

**JOINT MEETING OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM
COMMITTEE**

**AND THE
PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE**
Wednesday, October 19, 2005 – 5:00 p.m. – Room W125 House Building

Members Present:

Sen. Gregory S. Bell, Senate Chair (PUT)
Sen. Thomas V. Hatch, Senate Chair (NAE)
Rep. Sheryl L. Allen, House Chair ((PUT)
Rep. Roger E. Barrus, House Chair (NAE)
Sen. Beverly Ann Evans
Rep. Ralph Becker
Rep. Craig W. Butters
Rep. Bradley M. Daw
Rep. Margaret Dayton
Rep. Carl W. Duckworth
Rep. Ben C. Ferry
Rep. Lorie D. Fowlke
Rep. James R. Gowans
Rep. Kory M. Holdaway
Rep. Fred R. Hunsaker
Rep. Bradley T. Johnson
Rep. Rosalind J. McGee
Rep. Ronda Rudd Menlove
Rep. Michael E. Noel
Rep. Ross I. Romero
Rep. David Ure
Rep. Mark A. Wheatley
Rep. Richard W. Wheeler

Members Absent:

Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Mike Dmitrich
Sen. Parley G. Hellewell
Sen. Darin G. Peterson
Sen. Michael G. Waddoups
Rep. Jackie Biskupski
Rep. John G. Mathis
Rep. Aaron Tilton

Staff Present:

Mr. J. Brian Allred, Policy Analyst
Mr. Richard C. North, Policy Analyst
Mr. John L. Fellows, Deputy General Counsel
Mr. Christopher R. Parker, Associate General Counsel
Ms. Emily Brown, Associate General Counsel
Ms. Joy L. Miller, Legislative Secretary

Note: A list of others present, copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Allen called the meeting to order at 5:15 p.m.

2. Consideration of Energy Policy Work Group Report

Rep. Barrus, Rep. Ure, and Rep. Becker, cochairs of the Energy Policy Work Group, distributed a copy of the group's report to the members. Rep. Barrus explained that the work group divided into subgroups to address several different issues.

Rep. Becker discussed the Efficiency, Consumption, and Consumers Report. He outlined the benefits to the state that would be realized with increasing energy efficiency. He noted that barriers to greater energy efficiency include regulatory disincentives, incomplete energy pricing, split incentives, competition for capital, lack of information, delivery limitations, lowest first cost, and risk. He reviewed the subgroup

Minutes of the Joint Meeting of the Natural Resources, Agriculture, and Environment
and Public Utilities and Technology Interim Committees

October 19, 2005

Page 2

Energy Efficiency Policy Recommendations and stated that the Legislature should enact legislation to capitalize on potential energy savings from enhanced energy efficiency measures.

Rep. Barrus reviewed the Transmission and Transportation Report. He said the subgroup recognizes the necessity of providing energy using the most efficient and economical means possible and that, ultimately, all energy is subject to transportation. The public, energy suppliers, and energy transporters are best served by engaging in energy transportation partnerships, reducing regulatory and financial risk, and creating an environment for enhanced participation in the energy transportation business.

Rep. Barrus reviewed the Governmental Operations Report. He stated that Utah needs a more comprehensive approach for energy policy development to reduce the level of regulatory uncertainty in the marketplace and to attract the necessary investment in new resources and energy infrastructure required to meet future demand. He reviewed the findings of the group.

Rep. Ure explained that the report is merely the beginning of the process. He indicated that there are many pieces of legislation that should be developed as a result of the report, but questioned whether it could be done this year.

The work group cochairs responded to questions from the Committees. Some issues identified as needing further discussion include coal gasification, nuclear energy, and biomass. Input was also requested from the governor's office as to how he wanted to proceed.

Staff was instructed to draft a letter to Legislative Management Committee informing them that the committees will hold a joint meeting in November to utilize the appropriation granted for an additional meeting.

Sen. Bell instructed staff to determine options for adopting the report. Mr. Parker responded that a list of options could be compiled for consideration.

The report will be heard by both interim committees at the November meetings. Chair Allen requested that the committee chairs and staff work together to have an efficient joint meeting.

The next joint meeting was scheduled for Tuesday, November 29 at 9:00 a.m.

Mr. Kevin Knight, Governor's Office Energy Policy Coordinator, stated that with the dissolution of the Energy Office, those functions that were previously a part of the Energy Office will continue within the agency to which they were reassigned. He noted that the governor has envisioned Dr. Laura Nelson would be his personal energy advisor on energy policy and does not see a need to codify that position.

3. Adjourn

Chair Allen adjourned the meeting at 7:05 p.m.

Minutes of the Joint Meeting of the Natural Resources, Agriculture, and Environment
and Public Utilities and Technology Interim Committees

October 19, 2005

Page 3