

1 HOUSE BILL NO. 22

2 INTRODUCED BY J. KEANE

3 BY REQUEST OF THE ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE

4
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 EFFECTIVE~~
13 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.

11

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) THERE IS APPROPRIATED FROM THE GENERAL FUND \$80,000 TO THE~~

28 ~~DEPARTMENT OF JUSTICE FOR THE BIENNIUM BEGINNING JULY 1, 2017, TO PARTICIPATE IN PROCEEDINGS AND RELATED~~
 29 ~~DOCKETS BEFORE OUT-OF-STATE UTILITY OR REGULATORY COMMISSIONS THAT ADDRESS PLANNING FOR THE FUTURE OF~~
 30 ~~COAL-FIRED GENERATION FACILITIES LOCATED IN MONTANA. THE DEPARTMENT SHALL REPRESENT MONTANA'S~~

1 INVESTMENT IN COAL-FIRED GENERATION FACILITIES BY ADVOCATING FOR PROPER DECOMMISSIONING AND REMEDIATION,
2 OPPORTUNITIES FOR LONG-TERM POWER REPLACEMENT INVESTMENTS IN MONTANA, AND RECOVERY OF APPROPRIATE
3 SOCIAL COSTS, INCLUDING COMMITMENTS TO BENEFIT AND PENSION PLANS AND WORKFORCE AND COMMUNITY
4 REINVESTMENT OPPORTUNITIES.

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

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

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10 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2017.

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