

Energy and Telecommunications Interim Committee

September
11
2015

To plan its work and establish goals, the ETIC starts the interim by mapping out its priorities. The work plan provides an outline of what the ETIC will work on throughout the interim and how much effort will be placed on each subject. It will provide guidance to the committee over the next 15 months and serve as a blueprint for the interim.

2015-16
Interim
Work
Plan



Contents

Introduction	1
Committee Procedures and Public Participation.....	1
Members and Staff.....	2
How the ETIC Plans its Work.....	2
Work Plan Topics	4
Study Bills assigned to the ETIC by the Legislature	4
1. Senate Joint Resolution No. 12: Study Net Metering Costs and Benefits	4
2. House Joint Resolution No. 7: Study Next Generation 9-1-1 in Montana	5
3. House Joint Resolution No. 16: Study Ridesharing in Montana	5
Additional Topics for ETIC Study	7
1. 111d EPA Rulemaking Subcommittee.....	7
2. Programmatic Review	8
3. Marketing of Montana’s Energy Resources	8
ETIC Statutory Duties and Obligations	10
Statutory Duties and Obligations	10
ETIC Educational Publications	12
Proposed Work Plan Timeline.....	14
2015-2016 Meeting Dates	18

Introduction

This is the work plan for the Energy and Telecommunications Interim Committee (ETIC) for the 2015-2016 interim. Included, you will find:

- A description of potential work plan topics and options for addressing those topics.
- A work plan timeline and calendar.

Committee Procedures and Public Participation

The ETIC 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 Presiding Officer may establish time limits for public comments, if necessary. Interested persons may be added to the mailing list by visiting the ETIC website. By visiting the website, interested persons may sign up for electronic meeting notifications. Agendas, memos, links and other information can be found on the ETIC website: www.leg.mt.gov/etic.

Members and Staff

Committee Members	Phone	Email
Rep. Chris Pope	406-581-8739	Rep.Christopher.Pope@mt.gov
Rep. Keith Regier -- Chairman	406-756-6141	Rep.Keith.Regier@mt.gov
Rep. Tom Steenberg	406-721-5869	tom.a.steenberg@gmail.com
Rep. Daniel Zolnikov	406-861-5210	Rep.Daniel.Zolnikov@mt.gov
Sen. Duane Ankney	406-740-0629	goodwind1.duane@gmail.com
Sen. Pat Connell	406-370-8682	connell4sd43@yahoo.com
Sen. Robyn Driscoll	406-272-2403	Sen.Robyn.Driscoll@mt.gov
Sen. Cliff Larsen – Vice Chairman	406-544-6263	cliff@larsenusa.com
Staff	Phone	Email
Sonja Nowakowski	406-444-3078	snowakowski@mt.gov
Todd Everts	406-444-4023	teverts@mt.gov
Nadine Spencer	406-444-3838	nspencer@mt.gov

How the ETIC Plans its Work

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

The Legislative Council assigned the Committee three studies in the form of joint study resolutions ranked by legislators. The Committee was assigned Senate Joint Resolution No. 12, a study of Montana’s net metering laws, House Joint Resolution No. 7, a study of enhanced 9-1-1 in Montana, and House Joint Resolution No. 16, a study of ridesharing in Montana. In May, staff also requested ETIC members provide potential study topics for discussion at the June meeting.

The ETIC establishes its work plan at the beginning of the interim. The primary constraint limiting the study agenda for the interim is the number of issues that can be effectively addressed within the available time and resources of the committee members and its staff.

This 2015-2016 Work Plan sets priorities and outlines how and where the ETIC will spend its limited time and resources. The work plan sets out a strategy for fulfilling the ETIC’s responsibilities throughout the 2015-2016 interim.

The work plan is a blueprint for the interim. Timetables for each major study are included in the work plan calendar. The ETIC Work Plan Decision Matrix, a separate document, is a way to look at topics side by side and review time allocations to each topic.

(This page intentionally left blank.)

Work Plan Topics

Study Bills assigned to the ETIC by the Legislature

1. Senate Joint Resolution No. 12: Study Net Metering Costs and Benefits

Legislative Poll Ranking: #2

Background: During the 2015 Legislature, net metering was at the forefront of the energy policy debate. Throughout the session, questions were raised concerning how to account for the benefits of net metering and how to determine the costs of net metering. The Legislature passed SJ 12 requesting an interim committee review a lengthy list of policy matters ranging from the economic impacts of net metering to the cost shifts, if any, between net-metering customers and customers who do not net meter. Montana's net metering statutes, enacted in 1999, are codified in Title 69, chapter 8, part 6.

Work Plan: The committee dedicated .5 FTE, the majority of its time, to a study of net metering. The committee will issue a final interim report with findings and recommendations on the subject. Potential legislation may also accompany the committee's recommendations. Tasks that will be completed throughout the interim include:

- Engage stakeholders in analysis and information gathering
- Panel discussion with utilities, cooperatives, and net metering industry
- Panel discussion with additional stakeholders
- Review methods used in other states for valuing net metering
- Visit net metering sites -- Local
- Expand analysis to include various sized systems
- Analysis of impacts to utility operations, operating costs, and supply resource
- Quantify Montana specific costs and benefits with analysis of avoided energy purchases, cost shifts, transmission and distribution matters, and business impacts
- Limited review of system stability issues and safety issues (scaled-back analysis)
- Analysis of subsidies, economic development impacts

2. House Joint Resolution No. 7: Study Next Generation 9-1-1 in Montana

Legislative Poll Ranking: #3

Background: Next-generation 9-1-1 can enhance public safety in Montana, however, next-generation 9-1-1 continues to evolve with technological advances. There are a multitude of state and federal regulatory policies that also will guide the implementation of next-generation 9-1-1 and financial planning will also be critical. The implementation, management, and operation of next-generation will be highly complex and require stakeholders to reach a consensus on critical issues in Montana.

Work Plan: The committee dedicated .15 FTE to its study of next-generation 9-1-1. The committee will complete a white paper summarizing its findings on the subject. Potential legislation may also accompany the committee's findings. Tasks that will be completed throughout the interim include:

- Review how Montana is implementing and promoting next-generation 9-1-1, including a discussion concerning funding matters
- Assess state and federal regulatory framework for next-generation 9-1-1
- Panel discussions with stakeholders
- Evaluate next-generation 9-1-1 programs and efforts in neighboring Western states
- Analysis of options to further the implementation and operation of next-generation 9-1-1 in Montana

3. House Joint Resolution No. 16: Study Ridesharing in Montana

Legislative Poll Ranking: #11

Background: With the passage of Senate Bill No. 396, Montana law provides a legal framework for ridesharing. A regulatory structure is in place and includes requirements for insurance and certification. The Montana Public Service Commission will continue to regulate, to a very limited degree, other motor carriers. SB 396, however, moved toward deregulation. A remaining issue is the regulation of rates.

Work Plan: The committee dedicated .001 FTE to its study of ridesharing in Montana. The committee ultimately agreed that SB 396 provides a proper framework for ridesharing in Montana. The committee will track the Public Service Commission's rulemaking on the issue and receive updates from staff.

(This page intentionally left blank.)

Additional Topics for ETIC Study

1. 111d EPA Rulemaking Subcommittee

Authority: Included in House Bill No. 2

Background: Based on requests from the 2013-2014 ETIC and EQC, the Legislative Services Division budget included additional funding for a joint subcommittee of the ETIC and EQC to track the proposed Environmental Protection Agency rules requiring states to reduce carbon dioxide emissions in the power sector by 2030. The funding was line-item vetoed from House Bill No. 2. The federal rulemaking is referred to as the 111d rule. The ETIC and EQC will need to determine if they would like to form the subcommittee and fund it with existing budgets. The work of the subcommittee would be narrow in scope and focus on the rule and how Montana can best position itself to implement a final rule. The subcommittee itself would set out its specific interim work plan.

Work Plan: The ETIC did not dedicate any of its time to the subject of 111d EPA Rulemaking. The committee instead appointed a subcommittee to study the topic and provide reports to the ETIC at each meeting. A subcommittee of four ETIC members and four Environmental Quality Council (EQC) members will be on the subcommittee. The subcommittee will meet for a half-day between ETIC and EQC meetings. Before the end of 2015, the committee will evaluate funding for the subcommittee and determine if the subcommittee should continue its work.

The ETIC appointed Senator Ankney, Senator Driscoll, Representative Regier, and Representative Steenberg to the subcommittee. The subcommittee will have its first meeting on Thursday, September 10.

2. Programmatic Review

Authority: 5-5-230, MCA. ETIC oversight

Background: Interim committees are tasked with evaluating various programs, and the options below allow the ETIC to formalize that process. The ETIC's statutory duties allow for an in-depth overview of programs, including laws, rules, budget, and on the ground implementation. Because the ETIC oversees one agency, the committee has an opportunity to focus more specifically on a particular subject that the PSC administers. An overview of those subjects is attached, and ETIC members would need to select a subject from the list for the programmatic review and then select a level of review.

Work Plan: The committee dedicated .02 FTE to a programmatic review of railcar safety. The committee will hear from the Public Service Commission concerning the agency's role in railcar safety. The committee may also learn more about changes made by the 2015 Legislature with adoption of House Bill No. 61, which significantly updated railroad laws in Montana to clarify state and federal authority over railroads. The committee work product may include recommendations and legislation. Tasks that will be completed throughout the interim include:

- Agency presentation
- Panel discussion including railroad industry
- Bibliography of related materials, including audits, fiscal analysis, and court decisions

3. Marketing of Montana's Energy Resources

Authority: Suggested by Representative Keith Regier

Background: This study would identify Montana's energy resources and their potential for marketing. It would identify states or countries with needs that Montana energy resources could meet. The study would also identify obstacles to marketing Montana's energy resources and analyze potential solutions.

Work Plan: The committee dedicated .014 FTE to a study of how Montana is marketing its energy resources and how marketing could be improved. The committee will provide a summary of the topic and its work. Members may also propose legislation on the subject. Tasks that will be completed throughout the interim include:

- Presentation by energy stakeholders
- Overview of resources and obstacles with points for further review by committee
- Assessment of Montana's energy resources and the financial impacts of improved marketing – focusing primarily on assessments completed by other state agencies
- Analysis of options to better market Montana energy resources

(This page intentionally left blank.)

ETIC Statutory Duties and Obligations

Statutory Duties and Obligations

The ETIC draws its statutory responsibilities from six sources:

I. Source/authority: 5-5-215, MCA. General duties of all interim committees.
5-5-230, MCA. ETIC oversight

"The Energy and Telecommunications Interim Committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of Public Service regulation and the Public Service Commission."

As applied to the ETIC, statutes require the committee to:

1. **Conduct interim studies** as assigned. The committee may recommend to the Legislative Council that a study be assigned to another committee or not be conducted.
2. **Review administrative rules** of the Department of Public Service Regulation (DPSR) and the Public Service Commission (PSC).
3. **Review legislation** proposed by DPSR or the PSC. Bills requested by an individual member of the Legislature are not subject to this requirement.
4. **Complete additional statutory duties** including reviewing and revising the state energy policy, reviewing universal system benefits programs, receiving an update on hydroelectric power development, receiving a report on the use of renewable energy credits in Montana, receiving a report on geothermal activities in Montana, and receiving a report on high-performance buildings.
5. **Monitor the operation of the DPSR and PSC** with specific attention to the following:
 - a. identification of issues likely to require future legislative attention;
 - b. opportunities to improve existing law through the analysis of problems; and
 - c. experiences of Montana's citizens with the operation of the agency that may be amenable to improvement through legislative action.
6. **(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.
7. **(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.

II. Source/authority: 90-4-1003, MCA.

Requires the ETIC to "review the state energy policy and, if determined necessary by the committee, discuss at future meetings issues to be included in a revised policy and recommend potential changes". In 2009, the Legislature passed and approved SB 290, which required the ETIC to review the state's energy policy in-depth and examine nine specific topics. The ETIC, at its first meeting of the interim, is also required to review the energy policy and determine if potential revisions should be discussed at future interim meetings.

III. Source/authority: 69-8-402, MCA.

Requires the ETIC to "review the universal systems benefits programs, and, if necessary, submit recommendations regarding these programs."

Public utilities and cooperative utilities are required to submit an annual summary report of universal system benefits programs to the ETIC for review. The electric universal system benefits proposal was poised to sunset in 2009, however the 2009 Legislature approved HB 27 that eliminated the sunset and clarified the ETIC's role in reviewing the program. The 2015 Legislature expanded this authority by adopting SB 312. The changes in statute require the ETIC to review large customer reports and compare that information to utility reports to address potential discrepancies in reporting.

IV. Source/authority: 90-3-1301, MCA.

Requires the Bureau of Mines and Geology, prior to each legislative session, to update the ETIC on geothermal research conducted by the Bureau and funding received by the Bureau for geothermal research.

V. Source/authority: 85-1-501, MCA.

Requires the Department of Natural Resources and Conservation, prior to the end of each interim, to update the ETIC on studies it has done to review the economic and environmental feasibility of constructing and operating small-scale hydroelectric power generating facilities on each of the water projects under its control.

VI. Source/authority: 69-3-2010, MCA.

Requires public utilities, rural electric cooperatives, competitive electricity suppliers, or owners of a renewable electrical generation facility to file a report with the ETIC each interim concerning the purchase or sale of renewable energy credits within Montana. The ETIC reviews the reports and, if necessary, submits recommendations regarding the use of renewable energy credits in Montana. The first reports were due in March 2013.

VII. Source/authority: House Bill No. 464, 2015.

Requires the Department of Administration in conjunction with the university system to update the ETIC on the use of the high-performance building program. The report must include an overview of use of the voluntary program and actual or estimated savings.

Work Plan: The committee dedicated .095 FTE to its statutory duties. The committee will complete all of its assigned tasks, with the largest amount of its time focused on monitoring PSC activities and reviewing Universal Systems Benefits (USB) reports and programs.

ETIC Educational Publications

Background: The Environmental Quality Council has historically produced objective, nonpartisan, educational publications related to energy issues in Montana. These educational publications are well regarded and are regularly requested by the general public, legislators, state and federal agencies, other states, and industry and conservation groups. While the EQC in the past has developed these educational tools, the ETIC may choose, as it did during the last four interims, to oversee updates to the following documents:

☆ *A Citizen's Guide to Montana Energy Law* (produced 2002; updated 2004, 2008, 2010, 2012, 2014)

Explanation: This handbook was originally produced by the EQC during the 2001-03 interim. The EQC felt that given the magnitude of the issues surrounding electricity and especially electricity deregulation in the state, that an educational publication was needed to help Montanans sort out the morass of laws that deal with electricity. With the passage of a new energy policy for Montana and the enactment of changes to permitting requirements related to energy generation and transmission line siting in Montana in 2011, this publication was substantially rewritten and reorganized in 2012. It was updated in 2014.

☆ *Understanding Electricity in Montana: A Guide to Electricity, Natural Gas, Coal, Petroleum, and Renewable Energy Produced and Consumed in Montana* (produced 2002; updated 2004, 2010, 2014)

Explanation: This guide was produced by the Department of Environmental Quality energy staff for publication by the EQC. It provides statistical and explanatory information on electricity supply, demand, and transmission and information on coal, natural gas, petroleum and renewable energy. In the 2009-10 interim, ETIC staff and the DEQ completed a significant update. In 2014 this publication was completely redesigned and rewritten. A new section on renewable energy was also added. DEQ annually updates energy statistics, as provided by the Energy Information Administration and posts them to the agency's website.

Work Plan: The committee dedicated **.02 FTE** to updating its publications. Minimal updates to *The Citizens Guide to Montana Energy Law* will be completed by staff. A link to updated statistics compiled by the DEQ will be included in the *Understanding Electricity in Montana* handbook. Minor updates will also be completed online. The ETIC will review and approve all updates.

(This page intentionally left blank.)

Proposed Work Plan Timeline

The following timeline provides an outline of how the ETIC will accomplish the items in its work plan. The timeline may be updated or revised to address scheduling, emerging issues, or to reallocate staff time to other topics.

Date	Activities	Tasks/Policy Decisions
June 5, 2015	<ul style="list-style-type: none"> ➤ Organizational ➤ Agency Monitoring ➤ Assigned Studies ➤ Statutory Duties ➤ Other Issues 	<ul style="list-style-type: none"> ◇ Elect officers ◇ Review, adopt work plan ◇ Review, adopt calendar ◇ Report from PSC ◇ Rulemaking update Net Metering ◇ Introduction ◇ Engage stakeholders – questionnaire ◇ Energy policy ◇ USB introduction ◇ Agency introductions
Date	Activities	Tasks/Policy Decisions
September 11, 2015	<ul style="list-style-type: none"> ➤ Organizational ➤ Agency Monitoring ➤ Assigned Studies ➤ Statutory Duties 	<ul style="list-style-type: none"> ◇ Adopt final work plan ◇ Review budget ◇ Report from PSC ◇ Report from Consumer Counsel ◇ Rulemaking update Net metering ◇ Visit site -- NWE host ◇ Visit site -- MREA host ◇ Determine vetting of questionnaires ◇ Introduction to safety with panelists and staff report ◇ Staff report on other Western states Next-Generation 9-1-1 ◇ Role of GIS with panelists ◇ Discussion of stranded funds and usage with staff report ◇ REC reports

	➤Other Issues	◇PNWER update ◇111d subcommittee update
Date	Activity	Tasks/Policy Decisions
January 15, 2016	➤Agency Monitoring ➤Assigned Studies ➤Statutory Duties ➤Other Issues	◇ Report from PSC ◇ Report from Consumer Counsel ◇Rulemaking update Net metering ◇ Cost-shifting discussion with panelists and staff report based on questionnaires and additional reports ◇ Discussion and direction on legislation concerning cost shifting ◇ Overview of economic impacts with industry panelists and staff report Next-Generation 9-1-1 ◇ Open panel discussion with stakeholders ◇ Staff summary of work in other Western states ◇ Discussion and direction on stranded fund legislation ◇ Program review: Railroad safety with PSC presentation and panel including regulated industry Marketing Montana's Energy Resources ◇Panel discussion and staff report on what state entities and private entities do for promotion ◇ 111d subcommittee update
Date	Activity	Tasks/Policy Decisions
March 11, 2016	➤Agency Monitoring	◇ Report from PSC ◇ Report from Consumer Counsel ◇Rulemaking Update

	<p>➤Assigned Studies</p> <p>➤Statutory Duties</p> <p>➤Other Issues</p>	<p>Net metering</p> <ul style="list-style-type: none"> ◇ Overview of incentives/ subsidies with panelists and staff report ◇ Discussion and direction on legislation concerning net metering <p>Next-Generation 9-1-1</p> <ul style="list-style-type: none"> ◇ Overview of state and federal framework with panelists and NCSL summary ◇ Discussion and direction on legislative proposals <p>◇High-performance building program review</p> <p>◇ Program review: Staff bibliography of railroad safety</p> <p>◇ 111d subcommittee update</p> <p>◇ Updated publications</p>
Date	Activity	Tasks/Policy Decisions
May 12-13, 2016	<p>➤Agency Monitoring</p> <p>➤Assigned Studies</p> <p>➤Other Issues</p>	<p>◇ Report from PSC</p> <p>◇Rulemaking Update</p> <p>Net Metering</p> <ul style="list-style-type: none"> ◇ Review draft report ◇ Discussion of findings and recommendations <p>Next Generation 9-1-1</p> <ul style="list-style-type: none"> ◇ Review white paper ◇ Discussion of findings and recommendations <p>Marketing Montana's Energy Resources</p> <ul style="list-style-type: none"> ◇ Panel discussion on options to better market resources ◇ Potential travel to Eastern Montana with electrical plant tour and mine tour ◇ Draft report from 111d subcommittee with findings and recommendations
Date	Activity	Tasks/Policy Decisions
July 14-15, 2016	➤Agency Monitoring	<p>◇ Report from PSC</p> <p>◇Rulemaking Update</p>

	<p>➤Assigned Studies</p> <p>➤Statutory Duties</p> <p>➤Other Issues</p>	<p>Net Metering</p> <ul style="list-style-type: none"> ◊ Findings and recommendations ◊ Proposed draft legislation ◊ Public comment <p>Next Generation 9-1-1</p> <ul style="list-style-type: none"> ◊ Findings and recommendations ◊ Proposed draft legislation ◊ Public comment <ul style="list-style-type: none"> ◊ USB reports and recommendations ◊ Review REC reports ◊ Review PSC draft legislative proposals <p>Marketing Montana's Energy Resources</p> <ul style="list-style-type: none"> ◊Findings and recommendations ◊Proposed draft legislation ◊ Public comment <ul style="list-style-type: none"> ◊ Potential travel to Western Montana with biomass tour and hydropower tour
Date	Activity	Tasks/Policy Decisions
September 9, 2016	<p>➤Agency Monitoring</p> <p>➤Assigned Studies</p> <p>➤Statutory Duties</p> <p>➤Other Issues</p>	<ul style="list-style-type: none"> ◊ Report from PSC ◊ Report from Consumer Counsel ◊Rulemaking Update <p>Net Metering</p> <ul style="list-style-type: none"> ◊Finalize report ◊Finalize legislation <p>Next Generation 9-1-1</p> <ul style="list-style-type: none"> ◊Finalize legislation <p>Ridesharing</p> <ul style="list-style-type: none"> ◊Update on implementation <ul style="list-style-type: none"> ◊Review hydroelectric reports ◊Review of geothermal research report <ul style="list-style-type: none"> ◊Selection of bill sponsors

2015-2016 Meeting Dates

Meeting dates are subject to change.

June 5, 2015	ETIC Meeting. Helena
September 11, 2015	ETIC Meeting. Helena
January 15, 2016	ETIC Meeting. Helena
March 11, 2016	ETIC Meeting. Helena
May 12-13, 2016	ETIC Meeting. Potential Travel
July 14-15, 2016	ETIC Meeting. Potential Travel
September 9, 2016	ETIC Meeting. Helena

Committee interim work must be completed September 15, 2016.

CI0099 5226slea