
A report to the 63rd Legislature of the State of Montana

Interim Committee Reporting Requirements

House Bill No. 142: Review of advisory councils and statutorily
required reports

Prepared for
THE ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE
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ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE (ETIC) MEMBERS

Before the close of each legislative session, the House and Senate leadership appoint lawmakers to interim committees. The members of the ETIC, like most other interim committees, serve one 20-month term. Members who are reelected to the Legislature, subject to overall term limits and if appointed, may serve again on an interim committee.

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* This information is included in order to comply with Senate Bill No. 120 (Chapter 236, Laws of 2011).

Introduction

House Bill No. 142 (Chapter 126, Laws of 2011) requires all interim committees to review statutorily established advisory councils and required reports of assigned agencies to make recommendations to the next legislature on retention or elimination of any advisory council or required reports pursuant to 5-11-210, MCA.

HB 142 requires the Energy and Telecommunications Interim Committee (ETIC) to examine statutorily established advisory councils and required reports of the Public Service Commission and to make recommendations to the next Legislature on retention or elimination of those advisory councils or reports. At its January 2012 meeting, the ETIC voted to retain the reports it is statutorily required to review.

✓ The ETIC approved retaining all reporting requirements.

There are no advisory councils under the ETIC's purview. The PSC also is not required to provide any specific reports to the ETIC.

However, there are a number of reports that the ETIC is required to review each interim. Those reports are all relatively new, with the oldest reporting requirement approved by the 1997 Legislature. The ETIC also will not receive one of the four reports until 2013. The ETIC opted to discuss each of the four reports and decide on its retention or elimination.

Background and Conclusions

Because the ETIC is required to review only four individual reports each interim, the ETIC voted separately on each requirement. The vote to retain each report was unanimous.

USB Reports: 69-8-402, MCA

A universal system benefits (USB) charge is assessed on electricity and natural gas customers in Montana to pay for certain public purpose programs. In 1997 the Montana Legislature established the USB charge for all electric distribution utilities at 2.4 percent of 1995 electric utility revenues to begin January 1, 1999.

The USB supports cost-effective energy conservation, low-income customer weatherization, renewable energy projects and applications, research and development programs related to energy conservation and renewable energy, market transformation designed to encourage competitive markets for public purpose programs, and low-income energy assistance.

All utilities and rural electric cooperatives are required to file an annual report with the Department of Revenue and with the ETIC detailing their USB expenditures. Large customers claiming credit for USB activities also must file a report. The ETIC is statutorily required to "review the universal systems benefits programs, and, if necessary, submit recommendations regarding these programs".

This report is due before September 15 of the year preceding a legislative session. It was provided to the ETIC in November 2011.

Finding: ✓ Retain Reporting Requirement

Geothermal Research: 90-3-1301, MCA

Legislation approved by the 2009 Legislature directed and allowed the Montana Bureau of Mines and Geology to conduct geothermal research that characterizes the geothermal resource base in Montana, tests high-temperature and high-pressure drilling technologies benefiting geothermal well construction, and determines reservoir characterization, monitoring, and modeling necessary for commercial application in Montana.

If a utility with a service area nearest the research site intends to develop the site for future commercial use, the utility is required to contribute, at a minimum, 25% of the research costs as determined by the Bureau for research at the site and to have an agreement in place with the surface property owner and any owners of the geothermal resource where the research site is located for future development of the geothermal resource.

The law also requires the Bureau, prior to each legislative session, to update the ETIC on geothermal research conducted by the Bureau and funding received by the Bureau for geothermal research.

This report is due prior to September 1 of even-numbered years. This report will be provided by the deadline and presented to the ETIC in September 2012.

Finding: ✓ Retain Reporting Requirement

Hydro Development: 85-1-501, MCA
SB 327, 2011

The Department of Natural Resources and Conservation (DNRC) is required to study the economic and environmental feasibility of constructing and operating small-scale hydroelectric power generating facilities on water projects under its control. The DNRC also must consider whether small-scale hydroelectric generation is economically feasible on a particular project by reviewing the estimated cost of construction, the estimated cost of maintaining, repairing, and operating a facility, the estimated cost of tying into an existing power distribution channel, the ability of public utilities or rural electric cooperatives to lease and operate a facility, the revenue and debt related to the facility, and the potential impacts on water supply and streamflows.

The DNRC, prior to the end of each interim, is required to update the ETIC on studies it has done to review the economic and environmental feasibility of constructing and operating these potential small-scale hydroelectric power generating facilities.

This report is due prior to September 1 of even-numbered years. The ETIC will receive this report, for the first time, in September 2012.

Finding: ✓ Retain Reporting Requirement

Energy Credits: 69-3-2009, MCA
SB 7, 2011

Most utilities, competitive electricity suppliers, and owners of electrical generation facilities operating in Montana that buy or sell renewable energy credits are required to file an annual renewable energy credit report. The reports generally include the price of any renewable energy credit bought or sold by the facility or utility and whether electrical energy and renewable energy credits were bought or sold together or separately as a bundled or unbundled product. If a utility, a competitive electricity supplier, or an owner of an electrical generation facility operating in Montana buys or sells a renewable energy credit in a market where the price of a renewable energy credit is not publicly disclosed, the utility, competitive electricity supplier, or owner of the electrical generation facility is not required to disclose the price in the report.

The reports must be filed with the Department of Revenue. Because the reporting requirements apply to renewable energy credits bought or sold after January 1, 2012, the first filing with the Department of Revenue is not required until March 1, 2013.

Each interim, the ETIC is required to review the reports and, if necessary, submit recommendations to the Legislature regarding the use of renewable energy credits in Montana. The recommendations are due before September 15 of the year preceding a legislative session.

Finding: ✓ Retain Reporting Requirement

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