

SENATE BILL NO. 199
INTRODUCED BY E. STONINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO ELECTRICAL ENERGY; REQUIRING A PUBLIC UTILITY TO OFFER ITS CUSTOMERS THE OPPORTUNITY TO PURCHASE A SEPARATELY MARKETED PRODUCT COMPOSED OF ELECTRICITY FROM ALTERNATIVE RENEWABLE ENERGY SOURCES THROUGH JUNE 2007; ESTABLISHING A STANDARD REQUIRING THAT 7 PERCENT OF A PUBLIC UTILITY'S ELECTRICITY SUPPLY FOR RETAIL ELECTRICITY SALES IN THE STATE MUST BE ACCOUNTED FOR BY ALTERNATIVE RENEWABLE ENERGY SOURCES BY JANUARY 1, 2007; AMENDING SECTION 69-8-210, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 69-8-210, MCA, is amended to read:

"69-8-210. Public utilities -- electricity supply. (1) On the effective date of a commission order implementing a public utility's transition plan pursuant to 69-8-202, the public utility shall remove its generation assets from the rate base.

(2) During the transition period, the commission may establish cost-based prices for electricity supply service for customers that do not have a choice of electricity supply service or that have not yet chosen an electricity supplier.

(3) If the transition period is extended, then the customers' distribution services provider shall:

(a) extend any cost-based contract with the distribution services provider's affiliate supplier for a term of not more than 3 years; or

(b) purchase electricity from the market; and

(c) use a mechanism that recovers electricity supply costs in rates to ensure that those costs are fully recovered.

(4) If a public utility intends to be an electricity supplier through an unregulated division, then the public utility must be licensed as an electricity supplier pursuant to 69-8-404.

(5) A public utility shall, through June 30, 2007, offer its customers an opportunity to purchase a separately marketed product composed of power from alternative renewable energy sources as defined in 90-4-102. This product may be priced differently from the cost-based electricity product authorized in this section.

(6) After June 30, 2007, a public utility shall ensure that alternative renewable energy sources, as defined in 90-4-102, account for 7% of the public utility's electricity supply for retail electricity sales in the state."

NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2003.

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