Be it enacted by the People of the state of Montana this general revision of renewable energy policy and tax law:

**Section 1.** Section 5-5-230, MCA, is amended to read:

> 5-5-230. Energy and telecommunications interim committee. (1) The energy and telecommunications interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of public service regulation and the public service commission.
> (2) Each biennium through the 2031 legislative session, the committee, with input from appropriate state agencies, shall:
> (a) review and evaluate the effect that reduction in the use of fossil fuel is having and will have on:
> (i) employment in and financial well-being of coal-impacted communities, and employment and pensions of fossil fuel workers; and
> (ii) revenue received pursuant to the Montana coal severance tax, Montana gross proceeds tax on coal, the wholesale energy transaction tax established by 15-72-104, taxes paid to Montana tribes for coal severance, and coal royalties paid to tribes and Montana state, county and local governments; and
> (b) make recommendations to the legislature and state agencies regarding:
> (i) modifications to [section 14] and other tax rates meant to finance replacement of lost revenues from taxes in subsection (a)(ii) and to fund programs to assist coal-impacted communities and their workers and to assist unemployed fossil fuel workers and secure their pensions;
> (ii) training, apprenticeships, and benefits for fossil fuel and other workers affected by the reduction in fossil fuel use; and
> (iii) replacement of revenue lost due to diminution of coal use that can be offset by a tax on savings accruing from the switch to non-fossil fuel generation of electricity.
> (3) After the 2029 and 2031 legislative sessions, the committee shall review and evaluate the effect that climate change is having on Montana and the world and make recommendations to the legislature concerning whether the renewable resource standard in 69-3-2004, should be increased.
> (4) In consultation with electricity transmission system operators responsible for balancing Montana electricity loads and resources and other interested entities and citizens, issue a report to the legislature on July 1 of 2022, 2026, and 2030. The report shall include:
> (a) review of the 69-3-2004 standards, with a focus on technologies, forecasts, existing transmission, environmental protection, public safety, affordability and electricity transmission and distribution system reliability to determine whether:
> (i) achieving the targets to be achieved before the next report are technically feasible; and
> (ii) the public utility is able to provide reliable electric service while implementing the targets to be achieved before the next report.
> (b) the evaluation of:
> (i) the anticipated financial costs and benefits to electric utilities in implementing the 69-3-2004 standard to be achieved before the next report; and
> (ii) the impacts and benefits to customer electricity bills to ensure that implementing the target to be achieved before the next report will not cause the cost of electric service to increase more than the limit set pursuant to [section 13]; and
> (c) identification of the barriers to, and benefits of, achieving the 69-3-2004 standards.

**NEW SECTION.** Section 2. Transition. By approving this act, the people of the state of Montana request that the Legislature, at the legislative session immediately following the general election at which this act was approved, consider enacting supplemental legislation to implement portions of this act needing a statutory appropriation that cannot be accomplished by initiative. Implementing legislation must include whether a statutory appropriation to the department of labor and industry of amounts in [section 3] and [section 4] accounts are to be dispersed from the 17-1-502(3) accounts; and whether a statutory appropriation to the departments of commerce and department of revenue of amounts collected from [section 14(3)(b)] are to be dispersed pursuant to Title 17, chapter 5, part 7, to achieve the purposes set forth in this act.

**NEW SECTION.** Section 3. Tribal coal revenue replacement account. (1) There is a tribal coal revenue replacement account within the state special revenue fund established in 17-2-102. There must be paid into the account:
(a) money from tribal coal royalty replacement taxes and money from tribal taxes in lieu of the Montana coal severance tax collected pursuant to [sections 14(6)(b) and 14(7)(b)];
(b) interest income earned on the account; and
(c) any other funds, including grants, appropriations, or gifts received pursuant to [sections 16 and 18], for the purposes of administering 69-3-2001, 69-3-2002, and [section 14(6) and (7), and sections 16 through 23] as the funds relate to tribes.
(2) Funds in the royalty replacement account, if statutorily appropriated by the legislature as provided in [section 2] to the department of labor and industry, and as they relate to tribes, must be administered in accordance with 17-8-101 to be used in accordance with 69-3-2001, 69-3-2002, and [section 14(6) and (7) and sections 16 through 23] as the programs relate to tribes.
NEW SECTION. Section 4. Energy Transition Account -- displaced fossil fuel worker -- displaced coal-impacted worker -- fossil fuel pensioner and coal-impacted community economic development assistance subaccounts. (1) There are displaced fossil fuel worker, displaced coal-impacted worker, fossil fuel pensioner, and coal-impacted community economic development assistance subaccounts, within the energy transition account within the state special revenue fund established in 17-2-102. There must be paid into the appropriate subaccount:

(a) from money from taxes collected pursuant to [section 14(4)(b)], whatever is necessary to defray fossil fuel pensioner benefits into the fossil fuel pensioner subaccount, whatever of the remainder that is necessary to defray displaced fossil fuel worker benefits into the displaced fossil fuel worker subaccount, and the remainder into the displaced coal-impacted worker subaccount;

(b) from money from taxes collected pursuant to [section 14(3)(b)], whatever the legislature appropriates to implement [section 18] programs into the coal-impacted community economic development assistance subaccount;

(c) interest income earned on each subaccount; and

(d) any other funds, including grants, appropriations, or gifts received pursuant to [sections 20 through 22], for the purposes of administering 69-3-2001, 69-3-2002, [section 14(4)(b) and sections 16 through 23].

(2) Funds in this account, if statutorily appropriated by the legislature as provided in [section 2] to the department of labor and industry, department of revenue or department of commerce, must be administered in accordance with 17-8-101 to be used in accordance with 69-3-2001, 69-3-2002, [section 14(4)(b) and sections 16 through 23].

Section 5. Section 69-3-2001, MCA, is amended to read:

"69-3-2001. Short title. This part, Title 69, chapter 8, part 6, and [sections 12 through 30] may be cited as the "Montana Cohesive Renewable Power Production Energy Policy, Fossil Fuel Worker Retraining, Coal Revenue Replacement, and Rural Economic Development Act"."

Section 6. Section 69-3-2002, MCA, is amended to read:

"69-3-2002. Findings. The legislature finds and people of Montana find that:

(1) Montana is blessed with an abundance of diverse renewable energy resources;

(2) renewable energy production promotes sustainable rural economic development by creating new jobs and stimulating business and economic activity in local communities across Montana;

(3) increased use of renewable energy will enhance Montana's energy self-sufficiency and independence; and

(4) fuel diversity, economic, and environmental benefits from energy conservation and renewable energy production accrue to the public at large, and therefore all consumers and utilities should support expanded development of these resources to meet the state's electricity demand and stabilize electricity prices;

(5) as society transfers to energy generation using less coal, Montana will lose:

(a) revenue that comes from coal royalties, the coal severance tax, the coal gross proceeds tax, tribal taxes in lieu of coal severance and coal gross proceeds tax, and other coal related revenue sources; and

(b) jobs associated with coal production and use,

(6) Montana must therefore:

(a) replace coal-related revenue accruing to its governmental entities with an electrical production tax found in [section 14], passed through to in-state and out-of-state energy consumers who will benefit from the transition to cleaner, lower cost methods of producing electricity that do not have a fuel cost included in the electricity price;

(b) enable the retraining of displaced fossil fuel workers and displaced coal-impacted workers as provided in [section 20]; which includes, but is not limited to, providing necessary counseling, training, jobs services, mortgage payment help, and health care for displaced fossil fuel workers, displaced coal-impacted workers, and their families as society transitions to a renewable energy economy; and

(c) establish a safety net for fossil fuel pensioners as provided in [section 20(8)] by augmenting pensions that are not fully funded because the pensioners' employers are bankrupt or defunct.

Section 7. Section 69-3-2003, MCA, is amended to read:

"69-3-2003. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Ancillary services" means services or tariff provisions related to generation and delivery of electric power other than simple generation, transmission, or distribution. Ancillary services related to transmission services include energy losses, energy imbalances, scheduling and dispatching, load following, system protection, spinning reserves and nonspinning reserves, and reactive power.

(2) "Balancing authority" means a transmission system control operator who balances electricity supply and load at all times to meet transmission system operating criteria and to provide reliable electric service to customers.

(3) "Coal company" means an entity licensed to do business in Montana and engaged in coal mining.

(4) "Coal-impacted community" means any Montana local or tribal government located within 85 miles from:

(a) an electric generating resource as defined in this section, that after 2020, reduces or eliminates coal-fired or gas-fired electric generation resulting in job or financial loss within the community; or

(b) a Montana coal mine that after 2020 reduces or eliminates coal production resulting in job or financial loss within the community.

(5) "Common ownership" means the same or substantially similar persons or entities that maintain a controlling interest in more than one community renewable energy project even if the ownership shares differ between two community renewable energy..."
projects. Two community renewable energy projects may not be considered to be under common ownership simply because the same entity provided debt or equity or both debt and equity to both projects.

(4)(6) "Community renewable energy project" means an eligible renewable resource that is less than or equal to 25 megawatts in total calculated nameplate capacity and:
(a) is interconnected on the utility side of the meter in which local owners have a controlling interest and that is less than or equal to 25 megawatts in total calculated nameplate capacity; or
(b)(i) is a project installed and commissioned prior to January 1, 2021; and
(ii) is owned by a public utility; or and
(iii) has less than or equal to 25 megawatts in total calculated nameplate capacity;
(c)(i) is interconnected on the customer side of the meter; and
(ii) is located on property owned by the same person who owns the eligible renewable resource; or
(d)(i) is interconnected on the customer side of the meter;
(ii) is leased; and
(iii) is located on Montana property owned by the lessee or lessor pursuant to a lease-purchase agreement that meets the requirements of this section.

(5)(7)(a) "Competitive electricity supplier" means any person, corporation, or governmental entity that is selling electricity to small customers at retail rates in the state of Montana and that is not a public utility or cooperative.
(b) The term does not include governmental entities selling electricity produced only by facilities generating less than 250 kilowatts that were in operation prior to 1990.

(6)(8) "Compliance year" means each calendar year beginning January 1 and ending December 31, starting in 2008, for which compliance with this part must be demonstrated.

(7)(9) "Cooperative utility" means:
(a) a utility qualifying as an electric cooperative pursuant to Title 35, chapter 18; or
(b) an existing any municipal electric utility as of May 2, 1997.

(9)(10) "Dispatch ability" means the ability of either a balancing authority or the owner of an electric generating resource to rapidly start, stop, increase, or decrease electricity production from that generating resource in order to respond to the balancing authority's need to match supply resources to loads on the transmission system.

11) “Displaced coal-impacted worker” means a person who:
(a) is not a displaced fossil fuel worker, and
(b) lives in a county containing a coal-impacted community; or
(c) has worked in Montana for at least 24 months prior to losing a full-time job or a part-time job as defined in 39-11-103, whether year-round or seasonal employment, for an employer who services a coal company, railroad company, or utility company, because the employer downsized its workforce as a result of:
(i) output reduction from or closing of a Montana coal mine,
(ii) output reduction from or closing of a Montana electrical generating facility, or
(iii) reduction of the amount of coal hauled in Montana by rail; and
(d) is unemployed or underemployed, earning less than 75% of what the worker was earning working the workers' full or part-time job prior to becoming unemployed; and
(e) is experiencing difficulty obtaining appropriate employment at the prevailing wage of the job the worker held when the worker became unemployed or underemployed; and
(f) does not qualify to take full benefits pursuant to a pension or retirement plan.

12) “Displaced fossil fuel worker” means a person who:
(a) has worked for a coal company, railroad company, or utility company in Montana for at least 24 months prior to losing a full-time job or a part-time job as defined in 39-11-103, whether year-round or seasonal employment with the company, because the company downsized its workforce by:
(i) reducing output from or closing of a Montana coal mine,
(ii) reducing output from or closing of a Montana electrical generating facility, or
(iii) reducing the amount of coal hauled in Montana by rail; and
(b) is unemployed or underemployed, earning less than 75% of what the worker was earning working the workers' full or part-time job prior to becoming unemployed;
(c) is experiencing difficulty obtaining appropriate employment at the prevailing wage of the job the worker held when the worker became unemployed or underemployed; and
(d) does not qualify to take full benefits pursuant to a pension or retirement plan.

13) “Displaced fossil fuel workers subaccount” or “displaced fossil fuel workers fund” or “displaced coal-impacted worker subaccount” or “displaced coal-impacted worker fund” or “fossil fuel pensioner subaccount” or fossil fuel pensioner fund” or “coal-impacted community economic development assistance subaccount” or coal-impacted community economic development assistance fund means the fund created in [section 4], which must be:
(a) a fund containing a dedicated revenue provision as defined in 17-1-502; and
(b) a state special revenue fund as defined in 17-2-102; and
(c) administered in accordance with 17-8-101.

14) "Electric generating resource" means any plant or equipment used to generate electricity by any means.
"Eligible renewable resource" means a facility either located within Montana or delivering electricity from another state into Montana that commences commercial operation after January 1, 2005, or a hydroelectric project expansion referred to in subsection (10)(d)(ii) (15)(d)(iii) or (15)(d)(iv), any of which produces electricity from one or more of the following sources:

(a) wind;
(b) solar;
(c) geothermal;
(d) water power, in the case of a hydroelectric project that:
   (i) does not require a new appropriation, diversion, or impoundment of water and that has a nameplate rating of 10 megawatts or less;
   (ii) is installed at an existing reservoir or on an existing irrigation system that does not have hydroelectric generation as of April 16, 2009, and has a nameplate capacity of 25 megawatts or less; or
   (iii) meets the requirements for becoming an eligible renewable resource in 69-3-2004(4); or
   (iv) is an expansion of an existing hydroelectric project that commences construction and increases existing generation capacity on or after October 1, 2013. Engineering estimates of the average incremental generation from the increase in existing generation capacity must be submitted to the commission for review. The commission shall determine an average annual incremental generation that will constitute the eligible renewable resource from the capacity expansion, subject to further revision by the commission in the event of significant changes in stream flow or dam operation.

(e) landfill gas, and anaerobically digested waste biogas or other farm-based methane gas;
(f) gas produced during the treatment of wastewater;
(g) low-emission, nontoxic biomass based on dedicated energy crops, animal wastes, or solid organic fuels from wood, forest, or field residues, including wood pieces that have been treated with chemical preservatives, such as creosote, pentachlorophenol, or copper-chrome arsenic, limited to small diameter timber, not to exceed eight inches, timber killed by bark beetles, or woody vegetation removed from river basins or watersheds in Montana; provided that these resources are from facilities certified by the department of natural resources to:
   (i) be of appropriate scale to have sustainable feedstock in the near vicinity;
   (ii) have zero life cycle carbon emissions; and
   (iii) meet scientifically determined restoration, sustainability and soil nutrient principles; and that are used at a facility that has a nameplate capacity of 5 megawatts or less.

(h) hydrogen derived from any of the sources in this subsection (10)(15) for use in fuel cells; and
(i) the renewable energy fraction from:
   (i) the sources identified in this subsection (10)(15) of electricity production from a multiple-fuel process with fossil fuels;
   (ii) flywheel storage as defined in 15-6-157(4)(d);
   (iii) hydroelectric pumped storage as defined in 15-6-157(4)(e);
   (iv) batteries; and
   (v) compressed air derived from any of the sources in this subsection (10)(15) that is forced into an underground storage reservoir and later released, heated, and passed through a turbine generator, and
   (j) fuel cells that do not use fossil fuels to create electricity.

(16) “Fossil fuel pensioner” means a person who:
(a) has worked for a coal company in Montana, or utility company in Montana, or worked hauling coal in Montana for a railroad company; and
(b) is drawing a pension or other retirement benefit incurred by a coal company, utility company, or railroad company, or a designee or successor of a coal, utility, or railroad company, or is or was entitled to draw a pension or other retirement benefit because of that work.

(17)(a) “Lease-purchase agreement” means an agreement between the lessor and a lessee establishing the terms for the lessee's eventual ownership of an eligible renewable resource before or at the end of the lease period. For purposes of this term:
   (i) a lessor is an owner of an eligible renewable resource; and
   (ii) either a lessee or lessor may own property where the eligible renewable resource is located.
   (b) The agreement must include a specific dollar amount by which the lessee or lessee's successor may exercise a right, at each time the right to purchase or otherwise terminate under the agreement may be exercised, to purchase:
      (i) the eligible renewable resource, and
      (ii) if not already owned by the lessee, the property where the eligible renewable resource is located.
   (c) Unless both parties mutually agree, terms of the lease-purchase agreement may not be determined after a lease is signed.
   (d) If a public utility is the lessor, the term also applies to transactions entered pursuant to Title 69, chapter 3, part 6, and the sale price of the eligible renewable resource may not exceed the original plant cost of the eligible renewable resource infrastructure less depreciation of that original cost based on revenue received by the utility to recoup original cost plus salvage value.
   (e) The term does not include a community renewable energy project agreement, or a neighborhood renewable energy facility agreement.

(18) “Local owners” means:
(a) Montana residents;
(b) general partnerships of which all partners are Montana residents;
(c) business entities organized under the laws of Montana that:
(i) have less than $50 million of gross revenue;
(ii) have less than $100 million of assets; and
(iii) have at least 50% of the equity interests, income interests, and voting interests owned by Montana residents;
(d) Montana nonprofit organizations;
(e) Montana-based tribal councils;
(f) Montana political subdivisions or local governments;
(g) Montana-based cooperatives other than cooperative utilities; or
(h) any combination of the individuals or entities listed in subsections (11)(a) through (11)(g).

(19) "Nonspinning reserve" means offline generation that can be ramped up to capacity and synchronized to the grid within 10 minutes and that is needed to maintain system frequency stability during emergency conditions, unforeseen load swings, and generation disruptions.

(20) "Public utility" means any electric utility regulated by the commission pursuant to Title 69, chapter 3, on January 1, 2005, including the public utility’s successors or assignees.

(21) "Railroad company" means a corporation licensed to do business in Montana that currently transports or has transported coal mined in Montana by rail to an electric generating facility either inside or outside Montana.

(22) "Renewable energy credit" means a tradable certificate of proof of 1 megawatt hour of electricity, or fraction thereof, generated by an eligible renewable resource that is tracked and verified by the commission and includes all of the environmental attributes associated with that 1 megawatt-hour unit of electricity production, or fraction thereof.

(23) "Renewable energy fraction" means the proportion of electricity output directly attributable to electricity and associated renewable energy credits produced by one of the sources identified in subsection (40) (15).

(24) "Seasonality" means the degree to which an electric generating resource is capable of producing electricity in each of the seasons of the year.

(25) "Small customer" means a retail customer that has an individual load with an average monthly demand of less than 5,000 kilowatts.

(26) "Small non-customer" means a retail customer located in Montana that is not a "small customer" and that has an individual load with an average monthly demand of less than 5,000 kilowatts.

(27) "Spinning reserve" means the online reserve capacity that is synchronized to the grid system and immediately responsive to frequency control and that is needed to maintain system frequency stability during emergency conditions, unforeseen load swings, and generation disruptions.

(28) "Total calculated nameplate capacity" means the calculation of total nameplate capacity of the community renewable energy project and other eligible renewable resources that are:
(a) located within 5 miles of the project;
(b) constructed within the same 12-month period; and
(c) under common ownership.

(29) "Utility company" means an investor-owned electric or gas utility, rural electric cooperative, electric generation or transmission company, or municipally-owned electric or gas utility licensed to do business in Montana that owns or operates a Montana coal-fired or natural gas-fired electric generating facility or a part of such facility.”

Section 8, Section 69-3-2004, MCA, is amended to read:

"69-3-2004. Renewable resource standard -- administrative penalty -- waiver -- small generator, battery storage, and community or neighborhood RPS requirement -- facilitating local RPS in excess of this section -- counting legacy hydro generation from 2025 through 2034 to prevent duplication of renewable facilities -- coordination with future federal standards. (1) Except as provided in 69-3-2002 and subsections (11) through (14) of this section, a graduated renewable energy standard is established for public utilities and competitive electricity suppliers as provided in subsections (2) through (4) and (3) of this section.

(2) In each compliance year beginning January 1, 2008, through December 31, 2009, each public utility and competitive electricity supplier shall procure a minimum of 5% of its retail sales of electrical energy in Montana from eligible renewable resources.

(3)(a) In each compliance year beginning January 1, 2010, through December 31, 2014, each public utility and competitive electricity supplier, except as provided in subsections (13) and (14), shall procure a minimum of 10% of its retail sales of electrical energy in Montana from eligible renewable resources.

(b) Beginning January 1, 2012, as part of their compliance with subsection (3)(a), public utilities shall purchase both the renewable energy credits and the electricity output from community renewable energy projects that total at least 50 megawatts in nameplate capacity.

(c) Public utilities shall proportionately allocate the purchase required under subsection (3)(b) based on each public utility’s retail sales of electrical energy in Montana in the calendar year 2011.

(4)(2)(a) In each compliance year beginning January 1, 2015, and in each succeeding compliance year, through December 31, 2020, each public utility and competitive electricity supplier, except as provided in subsections (13) and (14), shall procure a minimum of 15% of its retail sales of electrical energy in Montana from eligible renewable resources.

(b)(i) As part of their compliance with subsection (4)(a), subsections (2)(a) and (3), public utilities shall purchase renewable energy credits, or both the renewable energy credits and the electricity output from entities named in (2)(b)(ii)(A)(i) or (2)(b)(ii)(A)(ii) community renewable energy projects that total:

(A) at least 75 megawatts in nameplate capacity; and-
(B) At least 15% of the cumulative calculated nameplate renewable energy capacity added during each compliance period beginning in 2021 through the current compliance period. As each compliance period occurs, the annual purchase requirement of subsection (3) must be added to purchases previously required under subsections (2)(b)(i)(A) and, if applicable, this subsection to determine the cumulative total.

(iii)(A) After December 31, 2020, in meeting the standard in subsection (4)(b)(i) (2)(b)(i), a public utility shall may include any combination of:

(I) purchases made under subsection (3)(b) electricity and renewable energy credit purchased from neighborhood renewable energy facility owners or customers thereof, community renewable energy projects, small customer-generators as defined in 69-3-2003(25) and 69-8-103(6), or small non-customer generators as defined in 69-3-2003(26) and 69-8-103(6); or

(II) renewable energy credits purchased from neighborhood renewable energy facility owners or customers thereof, community renewable energy projects, small customer-generators, or small non-customer generators.

(B) At least half of the renewable energy credits or renewable energy credits coupled with renewable electricity output purchased to meet subsection (2)(b)(i)(B) requirements must come from projects that are less than or equal to 3 megawatts in calculated nameplate capacity.

(C) Nothing in this part prevents persons from selling or buying renewable energy credits separately from electricity output, or selling or buying electricity output separately from renewable energy credits.

(d) (e) Unless the commission grants one temporary waiver of not more than 24 months, as part of their compliance with subsections (2)(a), (2)(b) and (3), public utilities shall purchase renewable energy credits, or both the renewable energy credits and the electricity output from resources named in 69-3-2003(15)(i)(ii) through 69-3-2003(15)(i)(v) that total at least 2% of the cumulative calculated nameplate renewable energy capacity required under subsection (3), during each compliance period beginning in 2021.

(e) Public utilities shall proportionately allocate the purchase required under subsections (4)(b)(2)(b) and (2)(c) based on each public utility’s proportion of the total retail sales of electrical energy by public utilities in Montana in the calendar year 2014 2019.

(3) Except as provided in subsections (13) and (14), each public utility and competitive electricity supplier, in the compliance year beginning:

(a) January 1, 2022, shall procure a minimum of 22% of its retail sales of electrical energy in Montana from eligible renewable resources;

(b) January 1, 2023, and in each succeeding compliance year through December 31, 2027, shall procure an additional 6%, incrementally increased each year by 6% and, in combination with electricity from eligible renewable resources required under subsections (2) and (3)(a), totaling at least 28% in 2023, 34% in 2024, 40% in 2025 and 52% in 2027 of its retail sales of electrical energy in Montana from eligible renewable resources;

(c) January 1, 2028, and in each succeeding compliance year through December 31, 2034, shall procure an additional 4%, incrementally increased each year by 4% and, in combination with electricity from eligible renewable resources required under subsections (2), (3)(a) and (3)(b), totaling at least 60% by December 31, 2029, 80% by December 31, 2034, and thereafter of its retail sales of electrical energy in Montana from eligible renewable resources.

4(a) After 2024, if it is in compliance with subsections (2) and (3)(a), and 2024 compliance with subsection (3)(b) without the need for a waiver, as part of compliance with this section, a public utility or competitive electricity supplier may count as an eligible renewable resource a hydroelectric facility not otherwise an eligible renewable resource as defined in 69-3-2003 if the annual output of electricity, not already counted as coming from an eligible renewable resource, by all hydroelectric facilities owned by the utility or competitive electricity supplier during the compliance year, plus the annual output of renewable electricity required for the public utility or competitive electricity supplier to meet the requirements of subsection (3) during that compliance year, is equal to at least 80% of the annual retail sales of electricity for the public utility or competitive electricity supplier for that compliance year.

(b) When calculating electricity from hydroelectric facilities or renewable energy credits generated from hydroelectric facilities, a public utility or competitive electricity supplier may not count electricity or renewable energy credits purchased from hydroelectric facilities not owned by the utility or the competitive electricity supplier unless the hydroelectric facility producing the electricity is an eligible renewable resource as defined in 69-3-2003.

5(a) In complying with the standards required under subsections (2) through (4) and (3), a public utility or competitive electricity supplier shall, for any given compliance year, calculate its procurement requirement based on the public utility’s or competitive electricity supplier’s previous year’s sales of electrical energy to retail customers in Montana.

(b) The standards in subsections (2) through (4) and (3) must be calculated on a delivered-energy basis after accounting for any line losses.
(6) A public utility or competitive electricity supplier has until 3 months following the end of each compliance year to purchase renewable energy credits for that compliance year.

(7)(a) In order to meet the standards established in subsections (2) through (4) and (3), a public utility or competitive electricity supplier may only use:
   (i) electricity from an eligible renewable resource in which the associated renewable energy credits have not been sold separately;
   (ii) renewable energy credits sold only once and created by an eligible renewable resource purchased separately from the associated electricity; or
   (iii) any combination of subsections (7)(a)(i) and (7)(a)(ii).
   (b) A public utility or competitive electricity supplier may not resell renewable energy credits and count those sold credits against the public utility's or the competitive electricity supplier's obligation to meet the standards established in subsections (2) through (4) and (3).
   (c) Renewable energy credits sold through a voluntary service such as the one provided for in 69-8-210(2) may not be applied against a public utility's or competitive electricity supplier's obligation to meet the standards established in subsections (2) through (4) and (3).
   (d) Renewable energy credits from an eligible renewable resource that are not used by a public utility, competitive electricity supplier, community renewable energy project, or Montana property owner that owns the eligible renewable resource to meet the requirements of this section may be sold to others.

(8) Nothing in this part limits a public utility or competitive electricity supplier from exceeding the standards established in subsections (2) through (4) and (3).

(9) If a public utility or competitive electricity supplier exceeds a standard established in subsections (2) through (4) and (3) in any compliance year, the public utility or competitive electricity supplier may carry forward the amount by which the standard was exceeded to comply with the standard in either or both any or all of the 2 subsequent compliance years. The carryforward may not be double-counted.

(10) Except as provided in subsections (11) and (12), if a public utility or competitive electricity supplier is unable to meet the standards established in subsections (2) through (4) and (3) in any compliance year, that public utility or competitive electricity supplier shall pay an administrative penalty, assessed by the commission, of $10 for each megawatt hour of renewable energy credits that the public utility or competitive electricity supplier failed to procure. A public utility may not recover this penalty in electricity rates. Money generated from these penalties must be deposited in the universal low-income energy assistance fund established in 69-8-412(1)(b).

(11) A public utility or competitive electricity supplier may petition the commission for a short-term waiver from full compliance with the standards in subsections (2) through (4) and (3) and the penalties levied under subsection (10). The petition must demonstrate that the:
   (a) the public utility or competitive electricity supplier has undertaken all reasonable steps to procure renewable energy credits under long-term contract, but full compliance cannot be achieved either because renewable energy credits cannot be procured or for other legitimate reasons that are outside the control of the public utility or competitive electricity supplier; or
   (b) the integration of additional eligible renewable resources into the electrical grid will clearly and demonstrably jeopardize the reliability of the electrical system and that the public utility or competitive electricity supplier has undertaken all reasonable steps to mitigate the reliability concerns; or
   (c) if the waiver involves the public utility not meeting the community renewable energy requirement:
      (i) the utility must have offered a price to the community renewable energy projects for the required energy and renewable energy credits at least equal to the current avoided cost of electricity anticipated to be incurred by any planned new coal-fired or gas-fired electric generating facility, whichever is to be built first; and
      (ii) the utility must have offered a price to customer-generators, non-customer generators, neighborhood renewable energy facility customers or owners at least equal to the total cost the public utility is charging its customers to buy eligible renewable electricity minus unbundled transmission, distribution, USBC, taxation, and CTC-QF costs; and
   (iii) the utility’s request for renewable energy must allow up to two years for the renewable energy project to come online; and
   (iv) the utility’s request for renewable energy must allow for bidding by projects outside of the utility’s service area; and
   (v) the waiver must not extend for more than two years from the year compliance with the standard was not achieved.

(12) (a) Retail sales made by a competitive electricity supplier according to prices, terms, and conditions of a written contract executed prior to April 25, 2007, are exempt from the standards in subsections (2) through (4) and (3).
   (b) The exemption provided for in subsection (12)(a) is terminated upon:
      (i) modification after April 25, 2007, of the prices, terms, or conditions in a written contract; or
      (ii) extension of the contract.
   (13) A public utility that served 50 or fewer retail customers in Montana on December 31, 2012, is exempt from the requirements of subsections (2) through (4) and (3).
   (14)(a) A competitive electricity supplier with four or fewer small customers in Montana is exempt from the requirements of subsections (2) through (4) and (3).
   (b) For the purposes of determining the number of small customers served by a competitive electricity supplier, an entity that purchases electricity for commercial or industrial use and does not resell electricity to others is one small customer regardless of the number of its metered locations."
(15)(a) If a governmental entity, as defined in 69-8-103(14) sets a renewable resource standard requiring electricity served to it by a public utility or competitive electricity supplier to exceed the amount of eligible renewable resources required by 69-3-2004(2) and 69-3-2004(3), the governmental entity may request that the public utility or competitive electricity supplier meet with the governmental entity to determine how the renewable resource standard required by the governmental entity will be met with participation from the following entities, while compliance with the eligible renewable resources required by 69-3-2004(2) and 69-3-2004(3) is also maintained:

(i) the public utility or competitive electricity supplier;

(ii) the governmental entity pursuant to its net-metered projects;

(iii) neighborhood renewable energy projects;

(iv) community renewable energy projects; and

(v) procurement of other eligible renewable resources.

(b) Prior to the meeting mentioned in subsection (15)(a), the public utility or competitive electricity supplier must determine for the calendar year preceding the meeting:

(i) the total amount of electricity in kilowatt hours it supplies to all customers of the public utility;

(ii) the total amount of electricity in kilowatt hours it supplies the governmental entity, and if requested by the governmental entity, the electricity supplied to residents and businesses located within the governmental entity’s geographical area;

(iii) the percentage the amount of electricity in subsection (15)(b)(i) is of subsection (15)(b)(ii);

(iv) the amount of electricity from eligible renewable resources projected to be required for periods in 69-3-2004(2) and 69-3-2004(3) to serve the governmental entity, and if requested its residents and businesses; and

(v) by relevant time periods, the additional amount of electricity that must be produced from eligible renewable resources to provide the eligible renewable resources service requested by the governmental entity.

(c) Once the public utility or competitive electricity supplier has determine the amount of additional eligible renewable resources in excess of that required by 69-3-2004(2) and 69-3-2004(3) that will be needed to comply with the request of the governmental entity, the public utility or competitive electricity supplier shall procure the additional eligible renewable resources and allocate them to serve the governmental entity, and if specified by the governmental entity the residents of that entity.

(d) In determining the amount of eligible renewable resources required under subsection (15)(c), the utility or competitive electricity supplier may count electricity produced by hydroelectric projects not included as eligible renewable resources under 69-3-2004(3) that will be needed to comply with the request of the governmental entity.

(e)(i) After 2024, in determining the amount of eligible renewable resources required under subsection (15)(c), the utility or competitive electricity supplier may count electricity produced by hydroelectric projects not included as eligible renewable resources under 69-3-2003(15)(d).

(ii) Electricity produced by hydroelectric projects not included as eligible renewable resources under 69-3-2003(15)(d) that is counted to meet the additional renewable resource electricity required by a governmental entity must be subtracted from the electricity counted when calculating the electricity to be credited from pre-2005 hydro-electric generating facilities under 69-3-2004(4).

(f) If procuring additional renewable electricity to service customers under this subsection costs the utility more for the energy supply, transmission and distribution components of its tariff than what it costs to provide electricity to the utility’s customers for those components generally, the utility may, subject to commission approval, add the additional energy supply, transmission and distribution component costs to the bills of customers receiving service pursuant to subsection (15).

(g) If procuring additional renewable electricity to service customers under this subsection costs the utility less for the energy supply, transmission and distribution components of its tariff than what it costs to provide electricity to the utility’s customers for those components generally, the utility must, subject to commission approval, credit the energy supply, transmission and distribution component savings to the bills of customers receiving service pursuant to subsection (15).

(16) Renewable energy procured or generated by a public utility to comply with a federal law, rule or regulation may be used to satisfy the required procurements of this section.

Section 9, Section 69-3-2005, MCA, is amended to read:

"69-3-2005. Procurement -- cost recovery -- reporting. (1) In meeting the requirements of this part, a public utility shall:

(a) conduct renewable energy solicitations under which the public utility offers to purchase renewable energy credits, either with or without the associated electricity, under contracts of at least 10 years in duration;

(b) consider the importance of geographically diverse rural economic development when procuring renewable energy credits; and

(c) consider the importance of dispatch ability, seasonality, and other attributes of the eligible renewable resource contained in the commission’s supply procurement rules when considering the procurement of renewable energy or renewable energy credits.

(2) A public utility that intends to enter into contracts under this section of less than 10 7 to 9 years in duration shall demonstrate to the commission that these contracts will provide a lower long-term cost of meeting the standard established in 69-3-2004.

(3)(a) Contracts signed for projects located in Montana must require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if the Montana residents have substantially equal qualifications to those of nonresidents.
(b) Contracts signed to construct or operate for projects located in Montana must require all contractors and project operators to pay the standard prevailing rate of wages for the work performed heavy construction, as provided in 18-2-414 through 18-2-419, during the construction phase of the project.

(4) All contracts signed by a public utility to meet the requirements of this part are eligible for advanced approval under procedures established by the commission. Upon advanced approval by the commission, these contracts are eligible for cost recovery from ratepayers, except that nothing in this part limits the commission’s ability to subsequently, in any future cost-recovery proceeding, inquire into the manner in which the public utility has managed the contract and to disallow cost recovery if the contract was not reasonably administered.

(5) A public utility or competitive electricity supplier shall submit renewable energy procurement plans to the commission in accordance with rules adopted by the commission. The plans must be submitted to the commission on or before:

(a) June 1, 2021, for the standard required in 69-3-2004(4) 69-3-2004(3)(a); and
(b) June 1, 2022, for the standard required in 69-3-2004(3)(b);
(c) June 1, 2026, for the standard required in 69-3-2004(3)(c); and
(d) any additional future dates as required by the commission.

(6) A public utility or competitive electricity supplier shall submit annual reports, in a format to be determined by the commission, demonstrating compliance with this part for each compliance year. The reports must be filed by March 1 of the year following the compliance year.

(7) For the purpose of implementing this part, the commission has regulatory authority over competitive electricity suppliers.

Section 10. Section 69-3-2006, MCA, is amended to read:

"69-3-2006. Commission authority -- rulemaking authority. (1) The commission has the authority to generally implement and enforce the provisions of this part.

(2) The commission shall adopt rules before June 1, 2006 June 1, 2021, to:

(a) select a renewable energy credit tracking system to verify compliance with this part;
(b) establish a system by which renewable resources become certified as eligible renewable resources;
(c) define the process by which waivers from full compliance with this part may be granted;
(d) establish procedures under which contracts for eligible renewable resources and renewable energy credits may receive advanced approval;
(e) define the requirements governing renewable energy procurement plans and annual reports; and
(f) establish maximum retail rate impacts in accordance with [section 13];
(g) determine how to track and verify the use of renewable energy credits generated by resources named in 69-3-2003(15)(i)(v), net metering systems, and neighborhood renewable energy facilities used to comply with this part; and
(h) generally implement and enforce the provisions of this part.

(3) The commission may adopt rules to ensure that the calculation of energy generation and the renewable energy credits for eligible renewable resources under 69-3-2003(10)(d)(iii), (15)(i)(v) reflects the actual electrical production from the expansion as typically reduced by seasonal water conditions."

Section 11. Section 69-3-2008, MCA, is amended to read:


(2)(a) Each governing body of a cooperative utility that has 5,000 or more customers that serves 100 or more meters or is a generation and transmission cooperative as defined in 35-18-318 is responsible for implementing and enforcing a renewable energy standard for that cooperative utility or that generation and transmission cooperative that recognizes the intent of the legislature and the people of Montana to encourage new renewable energy production and rural economic development, while taking into consideration the effect of the standard on rates, reliability, jobs, and financial resources.

(b) To meet the requirements of subsection (2)(a), a cooperative utility or generation and transmission cooperative shall comply with [section 12]."

NEW SECTION. Section 12. Renewable energy requirements--voluntary participation--cooperative duties. (1)(a) Beginning July 1, 2021, the governing body of a cooperative utility as defined in 69-3-2003 shall, once every four years, provide a secret mail ballot to each cooperative utility member.

(b) The ballot must be submitted to the cooperative utility members in substantially the following form, but may include other questions:

(i) Shall (insert name of cooperative utility) voluntarily comply with 69-3-2004 of the Montana Cohesive Renewable Energy Policy, Fossil Fuel Worker Retraining, Coal Revenue Replacement, and Rural Economic Development Act in accordance with 69-3-2008 by procuring (insert percentage as provided in 69-3-2004) of the power used to serve utility customers from eligible renewable resources by (insert date 5 years from the date of the poll)?

[ ] YES  [ ] NO.

(ii) Shall (insert name of cooperative utility) voluntarily comply with 69-8-603 as amended by [section 26] allowing for net metering?

[ ] YES  [ ] NO.
(iii) Shall (insert name of cooperative utility) voluntarily comply with [section 27] allowing for neighborhood renewable energy facilities?

[ ] YES  [ ] NO.

(iv) As a member of (insert name of cooperative utility), will you commit to purchasing for (insert price) per kilowatt hour, electricity generated from an eligible renewable resource as defined in 69-3-2003 regardless of what type of electric generation is utilized to serve other members?

[ ] YES  [ ] NO.

(v) If you responded “yes” to question (iv), what percent of your electricity usage will you commit to purchase that has been generated from an eligible renewable resource as defined in 69-3-2003?

[ ] 100%  [ ] 75%  [ ] 50%  [ ] 25%  [ ] other _______

(c) A cooperative utility may eliminate a question in subsection (1)(b)(ii) and (iii) if that question already has been answered in the affirmative by its members.

(d) If by a majority of the mail ballots returned to the cooperative, the cooperative membership votes to voluntarily comply with 69-3-2004, the governing body of the cooperative shall take steps to bring the cooperative into compliance.

(2)(a) A cooperative utility shall mail semi-annually to its customers an offer to purchase, in lieu of power from the utility’s fossil fuel power portfolio, a product composed of or supporting, in whole or in part, power from an eligible renewable resource as defined in 69-3-2003 at, notwithstanding subsection (3)(a) of this section, a price set by a vote of cooperative members.

(b) The semi-annual offer may be included in a cooperative utility customer’s regular bill.

(c) If a customer purchases a product pursuant to subsection (2)(a) and the cooperative utility is voluntarily complying with the standards established in 69-3-2004 and 69-3-2008, the purchase may be used by the cooperative utility in meeting the voluntary compliance standards.

(3)(a) Except as provided in subsection (3)(b), the retail rate impact of a cooperative utility’s voluntary compliance with 69-3-2004 and 69-3-2008 may not increase the total electric bill annually to each customer by more than 2% for equal usage of electricity.

(b) Subject to being ratified by a majority of those voting at a cooperative annual meeting, or by a majority of the mail ballots on the question returned by the cooperative members, the governing body of a cooperative utility may agree by a majority vote to exceed the retail rate limit provided for in subsection (3)(a).

(4) If the majority of a governing board of a cooperative utility that is a member of a generation and transmission cooperative as defined in 35-18-318 requests that the generation and transmission cooperative offer the member cooperative utility the opportunity to purchase its load ratio share of the generation and transmission cooperative’s electricity supply from an eligible renewable resource, the generation and transmission cooperative shall accommodate the member cooperative utility’s request if that is permissible under the energy procurement contract between the two. The request must comply with 35-18-318 and the request may be enforced at the discretion of a court through a motion by a board member of the requesting cooperative for an affirmative injunction compelling compliance.

(5)(a) If a cooperative utility, whose members wish to purchase energy generated by eligible renewable resources, is limited in its ability to acquire eligible renewable resources by a requirements contract with a generation and transmission cooperative as defined in 35-18-318 or other supplier of electricity, the cooperative utility or other supplier shall acquire whatever amount allowed by the contract that will fulfill or partially fulfill the members’ request.

(b) Contracts with a cooperative consenting to voluntarily comply with 69-3-2004(2) or (3) are subject to 69-3-2004(12).

NEW SECTION. Section 13. Cost caps -- retail rates. (1)(a) The public service commission shall establish a maximum retail rate impact for each public utility and competitive electricity supplier required to meet the standards established in 69-3-2004(2) and (3).

(b) The retail rate impact may not increase the total electric bill annually to each customer by more than 2% for equal usage of electricity.

(c) The retail rate impact must be determined net of new eligible renewable resources of electricity supply from energy resources that are not eligible renewable resources and are reasonably available at the time of the determination.

(2) Unless it is set by the commission, and subject to the maximum retail rate impact permitted by this section, a public utility or competitive electricity supplier may determine the price paid for renewable energy credits from customer-generators as defined in 69-8-103, or from non-customer generators. The public utility or competitive electricity supplier may not discriminate in determining the price paid for renewable energy credits.

NEW SECTION. Section 14. Funding from energy sector -- equity provision to prevent coal tax avoidance -- coal severance tax, coal gross proceeds tax, and tribal coal tax replacement -- worker benefit tax and its sunset -- replacement of lost coal related revenue on tribal, state and federal lands. (1)(a) In addition to the tax levied pursuant to 15-51-101 and subject to subsections (1)(c), (1)(d) and (1)(e), each producer required to report pursuant to 15-51-101 shall pay a license tax on all the electricity, reported pursuant to 15-51-101 in the sums determined in accordance with subsections (3) through (9) as mostly limited to being substitute taxes by [section 15].

(b) For purposes of applying 15-51-101 as it relates to subsection (1)(a), the generation, manufacture, or production of electricity includes but is not limited to water power, wind, solar, coal, natural gas, geothermal, coalbed methane, or any other means of electricity generation for barter, sale, or exchange from storage or otherwise. Electricity that is reasonably used to produce electricity is not included.
(c) The tax in subsections (1)(a) and (3) through (9) must be administered pursuant to the provisions of 15-51-102, 15-51-103, 15-51-104, 15-51-106, and 15-51-109 through 15-51-114.

(d) A producer owning generating units with a total combined rated generation capacity of not more than 250 kilowatts is not required to render a statement under 15-51-101 for purposes of remitting an electrical energy production tax pursuant to subsections (1)(a), (1)(e), or (3) through (9) to the department of revenue on the production of those generating units.

(e) (i) If a producer is a public utility, the producer shall include in the utility’s 15-51-101 statement the electricity produced from a source with a capacity rating of 250 kilowatts or less by any of its:

(A) customer generators and neighborhood renewable energy facilities with net metering systems as defined in 69-8-103, and

(B) non-customer generators from whom the utility purchases electricity.

(ii) The producer shall pay the replacement tax required in subsections (3) through (9) on the electricity produced by all entities defined in subsection (1)(e)(i).

(iii) The producer may recover the per kilowatt hour replacement tax paid pursuant to subsection (1)(e)(ii) in bills to or contracts with affected entities defined in subsection (1)(e)(ii).

(f) “Coal severance tax” as used in 15-38-302, 17-5-703, 17-5-709, 17-5-720, 17-5-721, 17-6-203, 17-7-205, 75-7-307, 82-4-244, and 85-1-603 must include revenue generated pursuant to subsections (1)(e)(ii) and (3) through (9).

(2) All costs of administering this chapter must be paid for from funds raised because of this chapter.

(3) (a) For purposes of making calculations regarding this section it is noted that:

(i) saving from reduction in fossil-fuel cost because there is no fuel cost in the sun and wind are estimated to outpace electricity production taxes replacing coal taxes, royalties, and providing worker protection revenues, whenever the unsubsidized cost of electrons generated using renewable energy sources are between $0.02/kWh and $0.025/kWh cheaper than electrons generated with fossil-fuel;

(ii) the 2015 coal severance tax was $60,891,414; in 2016 it was $60,358,548;

(iii) in 2015, approximately 28.2% of Montana’s coal was used to produce electricity used in Montana;

(iv) reducing the $60,891,414 amount by 28.2% and further reducing that amount by 80% produces an estimate that coal tax revenue would be reduced by $13,737,103 per year in 2034 when Montanans complete transition to 80% renewable electricity—this does not include Montana revenue lost because other states reduce their usage of coal-fired electric generation;

(v) to produce $13,737,103 in revenue, it would require a tax of $0.0006419207per kilowatt hour on Montana’s annual 21.4 billion kilowatt hours of electricity production; and

(vi) since the loss of coal tax severance revenue will be gradual over the years between 2021 and 2034, the electricity production tax to replace it can be phased in; and

(vii) it will require a $0.000125/kilowatt hour tax on electricity production to replace the $2,675,000 coal severance tax revenue estimated to be lost annually in 2021 through 2025 as the transition begins. Slightly higher rates up to $0.0006419207/kWh will be needed in subsequent years to cover increasing coal revenue loss;

(viii) to cover estimated coal severance tax revenue loss related to diminution in coal used to produce electricity for use by Montanans, it is estimated the electric production tax used as a substitute, would cost a consumer using 1000 kilowatt hours of electricity a month, $1.50/year in years 2021 through 2025, $3.00/year in 2026 and 2027, $5.00/year in 2028 through 2031, and $7.70 a year thereafter. The $1.50 and other yearly amounts noted in this subsection should be increased by $1.40 a year until 2035 for displaced worker and coal-impacted worker retraining and other benefits to get total annual cost from 2021-2035;

(ix) the coal severance tax gradual replacement tax for consumers using 2000 kilowatt hours of electricity a month, that is twice the amount of electricity considered in subsection (3)(a)(viii), will cost twice the amounts listed in (3)(a)(viii), etc.; and

(x) fossil-fuel free electricity exported from Montana will carry an electricity production tax to recover revenue previously collected through coal severance taxes paid on that exported coal-fired electricity. Since the exported coal-fired electricity tax has been a collection practice that has been legal since 1934, and since the tax has recently been applied to exported fossil-fuel free electricity, it is anticipated the increase of that tax rate will continue to withstand any constitutional commerce clause or other legal challenge.

(b) Beginning January 1, 2021, subject to subsection (1)(d), the Montana electricity production tax in 15-51-101 must be increased, in addition to other increases that may be necessary because of subsections (4) through (9) by:

(i) $0.000125 per kilowatt hour for the years 2021 through 2025;

(ii) $0.00025 per kilowatt hour for the years 2026 and 2027;

(iii) $0.000417 per kilowatt hour for the years 2028 through 2031; and

(iv) $0.0006419207 per kilowatt hour for the year 2032 and each year thereafter.

(c) After subtracting amounts pursuant to subsection (2), the amounts collected pursuant to subsection (3)(b) must be treated as if they had been collected from the coal severance tax and deposited pursuant to Title 17, chapter 5, part 7 as if they were coal severance taxes, and distributed as appropriated by the legislature, be used to fund section 18 programs for coal-impacted communities, or as otherwise determined by Title 17, chapter 5, part 7.

(4) (a) For purposes of this subsection it is noted that to defray all costs of the displaced fossil fuel worker, displaced coal-impacted worker, and fossil fuel pensioner programs under this law, a consumer using 1000 kilowatt hours of electricity a month, can expect to pay approximately $1.20/month or $14.40/year for 14 years, and assessments only as needed in subsequent years. The portion of subsection (3)(a)(iv) saving to cover the cost of this tax will be achieved when the cost of renewable electrons is $0.0144/kWh less than the cost of coal-fired electricity.
(b)(ii) Beginning January 1, 2021, pursuant to subsection (1)(a), the electricity production tax in 15-51-101 must be increased by $0.0012 per kilowatt hour, in addition to other increases that may be necessary because of subsections (3) and (5) through (9).

(ii) Subject to temporary assessments made pursuant to subsection (4)(b)(ii), on January 1, 2035, the tax assessed in subsection (4)(b)(ii) must cease unless the legislature determines that the tax is needed to make good on obligations to displaced fossil fuel workers, fossil fuel pensioners, or displaced coal-impacted workers.

(iii) Funds used to administer the unemployment insurance program may not be used to collect or distribute any of the revenue to or from the displaced fossil fuel workers or coal-impacted worker subaccounts established in [section 4] or to otherwise fund any multipurpose service program unless permission to use funds in such a manner is first approved by the U.S. department of labor or allowed under federal law, and such use will not endanger any part of the unemployment insurance program. If funding from a U.S. department of labor grant, the partnerships for opportunity and workforce and economic revitalization initiative, or other funding source becomes available to finance administrative expenses, the Montana department of labor and industry may use the funding. Otherwise, all costs of administering this chapter must be paid for from funds raised under this subsection (4).

(iv) If at any time the money in the displaced fossil fuel workers’ or coal-impacted workers’ subaccounts will not defray the costs of benefits under this program, the Montana department of labor and industry may borrow money to defray those costs and repay the loan from future assessments made pursuant to this section.

(v) Before it can be closed, a displaced fossil fuel workers’, coal-impacted workers’ or fossil fuel pensioners’ subaccount must be maintained in amounts sufficient to cover potential benefits until:

(A) there are no outstanding loans created pursuant to subsection (4)(b)(iv) to be paid off as a result of payments to the beneficiaries of the subaccount to be closed; and

(B) the Montana department of labor and industry determines for the subaccount to be closed that:

(i) there are no fossil fuel workers potentially eligible for retraining; or

(ii) there are no coal-impacted workers potentially eligible for retraining; or

(iii) there are no fossil fuel pensioners potentially eligible for pension deficiency payments.

(vi) Excess funds remaining in a displaced fossil fuel workers’, coal-impacted workers’ or fossil fuel pensioners’ subaccount at the time an account is discontinued must be transferred equally to the remaining subaccounts. Excess funds remaining in the last subaccount to be discontinued must be transferred to the coal severance tax permanent fund.

(vii)(A) If, as determined by the Montana department of labor and industry, there are outstanding loans to be paid off under this section or costs of administering this act that will not be paid off within three years by revenue raised pursuant to assessments made pursuant to subsection (4)(b)(i) and the interest on that revenue, or by other revenue generating provisions of this section, a temporary assessment of $0.0004 per kilowatt hour must be added to the tax collected pursuant to subsection (4)(b)(i).

(B) When the Montana department of labor determines there are no outstanding loans to be paid off under this section, the temporary assessment levied pursuant to subsection (4)(b)(vii) must cease.

(c) Amounts collected pursuant to this subsection (4)(b) must be placed in the account established in [section 4] and the principal and interest in that fund must be used to finance [section 20] programs for fossil fuel workers, coal-impacted workers and fossil fuel pensioners.

(5)(a)(i) For purposes of making calculations under this subsection, note that in 2015, coal gross proceeds revenues were $19,857,482. They were $20,765,877 in FY 2016. To replace every $107,000 in lost coal gross proceeds tax revenue not offset by increased revenues accruing from eligible renewable energy development, a consumer using 1000 kilowatt hours of electricity a month, can expect to pay approximately $0.06/year under this subsection.

(ii) Beginning July 1, 2021, and for each tax year after, the department of revenue shall determine the total value of coal gross proceeds taxes collected statewide in accordance with 15-23-703 for the previous tax year and the current tax year.

(b) If the department of revenue has made an energy generation determination pursuant to [section 15(3)(b)], and to the extent that Montana coal gross proceeds tax revenues are not offset by increased revenues accruing to the state from revenue resulting from eligible renewable energy development on state lands, increased revenues accruing to the wholesale energy transaction tax established by 15-72-104, or federal offsets to the loss of Montana gross proceeds tax revenues, to replace lost coal gross proceeds tax revenue, for every $107,000 revenue decrease to the coal gross proceeds tax levied pursuant to Title 15, chapter 23, part 7, from the amount of revenue collected from that tax in 2016, the Montana electricity production tax in 15-51-101 must be increased in each succeeding year by $0.000005 per kilowatt hour, in addition to increases because of subsections (3), (4) and (6) through (9).

(c)(i) The money collected under this subsection (5) to replace lost coal gross proceeds revenue must be distributed in accordance with 15-23-703(3) and any other applicable coal gross proceeds tax law, except that the revenues collected under subsection (5)(b) may not be directed toward any county with a mill levy below the average 56-county mill levy for the previous year.

(ii) references to “coal gross proceeds taxes” in 15-23-703(3) and elsewhere must include taxes collected pursuant to subsection (5)(b) to replace lost coal gross proceeds tax revenue.

(6)(a)(i) To replace every $107,000 in lost coal tax revenue not offset by increased revenues accruing from taxes on eligible renewable energy development on tribal lands, a consumer using 1000 kilowatt hours of electricity a month, can expect to pay approximately $0.06/year under this subsection.

(ii) Beginning July 1, 2021, and for each tax year after, the department of revenue shall determine taxes paid to a federally recognized Indian tribe in the state of Montana in lieu of the Montana coal severance tax for the previous tax year and the current tax year.
(b) If the department of revenue has made an energy generation determination pursuant to [section 15(3)(b)], and to the extent that annual Crow tribal tax or other tribal tax on coal in lieu of the Montana coal severance tax is not offset by revenues accruing to the tribe from revenue resulting from eligible renewable energy development on tribal lands, or federal offsets to the loss of coal severance tax revenues, to replace lost tribal tax in lieu of the Montana coal severance tax revenue, for every $107,000 revenue decrease to the Crow tribal tax or other tribal tax on coal in lieu of the Montana coal severance tax levied pursuant to Crow tribal law or other tribal law from the amount of revenue collected from that tax in 2016, the Montana electricity production tax in 15-51-101 must be increased in each succeeding year by $0.000005 per kilowatt hour, in addition to other increases that may be necessary because of subsections (3) through (7) through (9).

(c) The money collected under this subsection (6) to replace lost tribal tax on coal in lieu of the Montana coal severance tax must be deposited in the tribal coal royalty replacement account established in [section 3] and distributed by the department of revenue and the tribe in accordance with [section 18] programs and existing tribal law regulating distribution of the tribal tax on coal in lieu of the Montana coal severance tax.

(7)(a)(i) To replace every $107,000 in lost tribal coal royalty revenue not offset by increased revenues accruing from royalties from eligible renewable energy development on tribal land, a consumer using 1000 kilowatt hours of electricity a month, can expect to pay approximately $0.06/year under this subsection.

(ii) Not including revenue evaluated pursuant to subsection (6), beginning July 1, 2021, and for each subsequent tax year, the department of revenue shall determine royalties paid to a federally recognized Indian tribe in the state of Montana for coal from tribal properties in Montana and adjacent states, for the previous tax year and the current tax year.

(b) If the department of revenue has made an energy generation determination pursuant to [section 15(3)(b)], and to the extent that annual tribal revenue from coal royalties is not offset by increased revenues accruing to the tribe from eligible renewable energy development on tribal lands, or federal offsets to the loss of tribal coal royalties, to replace lost tribal coal royalty revenue, for every $107,000 revenue decrease to the tribal coal royalty revenue collected pursuant to tribal agreement with a payer of coal royalties from the amount of revenue collected from that agreement in 2016, the Montana electricity production tax in 15-51-101 must be increased in each succeeding year by $0.000005 per kilowatt hour, in addition to other increases that may be necessary because of subsections (3) through (5) and (7) through (9).

(c) The money so collected under this subsection (7) to replace lost tribal royalty revenue must be deposited in the tribal coal royalty replacement account in [section 3] and distributed by the department of revenue and the tribe in accordance with [section 18] programs and tribal law for distributing coal royalty revenue.

(8)(a)(i) To replace every $107,000 in lost coal rental and royalty revenue not offset by increased revenues accruing from eligible renewable energy rental and royalty revenue on state lands, a consumer using 1000 kilowatt hours of electricity a month, can expect to pay approximately $0.06/year under this subsection.

(ii) Beginning July 1, 2021, and for each tax year thereafter, the department of revenue shall determine total rental and royalty payments collected from all coal leases on state lands in Montana in accordance with 77-3-316 for the previous tax year and the current tax year.

(b) If the department of revenue has made an energy generation determination in accordance with [section 15(3)(b)], and to the extent that Montana coal rentals and royalties program revenues are not offset by increased revenues accruing to the state from revenue resulting from eligible renewable energy development on state lands, increased revenues accruing to the wholesale energy transaction tax established by 15-72-104, or federal offsets to the loss of Montana coal rentals and royalties, to replace lost coal royalty tax revenue, for every $107,000 revenue decrease to the Montana coal rentals and royalties program gross proceeds administered pursuant to 77-1-202 by the department of natural resources and conservation, from the amount of revenue collected from that Montana coal rentals and royalties program in 2016, the Montana electricity production tax in 15-51-101 must be increased in each succeeding year by $0.000005 per kilowatt hour, in addition to other increases that may be necessary because of subsections (3) through (7), (8), and (9).

(c) The money collected under this subsection (8) to replace lost Montana coal rentals and royalties program revenue must be distributed in accordance with 77-3-318 and determinations in existing department of natural resources and conservation law governing that program.

(9)(a)(i) To replace every $107,000 in lost lease proceeds on federal land not offset by increased revenues accruing from eligible renewable energy leases on federal land, a consumer using 1000 kWh/month, can expect to pay approximately $0.06/year under this subsection.

(ii) Beginning July 1, 2021, and for each tax year thereafter, the department of revenue shall determine federal mineral leasing funds attributable to coal leases in Montana paid in accordance with 17-3-240 for the previous tax year and the current tax year.

(b) If the department of revenue has made an energy generation determination in accordance with [section 15(3)(b)], and to the extent that federal coal royalty and rent revenue was derived from the federal lands in Montana that is not offset by revenues accruing to the state from revenue resulting from eligible renewable energy leases on federal lands, increased revenues accruing to the wholesale energy transaction tax established by 15-72-104, or federal offsets to the loss of federal coal royalty and rent revenue derived from the federal lands in Montana, to replace federal land coal royalty and rental revenue, for every $107,000 revenue decrease to the federal coal royalty and rent revenue derived from the federal lands in Montana program gross proceeds administered pursuant to 30 U.S.C. 191; and 17-3-240, by the department of revenue and the Montana department of natural resources and conservation from the amount of revenue collected from that federal coal royalty and rent revenue was derived from the federal lands in Montana program in 2016, the Montana electricity production tax in 15-51-101 must be increased by the
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Section 15. Energy taxes—limitations—substitute taxes. (1) To ensure that the taxes levied by [section 14] are substitute taxes paid from savings accruing to consumers from the transition to eligible renewable resources, and to ensure that individual consumers receive some of the monetary benefit of the renewable transition, the taxes generated by [section 14] must not exceed the total savings accruing to consumers from the switch to eligible renewable resources, as calculated in subsection (2).

(2) Prior to determining assessment of taxes required under [section 14], on or before May 1 of each year, the department of revenue shall make an energy generation determination of the previous calendar year by:

(a)(i) subtracting the average wholesale kilowatt hour price of electricity for the previous calendar year supplied to Montana consumers from instate eligible renewable resources from the average wholesale kilowatt hour price of electricity for the previous calendar year supplied to Montana consumers from instate resources using fossil fuel to generate electricity; or

(a)(ii) subtracting the levelized cost of electricity from Lazard’s median wholesale kilowatt hour price of unsubsidized onshore wind generated electricity for the most recent year reported ($42/MWh in 2018), from the levelized cost of electricity from Lazard’s median wholesale kilowatt hour price of coal generated electricity for the most recent year reported ($101/MWh in 2018); and

(b) multiplying the result from subsection (2)(a)(i) or (2)(a)(ii) by the number of all kilowatt hours of electricity supplied by Montana public utilities, and cooperative utilities for that year.

(3) Subject to subsection (4), if the energy generation determination made in accord with subsection (2) is:

(a) less than zero, the department of revenue may not assess taxes in accordance with [section 14] for the 12 months following June 30 of the year the [section 15(2)(b)] calculation was determined; or

(b) more than zero, the department of revenue shall assess taxes on a pro rata basis for the 12 months following June 30 of the year the subsection (2)(b) calculation was determined, from the taxes generated in accordance with [section 14]). The taxes assessed may not exceed 90% of the subsection (2)(b) result.

(4) If the combined taxes generated by [section 14] for a July to June year exceeds 90% of the result in subsection (2)(b), the department of revenue shall adjust each tax in [section 14] in the subsequent year on a prorated basis to ensure revenue does not exceed 90% of subsection (2)(b) savings and so the combined taxes in [section 14] become replacement taxes rather than additional taxes for that year.

NEW SECTION. Section 16. Rulemaking. The department of revenue may adopt rules:

(1) establishing criteria for making royalty, gross proceeds tax, or tax in lieu of severance tax reimbursements allowed by this chapter;

(2) concerning any other provisions necessary to carry out its duties including but not limited to those under [sections 3, 4, 14 through 18, and 20], 69-3-2001 and 69-3-2002, and this chapter.

NEW SECTION. Section 17. Departmental duties. The department of revenue shall:

(1)(a) evaluate pursuant to [section 14] the amount of annual coal royalty and other coal related revenue lost and if necessary, coal reserves and existing contracts;

(b) evaluate programs to build on tribal, state or federal land, renewable energy production or storage facilities, or other revenue producing facilities, or to offset lost coal royalty revenue; and

(c) subtract from the amount granted for the loss of coal royalty, any offsetting economic factors.

(2) with help as requested from the department of commerce and department of labor and industry, conduct studies on the changing revenue needs and problems of tribes, coal-impacted communities, and state and local governments affected by the loss of coal royalty and other coal-related revenue and make recommendations to the governor and the legislature to address changing revenue needs; and

(3) while coordinating with the department of commerce and the department of labor and industry, shall provide information pertinent to programs and services available to advise and assist tribes, coal-impacted communities, and Montana governments on the loss of coal royalty and other coal-related revenue matters.

NEW SECTION. Section 18. Programs to ameliorate the loss of coal royalty and other revenue—targeted hiring. (1) To ameliorate lost coal royalty revenue, and assist the economy of coal-impacted communities by fostering economic development opportunities unrelated to fossil fuel development or use, the department of commerce with help as requested from the department of revenue and department of labor and industry:

(a) shall develop in cooperation with federal, state, and local agencies and private employers:

(i) an economic diversification and development plan to assist coal-impacted communities; and
(ii) multipurpose service or other programs for tribes and other local governments facing declining revenue from the loss of coal royalty and other coal-related revenue;

(b) shall actively seek and apply for and receive grants, appropriations, or gifts from any federal, state, or local agency, private foundation, or individual, including but not limited to funding from "the partnerships for opportunity and workforce and economic revitalization initiative," and the Montana Clean Renewable Energy Bond Act to carry out the purposes of the "Montana Cohesive Renewable-Energy Policy, Fossil Fuel Worker Retraining, Coal Revenue Replacement, and Rural Economic Development Act."

(c) may enter into contracts with and make grants to nonprofit agencies or other organizations to establish, organize, and administer programs under this section;

(d) may contract with an administrator for each program under this section;

(e) shall require the administrator of [section 18] programs to report annually to the department; and

(f) convey the report in subsection (1)(e) biennially to the governor and, as directed in 5-11-210, to the legislature.

(2) In developing the economic diversification plan, the department of commerce shall establish a public planning process in a coal-impacted community area to determine the use of money appropriated by the legislature from the economic development assistance subaccount. The planning process shall include at least three public meetings within the 30-mile distance from a coal-impacted community’s center. After completion of the plan and appropriation, expenditures from the subaccount shall be made:

(a) to an entity approved by the department of commerce to receive funds for any program established pursuant to this section;

(b) to assist employers to qualify for any tax relief for hiring displaced fossil-fuel workers and displaced coal-impacted workers established under state or federal law; and

(c) to a coal-impacted community in Montana for programs designed to promote economic development unrelated to fossil fuel development in the coal-impacted community.

(3) To qualify for revenues distributed under this section, those who are participating in an approved program to assist a coal-impacted community or replace lost coal royalty and other coal-related revenue:

(a) must receive from the tax imposed by [section 14(3)], revenue as determined by the department of commerce after it is appropriated by the legislature; and

(b) shall cooperate with the department of revenue and department of commerce in developing revenue generating programs to offset coal royalty losses.

(4) While cooperating with the department of revenue, and the department of labor and industry, the department of commerce may:

(a) conduct conferences for those affected by the loss of coal-related revenue and job loss, to raise awareness of available renewable energy jobs, development opportunities, programs, and services;

(b) encourage organizations and other groups to institute local self-help activities designed to:

(i) address problems caused by declining coal royalty revenue;

(ii) to replace lost coal revenue;

(iii) to meet displaced fossil fuel workers' and displaced coal-impacted workers' employment needs; and

(iv) to address related coal-impacted community needs.

(5) To the extent applicants have the necessary job qualifications, all positions in programs related to replacing [section 14(6) and 14(7)] coal royalty or other coal-related revenue, must be filled by members of Montana tribes or other persons who have lived for two years in coal-impacted communities affected by coal revenue loss.

(6) The duly elected governing body of an entity participating in a program to replace lost coal royalty or other coal-related revenue may accept, use, and dispose of all tax, grants, or contributions of money, services, and property to carry out the provisions of this section. The grants, contributions, or in-kind contributions may come from a local or other government.

NEW SECTION. Section 19. Rulemaking. The department of commerce may adopt rules establishing:

(1) eligibility of entities who may be served by the program established under [section 18];

(2) reporting and evaluation procedures for [section 18] programs and their beneficiaries including requiring the section 18(1)(e) report to contain:

(a) an accounting of all expenditures; and

(b) an evaluation of the effectiveness of each program in replacing lost coal royalty or other coal-related revenue; and

(3) any other provisions necessary to carry out its duties including but not limited to those under [sections 3 through 6, 14 through 18, and 20], and this chapter.

NEW SECTION. Section 20. Programs to aid displaced fossil fuel workers, displaced coal-impacted workers, and fossil fuel pensioners. (1) The Montana department of labor and industry:

(a) shall develop multipurpose service or other programs in cooperation with government agencies and private employers to aid displaced fossil fuel workers and displaced coal-impacted workers;

(b) may enter contracts with and make grants to nonprofit agencies or other organizations to establish, organize, and administer programs under this section; and

(c) may contract with an administrator for each program.

(2) The services offered to displaced fossil fuel workers and displaced coal-impacted workers through the programs may include but are not limited to:
(a) job counseling services that:
   (i) are designed by considering and building upon worker skills and experiences; and
   (ii) provide workers with appropriate job opportunities;
(b) job training and job placement services that:
   (i) include apprenticeship, training and placement programs for jobs in the public, private, and renewable energy sectors;
   (ii) assist workers in gaining admission to existing public or private, Montana certified apprenticeship, job training or educational programs; and
   (iii) assist in identifying community needs and creating new public and private sector jobs;
(c) referral to or development of programs for displaced fossil fuel workers and displaced coal-impacted workers in cooperation with local agencies that provide information and assistance with respect to health care, financial matters, education, nutrition, mortgage retention, and legal issues;
(d) support services, including but not limited to:
   (i) child care for preschool children;
   (ii) transportation assistance;
   (iii) grants for education; and
   (iv) grants to maintain mortgage payments on a primary Montana residence; and
(e) development of outreach programs to serve areas where program needs have been identified.
(3) Subject to revisions resulting from [section 23(5)] evaluation, program costs incurred by a displaced fossil fuel worker or displaced coal-impacted worker must be paid for by the department of labor and industry from the [section 4] account, or other state, federal, or privately funded program augmenting the [section 4] account if the worker is:
   (a) participating in an approved apprenticeship or other retraining and re-employment program; and
   (b) if the worker has started a program within 3 months of becoming displaced or as soon as a program was offered, whichever event occurs first.
(4) Subject to the limitations of subsections (5) through (7) and (9), a displaced fossil fuel worker or displaced coal-impacted worker participating in a program established pursuant to this section is eligible to receive from the [section 4] account, during the worker’s training and re-employment periods:
   (a) after expiration of any unemployment benefits to which the worker is entitled to pursuant to 39-51-2116 and 39-51-2201 through 39-51-2208, or benefits received pursuant to the federal Railroad Unemployment Insurance Act, 45 U.S.C. 351, et seq., an additional benefit amount equal to the weekly unemployment benefit he or she was receiving prior to expiration;
   (b) an additional benefit amount equal to 20% of the benefits to which the worker was entitled pursuant to 39-51-2116 and 39-51-2201 through 39-51-2208 or 45 U.S.C. 351;
   (c) in addition to any benefits to which workers are entitled pursuant to subsections (3), (4)(a), and (4)(b), an additional benefit amount not greater than $200 a month, needed to maintain up to one-third of the mortgage payments on the workers’ primary Montana residence during a subsection (3) retraining period plus any subsection (6) period elapsing prior to re-employment; and
   (d) an extension of benefits received pursuant to this section for a retraining period not to exceed 2 years from the date retraining started plus the subsection (6) re-employment period.
(5) The weekly amounts received in total from payments made pursuant to subsections (4)(a) through (4)(d) plus unemployment benefits or federal Railroad Unemployment Insurance Act benefits, plus revenue received from work in a training or apprenticeship program may not exceed 100% of the average weekly wage used to calculate unemployment benefits for the displaced fossil fuel worker or displaced coal-impacted worker.
(6) The re-employment period for finding new employment during which a displaced fossil fuel worker or displaced coal-impacted worker is entitled to benefits after retraining has been completed may not extend beyond 12 weeks after the training is complete or until the worker obtains employment, whichever occurs first.
(7) Federal unemployment benefits must be reviewed annually by the department of labor and industry, and benefits provided pursuant to this section must be adjusted, if necessary, to comply with this section.
(8) Subject to revisions resulting from an evaluation, if a fossil fuel pensioner’s pension plan, or other retirement obligation incurred by a coal company, utility company, or railroad company is determined by the Montana department of labor and industry to be insufficient to pay the fossil fuel pensioner the pension earned, the department of labor and industry shall pay the fossil fuel pensioner monthly, money from the displaced fossil fuel workers’ account, as a deficiency payment to make up the difference.
(9) Benefits provided pursuant to this section must be provided in accordance with federal, social security, and unemployment insurance requirements and, if necessary, subject to the Federal Unemployment Tax Act and federal regulations.
(10) To the extent applicants have the necessary job qualifications, all positions in department of labor and industry displaced fossil fuel workers’ and displaced coal-impacted worker programs must be filled by displaced fossil fuel workers, or displaced coal-impacted workers, and the income from such employment used to offset benefits under this section.
(11) The administrator of a local displaced fossil fuel workers’ program may accept, use, and dispose of all tax, grants, or contributions of money, services, and property to carry out the provisions of this section. The grants, contributions, or in-kind contributions may come from a local or other government.
(12) (a) On a first come, first served basis, not more than 250 displaced fossil-fuel workers per calendar year and not more than 1,900 displaced fossil-fuel workers in total may receive benefits under this section.
   (b) On a first come, first served basis, not more than 500 displaced coal-impacted workers per calendar year, and not more than 5,100 displaced coal-impacted workers in total may receive benefits under this section.
(c) Displaced workers not eligible for benefits under this section because of annual limitations imposed by subsections (a) and (b) or annual funding limitations may apply for benefits and also request the department of labor and industry to implement the provisions for additional loan funding in section 14(4)(b)(iv).

(d) Displaced workers not eligible for benefits under this section because of annual limitations imposed by subsections (a), (b) and inapplicability of subsection (c) may apply for benefits under the subsection (a) or (b) applicable to them and be first on the list to receive benefits in a subsequent year.

(e) This subsection (12) does not limit the number of fossil-fuel pensioners who may collect deficiency payments under subsection (8).

NEW SECTION. Section 21. Departmental duties — rulemaking. The Montana department of labor and industry shall:
(1) while coordinating with the department of commerce, conduct studies regarding the changing employment needs and problems of displaced fossil fuel workers and displaced coal-impacted workers in Montana and make recommendations to the governor and the legislature;
(2) provide information and materials pertinent to programs and services available to assist and advise displaced fossil fuel workers and displaced coal-impacted workers on employment and related matters;
(3) provide for planning, developing, coordinating, and evaluating employment programs and services for displaced fossil fuel workers and displaced coal-impacted workers;
(4) cooperate with the department of revenue and department of commerce in carrying out activities under section 18(1) and 18(4) to carry out the purposes of [sections 6, 20 and 21];
(5) develop opportunities in cooperation with federal, state, and local entities and private employers to aid displaced fossil fuel workers, displaced coal-impacted workers, and fossil fuel pensioners in accordance with programs established pursuant to [section 20];
(6) require the administrator of [section 20 and 22] programs to report annually to the department;
(7) adopt rules regarding the subsection (6) report, requiring an accounting of all expenditures and evaluating the effectiveness of each program's job counseling, training, placement referral, support, and outreach services to workers, and fossil fuel pensioners; and
(8) convey the subsection (6) report biennially to the governor and, as directed in 5-11-210, the legislature.

NEW SECTION. Section 22. Required Apprenticeships When Constructing Certain Generating Facilities. (1) Montana electric generating facilities not located on the customer side of an electric meter, and built pursuant to competitive solicitation issued after January 1, 2021, shall adhere to subsection (2).
(2) Subject to availability of qualified applicants, the construction of facilities that generate electricity in Montana shall employ Montana citizen apprentices who are parties to an apprenticeship agreement under 39-6-105 during the construction phase of at least the following percentages of all employee for the project:
(a) 10% for projects beginning on-site construction January 1, 2020, through December 31, 2023;
(b) 17% for projects beginning on-site construction after December 31, 2023; and
(c) 25% for projects that begin on-site construction after December 31, 2025.
(3) In this section, “apprenticeship program” means a program implemented pursuant to the Title 39, Chapter 6, Part 1 that also shall encourage, as determined by the department of labor and industry:
(a) diversity among participants;
(b) participation by those underrepresented in the industry associated with an apprenticeship; and
(c) participation from coal-impacted communities.

NEW SECTION. Section 23. Rulemaking. The Montana department of labor and industry may adopt rules concerning:
(1) eligibility of persons who may be served by the program established under [sections 20 and 22];
(2) a graduated fee schedule for program services provided under [sections 20 and 22];
(3) criteria for making grants as provided for in [sections 20 through 22];
(4) benefits available under [section 20];
(5) coordination of [section 20] benefits with those in the primary Sector Business Workforce Training Act;
(6) reporting and evaluation procedures for [sections 20 and 22] programs and their beneficiaries; and
(7) any other provisions necessary to carry out its duties, including but not limited to those under [sections 14, 20, 21, and 22], 69-3-2002, and this chapter.

Section 24. Section 69-8-103, MCA, is amended to read:
"69-8-103. Definitions. As used in this chapter, unless the context requires otherwise, the following definitions apply:
(1) "Assignee" means any entity, including a corporation, partnership, board, trust, or financing vehicle, to which a utility assigns, sells, or transfers, other than as security, all or a portion of the utility's interest in or right to transition property. The term also includes an entity, corporation, public authority, partnership, trust, or financing vehicle to which an assignee assigns, sells, or transfers, other than as security, the assignee's interest in or right to transition property.
(2) "Board" means the board of investments created by 2-15-1808.
(3) "Carbon offset provider" means a qualified third-party entity that arranges for projects or actions that either reduce carbon dioxide emissions or increase the absorption of carbon dioxide.

(4) "Cooperative utility" means:
   (a) a utility qualifying as an electric cooperative pursuant to Title 35, chapter 18; or
   (b) an existing any municipal electric utility as of May 2, 1997.

(5) "Cost-effective carbon offsets" means any combination of certified actions that are taken to reduce carbon dioxide emissions or that increase the absorption of carbon dioxide, which collectively do not increase the cost of electricity produced annually on a per-megawatt-hour basis by more than 2.5%, including:
   (a) actions undertaken by the applicant that reduce carbon dioxide emissions or that increase the absorption of carbon dioxide from a facility or equipment used to generate electricity; or
   (b) actions by a carbon offset provider on behalf of the applicant.

(6) "Customer-generator" means a user of a net metering system who complies with all safety standards specified in 69-8-604 as certified by a licensed professional engineer or architect, master or journeyman electrician, or state or local code inspector.

(7) "Distribution facilities" means those facilities by and through which electricity is received from transmission facilities and distributed to a retail customer and that are controlled or operated by a utility.

(8) "Electricity supply costs" means the actual costs incurred in providing electricity supply service through power purchase agreements, demand-side management, and energy efficiency programs, including but not limited to:
   (a) capacity costs;
   (b) energy costs;
   (c) fuel costs;
   (d) ancillary service costs;
   (e) transmission costs, including congestion and losses;
   (f) planning and administrative costs; and
   (g) any other costs directly related to the purchase of electricity and the management and provision of power purchase agreements.

(9) "Electricity supply resource" means:
   (a) contracts for electric capacity and generation;
   (b) plants owned or leased by a utility or equipment used to generate electricity;
   (c) customer load management and energy conservation programs; or
   (d) other means of providing adequate, reliable service to customers, as determined by the commission.

(10) "Electricity supply service" means the provision of electricity supply and related services through power purchase agreements, the acquisition and operation of electrical generation facilities, demand-side management, and energy efficiency programs.

(11) "Financing order" means an order of the commission adopted in accordance with 69-8-503 that authorizes the imposition and collection of fixed transition amounts and the issuance of transition bonds.

(12)(a) "Fixed transition amounts" means those nonbypassable rates or charges, including but not limited to:
   (i) distribution;
   (ii) connection;
   (iii) disconnection; and
   (iv) termination rates and charges that are authorized by the commission in a financing order to permit recovery of transition costs and the costs of recovering, reimbursing, financing, or refinancing the transition costs and of acquiring transition property through a plan approved by the commission in the financing order, including the costs of issuing, servicing, and retiring transition bonds.
   (b) If requested by the utility in the utility's application for a financing order, fixed transition amounts must include nonbypassable rates or charges to recover federal and state taxes in which the transition cost recovery period is modified by the transactions approved in the financing order.

(13) "Generation assets cost of service" means a return on invested capital and all costs associated with the acquisition, construction, administration, operation, and maintenance of a plant or equipment owned or leased by a public utility and used for the production of electricity.

(14) "Government entity" means a city, county, consolidated city-county, school district, state agency, unit of the Montana university system, tribal government, or federal government entity.

(15) "Interested person" means a retail electricity customer, a taxpayer defraying, through the taxpayer’s property tax bill, part of the cost of providing electric service to any government entity, the consumer counsel established in 5-15-201, the commission, or a utility.

(16) "Large customer" means, for universal system benefits programs purposes, a customer with an individual load greater than a monthly average of 1,000 kilowatt demand in the previous calendar year for that individual load.

(17) "Local governing body" means a local board of trustees of a rural electric cooperative utility.

(18) "Low-income customer" means those energy consumer households and families with incomes at or below industry-recognized levels that qualify those consumers for low-income energy-related assistance.

(19) "Neighborhood renewable energy facility" means a community renewable energy project that:
   (a) is more than 50 kilowatts of generating capacity in size;
(b) is connected to a public utility's distribution or transmission system in association with a meter that can record the cumulative kilowatt hours produced by the neighborhood energy facility;

(c) produces electricity for which two or more neighborhood energy facility customers within the same public utility service territory receive an on-bill credit from the public utility for renewable energy produced by the neighborhood energy facility;

(d) unless it demonstrates to the commission that a different percentage should apply, has a minimum of 3% of the neighborhood energy facility system capacity assigned to the public utility's low-income customers, as defined in this section;

(e) has all of its neighborhood energy facility customers living within two miles of each other and within ten miles from the neighborhood renewable energy facility;

(f) has all of its neighborhood renewable energy facility customers and the neighborhood renewable energy facility connected to the same public utility; and

(g) pays all workers involved in construction of the facility, non-construction services, and apprenticeship services at the facility, no less than the prevailing wage established under 18-2-411 through 18-2-419 while giving hiring preference to Montana residents required by 69-3-2005(3)(a).

(20) "Neighborhood renewable energy facility customer" means a public utility retail customer, small customer or customer-generator receiving an on-bill credit for electricity generated by a neighborhood renewable energy facility.

(21) "Neighborhood renewable energy facility owner" means a local owner that owns a neighborhood renewable energy facility.

(18)(22) "Net metering" means measuring the difference between the electricity distributed to and the electricity generated by a customer-generator that is fed back to the distribution system during the applicable billing period.

(19)(23) "Net metering system" means a facility, with or without behind the meter battery storage associated with it, for the production of electrical energy that:

(a) uses as its fuel solar, wind, or hydropower any eligible renewable resource listed in 69-3-2003(15)(a) through (h) and 69-3-2003(15)(i) through (v);

(b) has a generating capacity of not more than 50 kilowatts, unless it is a neighborhood renewable energy facility:

(i) has a generating capacity of not more than 100 kilowatts; or

(ii) if the customer-generator is a government entity, church, or other nonprofit corporation, has a generating capacity of not more than 250 kilowatts per net metered street address location;

(c) unless it is a neighborhood renewable energy facility, is located on the customer-generator's premises;

(d) operates in parallel with the utility's distribution facilities; and

(e) complies with all safety standards specified in 69-8-604 as certified by a licensed professional engineer or architect, master or journeyman electrician, or state or local code inspector; and

(f) is intended primarily to offset part or all of the customer-generator's or neighborhood renewable energy facility customers' requirements for electricity.

(20)(24) "Nonbypassable rates or charges" means rates or charges that are approved by the commission and imposed on a customer to pay the customer's share of transition costs or universal system benefits programs costs even if the customer has physically bypassed either the utility's transmission or distribution facilities.

(25) "On-bill credit" means a credit of kilowatt hours applied to a neighborhood renewable energy facility customer's account by a public utility to offset the consumption of electrical energy.

(21)(26) "Public utility" has the meaning of a public utility regulated by the commission pursuant to Title 69, chapter 3, on May 2, 1997, including the public utility's successors or assignees.

(22)(27) "Qualifying load" means, for payments and credits associated with universal system benefits programs, all nonresidential demand-metered accounts of a large customer within the utility's service territory in which the customer qualifies as a large customer.

(23)(28) "Retail customer" means a customer that purchases electricity for residential, commercial, or industrial end-use purposes and does not resell electricity to others.

(24)(29) "Transition bondholder" means a holder of transition bonds, including trustees, collateral agents, and other entities acting for the benefit of that bondholder.

(25)(30) "Transition bonds" means any bond, debenture, note, interim certificate, collateral, trust certificate, or other evidence of indebtedness or ownership issued by the board or other transition bonds issuer that is secured by or payable from fixed transition amounts or transition property. Proceeds from transition bonds must be used to recover, reimburse, finance, or refinance transition costs and to acquire transition property.

(26)(31) "Transition charge" means a nonbypassable rate or charge to be imposed on a customer to pay the customer's share of transition costs.

(27)(32) "Transition cost recovery period" means the period beginning on July 1, 1998, and ending when a utility customer does not have any liability for payment of transition costs.

(28)(33) "Transition costs" means:

(a) a public utility's net verifiable generation-related and electricity supply costs, including costs of capital, that become unrecoverable as a result of the implementation of federal law requiring retail open access or customer choice or of this chapter;

(b) those costs that include but are not limited to:

(i) regulatory assets and deferred charges that exist because of current regulatory practices and can be accounted for up to the effective date of the commission's final order regarding a public utility's transition plan and conservation investments made prior to universal system benefits charge implementation;

(ii) nonutility and utility power purchase contracts executed before May 2, 1997, including qualifying facility contracts;
Section 25. Section 69-8-602, MCA, is amended to read:

69-8-602. (Temporary) Utility net metering requirements. A utility shall:

(i) allow net metering systems to be interconnected using a standard kilowatt-hour meter capable of registering the flow of electricity in two directions, unless the commission determines, after appropriate notice and opportunity for comment:

(a) that the use of additional metering equipment to monitor the flow of electricity in each direction is necessary and appropriate for the interconnection of net metering systems, after taking into account the benefits and costs of purchasing and installing additional metering equipment; and

(b) how the costs of net metering are to be allocated between the customer-generator and the utility; and

(ii) charge the customer-generator a minimum monthly fee that is the same as other customers of the electric utility in the same rate class. The commission shall determine, after appropriate notice and opportunity for comment if:

(a) the utility will incur direct costs associated with interconnecting or administering net metering systems that exceed any offsetting benefits associated with these net metering systems; and

(b) public policy is best served by imposing these costs on the customer-generator, rather than allocating these costs among the utility’s entire customer base.

69-8-602. (Effective on occurrence of contingency) Utility net metering requirements. (1) A utility shall allow net metering systems to be interconnected using a standard kilowatt-hour meter capable of registering the flow of electricity in two directions.

(2) (a) If the commission determines, after appropriate notice and opportunity for comment, that the use of additional metering equipment to monitor the flow of electricity in each direction is necessary and appropriate for the interconnection of net metering systems, the commission may establish additional metering equipment requirements.

(b) The commission shall consider the benefits and costs to a public utility and a customer-generator of purchasing and installing additional metering equipment and how the costs of additional net metering equipment are to be allocated between the customer-generator and the public utility.

(3) (a) The commission shall charge the customer-generator an appropriate rate pursuant to 69-3-306.

(b) Notwithstanding 69-8-610 through 69-8-612, if the commission determines, after appropriate notice and opportunity for comment, that a public utility is incurring direct costs associated with interconnecting or administering net metering systems that exceed any offsetting benefits associated with these net metering systems, the commission may impose these costs on the customer-generator, rather than allocating these costs among the public utility’s entire customer base.

Section 26. Section 69-8-603, MCA, is amended to read:

“69-8-603. (Temporary) Net energy measurement calculation. Consistent with the other provisions of this part, the net energy measurement must be calculated in the following manner:

(1) The utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices.
(2) If the electricity supplied by the electricity supplier exceeds the electricity generated by the customer-generator and fed back to the electricity supplier during the billing period, the customer-generator must be billed for the net electricity supplied by the electricity supplier, in accordance with normal metering practices.

(3) If electricity generated by the customer-generator exceeds the electricity supplied by the electricity supplier, the customer-generator must be:

(a) billed for the appropriate customer charges for that billing period, in accordance with 69-8-602, and
(b) credited for the excess kilowatt hours generated during the billing period, with this kilowatt-hour credit appearing on the bill for the following billing period.

(4) On January 1, April 1, July 1, or October 1 of each year, as designated by the customer-generator, any remaining unused kilowatt-hour credit accumulated during the previous 12 months must be granted to the electricity supplier, without any compensation to the customer-generator.

69-8-603. Net energy measurement calculation. A utility shall allow a customer-generator’s or neighborhood renewable energy facility customer’s retail electricity consumption to be offset by the electricity generated on the customer-generator’s side of the meter, from eligible renewable resources as defined in 69-8-103(23)(a) that are connected to the utility’s distribution facilities, or by a neighborhood renewable energy facility of which the customer is a member. Consistent with the other provisions of this part, and except as provided in 69-8-611(3), the net energy measurement must be calculated in the following manner:

(1) The public utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices.

(2) If the electricity supplied by the public utility exceeds the electricity generated by the customer-generator and fed back to the public utility during the monthly billing period, or exceeds the on-bill credit allocated to the neighborhood renewable energy facility customer during the monthly billing period, the customer-generator or neighborhood renewable energy facility customer must be billed for the net electricity supplied by the public utility, and billed at the appropriate rate pursuant to 69-3-306, in accordance with 69-8-602 and 69-8-610 through 69-8-612.

(3) Subject to 69-8-602 and 69-8-610 through 69-8-612, if electricity generated by the customer-generator who has only one separately metered account, or if electricity on-bill credited to a neighborhood renewable energy facility customer exceeds the electricity supplied by the public utility, the customer-generator or neighborhood renewable energy facility customer must be:

(a) billed at the appropriate rate pursuant to 69-3-306 for that monthly billing period; and
(b) credited for the excess kilowatt hours generated, or on-bill credited, during the monthly billing period, with this one to one ratio kilowatt-hour credit appearing on the bill for the following month to month billing periods until that credit is overcome by electricity utilized in excess of electricity generated by the customer-generator or allotted to the neighborhood renewable energy facility customer.

(b) Subject to 69-8-602, 69-8-610, 69-8-611 and 69-8-612, except as provided in subsection (3)(d) and in accordance with subsection (3)(f), at the end of each monthly billing period, a public utility shall carry over any excess kilowatt-hour credits earned by the customer-generator who has more than one separately metered account and apply those credits to the bill for any of the customer-generator’s separately metered accounts. Separately metered accounts may include a public utility account for a corporation of which the customer-generator is an owner.

(c) A separately metered account must:

(i) be for a location on the customer-generator’s contiguous or abutting property;
(ii) be for electricity used only for the customer-generator’s requirements as measured for that location; and
(iii) comply with all 69-8-604 safety standards as certified by a licensed professional engineer or architect, master or journeyman electrician, or state or local code inspector.

(d) Unless it is permitted by a tariff established pursuant to 69-8-602, excess kilowatt-hour credits may not reduce minimum monthly fees imposed by the public utility in accordance with 69-8-602.

(e) If excess kilowatt-hour credits are applied to a separate meter in accordance with subsection (3)(b) that is in a different rate class, the kilowatt-hour credit must offset the cost of a kilowatt hour of electricity consumption determined by the formula (kWh * (1st meter kWh cost/2nd meter kWh cost)).

(f) A customer-generator applying excess kilowatt-hour credits to a separately metered account shall:

(i) give at least 60 days’ notice to a public utility that additional meters will be included in meter aggregation in accordance with this subsection (3)(f);
(ii) designate the order for the meters to which net metering credits are to be applied; and
(iii) at least 60 days in advance of the next 12-month billing period, notify the public utility if the designation of rank provided in accordance with subsection (3)(f)(ii) will be changed.

(4)(a) On January 1, April 1, July 1, or October 1 of each year, as designated by the customer-generator or neighborhood renewable energy facility customer as the beginning date of a 12-month billing period, any remaining unused kilowatt-hour credit accumulated during the previous 12 months must be forfeited to the public utility and treated in accordance with subsection (5) without any compensation to the customer-generator or neighborhood renewable energy facility customer, except as provided by subsection (5)(d).

(b) Within 60 days after the customer-generator or neighborhood renewable energy facility customer terminates its retail service with the public utility, the public utility shall account for any excess energy generation, expressed in kilowatt-hours, accrued by the customer-generator and shall credit such excess generation to the customer-generator as approved by the commission.
(5)(a) On or before March 1 of each year, the public utility shall transfer all kilowatt-hour credits forfeited during the preceding calendar year to every customer on its Montana system who is eligible, at the date of transfer, to receive low income energy assistance pursuant to 69-8-103(37)(f) and 69-8-402.

(b) Each customer entitled to receive forfeited renewable energy (kilowatt hour) credits pursuant to this subsection (5) shall:
(i) receive a share of the forfeited credits calculated by dividing the number of forfeited kilowatt-hour credits by the number of customers eligible to receive the credits and assigning the resulting number of credits to each eligible customer; and
(ii) have their bill credited at the retail rate of the tariff they are being charged on.
(c) Except as set forth in 69-8-603(5)(d), kilowatt-hour credits assigned to recipients of low-income energy assistance pursuant to this subsection may not be used by the public utility to reduce any obligation the public utility otherwise has pursuant to 69-8-402.

(d)(i) If a public utility has not already purchased the renewable energy credits from the customer-generator, the public utility shall pay the customer-generator or neighborhood renewable energy facility customer for the renewable energy credits associated with the forfeited kilowatt-hours at the added rate it charges its retail customers to purchase renewable electricity or at a rate set by the commission.
(ii) The public utility may credit renewable energy credits purchased pursuant to subsection (5)(d)(i) toward meeting its 69-3-2004(2)(b) obligation.

(6)(a) A public utility shall provide net metering service at nondiscriminatory rates.

(b) If a public utility denies net metering to a customer on or before March 1 of each year, the public utility shall provide an on-bill credit for that customer's account.

NEW SECTION. Section 27. Neighborhood renewable energy facility -- rulemaking. (1) A public utility shall allow a neighborhood renewable energy facility to be interconnected to its distribution or transmission system, regardless of whether the facility has behind or in front of the meter battery storage associated with it, if:
(a) the facility complies with all 69-8-604 safety standards as certified by a licensed professional engineer;
(b) the electrical portion of the facility was constructed by licensed electricians supervised by a master or journeyman electrician in compliance with 37-68-102 and 37-68-103(3)(b); and
(c) the facility owner provides the public utility with:
(i) a single point of connection with the public utility system and name of a person to deal with;
(ii) a list of all of its neighborhood renewable energy facility customers and their associated accounts that are to receive an on-bill credit for electricity generated by the neighborhood renewable energy facility; such list to be updated no more than once a month; and
(iii) the percentage of the total kilowatt-hour amount of electricity to be generated monthly by the neighborhood renewable energy facility, and the associated renewable energy credit, to be assigned to each neighborhood renewable energy facility customer account.

(2)(a)(i) A public utility shall grant an on-bill credit in accordance with this subsection (2) and rules adopted by the commission to neighborhood renewable energy facility customers.
(ii) For purposes of administering on-bill credits, each neighborhood renewable energy facility customer is equivalent to a customer-generator who has generated the amount of electricity allocated to that neighborhood renewable energy facility customer pursuant to subsection (2)(a)(i).
(iii) After electricity has been allocated to the neighborhood renewable energy facility customer, subject to subsection (2)(b) and (2)(c), the provisions of 69-8-603(2), 69-8-603(3)(a), 69-8-603(4), and 69-8-603(5) must apply to the neighborhood renewable energy facility customer’s account with the public utility as if that neighborhood renewable energy facility customer were a customer-generator.

(b) A public utility may charge a neighborhood renewable energy facility customer a fee, established by the commission, to cover reasonable expenses for:
(i) administering neighborhood renewable energy facility on-bill credits;
(ii) any unbundled transmission facility or distribution facility costs, or both, involved in delivering, from the neighborhood renewable energy facility to the customer, the amount of electricity included in the on-bill credit for that customer’s account; and
(iii) the demand charge normally associated with a neighborhood renewable energy customer’s account taking into account any battery backup or other measure created to reduce demand associated with the neighborhood renewable energy customer’s account or the neighborhood renewable energy facility.

(c) When a neighborhood renewable energy facility customer ceases to hold the account receiving the on-bill credit, at the request of that customer or the neighborhood renewable energy facility owner, the public utility shall transfer the on-bill credit to a new eligible neighborhood renewable energy facility customer or customers.

(3) The commission may generally implement, create rules for, and enforce the provisions of this section, including but not limited to matters involving:
(a) fees a public utility may charge a neighborhood renewable energy facility customer or owner;
(b) on-bill credits requirements and accounting practices; and
(c) safety and power quality requirements for a neighborhood renewable energy facility.

Section 28. Section 69-8-605, MCA, is amended to read:
"69-8-605. Applicability. (1) This part does not apply to cooperative utilities, corporations organized under Title 35, chapter 18. (2) The governing body of a cooperative utility may adopt the provisions of Title 69, chapter 8, part 6, from which it has been exempted by 69-8-605(1)."

Section 29. Section 69-8-610, MCA, is amended to read:

"69-8-610. Cost-benefit analysis. (1) Before April 1, 2018, a public utility shall: (a) conduct a study of the costs and benefits of customer-generators as defined in 69-8-103; and (b) submit the study to the commission for the purpose of making determinations in accordance with the commission’s 69-3-324 authority, a public utility’s general rate case pursuant to 69-8-611. (2) The public utility may engage independent consultants or advisory services to complete a cost-benefit study. Costs are recoverable in rates. (3) After May 3, 2017, the commission may establish minimum information required for inclusion in a study conducted by a public utility in accordance with subsection (1)(a)."

Section 30. Section 69-8-611, MCA, is amended to read:

"69-8-611. Classification of service — net metering customers. (1) After a study is completed in accordance with 69-8-610 and subject to subsections (2) and (4) of this section, if, in accordance with the commission’s authority under 69-3-324, the commission finds that customer-generators or neighborhood renewable energy facility customers, or both should be served under a separate classification of service as part of a public utility’s general rate case, it shall establish appropriate classifications and rates based on the commission’s findings relative to: (a) the public utility system benefits of the net metering or neighborhood renewable energy facility resource; and (b) the cost to provide service to customer-generators or neighborhood renewable energy facility customers, whose systems do not include behind the meter battery backup; and (c) the cost to provide service to customer-generators or neighborhood renewable energy facility customers, whose systems include behind the meter battery backup. (2) The commission may, based on differences between net metering systems, or neighborhood renewable energy facility systems, establish subclassifications and rates as part of a public utility’s general rate case. (3) The commission may approve separate production or consumption rates for customer-generators’ or neighborhood renewable energy facility customers’ production and consumption and require separate metering subject to 69-8-602 if it finds it is in the public interest and as part of a public utility’s general rate case. (4) If a public utility files a general rate case in accordance with Title 69, chapter 3, the general rate case must include the study required in accordance with 69-8-610 and be used by the commission to meet the requirements of the review of classifications of service required in this section."

Section 31. Section 90-4-1202, MCA, is amended to read:

"90-4-1202. Definitions. Unless the context requires otherwise, in this part, the following definitions apply: (1) "Ancillary services" has the meaning provided in 69-3-2003. (2) "Bond" means bond, note, or other obligation. (3) "Clean renewable energy bonds" means one or more bonds issued by a governmental body pursuant to section 54 of the Internal Revenue Code, 26 U.S.C. 54, and this part. (4) "Commission" means the public service commission provided for in 69-1-102. (5) "Governing authority" means a council, board, or other body governing the affairs of the governmental body. (6) "Governmental body" means a city, town, county, school district, consolidated city-county, Indian tribal government, or any other political subdivision of the state, however organized. (7) "Intermittent generation resource" means a generator that operates on a limited and irregular basis due to the inconsistent nature of its fuel supply, which is primarily wind or solar power. (8) "Internal Revenue Code" has the meaning provided in 15-30-2101. (9) "Project" means: (a) a facility qualifying as a "qualified project" within the meaning of section 54(d)(2) of the Internal Revenue Code, 26 U.S.C. 54(d)(2); (b) a community renewable energy project as defined in 69-3-2003(4)(a)(6); or (c) an alternative renewable energy source as defined in 15-6-225."
(2) [Section 12] is intended to be codified as an integral part of Title 35, chapter 18, part 3, and the provisions of Title 35, chapter 18, part 3, apply to [section 12].

(3) [Section 13] is intended to be codified as an integral part of Title 69, chapter 3, part 20, and the provisions of Title 69, chapter 3, part 20, apply to [section 13].

(4) [Sections 14 through 17] are intended to be codified as an integral part of Title 15 and the provisions of Title 15 apply to [sections 14 through 17].

(5) [Sections 18 and 19] is intended to be codified as an integral part of Title 2, chapter 15, part 18 and the provisions of Title 2, chapter 15, part 18 apply to [sections 18 and 19].

(6) [Sections 20 through 23] are intended to be codified as an integral part of Title 39, and the provisions of Title 39 apply to [sections 20 through 23].

(7) [Section 27] is intended to be codified as an integral part of Title 69, chapter 8, part 6, and the provisions of Title 69, chapter 8, part 6 apply to [section 27].

NEW SECTION. Section 35. (standard) Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 36. (standard) Effective date. [This act] is effective January 1, 2021.