

## Summary of Energy and Telecommunications Legislation 2013 Legislative Session

The 2013 Legislature acted on a number of bills involving energy policy, utility regulation, and project permitting. This summary provides an overview of major legislation, excluding the budget provisions of House Bill 2, in the following areas:

ETIC and PSC Bills  
Renewable Portfolio Standard  
Utilities and Cooperatives  
Mining, Coal, and Pipelines

Telecommunications  
MEPA and MFSA  
Eminent Domain  
Oil and Gas

The summary focuses only on legislation approved by the Legislature that has become law. The bills with an \* next to them are the subject of a veto poll override. Only those bills that were approved by two-thirds of the members voting on the final vote on the bill are subject to the poll. At least 2/3 of each house must vote to override a veto

### **ETIC Bills and PSC Bills**

During the 2011-2012 interim, the ETIC approved the drafting of three pieces of committee legislation and two pieces of legislation at the request of the Public Service Commission. Four of the five bills were passed and approved. One of the PSC bill draft requests failed in a conference committee.

#### *ETIC Committee Bills*

**SB 45** Revises the definition of an "eligible renewable resource" to include expansions to a hydroelectric facility after the effective date of the act. Provides instruction on how the PSC determines incremental generation that is counted toward the renewable standard.

**SB 90** Provides new transparency and voting requirements for rural electric cooperatives. Establishes voting requirements for distribution cooperatives and generation and transmission cooperatives when entering into agreements for the construction of certain electrical generation or contracts. Provides disclosure requirements related to load forecasts and outlines additional transparency requirements for generation and transmission cooperatives.

**SJ 6** Requests the appropriate committee study Montana's renewable portfolio standard and recommend, if necessary, changes in the standard.

#### *Public Service Commission and Duties*

**HB 55** Updates motor carrier laws to comply with federal preemption of state regulation of motor carriers transporting certain property.

**SB 293** Requires a subdivider to submit information to the PSC regarding whether a proposed subdivision's water and wastewater systems will be under the commission's jurisdiction.

## **Renewable Portfolio Standard**

**SB 45** (Discussed under ETIC bills)

**SB 52** Clarifies that only certain public utilities, cooperatives, competitive electricity suppliers, and electrical generators are required to report the purchase of renewable energy credits.

**SB 106** Revises the definition of an "eligible renewable resource" to include flywheel storage, hydroelectric pumped storage, compressed air, and batteries.

**SB 164** Exempts public utilities that served 50 or fewer customers on December 31, 2012 from the requirements of Montana's renewable portfolio standard. (Avista and Black Hills)

**SB 325** Revises the definition of an "eligible renewable resource" to include wood pieces that have been treated with chemical preservatives, such as creosote, pentachlorohenol, or copper-chrome arsenic, and that are used at a facility with a nameplate capacity of 5 megawatts or less.

**SB 327** Exempts competitive electricity suppliers that serve four or fewer customers from the requirements of Montana's renewable portfolio standard. (Conoco-Phillips)

**SJ 6** (Discussed under ETIC bills)

## **Utilities and Cooperatives**

**SB 90** (Discussed under ETIC bills)

**\*HB 188** Prohibits the PSC from approving rate schedules for certain small-power producers and establishes guidelines between certain small-power production facilities and utilities.

**HB 477** Requires a utility to provide the average annual energy use for a property to the owner or an entity involved in a Real Estate-related transaction. Makes a utility liable for direct damages resulting from a discontinuance of utility service caused by a breach of a continuous service agreement.

## **Mining, Coal, and Pipelines**

**SB 141** Clarifies that pipelines that transport carbon dioxide from plants or facilities that produce or capture carbon dioxide are common carrier pipelines.

**SB 92** Clarifies the permitting process for coal prospecting that was established in 2011. Streamlines permit application requirements and requirements for replacing underground water sources. Clarifies annual report requirements and challenges to ownership and control listings.

**SB 364** Authorizes the Department of Environmental Quality to adopt rules to regulate the disposal and management of coal ash generated by the combustion of coal at electrical generating facilities in order to implement potential federal legislation or potential federal Environmental Protection Agency regulations.

## **Telecommunications**

**\*HB 509** Establishes how 9-1-1 fees are imposed on prepaid wireless services and establishes

a process where retailers collect the prepaid fee. Allows retailers to retain a portion of the fees and limits liability for retailers.

**HB 575** Requires that fees collected for wireless enhanced 9-1-1 services be reallocated to wireless 9-1-1 jurisdictions and wireless providers under certain circumstances.

### **MEPA and MFSA**

**HB 256** Requires the Department of Environmental Quality to provide a written notice of the availability of a draft environmental review to each property owner within the 1-mile-wide facility siting corridor identified as the department's preferred alternative for certain facilities (transmission lines and pipelines) under the Major Facility Siting Act.

**HB 513** Exempts "megaloads" from Montana Environmental Policy Act review when existing roads through existing rights-of-way are used.

### **Eminent Domain**

**HB 417** Requires that a final written offer be rejected before a condemnation complaint is filed. Allows for a condemnor and property owner to negotiate additional offers. Requires that the claim required in the contents of a condemnation complaint be equal to the final written offer made by a condemnor.

**HB 45** Requires that a condemnation complaint include a copy of the Environmental Quality Council's *Eminent Domain in Montana* handbook.

### **Oil and Gas**

**HB 431** Revises negotiation requirements for surface owner damage and disruption compensation from oil and gas developers or operators by defining "lost land value" and "reasonable available use" of the property for which a landowner is to be compensated.

**\*HB 218** Authorizes the Department of Commerce to provide grants using \$15 million in federal mineral leasing royalties in fiscal year 2013 and up to \$10 million in fiscal years 2014 through 2020 to assist local governments with infrastructure and other local government needs as a result of oil and gas development impacts.