

Congress of the United States
Washington, DC 20515

February 14, 2018

The Honorable Christine Rolfes
The Honorable John Braun
Washington State Senate Ways & Means Committee
311 J.A. Cherberg Building
304 15th Ave SW
Olympia, WA 98504

Dear Chair Rolfes and Ranking Member Braun:

We write today with deep concerns regarding legislation scheduled to receive testimony in the Washington State Senate Ways and Means Committee on February 15, 2018. As representatives of the State of Montana we oppose SSB 6203 as well as the updated proposed second substitute, acts which create a tax on energy produced from traditional fuels, because of their direct and negative effects on the people of Montana. While we respect the right and sovereignty of the Legislature of Washington to create laws and impose taxes on residents of their state, this bill reaches outside of Washington, potentially raising energy rates, creating a pseudo tax within the state of Montana.

SSB 6203 creates at least a ten-dollar tax rate per metric ton of carbon dioxide on the use, sale, or consumption of electricity generated from fossil fuels within the state of Washington. We understand an updated proposed second substitute for this legislation increases the tax rate to twelve dollars per metric ton, among other changes. Because electricity can be generated in one state and transmitted across borders, the effects of this punitive policy will be hardest felt in our state of Montana. Specifically SSB 6203 and the updated proposed second substitute, if signed into law, would tax the electricity generated from the Colstrip Power Plant located in Colstrip, Montana, which is transmitted to Washington. This bill could raise energy prices on struggling Montana families and risk the closure of the Colstrip Power Plant.

The Colstrip Power Plant is important to our state because of the reliable, affordable energy it produces and the important tax revenue it generates. Further, it is vital for the communities and families of Colstrip and Rosebud County who depend on the high-paying jobs it creates. This plant supports more than 7,000 Montana jobs and contributes millions in tax revenue for schools, roads and libraries. It also keeps the lights on and the heat running at affordable prices for many Montanans and Washingtonians. Any increase in prices due to taxes imposed by this bill could have detrimental effects on Montana families. These communities have already suffered because of outside groups forcing the imminent closure of Units 1 and 2; they should

not have to suffer again because of the actions of a government body nearly one thousand miles away, in a legislature in which they have no voice.

We agree that it is important to protect our environment. We believe, however, that this bill will only end up hurting Montana families. We respectfully ask the committee to take into consideration the harmful impacts of this bill on communities outside their own during the upcoming hearing, and further ask that the committee reject the bill if it comes up for consideration.

Thank you for your attention to this important matter.

Sincerely,



Steve Daines
United States Senator



Greg Gianforte
United States Congressman