

SENATE BILL NO. 59

INTRODUCED BY M. MCNALLY

BY REQUEST OF THE ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INTEGRATED LEAST-COST RESOURCE PLANNING; ALLOWING 2-YEAR OR 3-YEAR PLANNING CYCLES; AMENDING SECTION 69-3-1204, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 69-3-1204, MCA, is amended to read:

"69-3-1204. Integrated least-cost plan. (1) (a) The commission shall adopt rules requiring a public utility to prepare and file a plan every 2 years or 3 years for meeting the requirements of its customers in the most cost-effective manner consistent with the public utility's obligation to serve and in accordance with this part.

(b) The rules must prescribe the content and the time for filing a plan.

(2) (a) A plan must contain but is not limited to:

(i) an evaluation of the full range of cost-effective means for the public utility to meet the service requirements of its Montana customers, including conservation or similar improvements in the efficiency by which services are used and including demand-side management programs in accordance with 69-3-1209;

(ii) an annual electric demand and energy forecast developed pursuant to commission rules that includes energy and demand forecasts for each year within the planning period and historical data, as required by commission rule;

(iii) an assessment of planning reserve margins and contingency plans for the acquisition of additional resources developed pursuant to commission rules;

(iv) an assessment of the need for additional resources and the utility's plan for acquiring resources;

(v) the proposed process the utility intends to use to solicit bids for energy and capacity resources to be acquired through a competitive solicitation process in accordance with 69-3-1207; and

1 (vi) descriptions of at least two alternate scenarios that can be used to represent the costs and benefits
2 from increasing amounts of renewable energy resources and demand-side management programs, based on
3 rules developed by the commission.

4 (b) The utility shall fully explain, justify, and document the data, assumptions, methodologies, models,
5 determinants, and any other inputs on which it relied to develop information required in subsection (2)(a).

6 (3) (a) The commission may adopt rules providing guidelines to be used in preparing a plan and
7 identifying the criteria to be used in determining cost-effectiveness.

8 (b) The criteria may include externalities associated with the acquisition of a resource by a public
9 utility.

10 (c) The rules must establish the minimum filing requirements for acceptance of a plan by the
11 commission for further review. If a plan does not meet the minimum filing requirements, it must be returned to
12 the public utility with a list of deficiencies. A corrected plan must be submitted within the time established by the
13 commission.

14 (4) A plan filed with the commission by a utility, as defined in 75-20-104, must be provided to the
15 department of environmental quality and the consumer counsel.

16 (5) The commission shall:

17 (a) review the plan;

18 (b) publish a copy of the plan;

19 (c) allow for a minimum of 60 days for the public to comment on the plan; and

20 (d) provide public meetings in accordance with 69-3-1205.

21 (6) (a) The commission may identify deficiencies in the plan, including:

22 (i) any concerns of the commission regarding the public utility's compliance with commission rules;

23 and

24 (ii) ways to remedy the concerns.

25 (b) The commission may engage independent engineering, financial, and management consultants or
26 advisory services to evaluate a public utility's plan. The consultants must have demonstrated knowledge and
27 experience with resource procurement and resource portfolio management, modeling, risk management, and
28 engineering practices. The commission shall charge a fee to the public utility to pay for the costs of consultants

1 or advisory services. These costs are recoverable in rates."

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

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