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Energy and Telecommunications Interim Committee

64th Montana Legislature

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September 15, 2015

The Energy and Telecommunications Interim Committee at its September 11 meeting agreed to request that the Montana Public Service Commission, the Consumer Counsel, and the Department of Environmental Quality review information provided to the ETIC concerning net metering in Montana. The ETIC is looking for follow-up questions that should be posed to specific stakeholders or additional data requests that should be made of stakeholders to better understand the costs and benefits of net metering in Montana.

In June the ETIC sent Montana's regulated utilities, rural electric cooperatives, and the renewable energy industry a set of specific data requests. The information provided by stakeholders is expected to establish a foundation from which additional policy work can take place. The ETIC in September got its first look at the analysis provided by stakeholders and discussed how best to vet the information.

The ETIC recognizes that your time and resources are limited, but would respectfully request you examine the discussion of costs and benefits provided to the ETIC by stakeholders. We are seeking clarifications to ensure that the assumptions, perspectives, sources, and methodologies used by stakeholders in responding to the questions are transparent. The ETIC hopes to ensure accountability, with your assistance, of the benefit and cost estimates that have been provided. Only when verified can the information provided to the ETIC serve as a foundation for policymaking.

The ETIC is focused on providing a fair process. The committee is attempting to determine whether the current net metering policy, and the underlying rate design used by regulated utilities and cooperative utilities, leads to over-compensation or under-compensation, if at all, of net metered customers. While rate design is clearly the job of the PSC, the ETIC wants to ensure that Montana's net metering policy does not result in a misallocation of costs and benefits.

The questionnaires are available on the ETIC website under the September 11 meeting tab. At www.leg.mt.gov/etic. We would request that you provide a response, or let us know if you don't intend to provide a response, by November 30. If you have questions, please feel free to contact ETIC staff, Sonja Nowakowski at 444-3078 or snowakowski@mt.gov.