

## SENATE BILL NO. 355

INTRODUCED BY W. GALT

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ELECTRIC UTILITY LAWS; ALLOWING FOR A COMPETITIVE BIDDING PROCESS FOR THE CONSTRUCTION OF NEW ELECTRIC TRANSMISSION LINE PROJECTS; REVISING DEFINITIONS; AND AMENDING SECTIONS 69-5-201 AND 69-5-202, MCA."

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

**Section 1.** Section 69-5-201, MCA, is amended to read:

**"69-5-201. Definitions.** As used in this part, the following definitions apply:

(1) (a) "Electric transmission line" means a line, substation, or associated equipment used to convey electrical energy connected to transmission facilities that is energized at 115 kilovolts or more phase to phase.

(b) The term does not include an electric transmission line used solely to connect an energy generation facility to transmission facilities owned by an incumbent electric utility.

(2) "Federally registered planning authority" means a regional transmission organization responsible for moving electricity, planning for the movement of electricity, or both over large interstate areas registered with the federal energy regulatory commission.

(3) (a) "Incumbent electric utility" means ~~a public utility regulated by the public service commission pursuant to Title 69, chapter 3, or a utility qualifying as an electric cooperative pursuant to Title 35, chapter 18, or their successors or assignees, that owned, controlled, or operated transmission facilities on or before January 1, 2017.~~

(b) The term does not include a public utility regulated by the public service commission pursuant to Title 69, chapter 3.

(4) "Transmission facilities" means facilities that are used to provide transmission services and are owned, controlled, or operated by an incumbent electric utility."

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2           **Section 2.** Section 69-5-202, MCA, is amended to read:

3           **"69-5-202. ~~Right of first refusal~~ Incumbent electric utility transmission line rights.** (1) (a) Except  
4 as provided in subsection (1)(b), an incumbent electric utility has the right to construct through a competitive  
5 bidding process, own, and maintain an electric transmission line on or after January 1, 2017:

- 6           (i)       located in an area included in the midwest reliability organization;
- 7           (ii)       approved for construction by a federally registered planning authority; and
- 8           (iii)      planned to interconnect with an incumbent electric utility's transmission facilities.

9           (b)       An incumbent electric utility may waive its right to construct, in accordance with subsection  
10 (3)(a), own, and maintain an electric transmission line by providing notice to the federally registered planning  
11 authority.

12           (2)       If an incumbent electric utility intends to construct, own, and maintain an electric transmission  
13 line in accordance with subsection (1)(a), the incumbent electric utility shall provide notice to the federally  
14 registered planning authority as designated within the authority's established open-access transmission tariff  
15 timelines of its intent within 120 days after the federally registered planning authority's approval of the project.

16           (3)       (a) A competitive bidding process must be conducted by the incumbent electric utility for the  
17 construction of a new electric transmission line project that has a valuation of \$8 million or more. The incumbent  
18 electric utility may participate in the bidding process as the incumbent electric utility, including affiliates,  
19 successors, and assignees.

20           (b)       The bidding process must adhere to the incumbent electric utility's reasonable timelines,  
21 specifications, and standards for design, construction, and materials.

22           (c)       If the incumbent electric utility awards a bid to an entity that is not the incumbent electric utility,  
23 the incumbent electric utility may perform inspections throughout the construction period to ensure adherence  
24 to its timelines, specifications, and standards.

25           (d)       On completion of construction of an electric transmission line, the incumbent electric utility has  
26 the right to own and shall assume maintenance responsibility of the electric transmission line.

27           ~~(3)(4)~~   If an electric transmission line constructed, owned, and maintained in accordance with  
28 subsection (1)(a) is connected between two separate incumbent electric utilities, the electric transmission line

1 must be shared equally between the incumbent utilities, unless the incumbent utilities agree to different terms  
2 and conditions.

3 ~~(4)~~(5) Nothing in this section may be construed to limit, alter, or modify the authority of the  
4 commission to make findings relative to 69-3-109 and 69-3-201 as they relate to transmission facilities or to  
5 regulate utilities subject to Title 69, chapter 3."

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