

Unofficial Draft Copy

As of: July 27, 2016 (4:20pm)

LCCOL1

**** Bill No. ****

Introduced By *****

By Request of the Energy and Telecommunications Interim Committee

A Bill for an Act entitled: "An Act appropriating money to the department of justice and the governor's office to participate in proceedings and related dockets before out-of-state utility or regulatory commissions that address planning for the future of coal-fired generation facilities located in Montana; and providing an effective date."

WHEREAS, in March 2016, the Washington Utilities and Transportation Commission agreed to extend the date by which Puget Sound Energy must file a general rate case to allow Puget Sound Energy to continue to work toward developing a plan to address the future of Colstrip Units 1 and 2; and

WHEREAS, Puget Sound Energy has committed to include a comprehensive plan addressing the future of Colstrip Units 1 and 2 in its next general rate case, including a depreciation schedule for all four units that aligns with Puget Sound Energy's most current analysis of the plants' useful life; an analysis of Units 1 and 2 that includes known major maintenance obligations and their projected costs; a narrow window of dates for the planned retirement of Units 1 and 2; detailed information regarding planned decommissioning and remediation activities for Units 1 and 2, including costs associated; and a basic framework for how power replacement decisions will be made if the planned

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retirement of Units 1 and 2 is out of sync with the development of the 2017 Integrated Resource Plan; and

WHEREAS, the rate case will be filed before the Washington Utilities and Transportation Commission no later than January 17, 2017; and

WHEREAS, the proceedings surrounding Colstrip Units 1 and 2 are complex and rapidly changing, and Montana needs to be prepared to participate and intervene as necessary; and

WHEREAS, Montana has an interest in the proceedings because the decommissioning and remediation of Colstrip Units 1 and 2 will significantly impact Montana's economy, with state and local tax reductions and a general fund tax reduction; Montana has a responsibility to advocate for power replacement decisions by Puget Sound Energy that can benefit the state; state and federal taxpayers in Montana have in the past spent millions of dollars to clean up environmental problems caused by out-of-state corporate failures to properly account for remediation and restoration of Montana's land and water; and Montana must have a seat at the table when a "narrow window of dates" for the planned retirement of Units 1 and 2 is established.

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. Section 1. Appropriation for intervention in out-of-state energy proceedings. (1) For the biennium beginning July 1, 2017, there is appropriated from the general fund:

(a) \$80,000 to the department of justice to participate in

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proceedings and related dockets before out-of-state utility or regulatory commissions that address planning for the future of coal-fired generation facilities located in Montana; and

(b) \$20,000 to the governor's office to assist or participate, as necessary, in proceedings and related dockets before out-of-state utility or regulatory commissions that address planning for the future of coal-fired generation facilities located in Montana.

(2) The department of justice and the governor's office may request technical assistance from state government agencies, including but not limited to the department of environmental quality, the department of labor and industry, and the department of public service regulation, to assist in their efforts.

(3) Any funds not expended or encumbered in the biennium revert to the general fund.

NEW SECTION. **Section 2. {standard} Effective date.** [This act] is effective July 1, 2017.

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{Name : Sonja E. Nowakowski
Title : Research Analyst
Agency : LSD LEPO
Phone : 406-444-3078
E-Mail : snowakowski@mt.gov}

