

**ENERGY AND TELECOMMUNICATIONS
INTERIM COMMITTEE**

2005 - 2006 Work Plan

Adopted December, 2005

Published By



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GENERAL INFORMATION

Introduction

The Montana Legislature created the Energy and Telecommunications Interim Committee (ETIC) through enactment of House Bill No. 509 (2003). House Bill No. 509 also eliminated the Transition Advisory Committee (TAC) on electric industry restructuring.

The work plan sets forth the ETIC's strategy for fulfilling its responsibilities during the 2005-2006 interim. This is a flexible document. The committee will refine tasks and time lines as information is gathered and evaluated.

Members and Staff

Committee Members

Sen. Glenn Roush, Senior Senator
Rep. Alan Olson
Rep. Robin Driscoll
Sen. Jeff Essmann
Rep. Harry Klock
Sen. Dave Lewis
Sen. Greg Lind
Rep. Gary Matthews

Staff

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How the ETIC Plans its Work

During the legislative interim, the ETIC typically focuses on the study topics it has been assigned while also maintaining oversight of programs and rule-making activities of the Department of Public Service Regulation and the Public Service Commission. It also may address issues and improve law as it deems be in the best interests of the state.

The primary constraint limiting the ETIC's interim agenda is the number of issues that can be effectively addressed within the available time and resources of the committee members and its staff.

The Work Plan is really a *decision making tool* to help Council members work together efficiently to set priorities and decide how and where to spend the ETIC's limited time and resources. The Work Plan includes studies that were requested by legislators through study resolutions, suggested topics offered by Council members, and statutory mandates. It becomes the blueprint for the 2003-2004 interim. Staff will then develop detailed draft work plans and timetables for *each* major study. A time line illustrates the overall schedule that these work plans will fit into once the meeting schedule and work plan are finalized is presented at the end of this document.

Committee Procedures and Public Participation

The Energy and Telecommunications Interim Committee will operate under the *Rules, Procedures, and Guidelines for Interim Committees* adopted by the Legislative Council.

As required by law, 10 day advance public notice will be given for all meetings and the public will be given an opportunity to comment on any matter that is within the jurisdiction of the committee. The Chair may establish time limits for public comment, if necessary.

Interested persons may be added to the mailing list by contacting Dawn Field at 444-3073, or the Legislative Services Division office at 444-3064.

Agendas, memos, links and other information can be found on the Energy and Telecommunications Interim Committee website:
leg.state.mt.us/css/committees/interim/2005_2006/energy_telecom/default.asp

WORK PLAN TOPICS

Study Resolutions Assigned to ETIC

The following are brief summaries of study resolutions that were passed by the 2005 Legislature and assigned to the ETIC

Distributed Energy

SJR 36 found that renewable and other small-scale distributed generation has increased citizen and lawmaker interest; complements the central-station model of electricity generation and offers potential solutions to many of today's pressing energy and electric power problems; might be a quicker and more affordable alternative for adding future load to remote Montana locations;

and is ideal for several of the emerging technologies currently being promoted and developed in Montana.

Energy Planning and Coordinating Entity

SJR 39 found that the cost and development of energy resources is critical to all Montanans; there is a large and uncoordinated complex of local, state, federal, non-profit and for-profit bodies all working on energy issues; there is no single Montana-based entity specifically dedicated to broad planning, analysis, and evaluation of energy issues; and without such an entity it is almost impossible to have a vision for developing the energy resources and meeting future energy needs of Montana

Other Oversight and Initiatives

ETIC's Statutory Duties

The ETIC draws its statutory responsibilities from three sources. The first is **5-5-215**, which describes the general duties for *all* interim committees. As applied to the ETIC, this statute requires the committee to:

- **Conduct interim studies** as assigned. The committee may recommend to the Legislative Council that an interim study not be conducted or be assigned to another interim committee.
- **Review administrative rules** of the Department of Public Service Regulation (DPSR) and the Public Service Commission (PSC).
- **Review legislation proposed** by the DPSR or PSC. (Bills requested by an individual member of the Legislature are not subject to this requirement.)
- **Monitor the operation** of the DPSR and PSC with specific attention to the following:
 - identification of issues likely to require future legislative attention;
 - opportunities to improve existing law through the analysis of problems experienced with the application of the law by the agency; and
 - experiences of Montana's citizens with the operation of the agency that may be amenable to improvement through legislative action.
- **(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 of the Montana Legislature
- **(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.

The second is **5-5-230**, which, as amended by HB199 in 2005, states "The energy and telecommunications interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for Department of Public Service Regulation and the Public Service Commission."

The third is 90-4-1003, which as amended by HB199 in 2005, requires the ETIC to "maintain a continual process to develop the components of a comprehensive state energy policy." HB199 transferred this function from the Environmental Quality Council to the ETIC. The statute says that due to "limited state resources and the need to focus intensive effort on specific issues of importance, the development of a comprehensive state energy policy must occur on an incremental basis." *It therefore directs the Department of Environmental Quality (DEQ), "as the need arises, [...to] identify and recommend to the committee specific components of a state energy policy for development."* If and when the DEQ identifies such issues, the ETIC is then required to create a "working group" which the DEQ assists in terms of staffing and administration.

Utilities' Statutory Responsibility to the ETIC

Pursuant to 69-8-402, public utilities and cooperative utilities are required to submit an annual summary report of universal system benefits programs to the ETIC.

**WORK PLAN MATRIX:
WORK OPTIONS AND RESOURCE AVAILABILITY**

**HIGHLIGHTED PORTIONS ARE THE WORK ELEMENTS
CHOSEN BY THE COMMITTEE**

	Cadillac DeVille	Station Wagon	Keep in Garage	Staff Hours (.86 FTE)
Assigned				
SJR 36 Distributed Energy	<p align="center">0.35 - 0.45 FTE</p> <ul style="list-style-type: none"> ✓ Identify the potential benefits that distributed generation offers energy development in Montana ✓ Identify any technical, market, regulatory, or other barriers to developing distributed generation that might exist ✓ Host two panels for a range of energy stakeholders in Montana to comment on these potential benefits and challenges ✓ Prepare profiles of distributed energy as it might exist in other states with comparable demographic and energy profiles ✓ Prepare a Full Interim Report on the potential benefits of and barriers to the development of distributed generation; policy recommendations about any such technical, market, or regulatory barriers identified; and summary of any input and action by the committee. 	<p align="center">0.25 FTE</p> <ul style="list-style-type: none"> ✓ Identify the potential benefits that distributed generation offers energy development in Montana ✓ Identify any technical, market, regulatory, or other barriers to developing distributed generation that might exist ✓ The analysis of benefits and barriers is to include section forecasting impact on rate payers of expanding distributed energy generation ✓ Prepare a White Paper on the potential benefits of and barriers to the development of distributed generation 	No action	

**HIGHLIGHTED PORTIONS ARE THE WORK ELEMENTS
CHOSEN BY THE COMMITTEE**

<p>SJR 39 Energy Entity</p>	<p style="text-align: center;">0.35 - 0.45 FTE</p> <ul style="list-style-type: none"> ✓ Identify and profile the various Montana stakeholders involved with energy issues. Prepare an Inventory/Matrix of these energy-related entities by function ✓ Identify other select states with energy planning and coordinating bodies then summarize the mandates and mechanisms of those models. ✓ Gather stakeholder opinion as to whether or not the current array of energy-related groups is optimally arranged to develop energy in the broad best interests of the people of Montana. Also solicit opinion as to whether the addition of a singular planning and coordinating entity might help in this regard. ✓ Host two public forums to gather such opinion ✓ Assess ETIC member opinion on the same questions. ✓ Prepare a Full Interim Report on the perceived advantages and disadvantages of a planning and coordinating entity for Montana energy policy, and how such an entity might best be structured. 	<p style="text-align: center;">0. 25 FTE</p> <ul style="list-style-type: none"> ✓ Identify and profile the various Montana stakeholders involved with energy issues. ✓ Gather stakeholder opinion as to whether or not the current array of energy-related groups is optimally arranged to develop energy in the broad best interests of the people of Montana. Also solicit opinion as to whether the addition of a singular planning and coordinating entity might help in this regard. ✓ Assess ETIC member opinion on the same questions. ✓ Prepare a White Paper on the perceived advantages and disadvantages of a planning and coordinating entity for Montana energy policy, and how such an entity might best be structured. 	<p>No action</p>	
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Statutory			
Review Admin Rules	0.03 FTE	0.01 FTE	
	<p>✓ Staff provides committee copies of notices for the adoption of rules on all ETIC subjects. (Members to inform staff or Chair if they want more information.)</p> <p>✓ 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.</p> <p>✓ Committee attorney monitors and provides synopses of proposed rules on subjects committee needs to know about.</p>	<p>✓ Staff provides committee copies of notices for the adoption of rules on certain ETIC subjects. (Members to inform staff or Chair if they want more information.)</p> <p>✓ 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.</p>	
Review Agency Legislation	0.05 FTE		
	<p>✓ Committee reviews proposals from the DPSR and/or PSC and decides if staff should draft legislation for preintroduction</p>		
Monitor PSC activities	0.05 FTE	0.02 FTE	
	<p>✓ Monitor, or investigate aspects of the _____ program(s)</p>	<p>✓ Monitor, or investigate aspects of, a program if and when the committee so chooses</p>	
Review Utility USBP Reports	0.02 FTE		
	<p>✓ Committee reviews utility reports and decides if any comments on compliance are needed and if staff should assist</p>		

Member / Committee Driven			
HJR 45 LC-0188 Enhanced wireless 9-1-1	0.03 FTE √ Staff requests the Department of Administration to share information with the committee via staff who will provide updates.		
HB 539 LC-4144 Revision of Telecom Law	0.03 FTE √ Interested parties to get together and work out their respective positions with the possible intent of working with the committee to formulate legislation for the next session.		
LC-0037 Reform of deregulation laws	0.03 FTE		
LC-0038 State transmission authority	0.03 FTE		
LC-0091 Tax credit renewable energy bonds	0.03 FTE		
LC-0090 CO2 common carrier status	0.03 FTE		
LC-0089 CO2 equipment tax break	0.03 FTE		

2005-2006 ETIC Meeting Calendar

1st Monday and Tuesday, June 20 - 21, 2005 (Roundup)

2nd Thursday, September 22, 2005 (Helena)

3rd Thursday, November 22, 2005 (Helena)

4th January 19, 2006 (Helena)

5th Thursday and Friday, April 20-21, 2006 (Helena)

6th Thursday, September 7, 2006 (Helena)

- Final decision by committee on content of reports and proposed legislation, if any.
- Selection of bill sponsors.
- Review proposals and decide whether or not to request that staff draft DPSR and/or PSC legislation for preintroduction.

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