

SENATE BILL NO. 305

INTRODUCED BY JACKSON, OLSON, KLOCK

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING MONTANA'S ENERGY POLICY; AMENDING SECTION 90-4-1001, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 90-4-1001, MCA, is amended to read:

"90-4-1001. State energy policy goal ~~statement~~ statements. (1) It is the policy of the state of Montana to:

(a) promote energy efficiency, conservation, production, and consumption of a reliable and efficient mix of energy sources that represent the least social, environmental, and economic costs and the greatest long-term benefits to Montana citizens;

(b) supplement energy needs with renewable energy sources while enhancing coal-fired and natural gas generation and promoting new technologies;

(c) promote development of projects using technologies that convert coal into electricity, synthetic petroleum products, hydrogen, methane, natural gas, and chemical feedstocks;

(d) increase utilization of Montana's vast coal reserves in an environmentally sound manner;

(e) increase local oil and gas exploration and development to provide high-paying jobs and to strengthen Montana's economy;

(f) expand exploration and technological innovation, including using carbon dioxide for enhanced oil recovery in declining oil fields to increase output;

(g) expand Montana's petroleum refining industry as a significant contributor to Montana's manufacturing sector in supplying the transportation energy needs of Montana and the region;

(h) develop biomass plants to generate heat for industrial use, electricity, or both, and as a means to manage Montana's forests;

(i) promote the generation of low-cost electricity with large-scale utility wind generation and small-scale distributed generation;

(j) build new transmission lines in the state, while noting that the need for new transmission lines may

- 1 be mitigated by focusing on energy efficiency, distributed energy, demand response, and smart grid technologies;
2 (k) increase the capacity of existing transmission lines in existing corridors and maximize the potential
3 of existing transmission lines;
4 (l) develop new transmission lines in Montana by working closely with all affected stakeholders, including
5 local governments, in the preliminary stages of development;
6 (m) address the interests of property owners and property rights as soon as practicable when developing
7 a project to provide time to consider a variety of options as easements are secured;
8 (n) ensure that the costs of transmission lines that allow for the export of Montana-generated electricity
9 are borne by those who will benefit from the lines in order to protect Montana's ratepayers from the costs of
10 serving others;
11 (o) strengthen Montana's level of participation in regional transmission efforts and organizations,
12 recognizing that endeavors to improve the management of the transmission grid often require a broad, regional
13 approach;
14 (p) use new and innovative technologies, such as compressed air energy storage, batteries, flywheels,
15 hydrogen production, smart grid, smart garage, and intrahour balancing services to address wind integration;
16 (q) use geographic diversity and regional planning in the siting of future wind development facilities to
17 mitigate firming needs;
18 (r) review potential impacts to landscapes, wildlife, and existing land uses, including recreation and
19 agriculture when developing wind generation;
20 (s) develop contracts between qualifying small power production facilities, as defined in 69-3-601, and
21 utilities that require facilities to pay the cost of integrating their power;
22 (t) monitor existing energy incentives to determine if they are cost-effective, noting that incentives are
23 a temporary tool to implement and promote:
24 (i) new technologies;
25 (ii) new fuel sources;
26 (iii) efficiency and conservation; and
27 (iv) energy diversity;
28 (u) enhance Montana's overall management responsibilities, both fiduciary and multiple-use, pursuant
29 to The Enabling Act of the state of Montana, Article X of the Montana constitution, and Title 7, chapter 1, in
30 pursuing energy development on state lands;

1 (v) develop and use best management practices for energy development on state lands; and
 2 (w) develop and emphasize building performance standards for efficiency as an alternative to
 3 prescriptive standards in order to encourage innovations that may result in more comfort for the property owner
 4 and less energy use at a lower cost.

5 (2) In pursuing ~~this goal~~ these goal statements, it is the policy of the state of Montana to:

6 (a) ~~recognize~~ consider that the state's energy system operates within the larger context of and is
 7 influenced by regional, national, and international energy markets;

8 (b) develop Montana's existing and new, diversified energy resources to provide low-cost electricity, gas,
 9 and liquid fuels needed to drive economic growth and self sufficiency;

10 (c) reduce the nation's reliance on foreign oil that often comes from unfriendly countries around the
 11 world;

12 ~~(b)(d) review this~~ consider reviewing these energy policy ~~statement~~ statements and any future changes
 13 pursuant to 90-4-1003 so that Montana's energy strategy will provide for a balance between a sustainable
 14 environment and a viable economy; ~~and~~

15 ~~(e)~~(e) adopt a state transportation energy policy as provided in 90-4-1010 and an alternative fuels policy
 16 and implementing guidelines as provided in 90-4-1011; and

17 (f) consider revisions to the state transportation energy policy and the alternative fuels policy and
 18 implementing guidelines, if necessary."

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20 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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