

1 (v) ;the proposed process the utility intends to use to solicit bids for energy and capacity resources to
2 be acquired through a competitive solicitation process in accordance with 69-3-1207; and

3 (vi) descriptions of at least two alternate scenarios that can be used to represent the costs and benefits
4 from increasing amounts of renewable energy resources and demand-side management programs, based on
5 rules developed by the commission.

6 (b) The utility shall fully explain, justify, and document the data, assumptions, methodologies, models,
7 determinants, and any other inputs on which it relied to develop information required in subsection (2)(a).

8 (3) (a) The commission may adopt rules providing guidelines to be used in preparing a plan and
9 identifying the criteria to be used in determining cost-effectiveness.

10 (b) The criteria may include externalities associated with the acquisition of a resource by a public utility.

11 (c) The rules must establish the minimum filing requirements for acceptance of a plan by the
12 commission for further review. If a plan does not meet the minimum filing requirements, it must be returned to
13 the public utility with a list of filing requirements not met. A corrected plan must be submitted within the time
14 established by the commission.

15 (4) A plan filed with the commission by a utility, as defined in 75-20-104, must be provided to the
16 department of environmental quality and the consumer counsel.

17 (5) Within 120 days of receipt of a plan, the commission shall:

18 (a) review the plan;

19 (b) publish a copy of the plan;

20 (c) allow for a minimum of 45 days for the public to comment on the plan; and

21 (6) The commission may provide public meetings in accordance with 69-3-1205.

22 (7) (a) The commission may identify deficiencies in the plan, including:

23 (i) any concerns of the commission regarding the public utility's compliance with commission rules; and

24 (ii) ways to remedy the concerns.

25 (b) The commission may engage independent engineering, financial, and management consultants or
26 advisory services to evaluate a public utility's plan. The consultants shall demonstrate knowledge and
27 experience with resource procurement and resource portfolio management, modeling, risk management, and
28 engineering practices. The commission shall charge a fee to the public utility to pay for the costs of consultants

1 or advisory services. These costs are recoverable in rates."

2

3 **Section 2.** Section 69-3-1205, MCA, is amended to read:

4 **"69-3-1205. Public comment -- public meetings.** (1) When developing a plan in accordance with
5 this part and prior to submitting a plan to the commission, a public utility shall hold at least four public meetings
6 in the utility's Montana service territory to ensure a plan best meets the diverse goals of shareholders,
7 ratepayers, and society.

8 (2) A utility may petition the public service commission to forego up to two public meetings based on
9 public participation in previous public meetings held in compliance with section 1. The public utility shall
10 consider written and oral comments respecting the proposed plan received during public meetings or meetings
11 of the resource planning advisory committee held pursuant to 69-3-1208. The public utility shall summarize and
12 respond to substantive comments received and file those as part of the plan.

13 (3) After a plan is submitted, the commission may conduct public meetings for the purpose of receiving
14 comment on a plan. The commission or the department of public service regulation may comment on the plan.
15 A comment by the commission or the department may not be construed as preapproval by the commission of
16 rate treatment for any proposed resource.

17 (4) The department of environmental quality:
18 (a) shall review a plan submitted to the commission and comment on the need for new resources, the
19 alternatives evaluated to meet the need, the environmental implications of the resource choices, and other
20 related issues that it considers important. The department shall coordinate and deliver all comments from other
21 executive branch agencies.

22 (b) may use a plan in the development of studies for a specific energy facility for which an application
23 for a certificate of compliance is submitted under Title 75, chapter 20.

24 (5) The consumer counsel shall review and may comment on a submitted plan."
25

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

27 **"69-3-1207. Competitive solicitation process -- Independent evaluator --Department of**
28 **Environmental Quality role.** (1) (a) Except as provided in subsection (5), a public utility that intends to seek

1 approval by the commission pursuant to 69-8-421 for the acquisition, construction, or purchase of an electricity
2 supply resource shall conduct a competitive solicitation process.

3 (b)___ A public utility may not prohibit a qualifying small power production facility as defined in 69-3-
4 601 or another utility or supplier that owns an electricity supply resource or intends to construct an electricity
5 supply resource from participating in a competitive solicitation process.

6 (c)___ An independent evaluator must be used to oversee a public utility's competitive solicitation.
7 The Montana department of environmental quality shall select the independent evaluator pursuant to section
8 (4),

9 (d) An independent evaluator shall

10 (i) monitor the evaluation of bids pursuant to a competitive solicitation.

11 (ii) provide oversight to ensure a fair and transparent competitive solicitation;

12 (iii) be familiar with competitive bid and evaluation processes; and

13 (iv) document the process used by the public utility to solicit and evaluate bids received during a
14 competitive solicitation.

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

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

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

21 (b)___ a complete draft of the proposal soliciting electricity supply resources, citing the range in size
22 and type of resource needs that may include all resource types

23 (3)___ The commission shall:

24 (a) notice and accept public comment regarding information received in accordance with
25 subsection (2); and

26 (b) notify the department of environmental quality when the commission receives a proposal to
27 solicit electricity supply resources.

28 (4)___ (a) Subject to public comments received pursuant to subsection (4)(b), the department of

1 environmental quality shall:

2 (i) solicit, evaluate, and maintain a list of independent evaluators of a competitive solicitation

3 process;

4 (ii) develop a process to disqualify and remove from the list those independent evaluators who do
5 not comply with established qualifications;

6 (iii) update the list every three years; and

7 (iv) after information is submitted to the commission in accordance with subsection (2) and subject
8 to rules adopted by the department pursuant to subsection (4)(c), select an independent evaluator from the list.

9 (b) The department shall accept public comment when developing and updating the list.

10 (c) On or before July 1, 2026, the department shall adopt rules for:

11 (i) evaluating independent evaluators for inclusion on the list;

12 (ii) selecting an independent evaluator in accordance with this section;

13 (iii) implementing this subsection (4);

14 (iv) prescribing the general form of a contract with an independent evaluator. This general form of a
15 contract is subject to review and input from the public utility and to approval by the public service commission.

16 (d) Nothing in this section limits the department's ability to fulfill its duties in accordance with 69-3-
17 1205.

18 (5)(a) The commission shall charge a fee to the public utility to pay for the costs of an independent
19 evaluator. These costs are recoverable in rates.

20 (b) After the department selects an independent evaluator in accordance with subsection (4), the
21 public utility shall execute a contract for service with the independent evaluator on a general form of a contract
22 prescribed by rule and pursuant to the duties listed in subsection (6).

23 (c) The department shall provide counsel to the independent evaluator in accordance with [section

24 4].(d) The commission shall charge a fee to the public utility to reimburse the department for costs associated
25 with providing council to the independent evaluator. The fee is recoverable in rates.

26 "

27

28 NEW SECTION. Section 4. Independent evaluator role. (1) The independent evaluator oversee the

1 competitive solicitation conducted by the public utility to protect the public interest and advance the policies in
2 69-3-1202.

3 (2) The independent evaluator shall:

4 (a) provide comments to the public utility and the commission on the consistency of a competitive
5 solicitation process with industry standards;

6 (b) monitor, evaluate, and observe the competitive solicitation process, paying particular attention
7 to the public utility's evaluation of electricity supply resources that may result in utility ownership of the resource,
8 to ensure that the utility conducts a fair and proper process in accordance with industry standards;

9 (c) notify the utility and the commission on a timely basis prior to the utility selection of the
10 resources of any discrepancies observed in the process and resolve any differences of opinion; and

11 (d) prepare a closing report prior to the final selection of the resources regarding the consistency of
12 the process, including selection and notification of electricity supply resources taking part in the solicitation
13 process based on industry standards. Public utilities shall include the closing report in applications for future
14 cost-recovery dockets.

15 (e) The commission shall grant the department the right of intervention in future cost-recovery
16 proceeding for the purpose of entering the independent evaluator closing report into the evidentiary record and
17 representing the independent evaluator during discovery and hearings.

18 (2)___This section does not apply to:

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

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

23 (3) For the purposes of this section, "opportunity resource" means an electricity supply resource
24 necessary to meet a need demonstrated in a plan in accordance with 69-3-1204(2)(a)(iv) that is either new or
25 existing and that remains unknown as to its availability for purchase until an opportunity to purchase arises."
26

27 **Section 5.** Section 69-3-1208, MCA, is amended to read:

28 **"69-3-1208. Resource planning -- advisory committee.** (1) A public utility shall maintain a broad-

1 based advisory committee to review, evaluate, and make recommendations on technical, economic, and policy
2 issues related to a utility's electricity system.

3 (2) The committee may advise the utility on demand-side management, portfolio planning, and
4 management and procurement completed in accordance with this part.

5 (3) The committee membership shall be published by the utility.

6 (4) A committee meeting must be open to the public when a majority of the committee members
7 vote to hold a public meeting.

8
9 **NEW SECTION. Section 6. Integrated resource planning and acquisition program.** (1) There is
10 an integrated resource planning and acquisition program within the public service commission comprised of:

11 (a) 2 regulatory analysts; and

12 (b) necessary additional staff to administer the program.

13
14 **NEW SECTION. Section 7. Appropriation.** (1) There is appropriated \$75,000 from the general fund
15 to the department of environmental quality for the biennium beginning July 1, 2025, to meet the requirements of
16 [this act].

17 (2) There is appropriated \$200,000 from the general fund to the commission for the biennium beginning
18 July 1, 2025, to meet the requirements of [this act].

19
20 **NEW SECTION. Section 8. Contingent voidness.** If [this act] does not include the appropriation
21 pursuant to [section (6)(2)], then [section 1(5)] and [section 5] are void.

22
23 **NEW SECTION. Section 9. {standard} Effective date.** [This act] is effective July 1, 2025.

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