

Study: HJ 6 Interim Study Poll Rank: 1 of 6

Short Title: Study of electric power reserves

Staff Recommendation: Energy and Telecommunications Interim Committee

### Preliminary Analysis

#### Issue(s) as listed in legislation:

- Resource adequacy in the regional electricity system is requiring additional flexibility among the northwest's generation resources.
- The University of Montana Bureau Business and Economic Research study projects Montana may be a net importer of electricity within 5 to 10 years,
- The current energy marketing climate impacts Montana's rural electric cooperatives and large customers that purchase a significant amount of power from regional generation assets and the market.

#### Preliminary study approach:

- Provide background on current regional energy market mechanics and existing marketing entities.
- Understand the process by which electric cooperatives and large customers contract power.
- Determine whether to require utilities and wholesale electric generation suppliers to have, contract for, or participate in a pool for electric power generation reserves.
- Determine when power reserves should be made available to the balancing authority managing an electric load in order to decrease the probability of service interruptions and enhance reliability while remaining in compliance with evolving North American Electric Reliability Corporation standards.
- Examine the efficacy of providing an alternative option to wholesale electric transmission customers to enable temporary reductions to a portion or all electric load instead of contracting additional electric generation reserves at times when load-shedding is required by the balancing authority to ensure uninterrupted service to ratepayers.

#### Deliverables; end products:

Report with recommendations, legislation by September 15, 2024

Role for LFD or LAD staff?  Yes  No

Role for Executive agency? DEQ Energy Office, Montana Public Service Commission

Additional costs, over meetings?      Yes   x   No

Estimated LSD staff time:   720   hours

Other comments:

**Interim FTE Equivalents**

1 Interim FTE = 16.5 months = 2880 hrs.

.05 FTE = 144 hrs = 18

.10 FTE = 288 hrs = 36 days

.25 FTE = 720 hrs = 90 days

.50 FTE = 1440 hrs = 180 days

.75 FTE = 2160 hrs = 270 days

1 FTE = 2880 hrs = 360 days