

\*\*\*\* BILL NO. \*\*\*\*

INTRODUCED BY \*\*\*\*

BY REQUEST OF THE \*\*\*\*

A BILL FOR AN ACT ENTITLED: "AN ACT AN ACT REVISING PUBLIC UTILITY RESOURCE PLANNING LAWS; PROVIDING TIMELINES; PROVIDING FOR AN INDEPENDENT MONITOR; AND AMENDING SECTION 69-3-1207, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 69-3-1207, MCA, is amended to read:

"69-3-1207. Competitive solicitation process -- Montana consumer counsel role. (1) (a) Except as provided in subsection (5), a public utility that intends to seek approval by the commission pursuant to 69-8-421 for the acquisition, construction, or purchase of an electricity supply resource shall conduct a competitive solicitation process.

(b) A public utility may not prohibit a qualifying small power production facility as defined in 69-3-601 or another utility or supplier that owns an electricity supply resource or intends to construct an electricity supply resource from participating in a competitive solicitation process.

~~(c) A competitive solicitation process that is open to bids that would result in the ownership of an electricity supply resource by the public utility issuing the solicitation must include the use of a third-party administrator. An independent monitor selected by the public utility shall be used to open, consider, and evaluate bids submitted pursuant to a solicitation, administer or monitor the evaluation of bids pursuant to a competitive solicitation.~~

(i) The independent monitor shall be selected by the Montana Department of Environmental Quality pursuant to section (4).

(ii) The role of the third-party monitor is to assist the public utility in conducting the competitive solicitation.

(iii) Third-party monitor shall be familiar with competitive bid and evaluation processes.

1 (iv) Third-party monitor shall thoroughly document the process used by the public utility to solicit and  
2 evaluate bids received during the competitive solicitation.

3 (d) A public utility may conduct a competitive solicitation in conjunction with the development of an  
4 integrated least-cost plan in 69-3-1204.

5 (2) A public utility that plans to conduct a competitive solicitation process shall submit the following  
6 information to the commission:

7 (a) a description of the competitive solicitation process that the public utility will use and proof of  
8 compliance with subsections (1)(b) and (1)(c), if applicable; and

9 (b) a complete draft of the proposal soliciting electricity supply resources, citing the range in size and  
10 type of resource need that may include all types offer resources.

11 (3) The commission ~~may shall accept public comment on the information notice and provide comments~~  
12 to the public utility on information received in subsection (2) within 30 days following the date a draft pursuant to  
13 this section is received by the commission.

14 (4)(a) The ~~Montana consumer counsel~~ Montana Department of Environmental Quality shall developing  
15 a standing list of qualified persons or organizations for may request, select, and retain a person or organization  
16 selection and retention to act as an independent monitor for a competitive solicitation process.

17 (b) The department of environmental quality shall select and retain a person or organization to act  
18 as an independent monitor for each competitive solicitation process from the list compiled in section (4)(a).

19 ~~(b)(c)~~ (c) The commission shall charge a fee to the public utility to pay for the costs of an independent  
20 monitor. These costs are recoverable in rates.

21 ~~(e)(d)~~ (d) The independent monitor may assist the ~~Montana consumer counsel~~ utility by:

22 (i) providing comments on the consistency of the competitive solicitation process with industry  
23 standards;

24 (ii) monitoring and observing the competitive solicitation process, paying particular attention to the  
25 public utility's evaluation of electricity supply resources that may result in utility ownership of the resource, to  
26 ensure that the utility conducts a fair and proper process in accordance with industry standards;

27 (iii) notifying the utility and the ~~consumer counsel~~ commission on a timely basis prior to the utility's  
28 selection of the resources of any discrepancies observed in the process and resolving any differences of

1 opinion; and

2 (iv) preparing a closing report prior to the final selection of the resources regarding the consistency of  
3 the process, including selection and notification of electricity supply resources taking part in the solicitation  
4 process based on industry standards.

5 (5) This section does not apply to:

6 (a) a request for proposals or purchase by a public utility intended solely to meet the short-term  
7 operational needs of the utility for a period of less than 12 months; or

8 (b) an application made to the commission by a public utility to acquire, construct, or purchase an  
9 opportunity resource.

10 (6) For the purposes of this section, "opportunity resource" means an electricity supply resource  
11 necessary to meet a need demonstrated in a plan in accordance with 69-3-1204(2)(a)(iv) that is either new or  
12 existing and that remains unknown as to its availability for purchase until an opportunity to purchase arises."

13 - END -

