



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

May 19, 2022

State Capitol Building Room 152 and Zoom
Helena, Montana

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MEMBERS PRESENT:

Sen. Mary McNally, Presiding Officer (D)
Sen. Terry Gauthier, Vice Presiding Officer (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
Nadine Spencer, Secretary
Jameson Walker, Attorney

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

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

CALL TO ORDER/ROLL CALL

09:02:47 Sen. Mary McNally called the meeting to order at 9:02 AM. The committee secretary took roll. [\(Attachment 3\)](#)

SJ 33: RENEWABLES AND STORAGE OVERVIEW

Introduction and study overview – Mr. Graff

09:04:19 Trevor Graff, research analyst, Legislative Services Division (LSD).

Technology

Rachel Wilson, Form Energy Manager of Strategy & Market Development Analytics

09:05:53 Ms. Wilson. [\(Exhibit 1\)](#)

Questions from the Committee

09:20:30 Sen. Gauthier asked Ms. Wilson about the source of raw materials for battery storage.

09:21:22 Rep. Galloway asked Ms. Wilson about the effect of freezing temperatures on batteries.

09:22:19 Rep. Hayman asked Ms. Wilson about the number of acres needed for siting batteries.

09:23:48 Sen. Ellis asked Ms. Wilson about the pilot projects and when the projects will be commercially available.

09:26:05 Sen. Gauthier asked Ms. Wilson about the life of batteries over time.

09:27:01 Sen. Gauthier asked Ms. Wilson about testing batteries in hot climates and if an internal cooling system is needed.

09:28:01 Rep. Hayman asked Ms. Wilson about recharging batteries.

09:30:04 Sen. McNally asked Ms. Wilson about the expected cost for the iron-air model.

Utility Perspectives

Steve Schmitt, NorthWestern Energy

09:31:52 Mr. Schmitt, Energy Supply Planning manager, NorthWestern Energy (NWE).

09:37:11 Doug Hardy, Montana Electric Cooperatives' Association. [\(Exhibit 2\)](#)

Brandon Wittman, Yellowstone Valley Electric Cooperative

09:50:46 Mr. Wittman [\(Exhibit 3\)](#)

Public Comment

None

Questions from the Committee

10:00:04 Rep. Hayman asked Mr. Wittman about the difference between Montana and other states that are currently using batteries.

10:01:22 Sen. Ellis asked Mr. Schmitt about NWE's battery projects.

10:02:50 Sen. Ellis asked Mr. Schmitt about the Beartooth battery storage project.

10:04:31 Rep. Galloway asked Mr. Schmitt about the reason why the Beartooth project was delayed.

10:05:34 Rep. Galloway asked Mr. Schmitt about the lawsuit.

10:05:59 Rep. Galloway asked Mr. Hardy about the ability to satisfy future needs.

10:11:51 Jameson Walker, staff attorney, LSD, said he will provide information on the pre-approval case regarding NWE tomorrow.

10:13:12 Rep. Hayman asked Mr. Schmitt about the pre-approval process and NWE's ability to provide cost-effective renewable energy that does not damage the environment.

10:16:45 Sen. Ellis asked Mr. Schmitt about the Beartooth project and how the batteries are charged

10:18:15 Sen. Ellis asked Mr. Hardy about the owner of the natural gas plant for Basin Electric.

10:19:21 Rep. Galloway asked Mr. Hardy about the current effects of the supply chain shortages and how it is affecting development.

10:20:13 Sen. Ankney joined the meeting.

10:21:08 Rep. Galloway asked Mr. Hardy about grid capacity.

10:22:23 Rep. Sullivan asked Mr. Schmitt if NWE is seeking pre-approval for the Laurel Gas Plant.

10:23:24 Sen. Ellis asked Mr. Schmitt to provide information on the economic decisions regarding the Beartooth battery project.

10:26:20 Rep. Galloway asked Mr. Schmitt about the ability to have reliable, sustainable, and affordable energy in the future.

10:29:29 Sen. McNally asked Mr. Schmitt about the lawsuit regarding the pre-approval process and the decision to move forward with the gas plant and not the battery storage project.

10:31:45 Sen. McNally asked Mr. Schmitt about the increase in the price of gas and making the possibility of storage more competitive.

10:32:48 Sen. McNally asked Mr. Schmitt how the pre-approval legal issues impacted one part of the project and not the other.

10:34:06 Recess

10:39:51 Reconvene

SJ 33: ADVANCED METER TECHNOLOGY OVERVIEW

Introduction and Study Overview

10:40:12 Mr. Graff.

Chris Villarreal, President Plugged In Strategies

10:40:42 Mr. Villarreal. ([Exhibit 4](#))

NorthWestern Rollout Plan

11:00:49 John Thurmond, director, Digital Customer Experience, NWE.

Public Comment

11:12:29 Doug Hardy, Montana Electric Cooperatives' Association.

11:13:32 Andrew Valainis, executive director, Montana Renewable Energy Association.

Additional Public Comment (Exhibit 5)

Questions from the Committee

11:16:59 Sen. Gauthier asked Mr. Villarreal about additional costs to utilize the smart meter grid.

11:20:43 Sen. Gauthier asked Mr. Thurmond about additional charges for homeowners.

11:21:31 Sen. Gauthier asked Mr. Thurmond when the Advanced Metering Infrastructure (AMI) data will be available for consumers.

11:22:20 Rep. Olsen asked Mr. Villarreal about best practices policy for opt-out provisions.

11:25:15 Rep. Olsen asked Mr. Hardy about the status of the opt-out practices for co-ops.

11:26:48 Sen. Ellis asked Mr. Villarreal what states are using the customer portion of the AMI deployment.

11:30:27 Sen. Ellis asked Mr. Villarreal if there is a step-by-step process on how to turn on different levels of customer benefits.

11:33:40 Sen. Ellis asked Mr. Thurmond about NWE's deployment schedule for replacing Automatic Meter Reading (AMR) with AMI meters.

11:39:04 Sen. Ellis asked Mr. Thurmond when NWE will be able to provide customer benefits.

11:40:46 Rep. Hayman asked Mr. Thurmond how meters will address peak demand.

11:41:57 Mr. Hardy provided additional information.

11:43:25 Rep. Hayman asked Mr. Hardy about the cost-effectiveness of building a new gas plant versus smart meters.

11:46:35 Rep. Zolnikov asked Mr. Thurmond about the fees for opting out of the program.

11:47:07 Rep. Zolnikov asked Mr. Thurmond if NWE is looking at implementing smart meters across the state.

11:48:34 Sen. McNally asked Mr. Thurmond if the meters currently being installed are one-way communication.

11:49:23 Sen. McNally asked Mr. Thurmond how complicated it will be to make meters effective two-way communication after they are deployed.

11:50:41 Sen. McNally asked Mr. Thurmond about consumer education.

11:51:10 Sen. McNally asked Mr. Thurmond if consumers will be able to choose how they want to use two-way communication data.

11:52:11 Rep. Galloway asked Mr. Thurmond about security.

11:54:47 Sen. McNally thanked the presenters.

IDAHO NATIONAL LABS TRIP OVERVIEW

11:55:22 Mr. Graff.

Questions from the Committee

11:56:19 Rep. Galloway commented on the new technology.

11:56:59 Sen. Gauthier commented on the field trip.

11:57:47 Sen. McNally provided her comments on the field trip and the facility.

11:59:36 Recess

13:00:18 Reconvene

13:00:42 Sen. McNally provided information on the Billings Gazette article regarding the Talen Energy bankruptcy. [\(Exhibit 6\)](#)

TALEN BANKRUPTCY REMEDIATION IMPACTS

Nick Whitaker, Staff Attorney, Montana Department of Environmental Quality

13:01:32 Mr. Whitaker.

Debra L. Raggio, Senior Vice President, Regulatory & External Affairs Counsel, Talen Energy

13:08:04 Ms. Raggio. [\(Exhibit 7\)](#)

Public Comment

13:13:10 Anne Hedges, Montana Environmental Information Center.

13:23:59 Mark Baker, attorney, representing Puget Sound Energy (PSE).

13:25:39 Beth Kaeding, Bozeman, Northern Plains Resource Council. [\(Exhibit 8\)](#)

Questions from the Committee

13:31:05 Rep. Hayman asked Mr. Baker about arbitration and the timeline when a decision will be made.

13:32:22 Rep. Hayman asked Mr. Baker about the ability to work with co-owners on the future of Colstrip during arbitration.

13:34:22 Rep. Hayman asked Mr. Baker about the result for the owners if arbitration takes longer than anticipated.

13:35:47 Rep. Hayman asked Mr. Baker about Colstrip Unit 3.

13:36:33 Rep. Hayman asked Mr. Baker about PSE's position if it is determined that the cost of repair for Unit 3 is more than they are willing to pay.

13:37:27 Rep. Hayman asked Mr. Baker about the ability for the co-owners of Colstrip Unit 3 to come together and resolve the problems.

13:38:30 Sen. Ankney asked Mr. Baker about the judge's decision to not issue a ruling until the bankruptcy is resolved.

13:40:24 Sen. Ankney asked Ms. Raggio about concerns regarding pension funding.

13:41:15 Sen. Ankney asked Ms. Raggio about concerns regarding sufficient bonding to cover the cost of remediation and work on the ponds.

13:42:28 Sen. Ankney asked Mr. Whitaker about moving forward.

13:44:23 Sen. Ellis asked Ms. Raggio about Talen's goal to move through the bankruptcy quickly.

13:46:16 Sen. Ellis asked Ms. Raggio how the decision-making structure will change with other owners.

13:47:46 Sen. McNally asked Ms. Raggio how Talen can do what it wants with a new set of owners.

13:49:01 Sen. McNally asked Ms. Raggio how continuing to operate Colstrip fits into Talen's plan for more carbon free assets and removing fossil fuels.

13:51:41 Sen. McNally asked Ms. Raggio about the litigation and continued funding for the pension plan.

13:52:59 Sen. McNally asked Ms. Raggio about Colstrip Unit 3.

13:53:27 Sen. McNally asked Mr. Whitaker about having sufficient bonding for Colstrip remediation.

13:57:03 Sen. Ellis asked Ms. Raggio about funding for pensions for both union and non-union employees at Colstrip.

13:58:00 Sen. Ellis asked Ms. Raggio about federal government funding for union pensions.

13:59:05 Sen. Ankney asked Mr. Whitaker about ongoing work for pond remediation at Colstrip Units 1 and 2.

14:00:17 Rep. Galloway asked Ms. Raggio about the new investors.

14:01:46 Sen. Ellis asked Ms. Raggio if arbitration will be considered prior to the bankruptcy being settled.

14:02:40 Rep. Hayman asked Ms. Raggio about Colstrip Unit 3.

14:03:22 Sen. McNally asked Ms. Raggio about concern and uncertainty regarding the lack of communication between the owners and operators. [\(Exhibit 9\)](#)

SJ 33: ENERGY EFFICIENCY STANDARDS

Introduction and study overview -- Mr. Graff

14:07:07 Mr. Graff.

Diego Rivas, Senior Policy Associate, NW Energy Coalition

14:07:58 Mr. Rivas. [\(Exhibit 10\)](#)

Weston Berg, Senior Researcher, State Policy, American Council for an Energy Efficient Economy

14:26:01 Mr. Berg. [\(Exhibit 11\)](#)

Public Comment

None

Questions from the Committee

14:54:33 Sen. Ellis asked both Mr. Berg and Mr. Rivas if the Energy Efficiency Resource Standard (EERS) setting saving targets for electric utilities is a first step.

14:55:23 Mr. Berg.

14:56:18 Mr. Rivas.

14:58:23 Sen. Ellis asked Mr. Rivas about the Universal Systems Benefit (USB) program funds versus how much goes into residential programs.

15:02:29 Rep. Hayman asked Mr. Rivas about investing more in the current basic meters NWE is installing versus building a new power plant.

15:06:18 Mr. Berg provided additional information.

15:07:18 Sen. McNally thanked Mr. Berg and Mr. Rivas.

15:08:23 Recess

15:15:30 Reconvene

CALL BEFORE YOU DIG UPDATE

15:15:49 Mr. Graff.

Eric Copeland -- Bureau Chief, Building Codes Bureau, DOLI

15:16:05 Mr. Copeland.

Public Comment

15:23:13 Doug Hardy, council chairman.

Questions from the Committee

15:25:01 Rep. Galloway said he has used the online system and was impressed with the response time and ease of use.

15:25:34 Mr. Copeland gave credit to the call centers and the program manager, Traci Collet.

15:26:16 Mr. Graff said the committee can decide whether it wants to continue receiving updates every interim.

15:26:55 Sen. Ellis recommended continuing to receive the reports.

15:27:08 Sen. Gauthier agreed.

15:27:26 Sen. McNally said the committee will continue to receive reports in the future.

PUBLIC COMMENT ON MATTERS WITHIN THE JURISDICTION OF THE ETIC

15:28:02 Bridger Mahlum, Charter Communications

ADJOURNMENT

15:29:02 Sen. McNally recessed the meeting at 3:29 p.m.