

SENATE BILL NO. 40

INTRODUCED BY GRIMES D

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION'S POWER SALE RESTRICTIONS FOR POWER GENERATED BY A STATE FACILITY; AMENDING SECTION 85-1-509, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 85-1-509, MCA, is amended to read:

"85-1-509. Power generation by department authorized. (1) If no lease applications are not received under 85-1-503 or if the department rejects all lease applications under 85-1-504, the department may proceed to obtain any necessary license, permit, or exemption under federal law and commence construction and operation of a small-scale hydroelectric generation facility pursuant to the provisions of this chapter. Construction may not commence until the department has clear and convincing evidence that construction is economically feasible and is the most practical means by which the facility could be developed.

(2) Financing of construction and operation of the facility must be accomplished in a manner determined by the department to be most feasible.

~~(3) The department may not sell power generated at a facility except to a public utility, a rural electric cooperative, or a federal power-marketing agency organized in Montana and selling power to Montana customers."~~

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

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