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## 'Cap and trade' could affect Montana more than most states

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WASHINGTON — For Montana, cap and trade is more like wait and see.

It's not clear yet what impact climate change legislation pushed by President Obama and congressional Democrats will have on the Big Sky State, mainly because the process is far from finished.

The plan, dubbed "cap and trade," would cut greenhouse gases that are blamed for global warming by 17 percent over the next decade. Companies, particularly coal-burning power plants, would have to spend money on technology to reduce emissions or be forced to bid for pollution allowances from emitters that are well below new standards set by the Environmental Protection Agency.

Most agree Montana consumers would face higher energy prices — at least in the short term — largely because more than 60 percent of the state's electricity is generated by coal. The national average is 49 percent, according to the U.S. Energy Information Administration.

"It's a bidding process, so obviously that increases costs," said David Wheelihan, CEO of Montana Electric Cooperatives' Association, which serves more than 250,000 customers in all 56 Montana counties. "And if you raise the price of electricity nationwide through a cap-and-trade program, that flows down to many sectors of the economy that use energy to produce goods and services."

Cooperatives east of the Continental Divide would be hurt worst since most of them depend heavily on coal, while those to the west primarily use hydropower so they have a much lighter carbon footprint, he said.

But Montanans also see a potential advantage: With vast agricultural and forest land, the state can offer renewable energy sources that would reduce the use of fossil fuels causing global warming.

And the state's wind energy potential — fifth-highest nationwide — could be an economic boon by providing a source of power that it could sell to other states, though skeptics say the energy infrastructure is far from ready to store and transmit energy generated by unpredictable wind patterns on any grand scale.

Critics say that the bill has been driven so far by urban interests and that rural lawmakers should be given greater say over the bill.

Cascade County Commissioner Peggy Beltrone wants "to make sure the opportunities for agriculture are fully realized in this legislation because it will help mitigate increased costs borne by consumers."

Beltrone sits on the 25x25 steering committee, a broad nationwide panel of farm conservation interests seeking to increase to 25 percent the amount of America's energy produced by renewable resources — such as wind, solar and biofuels — by the

year 2025.

The group also wants the legislation to give greater credit for agricultural practices that can reduce carbon, including no-till farming or forestry management. Those practices benefit rural states like Montana.

Both Montana senators — Democrats Max Baucus and Jon Tester — say they want to address climate change while keeping costs in check for Montana consumers. Last year, Baucus, who chairs the Finance Committee, pushed for tax incentives promoting renewable electricity and carbon storage.

Republican Rep. Denny Rehberg, on the other hand, is not shy about his distaste for what he calls "cap and tax."

"The costs are today and the benefits are so far into the future without a recognition that (it will mean) lost jobs, lost opportunities," said Rehberg, who does not believe that human activity is causing climate change. "And is it really going to have the effect on global warming that it's really being sold as?"

He would rather see more investment in an assortment of energy sources, including nuclear power.

Although there's agreement that energy costs would rise in Montana, there's varied opinion over how much.

Some cooperatives are predicting an increase as high as 45 percent. Northwestern Energy, which has about 300,000 Montana customers, said the increase could range from 19 to almost 50 percent, depending on whether Congress imposes a tax-per-ton model.

A Massachusetts Institute of Technology study projected that the average family of four nationwide would pay an extra \$340 per year over the next 40 years.

Diego Rivas of Helena-based Montanans for a Healthy Climate, which supports cap and trade, said the number is closer to 10 cents per customer per day, based on government studies he's seen.

The much larger worry, he said, is letting global warming spin out of control, damaging Montana by diminishing precipitation and its mountain snowpack. The runoff from that snowpack helps farmers, businesses and residents weather hot, dry summers.

"What is the cost of doing nothing?" he asked. "If we do nothing on climate change, your energy prices might stay the same, but the cost of water might go up. When you talk about costs, you have to talk about the cost of everything."

## Additional Facts

### On the Web:

[www.25x25.org](http://www.25x25.org), renewable-energy advocacy group

[www.epa.org](http://www.epa.org), U.S. Environmental Protection Agency

[www.mthealthyclimate.com](http://www.mthealthyclimate.com), Montanans for a healthy climate

[www.mtco-ops.com](http://www.mtco-ops.com), Montana Electric Cooperatives' Association

