

HOUSE BILL NO. 22

INTRODUCED BY J. KEANE

BY REQUEST OF THE ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF JUSTICE
6 ~~AND THE GOVERNOR'S OFFICE TO ASSIST IN SECURING THE FUTURE OF COMMUNITIES AFFECTED~~
7 ~~BY THE CLOSURE OF COAL-FIRED GENERATING UNITS IN MONTANA; APPROPRIATING MONEY FOR~~
8 THROUGH PARTICIPATION IN PROCEEDINGS AND RELATED DOCKETS BEFORE OUT-OF-STATE UTILITY
9 OR REGULATORY COMMISSIONS THAT ADDRESS PLANNING FOR THE FUTURE OF COAL-FIRED
10 GENERATION FACILITIES LOCATED IN MONTANA ~~AND FOR ESTABLISHMENT OF A STAKEHOLDER'S~~
11 ~~GROUP TO IDENTIFY FUTURE ENERGY GENERATION INITIATIVES THAT UTILIZE TRANSMISSION~~
12 ~~SYSTEMS CURRENTLY USED BY COAL-FIRED GENERATING UNITS; AND PROVIDING AN IMMEDIATE~~
13 EFFECTIVE DATE."
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15 WHEREAS, in March 2016, the Washington Utilities and Transportation Commission agreed to extend
16 the date by which Puget Sound Energy must file a general rate case to allow Puget Sound Energy to continue
17 to work toward developing a plan to address the future of Colstrip Units 1 and 2; and

18 WHEREAS, Puget Sound Energy has committed to include a comprehensive plan addressing the future
19 of Colstrip Units 1 and 2 in its next general rate case, including a depreciation schedule for all four units that
20 aligns with Puget Sound Energy's most current analysis of the plants' useful life; an analysis of Units 1 and 2 that
21 includes known major maintenance obligations and their projected costs; a narrow window of dates for the
22 planned retirement of Units 1 and 2; detailed information regarding planned decommissioning and remediation
23 activities for Units 1 and 2, including costs associated; and a basic framework for how power replacement
24 decisions will be made if the planned retirement of Units 1 and 2 is out of sync with the development of the 2017
25 Integrated Resource Plan; and

26 WHEREAS, the rate case will be filed before the Washington Utilities and Transportation Commission
27 no later than January 17, 2017; and

28 WHEREAS, the proceedings surrounding Colstrip Units 1 and 2 are complex and rapidly changing, and
29 Montana needs to be prepared to participate and intervene as necessary; and

30 WHEREAS, Montana has an interest in the proceedings because the decommissioning and remediation

1 of Colstrip Units 1 and 2 will significantly impact Montana's economy, with state and local tax reductions and a
 2 general fund tax reduction; Montana has a responsibility to advocate for power replacement decisions by Puget
 3 Sound Energy that can benefit the state; state and federal taxpayers in Montana have in the past spent millions
 4 of dollars to clean up environmental problems caused by out-of-state corporate failures to properly account for
 5 remediation and restoration of Montana's land and water; and Montana must have a seat at the table when a
 6 "narrow window of dates" for the planned retirement of Units 1 and 2 is established; and

7 WHEREAS, the decommissioning of Units 1 and 2 will create an opportunity for long-term central power
 8 replacement investments in Montana that will create quality jobs, sustain otherwise affected communities, and
 9 strengthen the valuable historic interstate partnerships serving robust power markets between Montana and the
 10 West coast.

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

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14 **NEW SECTION. Section 1. Appropriation for intervention in out-of-state energy proceedings.** (†)

15 For the biennium beginning July 1, 2017, there is appropriated from the general fund:

16 ~~———— (a) \$80,000 to the department of justice to participate in proceedings and related dockets before~~
 17 ~~out-of-state utility or regulatory commissions that address planning for the future of coal-fired generation facilities~~
 18 ~~located in Montana;~~

19 ~~———— (b) \$20,000 to the governor's office to assist or participate, as necessary, in proceedings and related~~
 20 ~~dockets before out-of-state utility or regulatory commissions that address planning for the future of coal-fired~~
 21 ~~generation facilities located in Montana; and~~

22 ~~———— (c) \$30,000 to the governor's office to convene a coal-fired generation and transmission reinvestment~~
 23 ~~task force that includes public and private stakeholders. The task force shall identify investment and development~~
 24 ~~opportunities for major energy technology projects in Montana that can directly interconnect with the transmission~~
 25 ~~system currently used by coal-fired generation located in Montana. Energy technology projects may include wind,~~
 26 ~~pumped energy storage, geothermal, and solar capable of maintaining and enhancing the export of made-in-~~
 27 ~~Montana electricity to west coast markets. (1) (A) THERE IS APPROPRIATED FROM THE GENERAL FUND COAL NATURAL~~

28 ~~RESOURCE ACCOUNT ESTABLISHED IN 90-6-1001(2) \$80,000 TO THE DEPARTMENT OF JUSTICE FOR THE BIENNIUM~~
 29 ~~BEGINNING JULY 1, 2017 2015, TO PARTICIPATE IN PROCEEDINGS AND RELATED DOCKETS BEFORE OUT-OF-STATE UTILITY~~
 30 ~~OR REGULATORY COMMISSIONS THAT ADDRESS PLANNING FOR THE FUTURE OF COAL-FIRED GENERATION FACILITIES~~

1 LOCATED IN MONTANA.

2 (B) FOR THE BIENNIUM BEGINNING JULY 1, 2017, THERE IS APPROPRIATED TO THE DEPARTMENT OF JUSTICE
3 FROM THE GENERAL FUND COAL NATURAL RESOURCE ACCOUNT ESTABLISHED IN 90-6-1001(2) THE AMOUNT OF \$80,000
4 LESS ANY APPROPRIATIONS EXPENDED IN THE PREVIOUS FISCAL YEAR PURSUANT TO SUBSECTION (1)(A).

5 (C) THE DEPARTMENT SHALL REPRESENT MONTANA'S INVESTMENT IN COAL-FIRED GENERATION FACILITIES BY
6 ADVOCATING FOR PROPER DECOMMISSIONING AND REMEDIATION, OPPORTUNITIES FOR LONG-TERM POWER REPLACEMENT
7 INVESTMENTS IN MONTANA, AND RECOVERY OF APPROPRIATE SOCIAL COSTS, INCLUDING COMMITMENTS TO BENEFIT AND
8 PENSION PLANS AND WORKFORCE AND COMMUNITY REINVESTMENT OPPORTUNITIES.

9 (2) The department of justice ~~and the governor's office~~ may request technical assistance from state
10 government agencies, including but not limited to the department of environmental quality, the department of labor
11 and industry, and the department of public service regulation, to assist in their efforts.

12 (3) Any funds not expended or encumbered in the biennium revert to the general fund.

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14 NEW SECTION. Section 2. Effective date. [This act] is effective ~~July 1, 2017~~ ON PASSAGE AND
15 APPROVAL.

16 - END -