

SENATE BILL NO. 343

INTRODUCED BY R. WEBB

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING NET METERING LAWS; REQUIRING PUBLIC UTILITIES
5 TO INSTALL METERS; ESTABLISHING CRITERIA FOR NET METERING SYSTEMS; ESTABLISHING
6 CRITERIA FOR DETERMINING THE VALUE OF ELECTRICITY PRODUCED AND DELIVERED BY
7 CUSTOMER-GENERATORS AND PUBLIC UTILITIES USING AVOIDED COST; REQUIRING THE PUBLIC
8 SERVICE COMMISSION TO ESTABLISH A SEPARATE RATE CLASS FOR CUSTOMER-GENERATORS;
9 REQUIRING AVOIDED COST TO BE DETERMINED BASED ON THE LIFE EXPECTANCY OF NET METERING
10 EQUIPMENT; REQUIRING THE COMMISSION TO ESTABLISH A MONTHLY SERVICE CHARGE FOR
11 CUSTOMER-GENERATORS; AMENDING SECTIONS 69-8-602, 69-8-603, AND 69-8-604, MCA; AND
12 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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16 **Section 1.** Section 69-8-602, MCA, is amended to read:

17 **"69-8-602. Utility net metering requirements.** (1) A public utility shall:

18 ~~———(1) allow net metering systems to be interconnected using a standard kilowatt-hour meter meters~~
19 ~~installed by the public utility capable of registering measuring the flow amount of electricity in two directions;~~
20 ~~unless the commission determines, after appropriate notice and opportunity for comment:~~

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

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

25 ~~———(2) charge the customer-generator a minimum monthly fee that is the same as other customers of the~~
26 ~~electric utility in the same rate class. produced by the customer-generator, the amount of electricity consumed~~
27 ~~by the customer-generator, the amount of electricity delivered to the public utility by the customer-generator, and~~
28 ~~the amount of electricity delivered to the customer-generator by the public utility.~~

29 (2) (a) The commission shall establish a separate rate class for customer-generators.

30 (b) Electricity produced by the customer-generator must be valued at the public utility's avoided cost

1 short-term energy rate as determined by the commission.

2 (c) The commission shall determine the rate according to the standard in subsection (3).

3 (3) (a) The avoided cost determined by the commission must be based on the certified life expectancy
4 of the net metering system.

5 (b) Certification of a net metering system must be provided by the manufacturer or an independent
6 testing lab.

7 (4) A customer-generator shall also pay a monthly service charge determined by the commission that
8 is sufficient to cover the customer-generator's share of a public utility's fixed costs of operation.

9 (5) The commission shall determine, after appropriate notice and opportunity for comment if:

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

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

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15 **Section 2.** Section 69-8-603, MCA, is amended to read:

16 **"69-8-603. Net energy measurement calculation.** Consistent with the other provisions of this part, the
17 net energy measurement must be calculated in the following manner:

18 (1) The public utility shall measure the net electricity produced, ~~or consumed,~~ and delivered during the
19 billing period, in accordance with ~~normal metering practices~~ 69-8-602.

20 (2) If the electricity ~~supplied~~ delivered by the ~~electricity supplier~~ public utility exceeds the electricity
21 ~~generated~~ produced by the customer-generator and ~~fed back~~ delivered to the ~~electricity supplier~~ public utility
22 during the billing period, the customer-generator must be billed for the net electricity ~~supplied~~ delivered by the
23 ~~electricity supplier~~ public utility and billed for the appropriate monthly service charge, in accordance with ~~normal~~
24 ~~metering practices~~ 69-8-602.

25 (3) If electricity ~~generated~~ delivered by the customer-generator exceeds the electricity ~~supplied~~ delivered
26 by the ~~electricity supplier~~ public utility, the customer-generator must be:

27 (a) billed for the appropriate ~~customer charges~~ monthly service charge for that billing period, in
28 accordance with 69-8-602; and

29 (b) credited for the ~~excess kilowatt hours generated during the billing period, with this kilowatt-hour value~~
30 of the electricity delivered to the public utility in accordance with 69-8-602, with the credit appearing on the bill

1 for the following billing period.

2 (4) On January 1, April 1, July 1, or October 1 of each year, as designated by the customer-generator
3 as the beginning date of a 12-month billing period, any remaining unused kilowatt-hour credit accumulated during
4 the previous 12 months must be granted to the ~~electricity supplier~~ public utility, without any compensation to the
5 customer-generator."

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7 **Section 3.** Section 69-8-604, MCA, is amended to read:

8 **"69-8-604. Net metering system -- reliability and safety.** (1) A net metering system used by a
9 customer-generator must include, ~~at the customer-generator's own expense,~~ all equipment necessary to meet
10 applicable safety, power quality, and interconnection requirements established by the national electrical code,
11 national electrical safety code, institute of electrical and electronic engineers, and underwriters laboratories.

12 (2) The commission, after appropriate notice and opportunity for comment, may adopt by rule additional
13 safety, power quality, and interconnection requirements for ~~customer-generators~~ net metering systems that the
14 commission ~~or the local governing body~~ determines are necessary to protect public safety and net metering
15 system reliability."

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17 NEW SECTION. **Section 4. Saving clause.** [This act] does not affect rights and duties that matured,
18 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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20 NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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22 NEW SECTION. **Section 6. Applicability.** [This act] applies to net metering equipment or facilities
23 installed or modified on or after [the effective date of this act].

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