

2015 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1382

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Peace Garden Room, State Capitol

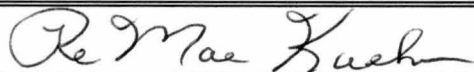
HB 1382

2/2/2015

Job Number 23040

☐ Subcommittee

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to the construction of electric transmission lines by cooperatives; and to provide for application

Minutes:

Attachments #1-4

Chairman Keiser: Opens the hearing on HB 1382.

Representative Laning~District 8, Bill Sponsor: (Attachment 1)

(3:50)

Chairman Keiser: I understand that the parties are still working to come up with a solution that both sides will like. Is that true?

Representative Laning: That is true and they have not come into agreement.

Dale Niezwaag~Basin Electric Power Cooperative: (Attachment 2).

(6:50)

Chairman Keiser: If anyone can do this, it's North Dakota.

Carlee Mcleod, President of the Utility Shareholders of North Dakota: We want to echo what Dale said in support of this bill.

Brian Kalk, Public Service Commissioner: The world changed a lot in the electricity business. We want to stay in the middle of the disputes and not give the authority to the RTOs (Regional Transmission Organizations). (Attachment #4)

Chairman Keiser: Our regulations sometimes are not quite catching up to the changing marketplace. I encourage you and the commission to be flexible in terms of looking at the regulation from this new structure.

Brian Kalk: I will do. The energy world is going to be more and more federally regulated. We want to keep the states' voice in as long as we can.

Chairman Keiser: Making sure the power grids are fully integrated and supported across the country is one of the most important defense measures the United States is undertaking right now.

Todd Kranda~Attorney at Kelsch Kelsch Ruff & Kranda Law Firm and lobbyist for Missouri River Energy Services: (Attachment 3) On behalf of Deb Birgen, Director of Legislative & Governmental Relations for Missouri River Energy Services.

Opposition:

None

Neutral:

None

Chairman Keiser: Closed the hearing.

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

HB 1382
2/16/2015
Job Number 23925

- ☐ Subcommittee
☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to the construction of electric transmission lines by cooperatives; and to provide for application
(Committee Work)

Minutes:

Attachments #1-2

Chairman Keiser: Opens the hearing on HB 1382.

Representative Laning: (Attachment 1) Handed out amendment #15.0903.01002 and explained them. This has been agreed to by everyone. This gives first right of refusal to the transmission line owner or operator if someone wants to connect into it.

(7:25)

Dale Niezwaag: Page 1, line 23 after #3 the first "and" should be an "or." The same for page 1, line 23, letter a.

Most of the utilities in the state belong to regional transmission organizations. That has taken some of the decision making ability away from the local utilities and placed it in more of a regional facility.

If a line needs to be built it has to go through a regional planning group. One electric company can't decide on its own.

The concern we have is an outside contractor coming in and building a line that interconnects with these lines. They not only build it, they now own it, operate it, and maintain it. We are concerned about the problem where there are several different ownerships of transmission lines in the state. That concerns us with how they will treat landowners with getting easements and how they will take care of the land after the line has been built. Both the rules in MISO and in SBP do allow for state laws to supersede what they are doing. What we put in the bill is to say, if we are interconnecting with other people operating in the state that we agree on what is going to be done.

(11:40)

Representative Kasper: How does this bill protect the power companies in North Dakota and the consumers from some outside company?

Dale Niezwaag: Section 1 and 2 gives the first right of refusal to the rural electric cooperatives and to the municipal agencies. If you are an incumbent utility operating in the state, we have to come to an agreement. If it is an outside utility or contractor then the right of first refusal lies with the incumbent utility.

Representative Kasper: What if an outside entity finds a location where transmission is needed and the instate company hasn't come up with the idea. So an idea that comes from without we can do it in North Dakota. Do you see that happening?

Dale Niezwaag: We don't see that happening now because of the regional transmission organizations. If someone wants to build a line everyone has to go through the same planning process through the regional transmission organizations to build any line.

Representative Ruby: This does put the cooperatives in the state in a better position. Now we get to decide whether we are going to do it first.

Dale Niezwaag: We have the first right to decide to say no. Then whoever has a solution can go in and build a line.

(15:00)

Casey Furey~Attorney for the North Dakota Public Service Commission:
(Attachment 2)

(16:20)

Representative M Nelson: On the very end on Section 2 with the date of December 31, 2015, what would the Public Service Commission understand as the point of where something begins to be constructed?

David Charles~PSC: The permitting process as opposed to putting poles into the ground. There is a lot of work in planning that goes on beforehand. How does it best serve the RTO in the regional plan? The planning process takes a year.

Representative M Nelson: How would the PSC interpret this and draw the line for the verbiage?

Dale Niezwaag: You would have to have the easements and permits assigned before you would be able to begin any construction. We would apply for the permit which would have a construction start date.

Representative M Nelson: Are you saying dirt work would be the beginning of construction?

Dale Niezwaag: I don't believe so. Before the dirt work you would talk to the PSC about a permit.

Representative M Nelson: There could be a misunderstanding about what and when construction actually started. I don't know if there is an industry standard for what is "beginning construction."

Dale Niezwaag: When it is "scheduled" to begin construction.

Chairman Keiser: If MISO decided there is a need for a line, with the passage of this bill they would come to the Public Service Commission saying we have identified a need. At what point do we have the authority to step in and say "no, we want to do it"?

Dale Niezwaag: The PSC does monitor the actions of SBP and MISO. As you go in and determine there is a problem, you go through a long planning process through the regional transmission organization. When they are asking for solutions, there are several steps along the way that people would be aware that there is a potential for a line being built.

Chairman Keiser: This bill does not require the PSC to notify you. You are to be watching also.

Dale Niezwaag: Yes.

Representative Laning: The regional transmission organizations bring everybody in. By the time it goes to the PSC, there has been a lot of communication and work.

Representative Becker: Are there any projects scheduled after December 31, 2015 that this would affect?

Dale Niezwaag: No. We are looking at an application to be filed with the PSC for an additional 30 miles of line. The permitting process will begin this year. We are the only ones interested in building the line. We haven't officially joined SBP. This doesn't come into play for us. We are officially joining SBP in October of this year. So this would not create a problem with that line.

Carlee Mcleod, President of the Utility Shareholders of North Dakota: We support the amendment.

Chairman Keiser: We have the amendment. We need to further amend to add on page 1 line 23, after "3" that insertion needs to be changed on the second line to "agency or by a rural electric cooperative." The same in subsection a.

Representative Ruby: Moved to further amend #15.0903.01002 (Attachment #1)

Representative Beadle: Seconded the motion.

Voice vote taken. Motion passed.

Representative Ruby: Moved the amended amendment.

Representative Kasper: Seconded the motion.

Voice vote taken. Motion passed.

Representative Sukut: Moved Do Pass as amended

Representative Laning: Seconded the motion.

A Roll Call vote was taken: Yes 14, No 0, Absent 1.

Do Pass as amended carries.

Representative Lefor will carry the bill.

Feb 16, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1382

- Page 1, line 1, replace "chapter 49-03" with "chapters 10-13 and 40-32"
- Page 1, line 2, after "cooperatives" insert "and municipal power agencies"
- Page 1, line 5, replace "49-03" with "10-13"
- Page 1, line 10, after the underscored comma insert "electric public utility."
- Page 1, line 12, replace "An" with "Except as provided in subsection 3, an"
- Page 1, line 15, after "notice" insert "to the rural electric cooperative"
- Page 1, line 15, remove "at least one"
- Page 1, remove line 16
- Page 1, line 17, remove "necessity for that line"
- Page 1, line 18, remove "and the commission."
- Page 1, line 21, remove "the commission may not issue a certificate of public convenience"
- Page 1, line 22, replace "and necessity for the proposed line of the electric transmission provider or designee" with "the rural electric cooperative shall have the right to construct the line"
- Page 1, line 23, after "3." insert: "If an electric transmission line would interconnect facilities owned, leased, or operated by a municipal utility or municipal power agency and by a rural electric cooperative or by an electric public utility doing business in this state the following conditions apply:
- a. The municipal utility or municipal power agency and the rural electric cooperative or the electric public utility shall attempt to agree on all terms and conditions, including design, construction, ownership, and operation of the electric transmission line.
 - b. If parties are unable to agree, this subsection does not compel a party to participate in the project or be construed as a waiver by any party of its right to establish and enforce any requirements for interconnection of transmission facilities to its transmission system.

4."

Page 1, after line 24, insert:

"SECTION 2. A new section to chapter 40-33 of the North Dakota Century Code is created and enacted as follows:

Right of municipal electric utilities and municipal power agencies to construct, own, and maintain electric transmission lines.

1. For purposes of this section, the terms electric transmission provider, electric transmission line, and electric public utility, have the same

meanings as in section 49-03-01.5. Municipal power agency has the meaning provided in section 40-33.2-02 and also includes a municipal power agency of which any municipality in this state is a member.

2. Except as provided in subsection 3, an electric transmission provider or designee may not construct an electric transmission line interconnecting with an existing electric transmission line owned, leased, or operated by a municipal utility or municipal power agency, unless the electric transmission provider or designee has provided written notice to the municipal utility or municipal power agency of its intention to do so. If the municipal utility or municipal power agency provides written notification to the electric transmission provider or designee within one hundred eighty days from receipt of the written notice under this subsection, that the municipal utility or municipal power agency is willing and able to construct and operate a similar electric transmission line, the municipal utility or municipal power agency shall have the right to construct said line.
3. If an electric transmission line would interconnect facilities owned, leased, or operated by a municipal utility or municipal power agency and by a rural electric cooperative or by an electric public utility doing business in this state the following conditions apply:
 - a. The municipal utility or municipal power agency ^{or} and the rural electric cooperative or the electric public utility shall attempt to agree on all terms and conditions, including design, construction, ownership, and operation of the electric transmission line.
 - b. If parties are unable to agree, this subsection does not compel a party to participate in the project or be construed as a waiver by any party of its right to establish and enforce any requirements for interconnection of transmission facilities to its transmission system."

Renumber accordingly

February 16, 2015

SL
2/16/15
1/2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1382

- Page 1, line 1, replace "chapter 49-03" with "chapters 10-13 and 40-32"
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- Page 1, line 17, remove "necessity for that line"
- Page 1, line 18, remove "and the commission."
- Page 1, line 21, remove "the commission may not issue a certificate of public convenience"
- Page 1, line 22, replace "and necessity for the proposed line of the electric transmission provider or designee" with "the rural electric cooperative shall have the right to construct the line"
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 - b. If parties are unable to agree, this subsection does not compel a party to participate in the project or be construed as a waiver by any party of its right to establish and enforce any requirements for interconnection of transmission facilities to its transmission system.

4."

Page 1, after line 24, insert:

"**SECTION 2.** A new section to chapter 40-33 of the North Dakota Century Code is created and enacted as follows:

Right of municipal electric utilities and municipal power agencies to construct, own, and maintain electric transmission lines.

1. For purposes of this section, the terms electric transmission provider, electric transmission line, and electric public utility, have the same meanings as in section 49-03-01.5. Municipal power agency has the meaning provided in section 40-33.2-02 and also includes a municipal power agency of which any municipality in this state is a member.
2. Except as provided in subsection 3, an electric transmission provider or designee may not construct an electric transmission line interconnecting with an existing electric transmission line owned, leased, or operated by a municipal utility or municipal power agency, unless the electric transmission provider or designee has provided written notice to the municipal utility or municipal power agency of its intention to do so. If the municipal utility or municipal power agency provides written notification to the electric transmission provider or designee within one hundred eighty days from receipt of the written notice under this subsection, that the municipal utility or municipal power agency is willing and able to construct and operate a similar electric transmission line, the municipal utility or municipal power agency shall have the right to construct said line.
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 - b. If parties are unable to agree, this subsection does not compel a party to participate in the project or be construed as a waiver by any party of its right to establish and enforce any requirements for interconnection of transmission facilities to its transmission system."

Renumber accordingly

Date: February 16, 2015

Roll Call Vote: 1

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1382**

House Industry, Business & Labor Committee

☐ Subcommittee ☐ Conference Committee

Amendment LC# or Description: 15.0903.01002

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
Other Actions: ☐ Reconsider ☒ Further amend

Motion Made By Representative Ruby Seconded By Representative Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Representative Lefor		
Vice Chairman Sukut			Representative Louser		
Representative Beadle			Representative Ruby		
Representative Becker			Representative Amerman		
Representative Devlin			Representative Boschee		
Representative Frantsvog			Representative Hanson		
Representative Kasper			Representative M Nelson		
Representative Laning					

*Vote
Motion Carried*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Page 1, line 23, the inserted words after "3" and subsection "a"---change and to or.

Date: Feb 16, 2015Roll Call Vote: 2

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1382**

House Industry, Business & Labor Committee☐ Subcommittee☐ Conference CommitteeAmendment LC# or Description: 15.0903.01002 amendedRecommendation: ☒ Adopt Amendment☐ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☐ As Amended☐ Rerefer to AppropriationsOther Actions: ☐ Reconsider☐Motion Made By Rep Ruby Seconded By Rep Kasper

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Representative Lefor		
Vice Chairman Sukut			Representative Louser		
Representative Beadle			Representative Ruby		
Representative Becker			Representative Amerman		
Representative Devlin			Representative Bosch		
Representative Frantsovog			Representative Hanson		
Representative Kasper			Representative M Nelson		
Representative Laning					

*Voice Vote
motion passed*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

revised amendment

Date: Feb 16, 2015Roll Call Vote: 3

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1382**

House Industry, Business & Labor Committee☐ Subcommittee☐ Conference CommitteeAmendment LC# or Description: 15.0903.01002 amended

Recommendation:

☐ Adopt Amendment☒ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☒ As Amended☐ Rerefer to Appropriations

Other Actions:

☐ Reconsider☐Motion Made By Rep. Sukut Seconded By Rep. Laning

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	x		Representative Lefor	x	
Vice Chairman Sukut	x		Representative Louser	x	
Representative Beadle	x		Representative Ruby	x	
Representative Becker	x		Representative Amerman	x	
Representative Devlin	x		Representative Boschee	x	
Representative Frantsvog	Ab		Representative Hanson	x	
Representative Kasper	x		Representative M Nelson	x	
Representative Laning	x				

Total (Yes) 14 No 0Absent 1Floor Assignment Rep. Lefor

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1382: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1382 was placed
on the Sixth order on the calendar.

Page 1, line 1, replace "chapter 49-03" with "chapters 10-13 and 40-32"

Page 1, line 2, after "cooperatives" insert "and municipal power agencies"

Page 1, line 5, replace "49-03" with "10-13"

Page 1, line 10, after the underscored comma insert "electric public utility."

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Page 1, remove line 16

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Page 1, line 18, remove "and the commission."

Page 1, line 21, remove "the commission may not issue a certificate of public convenience"

Page 1, line 22, replace "and necessity for the proposed line of the electric transmission
provider or designee" with "the rural electric cooperative shall have the right to
construct the line"

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owned, leased, or operated by a municipal utility or municipal power agency and by
a rural electric cooperative or by an electric public utility doing business in this state
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terms and conditions, including design, construction, ownership, and
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 - b. If parties are unable to agree, this subsection does not compel a party to participate in the project or be construed as a waiver by any party of its right to establish and enforce any requirements for interconnection of transmission facilities to its transmission system."

Renumber accordingly

2015 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1382

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Roosevelt Park Room, State Capitol

HB 1382 Engrossed

3/11/2015

Job Numbers 24634 & 24638

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature

Era Liebelt

Explanation or reason for introduction of bill/resolution:

Relating to the construction of electric transmission lines by cooperatives and municipal power agencies

Minutes:

Attachments

Chairman Klein: Opened the hearing.

Representative Laning: Written Testimony Attached (1) & Proposed Amendment (2). Job Number 24634, (4:49 to 8:04)

Chairman Klein: On the amendments were they presented on the other side, we won't be creating contention here?

Representative Laning: No we worked a great deal with both the Investor Owned Utility and the Municipal Power Agencies and all have had a chance to look at these and are in agreement. (8:15-8:57)

Dale Niezwaag, Senior Legislative Representative for Basin Electric Power Cooperative: Written Testimony Attached (3). Job Number 24638, (:09-6:35)

Senator Sinner: Asked for an example of a situation where this would be in place.

Dale Neizwaag: In western North Dakota you have the Western Area Power Administration and Basin Electrics grid as part of the backbone. It serves our member consumers and also MDU has some taps off of that line that serves their substations and their consumers. If a situation where MDU, who is a member of MISO, they get together with their large planning process with all of their groups and they say we have a problem in western North Dakota we need to build a line that would interconnect with a Basin line connecting to a MDU line or MDU substation. They go through the planning process and they say yes this needs to be done and they would come find out what the solution was and would say here is a line that needs to be built to do this. Anyone looking to construct that line would review the North Dakota law and find this provision in there and say that the utility of interconnection has the ability to do that. Then that would defer to Basin Electric or MDU. In that situation

we would do what we have done many times in the past fifty years, representatives from Basin and MDU would get together and say okay this line needs to be built from point a to point b and who mostly benefits from the line. If it is meant to serve MDU consumers than MDU will be the ones that would build and operate the line and gain the revenue. Then we would come to an agreement that they would either interconnect with us, adding this load causes a problem here, you will have to mitigate that, here is our interconnection procedures and policies you make sure you follow those, you come to an agreement and you make sure the line is built. (6:50-8:25)

Senator Sinner: Without this law they may just hire someone to go in and put the line in?

Dale Niezwaag: If this bill is not in place they will do the same planning process and then they would solicit solutions from anybody who wants it. We will have different companies owning different parts of our transmission grid. (8:35-8:50)

Chairman Klein: Are we being proactive here, is this an issue you have been faced with?

Dale Niezwaag: The problem comes in when you join the RTO. When you join the RTO you become part of this multistate process and all of a sudden instead of controlling your part of the world you have half of the United State involved in your world. (9:38-10:15)

Senator Murphy: Basically when you joined the RTO, you are afraid of getting voted off the island right? You are giving up some freedoms and you are trying to insure that you have some parochial rights in North Dakota.

Dale Niezwaag: Yes.

Senator Murphy: Aren't we hooked up to Canada?

Dale Niezwaag: We do have interconnection agreements with Canada. There are lines that go to the border. We do have power sharing agreements.

Kathy Aas, Excel Energy: In support of the bill and the amendments.

Shane Goettle, MDU Resources: In support of the bill.

Rachel Retterath, Great River Energy: In support of the bill.

Chairman Klein: Closed the hearing.

Senator Burckhard: Moved to adopt the amendment.

Senator Poolman: Seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Burckhard: Moved a do pass as amended.

Senator Poolman: Seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Burckhard will carry the bill.

TVS
3/11/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1382

Page 1, line 23, remove "municipal utility or municipal power agency and by a rural electric cooperative or".

Page 1, line 24, replace "by an" with "rural electric cooperative and facilities owned, leased, or operated by a municipal utility, a municipal power agency, or an"

Page 2, line 1, after "The" insert "rural electric cooperative and"

Page 2, line 1, replace "or" with an underscored comma

Page 2, line 1, replace "and the rural electric cooperative" with an underscored comma

Page 2, line 9, remove "This section must be construed and applied to the maximum extent possible in a"

Page 2, replace line 10 with "For purposes of this section, a "municipal utility" means anything a municipality is allowed to possess under section 40-33-01 and a "municipal power agency" has the meaning provided in section 40-33.2-02."

Page 3, line 2, after "and" insert "facilities owned, leased, or operated"

Page 3, line 3, remove "by"

Renumber accordingly

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
HB 1382 Engrossed**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 15.0903.02003

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Burckhard Seconded By Senator Poolman

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
HB 1382 Engrossed**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 15.0903.02003

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Burckhard Seconded By Senator Poolman

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Burckhard

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1382, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1382 was placed on the Sixth order on the calendar.

Page 1, line 23, remove "municipal utility or municipal power agency and by a rural electric cooperative or"

Page 1, line 24, replace "by an" with "rural electric cooperative and facilities owned, leased, or operated by a municipal utility, a municipal power agency, or an"

Page 2, line 1, after "The" insert "rural electric cooperative and"

Page 2, line 1, replace "or" with an underscored comma

Page 2, line 1, replace "and the rural electric cooperative" with an underscored comma

Page 2, line 9, remove "This section must be construed and applied to the maximum extent possible in a"

Page 2, replace line 10 with "For purposes of this section, a "municipal utility" means anything a municipality is allowed to possess under section 40-33-01 and a "municipal power agency" has the meaning provided in section 40-33.2-02."

Page 3, line 2, after "and" insert "facilities owned, leased, or operated"

Page 3, line 3, remove "by"

Renumber accordingly

2015 TESTIMONY

HB 1382

1

Introduction for HB 1382
House Industry, Business, and Labor Committee
February 2, 2015

Mr. Chairman and members of the IB&L committee, for the record I'm Vernon Laning, District 8 Representative and I'm here today to introduce House Bill 1382.

The bill before you is commonly referred to as a "Right of First Refusal" and would give rural electric cooperatives the right to construct, own, and maintain a transmission line that would interconnect to a line already owned or operated by the cooperative. This is a very similar bill to what was placed into law in 2011 by the legislature for the investor owned utilities.

In North Dakota many of the utilities have joined either Regional Transmission Organizations (RTO's) or Independent System Operators (ISO's) which are large multi-state organizations that seek to improve the cost and efficiency of producing and transporting electricity in the United States.

These RTO's and ISO's work to gain generation improvements by controlling which generating plants operate to provide the lowest cost power for the demand needed at the time. They also work to control the operation and expansion of electric transmission as one large multi-state grid versus many smaller regional grids.

Since several utilities in North Dakota are members of different RTO's and ISO's but are very interconnected in their operations it significantly changes how they operate together. In the past various utilities that wanted to build interconnecting transmission lines simply got together and developed agreements on construction, operation and cost, those days are now gone, so a more formal process must be used.

In the RTO/ISO world the transmission system is viewed from multistate area much larger than any North Dakota utility covers and decisions are made by large groups of stakeholders, many with no knowledge of or involvement in the state.

This is why this legislation is needed. It provides an opportunity for utilities to retain some local control over who constructs, and owns transmission lines that connect to their system and lays out a process for determining who will have the right to construct and own new transmission lines in the state.

I'll be followed by Dale Niezwaag, Sr Legislative Representative with Basin Electric, who will walk you through the sections of the bill and provide more detailed testimony. I thank you for letting me provide the introduction today and I'll stand for any questions.

North Dakota House Bill 1382
Dale Niezwaag - Basin Electric Power Cooperative
House Industry Business and Labor Committee
February 2, 2015

Mr. Chairman and members of the committee, my name is Dale Niezwaag, representing Basin Electric Power Cooperative.

The first thing I must say is that all the parties interested in this legislation support the concept and need for a state Right of First Refusal when discussing high voltage transmission construction, and ownership. Those parties include the Electric Cooperatives, Investor Owned Utilities and the Public Service Commission.

I want to thank and complement the representatives from MDU, Ottertail Power, Excel, and the Public Service Commission. Everyone involved has been working extremely hard to find a solution that fits everyone's needs.

That being said, the utilities involved have spent the last four weeks trying to accomplish that task, but at this point have not finalized acceptable language. Last week the ND Public Service Commission weighed in with their concerns so we are now including them in our discussions.

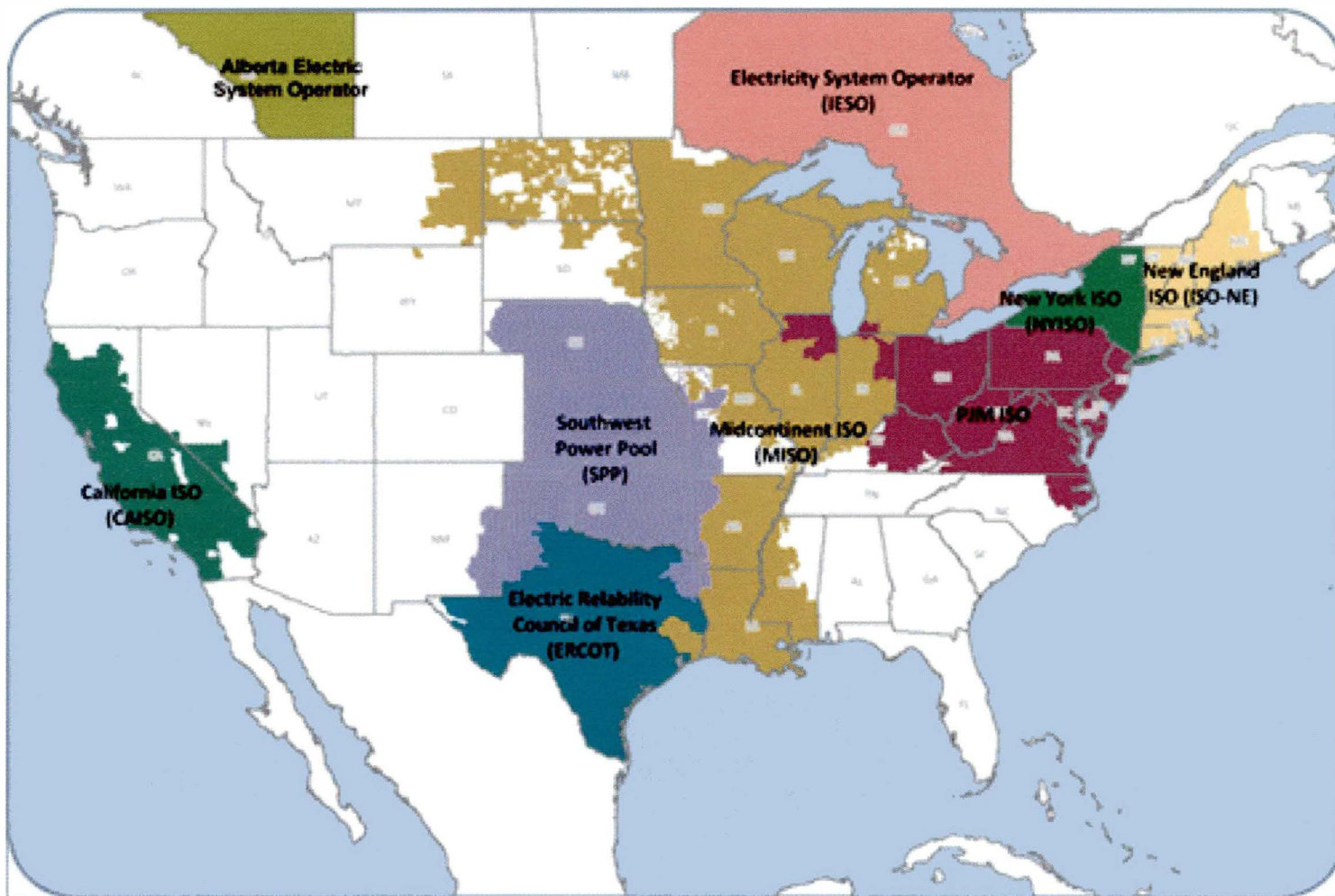
The goal of this legislation is to allow cooperatives who operate in North Dakota and have the obligation to serve members/customers in the state some control over who builds, and owns the transmission facilities that serve those member/customers. As Representative Laning stated similar legislation for the states Investor Owned Utilities (IOU's) was passed by the 2011 Legislature.

In the past, the parties involved in developing the state's electric transmission grid included local utilities, the Western Area Power Administration and the Public Service Commission, which made it complex in its own right. Today you must include Regional Transmission Organizations like the Southwest Power Pool, Independent System Operator's like the Midwest Independent System Operator and the Federal Regulatory Energy Commission. Add to this mix the interconnectedness of all the states utilities into the existing transmission grid and the complexity moves to a whole new level.

The bottom line, as I said in the beginning is that all the parties in the state agree that this legislation is important and needed, and we will continue to work with all the interested parties to find a solution and bring you acceptable amendments to HB 1382, but at this time we do not have those fully developed.

I thank the committee for their time and would be happy to answer any questions from the Committee.

Established RTO's and ISO's



pg 2

February 2, 2015
by Todd Kranda

3

**Testimony in Support of
House Bill No 1382
House Industry Business and Labor Committee**

Good morning, Chairman Keiser, Members of the House Industry Business & Labor Committee, my name is Deb Birgen. Unfortunately, I am unable to attend today's hearing but I have asked Todd D. Kranda, an attorney at Kelsch Kelsch Ruff & Kranda law firm in Mandan and a lobbyist for Missouri River Energy Services, to appear on my behalf and provide this testimony and the amendment that is attached regarding the right of first refusal (ROFR) in the construction of electric transmission lines in the state. I serve as the Director of Legislative & Governmental Relations for Missouri River Energy Services (Missouri River). I am speaking to you on behalf of Missouri River which is a municipal power agency that provides wholesale electricity to six member communities in this state, including Cavalier, Hillsboro, Lakota, Northwood, Riverdale and Valley City. Missouri River appears before you today to support HB 1382 with the attached amendment.

Why do we want this amendment? First, some background information: The Federal Energy Regulatory Commission (FERC) opened a docket for a Notice of Proposed Rulemaking, namely, RM 10-23-000, "Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities." In the docket FERC considered several items, one of which was limiting the right of first refusal. FERC indicated that:

"Based on the comments submitted in response to the October 2009 Notice, there appear to be opportunities for undue discrimination and preferential treatment against nonincumbent transmission developers within existing regional transmission planning processes. (131 FERC ¶ 61,25, Federal Energy Regulatory Commission, 18 CFR Part 35; Docket No. RM10-23-000; Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities (Issued June 17, 2010), p. 51)"

1

FERC then opened the docket for comments, including limiting the right of first refusal. In response, Missouri River, as a member of the Transmission Access Policy Study Group (TAPS), filed comments September 29, 2010, agreeing that FERC should follow through on limiting the right of first refusal. Specifically, TAPS recommended a middle of the road approach by having right of first refusal conditioned on the incumbent transmission owner agreeing to: (1) forego any return on equity rate incentives for the transmission upgrade; and (2) offer meaningful (e.g. load ratio share) joint ownership, on reasonable commercial terms, to transmission dependent utilities in the area.

In 2011, ND passed a law on right of first refusal that gave the opportunity to invest in new transmission to incumbent public utilities; now the cooperatives are asking for that same right and opportunity to invest in new transmission. If a new transmission line interconnects with an existing cooperative line, they would like to be offered the opportunity to jointly own the newly constructed line. We support that change in law *provided that* municipal electric utilities and municipal power agencies are given the same right and opportunity for joint ownership of newly constructed transmission lines.

Missouri River, as well as the municipal electric utilities of Valley City and Moorhead, Minnesota own transmission facilities in the state of North Dakota. Without the ability to participate in joint ownership, the incumbent owners have a huge advantage. They can shape any and all transmission projects to their own needs and use right of first refusal to discourage others from proposing transmission projects that may be more cost-effective. They could also monopolize the transmission rate benefits. On the other hand,

customers would benefit when their transmission dependent utility, like a municipal power agency, is able to invest on their behalf in a new line rather than be dependent on the plans of others. This gives transmission dependent utilities a way to manage financial risk of transmission rate increases that are usually associated with new line construction. By being at the table, at the very least—we are given the opportunity to negotiate and coordinate on the construction of the new line. Coordination of the ownership interests of the parties involved, will also minimize infrastructure investments and protect the ratepayer.

Finally, MRES has seen what happens to municipal electric utilities when not given the opportunity to invest in a new transmission line that is being interconnected to their communities. In Southeastern Minnesota, five of our municipal electric utilities are served by one incumbent transmission provider. Transmission rates have increased in the past few years by 300% as that provider expanded existing transmission. If municipal electric utilities, and cooperatives, are given the opportunity to build or invest in a transmission line interconnected to their facilities, they are in a position to hedge against such transmission rate increases.

The proposed amendment does two things. First, it defines an electric transmission provider as any owner or operator of a transmission line. That would clarify that it includes MRES, as a CapX 2020 participant, and our member municipal electric utilities which also own some transmission in the state. Second, the definition of power supplier is added to include all incumbent utilities that supply retail or wholesale power

in the state. Finally, by inserting "power supplier" in the appropriate places in HB 1382, it clarifies that whether the transmission facilities are owned by a municipal, cooperative or public utility, that local utility has a right to an opportunity to invest in any new transmission line interconnected to its system.

Thank you for taking the time to consider these comments and this amendment. Missouri River and its members hope that you will recognize the need to allow transmission dependent utilities to have opportunities to invest on behalf of the customers on equal footing with cooperatives.

**PROPOSED AMENDMENTS TO
HOUSE BILL NO. 1382**

Page 1, line 2, after the semicolon insert "to amend and reenact section 49-03-01.5 of the North Dakota Century Code, relating to definitions;"

Page 1, line 9, after "provider" insert "and power supplier"

Page 1, line 14, after "cooperative" insert "or power supplier"

Page 1, line 17, after "cooperative" insert "or power supplier"

Page 1, line 20, after "cooperative" insert "or power supplier"

Page 1, after line 24, insert:

"SECTION 2. AMENDMENT. Section 49-03-01.5 of the North Dakota Century Code is amended and reenacted as follows:

49-03-01.5. Definitions.

As used in sections 49-03-01 through 49-03-01.5:

1. "Electric provider" means either an electric public utility or a rural electric cooperative.
2. "Electric public utility" means a privately owned supplier of electricity offering to supply or supplying electricity to the general public.
3. "Electric transmission line" means facilities for conducting electric energy at a design voltage of one hundred fifteen kilovolts or greater phase to phase and more than one mile [1.61 kilometers] long.
4. "Electric transmission provider" means an owner or operator, other than a rural electric cooperative, of a transmission line ~~the costs of which are recovered directly or indirectly through transmission charges to an electric public utility.~~
5. "Person" includes an individual, an electric public utility, a corporation, a limited liability company, an association, or a rural electric cooperative.

6. "Power Supplier" means any electric public utility, electric cooperative corporation, or municipal power agency making wholesale sales in the state.

67. "Rural electric cooperative" includes any electric cooperative organized under chapter 10-13. An electric cooperative, composed of members as prescribed by law, shall not be deemed to be an electric public utility.

78. "Service area" means a defined geographic area containing existing or future service locations established by an agreement among electric providers and approved by the commission.

89. "Service area agreement" means an agreement between electric providers establishing service areas and designating service locations to be served by each provider under section 49-03-06.

910. "Service location" means the structures, facilities, or improvements on a parcel of real property to which electric service may be provided."

Renumber accordingly

House Bill 1382

Presented by: **Brian P. Kalk, Commissioner**
Public Service Commission

Before: **House Industry, Business and Labor Committee**
The Honorable George Keiser, Chairman

Date: **February 2, 2015**

TESTIMONY

Mister Chairman and committee members, I am Brian Kalk, Public Service Commissioner.

The Public Service Commission supports what we understand is the main purpose of House Bill 1382, to provide North Dakota's electric cooperatives the same statutory right of first refusal that the state's investor owned utilities have today under N.D.C.C. Chapter 49-03. However, the Commission does not support any statutory delegation of dispute resolution to regional transmission organizations or another regional group.

We have not had an opportunity to review the most recent version of any proposed amendments. We reviewed and discussed a version we received last Friday, which provided that any disputes between a cooperative and an investor owned utility that are members of the same regional transmission organization would be resolved using the procedures of that organization. Similarly, the version we reviewed stated that any disputes between an investor owned utility and a cooperative that are members of different regional transmission organizations would be resolved by using the procedures of an interregional transmission planning group.

A delegation of state authority to a regional transmission organization or a regional group is of great concern to the Commission for several reasons. The first reason is that the Commission does not have sufficient information regarding the dispute resolution procedures that will be used to know if such a statutory scheme unreasonably or inappropriately usurps state authority.

Secondly, when such a scheme is written into state law, the state is disadvantaged, *vis a vis* federal authority. A statutory delegation of state authority can be used as precedent supporting an assertion that the sovereign state has given its authority to the federal jurisdiction, even if there is no federal preemption and no rational basis to do so. This approach can have substantial unforeseen adverse consequences, especially today in the precarious federal/state relationship that is the regional transmission organization environment. The proposal that disputes will be resolved regionally inappropriately and unnecessarily blurs the line between federal and state jurisdiction at a time when jurisdictional disputes are likely.

Thirdly, the Commission is concerned with the ratemaking consequences of such a delegation of authority, and the message this language would send to the state's investor owned utilities. The investor owned utilities are the companies that are subject to the Commission's ratemaking jurisdiction. The Commission hopes policymakers do not encourage actions by the utilities that unnecessarily result in higher rates for ratepayers.

Jurisdictional utilities pay transmission costs through the tariffs of the regional transmission organizations, which are approved by the Federal Energy

Regulatory Commission (FERC). Once approved, utilities must pay the FERC approved rates, and then recover those costs from their ratepayers. The Commission has no authority to deny the utilities cost recovery of costs they have incurred by paying FERC approved rates.

The dispute resolution procedures of a regional transmission organization are unlikely to be concerned with the rate impact of that resolution on ratepayers. Nor, necessarily, are the utilities that are involved in the dispute. A utility can participate in a dispute procedure at a regional transmission organization knowing that the utility will not bear any of the resulting transmission costs itself. Once the dispute is resolved, that utility can simply file with the state for recovery of the costs (because they will be costs from the FERC approved regional transmission organization tariff) and the Commission will have to flow those costs through to local ratepayers.

The only jurisdiction concerned with the costs borne by state ratepayers is the state. If the state enacts a law delegating its authority to a regional transmission organization, the state is abrogating its responsibility to ratepayers.

Mister Chairman, this concludes my testimony. I will be happy to answer any questions.

Feb 16, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1382

Page 1, line 1, replace "chapter 49-03" with "chapters 10-13 and 40-32"

Page 1, line 2, after "cooperatives" insert "and municipal power agencies"

Page 1, line 5, replace "49-03" with "10-13"

Page 1, line 10, after the underscored comma insert "electric public utility,"

Page 1, line 12, replace "An" with "Except as provided in subsection 3, an"

Page 1, line 15, after "notice" insert "to the rural electric cooperative"

Page 1, line 15, remove "at least one"

Page 1, remove line 16

Page 1, line 17, remove "necessity for that line"

Page 1, line 18, remove "and the commission."

Page 1, line 21, remove "the commission may not issue a certificate of public convenience"

Page 1, line 22, replace "and necessity for the proposed line of the electric transmission provider or designee" with "the rural electric cooperative shall have the right to construct the line"

Page 1, line 23, after "3." insert: "If an electric transmission line would interconnect facilities owned, leased, or operated by a municipal utility or municipal power agency and by a rural electric cooperative or by an electric public utility doing business in this state the following conditions apply:

- a. The municipal utility or municipal power agency and the rural electric cooperative or the electric public utility shall attempt to agree on all terms and conditions, including design, construction, ownership, and operation of the electric transmission line.
- b. If parties are unable to agree, this subsection does not compel a party to participate in the project or be construed as a waiver by any party of its right to establish and enforce any requirements for interconnection of transmission facilities to its transmission system.

4."

Page 1, after line 24, insert:

"**SECTION 2.** A new section to chapter 40-33 of the North Dakota Century Code is created and enacted as follows:

Right of municipal electric utilities and municipal power agencies to construct, own, and maintain electric transmission lines.

1. For purposes of this section, the terms electric transmission provider, electric transmission line, and electric public utility, have the same

meanings as in section 49-03-01.5. Municipal power agency has the meaning provided in section 40-33.2-02 and also includes a municipal power agency of which any municipality in this state is a member.

2. Except as provided in subsection 3, an electric transmission provider or designee may not construct an electric transmission line interconnecting with an existing electric transmission line owned, leased, or operated by a municipal utility or municipal power agency, unless the electric transmission provider or designee has provided written notice to the municipal utility or municipal power agency of its intention to do so. If the municipal utility or municipal power agency provides written notification to the electric transmission provider or designee within one hundred eighty days from receipt of the written notice under this subsection, that the municipal utility or municipal power agency is willing and able to construct and operate a similar electric transmission line, the municipal utility or municipal power agency shall have the right to construct said line.
3. If an electric transmission line would interconnect facilities owned, leased, or operated by a municipal utility or municipal power agency and by a rural electric cooperative or by an electric public utility doing business in this state the following conditions apply:
 - a. The municipal utility or municipal power agency ^{or} and the rural electric cooperative or the electric public utility shall attempt to agree on all terms and conditions, including design, construction, ownership, and operation of the electric transmission line.
 - b. If parties are unable to agree, this subsection does not compel a party to participate in the project or be construed as a waiver by any party of its right to establish and enforce any requirements for interconnection of transmission facilities to its transmission system."

Renumber accordingly



Public Service Commission State of North Dakota

Casey Furey #2

COMMISSIONERS

Brian P. Kalk
Randy Christmann
Julie Fedorchak

Executive Secretary
Darrell Nitschke

February 16, 2015

The Honorable George Keiser, Chairman
Industry, Business and Labor Committee
North Dakota House of Representatives
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Bismarck, ND 58505

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RE: House Bill 1382

Dear Chairman Keiser,

The Public Service Commission asked me to provide you with the position of the Commission on the proposed amendments to House Bill 1382.

As you may recall from the Commission's testimony at the hearing, the Commission supports the purpose of House Bill 1382. The Commission recognizes the importance of North Dakota utilities having a Right of First Refusal. This right helps provide safe and reliable services to North Dakota customers while serving the financial interests of ratepayers.

As you also may recall, the Commission's objection to previous amendments of the bill was the statutory delegation of dispute resolution authority to regional transmission organizations, and subsequent impacts on the ratemaking process resulting in unnecessary high rates for ratepayers.

The Commission has had an opportunity to review the proposed changes and believes the revised bill satisfactorily addresses the Commission's previous concerns. The Commission appreciates the proponents making these changes and providing them to the Commission so that we may provide the Committee with our assessment of the bill.

Please feel free to contact me with any questions, or if I can provide any additional information. Thank you.

Sincerely,

Casey A. Furey
Attorney
North Dakota Public Service Commission

CC:

Vice Chairman Sukut
Representative Amerman
Representative Beadle
Representative Becker
Representative ReBoschee
Representative Devlin
Representative Frantsvog

Representative Hanson
Representative Kasper
Representative Laning
Representative Lefor
Representative Louser
Representative Nelson
Representative Ruby

Introduction for HB 1382
Senate Industry, Business, and Labor Committee
March 11, 2015

Mr. Chairman and members of the IB&L committee, for the record I'm Vernon Laning, District 8 Representative and I'm here today to introduce Engrossed House Bill 1382 and to ask you to further amend this bill. The amendments I will be proposing are basically feel good language so I'd like to introduce the bill first and then address the amendments.

The bill before you is commonly referred to as a "Right of First Refusal" and would give rural electric cooperatives the right to construct, own, and maintain a transmission line that would interconnect to a line already owned or operated by the cooperative. This is a very similar bill to what was placed into law in 2011 by the legislature for the investor owned utilities.

In North Dakota many of the utilities have joined either Regional Transmission Organizations (RTO's) or Independent System Operators (ISO's) which are large multi-state organizations that seek to improve the cost and efficiency of producing and transporting electricity in the United States.

These RTO's and ISO's work to gain generation improvements by controlling which generating plants operate to provide the lowest cost power for the demand needed at the time. They also work to control the operation and expansion of electric transmission as one large multi-state grid versus many smaller regional grids.

Since several utilities in North Dakota are members of different RTO's and ISO's but are very interconnected in their operations it significantly changes how they operate together. In the past various utilities that wanted to build interconnecting transmission lines simply got together and developed agreements on construction, operation and cost, those days are now gone, so a more formal process must be used.

In the RTO/ISO world the transmission system is viewed from multistate area much larger than any North Dakota utility covers and decisions are made by large groups of stakeholders, many with no knowledge of or involvement in the state.

The amendments presented simply reorganize the different utility groups in the proper order for the proper section of code and then clarify definitions, process, ownership and operations of the transmission facilities.

This is why this legislation is needed. It provides an opportunity for utilities to retain some local control over who constructs, and owns transmission lines that connect to their system and lays out a process for determining who will have the right to construct and own new transmission lines in the state.

I'll be followed by Dale Niezwaag, Sr Legislative Representative with Basin Electric, who will provide more detailed testimony. I thank you for letting me provide the introduction today and I'll stand for any questions.

3/11/15

#2

15.0903.02003
Title.

Prepared by the Legislative Council staff for
Representative Laning
March 10, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1382

Page 1, line 23, remove "municipal utility or municipal power agency and by a rural electric cooperative or"

Page 1, line 24, replace "by an" with "rural electric cooperative and facilities owned, leased, or operated by a municipal utility, a municipal power agency, or an"

Page 2, line 1, after "The" insert "rural electric cooperative and"

Page 2, line 1, replace "or" with an underscored comma

Page 2, line 1, replace "and the rural electric cooperative" with an underscored comma

Page 2, line 9, remove "This section must be construed and applied to the maximum extent possible in a"

Page 2, replace line 10 with "For purposes of this section, a "municipal utility" means anything a municipality is allowed to possess under section 40-33-01 and a "municipal power agency" has the meaning provided in section 40-33.2-02."

Page 3, line 2, after "and" insert "facilities owned, leased, or operated"

Page 3, line 3, remove "by"

Renumber accordingly

North Dakota House Bill 1382
Dale Niezwaag - Basin Electric Power Cooperative
Senate Industry Business and Labor Committee
March 11, 2015

Mr. Chairman and members of the committee, my name is Dale Niezwaag, representing Basin Electric Power Cooperative. I am here today in support of the amended version of House Bill 1382

This legislation allows cooperatives who operate in North Dakota and have the obligation to serve members/customers in the state some control over who builds, owns, and operates the transmission facilities that serve those member/customers. Similar legislation for the states Investor Owned Utilities (IOU's) was passed by the 2011 Legislature. This legislation is more detailed than the legislation passed in 2011 but with the interconnectedness of the IOU's, cooperatives, and some municipalities in North Dakota a more detail bill is needed.

Many of the utilities in North Dakota have joined, or are joining Regional Transmission Organizations (RTO's) or Independent System Operator's (ISOs). Basin Electric is in the process of joining the Southwest Power Pool (SPP), which is an RTO. Montana Dakota Utilities, Ottertail Power, and Xcel, have joined the Midwest Independent System Operator (MISO). Various municipalities are members of both organizations.

In the past, the local owners and operators of the transmission grid would participate in a planning process then decide what transmission facilities were needed to serve their member/customers and who would build, own, and operate those facilities. That group would then get together, develop an agreement on what was needed, who would build, own, operate, and pay for the new line. That system changed when the Federal Regulatory Energy Commission (FERC) decided that regional organizations need to be developed to increase the efficiency of the national generation and transmission grid system. Along with the regional organizations, they also laid out a planning process that not only includes the transmission owners but any other organization or regulatory agency that may have an interest or stake in the transmission grid or individual line.

In an RTO/ISO the multi-state members of those organizations and additional stakeholders participate in a similar but more formal planning process for constructing and upgrading transmission facilities. The RTO/ISO looks at its entire multi-state transmission system, identifies problem areas and then solicits solutions from transmission line owners and independent companies.

The RTO/ISO then selects the solution and selects the company that will build, own, operate, and recover the cost of the project.

The concern of cooperatives in North Dakota, as it was with the IOU's in 2011, is the organization awarded a particular project by the RTO/ISO, can be a utility or merchant

company that has no ties or load serving obligations in the State and therefore may not serve in the best interests of the consumers, land-owners or the state. Concerns include how easements are obtained, landowner problems are addressed, costs are recovered, and how closely state agency rules and regulations are followed.

However, FERC rules do allow the RTO/ISO to defer to state laws granting the incumbent utilities the right to determine if they want to build the needed additional transmission facilities.

With a Right of First Refusal (ROFR) the incumbent utility with the obligation to serve loads in the state has the right to build transmission facilities that the RTO/ISO determines are needed and interconnect with the utility's existing transmission system.

As stated earlier the North Dakota Investor-owned utilities already have this right in NDCC Section 49-03.

Section 1, subsection 1 of the bill explains that the definitions used in this legislation have the same meaning as those in 49-03-01.5 which is where the IOU ROFR is contained.

Section 1, subsection 2 of the bill states that an electric provider or designee that is not doing business in North Dakota has to provide written notice of their intent to construct a transmission line to a cooperative, the cooperative has 180 days to respond to the notice and decide if they want to build the line themselves subject to the provisions in subsection 3.

Section 1, subsection 3 of the bill states if an electric public utility (IOU) or municipal utility or municipal power agency doing business in the state wants to interconnect several conditions apply.

Subsection 3a says all parties shall attempt to agree to all the terms and conditions involved with building and owning the line.

Subsection 3b says if the parties do not agree, nothing in this law forces them to be part of a project, or can be seen as a waiver of their interconnection requirements in regards to interconnecting transmission lines.

This legislation does not and cannot try to address every possible transmission interconnection issue that may arise from different entities adding transmission line. That is what the RTO's, ISO's, and FERC are for and they either have policies in place or are working on policies to handle various situations.

I thank the committee for their time and consideration and would urge an adoption of the proposed amendments to House Bill 1382 and a Do Pass vote on a final amended bill. I would be happy to answer any questions from the Committee.