



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY ON INTERSTATE POWER GRID DEVELOPMENT; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 70TH LEGISLATURE.

WHEREAS, the modernization and expansion of electric transmission infrastructure is essential to ensuring a secure, reliable, and cost-effective energy supply for Montana and its neighboring states; and

WHEREAS, restrictive and anticompetitive policies in certain jurisdictions hinder the development of necessary transmission projects, resulting in increased costs to ratepayers and inefficiencies in energy markets; and

WHEREAS, the establishment of an interstate compact could facilitate a cooperative framework among states to enhance market-driven solutions, reduce regulatory barriers, and encourage open bidding processes for new transmission projects; and

WHEREAS, a comprehensive study is necessary to evaluate the potential benefits, legal considerations, and implementation strategies of an interstate compact to ensure equitable access to transmission infrastructure and cost-sharing mechanisms that fairly allocate expenses among all beneficiaries; and

WHEREAS, an interstate compact should adhere to key principles, including technology neutrality, uniform siting and certification processes, streamlined permitting, and the promotion of grid-enhancing technologies to maximize efficiency and minimize costs; and

WHEREAS, the Federal Energy Regulatory Commission's order RM99-2-000 encourages state adoption of regional transmission organizations and interstate compacts to enhance market efficiency, improve reliability, facilitate just and holistic energy transmission pricing, and streamline electric transmission pricing; and

WHEREAS, President Donald J. Trump declared a national energy emergency on January 20, 2025, and through his public statements and executive orders encouraged a national energy policy focused on increasing energy production, enhancing infrastructure, and reducing regulatory barriers to support economic growth, emerging technologies, and national security, including the establishment of a National Energy Dominance Council to further increase United States energy production, aiming to enhance the interconnectivity and robustness of the energy infrastructure.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

aThat the Legislative Council be requested to designate an appropriate interim committee or statutory committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to:

- (1) evaluate the legal and regulatory framework for Montana to participate in new cooperative interstate agreements for electric transmission;
- (2) examine the potential economic benefits and cost implications of a compact for Montana ratepayers and industries;
- (3) assess how an interstate compact can incorporate market-based principles to maximize competition and minimize costs for consumers;
- (4) explore best practices from other states and regional transmission organizations that have implemented similar cooperative agreements;
- (5) consider mechanisms to streamline the permitting process and eliminate duplicative regulatory requirements for transmission projects;
- (6) analyze the implications of federal regulatory requirements and how an interstate compact or similar arrangements may facilitate compliance while preserving state sovereignty; and
- (7) engage and consider input from relevant stakeholders, including representatives from the energy industry, consumer advocacy groups, regulatory agencies, and legal experts.

BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be presented to and reviewed by an appropriate committee designated by the Legislative Council.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review

requirements, be concluded prior to September 15, 2026.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 70th Legislature.

- END -

I hereby certify that the within bill,
SJ 21, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2025.

Speaker of the House

Signed this _____ day
of _____, 2025.

SENATE JOINT RESOLUTION NO. 21

INTRODUCED BY D. ZOLNIKOV

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Study: SJ 21 Interim Study on Interstate Power Grid Development

Interim Study Poll Rank: 5

Staff Recommendation: Assign to Energy and Technology Interim Committee

Workload projection: Low - Moderate

Estimated LSD staff time: 288-720 hours

Preliminary Analysis

Summary of study directives:

Restrictive and anticompetitive policies in certain jurisdictions hinder the development of transmission projects, resulting in increased costs to ratepayers and inefficiencies in energy markets. The establishment of an interstate compact between neighboring states could reduce regulatory barriers and encourage open bidding processes for new transmission projects resulting in lower costs.

Preliminary study approach:

OPTION A .25 FTE (MODERATE)	OPTION B .10 FTE (LOW)
<ul style="list-style-type: none">• All of option B• Roundtable with neighboring states to discuss potential interstate cooperative agreements.• Legal or data modeling/analysis of identified areas.• Additional panel(s) or stakeholder roundtable discussion of potential/proposed legislation.• Additional staff paper(s)/presentation as requested by the committee.	<ul style="list-style-type: none">• Panel discussion/roundtable with stakeholders listed below to explore and identify best practices in implementing a cost-effective interstate cooperative agreement.• Staff background paper/presentation on legal and regulatory framework for Montana to participate in new cooperative interstate agreements and any existing interstate compacts operating within the United States.• Final report on committee activities, findings, and requested legislation.

Option C: The committee may determine not to allocate any time to this study.

Recent study or research products on this topic? X Yes No

If yes, explain: The Energy and Technology Interim committee has studied Regional Transmission Organizations and electricity markets in SJ33, 2022, which may relate to interstate

compact discussions. SJ12 Interim Study on Energy Transmission, 2025 may produce similar work, and discussion. The committee could pursue to combine SJ21 and 12 into one study.

Additional considerations

Data/visual analysis opportunities? X Yes No

If yes, explain: DEQ's Energy Bureau provides mapping for Montana's electric transmission system and pathways. In addition, there many sources that provide Regional Transmission Organization/Independent System Operator area mapping.

Agency/stakeholder involvement:

Department of Environmental Quality, Public Service Commission, and Department of Commerce, as needed; Electric Utilities and Cooperatives; Transmission Service Providers; Load Serving Entities; Consumer Advocacy Groups; and Regional Transmission Organizations and Independent System Operators.

Potential additional costs (field trips, out-of-town meetings): Yes X No

If yes, explain:

Interim FTE Equivalents

1 Interim FTE = 16.5 months = 2880 hrs.

.05 FTE	144 Hours	18 days	LOW
.10 FTE	288 Hours	36 days	LOW
.25 FTE	720 Hours	90 days	MODERATE
.50 FTE	1440 hours	180 days	MODERATE
.75 FTE	2160 hours	270 days	HIGH
1 FTE	2880 hours	360 days	HIGH