

## RECOMMENDATION ON LEGISLATION TO STRENGTHEN MONTANA'S CURRENT INTEGRATED RESOURCE PLANS

### PROVIDED BY RAP

1. Stakeholder Process – There appeared to be mixed views on how this was working in terms of membership and access to information. Collaborative processes are usually constructive and should be encouraged; however, the decision of who gets to participate should be determined by the Commission, not the utility. This will eliminate any perceptions regarding stakeholder's ability to express their views freely.
2. The Commission needs to have clear and unambiguous authority to approve, disapprove, modify or require the utility to make changes to the IRP and resubmit them for Commission approval.
3. The Commission should be required to issue rules governing the IRP process, not guidelines that the utility can at its discretion choose not to follow.
4. The IRP process should occur every three to four years, instead of every two years, **but only if** the IRP filing is more comprehensive with a more rigorous review.
5. The IRP should be binding in terms of ruling on outcomes, and not informational, i.e., a finding simply that the utility provided all the information required. The utility is then required to follow the approved Action Plan in terms of resource acquisition, unless it can demonstrate that there has been a substantial change in circumstances. In that case, the utility should be required to file additional information as set forth by the Commission, to demonstrate that an alternative course of resource acquisition is justified.
6. The planning period covered in an IRP should be 20 years.
7. The utility should be required to provide historical data to test accuracy and trends.
8. The subject areas in an IRP filing should include, but not be limited to:
  - A. The planning environment including a discussion of relevant state and federal laws and regulations including environmental requirements that could impact the resource plan;
  - B. Historical peak demand and energy data covering the five-year period prior to the current IRP filing;
  - C. Prior load forecast evaluations for the past five years;
  - D. The load forecast for the twenty-year period covered in the integrated resource plan;
  - E. The reserve margin assessment over the twenty-year integrated resource planning period;
  - F. Data on all existing supply side resources

- G. Data on all existing demand side resources including but not limited to energy efficiency, demand response and distributed generation;
  - H. Information on any advanced technologies;
  - I. Information on the existing transmission system;
  - J. Information on the existing distribution system;
  - K. Identification of new supply-side resources;
  - L. Identification of new demand-side resources;
  - M. Identification of new distributed generation resources; and,
  - N. Identification of new transmission resources.
9. The Commission's rules should also require the utility to conduct a resource needs assessment that includes at a minimum:
- A. A detailed resource needs assessment;
  - B. The development of several planning scenarios using a capacity expansion model; and,
  - C. A proposed Action Plan based upon the preferred plan developed among the planning scenarios which shall contain a timeline for implementation of all actions contained in the Action Plan, information on permitting and other regulatory issues, and a discussion of its demand-side management plan.
10. Require competitive bidding for resources wherever possible to get the least cost option. Utility affiliate participation should be discouraged. If a utility affiliate does participate, rules for the code of conduct should be established and an independent entity should conduct the entire competitive bidding process to ensure fairness and consumer protection.