



## Energy and Telecommunications Interim Committee

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### 65th Montana Legislature

#### SENATE MEMBERS

MARY MCNALLY  
TOM RICHMOND  
SCOTT SALES  
CYNTHIA WOLKEN

#### HOUSE MEMBERS

LAURIE BISHOP  
ZAC PERRY  
DEREK SKEES  
DANIEL ZOLNIKOV

#### COMMITTEE STAFF

TREVOR GRAFF, Lead Staff  
JAMESON WALKER, Staff Attorney  
NADINE SPENCER, Secretary

# MINUTES LOG

July 31, 2017  
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**

SEN. MARY MCNALLY, Chair  
REP. DEREK SKEES, Vice Chair

SEN. TOM RICHMOND  
SEN. SCOTT SALES  
SEN. CYNTHIA WOLKEN

REP. LAURIE BISHOP  
REP. ZAC PERRY  
REP. DANIEL ZOLNIKOV

## **STAFF PRESENT**

SONJA NOWAKOWSKI, Director  
TREVOR GRAFF, Lead Staff  
JAMESON WALKER, Staff Attorney  
NADINE SPENCER, Secretary

## **VISITORS' LIST** ([Attachment 1](#))

## **AGENDA** ([Attachment 2](#))

### **COMMITTEE ACTIONS**

The Energy and Telecommunications Committee (ETIC):

- Voted to elect Sen. McNally as presiding officer and Rep. Skees as vice-presiding officer;
- Voted to adopt the interim meeting calendar;
- Voted to adopt the interim rules and procedures;
- Voted to adopt the meeting minutes from September 2016;
- Voted to adopt the interim work plan;
- Voted to have staff investigate current concepts of long-term contracts in statute and general business practices pertaining to Qualifying Facilities (QFs);
- Voted to have staff write a draft letter to the Montana Public Service Commission expressing the ETIC's concerns about its decision regarding Qualifying Facilities contracts and have the presiding officer and vice-presiding officer sign the final version.

### **CALL TO ORDER AND ROLL CALL**

00:00:01 President Sales, presiding officer, called the meeting to order at 9:01 a.m. The secretary called the roll. ([Attachment 3](#))

### **INTRODUCTION OF COMMITTEE MEMBERS**

00:00:50 The ETIC committee members and staff introduced themselves.

### **ADMINISTRATIVE MATTERS**

00:04:06 Sonja Nowakowski, director, Office of Research and Policy Analysis, Legislative Services Division, gave a PowerPoint presentation on the purpose of the ETIC and its duties. ([Exhibit 1](#))

00:12:48 Ms. Nowakowski said the committee received a copy of the interim committee draft rules, procedures, and guidelines. ([Exhibit 2](#))

00:15:07 Ms. Nowakowski said the committee received a copy of the public comment guidelines. ([Exhibit 3](#))

00:15:32 Ms. Nowakowski said the committee received a history of the chairmanship of the ETIC. ([Exhibit 4](#))

Committee Questions and Discussion                      None

## **ELECTION OF THE ETIC PRESIDING OFFICER AND VICE-PRESIDING OFFICER**

### **Motion/Vote**

00:17:26 Sen. Wolken moved to nominate Sen. McNally as presiding officer. The motion carried unanimously by voice vote.

### **Motion/Vote**

00:17:56 Rep. Zolnikov moved to nominate Rep. Skees as vice-presiding officer. The motion carried unanimously by voice vote.

00:18:36 Recess

00:19:51 Reconvene

00:19:50 Sen. McNally thanked the ETIC for its support and said she looks forward to working with the committee. She also thanked staff for the meeting materials.

## **INTRODUCTION AND REVIEW OF INTERIM WORK PLAN OPTIONS**

00:20:42 Ms. Nowakowski gave a PowerPoint presentation ([Exhibit 5](#)), and said the ETIC received a copy of the draft work plan. ([Exhibit 6](#))

00:23:24 Ms. Nowakowski said the ETIC received the work plan decision matrix. ([Exhibit 7](#))

00:28:16 Jameson Walker, staff attorney, Legislative Services Division, said the committee can receive a standard rule review letter or an in-depth letter.

00:29:02 Ms. Nowakowski discussed the statutory duties of the ETIC.

00:33:31 Ms. Nowakowski said the ETIC was assigned three studies by Legislative Council and discussed HJ 28 (2017) the study of natural gas utility customer choice.

00:35:32 Rep. Bishop discussed the work plan options for HJ 28.

00:37:44 Ms. Nowakowski discussed SJ 31 (2017) the study of utility decoupling.

00:39:50 Sen. McNally discussed the work plan options for SJ 31.

00:41:30 Ms. Nowakowski discussed SJ 2 (2017) the study of renewable energy credits.

00:43:59 Ms. Nowakowski discussed net metering.

00:45:24 Ms. Nowakowski discussed program review options. ([Exhibit 8](#))

00:48:04 Ms. Nowakowski discussed ETIC publications.

00:50:20 Ms. Nowakowski said additional items can be included on future agendas.

Public Comment      None

### **Committee Questions and Discussion**

00:52:39 Rep. Bishop asked Ms. Nowakowski about the difference between a white paper and an interim report. Ms. Nowakowski said a white paper is brief and a report is more in-depth and includes recommendations.

00:53:32 Rep. Zolnikov said he would like future agenda items to include a discussion on legislation that would make Montana a place where companies want to invest.

00:54:47 Sen. McNally asked Rep. Zolnikov if he was referring to what might be hindering energy economic development in the state.

00:55:36 Rep. Skees asked Ms. Nowakowski about the number of interim studies. Ms. Nowakowski said there are 20.

00:56:00 Sen. McNally said she would like to include energy storage as an agenda item.  
00:57:00 Rep. Bishop said she would like to receive information on the federal funds allocated for Colstrip and the engagement by the Attorney General's office on how the funds are intended to be spent.  
00:57:50 Sen. McNally asked Ms. Nowakowski how additional items will be incorporated into future agendas. Ms. Nowakowski will bring a calendar with the final work plan in September.

## **OTHER BUSINESS**

### **Adoption of Calendar**

Committee discussion on the ETIC interim meeting dates:

01:00:20 Sen. McNally  
01:00:41 Ms. Nowakowski  
01:01:34 Rep. Skees  
01:01:51 Ms. Nowakowski  
01:02:18 Rep. Skees  
01:02:42 Sen. McNally  
01:02:47 Ms. Nowakowski  
01:03:34 Sen. McNally

### **Motion/Vote**

01:03:47 Rep. Skees moved to adopt the ETIC meeting calendar. The motion carried unanimously by voice vote.

### **Adoption of Rules and Procedures**

Committee discussion on the interim rules and procedures:

01:04:09 Sen. McNally  
01:04:35 Ms. Nowakowski  
01:05:07 Rep. Skees

### **Motion**

01:05:52 Rep. Skees moved to remove Section 4 from the interim committee rules regarding proxy votes.

### **Discussion on the Motion**

01:06:01 Rep. Bishop  
01:06:35 Rep. Skees  
01:06:54 Sen. McNally  
01:07:05 Ms. Nowakowski

### **Vote**

01:07:40 The motion failed 4-4 by roll call vote with Sen. Sales, Sen. Richmond, Sen. Wolken, and Sen. McNally voting no. ([Attachment 4](#))

### **Motion/Vote:**

01:08:48 Rep. Skees moved to adopt the interim committee rules as written. The motion carried unanimously by voice vote.

## Adoption of September 2016 Meeting Minutes

### Motion/Vote

- 01:09:46 Rep. Zolnikov moved to adopt the meeting minutes from September 2016. **(Exhibit 9)** The motion carried unanimously by voice vote.
- 01:10:18 Sen. McNally asked about the September meeting agenda items. Ms. Nowakowski said it can be addressed after the ETIC has adopted its work plan.
- 01:10:58 Sen. McNally asked Rep. Bishop about including information at the September meeting on the funds allocated to Colstrip.

### Public Comment on the Interim Work Plan None

- 01:12:26 Rep. Zolnikov said some of the issues in the work plan will have a greater impact to Montana than others and should be given a higher percentage of FTE.
- 01:13:13 Sen. McNally requested that the committee review the work plan before its discussion later today.

## ENERGY POLICY OVERVIEW - STATUTORY DUTIES

- 01:13:47 Ms. Nowakowski presented information on Montana's Energy Policy. **(Exhibit 10)**
- 01:21:18 Ms. Nowakowski said at its June 6 meeting Legislative Council recommended that the ETIC focus on issues pertaining to costs of energy and to promoting the exportation of Montana's energy resources. **(Exhibit 11)**

### Public Comment None

### Committee Questions and Discussion

- 01:22:32 Rep. Skees asked if Montana's Energy Policy includes exporting energy to other states. Ms. Nowakowski said it does.
- 01:23:20 Rep. Skees asked about information on the amount of power that Montana exports and which states purchase it. Ms. Nowakowski said it is included in the handbook *Understanding Energy in Montana*. **(Exhibit 12)**
- 01:25:19 Sen. McNally asked President Sales about the specific information that Legislative Council wanted ETIC to look at regarding Montana's energy policy. Ms. Nowakowski added that it was general information that was proposed by Sen. Thomas.
- 01:26:56 Sen. McNally asked staff about the time commitment for updating ETIC publications. Trevor Graff, lead staff, Legislative Services Division, said it will depend on the guidance given by committee members.
- 01:28:37 Rep. Zolnikov requested a copy of the handbook. Sen. McNally requested a copy for all of the committee members.
- 01:28:55 Rep. Bishop requested an update on some of the statistics that are in the handbook for the September meeting. Ms. Nowakowski said staff can provide preliminary updates. Mr. Graff said a preliminary draft should be ready in January and a final draft should be ready in the spring.

## **ADMINISTRATIVE RULE REVIEW**

01:30:52 Mr. Walker presented information on administrative rules. **(Exhibit 13)**

### **Committee Questions and Discussion**

01:41:19 Rep. Zolnikov asked Mr. Walker about reviewing old rules that have already been adopted and questioning whether they are following legislative intent.  
01:42:32 Rep. Skees asked Mr. Walker about the effect if the committee objects to a rule.  
01:43:43 Rep. Skees asked Mr. Walker about the Montana Administrative Procedures Act (MAPA) and if there is a requirement of standing and if ETIC members have standing by default.

**Public Comment** None

01:46:25 Recess  
02:02:36 Reconvene

## **ENVIRONMENTAL QUALITY COUNCIL UPDATE**

02:02:56 Joe Kolman, director, Legislative Environmental Policy Office, Legislative Services Division, presented information on the Environmental Quality Council (EQC).  
02:04:14 Mr. Kolman discussed the EQC meeting in June, its assigned studies, and work plan.

### **Committee Questions and Discussion**

02:09:58 Rep. Skees said he attended the Pacific Northwest Economic Region (PNWER) meeting last week and requested that the state have a plan in place for cleaning, draining, and drying aircraft that scoop water for fires to combat aquatic invasive species. Mr. Kolman said it was discussed at the EQC meeting.

## **PSC OVERVIEW**

02:11:25 Brad Johnson, chairman, Public Service Commission (PSC), gave an overview of the PSC and provided a copy of the 2016 Chairman's report. **(Exhibit 14)**  
02:19:54 Mr. Johnson discussed staff and budget.  
02:23:18 Mr. Johnson discussed the current docket items.

### **Public Comment**

02:25:41 David Hoffman, director, Government Relations, NorthWestern Energy (NWE), discussed the regulatory environment in Montana and current PSC activities. **(Exhibit 15)**  
02:26:35 Mr. Hoffman provided copies of a report issued by the Williams Capital Group reducing its investment rating for NWE. **(Exhibit 16)**  
02:36:00 Jeff Fox, Montana policy manager, Renewable Northwest, said the PSC needs to make sure that utilities realize a reasonable profit from the investments that it makes.

### Committee Questions and Discussion

- 02:38:01 Rep. Skees asked Mr. Johnson about Kerr Dam and if the PSC is an advocate for Montanans in regard to Federal Energy Regulatory Commission (FERC) licensing.
- 02:39:38 Rep. Zolnikov asked Mr. Johnson why some PSC staff suggestions were not considered regarding Qualifying Facilities (QFs) and contract length decisions.
- 02:42:36 Rep. Zolnikov asked Mr. Fox if the stakeholders he represents and the utilities can get together to determine contract lengths that would work for everyone.
- 02:46:15 Rep. Zolnikov asked Mr. Hoffman the same question.
- 02:47:37 Rep. Skees asked Mr. Johnson about the role of the PSC and the balance of its regulatory authority with shareholders.
- 02:50:35 Rep. Skees asked Mr. Johnson about the amount of regulation, and if there is a way to work together for a solution for power generators in Montana.
- 02:54:10 Rep. Zolnikov asked Mr. Johnson about long-term rates and contract lengths.
- 02:58:08 Sen. McNally asked Mr. Hoffman to provide a one-page summary of NWE's concerns. Mr. Hoffman said he will. **(Exhibit 17)**
- 03:01:43 Sen. McNally asked Mr. Johnson about NWE's concerns.
- 03:04:08 Recess for lunch at 12:05 p.m.
- 04:03:05 Reconvene at 1:05 p.m.

### MONTANA ENERGY INFORMATION

- 04:03:41 Bob Nelson, Montana Consumer Counsel.
- 04:08:39 Laura Andersen, Energy Bureau chief, Department of Environmental Quality.
- 04:13:09 Jennifer Anders, Northwest Power and Conservation Council. **(Exhibit 18)**
- 04:18:00 Mark Reller, Bonneville Power Administration (BPA). **(Exhibit 19)**
- 04:35:49 Will Rosquist, Regulatory Division administrator, PSC. **(Exhibit 20)**

### Public Comment

- 04:44:23 Jeff Fox, Montana policy director, Renewable Northwest, discussed HR 2 (2017) and the elimination of the Montana Intertie rate.
- 04:47:14 Doug Hardy, Montana Electric Cooperatives Association (MECA), said he is available for questions.

### Committee Questions and Discussion

- 04:47:43 Rep. Zolnikov asked Mr. Reller about HR 2 and the dispute between BPA and NWE.
- 04:53:19 Rep. Skees asked Mr. Reller if BPA pays transmission taxes to Montana. Mr. Reller said it does not.
- 04:53:48 Rep. Skees asked Mr. Reller if BPA has any nuclear power on its grid. Mr. Reller said it does.
- 04:54:11 Rep. Skees asked Mr. Reller if BPA has the ability to build a nuclear power plant in Montana regardless of state law.
- 04:55:07 Rep. Skees asked Mr. Reller about the oversupply of hydropower and if it will change as coal plants come off-line.
- 04:58:17 Rep. Zolnikov asked Mr. Reller about the long-term concern of losing generating assets as power plants shut down.

05:00:07 Rep. Bishop asked Ms. Anders about regional needs for power. Rep. Bishop asked Ms. Anders about the regions. Ms. Anders deferred to Brian DeKiep, energy analyst, Northwest Power and Conservation Council.

#### **ADOPTION OF WORK PLAN OPTIONS**

05:04:38 Sen. McNally opened discussion on the work plan studies assigned to the ETIC.  
05:05:04 Ms. Nowakowski  
05:05:44 Sen. McNally said she recommends .4 FTE on the utility decoupling study.  
05:06:08 Rep. Zolnikov said he recommends discussing work plan topics that require a smaller percentage of FTE first.  
05:06:39 Sen. Wolken said she recommends .3 or .4 FTE for the decoupling study.

#### **Committee Discussion on Review Administrative Rules**

05:07:07 Sen. McNally  
05:07:38 Rep. Skees said he recommends Option C - 0.02 FTE.  
05:08:13 Mr. Walker  
05:08:36 Sen. McNally  
05:08:38 Rep. Skees  
05:08:50 Sen. McNally

#### **Committee Discussion on Review Agency Legislation**

05:09:06 Sen. McNally  
05:09:13 Sen. Richmond said he recommends Option B - 0.005 FTE.

#### **Committee Discussion on Monitor PSC Activities**

05:09:23 Sen. McNally  
05:09:27 Sen. Richmond said he recommends Option A - .05 FTE.

#### **Committee Discussion on Review Utility USB Reports**

05:09:48 Sen. McNally  
05:09:57 Sen. Richmond said he recommends Option B -.03 FTE  
05:10:15 Sen. McNally

#### **Committee Discussion on Review Geothermal Research, Hydroelectric Projects, High-performance Building Program and 9-1-1 Next-generation Grants**

05:10:29 Sen. McNally said she recommends keeping Option B - 0.002 FTE for each.  
05:10:47 Ms. Nowakowski said the current total is .113 FTE.

#### **Committee Discussion on Review State Energy Policy**

05:11:00 Sen. McNally  
05:11:21 Sen. Richmond said he recommends .05 FTE.  
05:12:23 Rep. Zolnikov  
05:13:06 Sen. McNally  
05:13:16 Rep. Bishop  
05:14:01 Rep. Zolnikov  
05:14:36 Ms. Nowakowski

Committee Discussion on Revise ETIC Publications

05:15:15 Sen. McNally asked staff about the recommended FTE.  
05:15:41 Mr. Graff said he recommends between .02 and .05 FTE.  
05:16:09 Rep. Skees said he recommends .05 FTE.

Committee Discussion on PSC Review of Net Metering

05:16:59 Rep. Zolnikov said he recommends between .002 and .05 FTE.  
05:17:46 Ms. Nowakowski said the ETIC can adjust the FTE later.  
05:17:00 Sen. McNally said she recommends putting Option C - .002 FTE.

Committee Discussion on Programmatic Review

05:18:25 Sen. McNally  
05:19:25 Rep. Zolnikov  
05:19:31 Ms. Nowakowski  
05:20:39 Sen. Richmond  
05:20:54 Ms. Nowakowski  
05:22:13 Sen. McNally  
05:22:27 Ms. Nowakowski  
05:22:48 Sen. Richmond  
05:23:14 Ms. Nowakowski  
05:23:41 Rep. Zolnikov said he recommends .05 FTE.  
  
05:23:56 Sen. McNally said the current total is .265 FTE.

Committee Discussion on PSC Review of Net Metering

05:24:04 Rep. Bishop said she recommends .05 FTE.  
05:25:14 Rep. Zolnikov said he recommends .01 FTE.  
  
05:25:50 Ms. Nowakowski said the current total is .273 FTE.  
  
05:26:15 Sen. McNally opened discussion on the studies assigned to the ETIC.

Committee Discussion on Study Renewable Energy Credits

05:26:35 Rep. Skees said he recommends Option C - .01 FTE.  
05:27:14 Rep. Bishop said she recommends .02 FTE.  
05:28:00 Sen. McNally directed staff to put .02 FTE.  
  
05:28:12 Ms. Nowakowski said the current total is .293 FTE.

Committee Discussion on adding a topic on the Regulatory Climate for Energy Resources

05:28:25 Rep. Zolnikov said the ETIC should consider policy to stop possible roadblocks to energy development in Montana.  
05:29:18 Ms. Nowakowski  
05:29:52 Rep. Zolnikov  
05:31:02 Rep. Skees said the topic can be for changes needed in the regulatory climate in Montana and recommended allocating .1 FTE.  
05:31:19 Ms. Nowakowski  
05:31:39 Sen. McNally said the topic can include regulatory reform.

05:32:32 Ms. Nowakowski said the topic will be added as the regulatory climate for energy resources.

Committee Discussion on Study Utility Decoupling and Study Natural Gas Utility Customer Choice

05:32:54 Sen. McNally

05:33:05 Rep. Bishop

05:34:38 Ms. Nowakowski

05:35:19 Rep. Skees said he recommends Option A for the study of decoupling and Option B for the study of natural gas.

05:36:35 Rep. Bishop

05:37:19 Sen. McNally

05:37:38 Ms. Nowakowski said based on discussion it appeared that the committee recommends putting .4 FTE on utility decoupling, .02 FTE on the study of renewable energy credits, and .2 FTE for the study of natural gas. She said the current total is .993 FTE.

05:38:21 Ms. Nowakowski summarized the work plan: .02 FTE - review administrative rules; .005 FTE - review agency legislation; .05 FTE - monitor PSC activities; .03 FTE - review utility USB reports; .002 FTE - review geothermal research; .002 FTE - review hydroelectric projects; .002 FTE - review high-performance building program; .002 FTE - review 9-1-1 next-generation grants; .4 FTE - study utility decoupling; .02 FTE - study renewable energy credits; .2 FTE - study natural gas utility customer choice; .05 FTE - review state energy policy; .1 FTE - regulatory climate for energy resources; .05 FTE - revise ETIC publications; .01 FTE - PSC review of net metering; .05 FTE - programmatic review.

**Motion**

05:39:50 Rep. Skees moved to adopt the ETIC work plan.

**Discussion on the Motion**

05:40:03 Sen. McNally

**Vote**

05:40:23 The motion carried unanimously by voice vote.

**Adoption of Calendar**

05:40:45 Sen. McNally said that after the calendar was approved there was a request by a committee member to change the meeting date on January 12, 2018.

**Motion/Vote**

05:42:32 Rep. Skees moved to change the meeting from January 12 to January 16. The motion carried unanimously by voice vote.

05:43:17 Recess

05:59:05 Reconvene

Sen. Wolken left the meeting and gave her proxy to Sen. McNally. [\(Attachment 5\)](#)

## **PSE/NWE NET METERING STUDY**

- 05:59:36 Ms. Nowakowski said HB 219 (2017) requires NWE to study the costs and benefits of net metering in Montana and submit the study to the PSC as part of a general rate case.
- 06:00:52 Travis Kavulla, vice-chairman, PSC provided an overview of the study.
- 06:05:54 Mr. Kavulla provided a copy of a memorandum to the PSC from Chris Villarreal. **(Exhibit 21)**
- 06:11:12 Mr. Hoffman, NWE, said that NWE is waiting on direction from the PSC.

### **Public Comment**

The following individuals provided public comment on the net metering study.

- 06:12:07 Andrew Valainis, executive director, Montana Renewable Energy Association.
- 06:13:27 Brian Fadie, Montana Environmental Information Center (MEIC).
- 06:15:11 Diego Rivas, senior policy associate, Northwest Energy Coalition.

### **Committee Questions and Discussion**

- 06:16:22 Rep. Skees asked Mr. Hoffman about NWE's timeframe for preparing the rate case.
- 06:18:19 Sen. McNally asked Mr. Hoffman about comments he made earlier.

## **QF CONTRACT DECISIONS AND PSC ACTIONS**

- 06:19:45 Mr. Johnson, PSC, provided information on the QF contract decisions.
- 06:35:58 Mr. Johnson provided a fact sheet on QF-1 standard rates and tariffs. **(Exhibit 22)**

### **Public Comment**

The following individuals provided public comment on QF contract decisions and PSC actions.

- 06:36:26 Mr. Hoffman, NWE.
- 06:41:58 Mr. Hoffman provided information on supply prices. **(Exhibit 23)**
- 06:45:07 David Bunge, vice president, Cypress Creek Renewables.
- 06:49:15 Jan Hoem, Montana Elders for a Livable Tomorrow, Missoula.
- 06:51:55 Harold Hoem, Missoula.
- 06:54:08 Rep. Jim Keane, HD 73.
- 06:58:36 Alan Olson, representing himself, sponsor of HB 25 (2007).
- 07:07:58 Mr. Fadie, MEIC. **(Exhibit 24)**
- 07:10:19 Bill Ryan, IBEW Local 44, Butte.
- 07:14:38 Mark Klein, MTSUN.
- 07:20:13 Mr. Fox, Renewable Northwest.
- 07:27:26 Mr. Rivas, NW Energy Coalition. **(Exhibit 25)**
- 07:32:07 Mr. Kavulla, PSC.

### **Committee Questions and Discussion**

- 07:43:41 Rep. Skees asked about the historical term of a long-term contract. Mr. Kavulla said he can get the information for every QF contract, but that it will depend on the project.
- 07:45:04 Rep. Bishop asked Mr. Johnson about the timeline for re-reconsideration. Mr. Johnson deferred to Justin Kraske, staff attorney, PSC.

- 07:48:34 Sen. McNally asked Mr. Klein if MTSUN is more concerned about contract term or contract rate.
- 07:49:39 Sen. McNally asked Mr. Klein about the current progress of the MTSUN project.

#### Committee Action

##### **Motion**

- 07:52:38 Rep. Zolnikov moved that the ETIC create a committee bill to define what a long-term contract is.

##### **Discussion on the Motion**

- 07:53:55 President Sales

##### **Substitute Motion**

- 07:55:19 Sen. Richmond made a substitute motion to ask staff to request that the PSC's legal counsel, and anyone else that wants to participate, to find out what the current concepts of long-term contract are in statute and general business practices.

##### **Discussion on the Motion**

- 07:56:17 Rep. Zolnikov
- 07:57:48 Ms. Nowakowski

##### **Vote**

- 07:59:22 The substitute motion carried 5-2 by roll call vote with Rep. Bishop and Rep. Zolnikov voting no. Sen. Wolken was excused. **(Attachment 6)**

#### Committee Discussion on the Motion

- 08:00:27 Rep. Skees
- 08:00:56 Rep. Zolnikov
- 08:02:17 Rep. Bishop

#### Committee Discussion on Sending a Letter to the PSC

- 08:04:05 Sen. McNally said that the letter sent to the PSC on July 20 was from five individual legislators on the committee, but was not from the ETIC. **(Exhibit 26)** She said she would like to send a formal letter from the ETIC regarding the same concerns.
- 08:06:32 Rep. Skees
- 08:06:42 Ms. Nowakowski
- 08:07:56 Sen. McNally
- 08:08:56 Ms. Nowakowski
- 08:09:20 Rep. Zolnikov
- 08:09:39 Sen. McNally
- 08:09:59 Rep. Skees
- 08:10:36 Sen. Richmond
- 08:12:27 Sen. McNally

**Motion**

08:12:48 Sen. Richmond moved to have staff draft a letter to the PSC requesting the PSC reconsider its action concerning QFs and summarizing the concerns raised during public comment.

**Committee Discussion on the Motion**

08:13:27 Ms. Nowakowski

**Vote**

08:13:56 The motion carried unanimously by voice vote. Sen. Wolken was excused.

08:14:05 Ms. Nowakowski said she will send the letter to all members of the ETIC once it is drafted.

08:14:16 Sen. McNally

08:14:23 Ms. Nowakowski indicated the letter would be signed by the chair and vice chair.

08:14:42 Sen. McNally

08:15:47 President Sales left the meeting.

**INTRODUCTION TO USB - STATUTORY DUTIES**

08:16:34 Mr. Graff, presented a PowerPoint presentation on the Universal System Benefits Program in Montana and the ETIC's statutory duties. [\(Exhibit 27\)](#)

Sen. McNally left the meeting and Rep. Skees assumed the role as chair.

**Committee Questions and Discussion**

08:27:47 Rep. Bishop asked Mr. Graff for a copy of the PowerPoint presentation.

**Public Comment**

08:28:06 Mr. Hardy, MECA, said he is available for questions

08:28:20 Rachel Haberman, Energy Share Montana, provided information on its program. [\(Exhibit 28\)](#)

08:29:25 Jim Nolan, representing the State's Human Resources Development Council directors, expressed its appreciation for the program and encouraged the legislature to continue the USB program.

**PUBLIC COMMENT ON MATTERS WITHIN THE JURISDICTION OF THE ETIC**

None

Sen. McNally resumed the role as chair.

**OTHER BUSINESS/INSTRUCTIONS TO STAFF**

08:31:04 Ms. Nowakowski reviewed the agenda items for the September meeting.

08:32:49 Rep. Bishop requested that information from the Attorney General's office on how the federal funds for Colstrip will be used be included in the September mailing material. She said she would also like to discuss staff recommendations for committee field trips.

08:33:28 Sen. McNally said she would like the committee to look at possible PSC policies for the program review.  
08:33:59 Rep. Skees asked staff about the meeting minutes.  
08:34:34 Ms. Nowakowski discussed the use of proxies.  
08:35:15 Sen. McNally thanked the committee and staff.

**ADJOURNMENT**

08:35:40 Sen. McNally adjourned the meeting at 5:37 p.m.

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