

SENATE JOINT RESOLUTION NO. 25

INTRODUCED BY S. MALEK

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING A STUDY OF MERCHANT TRANSMISSION LINES.

WHEREAS, abundant renewable and nonrenewable energy resources are located in Montana but are distant from where the electricity would be needed if developed; and

WHEREAS, if Montana is to develop these resources, including innovative renewable resources like wind power, and provide the good-paying jobs and tax revenues associated with this development, there must be a physical means to move the electricity from the state to available markets; and

WHEREAS, the need for new transmission lines has intensified with the adoption of renewable portfolio standards in numerous states; and

WHEREAS, the Federal Energy Regulatory Commission requires that all transmission lines sell excess capacity and as a result operate to some extent as merchant lines; and

WHEREAS, the concept of "merchant transmission lines" refers to interstate transmission lines and a wide array of different ownership models, ranging from various forms of private ownership to publicly owned transmission lines with excess capacity that are required by law to make that capacity available for private use; and

WHEREAS, there has been considerable debate in Montana over the siting, costs, and benefits of these projects to Montana citizens; and

WHEREAS, merchant transmission lines have recently been constructed and proposed in Montana, and similar proposals are likely in the future; and

WHEREAS, the Montana Legislature recognizes the important role merchant transmission lines can play in expanding economic opportunities for Montanans but also recognizes that these developments can have detrimental impacts on private property rights, wildlife populations, and aesthetic values.

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

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to



1 section 5-5-217, MCA, or direct sufficient staff resources to:

2 (1) review Federal Energy Regulatory Commission orders related to transmission line operations,
3 financing, cost allocation, and planning, focusing on orders that relate to the new development of transmission
4 projects;

5 (2) examine any federal or state efforts to encourage transmission development by merchant
6 transmission developers;

7 (3) examine what obligation exists for regulated utilities to build new transmission;

8 (4) analyze Montana law and determine if the existing regulatory framework in the Montana Major Facility
9 Siting Act adequately addresses the unique needs and challenges of transmission development; and

10 (5) review the public uses enumerated in section 70-30-102, MCA, and the express or implied authority
11 granted to electrical energy lines to pursue eminent domain for a public use, including whether merchant
12 transmission lines should be considered a public use.

13 BE IT FURTHER RESOLVED, that upon completion of the study, the committee make recommendations,
14 if appropriate, to:

15 (1) define "merchant transmission" in the Montana Code Annotated; and

16 (2) revise how merchant transmission lines are treated under the law.

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

19 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
20 requirements, be concluded prior to September 15, 2014.

21 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
22 comments, or recommendations of the appropriate committee, be reported to the 64th Legislature.

23 - END -