



ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Duane Ankney
Janet Ellis
Terry Gauthier
Mary McNally

HOUSE MEMBERS

Michele Binkley
Steven Galloway
Denise Hayman
Andrea Olsen
Katie Sullivan
Katie Zolnikov

COMMITTEE STAFF

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

MINUTES LOG

January 18, 2022
State Capitol Building Room 152 and Zoom
Helena, Montana

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MEMBERS PRESENT:

Sen. Mary McNally, Chair (D)
Sen. Terry Gauthier, Vice Chair (R)
Sen. Duane Ankney (R)
Rep. Michele Binkley (R)
Sen. Janet Ellis (D)
Rep. Steven Galloway (R)
Rep. Denise Hayman (D)
Rep. Andrea Olsen (D)
Rep. Katie Sullivan (D)
Rep. Katie Zolnikov (R)

STAFF PRESENT:

Trevor Graff, Research Analyst
Fong Hom, Secretary
Jameson Walker, Attorney

AGENDA [\(Attachment 1\)](#)

VISITORS' LIST [\(Attachment 2\)](#)

CALL TO ORDER/ROLL CALL

- 09:02:30 Sen. Mary McNally called the meeting to order at 9:02 AM. The committee secretary took roll. [\(Attachment 3\)](#)
- 09:03:12 Sen. McNally provided an introduction for the meeting.

SJ 3: ADVANCED NUCLEAR REACTOR FUEL CYCLE

Introduction and Study Overview

- 09:03:58 Trevor Graff, research analyst, Legislative Services Division (LSD).

Idaho National Laboratory

- 09:05:14 Melissa Warner, department manager, Aqueous Separations and Radiochemistry, Idaho National Laboratory (INL). [\(Exhibit 1\)](#)

Nuclear Energy Institute

- 09:18:01 Rod McCullum, senior director, Decommissioning and Used Fuel, Nuclear Energy Institute. [\(Exhibit 2\)](#)

Princeton School of Public and International Affairs Program on Science and Global Security

- 09:42:18 Dr. Frank von Hippel, senior research physicist and professor of Public and International Affairs, Princeton University. [\(Exhibit 3\)](#)

Public Comment

None

Questions from the Committee

- 10:00:28 Rep. Sullivan asked Mr. McCullum about the commercial facilities that accept dry cask storage.
- 10:01:53 Rep. Sullivan asked Mr. McCullum if dry cask storage will be on-site for new facilities.
- 10:02:52 Rep. Hayman asked Mr. McCullum about bonding for the decommissioning of advanced nuclear power plants.
- 10:05:04 Rep. Hayman asked Mr. McCullum about the amount and source of payment for decommissioning.
- 10:06:27 Sen. Ellis asked Mr. McCullum about uranium and the difference between traditional nuclear and advanced nuclear mining.
- 10:08:55 Sen. Ellis asked Mr. McCullum about mining uranium and the level of enrichment needed for advanced nuclear mining.
- 10:10:06 Sen. Ellis asked Dr. von Hippel to also respond.
- 10:11:51 Sen. Ellis asked about the two different advanced nuclear projects at INL and if the enrichment level use is the same or different.
- 10:12:49 Dr. von Hippel.
- 10:13:25 Ms. Warner.
- 10:13:35 Sen. Gauthier asked Mr. McCullum about extracting uranium from sea water.

10:14:50 Rep. Sullivan asked Mr. McCullum about replacement for water pools.

10:17:32 Rep. Sullivan asked Mr. McCullum about the circulated and cooled water and the frequency of new water coming in and older water going out.

10:18:49 Mr. von Hippel provided additional information.

10:20:24 Rep. Hayman asked Mr. McCullum about closure of the Connecticut Yankee nuclear power plant and the annual cost for monitoring, protecting, and providing security for the waste storage.

10:22:23 Mr. von Hippel provided additional information.

10:23:20 Sen. McNally asked Mr. McCullum why the Connecticut Yankee facility was not totally cleaned up.

10:25:10 Sen. McNally thanked the panelists for their participation.

10:25:45 Recess

10:35:52 Reconvene

SJ 3: ADVANCED NUCLEAR REACTOR TECHNOLOGY

Introduction and Study Overview

10:36:02 Sen. McNally said the purpose of the study is to learn more about the technology for small nuclear reactors and related issues.

10:37:06 Mr. Graff provided an introduction.

Gateway for Accelerated Innovation in Nuclear (GAIN)

10:37:55 Christine King, director, Gateway for Accelerated Innovation in Nuclear (GAIN), gave a presentation on the future role of nuclear energy. [\(Exhibit 4\)](#)

National Reactor Innovation Center

11:03:57 Dr. Ashley Finan, director, National Reactor Innovation Center, gave a presentation on advanced nuclear energy demonstrations. [\(Exhibit 5\)](#)

Nuclear Energy Institute

11:23:00 Marc Nichol, senior director, Nuclear Energy Institute, gave a presentation on considerations for transitioning from a coal plant to a nuclear power plant. [\(Exhibit 6\)](#)

Public Comment

11:45:10 Dwight Rose, IBEW Local 44

11:47:15 Rep. Derek Skees, HD 11

Additional public comment received online. [\(Exhibit 7\)](#)

Questions from the Committee

11:51:07 Sen. Gauthier asked Ms. Finan about siting for reactor testing stations.

11:52:19 Sen. Gauthier asked Mr. Nichol about expansion of the nuclear industry and the education process for training technicians.

11:54:05 Rep. Hayman asked Mr. Nichol about the cost for developing a 600-megawatt power plant and who will pay for it.

11:55:41 Rep. Hayman asked Mr. Nichol about the cost for ratepayers in Montana.

11:57:45 Rep. Hayman thanked the panelists and said she is concerned about the cost for ratepayers. She said because of high energy costs the state will not be able to attract business.

11:59:24 Sen. Ellis asked Ms. Finan if advancing nuclear projects in order to be operational by 2025 and going commercial by 2030 is a goal for the Pacific Northwest or a national goal.

12:01:00 Sen. Ellis asked Ms. Finan about generation for reactors and when they might be commercially viable.

12:04:19 Sen. Ankney said investment in the construction and operation of a 700-watt unit in Colstrip will not go on the rate base in Montana unless NorthWestern Energy chooses to be a participant or buys power from one of the participants.

12:06:25 Rep. Olsen asked Mr. Nichol about the study from INL.

12:07:32 Rep. Olsen asked Mr. Nichol about infrastructure and addressing what to do with the waste generated.

12:09:15 Rep. Zolnikov asked Rep. Skees about his discussion with outside entities regarding funding to bring nuclear power to Montana.

12:13:03 Rep. Galloway asked Mr. Nichol about renewable energy.

12:16:25 Rep. Sullivan asked Ms. King about the site analysis for the potential transfer of a coal plant to a nuclear facility.

12:20:14 Sen. McNally thanked the panelists for their participation and requested they send any additional information to staff.

12:21:17 Recess for lunch

13:03:56 Reconvened

ENVIRONMENTAL QUALITY COUNCIL UPDATE

13:04:45 Joe Kolman, research director, LSD, and staff for the Environmental Quality Council (EQC), gave an update on the EQC meeting scheduled for next week.

SJ 33 MONTANA'S GRID CAPACITY: STATE OF THE GRID

Introduction

13:10:36 Mr. Graff

NorthWestern Energy

13:11:34 John Carmody, director, Asset Management, NorthWestern Energy (NWE).

Bonneville Power Administration

13:22:56 Mark Reller, Montana liaison, Bonneville Power Administration.

Montana Electric Cooperatives

13:43:10 Doug Hardy, Montana Electric Cooperatives' Association.

Renewable Northwest

13:54:32 Robin Arnold, Markets and Transmission director, Renewable Northwest.

Public Comment

14:02:14 Charles Denowh, Rosebud Power Plant and Yellowstone Power Plant
([Exhibit 8](#))

Questions from the Committee

14:04:59 Rep. Hayman asked Ms. Arnold if more projects like the Beck Hill microgrid pilot project should be incorporated into the grid.

14:07:55 Rep. Sullivan asked Mr. Reller about the cost of transmission lines.

14:09:08 Rep. Sullivan asked Mr. Reller about the cost of building a brand-new transmission line.

14:09:41 Rep. Olsen asked Mr. Reller about rebuilding the transmission line from Hot Springs to Garrison and why it does not increase capacity.

14:10:41 Sen. Ellis asked Mr. Hardy about smart meters and where co-ops are in the process.

14:12:56 Sen. Ellis asked Mr. Hardy if any co-ops are using advanced meters to help consumers make choices to reduce peak load.

14:14:49 Sen. Ellis asked Mr. Carmody if NWE is allowing consumers to reduce peak loads.

14:16:23 Sen. Ellis asked Mr. Carmody where NWE is in the process of replacing meters.

14:17:41 Rep. Galloway asked Mr. Carmody to explain what saturation means.

14:18:49 Rep. Galloway asked Mr. Carmody about the danger of overbuilding certain types of supplies, having a saturation problem, and not being able to get any returns.

14:20:32 Rep. Olsen asked Mr. Carmody about support for solar panels and increasing community participation.

14:22:24 Rep. Olsen asked about increasing infrastructure for solar projects.

14:23:30 Sen. McNally asked Mr. Carmody about transitioning the system into a two-way system.

14:24:56 Sen. McNally asked Mr. Carmody if wind and solar storage can provide firm power for planning and address the issue of losing money.

14:26:14 Sen. McNally thanked the participants.

PUBLIC SERVICE COMMISSION DISTRICTS CASE

Introduction

14:26:55 Jameson Walker, staff attorney, provided a summary of the district case.

14:28:29 Mr. Walker presented information on the plaintiff's complaint dated December 6, 2021. [\(Exhibit 9\)](#)

14:34:14 Mr. Walker said the plaintiffs filed a temporary restraining order on December 17, 2021. [\(Exhibit 10\)](#)

14:35:52 Mr. Walker discussed the court order filed December 22, 2021. [\(Exhibit 11\)](#)

14:36:39 Mr. Walker said the state filed its brief in response to plaintiff's motion for temporary restraining order on January 3. [\(Exhibit 12\)](#)

14:40:37 Mr. Walker said the court issued its order granting a temporary injunction on January 13, 2022.

14:43:25 Mr. Walker said the court set an expedited summary judgement schedule and an order to have a final bench trial or hearing by March 4.

Public Comment

14:45:38 Rep. Derek Skees, HD 11.

14:48:59 Sen. McNally said it is not yet clear what the outcome will be.

Questions from the Committee

- 14:49:31 Rep. Galloway said he supports allowing the ETIC to review PSC districts after the conclusion of a census and establish criteria to ensure constitutionality.
- 14:51:28 Rep. Zolnikov discussed the letter she sent requesting that the ETIC discuss redistricting the PSC at its January meeting. [\(Exhibit 13\)](#)

Motion

- 14:52:37 Rep. Zolnikov moved that the ETIC adopt the issue of reapportionment of the PSC districts during this interim and establish a schedule so it can be revisited during the 2023 Legislative Session.
- 14:53:03 Sen. Ellis asked about allowing committee questions before the motion.
- 14:53:33 Sen. McNally agreed.
- 14:53:46 Sen. Ellis said the candidate filing deadline is March 14 and asked Mr. Walker about the process for the two PSC districts that are up for election.
- 14:56:21 Mr. Walker said the scheduling order is on the ETIC website. [\(Exhibit 14\)](#)
- 14:56:51 Sen. Ellis asked Mr. Walker if the court can extend the filing deadline for candidates. Mr. Walker said he will provide an update for the committee.
- 14:58:21 Sen. Ellis asked Mr. Graff about the past interim study that was done by the ETIC regarding the PSC and the structure of other states' commissions.
- 15:01:13 Mr. Walker provided information on the salient statute, 13-10-201(7), MCA, in response to Sen. Ellis' earlier question.
- 15:02:00 Sen. Gauthier said he believes the issue is outside the scope of the ETIC's responsibility and recommended allowing the courts to decide the districts. He said it can be brought before the 2023 Legislative Session.
- 15:02:59 Rep. Hayman agreed.
- 15:03:30 Sen. McNally asked Mr. Walker if the ETIC has the legislative authority to establish PSC districts.
- 15:04:31 Sen. McNally said it is not feasible for the ETIC to be able to have this done by March 14. She asked Mr. Walker about potential outcomes for the judicial process.
- 15:07:22 Sen. Ellis said she believes the districts are in statute and the ETIC does not have the authority to change statute.
- 15:08:16 Mr. Walker said 69-9-104, MCA, sets up the PSC districts and the ETIC cannot change statutory law.
- 15:09:03 Sen. McNally said there is currently nothing in statute that explicitly requires redistricting after every census. She said it could be a committee bill in the future.

Motion

- 15:10:17 Rep. Zolnikov restated her earlier motion.

Discussion on the Motion

- 15:12:39 Rep. Olsen
- 15:13:31 Rep. Zolnikov
- 15:14:15 Sen. Ankney
- 15:15:17 Mr. Walker
- 15:16:50 Sen. Ankney

15:17:03 Mr. Walker
 15:17:56 Rep. Galloway
 15:19:21 Sen. Ellis
 15:20:27 Rep. Zolnikov
 15:20:49 Mr. Graff
 15:22:07 Sen. McNally
 15:23:16 Rep. Zolnikov clarified her motion for the ETIC to adopt the issue of reapportionment of the PSC districts during this interim and establish a schedule to do so.

Vote

15:23:47 The motion failed 3-7 by roll call vote. Rep. Binkley, Rep. Galloway, and Rep. Zolnikov voted aye. ([Attachment 4](#))

PUBLIC SERVICE COMMISSION OVERVIEW

Introduction

15:25:07 Mr. Graff

Commission Update

15:25:40 James Brown, chairman, PSC, introduced the PSC staff present in the audience and that are available for questions.
 15:26:50 Mr. Brown provided a copy of draft legislation amending section 69-3-207, MCA, for possible consideration as a committee bill. ([Exhibit 15](#))
 15:28:53 Mr. Brown said the PSC's 2023 budget request will include a request for new FTE in the area of railroad and safety regulation.
 15:30:58 Mr. Brown discussed PSC regulatory jurisdiction. ([Exhibit 16](#))
 15:33:47 Mr. Brown said the committee received information on the status of agency dockets ([Exhibit 17](#)) and the status of rulemaking. ([Exhibit 18](#))
 15:34:14 Mr. Brown said the PSC submitted comments on Federal Energy Regulatory Commission (FERC) proposed rulemaking related to various transmission issues. ([Exhibit 19](#))
 15:34:48 Mr. Brown discussed the status of agency dockets.
 15:38:34 Mr. Brown discussed the status of rulemaking proceedings.
 15:39:22 Mr. Brown provided a copy of proposed regulations to implement HB467 (2019). ([Exhibit 20](#))

Public Comment

None

Questions from the Committee

15:41:45 Sen. Ellis asked about the process for endorsing draft legislation. Mr. Graff provided information on the interim process for proposed agency legislation.
 15:43:11 Sen. McNally provided additional information.
 15:43:29 Rep. Olsen requested a copy of the code of federal regulations (CFR) before the committee considers any proposed legislation. Mr. Graff agreed.
 15:44:23 Sen. Gauthier asked Mr. Brown about the request for additional FTEs.

15:45:44 Rep. Galloway asked Mr. Brown about the reduction in FTEs and if there is any action needed by the ETIC.
15:48:20 Rep. Galloway asked Mr. Brown about funding for the PSC.
15:49:09 Rep. Galloway commented about the job of the PSC.
15:50:09 Sen. Ellis asked Mr. Brown about the subcommittee section that is involved in the appropriation process.
15:50:55 Mr. Brown discussed a scam involving the PSC and provided a copy of a press release that was subsequently issued by the PSC. ([Exhibit 21](#))

ADMINISTRATIVE RULE REVIEW

Introduction and Overview

15:53:08 Mr. Walker said there have been no new rules since the November 2021 update to the committee. ([Exhibit 22](#))

Questions from the Committee

None

Public Comment

None

OTHER BUSINESS/INSTRUCTIONS TO STAFF

Review of March Field Trip

15:54:05 Mr. Graff discussed the field trip scheduled for March 17-18 to the INL.
15:56:15 Mr. Graff discussed the meeting scheduled for May 19-20.
15:58:34 Sen. McNally said she will stay in contact with staff regarding the field trip.

PUBLIC COMMENT ON MATTERS WITHIN THE JURISDICTION OF THE ETIC

None

16:00:02 Sen. McNally thanked the committee.

ADJOURNMENT

16:00:25 Sen. McNally adjourned the meeting at 4:00 p.m.