SENATE NATURAL RESOURCES
EXHIBIT NO. 8
DATE 2-23-07
BILL NO. SB 311

Amendments to Senate Bill No. 311
1st Reading Copy

Requested by Senator Roy Brown

For the House Federal Relations, Energy, and Telecommunications Committee

Prepared by Todd Everts
February 15, 2007 (5:23pm)

1. Title, line 7.
Strike: "A"
Strike: "ENTITY"
Insert: "ENTITIES"
Strike: "SUPPLIES"
Insert: "SUPPLY"

2. Title, line 8 through line 10.
Strike: "ELIMINATING" on line 8 through "BENEFITS;" on line 10

3. Title, line 11.
Strike: "AND"
Following: "69-8-419,"
Insert: "AND 69-8-1004,"

4. Page 1, line 21.
Strike: "a"

5. Page 1, line 22.
Strike: "entity"
Insert: "entities"
Strike: "supplies"
Insert: "supply"

6. Page 2, line 21.
Strike: "a"
Strike: "entity"
Insert: "entities"
Strike: "supplies"
Insert: "supply"

7. Page 3.
Following: line 5
Insert: "(6) (a) Subject to subsection (6)(b), the commission shall, in reviewing the procurement of electricity supply by the default supplier, take into account the statewide economic benefits that are associated with the electricity supply procurement for the default supply stakeholders. The default supply stakeholders include the default supplier,

customers of the default supplier, and the public.
(b) The consideration of economic benefits is secondary to the consideration of the costs and benefits to the consumer and other criteria established by law."
Renumber: subsequent subsection
8. Page 3, line 30.
Strike: "a"

9. Page 4, lines 1.
Strike: "entity"
Insert: "entities"
Strike: "supplies"
Insert: "supply"

10. Page 4, line 6.
Insert: "Section 4. Section 69-8-1004, MCA, is amended to read:
"69-8-1004. Renewable resource standard -- administrative penalty -- waiver. (1) Except as provided in 69-8-1007 and subsection (11) of this section, a graduated renewable energy standard is established for public utilities as provided in subsections (2) through (4) of this section.
(2) In each compliance year beginning January 1, 2008, through December 31, 2009, each public utility shall procure a minimum of 5% of its retail sales of electrical energy in Montana from eligible renewable resources.
(3) (a) In each compliance year beginning January 1, 2010, through December 31, 2014, each public utility shall procure a minimum of 10% of its retail sales of electrical energy in Montana from eligible renewable resources.
(b) As part of their compliance with subsection (3)(a), public utilities shall purchase both the renewable energy credits and the electricity output from community renewable energy projects that total at least 50 megawatts in nameplate capacity.
(c) Public utilities shall proportionately allocate the purchase required under subsection (3)(b) based on each public utility's retail sales of electrical energy in Montana in the calendar year 2009.
(4) (a) In the compliance year beginning January 1, 2015, and in each succeeding compliance year, each public utility shall procure a minimum of 15% of its retail sales of electrical energy in Montana from eligible renewable resources.
(b) (i) As part of their compliance with subsection (4)(a), public utilities shall purchase both the renewable energy credits and the electricity output from community renewable energy projects that total at least 75 megawatts in nameplate capacity.
(ii) In meeting the standard in subsection (4)(b)(i), a public utility may include purchases made under subsection (3)(b).
(c) Public utilities shall proportionately allocate the purchase required under subsection (4)(b) based on each public

utility's retail sales of electrical energy in Montana in the calendar year 2014.

(5) (a) In complying with the standards required under subsections (2) through (4), a public utility shall, for any given compliance year, calculate its procurement requirement based on the public utility's previous year's sales of electrical energy to retail customers in Montana.

(b) The standard in subsections (2) through (4) must be calculated on a delivered-energy basis after accounting for any line losses.

(6) A public utility has until 3 months following the end of each compliance year to purchase renewable energy credits for that compliance year.

(7) (a) In order to meet the standard established in subsections (2) through (4), a public utility may only use:

(i) electricity from an eligible renewable resource in which the associated renewable energy credits have not been sold separately;

(ii) renewable energy credits created by an eligible renewable resource purchased separately from the associated electricity; or

(iii) any combination of subsections (7)(a)(i) and (7)(a)(ii).

(b) A public utility may not resell renewable energy credits and count those sold credits against the public utility's obligation to meet the standards established in subsections (2) through (4).

(c) Renewable energy credits sold through a voluntary service such as the one provided for in ~~69-8-210(4)~~ 69-8-210(5) may not be applied against a public utility's obligation to meet the standards established in subsections (2) through (4).

Needed because of new sub (3) in 69-8-210

(8) Nothing in this part limits a public utility from exceeding the standards established in subsections (2) through (4).

(9) If a public utility exceeds a standard established in subsections (2) through (4) in any compliance year, the public utility may carry forward the amount by which the standard was exceeded to comply with the standard in either or both of the 2 subsequent compliance years. The carryforward may not be double-counted.

(10) Except as provided in subsection (11), if a public utility is unable to meet the standards established in subsections (2) through (4) in any compliance year, that public utility shall pay an administrative penalty, assessed by the commission, of $10 for each megawatt hour of renewable energy credits that the public utility failed to procure. A public utility may not recover this penalty in electricity rates. Money generated from these penalties must be deposited in the universal low-income energy assistance fund established in 69-8-412(1)(a).

(11) A public utility may petition the commission for a

short-term waiver from full compliance with the standards in subsections (2) through (4) and the penalties levied under subsection (10). The petition must demonstrate that the:

(a) public utility has undertaken all reasonable steps to procure renewable energy credits under long-term contract, but full compliance cannot be achieved either because renewable energy credits cannot be procured or for other legitimate reasons that are outside the control of the public utility; or

(b) integration of additional eligible renewable resources into the electrical grid will clearly and demonstrably jeopardize the reliability of the electrical system and that the public utility has undertaken all reasonable steps to mitigate the reliability concerns."

{*Internal References to 69-8-1004:*
69-8-1005 *69-8-1005* *69-8-1005* *69-8-1005*
69-8-1008}"

Renumber: subsequent section

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