

Energy and
Telecommunications
Interim Committee

2021-
2022

Draft Work Plan
for the 2021-22
Interim



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2021-22 ETIC WORK PLAN

INTRODUCTION

This is the work plan for the Energy and Telecommunications Interim Committee (ETIC) for the 2021- 22 interim. This document is meant to be comprehensive, yet flexible. Invariably, topics of interest will rise and fall away during the next 14 months. The work plan approved by the committee is designed to provide direction to staff.

The ETIC has broad oversight over a range of energy and telecommunication-related topics in Montana. The committee conducts interim studies as assigned by the Legislative Council or selected by members and reviews the administrative rules proposed by the Public Service Commission (PSC).

COMMITTEE PROCEDURES AND PUBLIC PARTICIPATION

The ETIC will operate under the Rules, Procedures, and Guidelines for Interim Committees adopted by the Legislative Council. As required by law, 10 day advance public notice will be given for all meetings and the public will be given an opportunity to comment on any matter that is within the jurisdiction of the committee. The Presiding Officer may establish time limits for public comments, if necessary. Interested persons may be added to the mailing list by visiting the ETIC website. By visiting the website, interested persons may sign up for electronic meeting notifications. Agendas, memos, links and other information can be found on the ETIC website: www.leg.mt.gov/etic.

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HOW ETIC PLANS ITS WORK

The ETIC establishes a work plan at the beginning of the interim. The work plan and the accompanying work plan decision matrix are decision-making tools to help the committee set priorities and decide how and where to spend the committee's time and resources. The committee's presiding officer, in consultation with the committee, works with staff to determine specific agenda items.

The primary constraints limiting the agenda for the interim are the number of issues that can be effectively addressed within the available time and resources of the committee and staff. However, the work plan is constructed with enough flexibility to accommodate emerging topics.

This work plan is a road map for the 2021-22 interim. Staff develops detailed plans and timetables for each task. A work plan timeline, which illustrates the overall schedule that these work plans will fit, is summarized on page 8 and specified beginning on page 11 of this document.

WHAT DOES STATUTE REQUIRE?

The ETIC draws its statutory responsibilities from six sources:

- I. Source/authority:** 5-5-215, MCA. General duties of all interim committees.
5-5-230, MCA. ETIC oversight

"The Energy and Telecommunications Interim Committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of Public Service regulation and the Public Service Commission."

As applied to the ETIC, statutes require the committee to:

1. **Conduct interim studies** as assigned. The committee may recommend to the Legislative Council that a study be assigned to another committee or not be conducted.
2. **Review administrative rules** of the Department of Public Service Regulation (DPSR) and the Public Service Commission (PSC).
3. **Review legislation** proposed by DPSR or the PSC. Bills requested by an individual member of the Legislature are not subject to this requirement.
4. **Complete additional statutory duties** including reviewing and revising the state energy policy, reviewing universal system benefits programs, receiving an update on hydroelectric power development, receiving a report on the use of renewable energy credits in Montana, receiving a report on geothermal activities in Montana, and receiving a report on high-performance buildings.
5. **Monitor the operation of the DPSR and PSC** with specific attention to the following:
 - a. identification of issues likely to require future legislative attention;
 - b. opportunities to improve existing law through the analysis of problems; and

WHAT DOES ETIC DO?

Conducts interim studies

Monitors agencies

Reviews administrative rules

Reviews reports

Determines policy to examine

Proposes and reviews legislation

c. experiences of Montana's citizens with the operation of the agency that may be amenable to improvement through legislative action.

6. **(Committee driven):** Prepare bills and resolutions that, in the Committee's opinion, the welfare of the state may require for presentation to the next regular session.

7. **(Committee driven):** Compile, analyze, and furnish information bearing upon the Committee's assignment and relevant to existing or prospective legislation that the Committee determines to be pertinent to the adequate completion of its work.

II. Source/authority: 90-4-1003, MCA.

Requires the ETIC to "review the state energy policy and, if determined necessary by the committee, discuss at future meetings issues to be included in a revised policy and recommend potential changes". In 2009, the Legislature passed and approved SB 290, which required the ETIC to review the state's energy policy in-depth and examine nine specific topics. The ETIC, at its first meeting of the interim, is also required to review the energy policy and determine if potential revisions should be discussed at future interim meetings.

III. Source/authority: 69-8-402, MCA.

Requires the ETIC to "review the universal systems benefits programs, and, if necessary, submit recommendations regarding these programs."

Public utilities and cooperative utilities are required to submit an annual summary report of universal system benefits programs to the ETIC for review. The 2015 Legislature expanded this authority by adopting SB 312. The changes in statute require the ETIC to review large customer reports and compare that information to utility reports to address potential discrepancies in reporting.

IV. Source/authority: 90-3-1301, MCA.

Requires the Bureau of Mines and Geology, prior to each legislative session, to update the ETIC on geothermal research conducted by the Bureau and funding received by the Bureau for geothermal research.

V. Source/authority: 85-1-501, MCA.

Requires the Department of Natural Resources and Conservation, prior to the end of each interim, to update the ETIC on studies it has done to review the economic and environmental feasibility of constructing and operating small-scale hydroelectric power generating facilities on each of the water projects under its control.

VI. Source/authority: 17-7-214, MCA.

Requires the Department of Administration in conjunction with the university system to update the ETIC on the use of the high-performance building program. The report must include an overview of use of the voluntary program and actual or estimated savings.

VII. Source/authority: House Bill No. 61, 2017.

HB 61, in the 2017 session, required the Department of Administration to report on the award and disbursement of next-generation 9-1-1 grants. The grants are intended to 9-1-1 infrastructure improvements. The statutory requirement for the related statutes now found in Title 10, Chapter 4, MCA, expired during the 2019-20 interim. ETIC members at the time asked the department to continue providing the report.

Work Plan: The committee will choose its course of work from options included in the supplemental decision matrix document.

STATUTORY DUTIES AND OBLIGATIONS

<p>Review State Energy Policy</p>	<p>0.25 FTE</p> <ul style="list-style-type: none"> ▪ In-depth review of energy policy and discussion of changes to policy ▪ Involve public and agencies in reviewing specific aspects of existing energy policy or additional policy areas ▪ Explore energy export markets <p>Deliverables:</p> <ul style="list-style-type: none"> ▪ Report discussing specific aspects reviewed by committee ▪ Potential legislation 	<p>0.002 FTE</p> <ul style="list-style-type: none"> ▪ Review existing energy policy as required by statute. ▪ Provide for public input on policy <p>Deliverables:</p> <ul style="list-style-type: none"> ▪ Summary of public comment received and of ETIC discussion
<p>Review Administrative Rules</p>	<p>0.03 FTE</p> <ul style="list-style-type: none"> ▪ Staff provides ETIC copies of notices for the adoption of rules on all ETIC subjects (Members to inform staff or Chair if they want more information) ▪ Committee requests that it be copied on notification letters that the DPSR and/or PSC is sending to legislators who were primary sponsors of laws that the agency is now promulgating rules for ▪ Committee attorney monitors and provides synopses of rules or subjects 	<p>0.02 FTE</p> <ul style="list-style-type: none"> ▪ Staff provides ETIC copies of notices for the adoption of rules on certain ETIC subjects (Members to inform staff or Chair if they want more information) ▪ Committee requests that it be copied on notification letters that the DPSR and/or PSC is sending to legislators who were primary sponsors of laws that the agency is now promulgating rules for
<p>Review Agency Legislation</p>	<p>0.005 FTE</p> <ul style="list-style-type: none"> ▪ Committee reviews proposals from the DSPR and/or PSC and decides if staff should draft legislation for preintroduction 	
<p>Monitor PSC Activities</p>	<p>0.05 FTE</p> <ul style="list-style-type: none"> ▪ Monitor or investigate aspects of PSC programs 	<p>0.03 FTE</p> <ul style="list-style-type: none"> ▪ Monitor or investigate aspects of a program, if and when E
<p>Review Utility USB Reports</p>	<p>. 1 FTE</p> <ul style="list-style-type: none"> ▪ All of Option B ▪ Analysis of USB program ° ▪ Analysis of large customer reports ▪ Panel discussions <p>Deliverables:</p> <ul style="list-style-type: none"> ▪ Potential legislation ▪ Final report with alternatives and recommendations 	<p>0.03 FTE</p> <ul style="list-style-type: none"> ▪ Committee reviews utility reports and decides if any comm public comment <p>Deliverables:</p> <ul style="list-style-type: none"> ▪ Potential legislation

Review Geothermal Research	0.002 FTE <ul style="list-style-type: none"> ▪ ° Committee reviews Bureau of Mines and Geology reports and decides if any comments are needed and if staff should assist 	
Review Hydroelectric Projects	0.002 FTE <ul style="list-style-type: none"> ▪ Committee reviews DNRC reports related to hydroelectric potential at state-owned facilities 	
Review high-performance building program	0.002 FTE <ul style="list-style-type: none"> ▪ Committee reviews DOA reports related to the use of the high-performance building program 	
Review next generation 9-1-1 grant program	<ul style="list-style-type: none"> ▪ 0.002 FTE ▪ Committee receives report from DOA on efforts to distribute grants for next-generation 9-1-1 infrastructure 	

3 studies assigned to ETIC:

SJ 3	Study of advanced nuclear reactors
SJ 33	Study of Montana Electric Grid Capacity
HJ 48	Study of Facial Recognition Technology

INTERIM STUDIES

The Legislative Council referred three studies passed by the 2021 Legislature to the ETIC. The committee subsequently agreed to conduct both studies.

1. Senate Joint Resolution No. 3 (SJ 3): Study of Advanced Nuclear Reactor Feasibility in Montana

Background: During the 2021 session, the legislature approved the study of the feasibility of siting advanced nuclear reactor technology in Montana. The study will review Montana nuclear energy regulations, the technology as a means for replacing coal-fired boilers, and the safety and waste stream concerns related to nuclear energy facilities.

Work Plan: The committee will choose its course of work from options included in the supplemental decision matrix document.

2. Senate Joint Resolution No. 33 (SJ 33): Study of Montana electric grid capacity

Background: During the 2021 session, the legislature approved the study of Montana electric grid capacity. The study will review the following points:

1. Future capacity requirements for the Montana grid;
2. The impact of regional market structures on grid capacity;
3. The impact of future electricity loads on future capacity requirements;
4. The contributions of nongeneration technologies, including but not limited to, utility-scale energy efficiency, demand side management, storage, and advanced meters; and the role of the private sector, regulated utilities, and state government in developing the future grid.
5. Future capacity requirements for the Montana grid;
6. The impact of regional market structures on grid capacity;
7. The impact of future electricity loads on future capacity requirements;
8. The contributions of nongeneration technologies, including but not limited to, utility-scale energy efficiency, demand side management, storage, and advanced meters; and the role of the private sector, regulated utilities, and state government in developing the future grid.

Work Plan: The committee will choose its course of work from options included in the supplemental decision matrix document.

3. House Joint Resolution No. 48 (SJ 33): Study of Facial Recognition Technology

Background: During the 2021 session, the legislature approved the study of Facial Recognition Technology. The study will:

1. Examine which state agencies use facial recognition technology and for what purpose;
2. study the uses of facial recognition technology in investigations and criminal actions in Montana;
3. study the security of facial recognition data collected by state agencies and how it is shared among local, state, and federal agencies; and
4. evaluate the protective measures and limitations on facial recognition technology implemented by other states.

Work Plan: The committee will choose its course of work from options included in the supplemental decision matrix document.

MEMBER TOPICS, EMERGING ISSUES

Committee member suggestions and emerging issues drive much of the ETIC's work. These usually cover a variety of energy and telecommunications topics and may be answered with a single memo or presentation. Other topics may need a more-comprehensive review. The committee will prioritize member topics and emerging issues as the biennium progresses.

Committee member topics suggested by last year's committee membership or submitted to staff (as of July 9, 2021) include:

- Public Service Commission legislation;
- Electric Vehicle Deployment;
- Renewable Hydrogen Development;
- Renewable diesel production in Montana;
- Alternative electricity rate-making structures;
- Ongoing Energy Development in Montana;

- Energy Storage; and
- Advanced meters.

ETIC EDUCATIONAL PUBLICATIONS

Background: The Environmental Quality Council has historically produced objective, nonpartisan, educational publications related to energy issues in Montana. These educational publications are well regarded and are regularly requested by the general public, legislators, state and federal agencies, other states, and industry and conservation groups. While the EQC in the past has developed these educational tools, the ETIC may choose, as it did in past interims, to oversee updates to the following document:

- **A Citizen's Guide to Montana Energy Law (produced 2002; updated 2018)**

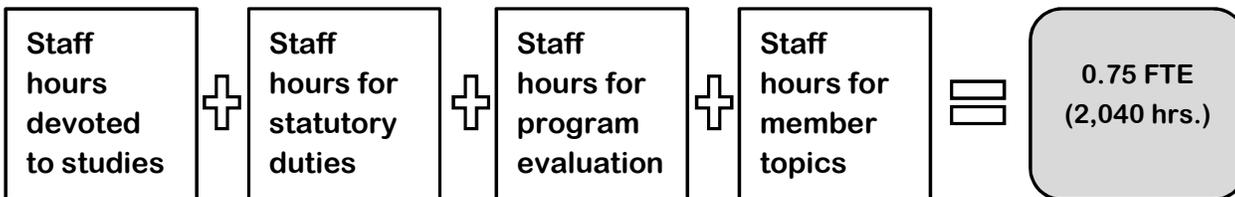
This handbook was originally produced by the EQC during the 2001-03 interim. The EQC felt that given the magnitude of the issues surrounding electricity and especially electricity deregulation in the state, that an educational publication was needed to help Montanans sort out the morass of laws that deal with electricity. With the passage of a new energy policy for Montana and the enactment of changes to permitting requirements related to energy generation and transmission line siting in Montana in 2011, this publication was substantially rewritten and reorganized in 2012. It was updated in 2018.

Work Plan: The committee will choose its course of work from options included in the supplemental decision matrix document.

TIME ALLOCATION FOR COMMITTEE WORK

As indicated in the graphic on page 11, the ETIC is scheduled to meet 7 times during an interim to work on studies, statutory duties, and member topics. At the end of these meetings, the committee will have developed findings and recommendations for one or more reports. The committee may have also drafted legislation. The work plan timeline (see page 12) plots out a general idea of the committee’s agenda at each meeting. This agenda will change once the committee identifies specific studies and member topics.

The ETIC’s workload is limited only by the number of meetings and hours of available staff time. There is approximately 0.75 FTE of staff time available to conduct the work identified by the committee. Please keep in mind the basic workload equation:



This equation is computed by referring to the supplemental Work Plan Decision Matrix document. This matrix allows the committee to select an appropriate level of review, analysis, and discussion for studies, member topics, statutory duties, and anything else.

THE INTERIM IS COMPRISED OF 7 MEETINGS.

July 23, 2021	Sept. 23, 2021	Jan. 18, 2022	March 17-18, 2022	May 19-20, 2022	July 19-20, 2022	Sept. 7, 2022
Draft work plan	Finalize work plan	Revise work plan, as necessary				
Begin statutory duties	Continue statutory duties					
Consider study resolutions	Begin studies	Gather background	Identify options		Consider draft findings, recommendations	Finalize findings, recommendations
Prioritize member topics	Explore member topics					
				Propose draft legislation	Review draft legislation	Approve legislation for preintroduction
						Approve agency legislation for preintroduction

ETIC'S WORK PLAN TIME LINE (AS OF JULY 9, 2021)

Tasks	
July 23, 2021	<ul style="list-style-type: none"> ▪ Elect officers ▪ Discuss and adopt draft work plan ▪ Identify committee studies ▪ Identify and prioritize committee member topics ▪ Adopt committee rules ▪ Review budget ▪ Adopt meeting dates ▪ Agency/program overviews ▪ PSC Update ▪ Statutory duties <ul style="list-style-type: none"> ○ USB Program Review ○ State Energy Policy Review ▪ ETIC publications update ▪ Administrative Rule Review
Sept. 23	<ul style="list-style-type: none"> ▪ Adoption of final work plan ▪ Committee studies: Receive background information ▪ Finalize list of committee member topics ▪ Member topics and emerging issues ▪ PSC Update ▪ Statutory Duties ▪ ETIC publications update ▪ Administrative Rule Review
Jan. 18, 2022	<ul style="list-style-type: none"> ▪ Committee studies: <ul style="list-style-type: none"> ○ Receive additional background information ○ Identify further issues and options ▪ Member topics and emerging issues ▪ PSC Update ▪ Statutory Duties <ul style="list-style-type: none"> ○ High-performance building program update ▪ ETIC publications update ▪ Administrative Rule Review
March 17-18	<ul style="list-style-type: none"> ▪ Committee studies: Identify further issues and options ▪ Committee member topics ▪ PSC Update ▪ Statutory Duties ▪ ETIC publications update ▪ Administrative Rule Review

Tasks	
May 19-20	<ul style="list-style-type: none"> ▪ Committee studies: <ul style="list-style-type: none"> ○ Discuss options ○ Propose recommendations ▪ Committee member topics ▪ PSC Update ▪ Statutory Duties ▪ ETIC publications update ▪ Administrative Rule Review ▪ Potential Travel
July 19-20	<ul style="list-style-type: none"> ▪ Committee studies: <ul style="list-style-type: none"> ○ Draft recommendations, legislation ○ Discuss draft report(s) ▪ Committee member topics ▪ PSC Update ▪ Statutory Duties ▪ ETIC publications final draft approval ▪ Administrative Rule Review
Sept. 7	<ul style="list-style-type: none"> ▪ Committee studies: <ul style="list-style-type: none"> ○ Review public comment on draft report, committee legislation ○ Revise draft report, committee legislation, if necessary ○ Approve final report(s) ▪ PSC Update ▪ Statutory Duties ▪ Finalize ETIC publications ▪ Administrative Rule Review

DRAFT 2021-22 WORK PLAN TIMELINE

This draft timeline provides a framework so the ETIC can complete its work on time. It is subject to final approval by the ETIC.

July 23, 2021	ETIC Meeting. Helena
September 23, 2021	ETIC Meeting. Helena
January 18, 2022	ETIC Meeting. Helena
March 17-18, 2020	ETIC Meeting. Helena
May 19-20, 2022	ETIC Meeting. Potential Travel
July 19-20, 2022	ETIC Meeting. Potential Travel
September 1, 2022	ETIC Meeting. Helena

Committee interim work must be completed September 15, 2022.