Montana Public Service Commission (PSC)
Renewable Portfolio Standard
SB 26 Summary

"**Renewable energy credit**" (REC) definition in § 69-3-2003(14) should be changed because:
- PSC does not receive physical certificates of proof
- Rather, PSC verifies that environmental attributes are associated with certain megawatt-hours
- RECs must already be tracked and verified and certified; defining them as such simplifies subsequent references

"**Renewable energy fraction**" should be defined in § 69-3-2003 because:
- The term already applies to a multiple-fuel process with fossil fuels
- The requirement already applies to compressed air energy storage
- Enforcing these existing requirements would be very difficult without using RECs to verify the "renewable energy fraction"

Reporting deadline should be May 1 in § 69-3-2005 because:
- March 1 deadline is **not** consistent with three-month REC procurement window
- March 31 does not allow enough time to track and verify RECs

"**Electricity suppliers**" should be defined in § 69-3-2003 and expressly required to report in § 69-3-2005 because:
- PSC Rules already define the requirements governing annual reports by:
  - Defining "electricity supplier"
  - Requiring electricity suppliers to report annually
- Legislature should make statute consistent with practice

Waiver petitions under § 69-3-2004(11) should be filed by the reporting deadline because:
- Absent a waiver petition or compliance report, PSC must assess an administrative penalty
- Using the same deadline will avoid procedural delay

Cost cap in § 69-3-2007 should be one basis for a waiver because:
- PSC Rules already define the process by which waivers may be granted by requiring:
  - One of four reasons for noncompliance, including the cost cap
  - Petitioner to show with documentation and evidence that a cost cap is exceeded
- Legislature should make statute consistent with practice

EXHIBIT 6
DATE 03/11/13
HB SB26