

HOUSE BILL NO. 22

INTRODUCED BY J. KEANE

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 ASSIST IN SECURING THE FUTURE OF COMMUNITIES AFFECTED BY THE CLOSURE OF COAL-FIRED GENERATING UNITS IN MONTANA; APPROPRIATING MONEY FOR PARTICIPATION 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 FOR ESTABLISHMENT OF A STAKEHOLDER'S GROUP TO IDENTIFY FUTURE ENERGY GENERATION INITIATIVES THAT UTILIZE TRANSMISSION SYSTEMS CURRENTLY USED BY COAL-FIRED GENERATING UNITS; 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 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

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

7 WHEREAS, the decommissioning of Units 1 and 2 will create an opportunity for long-term central power
8 replacement investments in Montana that will create quality jobs, sustain otherwise affected communities, and
9 strengthen the valuable historic interstate partnerships serving robust power markets between Montana and the
10 West coast.

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 **NEW SECTION. Section 1. Appropriation for intervention in out-of-state energy proceedings.** (1)

15 For the biennium beginning July 1, 2017, there is appropriated from the general fund:

16 (a) \$80,000 to the department of justice to participate in proceedings and related dockets before
17 out-of-state utility or regulatory commissions that address planning for the future of coal-fired generation facilities
18 located in Montana;

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

22 (c) \$30,000 to the governor's office to convene a coal-fired generation and transmission reinvestment
23 task force that includes public and private stakeholders. The task force shall identify investment and development
24 opportunities for major energy technology projects in Montana that can directly interconnect with the transmission
25 system currently used by coal-fired generation located in Montana. Energy technology projects may include wind,
26 pumped energy storage, geothermal, and solar capable of maintaining and enhancing the export of made-in-
27 Montana electricity to west coast markets.

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

