

Does Expensive Energy Serve the Working Man, Governor?

By PSC Commissioner Roger Koopman

If talk is cheap, political talk is even cheaper. We can thank our governor for reminding us of this, when he vetoed two bills, unanimously endorsed by the PSC, that would have provided consumers with well-deserved protection against rising energy costs. Steve Bullock won the election by convincing enough people that his brand of Big Government would somehow help working folks and people on fixed incomes. But the game is over, the crowd went home, and the scoreboard reads: Radical Environmentalists: 2. Working Stiffs: 0.

Senate Bill 31, sponsored by Dillon's Debby Barrett, was designed to inject a modicum of sanity into a very silly law that was strapped onto ratepayers' backs a few years ago by members of the governor's own party. Montana's profoundly anti-consumer "Renewable Portfolio Standards" requires all utilities to generate and/or purchase at least 15 percent of their electricity from so-called "renewable" sources - regardless of the budget-busting effects on everyone's energy bills.

Because the drafters of the RPS legislation had the singular motive of promoting wind farms at any cost, they excluded the most conspicuous form of renewable energy – water! I can't imagine another substance more renewable than H₂O. And, of course, hydroelectric generation is 100 percent carbon free.

SB 31 proposed to amend the RPS law to include future hydroelectric generation in the definition of "renewable." This would help stabilize and lower our utility bills. With hydro counting toward the state's renewables quota, ratepayers would pay for proportionately less wind energy than what is now being forced upon them – a real benefit to retired people, low-wage earners, and everyone else who struggles with utility bills that stretch household budgets beyond their limits. Yet the governor killed the bill.

SB 138, sponsored by Sen. Art Wittich, also sought to reduce our energy bills. Did you know that, by law, every cent of taxes paid by power companies passes through to you the ratepayer? And did you know that in Montana, traditional utility companies pay an astronomical 12 percent state property tax on poles, wires and pipelines? In total, the average tax burden on Montana utilities is 6 percent, compared with neighboring states Idaho and North Dakota that tax their utilities 1 and 1.5 percent respectively. So is it any wonder that about 10 percent of our utility costs come from state taxes?

However, if your facility produces politically correct "renewable" energy, your transmission and distribution property gets taxed at a favored "Class 14" rate of only 3 percent instead of 12. Wittich's bill sought to end this discriminatory practice by requiring that all T&D facilities be taxed at the 3 percent rate. However, instead of providing a huge break for energy consumers, governor Bullock killed the bill.

Montana's political reality is that we are blessed with more environmental extremist groups per capita than any state in the union. Very wealthy people, who are unconcerned about the \$12 wage earner or the 80-year-old on Social Security, bankroll these outfits. They are too busy saving the planet to worry about real people with real families and real bills they can't pay.

So the enviros pitched a hissy fit over these two bills, and it didn't quit when the Republican legislature passed them anyway. They just redirected their attention to the man their money helped to elect: Governor Steve Bullock. Champion of the people. Defender of the little guy. Right. And our governor couldn't stomp over the top of us fast enough, veto pen in hand, his radical political buddies leading the way.

Commenting on this, Montana Policy Institute director Carl Graham observed,

"...This is what happens when agendas and debts to moneyed constituencies come before responsibility to taxpayers and rate-payers. How many people have to decide between paying for groceries and paying their power bill because Bullock owes his radical green backers for putting him in office? How is it social justice, to force people to pay more for one of the few things that they cannot do without?"

The governor tried to justify our inflated power bills and diminished freedom by talking about all the "jobs" and economic expansion expensive energy creates. But anyone with lights on in their attic knows those are false numbers, that do not take into account where those same job-producing dollars would have gone if they weren't diverted into high-cost windmills and bloated power bills.

The lesson: Beware of those who campaign for the working guy and who, once elected, work for those who make more money in a day than a working guy sees in a year. A cadre of environmental elitists and the politicians who do their bidding are holding Montanans hostage. Think about this the next time you pay your power bill.

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