



## Energy and Telecommunications Interim Committee

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### 61st Montana Legislature

#### SENATE MEMBERS

JERRY BLACK--Vice Chair  
RON ERICKSON  
VERDELL JACKSON  
CLIFF LARSEN

#### HOUSE MEMBERS

ROBYN DRISCOLL--Chair  
DUANE ANKNEY  
TONY BELCOURT  
HARRY KLOCK

#### COMMITTEE STAFF

SONJA NOWAKOWSKI, Research Analyst  
TODD EVERTS, Staff Attorney  
DAWN FIELD, Secretary

# MINUTES

September 24, 2009

Room 172, State Capitol  
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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#### **COMMITTEE MEMBERS PRESENT**

REP. ROBYN DRISCOLL, Chair  
SEN. JERRY BLACK, Vice Chair  
SEN. RON ERICKSON  
SEN. VERDELL JACKSON  
SEN. CLIFF LARSEN  
REP. DUANE ANKNEY  
REP. TONY BELCOURT

#### **COMMITTEE MEMBERS EXCUSED**

REP. HARRY KLOCK

#### **STAFF PRESENT**

SONJA NOWAKOWSKI, Research Analyst  
TODD EVERTS, Staff Attorney  
DAWN FIELD, Secretary

#### **AGENDA & VISITORS' LIST**

Agenda, Attachment #1.  
Visitors' list, Attachment #2.

#### **COMMITTEE ACTION**

The Energy and Telecommunications Interim Committee:

- approved the July 10, 2009, written minutes as corrected;
- approved the proposed ETIC final work plan with minor changes; and
- approved the proposed ETIC rules and procedures for the 2009-2010 interim.

#### **CALL TO ORDER AND ROLL CALL**

00:00:01 REP. DRISCOLL called the meeting to order at 8:00 a.m. The secretary took roll, REP. KLOCK was excused (ATTACHMENT #3).

00:01:12 SEN. ERICKSON asked to make a correction to the July 10, 2009, meeting minutes by adding "in situ" in front of "gasification" on page 5.

#### **UPDATE ON NCSL/PNWER ENERGY WORKSHOP**

00:02:09 SEN. LARSEN updated the Energy and Telecommunications Interim Committee (ETIC) on his attendance at the Pacific NorthWest Economic Region (PNWER) energy institute in Boise, Idaho. SEN. LARSEN said that copies of the materials had been given to all ETIC members. **Sonja Nowakowski, Research Analyst, Legislative Services Division (LSD)**, noted that because of the large number of pages, she had pared the number down to a more manageable amount. She said the full 500 pages are available for viewing on the ETIC webpage. SEN. ERICKSON commented that, for the record, he was impressed with the Edison Electric Institute's forward looking and strong ideas.

#### **ENERGY POLICY: MAXIMIZING STATE LAND USE FOR ENERGY GENERATION**

Panelists and ETIC members based their discussion on a document prepared by Ms. Nowakowski that listed Governor Schweitzer's energy policy statement on public resources, an ETIC energy policy statement, findings, examples of land use in other states, and other background information (EXHIBIT #1).

00:09:34 **Monte Mason, Bureau Chief, Minerals Management Bureau, Department of Natural Resources and Conservation (DNRC)**, discussed how state lands are currently being used for coal, oil, and gas production (EXHIBIT #2).

00:24:00 **Angela Farr, Biomass Utilization Coordinator, Forestry Division, DNRC**, discussed a PowerPoint presentation on woody Montana biomass energy projects on state trust lands (EXHIBIT #3). Ms. Farr also discussed a Montana map showing the bugs-biomass-mill infrastructure (EXHIBIT #4), and copies of a report by the University of Washington, *WOOD TO ENERGY IN WASHINGTON* (EXHIBIT #5).

00:40:09 **Mike Sullivan, Property Management Section Supervisor, Trust Lands Division, DNRC**, discussed commercial and residential wind energy leases on school trust lands across the state (EXHIBIT #6).

00:48:10 **John Fitzpatrick, NorthWestern Energy (NWE)**, said his opinion is that the State of Montana is doing all that it can to develop energy resources, given the nature of its resource base and its statutory framework. Mr. Fitzpatrick said that any development on state lands would be constrained by the same factors that affect development on private lands. He said three issues must be dealt with: 1.

Can the resource be extracted or developed in a cost-effective manner? 2. What is the market? 3. How to deal with the lack of transportation infrastructure in Montana.

00:52:35 SEN. JACKSON asked for further explanation of the federal Enabling Act, as referred to by Mr. Mason in his presentation; specifically how it impacts the use of certain tracts of state school trust lands. Mr. Mason responded.

00:56:01 SEN. BLACK noted that royalty payments from state school trust lands decreased about 25% in 2009. Mr. Mason explained, saying that the decrease is due mainly to price, in spite of a small increase in producing oil and gas leases.

### **Public Comment**

00:58:15 **Anne Hedges, Montana Environmental Information Center (MEIC)**, said a critical point in formulating energy policy to consider is that there are different management directives for state lands which must be considered in developing energy projects on school trust lands. She also discussed a policy report released by the Lincoln Institute of Land Policy and the Sonoran Institute, and urged the ETIC to consider inviting a land use expert to provide a detailed overview of this issue. *(Staff later provided ETIC members with a summary of the Lincoln Institute report - EXHIBIT #7).*

### **ETIC Questions and Discussion**

01:00:37 SEN. ERICKSON asked if the University of Washington report (EXHIBIT #5) contains recommendations for a specific size of biomass project. Ms. Farr said that a number of factors must be considered when determining size, that a 25 megawatt (MW) project would be about the upper limit, and that smaller plants are able to use waste heat more efficiently. SEN. ERICKSON asked when NWE's study will be available. Ms. Farr said the timeline for completion is about six months.

01:05:08 SEN. BLACK asked for an estimate of the number of acres of state lands infested with the pine bark beetle. Ms. Farr said that about 3-4% of state lands are infested, compared to about 75% of federal lands. SEN. BLACK asked how the problem should be addressed. Ms. Farr said that federal and state agencies, as well as cities, are all working diligently on the issue.

01:08:48 SEN. JACKSON asked what is being done to create a market for biomass materials. Ms. Farr said that there are many pieces and parts that have to come together simultaneously to make biomass projects feasible. She discussed several obstacles and issues encountered in existing projects and said that active ongoing work will continue, but that the bottom line comes down to cost and efficiency.

01:13:03 SEN. LARSEN asked Mr. Mason to explain the increase in revenue (page 2, EXHIBIT #2). Mr. Mason said that while oil and gas revenues were down, a "bump" in the rentals/bonuses category caused the increase.

### **OTHER BUSINESS**

## Administrative Rules

01:16:40 **Todd Everts, Staff Attorney, LSD**, briefly discussed administrative rules being reviewed by the Public Service Commission (PSC) regarding the updating of provisions for medical emergencies and termination rules.

## Adoption of Final Work Plan

01:20:28 Ms. Nowakowski asked members to note a minor change on page 8 of the work plan (EXHIBIT #8) and said that the November meeting topic of promoting conservation has been moved to the January meeting and that the topic of reducing regulations that increase rate payers' energy costs would be on the November agenda. She said that public comment will be taken through October 21 and explained how the public comment will be dealt with. She discussed several other agenda items for the November meeting.

01:24:03 SEN. JACKSON asked that school trust lands be an agenda item in November and listed several of his concerns. Ms. Nowakowski said that the Environmental Quality Council (EQC) is charged with oversight of state lands and that she would have EQC staff update the ETIC a future meeting. She said she would get copies of the report mentioned by Ms. Hedges and noted that her ETIC background report also included relevant information.

01:26:54 **SEN. JACKSON moved to approve the final work plan. The motion passed on a unanimous voice vote.**

01:27:15 Ms. Nowakowski said that members had received a final copy of the draft ETIC Rules and Procedures (EXHIBIT #9) and asked have a motion to formalize the rules and procedures. **SEN. BLACK moved to approve the ETIC Rules and Procedures for 2009-2010.** SEN. JACKSON said, regarding the use of proxies, that he interpreted the language to mean that proxies would not be allowed except in very specific cases, and said that he agreed with that policy. Ms. Nowakowski said that a member can leave a proxy for a specific vote but that it's use would be at the discretion of the chair. **The motion passed on a unanimous voice vote.**

## Review of November Energy Policy Issues

01:29:42 Ms. Nowakowski asked for suggestions from members on potential panelists.

01:30:31 SEN. JACKSON asked to have a representative from Colstrip to speak on clean coal production. REP. ANKNEY suggested Gordon Criswell, PPL Montana, and said that he would get Mr. Criswell's contact information.

01:31:40 SEN. ERICKSON asked to have an economist and suggested either Rep. Dick Barrett, or Professor Tom Power, Economics Chair, University of Montana.

01:32:47 Ms. Nowakowski asked the members to think of potential panelists for the reducing regulations that increase ratepayers' energy costs panel and to provide her with suggestions later in the meeting.

- 01:33:22 Ms. Nowakowski asked members to think of potential panelists for promoting alternative energy use systems panel. REP. BELCOURT asked that either a small scale or large scale hydropower representative be included on the panel.
- 01:34:50 SEN. JACKSON asked to take another look at hydrogen. He spoke of a business in Kalispell that manufactures a device for cars that utilizes hydrogen technology (EXHIBIT #10) and stated that hydrogen has a lot of potential. REP. ERICKSON said that there is a need for storage and there is a correlation between wind storage and hydrogen.
- 01:37:24 Ms. Nowakowski said that the last panel will address greenhouse gas reduction. SEN. ERICKSON asked to postpone suggestions for panelists until later in the meeting.

**Break**

- 01:38:17 The ETIC took a short break from 9:40 a.m. until 10:00 a.m.
- 02:01:42 REP. DRISCOLL called the meeting back to order 10:01 a.m.

**ENERGY POLICY: REBUILDING AND EXTENDING TRANSMISSION LINES**

Panelists and ETIC members based their discussion on a document prepared by Ms. Nowakowski that listed Governor Schweitzer's energy policy statement on transmission, an ETIC energy policy statement, findings, examples from other state energy policies, and other background information (EXHIBIT #11).

- 02:01:56 **Tom Ring, Major Facilities Siting Program, Department of Environmental Quality (DEQ)**, provided a detailed overview of the Major Facility Siting Act and a brief discussion on upcoming challenges (EXHIBIT #12).
- 02:17:20 **Tom Kaiserski, Manager, Energy Infrastructure Promotion and Development Division, (EIPDD), Department of Commerce**, updated the ETIC on transmission issues via a PowerPoint presentation (EXHIBIT #13). Mr. Kaiserski also handed out copies of Governor Schweitzer's energy policy, *Tapping Montana's Power Potential* (EXHIBIT #14).
- 02:33:14 **Johan van't Hof, Chief Executive Officer, Tonbridge Power, Toronto, Ontario**, discussed a PowerPoint presentation dealing with the Montana Alberta Tie Limited project (MATL). Discussion points included a project summary, project elements, lessons learned, and policy proposals (EXHIBIT #15).
- 02:53:02 Ms. Nowakowski announced that overflow seating and a television monitor had been set up in the hallway to accommodate meeting visitors.
- 02:53:27 **Marie Garrison, MOVE MSTI (Mountain States Transmission Tie)**, said that MOVE MSTI's goal is to move the MSTI project and future transmission lines from private to public lands (EXHIBIT #16). Ms. Garrison also provided a list of quick facts regarding MSTI (EXHIBIT #17) and a copy of the signatures gathered by Move MSTI members in support of moving MSTI to public land (EXHIBIT #18). Ms. Garrison expressed concerns with the project and the lack of land owner and citizen involvement.

- 03:01:40 **Dr. Linda Rogers, MOVE MSTI**, discussed health risks associated with living near high-voltage power lines, such as the proposed MSTI line (EXHIBIT #19).
- 03:10:01 **Tim Garrison, Butte, rancher/landowner, MOVE MSTI**, discussed his concerns regarding the effect of the MSTI line on his ranch. He submitted a written copy of his comments (EXHIBIT #20).
- 03:12:06 **David Gates, Vice President, Wholesale Operations, NWE, Butte**, distributed graphs relating to NWE's residential energy use and costs, and written comments regarding NWE's perspective on proposed federal climate change legislation (EXHIBIT #21). Mr. Gates also discussed a PowerPoint presentation relating to the MSTI project and other transmission issues (EXHIBIT #22).
- 03:30:31 **John Alke, Montana Dakota Utilities (MDU)**, discussed potential wind sites for development in Montana and how interconnect issues will affect wind development (EXHIBIT #23).
- 03:39:45 **Gary Weins, Montana Electric Cooperatives**, discussed a PowerPoint presentation on transmission needs and challenges (EXHIBIT #24).
- Public Comment**
- 03:45:34 **Rep. Jeff Wellborne, HD 72, Beaverhead County**, testified in support of re-routing the MSTI project from private to public lands. Rep. Wellborne submitted a written copy of his testimony (EXHIBIT #25).
- 03:47:45 **TJ Pendergast, rancher, MOVE MSTI**, discussed his concerns about the placement of the MSTI project on private ground and the negative impact it could have on his private property values and livestock reproductive health.
- 03:50:22 **Eric Shelton, Butte, MOVE MSTI**, discussed health concerns of having a project such as MSTI located close to residential areas and schools. He said that property values would also be affected and said that he strongly supports moving the MSTI project to public ground.
- 03:52:09 **Ed Dunn, Silverbow, Montana, MOVE MSTI**, said that he wears a pacemaker and is concerned that he will have to leave his home because of the effect the transmission line could have on his pacemaker.
- 03:52:45 **Marty Bennet, MOVE MSTI**, said that the Move MSTI group does not want to stop the MSTI project but sees the need to protect the health and private property rights of Montana citizens. He said for the public good, the MSTI project should be located on public ground.
- 03:55:03 **Koy Holland, rancher, MOVE MSTI**, said that the MSTI project crosses his ranch land, and he is concerned about the health of his livestock and impact on his irrigated crop land. He said he strongly supports moving the MSTI project to public ground.

- 03:58:51 **Ken Morrison, PPL Montana**, submitted a letter containing suggestions for revision of Montana energy policy from David Hoffman, Director, External Affairs, PPL Montana (EXHIBIT #26).
- 03:59:16 **Ben Brouwer, Energy Program Manager, Alternative Energy Resource Organization (AERO)**, discussed the use of distributed or decentralized generation, which alleviates the need for new transmission lines. He urged the ETIC not to forget what is best for Montana's citizens and communities and that a decentralized approach to energy generation will keep more energy dollars in Montana. Mr. Brouwer read an excerpt from a NWE pamphlet concerning solar energy systems (EXHIBIT #27).
- 04:02:54 **Todd Collins, Butte, MOVE MSTI**, said that he does not want to stop NWE from doing business but would like NWE to give more consideration to the health risks and dangers associated with projects such as MSTI. He said his house is located just yards from the propose route of the MSTI line and asked the ETIC to help protect the citizens of Montana by supporting the moving of MSTI to public land.
- 04:05:09 **Paul Snyder, Great Falls, concerned citizen**, said that the proliferation of wind farms in Texas concerned him about the future of Montana, as it revises its energy policy and develops more and more wind energy. He suggested that the ETIC consider what it can do to limit the size, density, and proximity of wind farms to one another.
- 04:08:59 **Brad Molnar, Public Service Commissioner, District 2**, said that much of the MSTI testimony heard was directed to the siting of the project but that his concerns, as a PSC commissioner, lie with the design of the project. Commissioner Molnar said he made a motion to intervene on behalf of Montana consumers and that the other commissioners share his concern. He asked that the ETIC schedule a meeting on MSTI to address the issues of consumer concern due to the potential for huge rate increases. Commissioner Molnar said the ETIC must have a thorough understanding of the MSTI project and that not only do landowners need to be protected, but the consumer does as well.

#### **Committee Questions and Discussion**

- 04:11:21 SEN. ERICKSON asked Ms. Garrison to comment on the suggested alternative siting for the MSTI line. Ms. Garrison responded that she has not seen the alternative siting proposal and has been told that she would not be able to see it until the October 15, 2009, public meeting. SEN. ERICKSON requested that Ms. Garrison contact the ETIC with her opinion of the alternative siting after she has had an opportunity to study the plan. Ms. Garrison agreed.
- 04:13:11 REP. ANKNEY asked Mr. Alke to discuss FERC's decision regarding a decision at the federal level to strengthen the east-west interconnect. Mr. Alke said he was not familiar with the specific proposal but said that there have been a number of proposals to increase the capacity of the intertie.
- 04:15:30 SEN. ERICKSON asked Mr. van't Hof to explain further his statement under "lessons learned" regarding market-based planning and the California freeze-out

of Montana. Mr. van't Hof explained that California and several other western states are discussing policy that would require that a distributor or utility could not count renewable energy generation toward its renewable portfolio standards if the renewable energy is not sited in the same state. SEN. ERICKSON said that if that happens, many lines will never be used. Mr. van't Hof said that there are two competing views, one is to keep the jobs at home; and the other is to get the most efficient generators online. He said that most lines are congested now and as the usage and load continues to rise, more lines will be needed. SEN. ERICKSON asked for comment on how banks will handle requests for credit to build these types of lines. Mr. van't Hof said that he is not worried about MATL but is concerned other factors may diminish the appetite for future projects.

04:18:44 SEN. LARSEN referred to page 5, EXHIBIT #12, and asked for more details regarding the map showing ongoing and planned electric transmission projects. Mr. Ring said the map indicates lines that are nearing their structural end of life and are in need of replacement. SEN. LARSEN asked if any of the projects have similar environmental and neighbor concerns as the MSTI project. Mr. Ring said that most of the projects are in rural settings but that in some cases, the lines will be rerouted due to landowner concerns.

04:23:01 SEN. JACKSON asked about the possibility of underground lines. Mr. van't Hof said that underground lines are not economically feasible because they are 10 times the expense of overhead lines.

04:24:56 REP. BELCOURT asked how landowners are being allowed to participate in the siting of MATL lines and if letting them participate as shareholders has been considered. Mr. van't Hof said that Tonbridge Power is a public company thus preventing landowners from being shareholders, but that they are being compensated. He briefly explained landowner compensation.

04:27:14 SEN. ERICKSON asked if a cost analysis for an alternative route for MSTI is available and if there is a point at which the cost for the alternative route becomes cost prohibitive. Mr. Gates, NWE, said that he did not have a cost analysis but estimated that it would be between \$1.5 and \$2 million per mile for construction; and that there is an economic break point.

04:28:33 SEN. BLACK asked for more information about the design of the MSTI line, as discussed by Commissioner Molnar. Commissioner Molnar explained his concern is that because of the design of the project, Montana may be forced to bid against California and other western states for the power after current contracts expire.

04:32:42 REP. DRISCOLL thanked everyone for coming and recessed the ETIC for a lunch break until 1:30 p.m.

**LUNCH BREAK**

REP. DRISCOLL reconvened the meeting at 1:39 p.m.

**AGENCY OVERVIEW PRESENTATION**

- 05:36:32 **Greg Jergeson, Chair, Public Service Commission (PSC)**, discussed recent PSC activities and decisions (EXHIBIT #28).
- 05:53:25 SEN. ERICKSON said that he is very interested in smart grid technology and is hopeful that smart grid will be included in an energy policy statement. He asked Commissioner Jergeson to consider how best to do that. He asked where the pilot studies might be done. Commissioner Jergeson said that state buildings and homes in the Capitol complex area in Helena would be a good location to use because of the diversity of customer information that could be gathered.

### **ENERGY POLICY: INTEGRATING WIND ENERGY**

Panelists and ETIC members based their discussion on a document prepared by Ms. Nowakowski that listed Governor Schweitzer's energy policy statement on wind generation, an ETIC energy policy statement, findings, examples from other state energy policies, and other background information (EXHIBIT #29).

- 05:57:23 **Bill Alexander, Chief Development Officer, NaturEner**, discussed, via a PowerPoint presentation, major policy considerations and recommendations for integrating wind energy (EXHIBIT #30).
- 06:25:36 **Tom Williams, Gaelectric**, presented *Harvest the Wind*, a PowerPoint presentation on Gaelectric's perspective on wind integration issues (EXHIBIT #31).
- 06:41:21 **Bill Pascoe, energy consultant, small wind industry, Butte**, said that small wind energy projects can be developed but that small projects need several things in order to be successful in Montana: a reasonable price for power, an affordable way to interconnect to the grid, and a way to integrate the power and manage costs to make it profitable. Mr. Pascoe discussed issues and difficulties faced by smaller producers.
- 06:46:57 **Mike Cashell, Chief Transmission Officer, NWE**, discussed integrating wind energy using a PowerPoint presentation (EXHIBIT #32).
- 07:16:10 **John Alke, MDU**, said that there are significant differences between the NWE system and the MDU system and discussed several of them, which include the importance of the location of the Diamond Willow wind farm; how MISO affects and controls the market; and how MISO integrates and handles wind energy.
- 07:20:59 **Gary Weins, Montana Electric Cooperatives**, presented *Integrating Wind in Cooperative Country*, a PowerPoint presentation (EXHIBIT #33).

### **Public Comment**

- 07:30:33 Mr. Pascoe asked to clarify his comments regarding NWE and small wind energy cases before the PSC. He reviewed the Commission's rulings on two cases involving NWE and small wind energy development projects.
- 07:32:16 **Janet Ellis, Montana Audubon Society**, encouraged the ETIC to consider the impact of wind energy development on wildlife and wildlife habitat. She

suggested that the ETIC host a presentation from the Montana Fish, Wildlife, and Parks to discuss the effect of wind development sites on crucial wildlife areas. Ms. Ellis distributed several maps (EXHIBIT #34) that showed that many of the best potential wind sites in Montana overlap with critical wildlife habitat. She said that good planning would be essential in order to lessen the impact of energy development projects. Ms. Ellis also made several suggestions regarding best management practices and the possible use of tax incentives for energy companies willing to go the extra mile to protect habitat and historical areas.

### **Committee Questions and Discussion**

- 07:36:42 SEN. JACKSON asked what the base cost of wind integration is and said that he wants to know how the customer will come out. He said that he has seen documents that indicate that the cost is about four to seven times the cost of the baseload. Mr. Cashell responded that it is about \$8 dollars per megawatt hour. Mr. Cashell explained how the loss of the Idaho Power contract affected the cost of regulation services, saying that the cost quadrupled after the contract expired.
- 07:40:45 SEN. ERICKSON commented on batteries, saying that a think tank group called the Rocky Mountain Institute is working on the concept of a "smart garage". SEN. ERICKSON explained the concept of smart garage and said it is thought that the integration problem would be solved to some extent if the concept comes to fruition. He said that the ETIC should also take such forward-looking ideas into consideration when formulating energy policy. *(Staff later provided copies of articles mentioned by SEN. ERICKSON - EXHIBIT #35.)*
- 07:43:12 SEN. BLACK asked if NaturEner has its own balancing authority for its wind farms. Mr. Alexander said yes, and explained how discussions with NWE led to the formation of the balancing authority.
- 07:45:51 SEN. BLACK asked Mr. Alexander to clarify his comment regarding the need to identify high wind resource areas of Montana. Mr. Alexander said that it can be misleading to simply look at maps and not conduct actual field studies. He said that a field study will yield very useful information, such as terrain considerations, social support, and environmental issues.
- 07:47:25 SEN. BLACK asked for clarification on NWE's balancing authority. Mr. Cashell said NWE is exempted from providing ancillary services to any transmission customer that is serving load outside NWE's balancing authority.
- 07:48:38 SEN. BLACK asked about complaints from coop customers regarding interconnecting to coops. Mr. Weins said that a simplified application will help and that sometimes it just boils down to the fact that while coop power is affordable, interconnection is a complex matter with many cost considerations..
- 07:51:03 REP. BELCOURT said that there are issues with the tribal interconnect agreement and asked if PSC grant could be used to look at how to simplify the process, or if the PSC plans to address that issue. Commissioner Jergeson said the commissioners are aware of the problems and are very interested in improving the process in order to avoid contentious arguments. He said that the

grant would not be the propellant to a solution but that the PSC does recognize that the problem needs to be solved.

07:53:03 SEN. JACKSON asked what would happen if NWE did not balance its load. Mr. Cashell explained several scenarios of what could happen if that occurred and said outages could affect millions of people. He emphasized that it is not something that is taken lightly.

07:54:28 REP. DRISCOLL recessed the ETIC for a break until 4 p.m.

08:05:32 REP. DRISCOLL called the meeting back to order.

### **QUALIFYING FACILITIES**

08:05:51 **Greg Jergeson, Commissioner, PSC**, agreed that the notion of qualifying facilities (QFs) is very frustrating and that the issue is very complex. He said he must temper his remarks because the PSC has open dockets relating to QFs and that he is obligated, as a commissioner, to render judgements. Commissioner Jergeson provided a detailed history on QFs.

08:17:25 **Suzanne Bessette**, discussed a PowerPoint presentation overview of QFs (EXHIBIT #36). Ms. Bessette also distributed copies of a QF fact sheet (EXHIBIT #37).

08:28:11 **John Hines, Chief Supply Officer, NWE**, discussed QFs via a PowerPoint presentation (EXHIBIT #38).

### **Public Comment**

08:45:42 No public comment was given.

### **Committee Questions and Discussion**

08:46:00 Ms. Nowakowski distributed copies of a summary of the public comment received and recommendations (EXHIBIT #39). She asked that the members study it and make suggestions to her between now and the November meeting. She said that the committee would decide what policy statements it wished to keep for further consideration and as bill draft potential. She said that she would put out the call for public comment on the next three issues under consideration.

### **ADJOURN**

08:48:07 With no further business before the ETIC, Rep. REP. DRISCOLL adjourned the meeting at 5:30 p.m. The next meeting is scheduled for November 9-10, 2009, in Helena.

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