TOPIC PRIMER

RENEWABLE PORTFOLIO STANDARD

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting (5-4-105, MCA; Chapter 309, Laws of 2017). The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The legislation links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Background Materials and Research

Topic Summary: The Renewable Power Production and Rural Economic Development Act, typically referred to as "Montana's RPS" or "the standard," was brought to the Montana Legislature as Senate Bill No. 415 (Chapter 457, Laws 2005), as a request from former, and at the time newly elected, governor Brian Schweitzer. The proposal aimed to ensure that renewable resources would supply an increased share of Montana's electricity and to encourage the view that renewable energy development and use are welcome in Montana. Enactment of the legislation reflected a policy shift from requiring utilities or other suppliers to simply obtain sufficient electricity to meet customer loads at the best price to instead requiring that certain types and amounts of electrical generation be developed or purchased by utilities and suppliers serving Montana customers. As oil and natural gas prices increased at the time, interest grew in renewable energy and the supply security, environmental benefits, and economic development goals that accompanied it.

Although renewable energy had been used for many years in Montana, proponents of the legislation, as illustrated in the title of the act, argued that additional renewable resources were needed in Montana to diversify electricity supply, to reduce greenhouse gases and other air emissions to improve public health, and to support local renewable projects that would bring jobs and revenue to Montana's economy.3 Montana's RPS includes specific procurement requirements to stimulate rural economic development. In addition, public utilities must enter into contracts that include a preference for Montana workers.

Legislative Services Division Materials:

Renewables Rewards and Risks: A look at the impacts of Montana's Renewable Portfolio Standard, 2014

Understanding Energy in Montana, 2018



Other Materials:

State Renewable Standards and Goals, NCSL 2018

Introduced Legislation

Include year, most recent first. Hyperlink to status page. *Chapter number assigned means bill was passed and approved. Most recent action. Cut and paste title. Example provided.

2015

House Bill 401 – (H) Missed Deadline for General Bill Transmittal -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE 5 RESOURCE" FOR THE PURPOSE OF ADMINISTERING THE RENEWABLE ENERGY PORTFOLIO 6 STANDARD; ALLOWING LOW-EMISSION, NONTOXIC BIOMASS TO QUALIFY AS AN ELIGIBLE 7 RENEWABLE RESOURCE AT ANY FACILITY REGARDLESS OF MEGAWATT CAPACITY; AMENDING 8 SECTION 69-3-2003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Senate Bill 114 – (S) Vetoed by Governor -- AN ACT REVISING THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT; REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" TO INCLUDE EXISTING HYDROELECTRIC RESOURCES; REQUIRING A PUBLIC UTILITY TO REFUND CUSTOMERS FOR THE VALUE OF CERTAIN RENEWABLE ENERGY CREDITS; AMENDING SECTIONS 69-3-2003, 69-3-2004, 69-3-2006, 90-3-1003, AND 90-4-1005, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

<u>Senate Bill 305</u> – (S) Missed Deadline for General Transmittal -- AN ACT INCREASING THE SIZE OF A COMMUNITY RENEWABLE ENERGY 5 PROJECT; AMENDING SECTION 69-3-2003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND 6 A RETROACTIVE APPLICABILITY DATE.

2013

Senate Bill 26 – (S) Died in Process -- AN ACT GENERALLY REVISING THE GRADUATED RENEWABLE ENERGY 6 STANDARD BY CHANGING DEADLINES AND CLARIFYING COMPLIANCE REQUIREMENTS; AMENDING 7 THE DEFINITION OF "RENEWABLE ENERGY CREDIT"; EXTENDING THE TIME FOR FILING COMPLIANCE 8 REPORTS; REQUIRING ALL ELECTRICITY SUPPLIERS TO FILE ANNUAL REPORTS WITH THE PUBLIC 9 SERVICE COMMISSION; AMENDING SECTIONS 69-3-2003, 69-3-2004, 69-3-2005, AND 90-3-1003, MCA; 10 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

Senate Bill 31 – (S) Vetoed by Governor -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" UNDER THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT AND INCLUDING HYDROELECTRIC RESOURCES WITHIN THE DEFINITION; AMENDING SECTIONS 69-3-2003, 90-3-1003, AND 90-4-1005, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

<u>Senate Bill 45</u> – Chapter Number Assigned -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" TO INCLUDE HYDROELECTRIC PROJECT EXPANSIONS; PROVIDING THE PUBLIC



SERVICE COMMISSION WITH RULEMAKING AUTHORITY WITH RESPECT TO HYDROELECTRIC PROJECT EXPANSIONS; AND AMENDING SECTIONS 69-3-2003 AND 69-3-2006, MCA.

Senate Bill 74 – (S) Died in Committee -- AN ACT REVISING RENEWABLE ENERGY AND UNIVERSAL SYSTEM 5 BENEFITS PROGRAM REQUIREMENTS; REQUIRING THAT ELIGIBLE RENEWABLE RESOURCES IN THE 6 GRADUATED RENEWABLE ENERGY STANDARD BE CERTIFIED BY THE PUBLIC SERVICE COMMISSION 7 AS CARBON NEUTRAL; REQUIRING THAT UNIVERSAL SYSTEM BENEFITS PROGRAMS FOR ELECTRIC 8 AND NATURAL GAS UTILITIES BE CERTIFIED BY THE PUBLIC SERVICE COMMISSION AS CARBON 9 NEUTRAL; GRANTING THE PUBLIC SERVICE COMMISSION RULEMAKING AUTHORITY TO CERTIFY 10 ELIGIBLE RENEWABLE RESOURCES AND UNIVERSAL SYSTEM BENEFITS PROGRAMS AS CARBON 11 NEUTRAL; GRANTING THE DEPARTMENT OF REVENUE RULEMAKING AUTHORITY TO VERIFY THAT 12 CREDITS AND EXPENDITURES FOR UNIVERSAL SYSTEM BENEFITS PROGRAMS ARE CERTIFIED AS 13 CARBON NEUTRAL; AMENDING SECTIONS 15-72-104, 69-3-1402, 69-3-1408, 69-3-2003, 69-3-2004, 14 69-3-2006, 69-8-103, 69-8-402, 69-8-413, 90-3-1003, AND 90-4-1202, MCA; AND PROVIDING AN IMMEDIATE 15 EFFECTIVE DATE.

<u>Senate Bill 106</u> – Chapter Number Assigned -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" FOR THE PURPOSES OF ADMINISTERING THE RENEWABLE PORTFOLIO STANDARD; AMENDING SECTION 69-3-2003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Senate Bill 125 – (S) Vetoed by Governor -- AN ACT ESTABLISHING THAT THE PUBLIC SERVICE COMMISSION MAY IMPOSE AN ADMINISTRATIVE PENALTY FOR FAILURE TO COMPLY WITH THE GRADUATED RENEWABLE ENERGY STANDARD AND FOR FAILURE TO COMPLY WITH THE COMMUNITY RENEWABLE ENERGY PROJECT REQUIREMENT; AMENDING SECTION 69-3-2004, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

<u>Senate Bill 164</u> – Chapter Number Assigned -- AN ACT EXEMPTING CERTAIN PUBLIC UTILITIES FROM THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT; AMENDING SECTION 69-3-2004, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

<u>Senate Bill 325</u> – Chapter Number Assigned -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" FOR THE PURPOSES OF ADMINISTERING THE RENEWABLE PORTFOLIO STANDARD; AMENDING SECTION 69-3-2003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

<u>Senate Bill 327</u> – Chapter Number Assigned -- AN ACT EXEMPTING CERTAIN COMPETITIVE ELECTRICITY SUPPLIERS FROM THE REQUIREMENTS OF THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT; AMENDING SECTION 69-3-2004, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

Senate Joint Resolution 6 – (S) Filed with Secretary of State -- A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY TO ANALYZE THE IMPACTS OF THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 64TH LEGISLATURE.



2011

House Bill 59 – (H) Vetoed by Governor -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" TO INCLUDE HYDROELECTRIC PROJECT EXPANSIONS; GRANTING THE PUBLIC SERVICE COMMISSION RULEMAKING AUTHORITY OVER HYDROELECTRIC PROJECT EXPANSIONS; AMENDING SECTIONS 69-3-2003 AND 69-3-2006, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

House Bill 78 – Chapter Number Assigned -- AN ACT CLARIFYING THE DEFINITION OF "LOCAL OWNERS" IN THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT; AMENDING SECTION 69-3-2003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

House Bill 237 – (S) Died in Process -- AN ACT ELIMINATING THE COMMUNITY RENEWABLE ENERGY PROJECT 5 REQUIREMENTS FROM MONTANA'S RENEWABLE RESOURCE STANDARD; AMENDING SECTIONS 6 69-3-2003, 69-3-2004, 69-3-2005, 90-3-1003, AND 90-4-1202, MCA; AND PROVIDING AN IMMEDIATE 7 EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

<u>Senate Bill 109</u> – (S) Veto Override Failed in Legislature -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE RESOURCE" UNDER THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT; AMENDING SECTION 69-3-2003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

<u>Senate Bill 330</u> – (S) Vetoed by Governor -- AN ACT REVISING THE REQUIREMENTS FOR GRANTING A WAIVER FOR NONCOMPLIANCE WITH THE GRADUATED RENEWABLE ENERGY STANDARD; AMENDING SECTIONS 69-3-2004, 69-3-2005, AND 69-3-2006, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

Senate Bill 332 – (S) Died in Standing Committee -- AN ACT EXTENDING THE GRADUATED RENEWABLE ENERGY 5 STANDARD IN THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC 6 DEVELOPMENT ACT; REQUIRING THE SUBMISSION OF PROCUREMENT PLANS FOR THE NEW 7 STANDARDS; AMENDING SECTIONS 69-3-2004 AND 69-3-2005, MCA; AND PROVIDING AN IMMEDIATE 8 EFFECTIVE DATE.

<u>Senate Bill 350</u> – (S) Died in Standing Committee -- AN ACT REVISING THE RENEWABLE RESOURCE STANDARD LAWS; 5 CLARIFYING THE DEFINITION OF PUBLIC UTILITY; CLARIFYING THE RENEWABLE RESOURCE 6 STANDARD FOR CERTAIN PUBLIC UTILITIES; AMENDING SECTIONS 69-3-2003 AND 69-3-2004, MCA; AND 7 PROVIDING AN IMMEDIATE EFFECTIVE DATE.

2009

<u>House Bill 179</u> – Chapter Number Assigned -- AN ACT REVISING THE DEFINITION OF COMPETITIVE ELECTRICITY SUPPLIER; AMENDING SECTIONS 69-3-2003 AND 90-3-1003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.



House Bill 207 – Chapter Number Assigned -- AN ACT AMENDING THE DEFINITION OF "COMMUNITY RENEWABLE ENERGY PROJECT" UNDER THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC DEVELOPMENT ACT TO INCLUDE AN ELIGIBLE RENEWABLE RESOURCE THAT IS LESS THAN OR EQUAL TO 25 MEGAWATTS; AMENDING SECTIONS 69-3-2003 AND 90-3-1003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

House Bill 208 – Chapter Number Assigned -- AN ACT EXTENDING A DEADLINE FOR PUBLIC UTILITIES TO COMPLY WITH THE COMMUNITY RENEWABLE ENERGY REQUIREMENTS OF THE RENEWABLE PORTFOLIO STANDARD; AND AMENDING SECTION 69-3-2004, MCA.

House Bill 220 – (H) Died in Standing Committee -- AN ACT REVISING DEFINITIONS FOR THE ADMINISTRATION OF THE 5 RENEWABLE RESOURCE STANDARD FOR PUBLIC UTILITIES AND ELECTRICITY SUPPLIERS; ALLOWING 6 ELIGIBLE RENEWABLE RESOURCES OWNED BY A PUBLIC UTILITY TO BE USED TO COMPLY WITH 7 COMMUNITY RENEWABLE ENERGY PROJECT REQUIREMENTS IN THE RENEWABLE RESOURCE 8 STANDARD; REQUIRING A UTILITY TO CONSIDER DISPATCH ABILITY, GEOGRAPHIC DIVERSITY, AND 9 SEASONALITY IN MEETING RENEWABLE ENERGY REQUIREMENTS; AMENDING SECTIONS 69-3-2003, 10 69-3-2004, 69-3-2005, 69-3-2006, AND 90-3-1003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE 11 AND A RETROACTIVE APPLICABILITY DATE.

House Bill 255 – (H) Died in Standing Committee -- AN ACT REVISING THE DEFINITION OF "ELIGIBLE RENEWABLE 5 RESOURCE" TO INCLUDE COMPRESSED AIR; REVISING THE GRADUATED RENEWABLE ENERGY 6 STANDARDS IN THE MONTANA RENEWABLE POWER PRODUCTION AND RURAL ECONOMIC 7 DEVELOPMENT ACT; REQUIRING THE SUBMISSION OF PROCUREMENT PLANS FOR THE NEW 8 STANDARDS; AMENDING SECTIONS 69-3-2003, 69-3-2004, 69-3-2005, AND 90-3-1003, MCA; AND 9 PROVIDING AN IMMEDIATE EFFECTIVE DATE.

House Bill 343 – Chapter Number Assigned -- AN ACT REVISING DEFINITIONS FOR THE ADMINISTRATION OF THE RENEWABLE RESOURCE STANDARD FOR PUBLIC UTILITIES AND ELECTRICITY SUPPLIERS; ALLOWING ELIGIBLE RENEWABLE RESOURCES OWNED BY A PUBLIC UTILITY TO BE USED TO COMPLY WITH THE COMMUNITY RENEWABLE ENERGY PROJECT REQUIREMENTS IN THE RENEWABLE RESOURCE STANDARD; REQUIRING A UTILITY TO CONSIDER DISPATCH ABILITY AND SEASONALITY IN MEETING THE RENEWABLE RESOURCE STANDARD; AMENDING SECTIONS 69-3-2003, 69-3-2005, 90-3-1003, AND 90-4-1202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

Senate Bill 257 – (S) Vetoed by Governor -- ELIGIBLE RENEWABLE RESOURCE" TO INCLUDE UPGRADES TO A HYDROELECTRIC FACILITY; REQUIRING CERTAIN RENEWABLE ENERGY CREDITS BE TRANSFERRED TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; REQUIRING A PORTION OF THE VALUE OF THE RENEWABLE ENERGY CREDITS ASSOCIATED WITH THE UPGRADE TO BE DEPOSITED IN THE UNIVERSAL LOW-INCOME ENERGY ASSISTANCE FUND; AMENDING SECTIONS 69-3-2003, 69-3-2004, AND 90-3-1003, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

