

SENATE BILL NO. 33

INTRODUCED BY D. LEWIS

BY REQUEST OF THE FIRE SUPPRESSION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE DEFINITION OF "COMMUNITY RENEWABLE ENERGY PROJECT" UNDER THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT TO INCLUDE CERTAIN BIOMASS FACILITIES; AMENDING SECTION 69-3-2003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 69-3-2003, MCA, is amended to read:

**"69-3-2003. Definitions.** As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Ancillary services" means services or tariff provisions related to generation and delivery of electric power other than simple generation, transmission, or distribution. Ancillary services related to transmission services include energy losses, energy imbalances, scheduling and dispatching, load following, system protection, and reactive power.

(2) "Common ownership" means the same or substantially similar persons or entities that maintain a controlling interest in more than one community renewable energy project even if the ownership shares differ between two community renewable energy projects. Two community renewable energy projects may not be considered to be under common ownership simply because the same entity provided debt or equity or both debt and equity to both projects.

(3) "Community renewable energy project" means an eligible renewable resource that is interconnected on the utility side of the meter in which local owners have a controlling interest and that is less than or equal to:

(a) 5 megawatts in total calculated nameplate capacity; or

(b) 25 megawatts in total calculated nameplate capacity if it is an eligible renewable resource described under subsection (7)(g).

(4) "Competitive electricity supplier" means any person, corporation, or governmental entity that is selling electricity to small customers at retail rates in the state of Montana and that is not a public utility or cooperative.

- 1 (5) "Compliance year" means each calendar year beginning January 1 and ending December 31, starting  
2 in 2008, for which compliance with this part must be demonstrated.
- 3 (6) "Cooperative utility" means:
- 4 (a) a utility qualifying as an electric cooperative pursuant to Title 35, chapter 18; or  
5 (b) an existing municipal electric utility as of May 2, 1997.
- 6 (7) "Eligible renewable resource" means a facility either located within Montana or delivering electricity  
7 from another state into Montana that commences commercial operation after January 1, 2005, and that produces  
8 electricity from one or more of the following sources:
- 9 (a) wind;  
10 (b) solar;  
11 (c) geothermal;  
12 (d) water power, in the case of a hydroelectric project that does not require a new appropriation,  
13 diversion, or impoundment of water and that has a nameplate rating of 10 megawatts or less;  
14 (e) landfill or farm-based methane gas;  
15 (f) gas produced during the treatment of wastewater;  
16 (g) low-emission, nontoxic biomass based on dedicated energy crops, animal wastes, or solid organic  
17 fuels from wood, forest, or field residues, except that the term does not include wood pieces that have been  
18 treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chroma-arsenic;  
19 (h) hydrogen derived from any of the sources in this subsection (7) for use in fuel cells; and  
20 (i) the renewable energy fraction from the sources identified in subsections (7)(a) through (7)(h) of  
21 electricity production from a multiple-fuel process with fossil fuels.
- 22 (8) "Local owners" means:
- 23 (a) Montana residents or entities composed of Montana residents;  
24 (b) Montana small businesses;  
25 (c) Montana nonprofit organizations;  
26 (d) Montana-based tribal councils;  
27 (e) Montana political subdivisions or local governments;  
28 (f) Montana-based cooperatives other than cooperative utilities; or  
29 (g) any combination of the individuals or entities listed in subsections (8)(a) through (8)(f).
- 30 (9) "Public utility" means any electric utility regulated by the commission pursuant to Title 69, chapter

1 3, on January 1, 2005, including the public utility's successors or assignees.

2 (10) "Renewable energy credit" means a tradable certificate of proof of 1 megawatt hour of electricity  
3 generated by an eligible renewable resource that is tracked and verified by the commission and includes all of  
4 the environmental attributes associated with that 1 megawatt-hour unit of electricity production.

5 (11) "Small customer" means a retail customer that has an individual load with an average monthly  
6 demand of less than 5,000 kilowatts.

7 (12) "Total calculated nameplate capacity" means the calculation of total nameplate capacity of the  
8 community renewable energy project and other eligible renewable resources that are:

9 (a) located within 5 miles of the project;

10 (b) constructed within the same 12-month period; and

11 (c) under common ownership."  
12

13 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

14 - END -