



PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
FAX (406) 444-3036

ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE
67th Montana Legislature

SENATE MEMBERS

Janet Ellis
Mary McNally
Keith Regier
Tom Richmond

HOUSE MEMBERS

Laurie Bishop
Denise Hayman
Christopher Pope
Derek Skees
Brad Tschida
Daniel Zolnikov

COMMITTEE STAFF

Trevor Graff - Research
Analyst
Nadine Spencer - Secretary
Jameson Walker - Attorney

MINUTES LOG

August 21, 2020
9:30 AM
Zoom Meeting

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ROLL CALL

Members Present:

Rep. Derek Skees, Chair (R)
Sen. Janet Ellis, Vice Chair (D)
Rep. Laurie Bishop (D)
Rep. Denise Hayman (D)
Sen. Mary McNally (D)
Rep. Christopher Pope (D)
Sen. Keith Regier (R)
Sen. Tom Richmond (R)
Rep. Brad Tschida (R)
Rep. Daniel Zolnikov (R)

Staff Present:

Trevor Graff, Research Analyst
Nadine Spencer, Secretary
Jameson Walker, Attorney

Committee Business Summary

The Energy & Telecommunications Committee (ETIC):

- Voted to put PD0002 out for public comment;
- Voted to put PD0009 out for public comment;
- Voted to put PD0008 out for public comment.

Agenda (Attachment 1)**Call to Order/Roll Call**

09:30:40 Rep. Skees called the meeting to order at 9:30 a.m. The secretary noted the roll. **(Attachment 2)**

Environmental Quality Council Update

09:30:53 Joe Kolman, director, Legislative Environmental Policy Office, Legislative Services Division (LSD), provided an overview of the Environmental Quality Council (EQC) meeting on July 29-30. He said the next EQC meeting is scheduled for September 9-10.

2019 USB Reports - Statutory Duties**Introduction and Numbers**

09:35:38 Trevor Graff, research analyst, LSD, provided a summary of the Universal System Benefits programs in Montana. **(Exhibit 1)**

09:39:47 Mr. Graff discussed the USB electricity rate obligations in 2019.

09:40:40 Mr. Graff discussed the allocation of USB funds for NorthWestern Energy (NWE). **(Exhibit 2)**

09:44:11 Mr. Graff discussed the allocation of USB funds for the Montana Rural Electric Cooperatives. **(Exhibit 3)**

09:45:12 Mr. Graff discussed the allocation of USB funds for Montana-Dakota Utilities. **(Exhibit 4)**

09:46:07 Mr. Graff discussed large customers. **(Exhibit 5)**

Public comment

None

Questions from the committee

09:51:25 Sen. Ellis asked Mr. Graff about the amount of information contained in the reports.

09:54:09 Sen. Ellis asked Mr. Graff to include his comments from the PowerPoint presentation.

09:55:08 Rep. Pope asked Mr. Graff about energy efficiencies in the USB program.

10:02:37 Rep. Tschida asked Mr. Graff about the USB funds from NWE.

10:03:16 Rep. Tschida asked Mr. Graff about the amount of money from USB funds that goes to low income energy users from larger customers.

10:04:22 Rep. Tschida asked Mr. Graff about renewable resource spending.

10:06:38 Rep. Tschida commented on the need to make adjustments to the USB program in the future.

10:07:50 Rep. Hayman asked about current data on the number of domestic energy users that may need assistance because of COVID-19.

10:09:16 Rep. Skees asked Mr. Graff for a copy of the 2014 legislative audit report on large customers. He asked if there is an analysis of the cost to compile the USB reports for large customers.

10:11:52 Rep. Skees asked Mr. Graff who allocates the funds if one of the large customers does not self-direct their USB funds.

10:13:50 Rep. Skees asked Mr. Graff about a firewall on USB funds that prevents other uses.

HJ12: Transmission Infrastructure Study

10:15:13 Mr. Graff said he is looking for direction on next steps for the HJ12 study and draft report.

10:16:12 Rep. Skees said without objection staff can develop the final report based on questions from the committee.

Questions from the committee

10:16:45 Rep. Skees asked about committee recommendations for the HJ12 final report.

10:17:21 Sen. Ellis asked Mr. Graff about the process and if it is necessary to get public comment before the final report can be adopted.

10:18:31 Rep. Skees commented on the process and opportunity for public comment.

10:19:19 Sen. Ellis asked if the report will include new information.

10:19:43 Mr. Graff said if the committee did not want to include any additional information the report can be finalized. He asked about including a discussion on wildfire liability.

10:20:44 Rep. Skees asked Mr. Graff if an analysis has already been done on the risk of catastrophic fires caused by the transmission system.

10:21:49 Rep. Bishop commented on including information on wildfire liability in the report and asked Mr. Graff about getting information from utilities on recent activities.

10:22:55 Rep. Skees asked Rep. Bishop if her request was for a written report or if she wanted the utilities to provide public comment.

10:23:39 Rep. Skees said without objection he will have staff include written reports from the utilities on wildfire liability.

10:24:07 Rep. Pope asked Mr. Graff about including information on grid capacity and identifying economic opportunities to address limitations to export Montana energy resources.

10:27:50 Rep. Skees said it can also be added as a recommendation in the report. Rep. Pope agreed.

10:28:49 Mr. Graff said it can be added as a finding.

10:29:10 Rep. Hayman thanked Mr. Graff for the report. She said the transmission line is a volatile energy issue in Montana and this is a first step.

10:31:09 Sen. Ellis said liability from fires caused by transmission lines is a critical issue and should be included in the report or as a white paper.

10:32:55 Rep. Skees asked Mr. Graff if liability from wildfires caused by transmission lines was included in the directive on HJ12.

10:34:25 Rep. Skees asked Sen. Ellis about including the liability issue as a finding in the report or having staff draft a white paper and putting it out for public comment.

10:35:18 Rep. Pope said wildfire events are mentioned in the whereas section of the bill.

10:36:26 Rep. Skees asked Sen. Ellis about making a motion to include wildfire issues as a finding in the report. He said she can make a request to staff to do a white paper separately.

10:40:15 Sen. Ellis asked Mr. Graff about the ability to complete a white paper before the September meeting.

10:42:07 Rep. Skees asked Sen. Ellis about including it as a finding in the report and pursuing the white paper separately.

10:42:33 Rep. Skees asked Mr. Graff to provide a copy of the white paper to the committee when it is complete.

Committee action

10:42:53 Rep. Skees said staff will compile the data received from feedback during the interim and include a section on findings indicating shortfalls in the resiliency of the grid and the liability concerns from transmission wires and catastrophic wildfires. He said the report can be submitted for public comment and finalized at the next meeting.

10:44:22 Brief recess

10:55:15 Reconvene

Public Service Commission Study

Introduction

10:56:12 Mr. Graff discussed the Public Service Commission (PSC) study draft report. He said he needs direction from the committee on the findings and recommendations. ([Exhibit 6](#))

Questions from the committee

10:59:39 Sen. Ellis asked Rep. Skees about the process and timing for public comments.

11:01:02 Rep. Skees asked Mr. Graff about the process.

11:01:42 Rep. Skees said the committee can bring a fine-tuned approach for the findings and recommendations at the next meeting.

11:02:14 Rep. Pope asked about including a cover letter on core values.

11:05:08 Rep. Skees said he agreed with including information on core values and adding it to the findings and recommendations. Mr. Graff agreed.

11:06:38 Rep. Skees said the committee can review the report at the next meeting.

11:07:18 Rep. Skees said committee members can email their ideas for findings and recommendations to Mr. Graff.

11:09:05 Sen. McNally asked Mr. Graff about providing summary comments to include in the findings.

11:12:20 Rep. Skees commented on the importance of the findings and recommendations part of the report and including information from notes taken during previous meetings.

11:13:07 Rep. Pope said the page listing the ETIC committee member addresses is missing information.

11:13:53 Sen. Ellis said she recommends committee member give their ideas to staff by next Friday. She said they can be posted to the website for public comment and discussed at the meeting in September.

11:14:26 Rep. Skees asked Mr. Graff about setting Friday as the deadline.

11:15:00 Mr. Graff said he will post a compilation of the ideas submitted in the form of a findings section for the committee to edit.

11:15:33 Sen. Ellis asked Mr. Graff about the deadline.

11:17:22 Rep. Skees said without objection the deadline to submit ideas to staff will be next Thursday.

Public Comment on Matters Within the Jurisdiction of the ETIC

11:18:45 Doug Hardy, Montana Electric Cooperatives' Association.

11:21:29 David Hoffman, NorthWestern Energy.

Committee Work Session

11:30:38 Rep. Skees provided instruction for committee discussion on draft legislative proposals.

PD0002

11:31:55 Mr. Graff discussed PD0002. ([Exhibit 7](#))

11:36:29 Rep. Skees asked Mr. Graff about the deadline dates.

11:37:30 Rep. Skees said the bills were discussed by the committee yesterday and modified by staff. He said the bills will require a motion from the committee to open discussion.

11:37:55 Rep. Skees opened discussion on the PD0002.

Public comment on PD0002

11:38:09 Geoff Feiss, general manager, Montana Telecommunications Association.

Committee discussion on PD0002

11:39:36 Rep. Pope

11:40:16 Mr. Graff

11:40:52 Rep. Pope

11:42:00 Sen. Ellis

11:42:36 Rep. Skees

11:42:48 Sen. Ellis

11:43:14 Rep. Skees

11:43:23 Mr. Graff

11:43:54 Rep. Skees

11:44:12 Rep. Hayman

11:45:13 Mr. Graff

11:45:50 Rep. Hayman

11:46:27 Mr. Graff

11:46:44 Rep. Hayman

11:47:13 Sen. Regier

11:47:49 Mr. Graff

11:48:14 Rep. Skees

11:48:31 Rep. Bishop

11:49:19 Mr. Graff

11:49:35 Rep. Skees

11:49:44 Sen. Regier

Motion/Vote

11:50:03 Rep. Tschida moved to put PD0002 out for public comment. The motion carried unanimously by roll call vote. ([Attachment 3](#))

11:52:04 Brief recess

11:57:17 Reconvene

PD0009

11:57:36 Mr. Graff discussed PD0009. ([Exhibit 8](#))

Public comment on PD0009

11:59:28 Mr. Hoffman.

11:59:55 Jason Brown, Montana Consumer Counsel.

Committee discussion on PD0009

12:04:04 Rep. Zolnikov

12:06:34 Rep. Pope

12:07:31 Rep. Skees

12:07:38 Mr. Graff

12:08:05 Mr. Brown

12:09:05 Mr. Hoffman

12:10:13 Rep. Pope

Motion/Vote

12:11:05 Sen. Ellis moved to put PD0009 out for public comment. The motion carried 7-3 by roll call vote. Sen. Regier, Sen. Richmond and Rep. Skees voted no. ([Attachment 4](#))

PD0008

12:12:48 Mr. Graff discussed PD0008. ([Exhibit 9](#))

Public comment on PD0008

12:18:41 Mr. Hoffman.

12:20:01 Mr. Brown.

Committee discussion on PD0008

12:24:43 Rep. Zolnikov

12:27:25 Sen. McNally

12:27:49 Mr. Graff

12:28:05 Sen. McNally

12:28:57 Rep. Skees

12:29:19 Rep. Bishop

12:30:02 Mr. Graff

12:30:18 Rep. Bishop

Motion/Vote

12:31:14 Sen. Ellis moved to put PD0008 out for public comment. The motion carried 5-4 by roll call vote. Sen. Regier, Sen. Richmond, Rep. Skees, and Rep Tschida voted no. Rep. Zolnikov abstained from voting.
[\(Attachment 5\)](#)

12:33:36 Rep. Skees

PD0010

12:33:47 Mr. Graff discussed PD0010. [\(Exhibit 10\)](#)

Public comment on PD0010

12:35:26 Mr. Hoffman.

12:37:55 Mr. Brown.

Committee discussion on PD0010

12:40:21 Rep. Zolnikov

12:40:50 Rep. Pope

12:42:09 Mr. Hoffman

12:44:25 Rep. Pope

12:45:47 Rep. Zolnikov

12:48:07 Rep. Skees

12:48:30 Mr. Brown

Committee action

12:50:24 Rep. Skees

12:51:33 Rep. Bishop

12:52:26 Rep. Skees said without a motion the committee will take no action on PD0010.

12:52:44 Sen. McNally thanked Mr. Hoffman, Mr. Brown, and staff.

12:53:15 Rep. Skees thanked staff.

Other Business/Instructions to Staff

Review of Committee Budget

12:53:50 Mr. Graff provided a review of the committee budget.

Questions from the committee

None

Review of Final Meeting Items

12:54:35 Mr. Graff said the final ETIC meeting is scheduled for September 8. He provided information for the agenda.

Questions from the committee

- 12:57:52 Rep. Skees opened discussion on the September meeting agenda.
- 12:58:15 Rep. Hayman thanked Mr. Graff for his work and requested that the meeting materials be mailed to the committee. She said she is willing to expand the September meeting to a day and a half.
- 12:59:35 Rep. Pope asked about writing a letter encouraging the PSC to prioritize energy storage. Rep. Skees said he recommends sending an email train rather than writing a letter.
- 13:03:04 Rep. Pope said he is willing to write a letter from the committee regarding energy storage. Rep. Skees agreed and said he recommends keeping the letter within the committee.
- 13:04:43 Rep. Bishop requested that the September meeting be a one-day meeting beginning at 9:00 a.m.
- 13:05:22 Rep. Skees asked Mr. Graff about having a one-day meeting and not including a discussion on electric vehicles.
- 13:06:22 Rep. Skees said he will work with Sen. Ellis and staff on the September meeting agenda.
- 13:06:58 Sen. McNally thanked Rep. Skees for his leadership.

ADJOURNMENT

- 13:07:19 Rep. Skees adjourned the meeting at 1:07 p.m.