

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

STEVE BULLOCK  
GOVERNOR



MIKE COONEY  
LT. GOVERNOR

April 14, 2017

The Honorable Scott Sales  
President of the Senate  
State Capitol  
Helena, MT 59620

The Honorable Austin Knudsen  
Speaker of the House  
State Capitol  
Helena, MT 59620

Dear President Sales and Speaker Knudsen:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto Senate Bill 7 (SB 7), "AN ACT REVISING NET METERING LEGISLATIVE FINDINGS; AMENDING SECTIONS 69-8-601, 69-8-602, AND 69-8-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

SB 7 amends the legislative findings on net metering to read that "customers using net metering systems under this part may not be subsidized by other public utility customers who do not use net metering systems."

The 2015 Montana Legislature passed Senate Joint Resolution 12 (SJ 12), which requested an interim study of net metering costs and benefits. The intent of this study was to clarify whether net metered customers were shifting costs onto other customers. Ultimately, the Energy and Telecommunications Interim Committee's analysis was inconclusive, leaving the question to be answered in the future.

This legislature is likely to pass House Bill 219 (HB 219), which will provide for a study by the Montana Public Service Commission of net metering and the costs and benefits associated with net metering. HB 219 may provide for a better understanding of how net metering will impact other system customers. Thus, it is premature to draw any conclusions about this relationship, which SB 7 appears to do.

President Sales  
Speaker Knudsen  
April 14, 2017  
Page 2

In June 2016, through my Energy Blueprint, I committed to oppose any efforts to weaken our current net metering statutes. At this point in time I believe the distributed generation business sector would be negatively impacted by the regulatory uncertainty this bill creates. The number of new net metered systems being developed would be reduced in areas served by Montana public utilities as customers are forced to weigh the risks of potential investments. Hurting a vibrant sector of the economy in this manner is not in anyone's interest.

For these reasons, I veto SB 7.

Sincerely,



STEVE BULLOCK  
Governor

cc: Legislative Services Division  
Corey Stapleton, Secretary of State