

House FRET  
Doug Hardy  
Montana Electric Cooperatives  
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There are 25 member owned distribution coops serving around 400,000 Montanans in every county of the state. There are also 4 G&Ts or supply cooperatives that work only on the supply of electricity to the distribution cooperative such as Flathead or Yellowstone Valley.

Coops regulating bodies are the boards of trustees who are elected by the members and oversee the operations of the cooperative. In a G&T each distribution member cooperative has a trustee on the G&T board.

This model has worked very well for over 70 years. The reality is though that one G&T recently made some bad decisions. We attended the interim Energy committee hearing and learned for the first time ourselves what allowed a great model to in this case, fail.

We found that unlike most Cooperatives, this coop was more secretive making decisions with little time to analyze the recommendations. We took action. The coops worked together and made voluntary transparency standards, for distribution coops and different ones specific for G&Ts that the members of MECA adopted. Since the one G&T is in bankruptcy their members adopted the G&T standards committing to have them implemented by whomever they are served by post bankruptcy.

SB 90 puts the heart of those standards into statute which we support as passed by the Senate. The big change along with access to information by all member system trustees and managers is the time period when major decisions are made to go it alone. If The G&T is in a regional G&T that serves at least 400 MW in multiple states a vote by the distribution cooperative is not required but if a Montana G&T buys more power than its legitimate load forecasts indicate is needed it takes support by 2/3 at the G&T level, which if there are only 5 members takes 80% supporting. The distribution boards require a 3/5ths majority. This vote is also needed if the G&T builds generation capacity that is 10 or more percent of its peak needs.

By addressing the access to information and requiring a 2/3 vote and a vote by the distribution board members on high risk decisions, we believe SB 90 addresses the issues that were identified in the interim committee process.