



# 2023-2024 DRAFT WORK PLAN



Energy and Telecommunications  
Interim Committee

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# 2023-2024 WORK PLAN

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# ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE MEMBERSHIP

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## LEGISLATIVE MEMBERS

SENATORS	REPRESENTATIVES
Sen. Brad Molnar (R – Laurel)	Rep. Laurie Bishop (D – Livingston)
Sen. Christopher Pope (D – Bozeman)	Rep. Steven Galloway (R – Great Falls)
Sen. Barry Usher (R – Billings)	Rep. Gary Parry (R – Colstrip)
Sen. Daniel Zolnikov (R – Billings)	Rep. Katie Zolnikov (R – Billings)

## STAFF MEMBERS

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COMMITTEE WEBSITE:

<https://leg.mt.gov/committees/interim/etic/>

# INTRODUCTION

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## PURPOSE OF DRAFT WORK PLAN

This is the work plan for the Energy and Telecommunications Interim Committee (ETIC) for the 2023-24 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).

## 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 2023-24 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 ETIC DO?

Conducts interim studies

Monitors agencies

Reviews administrative rules

Reviews reports

Determines member issues to examine

Reviews ballot initiatives

Proposes and reviews legislation

## STATUTORY REQUIREMENTS

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State law sets out several agency oversight duties for interim committees. Each responsibility is outlined below.

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
  - 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:** 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.

**III. 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.

**IV. 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.

**V. 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.

**VI. 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

Review Administrative Rules	<p><b>0.03 FTE</b></p> <ul style="list-style-type: none"> <li>▪ 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)</li> <li>▪ 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</li> <li>▪ Committee attorney monitors and provides synopses of rules or subjects</li> </ul>	<p><b>0.02 FTE</b></p> <ul style="list-style-type: none"> <li>▪ 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)</li> <li>▪ 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</li> </ul>
Review Agency Legislation	<p><b>0.005 FTE</b></p> <ul style="list-style-type: none"> <li>▪ Committee reviews proposals from the DSPR and/or PSC and decides if staff should draft legislation for preintroduction</li> </ul>	
Monitor PSC Activities	<p><b>0.05 FTE</b></p> <ul style="list-style-type: none"> <li>▪ Monitor or investigate aspects of PSC programs</li> </ul>	<p><b>0.03 FTE</b></p> <ul style="list-style-type: none"> <li>▪ Monitor or investigate aspects of a program, if and when ETIC chooses</li> </ul>
Review Utility USB Reports	<p><b>1 FTE</b></p> <ul style="list-style-type: none"> <li>▪ All of Option B</li> <li>▪ Analysis of USB program °</li> <li>▪ Analysis of large customer reports</li> <li>▪ Panel discussions</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>▪ Potential legislation</li> <li>▪ Final report with alternatives and recommendations</li> </ul>	<p><b>0.03 FTE</b></p> <ul style="list-style-type: none"> <li>▪ Committee reviews utility reports and decides if any comments on compliance are needed and if staff should assist ° Collect public comment</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>▪ Potential legislation</li> </ul>
Review Geothermal Research	<p><b>0.002 FTE</b></p> <ul style="list-style-type: none"> <li>▪ ° Committee reviews Bureau of Mines and Geology reports and decides if any comments are needed and if staff should assist</li> </ul>	

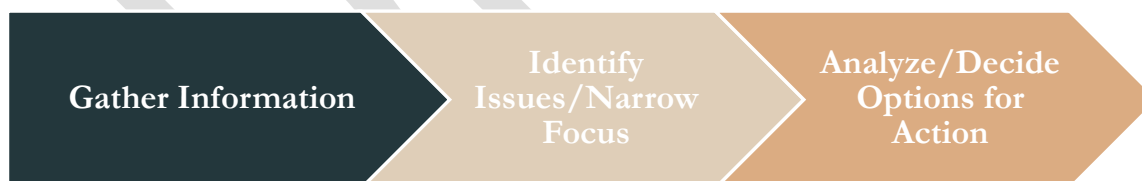
Review Hydroelectric Projects	<p><b>0.002 FTE</b></p> <ul style="list-style-type: none"> <li>Committee reviews DNRC reports related to hydroelectric potential at state-owned facilities</li> </ul>
Review high-performance building program	<p><b>0.002 FTE</b></p> <ul style="list-style-type: none"> <li>Committee reviews DOA reports related to the use of the high-performance building program</li> </ul>
Review next generation 9-1-1 grant program	<p><b>0.002 FTE</b></p> <ul style="list-style-type: none"> <li>Committee receives report from DOA on efforts to distribute grants for next-generation 9-1-1 infrastructure</li> </ul>

## INTERIM STUDIES

The 2023 Legislature approved 6 interim study resolutions, and the Legislative Council assigned those study requests to the various interim committees on May 18, 2023. The ETIC was assigned one interim study – HJ 6.

### BASIC STUDY PROCESS

An interim study typically involves information gathering, issue identification, and recommendations.



The first phase of the study is carried out over the first few meetings of the interim, when the Committee:

- Reviews staff research papers and other information materials on study topics;
- Hears presentations by people with experience and expertise on various aspects of the study topics; and
- Takes public comment from interested parties, who may offer specific study-related suggestions.

In the second phase, the Committee spends a meeting or two narrowing the focus of the study. Members identify topics or questions they'd like to analyze further. This phase helps members concentrate on the issues they



consider to be of the greatest importance and obtain any additional information needed to make final recommendations.

During the final stage, members review and decide on options for action. Potential solutions, including legislation, are usually reviewed, and refined at multiple meetings before the Committee takes final action.

## HJ 6: INTERIM STUDY OF ELECTRIC POWER RESERVES

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### STUDY BACKGROUND

**Sponsor:** Sen. Katie Zolnikov

**Poll Rank:** 6

HJ 6 asks the ETIC to study requirements regarding utility and wholesale generating supplier electric power reserve requirements. The study seeks to:

- determine whether to require utilities and wholesale electric generation suppliers to have, contract for, or participate in a pool for electric power generation reserves;
- determine when reserves should be made available to the balancing authority managing an electric load in order to decrease the probability of service interruptions and enhance reliability while remaining in compliance with evolving North American Electric Reliability Corporation standards; and
- examine the feasibility and efficacy of providing an alternative option to wholesale electric transmission customers to enable temporary reductions to a portion or all electric load instead of contracting additional electric generation reserves at times when load-shedding is required by the balancing authority to ensure uninterrupted service to ratepayers.

## ENERGY SECTOR REGIONALIZATION

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### STUDY BACKGROUND

**Sponsor:** ETIC

ETIC members elected to undertake a study regarding electric sector regionalization. The study seeks to:

- better understand developing markets and regional transmission organizations in the northwest;
- conduct a study of regional transmission concerns; and
- examine the economics of regional cooperation among utilities.

## MEMBER TOPICS & EMERGING ISSUES

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Committee member suggestions and emerging issues drive much of the ETIC's work. This interim, the committee elected to examine a chosen topic at each meeting. 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.

Members may propose investigation of emerging issues at any time during the interim. Agencies may also request that the Committee study an emerging issue that has resulted from court decisions, federal actions, or another cause.

Emerging issues are not necessarily member issues and may be raised by an agency or by staff. However, to be on the agenda, the presiding officer or other ETIC member must request agenda time. Staff resources are limited, so additions to a work plan must be accompanied by deletions to retain scheduling balance.

The committee will prioritize member topics and emerging issues as the biennium progresses. Committee member topics suggested by committee membership or submitted to staff (as of September 12, 2023) include:

- Energy Sector Regionalization;
- Electric Vehicle Deployment;
- Nuclear Power
- Renewable Hydrogen Development;
- Alternative electricity rate-making structures;
- Ongoing Energy Development in Montana;
- Energy Storage Technology;
- Pumped Hydropower;
- Cryptocurrency's Impact on the Electric Sector;
- Colstrip Ownership Structures; and
- Artificial Intelligence's Future in the Electric Sector.

## TIME ALLOCATION FOR FTE

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As indicated in the graphic on page 10, 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 11) 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.

This interim the committee elected to allocate the following percentage of its .75 FTE:

- 40% to Committee Studies;
- 25% FTE to Energy Topics and Emerging issues;
- 25% FTE to Energy Education; and
- 10% FTE to Statutory duties and Rule Review.

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.

August 1, 2023	Sept. 28, 2023	Jan. 16, 2024	March 11-12, 2024	May 22-23, 2024	July 23-24, 2024	Sept. 10, 2024
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

**THE INTERIM IS COMPRISED OF 7 MEETINGS.**

**WORKPLAN TIMELINE (AS OF JULY 18, 2023)**

The following timeline provides an outline of how the ETIC will accomplish the items in its work plan. The timeline may be updated or revised to address scheduling, emerging issues, or to reallocate staff time to other topics.

<p>August 1, 2023</p>	<ul style="list-style-type: none"> <li>▪ Elect officers</li> <li>▪ Discuss and adopt draft work plan</li> <li>▪ Identify committee studies</li> <li>▪ Identify and prioritize committee member topics</li> <li>▪ Adopt committee rules</li> <li>▪ Adopt meeting dates</li> <li>▪ Agency/program overviews</li> <li>▪ PSC Update</li> <li>▪ Statutory duties</li> <li>▪ ETIC publications update</li> <li>▪ Administrative Rule Review</li> </ul>
<p>Sept. 28</p>	<ul style="list-style-type: none"> <li>▪ Adoption of final work plan</li> <li>▪ Committee studies: Receive background information</li> <li>▪ Finalize list of committee member topics</li> <li>▪ Member topics and emerging issues</li> <li>▪ PSC Update</li> <li>▪ Statutory Duties</li> <li>▪ ETIC publications update</li> <li>▪ Administrative Rule Review</li> </ul>
<p>Jan. 9, 2024</p>	<ul style="list-style-type: none"> <li>▪ Committee studies: <ul style="list-style-type: none"> <li>○ Receive additional background information</li> <li>○ Identify further issues and options</li> </ul> </li> <li>▪ Member topics and emerging issues</li> <li>▪ PSC Update</li> <li>▪ Statutory Duties</li> <li>▪ ETIC publications update</li> <li>▪ Administrative Rule Review</li> </ul>
<p>March 14-15</p>	<ul style="list-style-type: none"> <li>▪ Committee studies: Identify further issues and options</li> <li>▪ Committee member topics</li> <li>▪ PSC Update</li> <li>▪ Statutory Duties</li> <li>▪ ETIC publications update</li> <li>▪ Administrative Rule Review</li> </ul>
<p>May 22-23</p>	<ul style="list-style-type: none"> <li>▪ Committee studies: <ul style="list-style-type: none"> <li>○ Discuss options</li> <li>○ Propose recommendations</li> </ul> </li> <li>▪ Committee member topics</li> <li>▪ PSC Update</li> <li>▪ Statutory Duties</li> <li>▪ ETIC publications update</li> <li>▪ Administrative Rule Review</li> <li>▪ Potential Travel</li> </ul>

July 16-17	<ul style="list-style-type: none"> <li>▪ Committee studies: <ul style="list-style-type: none"> <li>○ Draft recommendations, legislation</li> <li>○ Discuss draft report(s)</li> </ul> </li> <li>▪ Committee member topics</li> <li>▪ PSC Update</li> <li>▪ Statutory Duties</li> <li>▪ ETIC publications final draft approval</li> <li>▪ Administrative Rule Review</li> </ul>
Sept. 10	<ul style="list-style-type: none"> <li>▪ Committee studies: <ul style="list-style-type: none"> <li>○ Review public comment on draft report, committee legislation</li> <li>○ Revise draft report, committee legislation, if necessary</li> <li>○ Approve final report(s)</li> </ul> </li> <li>▪ PSC Update</li> <li>▪ Statutory Duties</li> <li>▪ Finalize ETIC publications</li> <li>▪ Administrative Rule Review</li> </ul>

## 2023-24 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.

August 1, 2023	<b>ETIC Meeting.</b> Helena
September 28, 2023	<b>ETIC Meeting.</b> Helena
January 9, 2024	<b>ETIC Meeting.</b> Helena
March 14-15, 2024	<b>ETIC Meeting.</b> Helena
May 22-23, 2024	<b>ETIC Meeting.</b> Potential Travel
July 16-17, 2024	<b>ETIC Meeting.</b> Potential Travel
September 10, 2024	<b>ETIC Meeting.</b> Helena

**Committee interim work must be completed September 15, 2022.**