MINUTES LOG
May 19, 2022
State Capitol Building Room 152 and Zoom
Helena, Montana

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

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.
09:23:48 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.
09:30:04 Sen. McNally asked Ms. Wilson about the expected cost for the iron-air model.

Utility Perspectives

Steve Schmitt, NorthWestern Energy
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.
10:22:23  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

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.
11:26:48 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.
11:46:35 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.

IDAHO NATIONAL LABS TRIP OVERVIEW
11:55:22 Mr. Graff.

Questions from the Committee
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
13:25:39 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.
13:34:22 Rep. Hayman asked Mr. Baker about the result for the owners if arbitration takes longer than anticipated.
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.
13:41:15 Sen. Ankney asked Ms. Raggio about concerns regarding sufficient bonding to cover the cost of remediation and work on the ponds.
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.
13:49:01 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.
Sen. McNally asked Mr. Whitaker about having sufficient bonding for Colstrip remediation.

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

Sen. Ellis asked Ms. Raggio about federal government funding for union pensions.

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

Rep. Galloway asked Ms. Raggio about the new investors.

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


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.
15:27:26 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.