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As of: March 12, 2007 (8:54am)

EXHIBIT 2
DATE 3.12.07
SB LC 2561
LC2561

**** Joint Resolution No. ****

Introduced By *****

By Request of the *****

A Joint Resolution of the Senate and the House of Representatives of the State of Montana requesting an interim study to investigate the potential benefits, costs, safety issues, and utility operational issues, related to the increased interconnection of small-scale renewable distributed energy generation in Montana.

WHEREAS, there have been multiple bills heard by committees of Montana's 60th Legislature related to integration of small-scale renewable distributed energy generation into the electrical grid in Montana; and

WHEREAS, the testimony heard in committees related to the impact of small-scale renewable distributed energy generation on worker safety, public reliability and safety, as well as concerns regarding the allocation of costs for mitigation of integration impacts; and

WHEREAS, interest in integration of small-scale renewable distributed energy generation remains very high in many areas across Montana; and

WHEREAS, additional analysis and information is needed to thoughtfully and appropriately address the issues raised regarding the integration of small-scale renewable distributed energy generation.

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NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to evaluating small-scale renewable distributed generation regarding issues of interconnection, transmission and distribution, safety, system costs and benefits, and the allocation of system costs.

BE IT FURTHER RESOLVED, that the appropriate interim committee, with the assistance of appropriate state agencies, analyze, evaluate, and make recommendations, including any necessary legislation regarding:

- (1) safety issues, including but not limited to:
 - (a) the impacts of multiple small-scale renewable distribution generation systems on line-worker safety;
 - (b) the availability, durability, long-term reliability, and testing of safety devices; and
 - (c) interconnection safety practices that ensure that small-scale renewable distribution generation systems are designed and installed in a manner that:
 - (i) are not a safety hazard to utility personnel or equipment or to customers;
 - (ii) do not disturb other customers or degrade the quality of the distribution system; and
 - (iii) provided reliable safe service to the small-scale renewable distribution generation system owner and the utility;
- (2) the impacts of small-scale renewable distribution

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generation systems with regard to the transmission and distribution system, including, but not limited to:

- (a) power quality and scheduling;
 - (b) line regulation and protection;
 - (c) system repairs;
 - (d) reactive power;
 - (e) reverse power;
 - (f) system operations;
 - (g) over voltage; and
 - (h) liability insurance;
- (3) the allocation of potential costs, including ancillary services and power supply costs for transmission and distribution improvements that may be necessary because of individual or multiple small-scale distribution generation system interconnections;
- (4) the regional characteristics of small-scale distribution generation systems including interactions with large scale wind energy projects;
- (5) the benefits and costs of small-scale renewable distributed energy generation systems that are permanently isolated from the grid rather than interconnected; and
- (6) the effects of small-scale renewable distributed energy generation based on the size of a utility's distribution and transmission system.

BE IT FURTHER RESOLVED, that if the study is assigned to an appropriate interim committee, that the committee actively solicit the participation of Montana citizens, utilities,

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cooperatives, the public service commission, and other interested persons.

BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be presented to and reviewed by an appropriate committee designated by the Legislative Council.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2008.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 61st Legislature.

- END -

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