

ETIC Policy Points for Discussion

Summary:

- **Should Montana’s net metering policy apply to rural electric cooperatives or to utilities other than NorthWestern Energy?**
Finding from March: Montana’s rural electric cooperatives, governed by each cooperative's own board of trustees, should continue to establish parameters for net metering systems in their individual territories. At this time, state net metering laws should not be extended to include rural electric cooperatives.
- **Should changes be made to grant, loan, tax credit, or Universal System Benefits policies that are used for net-metering?**
Finding from March: Montana offers a variety of tax, grant, loan, and other net metering incentives. The ETIC finds that the current level of incentive is adequate. The committee does not recommend changes to existing incentive programs, including Montana’s universal system benefits (USB) program which includes some funding for renewable resource projects and applications.
- **Should changes be made to the net metering definition?**
Finding:
- **Should the policy define utility, customer, and/or Public Service Commission responsibilities differently?**
Finding:
- **Should the policy be modified to direct the PSC to take specific steps to determine whether a “utility will incur direct costs associated with interconnecting or administering net metering systems that exceed any offsetting benefits associated with these net metering systems” or to review cost allocation?**
Finding:
- **Should the policy provide more direction or establish a cost allocation methodology?**
Finding:
- **Should there be changes in how net-metered customers are billed and/or credited?**
Finding:
- **Should interconnection and safety requirements in policy be changed?**
Finding:

◊ **69-8-103, MCA. Definitions.** "Net metering system" means a facility for the production of electrical energy that: (a) uses as its fuel solar, wind, or hydropower; (b) has a generating capacity of not more than 50 kilowatts; (c) is located on the customer-generator's premises; (d) operates in parallel with the utility's distribution facilities; and (e) is intended primarily to offset part or all of the customer-generator's requirements for electricity.

- **Should changes be made to the net metering definition?**

◊ **69-8-602, MCA. Utility net metering requirements.** A utility shall: (1) 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; (2) 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.

- **Should the policy define utility, customer, and/or Public Service Commission responsibilities differently?**
- **Should the policy be modified to direct the PSC to take specific steps to determine whether a "utility will incur direct costs associated with interconnecting or administering net metering systems that exceed any offsetting benefits associated with these net metering systems" or to review cost allocation?**
- **Should the policy provide more direction or establish a cost allocation methodology?**

◊ **69-8-603, MCA. 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 as the beginning date of a 12-month billing period, 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.

- **Should there be changes in how net-metered customers are billed and/or credited?**

◇ **69-8-604, MCA. Net metering system -- reliability and safety.** (1) A net metering system used by a customer-generator must include, at the customer-generator's own expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the national electrical code, national electrical safety code, institute of electrical and electronic engineers, and underwriters laboratories. (2) The commission, after appropriate notice and opportunity for comment, may adopt by rule additional safety, power quality, and interconnection requirements for customer-generators that the commission or the local governing body determines are necessary to protect public safety and net metering system reliability.

- **Should interconnection and safety requirements be changed?**