: in 2017 Montana's 6 coal mines employed 1,147. In 2015, 28.2% of the coal they mine produced electricity used here. In 2017, 529 toiled in Montana's fossil-fuel generating facilities. Between 30 to 100 railroad workers haul coal here. Much of the power they produce, or haul, goes out of state. So, gradually, by 2035, 80% of the 28.2% of 1,776 coal industry jobs (500) will be lost. However, in 2017, Montana had 308 solar and wind electric generation jobs replacing coal-related employment.

Effect on other Montana jobs if we fail to curb CO2 emissions: Farmers Union economists forecast 36,000 farming ranching, tourism, sport fishing and ski industry jobs will go away as CO2-driven warming continues to dry out our region. That far exceeds the 7,100 fossil fuel related jobs (includes the 1,776 base Montana coal industry jobs) NorthWestern Energy says Montana will lose if coal-fire electrons are eliminated.

Initiative keeps many Montana products and jobs competitive: Other jobs will be affected by the transition away from coal generated power elsewhere unless we export more renewable electrons. If Montana is to sell power outside of Montana it must meet the renewable energy standards higher than 15% already enacted in 22 states. Failure to have a greater than 15% mix of renewably generated electrons on the grid will hinder electricity sales to those states. China installed 34 gigawatts of solar panels in 2016—2.3 times more than the US (14.8 GW). Hardly any US solar was in Montana. China added 53 GW in 2017. If we do not keep pace by installing more renewable energy generating capacity, Montana products will become uncompetitive because other countries and states are eliminating more and more fossil fuel costs as a component of their energy prices.

How we pay for displaced worker benefits: To pay for increased displaced fossil fuel worker benefits, the initiative raises taxes $0.0004/kWh on electricity produced from the wind, sun, and fossil fuel. Montanans, and out-of-state consumers (who use our exported electricity) already pay the constitutional electricity production tax. **Consumers using 1000 kilowatt hours of electricity a month (i.e., more than the average user) will pay approximately $0.40/month or $4.80/year for the 5 years it is levied.** Then the tax will cease unless more than the $40 million it raises is needed to support these benefits. The World Bank anticipates unchecked global warming will create millions of climate migrants worldwide as sea levels rise, storms become more violent, and deserts expand. So, it is fair for us to pay $0.40 a month, to aid fossil fuel workers displaced because they are having to shift jobs to reduce the number of climate migrant neighbors. (See I-184 § 14(4))

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Replacing Montana's Coal Severance Tax and Royalty Revenue: The initiative also increases the electricity production tax to replace Montana's Coal Severance Tax revenues that are gradually dwindling. To start, consumers (using 1000 kWh of electricity) will pay $1.50/year to replace Coal Tax revenue. The replacement tax will rise gradually to $7.70/year in 2035--a top tax rate of $0.00064192/kWh on electricity produced. A similar tax {$0.000005/kWh} is levied by the initiative to replace every $107,000 in revenue lost to tribes and local governments as coal royalty and other revenues decrease. (See I-184 § 14(5) through (9)). Energy cost savings will offset most or all taxes, especially if green electrons are $0.008 cheaper than fossil-fuel generation. Peak 2035 replacement tax will be ~0.7%-2% of the value a 2½ MW wind turbine produces per day.

Economic benefits of initiative: MidAmerican Energy is installing 2 gigawatts of wind turbines without increasing backing capacity or electricity rates for 752,000 customers. It'll create $1.2 billion landowner easement and property tax payments; ensuring electricity in Iowa will be 100% clean by 2020, far ahead of Montana's 15%--**an indication that savings from installing renewable generation will be greater than taxes.** Replacement taxes are limited to not more than 80% of savings from the transition to renewables.

Limit on costs of transition to clean energy: The initiative carries a cap limiting the cost of transitioning to renewable energy to not more than 2% increase in electricity prices while repealing an existing cap that is too complicated. The new cap is like Colorado's, which is not preventing compliance with its 20% and 30% renewable energy standards, which are higher than Montana's current 15%. (See I-184 § 13)

Consumer participation in transition: The initiative revises the definition of "community renewable energy projects" by clarifying that energy and renewable energy credits may be bought and sold separately. It allows aggregate net metering while raising the cap on net metering to 100 kW; (250 kW for governments, churches and non-profits). It allows neighbors to cooperate in creating renewable energy facilities to reduce generation cost component in their bill while still paying their fair share of distribution and other costs associated with electric service. This will benefit residential and commercial energy customers, school districts, and farmers with more than one meter on their land, and communities. (See I-184 §§ 8(2)(b), 23 & 24)

Electric Co-op provisions: There is no mandatory requirement that rural electric cooperatives, and municipal electric systems meet the renewable energy, net metering, or neighborhood energy facility standards. However, the initiative requires them to poll their members every 4 years to see if they want to comply voluntarily. They must offer members clean power at prices all members vote on. The initiative restricts new energy supply contracts, by curtailing dirty-power lock-in clauses. (See I-184 §§ 11 & 12)

Protections for those lease-purchasing renewable energy systems: Likewise, the initiative carries contractual protections so that those lease-purchasing residential and business renewable energy systems will not be surprised by having to buy their rooftop solar systems more than once. This avoids the practice of current investor owned utilities who have manipulated deregulation and reregulation so that Montanans have had to pay for utility property (dams & street lights) several times. In the past that has created a cash cow for utility insiders and their financiers, which legislators and regulators have failed to curtail. (See I-184 § 7(5) & 7(15))

Initiative effect on utilities: Approximately 44% of NWE's generation comes from hydro facilities (which are not "eligible renewable resources" under current law). 13-16% comes from "eligible renewable resources" (mostly wind turbines). This initiative preserves the requirement that pre-2005 hydro resources, which have been supplying clean electrons for a century, are not included in the definition of "eligible renewable resources" until the combination of pre-2005 hydro resources plus "eligible renewable resources" reaches the target of 80%. Thus, NWE must add 21% more "eligible renewable resources" by late-2024 to reduce CO2. Then NWE may count pre-2005 hydro resources to demonstrate compliance with the 80% standard. Target increases above 80% require adding new renewables before legacy hydro is counted. Thus, all investor-owned utilities will reach 80% without risking disparate treatment claims that could sink the initiative. Allowing pre-2005 hydro to be counted in this way also is essential to protect consumers from having to pay for more green power than necessary to fulfill initiative goals. (See I-184 § 8(4))

Interim legislative committee: The initiative directs an interim legislative committee in 2021 to review the initiative and adjust it if need be. (See I-184 § 1)

To say you will sign the initiative petition or help gather signatures, send an email with your contact information at gather@mtcares.org To find out more visit www.mtcares.org or the I-18??? Facebook group. https://www.facebook.com/groups/1737254959850983/