



## Energy and Telecommunications Interim Committee

---

### 66th 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  
JAMESON WALKER, Staff Attorney  
NADINE SPENCER, Secretary

# MINUTES LOG

July 29, 2019  
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>. From the homepage, select the "Committees" drop down menu at the top, then select Administrative or Interim, and the appropriate committee. The written minutes log can be located by expanding the accordion menu, Meeting Minutes. Links to the audio/video files can be located by selecting the Video/Audio button on the same page, then the "past/current recordings" button. From here, use the calendar to select the date of the meeting you wish to view/listen to.

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

#### **COMMITTEE MEMBERS PRESENT**

REP. DEREK SKEES, CHAIR  
SEN. JANET ELLIS, VICE CHAIR

SEN. MARY MCNALLY  
SEN. KEITH REGIER  
SEN. TOM RICHMOND

REP. LAURIE BISHOP  
REP. DENISE HAYMAN  
REP. BRAD TSCHIDA  
REP. DANIEL ZOLNIKOV

#### **COMMITTEE MEMBERS EXCUSED**

REP. CHRISTOPHER POPE

## **STAFF PRESENT**

TREVOR GRAFF, Research Analyst  
JAMESON WALKER, Staff Attorney  
NADINE SPENCER, Secretary

## **VISITORS' LIST (Attachment 1)**

## **AGENDA (Attachment 2)**

## **COMMITTEE ACTIONS**

The Energy and Telecommunications Interim Committee (ETIC):

- Adopted the rules, procedures and guidelines for the 2019-20 interim;
- Elected Rep. Derek Skees as chair and Sen. Janet Ellis as vice chair.

## **CALL TO ORDER AND ROLL CALL**

09:01:01 Sen. Regier called the meeting to order at 9:01 a.m. The secretary called the roll.  
(Attachment 3) Rep. Pope was excused and gave his proxy to Rep. Bishop.  
(Attachment 4)

## **Introductions of Committee Members and Staff**

09:02:01 Sen. Regier  
09:02:22 Rep. Tschida  
09:02:51 Sen. Richmond  
09:03:27 Jameson Walker, staff attorney, Legislative Services Division (LSD)  
09:03:52 Nadine Spencer, committee secretary, LSD  
09:04:09 Trevor Graff, research analyst, LSD  
09:04:18 Sen. Regier  
09:04:41 Sen. McNally  
09:05:14 Rep. Skees  
09:05:49 Sen. Regier asked Rep. Skees about the Legislative Energy Horizon Institute.  
(LEHI)  
09:06:36 Rep. Bishop  
09:07:14 Sen. Ellis  
09:08:06 Rep. Zolnikov  
09:08:39 Rep. Hayman  
09:09:38 Sen. Regier

## **ADMINISTRATIVE MATTERS**

### **Purpose of the ETIC & Statutory Duties**

09:10:27 Mr. Graff gave a PowerPoint presentation on the purpose and statutory duties of the ETIC. (Exhibit 1)  
09:13:43 Mr. Graff said the committee received a copy of the rules, procedures and guidelines for interim committees that was approved by Legislative Council (Exhibit 2) and a copy of the public comment guidelines. (Exhibit 3)  
09:20:46 Mr. Graff provided information on the election of ETIC officers and said the committee received a copy of the chair and vice chair history. (Exhibit 4)

### **Adoption of Rules & Procedures**

- 09:22:41 Sen. Regier open discussion on the rules, procedures, and guidelines and asked Mr. Graff about the appointment of two additional representatives to the ETIC and changes in voting because there is not equal representation from both chambers.
- 09:25:05 Sen. Regier asked Mr. Graff about proxy votes.
- 09:25:22 Rep. Bishop asked Mr. Graff about written proxies.

### **Motion**

- 09:26:21 Sen. Richmond moved to adopt the rules, procedures, and guidelines, as presented, for the 2019-20 interim.

### **Discussion on the Motion**

- 09:26:30 Sen. McNally

### **Motion**

- 09:27:03 Sen. McNally moved to amend the motion to require a simple majority vote by committee members.

### **Discussion on the Motion**

- 09:27:50 Rep. Skees
- 09:28:24 Sen. Regier
- 09:28:50 Rep. Hayman
- 09:29:04 Sen. Regier
- 09:29:22 Mr. Graff restated the motion.

### **Vote**

- 09:29:42 The motion carried 8-2 by roll call vote. Sen. Regier and Sen. Richmond voted no. Rep. Pope voted "aye" by proxy. ([Attachment 5](#))

### **Vote**

- 09:30:43 The motion to approve the rules, procedures, and guidelines, as amended, carried unanimously by voice vote. Rep. Pope voted "aye" by proxy.
- 09:31:07 Sen. Regier asked Mr. Graff about any other rules or procedures.
- 09:31:30 Rep. Skees asked about travel by committee members and one-day versus two-day meetings.
- 09:32:08 Sen. Regier
- 09:32:15 Rep. Skees
- 09:32:57 Sen. Regier
- 09:33:39 Rep. Zolnikov
- 09:34:07 Sen. Regier
- 09:34:16 Rep. Bishop
- 09:34:37 Sen. Regier

### **ELECTION OF ETIC PRESIDING OFFICER AND VICE-PRESIDING OFFICER**

- 09:35:14 Sen. Regier

### **Motion**

09:35:26 Rep. Zolnikov nominated Rep. Skees as chairman.

09:35:42 Sen. Regier asked about other nominations.

### **Discussion on the Motion**

09:35:50 Sen. McNally

### **Vote**

09:36:09 There were no other nominations and Rep. Skees was designated as chairman.

### **Motion/Vote**

09:36:20 Sen. McNally nominated Sen. Ellis as vice chair of the ETIC. There were no other nominations and Sen. Ellis was designated as vice chair.

09:38:06 Rep. Skees assumed the role as chair.

### **INTRODUCTION AND REVIEW OF INTERIM WORK PLAN OPTIONS**

09:39:12 Rep. Skees opened discussion on the ETIC work plan. ([Exhibit 5](#))

### **Work Plan Option Matrix Introduction**

09:39:18 Mr. Graff provided information on the work plan.

09:41:21 Mr. Graff discussed the HJ 12 study (2019).

09:43:20 Rep. Zolnikov asked about the HJ 38 study (2019). Mr. Graff said the study was assigned to the Environmental Quality Council (EQC) and the ETIC will receive updates at its meetings from EQC staff.

09:44:10 Rep. Skees said the committee may decide to dedicate time for input on the HJ 38 study if there are any deficiencies related to the energy component.

09:45:01 Rep. Hayman commented on HJ 12, option A, and the benefit of a panel discussion on the state of the grid.

09:45:46 Rep. Skees said he recommends waiting on making any decisions until after getting an overview of all of the options and hearing public comment.

09:46:24 Mr. Graff commented on looking at transmission capacity in the state.

09:47:00 Mr. Graff discussed the additional topics for ETIC study and the review of the Public Service Commission (PSC).

09:48:30 Sen. McNally commented on the importance of ETIC's oversight duties and review of the PSC.

09:49:14 Sen. Richmond said he agreed and requested a list of the bills drafted during the 2019 legislative session to determine if there is anything the ETIC should consider during the interim. Rep. Skees ask staff to provide the list of bills ([Exhibit 6](#)) and said he recommends that the committee consider option A or B.

09:51:16 Mr. Graff discussed the study to analyze the use of energy storage technology for grid firming in the state.

09:52:11 Rep. Skees commented on the order of the work plan review.

09:52:30 Mr. Graff discussed programmatic review and ETIC's oversight authority.

09:53:26 Sen. Ellis asked Mr. Graff about ETIC's statutory obligations and the programmatic review of the PSC.

09:54:18 Sen. McNally asked Mr. Graff if the PSC has made any requests for the ETIC to look at any aspects of their program during the interim.

09:54:45 Mr. Graff discussed ETIC's statutory duties.

09:56:54 Sen. Regier asked Mr. Graff about the difference in the number of FTE for the options related to reviewing the state energy policy.

09:57:51 Sen. Regier asked Mr. Graff about the minimum number of FTE needed for statutory obligations.

09:58:34 Sen. McNally asked Mr. Graff about overlap in the work plan.

09:59:08 Rep. Skees commented on guidelines for assigning FTE in the work plan.

09:59:50 Sen. Richmond said he recommends including in the state energy policy review an update on the recommendations from the governor's Montana Climate Solutions Council. Rep. Skees agreed. Mr. Graff said he can include an update from the council as an agenda item.

10:03:08 Sen. Richmond said he would also like to have an analysis of what was done in the past.

10:04:20 Rep. Skees said he would like to know what statutory authority the governor has to create the council and what statutory authority has been given to the council to enact their solutions or ideas. Mr. Graff said he can have the council present at a future meeting and will get information on the legislative history, rules, and authority.

10:05:04 Sen. Regier said the ETIC can also request minutes from the council meetings.

10:05:25 Rep. Skees agreed and said the committee can decide later if it wants to include the topic in the work plan.

10:05:33 Rep. Bishop said she recommends including information on the closure of Colstrip Units 1 and 2, looking at decoupling, and the potential of NorthWestern Energy (NWE) joining other markets.

10:07:14 Rep. Skees said some of the items are included in the work plan and can be discussed this afternoon.

10:07:38 Sen. Ellis said NWE is looking at joining an energy imbalance market and recommended a panel discussion to understand what that means.

10:08:18 Rep. Zolnikov said he recommends getting information from different industries regarding the pros and cons of energy development.

10:10:12 Mr. Graff discussed updating the handbook *A Citizens Guide to Montana Energy Law*.

10:11:05 Mr. Graff said Rep. Pope is interested in looking at issues with electric vehicles and that the study is included in the Transportation Interim Committee work plan. Mr. Graff said the ETIC can provide insight on utility regulation and since he is working on the study he will keep the committee updated. Rep. Skees agreed.

10:12:17 Rep. Hayman asked Mr. Graff if it will include information on the Volkswagen settlement for recharging stations across the state.

10:13:58 Mr. Graff discussed the work plan timeline and proposed ETIC meeting dates.

10:16:02 Rep. Skees opened discussion on the ETIC meeting dates.

10:16:12 Rep. Bishop

10:16:37 Rep. Skees

10:16:47 Sen. McNally

10:17:04 Rep. Tschida

10:17:30 Rep. Skees

10:17:34 Mr. Graff

10:18:01 Rep. Skees  
10:18:27 Sen. Regier  
10:19:11 Sen. McNally  
10:19:53 Rep. Skees  
10:20:44 Sen. McNally  
10:20:52 Mr. Graff  
10:21:22 Rep. Skees

Public comment:

10:22:11 Mark Reller, Montana liaison, Bonneville Power Administration (BPA).  
10:23:49 Jeff Fox, Montana policy manager, Renewable Northwest.

Questions from the committee:

10:25:35 Sen. McNally asked Mr. Reller about participation by BPA.  
10:26:28 Rep. Hayman asked Mr. Reller about the current financial status of BPA and how it affects operating in the region.  
10:27:59 Rep. Skees asked Mr. Reller about the September meeting date.  
10:29:00 Sen. Ellis asked Mr. Graff about the memo regarding the evaluation of programs within the PSC and if they should be included in the work plan. **(Exhibit 7)**  
10:29:43 Rep. Skees asked Mr. Graff about the programmatic review and evaluation of the PSC. Mr. Graff discussed the program evaluation descriptions and time estimates. **(Exhibit 8)**  
10:31:18 Recess  
10:45:19 Reconvene

**ENERGY POLICY OVERVIEW - STATUTORY DUTIES**

10:46:19 Mr. Graff provided an overview of the state's energy policy. **(Exhibit 9)**

Public Comment:

10:51:48 Patricia Ames, citizen.  
10:55:35 Rep. Skees provided guidelines for public comment and the rules of decorum.  
10:56:15 Rep. Zolnikov said members of the public should not call out individual legislators in their comments. Rep. Skees agreed.

Questions from the committee:

10:57:09 Sen. Regier asked Ms. Ames about NWE's policy on rooftop solar.  
10:58:01 Sen. Regier asked Ms. Ames if she knew the amount of return NWE shareholders are receiving on their investment.  
10:58:25 Sen. Regier asked Ms. Ames if she was aware that NWE purchased hydropower dams and asked if she considers hydropower a renewable energy resource.  
10:59:19 Rep. Hayman said the rate of return for NWE shareholders is 8.9 percent.  
10:59:40 Rep. Tschida commented on items in the Montana Code Annotated (MCA) regarding the state energy policy.  
11:01:59 Rep. Skees said, without objection, today's review of the state energy policy satisfies the 0.002 FTE required by statute.

## **ADMINISTRATIVE RULE REVIEW**

### **Introduction**

- 11:02:37 Mr. Walker provided an overview of administrative rulemaking and rule review. **(Exhibit 10)**
- 11:16:24 Mr. Walker said there are no rules currently pending before the ETIC.

### Public comment:

- 11:17:23 Debra Wolfe, part owner, Holmberg Village Water Company LLC, Glacier Point Water and Sewer LLC.

### Committee questions and discussion:

- 11:18:38 Sen. Regier asked Mr. Walker if there is anything outside of individual involvement that the primary sponsor of legislation can do to challenge an administrative rule.
- 11:19:29 Sen. Ellis asked Mr. Walker about the two agencies that ETIC has oversight of.
- 11:20:34 Rep. Skees responded to Ms. Wolfe's comments regarding small water and sewer utility regulation.
- 11:22:06 Sen. Regier asked Rep. Skees about the process of the bill he sponsored during the 2019 legislative session to revise small water and sewer utility regulation.

## **ENVIRONMENTAL QUALITY COUNCIL UPDATE**

- 11:22:36 Joe Kolman, director, Legislative Environmental Policy Office, LSD, provided information on the EQC and the studies assigned for the 2019-20 interim. He said the Council will look at chronic wasting disease and will meet in Libby in September.
- 11:29:57 Rep. Skees said the ETIC has concerns about HJ 38 and looks forward to the reports from the Council.

## **PSC OVERVIEW**

- 11:30:22 Brad Johnson, chairman, PSC, provided an overview of commission activity.
- 11:30:49 Mr. Johnson discussed the results of the bills that were passed during the 2019 legislative session.
- 11:33:12 Mr. Johnson discussed the Public Utilities Regulatory Policy Act (PURPA).
- 11:36:12 Justin Kraske, chief legal counsel, PSC, provided information on pending litigation before the PSC.
- 11:39:14 Mr. Johnson provided information on recent PSC dockets.
- 11:42:25 Mr. Johnson discussed small water and sewer utility regulation.
- 11:44:57 Mr. Johnson provided an overview of railroad and pipeline safety.

### Public comment:

- 11:46:47 Laxmi von Hoffmann
- 11:49:18 Marta Meengs, Missoula
- 11:52:25 John Woodland, Superior
- 11:59:18 Rep. Mary Ann Dunwell, HD 84, member, Legislative Consumer Committee

Questions from the committee:

- 12:00:31 Rep. Zolnikov asked Rep. Dunwell if there is a strategic plan for oversight of the Montana Consumer Counsel.
- 12:01:54 Sen. Regier asked Ms. von Hoffmann about reimbursement for the extra energy produced from her rooftop solar panels.
- 12:03:07 Rep. Bishop asked Mr. Johnson about the response from the PSC regarding recent Supreme Court decisions on QF contracts.
- 12:10:51 Sen. McNally asked Mr. Johnson about the language in the Supreme Court decisions on QF contracts.
- 12:13:12 Sen. McNally asked Mr. Johnson about the Montana Sun project.
- 12:14:26 Sen. McNally redirected her question to Mr. Kraske.
- 12:15:00 Sen. McNally asked Mr. Johnson about the PSC's support for SB 331 (2019).
- 12:18:31 Sen. McNally said she is concerned about the lack of regulatory oversight going forward.
- 12:19:16 Rep. Hayman asked Mr. Johnson about wind and solar generation and battery storage.
- 12:22:10 Sen. Ellis asked Mr. Johnson about the pipeline safety inspections that are behind schedule.
- 12:24:07 Rep. Skees thanked Mr. Johnson.
- 12:24:53 Recess for lunch at 12:24 p.m.
- 13:32:16 Reconvene at 1:32 p.m.

## **COLSTRIP CLOSURE REVIEW**

### **Introduction**

- 13:32:36 Sonja Nowakowski, research director, LSD, and research analyst assigned to HJ 38 (2019), provided an introduction and said members of the ETIC requested an agenda item to discuss the closure of Colstrip Units 1 and 2.
- 13:34:39 Ms. Nowakowski provided information on the owners of Colstrip Units 1 and 2. **(Exhibit 11)**
- 13:35:01 Ms. Nowakowski said the owners of Colstrip Units 3 and 4 provided a letter to the committee. **(Exhibit 12)**
- 13:36:27 Ms. Nowakowski provided a memo from the Department of Environmental Quality (DEQ) outlining clean up costs. **(Exhibit 13)**
- 13:36:59 Ms. Nowakowski said she will be tracking the remediation plan and work with the DEQ to keep the committee updated.
- 13:37:17 Ms. Nowakowski introduced the panel members.

### **Panel Discussion**

- 13:38:21 Dale Lebsack, president, Talen Montana
- 13:46:18 Ron Roberts, director, Generation and Natural Gas Storage, Puget Sound Energy (PSE)
- 13:48:47 David Hoffman, director, Government Relations and External Affairs, NWE **(Exhibit 14)**

### **Public comment:**

- 13:57:02 Anne Hedges, Montana Environmental Information Center.



Questions from the committee:

- 13:59:44 Sen. Regier said that PSE will lose 300 megawatts of energy by the end of the year and asked Mr. Roberts how PSE will replace it.
- 14:00:39 Sen. Regier asked Mr. Roberts about PSE's energy projects.
- 14:01:07 Sen. Regier asked Mr. Roberts about reliability in the future.
- 14:02:05 Sen. Regier asked Mr. Roberts about rate changes for ratepayers in Seattle.
- 14:02:23 Rep. Zolnikov asked about Montana's transmission lines and why they are set-up to export not import. Mr. Hoffman said it was the way the system was designed.
- 14:03:19 Rep. Hayman asked Mr. Lebsack about the lawsuit with PPL Montana.
- 14:06:03 Rep. Hayman asked Mr. Lebsack about Talen's retail customers after Units 1 and 2 are closed.
- 14:08:33 Rep. Hayman asked Mr. Lebsack about the contract with Westmoreland Resources.
- 14:10:42 Sen. Regier asked Ms. Hedges how the "market" is affecting the closure of Colstrip.
- 14:12:58 Rep. Bishop asked Mr. Lebsack about Talen's commitment to contribute to a fund for the community of Colstrip.
- 14:17:14 Mr. Roberts clarified PSE's commitment to the Colstrip community.
- 14:18:08 Sen. Ellis asked Mr. Lebsack about Talen's commitment for long-term clean up at Colstrip.
- 14:22:35 Sen. Ellis asked Mr. Lebsack about bonding and clean up costs.
- 14:25:22 Sen. Ellis asked Mr. Lebsack if Units 1 and 2 can be restarted after they are retired.
- 14:27:31 Rep. Skees asked Mr. Roberts if PSE is investing in any renewable energy projects in Montana to make up for its energy shortfall after Units 1 and 2 are closed.
- 14:28:26 Rep. Skees asked Mr. Lebsack the same question.
- 14:29:44 Rep. Skees asked Mr. Roberts if there are any laws in Washington and Oregon that make it difficult to purchase power from Units 3 and 4.
- 14:30:35 Rep. Skees asked Mr. Lebsack the same question.
- 14:31:06 Rep. Skees asked Mr. Hoffman if NWE will have to purchase power off the market to make up for the power shortfall after the Colstrip units are closed.
- 14:32:39 Rep. Skees asked what percentage of the transmission lines coming out of Colstrip Units 1 and 2 are owned and what will happen to those shares.
- 14:33:09 Mr. Roberts
- 14:34:11 Mr. Lebsack
- 14:34:31 Sen. Ellis asked Mr. Roberts about the potential for exporting renewable resources on the transmission lines coming out of Colstrip.
- 14:36:15 Rep. Tschida asked Mr. Hoffman about the Name Plate capacity for solar and wind energy.
- 14:38:38 Rep. Bishop asked Mr. Lebsack about transmission expenses and the impact of NWE's rate increases.
- 14:40:06 Rep. Bishop provided an opportunity for Mr. Hoffman to respond.
- 14:40:32 Rep. Zolnikov asked Mr. Roberts about PSE's role in legislative policy in Washington state.
- 14:41:14 Rep. Skees thanked the panelists for their participation and asked about committee action.

14:41:31 Brief recess  
14:43:36 Reconvene

## **NORTHWESTERN AND MDU RATE CASE OVERVIEWS**

### **Introduction**

14:43:51 Mr. Graff provided an introduction for the update on the timeline and process of NWE and Montana Dakota Utility (MDU) rate cases.

### **PSC Overview**

14:44:18 Robin Arnold, policy analyst, PSC, provided an overview of MDU's rate case.

14:47:31 Ms. Arnold provided an overview of NWE's rate case.

14:55:49 Sen. McNally requested a copy of Ms. Arnold's testimony. Rep. Skees asked Ms. Arnold to email a copy to staff. **(Exhibit 15)**

Public comment: None

Questions from the committee:

14:56:22 Rep. Bishop asked Ms. Arnold about the opportunity for public comment.

14:58:01 Sen. McNally asked Mr. Hoffman about the original request for NWE's revenue increase.

15:00:38 Rep. Skees asked about committee action.

## **MONTANA ENERGY INFORMATION**

15:00:57 Mr. Graff provided an introduction and said the agencies will introduce themselves.

### **Bonneville Power Administration**

15:01:29 Mark Reller, Montana liaison, BPA

### **Consumer Counsel**

15:02:01 Bob Nelson, Montana Consumer Counsel (MCC)

### **DEQ Energy Bureau**

15:05:41 Laura Rennick, Energy Bureau chief, DEQ

### **Northwest Power and Conservation Council**

15:07:14 Brian Dekiep, senior policy analyst, Northwest Power and Conservation Council (NWPPCC)

### **Public Service Commission**

15:08:48 Will Rosquist, Regulatory Division administrator and supervisor, Economic and Rate Design workgroup, PSC

Public comment:

15:10:52 Debra Wolfe, part owner, Holmberg Village Water Company, Glacier Point Water and Sewer LLC.

Questions from the committee:

- 15:12:49 Rep. Zolnikov asked Mr. Nelson about the MCC and why the PSC is working in an advocacy role rather than relying on the MCC.
- 15:15:40 Rep. Zolnikov asked Mr. Nelson about HB 597 (2019) and the long-term strategic plan for the MCC.
- 15:18:12 Sen. Regier asked Mr. Dekiep about his role with the NWPC.
- 15:18:44 Sen. Regier asked Mr. Dekiep if the NWPC has discussed or taken action on aquatic invasive species (AIS).
- 15:19:10 Rep. Hayman asked Mr. Dekiep about NWPC's oversight and the impact from the way different states in the west are changing their energy sources.
- 15:22:54 Sen. Regier asked Mr. Reller about any action taken by BPA on AIS.
- 15:25:28 Sen. Regier asked Mr. Reller about funding for AIS.
- 15:25:51 Sen. Regier asked Mr. Reller if AIS has been successfully eradicated in any part of the country.
- 15:26:25 Sen. Ellis asked Mr. Nelson about public interaction with the MCC.
- 15:28:47 Sen. Ellis asked Mr. Nelson about the NWE rate case hearings.

## **INTRODUCTION TO USB - STATUTORY DUTIES**

### **Introduction and Numbers**

- 15:31:36 Mr. Graff gave a PowerPoint presentation on the USB program and the total obligations in 2018. **(Exhibit 16)**
- 15:43:01 Mr. Graff said the Northwest Energy Coalition filed challenges to the large customer USB claims to the Department of Revenue (DOR). He said the committee received a copy of the challenge and the DOR response. **(Exhibit 17)**
- 15:43:25 Mr. Graff said it is the statutory duty of the ETIC to review the USB program and if necessary submit recommendations regarding any needed changes.

Public comment:

- 15:44:52 Diego Rivas, senior policy associate, Northwest Energy Coalition (NWE). **(Exhibit 18)**
- 15:47:29 Mr. Rivas said the committee received a copy of a letter from the University of Montana responding to NWE's challenge. **(Exhibit 19)**
- 15:49:34 Doug Hardy, Montana Electric Cooperatives' Association, (MECA).
- 15:49:58 Brian Kerns, utility engineer, University of Montana

Questions from the committee:

- 15:52:14 Rep. Zolnikov asked Mr. Rivas about clarifying language in statute.
- 15:52:51 Sen. Ellis asked Mr. Hardy about the report from MECA. **(Exhibit 20)** Sen. Ellis redirected her question to Mr. Graff.
- 15:53:53 Sen. McNally thanked Mr. Rivas for his efforts. Rep. Skees agreed.
- 15:54:34 Rep. Skees asked Mr. Graff about market transformations and what the money is spent on. Rep. Skees redirected his question to Mr. Hardy.
- 15:56:01 Rep. Skees asked Deb Martin Young, NWE, to respond to the same question.
- 15:57:14 Rep. Skees asked Ms. Martin Young for an example of a market transformation and the amount of money spent on the item. **(Exhibit 21)**
- 15:59:27 Rep. Skees asked Ms. Martin Young if any money raised by Montana ratepayers is spent out-of-state.

16:00:48 Sen. Ellis asked why the DOR can only request more information if there is a challenge. Mr. Rivas said it is because it is in statute.

### **ADOPTION OF WORK PLAN OPTIONS**

16:02:10 Rep. Skees provided his recommendations for the work plan as .4 FTE on the HJ 12 study, .4 FTE on the review of the PSC, and .2 FTE on statutory duties.

16:02:51 Mr. Graff

16:03:18 Rep. Zolnikov asked about energy storage.

16:04:50 Sen. McNally

16:05:06 Mr. Graff

16:06:00 Sen. Ellis

16:07:48 Mr. Graff

16:08:39 Sen. Ellis

16:09:29 Sen. McNally

16:10:07 Rep. Bishop

16:10:55 Mr. Graff

16:11:47 Sen. McNally

16:12:10 Sen. Regier

16:12:39 Rep. Skees amended his recommendation to put .4 FTE on the HJ 12 study, .4 FTE on the review of the PSC, .055 FTE on energy storage, and .145 FTE on statutory duties.

16:13:19 Sen. Richmond asked about monitoring the climate change panel.

16:13:39 Mr. Graff

16:14:04 Sen. Richmond

16:14:30 Sen. McNally said she recommends including the energy imbalance market.

16:15:27 Sen. Richmond agreed and asked if a presentation by stakeholders is included in the work plan.

16:15:56 Mr. Graff

16:16:46 Rep. Skees said the committee wants to include in its work plan information on the closure of Colstrip, the Montana Climate Solutions Council, the energy imbalance market, electric vehicle issues, and bonding for energy facilities.

16:17:54 Mr. Graff

16:18:01 Sen. McNally said she would also like information on PSC rate cases.

16:18:25 Rep. Skees

16:18:30 Mr. Graff

16:18:45 Rep. Skees provided his recommendations for the work plan FTE.

16:19:35 Mr. Graff said he recommends putting .025 FTE on topics of the day.

16:20:13 Rep. Zolnikov asked about including a review of the election of PSC commissioners.

16:21:06 Mr. Graff asked about the focus for the review of the PSC.

16:21:46 Rep. Zolnikov

16:22:38 Rep. Bishop

16:23:34 Sen. Richmond

16:24:38 Rep. Zolnikov

16:25:00 Sen. Richmond

16:25:44 Sen. Regier

16:26:06 Rep. Skees

16:26:47 Sen. McNally

16:27:06 Rep. Skees  
 16:29:01 Rep. Zolnikov  
 16:29:39 Rep. Tschida  
 16:29:51 Rep. Skees  
 16:29:58 Rep. Tschida  
 16:30:06 Rep. Skees  
 16:30:15 Mr. Graff  
 16:31:50 Rep. Skees  
 16:31:59 Sen. McNally  
 16:33:38 Mr. Graff  
 16:34:27 Sen. Ellis  
 16:34:58 Sen. Richmond  
 16:35:34 Rep. Zolnikov  
 16:36:39 Rep. Skees  
 16:37:24 Sen. McNally  
 16:38:01 Rep. Skees  
 16:38:10 Rep. Hayman  
 16:38:49 Rep. Tschida  
 16:39:49 Sen. Richmond  
 16:40:54 Rep. Zolnikov  
 16:41:31 Mr. Graff provided a summary for the review of the PSC.  
 16:43:32 Sen. McNally  
 16:43:57 Mr. Graff  
 16:44:14 Rep. Skees said the committee can tentatively put .4 FTE on the HJ 12 study, .4 FTE on the review of the PSC, .055 FTE on energy storage, .145 FTE on statutory duties and finalize the work plan in September.  
 16:45:24 Mr. Graff  
 16:46:28 Rep. Skees asked about the focus for the HJ 12 study.  
 16:47:19 Mr. Graff  
 16:47:47 Rep. Bishop  
 16:48:30 Rep. Skees  
 16:48:39 Rep. Tschida  
 16:49:11 Rep. Skees  
 16:49:19 Mr. Graff asked about the agenda item for HJ 12 in September.  
 16:49:37 Rep. Skees

**Adoption of Calendar**

16:49:59 Rep. Skees  
 16:50:09 Rep. Bishop  
 16:50:36 Rep. Skees  
 16:51:31 Mr. Graff  
 16:51:52 Rep. Skees  
 16:52:05 Rep. Bishop  
 16:52:29 Rep. Skees said the committee will meet on September 23.  
 16:52:57 Mr. Graff asked about the rest of the interim calendar.  
 16:53:09 Rep. Skees  
 16:53:26 Sen. Ellis  
 16:53:53 Mr. Graff

16:54:06 Rep. Skees  
16:54:26 Mr. Graff  
16:54:49 Rep. Skees  
16:54:59 Sen. McNally  
16:55:35 Rep. Skees  
16:55:38 Mr. Graff  
16:56:11 Rep. Skees  
16:56:18 Mr. Graff  
16:56:36 Rep. Skees  
16:56:50 Sen. Regier  
16:57:02 Mr. Graff  
16:57:27 Sen. Ellis  
16:57:57 Rep. Skees  
16:58:36 Mr. Graff  
16:58:47 Rep. Skees  
16:59:03 Mr. Graff  
17:00:01 Rep. Skees  
17:01:16 Mr. Graff  
17:01:20 Rep. Skees

**PUBLIC COMMENTS ON MATTERS WITHIN THE JURISDICTION OF THE ETIC**

None

**ADJOURN**

17:02:13 Rep. Skees adjourned the meeting at 5:02 p.m.

CI0099 9218nsxa.