

SENATE BILL NO. 365
INTRODUCED BY E. STONINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A PUBLIC UTILITY THAT HAS FILED A TRANSITION PLAN TO PROCURE A MINIMUM OF 7 PERCENT OF ITS ELECTRICITY SUPPLY FOR RETAIL ELECTRICITY SALES FROM QUALIFYING RENEWABLE ENERGY RESOURCES OR QUALIFYING RENEWABLE ENERGY CREDITS; REQUIRING THE PUBLIC SERVICE COMMISSION TO ADOPT RULES DEFINING CERTAIN TERMS AND PROVIDING ENFORCEMENT PROVISIONS; AMENDING SECTION 69-8-210, MCA; AND PROVIDING AN IMMEDIATE 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) Beginning July 1, 2007, a public utility that has filed a transition plan pursuant to 69-8-202 shall procure a minimum of 7% of the utility's electricity supply for retail electricity sales from qualifying renewable energy resources or qualifying renewable energy credits.

(b) Before July 1, 2004, the commission shall adopt rules that:

(i) define the terms "qualifying renewable energy resources" and "qualifying renewable energy credits" so that those terms conform to industry-accepted certification criteria for environmentally preferred resources and attributes; and

(ii) provide for the enforcement of subsection (5)(a), including penalties for noncompliance that are sufficient to acquire the minimum resources or credits pursuant to subsection (5)(a)."

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

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