

Main Street Montana – Energy and Utilities KIN
Group B – Regulatory Issues
Conference Call
December 11, 2014 – 10:00 a.m.
Minutes

PARTICIPANTS: Dan Berube, (Retired) CEO, Montana Power Company, Butte
Carl Borgquist, Absarokee Energy, Bozeman
Kathy Hadley, Executive Director, National Center for Appropriate Technology, Butte
Senator Alan Olson, Sanjel Field Representative, Roundup
Ben Reed, Winpower West, Billings – registered but cancelled participation in the call

COMMERCE STAFF: Tom Kaiserski, Program Manager, Industry Development Bureau
Michaela Wolfinger, Program Assistant, Main Street Program
Janice Wannebo, Temporary Program Assistant

Kaiserski began with introductions of the conference call participants followed by the mission of today which is to narrow down the two highest priorities and recommendations on how to implement the action items. This will then be presented to the full group (possibly in February 2015).

Challenges / Discussion:

- Olson expressed concern of multiple levels of governments involved in the regulatory process (federal/state/local).
- Hadley questioned how can we provide for full cost reimbursement for energy efficiency conservation / renewable energy measures undertaken by utilities – stabilize programs so they do not come and go so utilities get a return on their investment
- Berube noted regulatory uncertainty is a problem – industry can't make good business decisions if regulations change during the permitting process.
- Borgquist emphasized differences between regulations and regulators –he has problems not with the regulations but with the regulators i.e., he has encountered a culture among regulators that is not helpful and that does not follow regulations as they are written but rather follows their own interpretation of the rules. He doesn't see recognition by regulators of the work businesses do, the deadlines they must meet – Montana needs a regulatory culture that is more proactive, creative thinking providing help to applicants to get through the permitting process.
- Borgquist on the Public Service Commission regulations – no pro-active approach – lack of creative thinking on how to get a project completed – lots of turf protection – seems to be different in other states. Carl posed the question: Should the PSC be a non-partisan appointed group? Alan Olson mentioned that this question was looked at by the legislature in 2004 and there was overwhelming agreement that changing to appointed members wouldn't go well. Kathy Hadley wondered about adding more commissioners for more stabilization.
- Olson expressed that he would like to see transmission corridors identified.

Suggestions from Group B:

1. Multiple jurisdiction problem – need one permitting authority for energy projects with exclusive jurisdiction – similar to Montana hard rock mining laws
2. Major Facilities Siting Act – needs to be critically reviewed
3. Increase in regulatory staff needed for the state to act on applications in a timely manner

4. Regulators need to be highly qualified and adequately compensated
5. Establish front-end (before application is submitted) consensus on timing/process of regulations by state agencies – all deficiencies should be determined at same time so project doesn't have to start over. Look at pre-application process to strengthen.

Conclusion – Carl Borgquist agreed to summarize the results at the next full KIN meeting. Conference call adjourned at 11:15 a.m.