

SENATE BILL NO. 102

INTRODUCED BY T. RICHMOND

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A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING CONTRACTS BETWEEN A UTILITY AND A QUALIFYING SMALL POWER PRODUCTION FACILITY TO A MAXIMUM 5-YEAR TERM; AMENDING SECTION 69-3-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

**Section 1.** Section 69-3-604, MCA, is amended to read:

**"69-3-604. (Temporary) Standards for determination of rates and conditions.** (1) The commission shall determine the rates and conditions of the contract for the sale of electricity by a qualifying small power production facility according to the standards in subsections (2) through (5).

(2) ~~Long-term contracts~~ Contracts for the purchase of electricity by the utility from a qualifying small power production facility ~~must be encouraged in order to enhance the economic feasibility of qualifying small power production facilities~~ may be set only for a maximum term of 5 years.

(3) The rates to be paid by a utility for electricity purchased from a qualifying small power production facility must be established with consideration of the availability and reliability of the electricity produced.

(4) The commission shall set these rates using the avoided cost over the term of the contract.

(5) The commission may adopt rules further defining the criteria for qualifying small power production facilities, their cost-effectiveness, and other standards. (Repealed on occurrence of contingency--secs. 1, 3, Ch. 284, L. 2003--see part compiler's comment.)"

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

NEW SECTION. **Section 3. Applicability.** [This act] applies to contracts entered into by a utility and a qualifying small power production facility on or after [the effective date of this act].

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