



Energy and Telecommunications Interim Committee

64th Montana Legislature

SENATE MEMBERS

CLIFF LARSEN--Vice Chair
DUANE ANKNEY
PAT CONNELL
ROBYN DRISCOLL

HOUSE MEMBERS

KEITH REGIER--Chair
CHRISTOPHER POPE
TOM STEENBERG
DANIEL ZOLNIKOV

COMMITTEE STAFF

SONJA NOWAKOWSKI, Lead Staff
TODD EVERTS, Staff Attorney
NADINE SPENCER, Secretary

MINUTES LOG

July 14, 2016
Room 172, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

REP. KEITH REGIER, Chair
SEN. CLIFF LARSEN, Vice Chair

SEN. DUANE ANKNEY
SEN. PAT CONNELL
SEN. ROBYN DRISCOLL

REP. CHRISTOPHER POPE
REP. TOM STEENBERG
REP. DANIEL ZOLNIKOV

STAFF PRESENT

SONJA NOWAKOWSKI, Lead Staff
NADINE SPENCER, Secretary

AGENDA (Attachment 1)

VISITORS' LIST (Attachment 2)

COMMITTEE ACTIONS

The Energy and Telecommunications Committee (ETIC):

- Approved the minutes log from May 12-13;
- Voted to approve certain PSC legislative proposals for drafting and pre-introduction including (CREP repeal and deregulation of passenger service);
- Voted to put LCN911 as amended and an amended draft report out for public comment;
- Directed staff to begin work with stakeholders on drafting legislation for Montana One-Call laws to bring it into compliance with federal legislation.

CALL TO ORDER AND ROLL CALL

00:00:01 Rep. Regier called the meeting to order at 8:30 a.m. The secretary called the roll. **(Attachment 3)**

ADMINISTRATIVE MATTERS

Adoption of May meeting minutes

00:01:17 **Motion/Vote:** Sen. Larsen moved to adopt the May 12-13 minutes log. The motion carried unanimously by voice vote.

Budget Update

00:01:35 Sonja Nowakowski, research analyst, Legislative Services Division, gave an update on the ETIC budget.

THE FUTURE OF COLSTRIP UNITS 1 AND 2

00:03:01 Rep. Regier welcomed representatives from Talen Energy and Puget Sound Energy.

00:04:09 Jeremy McGuire, senior vice-president and chief financial officer, Talen Energy, discussed Talen's goals, what has been accomplished to date and what they are doing with regard to Colstrip Units 1 and 2. **(Exhibit 1)**

00:13:39 Steve Secrist, senior vice-president and general counsel, Puget Sound Energy (PSE), discussed the factors involved in closing Colstrip Units 1 and 2.

Public Comment:

00:21:08 Anne Hedges, Montana Environmental Information Center (MEIC), discussed other options for Colstrip.

- 00:25:20 Bob Story, Montana Taxpayers Association, discussed the taxable value in Rosebud County and what will happen when Colstrip Units 1 and 2 close. **(Exhibit 2)**
- 00:27:11 Charles Denowh, Count on Coal Montana, discussed the challenges facing Montana's coal industry. He presented a letter from Lori Shaw, founder, Colstrip United. **(Exhibit 3)**
- 00:30:28 John Roeber, president, Montana State Building and Construction Trades Council, said that the Council wants to be involved in discussions on the future of Colstrip.
- 00:32:34 Jess LaBuff, business manager, International Brotherhood of Boilermakers Local Lodge #11, said to consider members of the Boilermakers when making decisions regarding Colstrip.
- 00:33:02 Alan Olson, former legislator, representing himself, commented on litigation to shut down natural resource development.
- 00:37:12 Greg Jergeson, former legislator and former public service commissioner, representing himself, discussed the legislation that allowed NorthWestern Energy to move its ownership interest in Colstrip Unit 4 back into its utility rate-base. **(Exhibit 4)**
- 00:44:05 Bud Clinch, executive director, Montana Coal Council, discussed the need to develop a comprehensive set of regulations to guide future development of energy in Montana.
- 00:46:26 Chris Cavazos, Montana AFL-CIO, commented on the impact to workers in Colstrip.
- 00:46:37 Rep. Zolnikov entered the meeting.
- 00:47:10 Jeff Fox, Renewable Northwest, discussed bonding for wind projects, jobs created by wind energy, and the need to encourage new energy development in Montana.
- 00:48:59 Susan Petty, president and chief technology officer, AltaRock Energy, discussed replacing Colstrip Units 1 and 2 with geothermal power generation.

The ETIC also received written public comment. **(Exhibit 5)**

Committee Questions and Discussion:

- 00:51:37 Sen. Ankney asked Ms. Hedges about backing up wind energy on the grid.
- 00:53:42 Sen. Ankney asked Ms. Hedges about building a natural gas generating station at the site of Colstrip Units 1 and 2.
- 00:55:00 Sen. Connell asked Ms. Petty about the volume of water that would have to be drilled for and consumed in the process of developing geothermal energy.
- 00:56:53 Sen. Connell asked Ms. Petty if they have talked to the Montana Department of Environmental Quality (DEQ) about permits for treating wastewater that is returned back into the aquifer.
- 00:57:50 Sen. Connell asked Ms. Petty about the aquifer that would be used. Ms. Petty said there is an aquifer in the Madison Limestone.
- 00:59:02 Sen. Connell asked Ms. Petty if they have looked into the ability to obtain a water permit in the Colstrip area for geothermal. Ms. Petty said they have not.

01:00:14 Sen. Connell asked Mr. Olson about the consent decree issued by the U.S. District Court and if the issues and litigation are being controlled by federal court decisions that preempt the efforts of the state.

01:03:19 Rep. Pope asked Mr. Secrist if PSE is precluded by Washington state law from reinvesting in green energy in Montana.

01:07:46 Rep. Pope asked Mr. Secrist about protections in place to make sure that the Colstrip transmission system does not depreciate in value and remains market ready. Mr. Secrist deferred the question to Mr. McGuire. Mr. McGuire said that there is a process in place to ensure grid stability.

01:09:57 Rep. Pope said the ETIC will hear from companies in Montana with an interest in investing in the Colstrip area within the time line set for closing Units 1 and 2. He said they could serve markets in Washington and Oregon and encouraged Mr. McGuire and Mr. Secrist to remain for the presentations.

01:10:45 Rep. Pope asked Mr. McGuire about the proposed acquisition of Talen Energy by Riverstone Holdings and what will happen as a result of the change in ownership.

01:21:19 Mr. Secrist commented on PSE's focus for the future and looking at renewable sources of energy in Montana.

01:23:53 Sen. Ankney asked Mr. Secrist about the time line for closing Colstrip Units 1 and 2.

01:25:52 Sen. Ankney said a letter was submitted by Talen Energy indicating it wanted to withdraw as the operators at Colstrip and asked Mr. Secrist if the owners still have to select new operators for the station.

01:27:04 Sen. Ankney asked Mr. Secrist about meetings the PSE had with the governor and if there were any discussions regarding benefits for the employees working at Colstrip.

01:28:26 Sen. Ankney asked Mr. Secrist about provisions for workers who have to leave the area and are unable to sell their homes.

01:33:26 Sen. Ankney asked Mr. McGuire about meetings that Talen Energy had with the governor and discussions regarding benefits for workers that will lose their jobs.

01:36:09 Sen. Ankney asked Mr. McGuire about the time line for closing Units 1 and 2.

01:37:16 Sen. Ankney asked Mr. McGuire if the federal subsidy for wind has played a big part in the market forces causing low costs or if it is the lack of demand.

01:41:38 Sen. Ankney said there is a responsibility on the part of the owners of Colstrip to help the workers who will lose their jobs. Mr. Secrist said that PSE hopes to remain an active member in the community and will do what is in the best interest of its customers and the employees.

01:48:31 Rep. Zolnikov asked about the plan for employees who are displaced. Mr. McGuire said that Talen Energy does have a corporate severance benefit plan for certain employees and a union contract on how severed employees are treated. Rep. Zolnikov asked Mr. McGuire for a copy of the severance policy.

01:51:10 Mr. McGuire said, in regard to the time line for closing Units 1 and 2, that if something expensive breaks the plant may not come back on.

01:52:55 Mr. Secrist said that PSE has funds available to help the Colstrip area.

01:53:47 Rep. Zolnikov said it is important that PSE and Talen continue to work with the legislature to develop a plan to keep the area out of poverty.

- 01:54:27 Sen. Larsen said he was part of the delegation that met with representatives from the Washington legislature. He said we now know what the business plan is for Colstrip, but need to find out about remediation of the land, air, and water. He asked about the fund of money available for remediation. Mr. McGuire said it is the general obligation of Talen Montana to see that the remediation is done and the money will come from the company's capital budget. Mr. Secrist said PSE also has a fund for remediation and money will be earmarked for decommissioning and remediation of Colstrip.
- 01:59:44 Sen. Larsen asked Mr. Secrist about the coal-fired plant that was decommissioned in the state of Washington and the fund of money that was available for remediation.
- 02:01:03 Sen. Larsen asked Mr. Secrist about the legislation passed in Washington and if the ratepayers of PSE are obligated to help pay for remediation at Colstrip Units 1 and 2. Mr. Secrist said they are.
- 02:02:50 Sen. Larsen asked Mr. Secrist if the legislation also includes money to help the families of displaced Colstrip workers. Mr. Secrist said it does not.
- 02:03:54 Sen. Jim Keane, SD 38, asked Mr. McGuire if Talen Energy can guarantee that the large businesses in Montana, that use a significant amount of the power from Colstrip Units 1 and 2, will maintain the same costs or if they will have increased electrical rates.
- 02:06:02 Sen. Keane asked Mr. McGuire about stabilizing Units 3 and 4 after Units 1 and 2 are shut down. Mr. McGuire said they can be stabilized by maintaining proper voltage on the grid by NorthWestern Energy.
- 02:08:29 Sen. Keane asked Mr. McGuire how much it would cost for the state to pick up Talen's share in Colstrip Units 1 and 2.
- 02:09:34 Sen. Keane said that Montana was given nothing from the legislation passed in Washington and asked Mr. Secrist how the state can recover.
- 02:13:05 Sen. Keane asked Mr. Secrist about litigation involving the state of Minnesota trying to shut down coal in North Dakota and how that might apply to Montana and Washington.
- 02:14:29 Rep. Regier asked Ms. Hedges if MEIC's end goal is to have no carbon based energy.
- 02:15:12 Rep. Regier asked Ms. Hedges if natural gas contributes to climate change.
- 02:15:26 Rep. Regier asked Ms. Hedges about a potential global cooling cycle.
- 02:15:47 Rep. Regier asked Mr. Secrist if PSE customers want renewable energy. Mr. Secrist said they want a responsible approach to the environment.
- 02:17:11 Rep. Regier asked Mr. Secrist why natural gas access is not feasible for Colstrip.

GORDON BUTTE PUMPED STORAGE -- ABSAROKA ENERGY

- 02:20:10 Carl Borgquist, Absaroka Energy, presented a PowerPoint presentation on the Gordon Butte pumped storage hydro project. ([Exhibit 6](#))

Public Comment:

- 02:36:43 Jeff Fox, Montana policy manager, Renewable Northwest, commented on energy innovation in Montana, and said the Gordon Butte project is an option for grid stability and use of the transmission line.

Committee Questions and Discussion:

- 02:38:46 Sen. Connell asked Mr. Borgquist about the replacement volume of water needed, outside of spring runoff times, to raise and lower reservoir levels because of evapotranspiration.
- 02:40:52 Sen. Driscoll asked how many union jobs will be needed to build and sustain the project. Mr. Borgquist said it will employ about 300 people for three years to build the plant and employ 20 to 24 permanent staff.
- 02:41:42 Rep. Pope asked Mr. Borgquist how the project competes with other utilities in regard to low cost and reliable power and about interest in the project by utilities in terms of resource planning.
- 02:44:48 Rep. Pope asked Mr. Borgquist about the time line for the project.
- 02:46:05 Sen. Ankney asked Mr. Borgquist what the cost is per megawatt.
- 02:48:56 Sen. Ankney asked Mr. Borgquist if they have approached PSE about the project.
- 02:50:45 Sen. Ankney asked Mr. Borgquist if the project receives tax credits or any type of subsidies. Mr. Borgquist said it has not.
- 02:51:14 Sen. Connell asked Mr. Borgquist about generation output time and recharging time and if it is a problem for the transmission manager.
- 02:54:29 Rep. Pope asked Mr. Borgquist about regional electric markets and if the grid will become the marketplace that is serviced in part by the ability of the Gordon Butte project to help balance the system.
- 02:56:07 Rep. Pope asked Mr. Borgquist about the potential for servicing all different incoming power sources.
- 02:57:17 Rep. Regier asked Mr. Borgquist how pumped storage works.

CLEARWATER WIND FARM - ORION RENEWABLES

- 03:01:25 Michael Cressner, developer, Orion Renewable Energy Group, discussed why Orion is looking at developing projects in Montana and presented information about the Clearwater Wind Farm. [\(Exhibit 7\)](#)

Public Comment:

- 03:15:01 Mr. Fox commented on working with Orion Renewables and other renewable energy developers in Montana and provided information on transmission requests from Bonneville Power Administration to West coast markets.

Committee Questions and Discussion:

- 03:17:21 Rep. Zolnikov asked Mr. Cressner about the size of the company, and if any employees would be located in Montana.
- 03:18:29 Rep. Zolnikov asked Mr. Cressner how the Clearwater project compares in size to other projects.
- 03:19:30 Rep. Zolnikov asked Mr. Cressner about the chance that Orion Renewables would open a full-time office in Montana.
- 03:22:08 Rep. Pope asked Mr. Cressner what the project cost for 300 megawatts of wind power would be. Mr. Cressner said it would be about \$1.5 million per megawatt for wind development. Rep. Pope said the tax base would be substantial.
- 03:23:22 Rep. Pope asked Mr. Cressner about the market for long-term contracts.
- 03:25:57 Rep. Pope asked Mr. Cressner about Orion's customer class and if it includes industrials.

- 03:27:41 Rep. Pope asked Mr. Cressner about working with the state and the legislature in order to help develop and transmit wind energy.
- 03:30:31 Sen. Ankney asked Mr. Cressner if it will be a problem to count renewable energy coming from out-of-state as a Renewable Portfolio Standard (RPS) eligible project.
- 03:31:47 Sen. Ankney asked Mr. Cressner if Orion is required, as a wind generator, to secure contracts with back up power.

MADA POWER

- 03:34:07 Charlie Ricker, president, MADA Power, gave a PowerPoint presentation on MADA Power. **(Exhibit 8)**
- 03:34:29 Mr. Ricker introduced Arnold Goldman, chairman, MADA Companies and Gene Larson, vice president, Project Development, SNC Lavalin.
- 03:35:10 Mr. Ricker discussed MADA's mission and vision to develop, own, and manage energy projects in the U.S.
- 03:44:55 Mr. Ricker discussed purple power.
- 03:49:17 Mr. Ricker played a video on MADA's energy processing system.
- 03:52:56 Mr. Ricker discussed CO2 emissions.
- 03:54:16 Mr. Goldman discussed replacing coal with natural gas verses purple power.
- 03:55:29 Mr. Ricker discussed characteristics of purple power.
- 03:56:30 Mr. Ricker discussed replacing 600MW of generation with purple power.
- 03:59:20 Mr. Ricker discussed the power products produced by MADA energy processing.
- 04:02:07 Mr. Ricker discussed contract structure.
- 04:02:55 Mr. Ricker discussed the MADA team and utilizing other resources.

Public Comment: None

Committee Questions and Discussion:

- 04:06:34 Sen. Driscoll asked Mr. Ricker how many people would be employed at the plant.
- 04:08:16 Mr. Goldman said Montana would be the first operation in the United States.
- 04:10:18 Mr. Ricker said that MADA has been looking at the Colstrip operation for a long time.
- 04:11:33 Rep. Regier asked Mr. Ricker about the Ivanpah Solar Generating System.
- 04:12:38 Recess for lunch at 12:42 p.m.
- 04:47:33 Reconvene

PUBLIC SERVICE COMMISSION OVERVIEW

- 04:47:51 Brad Johnson, chairman, Public Service Commission (PSC), provided information on items currently before the PSC.
- 04:48:25 Mr. Johnson discussed the decision by the PSC to suspend, at the request of NorthWestern Energy, the QF-1 (Qualifying Facility) standard rate tariff for solar generating facilities.
- 04:49:50 Mr. Johnson discussed Mountain Water Company.

Public Comment: None

Committee Questions and Discussion: None

PUBLIC SERVICE COMMISSION DRAFT LEGISLATION

- 04:53:31 Ms. Nowakowski said the ETIC received a summary from the PSC outlining their four agency bill proposals. **(Exhibit 9)** She said that Chairman Johnson will present the descriptions of the proposed legislation and the ETIC will review and discuss the legislative proposals and decide if the proposed legislation should be requested and introduced as agency bills during the 2017 Legislative Session.
- 04:56:24 Mr. Johnson discussed the legislative proposal to increase maximum allowable fines.
- 04:58:18 Mr. Johnson discussed the legislative proposal to repeal the property tax tracker.
- 04:59:43 Mr. Johnson discussed the legislative proposal to repeal community renewable energy project (CREP) requirements.
- 05:01:14 Mr. Johnson discussed the legislative proposal to completely deregulate passenger transportation service.
- 05:02:10 Mr. Johnson discussed additional legislative proposals that the PSC is continuing to discuss with NorthWestern Energy.

Public Comment:

- 05:03:44 John Alke, corporate counsel, NorthWestern Energy, discussed the legislative proposals to repeal the CREP requirements and to repeal the property tax tracker.
- 05:14:07 Jeff Fox, Montana policy manager, Renewable Northwest, discussed the legislative proposal to repeal CREP requirements.

Committee Questions and Discussion:

- 05:17:29 Rep. Zolnikov asked Mr. Johnson about the number of cases where NorthWestern Energy has appealed property tax rates or if it passes it on to the consumers.
- 05:18:32 Rep. Zolnikov asked Mr. Johnson about CREP legislation.
- 05:19:44 Sen. Larsen asked Mr. Alke to respond to comments made regarding the property tax tracker and CREP requirements.
- 05:25:33 Sen. Larsen asked Mr. Johnson to respond to the comments made by Mr. Fox and Mr. Alke on the CREP requirements.
- 05:26:34 Rep. Pope asked Mr. Johnson if he had any suggestions for modifications to the CREP requirements.
- 05:30:01 Rep. Pope asked Mr. Johnson if he had any concerns regarding the retail choice environment.
- 05:33:34 Sen. Ankney asked Mr. Johnson if any of the utilities have been able to recover their costs for replacement power due to the outage at Colstrip Unit 4.
- 05:35:06 Sen. Ankney asked if Avista was able to get its total cost recovered from the outage. Mr. Johnson deferred to Will Rosquist, chief, Economics and Rate Design Bureau, Public Service Commission.
- 05:36:37 Sen. Ankney said the other utilities either had partial or 100 percent recovery of their replacement costs and the only one that did not was NorthWestern Energy.
- 05:38:56 Rep. Regier opened discussion on directions for staff on draft legislation.

- 05:40:03 **Motion/Vote:** Rep. Pope moved to have staff develop draft legislation to increase maximum allowable fines. The motion failed 4-4 by roll call vote with Sen. Ankney, Sen. Connell, Sen. Driscoll, and Rep. Regier voting no. [\(Attachment 4\)](#)
- 05:41:20 **Motion/Vote:** Sen. Larsen moved to have staff develop draft legislation to repeal the property tax tracker. The motion failed 1-7 by roll call vote with Rep. Zolnikov voting aye. [\(Attachment 5\)](#)
- 05:42:08 **Motion/Vote:** Sen. Connell moved to have staff develop draft legislation to repeal CREP requirements. The motion carried 5-3 by roll call vote with Rep. Pope, Rep. Steenberg, and Sen. Driscoll voting no. [\(Attachment 6\)](#)
- 05:42:55 **Motion/Vote:** Sen. Ankney moved to have staff develop draft legislation to completely deregulate passenger transportation service. The motion carried 5-3 by roll call vote with Rep. Pope, Rep. Steenberg, and Sen. Driscoll voting no. [\(Attachment 7\)](#)

CONSUMER COUNSEL OVERVIEW

- 05:44:00 Bob Nelson, Montana Consumer Counsel, provided an overview of areas that the Consumer Counsel has recently been involved in.

Public Comment:

The following individuals provided public comment on the Federal Energy Regulatory Commission (FERC) case.

- 05:49:08 Thor Nelson, attorney, Montana Large Customer Group.
 05:50:33 Doug Hardy, Montana Electric Cooperative Association.

Committee Questions and Discussion:

- 05:51:16 Sen. Ankney asked Mr. B. Nelson about a potential rate increase for industrial customers due to the loss of power at Colstrip Units 1 and 2 and if the Consumer Counsel will intervene.
- 05:52:38 Sen. Ankney asked Mr. T. Nelson where the large industrial customers are looking to get their power once Colstrip Units 1 and 2 are decommissioned.
- 05:54:28 Sen. Connell asked Mr. T. Nelson about the impact of Colstrip and the amount of power going to the large industrial customers from Units 1 and 2 and the terms of their current contracts.
- 05:56:32 Sen. Connell asked Mr. T. Nelson about the terms in large industrial electric purchaser's contracts, and if they are guaranteed a supply of electricity.
- 05:59:06 Sen. Connell asked Mr. T. Nelson about the impact to the Montana large energy purchasers if Colstrip Units 1 and 2 are decommissioned in the next 12 months.
- 06:00:56 Sen. Connell commented on the secondary impacts to major electrical purchasers in Montana.

AVOIDED COST TARIFFS AND QFs

- 06:03:24 John Alke, corporate counsel, NorthWestern Energy, provided an update on avoided cost, standard tariffs, and solar Qualifying Facilities (QFs).
 06:04:00 Mr. Alke discussed QFs.

06:07:27 Mr. Alke discussed avoided cost.
06:09:40 Mr. Alke discussed standard rate QFs.
06:11:08 Mr. Alke discussed the impact of Montana laws.
06:12:52 Mr. Alke discussed the information he provided on solar QFs. ([Exhibit 10](#))

Public Comment:

06:28:55 Jeff Fox, Montana policy manager, Renewable Northwest, provided information on QFs and avoided cost rate.

Committee Questions and Discussion:

06:36:36 Rep. Steenberg asked Mr. B. Nelson about the Consumer Counsel's testimony on the emergency motion to suspend the NorthWestern Energy tariff.
06:39:04 Rep. Pope asked Mr. Alke about the comparison of QFs in Montana to the Public Utility Regulatory Policies Act of 1978 (PURPA).
06:41:04 Rep. Pope asked Mr. Alke for his suggestions regarding legislation.
06:45:48 Rep. Pope asked Mr. Alke about the discrepancy between what the utility has calculated as its true avoided cost and the statutory calculation and if the ratepayer pays the difference.
06:47:25 Rep. Pope said he thought that the benefits of clean air and clean water for everyone should be part of the discussion and decisions about benefits and costs for some renewable energy projects.
06:50:39 Sen. Connell asked Mr. Alke how the increase in applications for QFs impacts public utilities in planning for future power requirements.
06:53:33 Sen. Connell asked Mr. Alke about the ability of NorthWestern Energy to anticipate the performance and power generated through a QF if the applicant for a QF has no contractual obligation to perform.
06:55:56 Rep. Regier asked Mr. Alke if a provider doesn't supply the energy that was contracted, if NorthWestern Energy has to make sure that the power is on the grid.
06:57:19 Rep. Regier asked Mr. Alke if there is a penalty for not meeting the date written into the contract.
06:58:19 Sen. Connell asked Mr. Alke about indemnification if a QF application is withdrawn.

07:00:10 Recess
07:12:04 Reconvene

HJ 7: NEXT GENERATION 9-1-1

07:12:12 Ms. Nowakowski said the ETIC was given a copy of the public comments it received on the HJ 7 study report and draft legislation. ([Exhibit 11](#)) She said that many of the comments were directed at the draft legislation and were from large Public Safety Answering Points (PSAPs) concerning the potential shift in funding under the proposed new allocation.
07:13:15 Ms. Nowakowski said that the governor's 9-1-1 advisory council met to review the draft report and the public comments that were received. She said the council agreed that the formula initially proposed for 9-1-1 funding was not appropriate and developed potential amendments for the ETIC to consider.

- 07:14:23 Ms. Nowakowski said the department provided a spreadsheet showing a potential allocation of money to local governments that host a PSAP. **(Exhibit 12)**
- 07:15:17 Ms. Nowakowski discussed the sections of LCN911. **(Exhibit 13)**
- 07:18:20 Rep. Regier asked Ms. Nowakowski about section 7 and the distribution of funds.
- 07:19:58 Ms. Nowakowski continued her discussion.
- 07:25:03 Quinn Ness, bureau chief, Public Safety Communications Bureau, State Information Technology Services Division, Department of Administration, via phone, said he believed that there is consensus that the recommended amendments would provide broad based support for a potential bill.
- 07:26:17 Geoff Feiss, general manager, Montana Telecommunications Association, commented on the bill draft and some minor recommended changes.

Public Comment:

The following individuals said that they support the amended bill draft.

- 07:30:50 Shantil Siaperas, Montana Association of Counties.
- 07:32:22 Liz Brooks, director, Flathead County 9-1-1 Center.

Committee Questions and Discussion:

- 07:33:55 Sen. Larsen asked Mr. Feiss about the redistribution of revenue.
- 07:36:50 Rep. Zolnikov asked Mr. Feiss about the time line for spending funds deposited into the statewide 9-1-1 planning account.
- 07:40:05 Rep. Zolnikov asked Mr. Feiss about the diversity of the stakeholder group and the advisory council.
- 07:42:13 Sen. Connell commented on using the same method of digital communications.
- 07:43:40 Sen. Connell said he recommends that on page 23, of LCN911, under definition of a wireless provider to delete the word "commercial."
- 07:45:14 Rep. Regier
- 07:45:27 Sen. Connell
- 07:45:54 Rep. Regier
- 07:46:00 Mr. Ness
- 07:47:51 Mr. Feiss
- 07:48:58 Rep. Regier opened discussion on next steps.
- 07:49:22 **Motion:** Rep. Steenberg moved to put LCN911 as amended and the accompanying report out for public comment.

Discussion:

- 07:49:46 Rep. Regier
- 07:49:50 Ms. Nowakowski
- 07:50:36 **Vote:** The motion carried unanimously by voice vote.

MONTANA ONE-CALL LAWS AND FEDERAL COMPLIANCE

07:51:14 Doug Hardy, representing MECA and the stakeholders working on the one-call bill, provided an update on bringing the "call before you dig" law into compliance with the requirements of Pipeline and Hazardous Materials Safety Administration (PHMSA). ([Exhibit 14](#))

07:52:31 Mr. Hardy discussed the five consensus items.

07:53:37 Mr. Hardy discussed items on the agenda for the next study group meeting and asked for authorization that ETIC staff begin working on draft legislation with stakeholders. The bill would not be a committee bill, but would still be ready for early review and introduction in 2017.

Public Comment: None

Committee Questions and Discussion: None

07:56:17 Without objection from the ETIC, Rep. Regier directed staff to begin work with the stakeholders on drafting legislation.

PUBLIC COMMENT ON MATTERS WITHIN THE JURISDICTION OF THE ETIC

None

RECESS

07:57:16 Rep. Regier adjourned the meeting at 4:27 p.m.

CI0099 6230nsxa.