

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT DIRECTING THE DEPARTMENT OF ENVIRONMENTAL QUALITY
5 TO DEVELOP A STATE PLAN TO ADDRESS GREENHOUSE GAS EMISSIONS FROM EXISTING FOSSIL
6 FUEL-FIRED ELECTRIC GENERATING UNITS; ESTABLISHING GUIDELINES FOR THE DEPARTMENT TO
7 USE IN DEVELOPING A STATE PLAN; REQUIRING THE DEPARTMENT TO DEVELOP A REPORT;
8 REQUIRING THE DEPARTMENT TO SUBMIT ITS PLAN TO THE LEGISLATURE; REQUIRING LEGISLATIVE
9 APPROVAL OF THE DEPARTMENT'S STATE PLAN; AND PROVIDING EFFECTIVE DATES."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12
13 NEW SECTION. **Section 1. Purpose.** Because Montana must respond to the proposed United States
14 environmental protection agency greenhouse gas regulation covering existing sources by developing and
15 submitting to the United States environmental protection agency a plan for how Montana will meet the federal
16 goals of reducing carbon dioxide emissions and due to the extraordinary impact that the proposed regulation will
17 have in Montana, it is the responsibility of the Montana legislature to be directly involved in the development of
18 Montana's plan in accordance with [sections 1 through 4].

19
20 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 4], unless the context requires
21 otherwise, the following definitions apply:

- 22 (1) "Department" means the department of environmental quality provided for in 2-15-3501.
23 (2) "State plan" means the state plan authorized by the United States environmental protection agency
24 under regulations included in the proposed rulemaking under docket EPA-HQ-OAR-2013-0602 and published
25 in Volume 79, No. 117, of the Federal Register by the United States environmental protection agency under the
26 authority of 40 CFR, part 60, and all subsequent final rulemaking and regulation published in the Federal Register
27 by the United States environmental protection agency under the authority of 40 CFR, part 60, to address
28 greenhouse gas emissions from existing fossil fuel-fired electric generating units.

29
30 NEW SECTION. **Section 3. Development of a state plan.** (1) Subject to the requirements of [section



1 4] and this section and accounting for findings in the report required pursuant to subsection (3), the department
2 shall develop a state plan to comply with the requirements of the United States environmental protection agency's
3 proposed regulation of carbon dioxide emissions for existing fossil fuel-fired electric generating units.

4 (2) The department shall solicit, document, consider, and address public comments as part of the
5 deliberations on the state plan and as part of the preparation of the report required pursuant to subsection (3).

6 (3) In developing a state plan, the department shall prepare a report that assesses the effects of the state
7 plan on:

8 (a) the electric power sector, including:

9 (i) the ability of the state to provide affordable electricity through diversified sources of electricity
10 generation;

11 (ii) the type and amount of electric generating capacity within the state that is likely to retire or switch to
12 another fuel;

13 (iii) stranded investments in electric generating capacity and other infrastructure;

14 (iv) the amount of investment necessary to offset retirements of electric generating capacity and to
15 maintain generation reserve margins;

16 (v) potential risk to electric reliability, including resource adequacy risk and transmission constraints; and

17 (vi) the amount by which retail electricity prices within the state are forecast to increase.

18 (b) electricity consumers within the state, including any disproportionate impacts of electricity and other
19 energy price increases on middle-income and lower-income households;

20 (c) employment within the state, including direct and indirect employment effects and jobs lost within
21 affected sectors of the state's economy;

22 (d) economic development within the state, including effects on manufacturing, commercial, and other
23 sectors of the state's economy;

24 (e) the competitive position of the state relative to neighboring states and other economic competitors;

25 and

26 (f) state laws, including the need for changes in Montana law or additions to Montana law necessary to
27 implement the state plan.

28

29 **NEW SECTION. Section 4. Legislative approval of state plan.** (1) The department may not submit
30 a state plan to the United States environmental protection agency that is not approved by the legislature.

1 (2) The department shall submit the state plan and the report required pursuant to [section 3(3)] to the
2 legislature by the 15th legislative day of the first regular session after the state plan is complete.

3 (3) If either chamber of the legislature disapproves a state plan submitted in accordance with subsection
4 (2) before adjournment sine die, the department shall:

5 (a) determine the reasons for disapproval and modify the state plan;

6 (b) submit a revised state plan to the legislature in accordance with this section; and

7 (c) if necessary, request an extension of time from the United States environmental protection agency
8 to submit a state plan in accordance with [sections 1 through 4].

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10 **NEW SECTION. Section 5. Notification to tribal governments.** The secretary of state shall send a
11 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
12 Chippewa tribe.

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14 **NEW SECTION. Section 6. Codification instruction.** [Sections 1 through 4] are intended to be codified
15 as an integral part of Title 75, chapter 2, and the provisions of Title 75, chapter 2, apply to [sections 1 through 4].

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17 **NEW SECTION. Section 7. Effective dates -- contingency.** (1) Except as provided in subsection
18 (2)(a), [this act] is effective on passage and approval.

19 (2) (a) [Section 4] is effective on the date the United States environmental protection agency final
20 regulation addressed in docket EPA-HQ-OAR-2013-0602 is published in the Federal Register.

21 (b) The department of environmental quality shall provide a copy of the final regulation provided for in
22 subsection (2)(a) to the code commissioner.

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