



Energy and Telecommunications Interim Committee

64th Montana Legislature

SENATE MEMBERS

CLIFF LARSEN--Vice Chair
DUANE ANKNEY
PAT CONNELL
ROBYN DRISCOLL

HOUSE MEMBERS

KEITH REGIER--Chair
CHRISTOPHER POPE
TOM STEENBERG
DANIEL ZOLNIKOV

COMMITTEE STAFF

SONJA NOWAKOWSKI, Lead Staff
TODD EVERTS, Staff Attorney
NADINE SPENCER, Secretary

MINUTES LOG

September 8, 2016
Room 172, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

REP. KEITH REGIER, Chair
SEN. CLIFF LARSEN, Vice Chair

SEN. DUANE ANKNEY
SEN. PAT CONNELL
SEN. JIM KEANE, via phone

REP. CHRISTOPHER POPE
REP. TOM STEENBERG
REP. DANIEL ZOLNIKOV

STAFF PRESENT

SONJA NOWAKOWSKI, Lead Staff
TODD EVERTS, Staff Attorney
NADINE SPENCER, Secretary

AGENDA (Attachment 1)

VISITORS' LIST (Attachment 2)

COMMITTEE ACTIONS

The Energy and Telecommunications Interim Committee (ETIC):

- Voted to approve the minutes log from July 14-15;
- Voted 8-0 to pre-introduce LCNET1 as a committee bill;
- Voted 8-0 to pre-introduce LCNET2 as a committee bill;
- Voted 8-0 to pre-introduce LCNET3 as a committee bill;
- Voted 8-0 to strike everything except section 7 and pre-introduce LCNET4 as a committee bill;
- Voted 6-2 to pre-introduce LCNET 5, as amended, as a committee bill;
- Voted 8-0 to approve the Net Metering in Montana draft report;
- Voted 8-0 to pre-introduce LCREC1 as a committee bill;
- Voted 6-2 to pre-introduce LCREC2 as a committee bill.

CALL TO ORDER AND ROLL CALL

- 00:00:01 Rep. Regier called the meeting to order at 1:02 p.m. The secretary called the roll. **(Attachment 3)**
- 00:00:40 Rep. Regier said that Sen. Driscoll has resigned as senator and has been replaced by Sen. Keane.
- 00:01:02 Sen. Keane said he is glad to join the committee.
- 00:01:15 Rep. Regier discussed the agenda.

ADMINISTRATIVE MATTERS

Adoption of July meeting minutes

- 00:01:57 **Motion/Vote:** Sen. Ankney moved to adopt the July 14-15 minutes log. The motion carried unanimously by voice vote.

Budget Update

- 00:02:16 Sonja Nowakowski, research analyst, Legislative Services Division, said there is approximately \$8,000 remaining in the ETIC budget.

Staff Evaluations

- 00:02:39 Rep. Regier said staff evaluations were included in the ETIC mailing.
- 00:02:47 Ms. Nowakowski requested that the evaluations be returned by the end of the meeting tomorrow.

SJ 12: LEGISLATION, DRAFT REPORT, AND PUBLIC COMMENT

00:03:32 Ms. Nowakowski said that at the July meeting the ETIC requested that five bills be drafted to update portions of Montana's framework for net metering and that the committee agreed to a net metering report.

00:04:08 Ms. Nowakowski said that the bill drafts and report went out for public comment and the comments are posted on the committee's website. **(Exhibit 1)**

LCNET1 — Require PSC review of interconnection

00:05:13 Ms. Nowakowski presented an overview of LCNET1. **(Exhibit 2)** Ms.

00:07:28 Nowakowski discussed the public comments that were received.

Public Comment:

00:08:31 John Alke, NorthWestern Energy, said that NorthWestern Energy supports the concepts in LCNET1, and that NorthWestern is progressing farther than what the statute would require.

00:11:11 Ben Brouwer, policy director, Montana Renewable Energy Association (MREA), discussed the bill.

00:12:23 Bill Ryan, IBEW Local 44, said that the IBEW supports the bill. ,

Committee Questions and Discussion:

00:13:16 Sen. Larsen

00:13:30 Ms. Nowakowski

00:13:47 Rep. Regier

00:14:11 Ms. Nowakowski

00:14:56 **Motion/Vote:** Rep. Pope moved to pre-introduce LCNET1 as a committee bill. The motion carried unanimously by voice vote. Sen. Connell will sponsor the bill.

LCNET2 — Eliminate electrical licensing exemption for grid-tied generators

00:16:10 Ms. Nowakowski presented an overview of LCNET2. **(Exhibit 3)** Ms.

00:17:13 Nowakowski discussed the public comments that were received.

Public Comment:

The following individuals said they support LCNET2.

00:17:43 Mr. Alke

00:18:03 Keith Allen, IBEW, local 233.

Committee Questions and Discussion:

00:18:52 Sen. Connell

00:19:22 Mr. Allen

00:19:23 Sen. Connell

00:19:41 Mr. Allen

00:19:56 **Motion/Vote:** Sen. Connell moved to pre-introduce LCNET2 as a committee bill. The motion carried unanimously by voice vote. Sen. Ankney will sponsor the bill.

LCNET3 — Update PSC's role in reviewing net metering technologies

00:20:28 Ms. Nowakowski presented an overview of LCNET3. **(Exhibit 4)**

00:21:16 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

00:22:09 Mr. Alke said that NorthWestern Energy supports LCNET3.

00:22:32 Mr. Brouwer said that MREA would like to see LCNET3 applied more broadly.

Committee Questions and Discussion:

00:24:00 Sen. Connell

00:25:12 Ms. Nowakowski

00:25:52 Rep. Pope

00:26:35 Mr. Brouwer

00:27:40 Rep. Pope

00:28:08 Mr. Brouwer

00:28:14 Sen. Connell

00:29:00 Rep. Regier

00:29:10 Mr. Brouwer

00:30:02 Rep. Regier

00:30:07 Mr. Brouwer

00:30:58 Rep. Regier

00:31:12 Sen. Keane

00:32:02 Rep. Pope

00:32:39 Sen. Connell

00:33:14 **Motion/Vote:** Sen. Connell moved to pre-introduce LCNET3 as a committee bill. The motion carried unanimously by voice vote. Sen. Connell will sponsor the bill.

LCNET4 — Require PSC review of net metering rates under certain circumstances

00:33:50 Ms. Nowakowski presented an overview of LCNET4. ([Exhibit 5](#))

00:35:52 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

00:37:20 Mr. Alke discussed the grandfather provision in section 7 and presented a suggestion regarding the metering requirement. He said that NorthWestern Energy supports section 7, but is opposed to the rest of the bill.

00:46:06 Mr. Brouwer discussed the bill and presented a series of amendments that MREA recommends to clean up language that is inconsistent in the bill.

00:50:28 John Palm, owner, Bozeman Green Build, Belgrade, said he supports the grandfather provision in the bill.

00:52:45 Brad Van Wert, co-owner, Harvest Solar, Bozeman, discussed the grandfather clause.

00:54:25 Jeff Fox, Montana policy manager, Renewable Northwest, said that Renewable Northwest supports the bill.

Committee Questions and Discussion:

00:57:24 Rep. Pope

00:58:37 Mr. Alke

01:02:54 Rep. Pope

01:04:25 Mr. Alke

01:07:01 Sen. Connell
01:07:21 Mr. Alke
01:07:33 Sen. Connell
01:07:51 Mr. Alke
01:08:33 Sen. Connell
01:13:55 Rep. Zolnikov
01:14:47 Sen. Ankney
01:17:03 Mr. Brouwer
01:17:58 Rep. Pope
01:21:12 Sen. Keane
01:22:30 Rep. Steenberg
01:24:49 Rep. Zolnikov
01:26:16 Sen. Larsen
01:27:20 Rep. Regier
01:27:29 Mr. Alke
01:27:59 Rep. Regier
01:28:26 Mr. Palm
01:29:22 Rep. Regier
01:29:36 Mr. Palm
01:29:40 Sen. Connell
01:30:22 Gary Wiens, Montana Electric Cooperatives Association
01:30:58 Rep. Regier
01:31:00 Mr. Weins
01:31:09 Rep. Regier
01:32:26 Mr. Alke
01:33:22 Rep. Pope
01:33:40 Ms. Nowakowski

01:34:03 **Motion:** Rep. Zolnikov moved to strike everything except section 7 and to pre-introduce LCNET4 as only section 7 as a committee bill.

Discussion:

01:34:18 Ms. Nowakowski
01:35:03 Rep. Regier
01:35:29 Mr. Alke
01:36:22 Rep. Regier
01:36:28 Rep. Zolnikov
01:36:37 Mr. Alke
01:37:57 Sen. Larsen
01:38:14 Mr. Alke
01:39:31 Sen. Larsen
01:39:55 Mr. Brouwer
01:41:08 Sen. Larsen
01:41:43 Sen. Connell
01:44:04 Ms. Nowakowski
01:44:14 Sen. Connell
01:44:22 Ms. Nowakowski
01:44:46 Sen. Ankney

- 01:44:53 Rep. Regier
 01:45:20 Rep. Pope
- 01:45:38 **Vote:** The motion carried unanimously by roll call vote. Rep. Zolnikov will sponsor the bill and Sen. Keane will be the back-up. [\(Attachment 4\)](#)
- 01:46:28 **Motion/Vote:** Rep. Pope moved to pre-introduce the entire content of LCNET4 as a committee bill. The motion failed 2-6 by roll call vote. Rep. Pope and Rep. Steenberg voted aye. [\(Attachment 5\)](#)

LCNET5 — Increase net metering cap for tax-exempt properties

- 01:48:37 Ms. Nowakowski presented an overview of LCNET5. [\(Exhibit 6\)](#) Ms.
 01:49:46 Nowakowski discussed the public comments that were received.

Public Comment:

- 01:50:32 Mr. Brouwer said that MREA supports a higher net metering cap.
 01:53:01 Mr. Alke said that Northwestern Energy does not support LCNET5.
 01:56:59 Mr. Fox said Renewable Northwest supports the bill.
 01:58:11 Mr. Palm said he supports raising the net metering cap to 250 kilowatts.
 02:00:30 Mr. Van Wert said he supports the bill.

Committee Questions and Discussion:

- 02:02:03 Sen. Larsen
 02:02:32 Ms. Nowkowski
 02:02:50 Sen. Larsen
 02:03:00 Ms. Nowakowski
 02:03:15 Sen. Larsen
 02:03:27 Sen. Connell
 02:04:13 Ms. Nowakowski
 02:04:37 Rep. Regier
 02:04:56 Mr. Brouwer
 02:05:08 Rep. Regier
 02:05:18 Mr. Brouwer
 02:05:49 Rep. Regier
 02:05:57 Mr. Brouwer
- 02:06:03 **Motion:** Sen. Larsen moved to amend LCNET5 to limit the 250 kilowatt cap to government entities including cities, counties, school districts, state agencies, university systems, tribal government, and federal government entities.

Discussion:

- 02:07:09 Ms. Nowakowski
 02:07:16 Sen. Larsen restated his motion.
 02:07:45 Todd Everts, staff attorney, Legislative Services Division.
- 02:08:21 **Motion:** Sen. Larsen moved to pre-introduce LCNET 5 as a committee bill and to amend LCNET 5.

Discussion:

02:08:43 Rep. Regier
02:08:48 Sen. Larsen
02:08:59 Ms. Nowakowski
02:09:21 Sen. Larsen
02:09:36 Rep. Pope
02:10:05 Rep. Regier

02:10:26 **Vote:** The motion carried 6-2 by roll call vote. Sen. Connell and Rep. Regier voted no. Rep. Pope will carry the bill and Sen. Keane will be the back-up. [\(Attachment 6\)](#)

Net Metering in Montana — A Report to the 65th Legislature.

02:11:58 Ms. Nowakowski presented an overview of the net metering draft report. [\(Exhibit 7\)](#)
02:13:03 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

02:13:32 Mr. Brouwer discussed the draft report.

Committee Questions and Discussion: None

02:14:13 **Motion/Vote:** Rep. Regier moved to approve the draft report. The motion carried unanimously by voice vote.

RENEWABLE ENERGY CREDIT REPORTS (69-3-2009, MCA) - LCREC1

02:15:16 Sen. Keane discussed LCREC1 — repeal renewable energy credit reporting requirements. [\(Exhibit 8\)](#)
02:17:12 Ms. Nowakowski said that no public comments were received on LCREC1.

Public Comment:

02:17:35 Mr. Fox said Renewable Northwest supports the bill, and he is available to answer any questions.

Committee Questions and Discussion:

02:19:04 Rep. Pope
02:19:56 Sen. Keane

02:21:01 **Motion/Vote:** Sen. Keane moved to pre-introduce LCREC1 as a committee bill. The motion carried unanimously by voice vote. Sen. Keane will carry the bill.

02:22:11 Recess

Sen. Keane left the meeting and gave his proxy to Sen. Larsen. [\(Attachment 7\)](#)

EDUCATION SUPER HIGHWAY

Joint hearing with the Education and Local Government Interim Committee in room 102.

03:15:18 Reconvene

MONTANA ONE-CALL LAWS AND FEDERAL COMPLIANCE

- 03:15:58 Dale Schultz, president, Montana Utility Coordinating Council, provided an update on Montana one-call laws. **(Exhibit 9)**
- 03:16:42 Mr. Schultz discussed the federal notice that was received from the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), regarding the adequacy evaluation of Montana's enforcement of its one-call laws. **(Exhibit 10)**
- 03:19:59 Mr. Schultz said that PHMSA provided information on its intentions and the rules regarding its authority. **(Exhibit 11)**
- 03:20:12 Mr. Schultz provided an update from the Safe Excavation Law Study Group. **(Exhibit 12)**
- 03:27:32 Mr. Schultz said he provided a copy of the consensus items to date **(Exhibit 13)** and a list of the meeting participants. **(Exhibit 14)**

Public Comment: None

Committee Questions and Discussion:

- 03:28:09 Rep. Regier asked Mr. Schultz about working within PHMSA's parameters and its definition of "adequate" in the enforcement of Montana's excavation damage prevention law.
- 03:29:02 Rep. Regier asked Mr. Schultz if PHMSA would allow fines to be lowered. Mr. Schultz said it would.
- 03:29:16 Rep. Regier asked Mr. Schultz about the need for legislation.

RENEWABLE ENERGY CREDIT REPORTS (69-3-2009, MCA) - LCREC2

- 03:30:07 Ms. Nowakowski discussed LCREC2 — request an interim study of renewable energy credits in Montana. **(Exhibit 15)**

Public Comment: None

Committee Questions and Discussion:

- 03:31:02 Rep. Pope
- 03:32:14 Sen. Connell
- 03:33:22 Sen. Larsen
- 03:34:07 Rep. Pope
- 03:35:52 Sen. Connell
- 03:37:11 **Motion/Vote:** Rep Pope moved to pre-introduce LCREC2 as a committee bill. The motion carried 6-2 by voice vote. Sen. Ankney and Sen. Keane voted no. Sen. Keane voted no by proxy. Rep. Pope will sponsor the bill and Sen. Connell will be the back-up.

STATUTORY ADMINISTRATIVE RULE REVIEW

- 03:38:21 Mr. Everts said there were no statutory rules to report.

Public Comment: None

Committee Questions and Discussion: None

PUBLIC COMMENT ON MATTERS WITHIN THE JURISDICTION OF THE ETIC

None

RECESS

03:39:53 Rep. Regier recessed the meeting at 4:42 p.m.

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