

**INFORMATIONAL TESTIMONY REGARDING HB 681**  
**Extend Renewable Portfolio Act to municipal utilities & competitive electricity suppliers**

**Ken Toole**  
**Commissioner, Montana PSC**  
**February 16, 2007**

Mr. Chairman and Members of the Committee,

The Public Service Commission has no position on HB 681, but offers these few observations on the bill:

1. On page 4, line 19, the insertion of the words "electrical energy procured under" appears to be a drafting error. That amendment would change current law to prohibit entities to which the renewable standards apply from using a combination of electricity from an eligible resource and renewable energy credits, which are not "electrical energy," to meet the standard.
  
2. On page 5, Section 3, subsection (2), the PSC observes that, because competitive electricity suppliers are not regulated by the Commission, it could be difficult to develop an effective and meaningful process for PSC evaluation of the electricity suppliers' demonstrations required by this provision with respect to contracts of less than 10 years providing a lower long-term total cost.
  
3. The PSC notes for the committee's information that the commission rules referred to on page 6, line 10, were adopted with regulated utilities in mind. The extension of their application to competitive electricity suppliers would likely require some modification of the rules.
  
4. There are no provisions in HB 681 to enforce competitive electricity suppliers' compliance with the law.

Thank you for the opportunity to comment.