

HOUSE BILL NO. 624

INTRODUCED BY J. ELLIS

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A COAL TRANSITION WORKING GROUP;
5 REQUIRING THE WORKING GROUP TO DEVELOP A TRANSITION PLAN FOR A COMMUNITY AFFECTED
6 BY THE CLOSURE OF A COAL-FIRED GENERATING UNIT; ESTABLISHING REQUIREMENTS FOR THE
7 TRANSITION PLAN; ADMINISTRATIVELY ATTACHING THE WORKING GROUP TO THE DEPARTMENT OF
8 COMMERCE; ESTABLISHING WORKING GROUP MEMBERSHIP APPOINTED BY THE GOVERNOR;
9 REQUIRING THE PLAN TO BE PRESENTED TO THE ENVIRONMENTAL QUALITY COUNCIL;
10 ESTABLISHING A PENALTY FOR FAILURE TO PARTICIPATE IN A WORKING GROUP; ESTABLISHING A
11 COAL TRANSITION ACCOUNT; PROVIDING AN APPROPRIATION; PROVIDING FOR A FUND TRANSFER;
12 AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

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

15
16 NEW SECTION. **Section 1. Coal transition working group.** (1) There is a coal transition working
17 group to develop a transition plan for communities affected by the closure of a coal-fired generating unit.

18 (2) By September 1, 2018, the working group shall provide the transition plan or an approved portion of
19 a plan to the environmental quality council established by 5-16-101.

20 (3) The transition plan for communities affected by the closure of a coal-fired generating unit must include
21 but is not limited to proposals to address:

22 (a) infrastructure needs, including but not limited to long-term water availability and distribution system
23 needs for the community;

24 (b) economic diversification and development;

25 (c) worker retention and retraining;

26 (d) protection of the rights, benefits, and pensions of employees affected by a coal-fired generating unit;

27 (e) securing replacement power from Montana energy resources to replace the loss of generation from
28 a coal-fired generating unit;

29 (f) transition planning specific for tribal governments affected by the closure of a coal-fired generating
30 unit; and



1 (g) preliminary, if possible, long-range planning for impacts to the community by the future closure of
2 other coal-fired generating units.

3 (4) The working group is administratively attached to the department of commerce for administrative
4 purposes as prescribed in 2-15-121. The working group shall, to the extent feasible and necessary, coordinate
5 with the coal board provided for in 2-15-1821.

6 (5) To finalize a plan or portions of a plan, a majority of working group members appointed in accordance
7 with [section 2(1)(a) through (1)(f)] and both representatives appointed in accordance with [section 2(1)(g)] must
8 vote in favor of the plan or the portion of the plan proposed for approval.

9 (6) For the purposes of [sections 1 through 3], "coal-fired generating unit" means an individual unit or
10 units of a coal-fired generating facility located in Montana, when the unit has a generating capacity that is greater
11 than or equal to 200 megawatts but not more than 400 megawatts, was placed in service prior to 1980, and will
12 shut down on or before July 1, 2022.

13
14 **NEW SECTION. Section 2. Coal transition working group composition -- participation.** (1) Subject
15 to subsection (3), the coal transition working group is appointed by the governor and consists of nine members,
16 including:

17 (a) one state senator or representative from a district that includes a coal-fired generating unit;

18 (b) one local government official representing an area where a coal-fired generating unit is located;

19 (c) one representative from a Montana business and labor union that represents employees working at
20 a coal-fired generating unit;

21 (d) two representatives from tribal governments with reservation boundaries within 30 miles of a
22 coal-fired generating unit;

23 (e) one representative of a school district representing an area where a coal-fired generating unit is
24 located;

25 (f) one representative from an economic development organization operating in an area where a
26 coal-fired generating unit is located; and

27 (g) subject to subsection (2), two representatives from a coal-fired generating unit.

28 (2) The two representatives from a coal-fired generating unit must be recommended to the governor by
29 the owners of the coal-fired generating unit. If there is more than one owner of a coal-fired generating unit, each
30 owner must be represented on the working group.

1 (3) The governor shall consult with state legislators representing an area where a coal-fired generating
2 unit is located in making appointments pursuant to subsection (1).

3 (4) (a) If a representative of a coal-fired generating unit does not participate in the working group or fails
4 to participate in good faith in accordance with subsection (5), the owner of the coal-fired generating unit who is
5 being represented by the appointee shall pay a \$100,000 penalty. The penalty must be deposited in the coal
6 transition account established in [section 3].

7 (b) If the department is unable to collect a penalty pursuant to this section, the department may transfer
8 the debt to the department of revenue pursuant to Title 17, chapter 4, part 1. The assistance cost by the
9 department of revenue pursuant to 17-4-103(3) may be added to the debt for which collection is being sought.
10 All money collected by the department of revenue is subject to the provisions of 17-4-106.

11 (5) (a) Participation and good-faith participation are determined based on a representative's attendance
12 at working group meetings; subject to subsection (6), the representative's willingness to provide information to
13 fulfill the requirements of a transition plan developed in accordance with [section 1]; and a working group member
14 vote and the governor's approval in accordance with subsection (5)(b).

15 (b) To make a determination of good-faith participation in accordance with subsection (5)(a), two-thirds
16 of the working group members must vote in favor of the question. If two-thirds of the members vote in favor of
17 the question, the decision must be forwarded to the governor for approval. Within 30 days, the governor shall
18 make a formal decision on the working group's recommendation.

19 (6) A representative is not required to disclose proprietary information. Information requested of a
20 representative by the working group must be relevant to development of the plan, in the control of the entity
21 subject to the information request, and necessary for the adequate completion of a plan.

22 (7) Members of the working group, other than a legislative member, are not entitled to compensation for
23 their services except for reimbursement of expenses as provided in 2-18-501 through 2-18-503. Legislative
24 members of the working group are entitled to compensation pursuant to 5-2-302, which must be paid by the
25 department of commerce.

26
27 **NEW SECTION. Section 3. Coal transition account.** There is a coal transition account in the state
28 special revenue fund established in 17-2-102. There must be paid into the account:

29 (1) money received from legislative allocations;

30 (2) penalties collected pursuant to [section 2(4)];

- 1 (3) interest income earned on the account; and
- 2 (4) any other funds received by the department for the purposes of [sections 1 and 2].

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4 **NEW SECTION. Section 4. Appropriation.** For the biennium beginning July 1, 2017, there is

5 appropriated \$40,000 from the general fund to the department of commerce to support the activities of the

6 working group established in accordance with [sections 1 and 2].

7

8 **NEW SECTION. Section 5. Transfers.** (1) By June 10, 2017, the state treasurer shall transfer \$40,000

9 from the general fund to the coal transition account provided for in [section 3].

10 (2) On December 30, 2018, any unexpended or unencumbered funds remaining in the account provided

11 for in [section 3] must be transferred to the general fund.

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13 **NEW SECTION. Section 6. Notification to tribal governments.** The secretary of state shall send a

14 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell

15 Chippewa tribe.

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17 **COORDINATION SECTION. Section 7. Coordination instruction.** If [this act] and Senate Bill No. 38,

18 House Bill No. 60, or Senate Bill No. 338 are passed and approved, then Senate Bill No. 38, House Bill No. 60,

19 and Senate Bill No. 338 are void.

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21 **NEW SECTION. Section 8. Effective dates.** (1) Except as provided in subsection (2), [this act] is

22 effective on passage and approval.

23 (2) [Section 4] is effective July 1, 2017.

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25 **NEW SECTION. Section 9. Termination.** [This act] terminates December 31, 2018.

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