

HOUSE BILL NO. 709
INTRODUCED BY C. VINCENT

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" UNDER THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT; INCLUDING CERTAIN EXISTING HYDROELECTRIC RESOURCES WITHIN THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE"; AMENDING SECTION 69-8-1003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 69-8-1003, MCA, is amended to read:

"69-8-1003. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Ancillary services" means services or tariff provisions related to generation and delivery of electric power other than simple generation, transmission, or distribution. Ancillary services related to transmission services include energy losses, energy imbalances, scheduling and dispatching, load following, system protection, and reactive power.

(2) "Common ownership" means the same or substantially similar persons or entities that maintain a controlling interest in more than one community renewable energy project even if the ownership shares differ between two community renewable energy projects. Two community renewable energy projects may not be considered to be under common ownership simply because the same entity provided debt or equity or both debt and equity to both projects.

(3) "Community renewable energy project" means an eligible renewable resource that is interconnected on the utility side of the meter in which local owners have a controlling interest and that is less than or equal to 5 megawatts in total calculated nameplate capacity.

(4) "Compliance year" means each calendar year beginning January 1 and ending December 31, starting in 2008, for which compliance with this part must be demonstrated.

(5) "Cooperative utility" means:

- (a) a utility qualifying as an electric cooperative pursuant to Title 35, chapter 18; or
- (b) an existing municipal electric utility as of May 2, 1997.

(6) (a) "Eligible renewable resource" means a facility either located within Montana or delivering electricity from another state into Montana that, except as provided in subsection (6) (b), commences commercial operation after January 1, 2005, and that produces electricity from one or more of the following sources:

~~(a)~~(i) wind;

~~(b)~~(ii) solar;

~~(c)~~(iii) geothermal;

~~(d)~~(iv) water power, in the case of a hydroelectric project that does not require a new appropriation, diversion, or impoundment of water ~~and that has a nameplate rating of 10 megawatts or less;~~

~~(e)~~(v) landfill or farm-based methane gas;

~~(f)~~(vi) gas produced during the treatment of wastewater;

~~(g)~~(vii) low-emission, nontoxic biomass based on dedicated energy crops, animal wastes, or solid organic fuels from wood, forest, or field residues, except that the term does not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chroma-arsenic;

~~(h)~~(viii) hydrogen derived from any of the sources in this subsection (6) for use in fuel cells; and

~~(i)~~(ix) the renewable energy fraction from the sources identified in ~~subsections (6)(a) through (6)(h)~~ this subsection (6)(a) of electricity production from a multiple-fuel process with fossil fuels.

(b) The term also includes electricity produced from an existing:

(i) hydroelectric facility that commenced commercial operation before January 1, 2005; or

(ii) federal hydroelectric facility from which a federal agency markets the electricity.

(7) "Local owners" means:

(a) Montana residents or entities composed of Montana residents;

(b) Montana small businesses;

(c) Montana nonprofit organizations;

(d) Montana-based tribal councils;

(e) Montana political subdivisions or local governments;

(f) Montana-based cooperatives other than cooperative utilities; or

(g) any combination of the individuals or entities listed in subsections (7)(a) through (7)(f).

(8) "Public utility" means any electric utility regulated by the commission pursuant to Title 69, chapter 3, on January 1, 2005, including the public utility's successors or assignees.

(9) "Renewable energy credit" means a tradable certificate of proof of 1 megawatt hour of electricity generated by an eligible renewable resource that is tracked and verified by the commission and includes all of

the environmental attributes associated with that 1 megawatt-hour unit of electricity production.

(10) "Total calculated nameplate capacity" means the calculation of total nameplate capacity of the community renewable energy project and other eligible renewable resources that are:

- (a) located within 5 miles of the project;
- (b) constructed within the same 12-month period; and
- (c) under common ownership."

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

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