AN ACT GENERALLY REVISING UTILITY LINES AND FACILITIES LAWS; ALLOWING THE COMMISSION TO GRANT A PUBLIC UTILITY A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ELECTRIC TRANSMISSION FACILITY CONSTRUCTION; ESTABLISHING OPTIONAL RATEMAKING PROCEDURES AND TIMELINES; PROVIDING RULEMAKING AUTHORITY; PROVIDING DEFINITIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, advanced transmission technology offers multiple advantages, including increased capacity on existing transmission infrastructure, significantly reduced wildfire risk, especially when an installed powerline conductor has a thermal expansion coefficient no greater than that of an advanced composite conductor, and improved grid reliability, and is a cost-effective solution to Montana's current congestion and curtailments of transmission pathways; and

WHEREAS, the intention of this legislation is to expedite the necessary and overdue transmission upgrades needed to serve the ever-increasing demand of power; and

WHEREAS, the Public Service Commission has the decisionmaking authority to determine the balance between modernizing the grid to increase reliability and identifying what costs are reasonable or unreasonable to ensure ratepayer affordability.

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

Section 1. Definitions. As used in [sections 1 through 3], unless the context clearly indicates otherwise, the following definitions apply:

(1) "Advanced transmission technology" means a technology that increases the capacity, efficiency, and reliability of an existing or new transmission facility~~, as defined in 42 U.S.C. 16422~~. For the purposes of [sections 1 through 3], the term applies to the following technology:

(a) underground cables;

(b) advanced conductor technology, such as advanced composite conductors, high temperature low-sag conductors, and fiber optic temperature sensing conductors;

(c) high-capacity ceramic electric wire, connectors, and insulators;

(d) high-voltage direct-current technology;

(e) flexible alternate-current transmission systems;

~~(f) energy storage devices, such as pumped storage hydropower, compressed air, superconducting magnetic energy storage, flywheels, and batteries;~~

~~(g) distributed generation, such as photovoltaic solar cells, fuel cells, and microturbines;~~

~~(h)~~(f) enhanced power device monitoring;

~~(i) direct system-state sensors;~~

~~(j)~~(g) power electronics and related software, including real-time monitoring and analytical software; and

~~(k)~~(h) any other technologies the commission considers appropriate.

(2) "Certificate of public convenience and necessity" means a written authorization to operate issued by the commission for constructing an electric transmission facility.

(3) "Department" means the department of environmental quality provided for in 2-15-3501.

(4) "Transmission facility" means those facilities that are controlled or operated by a utility and used to provide transmission services as determined by the federal energy regulatory commission and the public service commission. The term includes advanced transmission technology.

Section 2. Certificate of public convenience and necessity for transmission lines and facilities -- rulemaking. (1) A public utility, as defined in 69-3-101, ~~or any other entity required to submit a certification application to the department pursuant to Title 75, chapter 20,~~ may request a certificate of public convenience and necessity from the commission prior to commencing actual construction work on an electric transmission facility that is rated higher than 69 kilovolts.

(2) If the utility requests a certificate of public convenience and necessity from the commission pursuant to subsection (1), the department may not make a determination regarding the

requirements of subsections 75-20-301(1)(a), (1)(d), and (1)(f).

~~(2)~~(3) (a) Upon receiving a request from a public utility or entity, the commission shall determine within ~~270~~ 300 days whether the construction of the proposed transmission facility is in the public interest and may grant or deny the certificate of public convenience and necessity.

(b) In making a determination, the commission ~~may~~ shall consider:

(i) the need for the proposed transmission facility to ensure reliable service for customers;

(ii) the ability of the proposed transmission facility to improve Montana utility customer access to reliable and cost-effective electric generation or storage facilities;

(iii) the anticipated costs and benefits of the proposed facility;

(iv) the use of advanced transmission technology; and

(v) any other factors deemed appropriate by the commission.

~~(3)~~(4) A commission-approved certificate of public convenience and necessity may satisfy the requirements set forth in 75-20-301(1)(a), (1)(d), and (1)(f), ~~and (2)~~ when the department considers siting applications for proposed transmission facilities.

~~(4)~~(5) The commission shall adopt rules for the implementation of this section.

(6) Nothing in this section alters the requirements of Title 75, chapter 20.

(7) Nothing in this section requires the public service commission to approve recovery of costs.

Section 3. Approval ADVANCED COST APPROVAL of transmission and related facilities. (1) A public utility may apply to the commission for advanced cost approval of transmission lines and related facilities not yet procured, provided the utility complies with [section 2].

(2) Within 45 days of a utility's application for advanced cost approval, the commission shall determine if the application is adequate and in compliance with the commission's minimum filing requirements. If the commission determines the application is inadequate, it shall explain the deficiencies.

(3) The commission shall issue an order within 90 days after receiving an application for transmission lines and related facilities, unless the commission determines that extraordinary circumstances warrant additional time.

(4) Subject to [section 2(2)] and after the department issues the certificate of compliance pursuant

to Title 75, chapter 20, as applicable, the commission may:

(a) (i) approve or deny, in whole or in partan application for advanced cost approval of– a transmission line and facility to give the public utility a presumption in any future rate proceeding that the actual construction costs for that line are prudent if the actual construction costs are less than or equal to the approved costs; or

(ii) to the extent actual costs are greater than approved costs, there is no presumption the actual construction costs for that line are prudent, and the commission shall determine if the costs are prudent and recoverable; and

(b) consider all relevant information until the administrative record in the proceeding is closed for the commission's evaluation of an application.

Section 4. Codification instruction. [Sections 1 through 3] are intended to be codified as an integral part of Title 69, chapter 4, part 1, and the provisions of Title 69, chapter 4, part 1, apply to [sections 1 through 3].

Section 5. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,

SB 301, 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 BILL NO. 301

INTRODUCED BY D. ZOLNIKOV

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