

HOUSE BILL NO. 504

INTRODUCED BY B. BENNETT

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING NET METERING LAWS; ESTABLISHING
5 A MONTANA NEIGHBORHOOD NET METERING ACT; ALLOWING NEIGHBORHOOD ENERGY FACILITIES
6 TO CONNECT TO A UTILITY'S DISTRIBUTION SYSTEM; ESTABLISHING NEIGHBORHOOD ENERGY
7 FACILITY AND UTILITY REQUIREMENTS; ESTABLISHING FEES; GRANTING THE PUBLIC SERVICE
8 COMMISSION RULEMAKING AUTHORITY; INCREASING THE NET METERING CAP; ALLOWING A
9 CUSTOMER-GENERATOR PARTICIPATING IN NET METERING TO CARRY FORWARD REMAINING
10 UNUSED KILOWATT-HOUR CREDITS AND TO APPLY EXCESS CREDITS TO SEPARATELY METERED
11 ACCOUNTS; PROVIDING STIPULATIONS FOR APPLYING EXCESS KILOWATT-HOUR CREDITS TO
12 ADDITIONAL METERS; REQUIRING A PUBLIC UTILITY TO TRANSFER CERTAIN EXCESS
13 KILOWATT-HOUR CREDITS TO A NONPROFIT ORGANIZATION; ESTABLISHING PROCEDURES FOR USE
14 OF EXCESS CREDITS; PROVIDING FOR ADMINISTRATION OF EXCESS CREDITS BY A PUBLIC UTILITY
15 AND A NONPROFIT ORGANIZATION; AMENDING SECTIONS 69-8-103, 69-8-201, 69-8-602, AND 69-8-603,
16 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19
20 NEW SECTION. **Section 1. Short title.** [Sections 1 through 7] may be cited as the "Montana
21 Neighborhood Net Metering Act".

22
23 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 7], unless the context requires
24 otherwise, the following definitions apply:

- 25 (1) (a) "Neighborhood energy facility" means a facility located in Montana that produces electrical energy
26 and:
27 (i) uses as its fuel:
28 (A) solar;
29 (B) wind;
30 (C) geothermal;

- 1 (D) fuel cells;
- 2 (E) hydropower;
- 3 (F) landfill gas;
- 4 (G) dedicated energy crops available on a renewable basis; or
- 5 (H) low-emission, nontoxic biomass;
- 6 (ii) is connected to a public utility's distribution system behind a production meter that is capable of
- 7 recording the cumulative kilowatt hours produced by a neighborhood energy facility;
- 8 (iii) has a generating capacity of not more than 1 megawatt;
- 9 (iv) produces electricity that two or more subscribing customers within the same service territory receive
- 10 an on-bill credit for using; and
- 11 (v) except as provided in subsection (1)(b), has a minimum of 5% of the total system capacity assigned
- 12 to persons who are low-income customers as defined in 69-8-103.
- 13 (b) If all of the subscribing customers receiving an on-bill credit for electricity generated by a
- 14 neighborhood energy facility live within an area that is one-half mile or less from a neighborhood energy facility,
- 15 the requirements of subsection (1)(a)(v) do not apply.
- 16 (2) "Neighborhood energy facility owner" means a utility, for-profit business, person, nonprofit
- 17 organization, public-private partnership, or governmental unit that operates a neighborhood energy facility.
- 18 (3) "On-bill credit" means a credit of kilowatt hours applied to a subscribing customer's account or
- 19 accounts to offset the consumption of electrical energy.
- 20 (4) "Person" means an individual, firm, partnership, company, association, corporation, city, town, or local
- 21 governmental entity or any other state, federal, or private entity, whether organized for profit or not.
- 22 (5) (a) "Public utility" means an electric utility regulated by the commission pursuant to Title 69, chapter
- 23 3, on [the effective date of this act], including the public utility's successors or assignees.
- 24 (b) The term does not include a:
- 25 (i) neighborhood energy facility;
- 26 (ii) subscribing customer; or
- 27 (iii) public utility that served 50 or fewer retail customers in Montana on December 31, 2012.
- 28 (6) "Subscribing customer" means a retail electricity consumer receiving an on-bill credit for electricity
- 29 generated by a neighborhood energy facility.
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1 NEW SECTION. **Section 3. Neighborhood energy facility requirements -- public utility**
2 **requirements.** (1) A public utility shall allow a neighborhood energy facility that meets the requirements of
3 [section 6] to be interconnected to its distribution system.

4 (2) The proportion or block of the neighborhood energy facility's generating capacity assignable to a
5 subscribing customer must represent at least 300 watts of generating capacity.

6 (3) Except as provided in subsection (6), a public utility shall grant an on-bill credit in accordance with
7 [section 4] and rules adopted by the commission pursuant to [section 7] to the account or accounts of subscribing
8 customers.

9 (4) A neighborhood energy facility owner generating electricity for subscribing customers shall provide
10 a public utility with:

11 (a) a single point of contact;

12 (b) a list of all subscribing customers and the associated accounts that are to receive an on-bill credit
13 for electricity generated by the neighborhood energy facility that may be updated with changes no more than once
14 a month; and

15 (c) the proportion or block of generated electricity assignable to each subscribing customer and
16 associated account or accounts.

17 (5) A public utility may charge a subscribing customer a monthly fee, established by the commission in
18 accordance with [section 7], that covers reasonable administrative expenses for administering neighborhood
19 energy facility on-bill credits.

20 (6) (a) A subscribing customer must have an account with the public utility providing the on-bill credit.

21 (b) If a subscribing customer ceases to hold the account for which the on-bill credit is received but has
22 another account in the service territory of the public utility, the on-bill credit must, at the request and designation
23 of the subscribing customer, be transferred to the new account and be adjusted to reflect the proportion or block
24 of generated electricity assignable to the account in accordance with subsection (4)(c).

25 (c) If a subscribing customer ceases to hold the account for which an on-bill credit is received, the public
26 utility, at the request of the subscribing customer, shall transfer the on-bill credit to a new eligible subscribing
27 customer.

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29 NEW SECTION. **Section 4. Net energy calculations for neighborhood energy facilities --**
30 **renewable energy credits.** (1) (a) A public utility shall grant an on-bill credit to a subscribing customer's account

1 or accounts for the proportion of generation from a neighborhood energy facility for each billing period.

2 (b) The public utility shall determine an on-bill credit by multiplying the subscribing customer's proportion
3 of the electricity produced by the neighborhood energy facility by the appropriate rate for kilowatt hours
4 determined for customer-generators by the commission in accordance with 69-8-602 and 69-8-603.

5 (2) (a) If the electricity supplied by a public utility for the account or accounts of the subscribing customer
6 exceeds the subscribing customer's on-bill credit, the subscribing customer must be billed for the electricity
7 supplied by the public utility, excluding the subscribing customer's on-bill credit.

8 (b) If the subscribing customer's on-bill credit during the billing period exceeds the electricity supplied
9 by a public utility for the account or accounts, the subscribing customer must be:

10 (i) billed for the appropriate minimum monthly fees for that billing period in accordance with [section 3(5)];

11 and

12 (ii) credited for the excess kilowatt hours generated during the billing period, with the kilowatt-hour credit
13 appearing on the bill for the following billing period.

14 (3) On January 1, April 1, July 1, or October 1 of each year, as designated by the subscribing customer
15 as the beginning date of a 12-month billing period, any remaining unused kilowatt-hour credit accumulated during
16 the previous 12 months must be forfeited to the public utility and treated in accordance with subsection (4),
17 without any compensation to the subscribing customer.

18 (4) On or before March 1 of each year, the public utility shall transfer the unused kilowatt-hour credits
19 to a private, nonprofit organization established in the state of Montana to assist with energy bill assistance. The
20 organization shall use the credits in accordance with [section 5], and the public utility shall administer the credits
21 in accordance with [section 5].

22 (5) A subscribing customer owns the renewable energy credits associated with the proportion or block
23 of generated electricity assignable to each subscribing customer receiving an on-bill credit for a proportion or
24 block of generated electricity from a neighborhood energy facility.

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26 **NEW SECTION. Section 5. Energy bill assistance -- utility information.** (1) If an organization accepts
27 credits in accordance with [section 4(4)], the organization shall distribute the credits monthly over a period no
28 longer than a 12-month billing period to persons requesting energy bill assistance in accordance with this section
29 and procedures established by the organization and public utility.

30 (2) (a) A nonprofit organization distributing credits shall provide the public utility with a list of customer

1 accounts for all customers who will receive on-bill credits.

2 (b) Within 30 days of receiving the list from the nonprofit organization, the public utility shall respond to
3 the nonprofit organization and indicate:

4 (i) that the accounts on the list are all accounts payable to that public utility; and

5 (ii) how the public utility will assign the on-bill credits to the accounts associated with the customers who
6 are to receive credits.

7 (3) The public utility shall provide the nonprofit organization with a monthly report on the use of the on-bill
8 credits and transfer any remaining credits back to the organization for future use in accordance with subsection
9 (2).

10 (4) In order to receive an on-bill credit through a nonprofit organization pursuant to this section, a
11 customer must have an account with the public utility providing the on-bill credit.

12 (5) Account information that may identify a customer obtained by the organization and the public utility
13 for the purposes of an on-bill credit pursuant to this section is confidential information as defined in 2-6-1002 and
14 is exempt from any provision of law permitting the public examination or copying of documents.

15
16 **NEW SECTION. Section 6. Neighborhood energy facility -- reliability and safety.** A neighborhood
17 energy facility must include, at the neighborhood energy facility owner's own expense, all equipment necessary
18 to meet applicable safety, power quality, and interconnection requirements established by the commission.

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20 **NEW SECTION. Section 7. Commission authority -- rulemaking.** (1) The commission has the
21 authority to generally implement and enforce the provisions of [sections 1 through 7].

22 (2) The commission shall adopt rules establishing:

23 (a) the maximum fee a public utility may charge a neighborhood energy facility owner to cover
24 reasonable administrative expenses for providing on-bill credits;

25 (b) requirements that on-bill credits meet the requirements of [section 4(1)];

26 (c) safety and power quality requirements for a neighborhood energy facility owner that the commission
27 determines are necessary in accordance with [section 6];

28 (d) accounting practices for neighborhood energy facility owners and subscribing customers for the
29 purposes of administering an on-bill credit; and

30 (e) implementation and enforcement of the provisions of [sections 1 through 7].

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Section 8. Section 69-8-103, MCA, is amended to read:

"69-8-103. Definitions. As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Assignee" means any entity, including a corporation, partnership, board, trust, or financing vehicle, to which a utility assigns, sells, or transfers, other than as security, all or a portion of the utility's interest in or right to transition property. The term also includes an entity, corporation, public authority, partnership, trust, or financing vehicle to which an assignee assigns, sells, or transfers, other than as security, the assignee's interest in or right to transition property.

(2) "Board" means the board of investments created by 2-15-1808.

(3) "Carbon offset provider" means a qualified third-party entity that arranges for projects or actions that either reduce carbon dioxide emissions or increase the absorption of carbon dioxide.

(4) "Cooperative utility" means:

(a) a utility qualifying as an electric cooperative pursuant to Title 35, chapter 18; or

(b) an existing municipal electric utility as of May 2, 1997.

(5) "Cost-effective carbon offsets" means any combination of certified actions that are taken to reduce carbon dioxide emissions or that increase the absorption of carbon dioxide, which collectively do not increase the cost of electricity produced annually on a per-megawatt-hour basis by more than 2.5%, including:

(a) actions undertaken by the applicant that reduce carbon dioxide emissions or that increase the absorption of carbon dioxide from a facility or equipment used to generate electricity; or

(b) actions by a carbon offset provider on behalf of the applicant.

(6) "Customer-generator" means a user of a net metering system.

(7) "Distribution facilities" means those facilities by and through which electricity is received from transmission facilities and distributed to a retail customer and that are controlled or operated by a utility.

(8) "Electricity supply costs" means the actual costs incurred in providing electricity supply service through power purchase agreements, demand-side management, and energy efficiency programs, including but not limited to:

(a) capacity costs;

(b) energy costs;

(c) fuel costs;

1 (d) ancillary service costs;
2 (e) transmission costs, including congestion and losses;
3 (f) planning and administrative costs; and
4 (g) any other costs directly related to the purchase of electricity and the management and provision of
5 power purchase agreements.

6 (9) "Electricity supply resource" means:
7 (a) contracts for electric capacity and generation;
8 (b) plants owned or leased by a utility or equipment used to generate electricity;
9 (c) customer load management and energy conservation programs; or
10 (d) other means of providing adequate, reliable service to customers, as determined by the commission.

11 (10) "Electricity supply service" means the provision of electricity supply and related services through
12 power purchase agreements, the acquisition and operation of electrical generation facilities, demand-side
13 management, and energy efficiency programs.

14 (11) "Financing order" means an order of the commission adopted in accordance with 69-8-503 that
15 authorizes the imposition and collection of fixed transition amounts and the issuance of transition bonds.

16 (12) (a) "Fixed transition amounts" means those nonbypassable rates or charges, including but not limited
17 to:

18 (i) distribution;
19 (ii) connection;
20 (iii) disconnection; and
21 (iv) termination rates and charges that are authorized by the commission in a financing order to permit
22 recovery of transition costs and the costs of recovering, reimbursing, financing, or refinancing the transition costs
23 and of acquiring transition property through a plan approved by the commission in the financing order, including
24 the costs of issuing, servicing, and retiring transition bonds.

25 (b) If requested by the utility in the utility's application for a financing order, fixed transition amounts must
26 include nonbypassable rates or charges to recover federal and state taxes in which the transition cost recovery
27 period is modified by the transactions approved in the financing order.

28 (13) "Generation assets cost of service" means a return on invested capital and all costs associated with
29 the acquisition, construction, administration, operation, and maintenance of a plant or equipment owned or leased
30 by a public utility and used for the production of electricity.

1 (14) "Interested person" means a retail electricity customer, the consumer counsel established in
2 5-15-201, the commission, or a utility.

3 (15) "Large customer" means, for universal system benefits programs purposes, a customer with an
4 individual load greater than a monthly average of 1,000 kilowatt demand in the previous calendar year for that
5 individual load.

6 (16) "Local governing body" means a local board of trustees of a rural electric cooperative.

7 (17) "Low-income customer" means those energy consumer households and families with incomes at
8 or below industry-recognized levels that qualify those consumers for low-income energy-related assistance.

9 (18) "Net metering" means measuring the difference between the electricity distributed to and the
10 electricity generated by a customer-generator that is fed back to the distribution system during the applicable
11 billing period.

12 (19) "Net metering system" means a facility for the production of electrical energy that:

13 (a) uses as its fuel solar, wind, or hydropower;

14 (b) has a generating capacity of not more than ~~50 kilowatts~~ 1 megawatt;

15 (c) is located on the customer-generator's premises;

16 (d) operates in parallel with the utility's distribution facilities; and

17 (e) is intended primarily to offset part or all of the customer-generator's requirements for electricity.

18 (20) "Nonbypassable rates or charges" means rates or charges that are approved by the commission
19 and imposed on a customer to pay the customer's share of transition costs or universal system benefits programs
20 costs even if the customer has physically bypassed either the utility's transmission or distribution facilities.

21 (21) "Public utility" has the meaning of a public utility regulated by the commission pursuant to Title 69,
22 chapter 3, on May 2, 1997, including the public utility's successors or assignees.

23 (22) "Qualifying load" means, for payments and credits associated with universal system benefits
24 programs, all nonresidential demand-metered accounts of a large customer within the utility's service territory in
25 which the customer qualifies as a large customer.

26 (23) "Retail customer" means a customer that purchases electricity for residential, commercial, or
27 industrial end-use purposes and does not resell electricity to others.

28 (24) "Transition bondholder" means a holder of transition bonds, including trustees, collateral agents, and
29 other entities acting for the benefit of that bondholder.

30 (25) "Transition bonds" means any bond, debenture, note, interim certificate, collateral, trust certificate,

1 or other evidence of indebtedness or ownership issued by the board or other transition bonds issuer that is
2 secured by or payable from fixed transition amounts or transition property. Proceeds from transition bonds must
3 be used to recover, reimburse, finance, or refinance transition costs and to acquire transition property.

4 (26) "Transition charge" means a nonbypassable rate or charge to be imposed on a customer to pay the
5 customer's share of transition costs.

6 (27) "Transition cost recovery period" means the period beginning on July 1, 1998, and ending when a
7 utility customer does not have any liability for payment of transition costs.

8 (28) "Transition costs" means:

9 (a) a public utility's net verifiable generation-related and electricity supply costs, including costs of capital,
10 that become unrecoverable as a result of the implementation of federal law requiring retail open access or
11 customer choice or of this chapter;

12 (b) those costs that include but are not limited to:

13 (i) regulatory assets and deferred charges that exist because of current regulatory practices and can be
14 accounted for up to the effective date of the commission's final order regarding a public utility's transition plan and
15 conservation investments made prior to universal system benefits charge implementation;

16 (ii) nonutility and utility power purchase contracts executed before May 2, 1997, including qualifying
17 facility contracts;

18 (iii) existing generation investments and supply commitments or other obligations incurred before May
19 2, 1997, and costs arising from these investments and commitments;

20 (iv) the costs associated with renegotiation or buyout of the existing nonutility and utility power purchase
21 contracts, including qualifying facilities and all costs, expenses, and reasonable fees related to issuing transition
22 bonds; and

23 (v) the costs of refinancing and retiring of debt or equity capital of the public utility and associated federal
24 and state tax liabilities or other utility costs for which the use of transition bonds would benefit customers.

25 (29) "Transition property" means the property right created by a financing order, including without
26 limitation the right, title, and interest of a utility, assignee, or other issuer of transition bonds to all revenue,
27 collections, claims, payments, money, or proceeds of or arising from or constituting fixed transition amounts that
28 are the subject of a financing order, including those nonbypassable rates and other charges and fixed transition
29 amounts that are authorized by the commission in the financing order to recover transition costs and the costs
30 of recovering, reimbursing, financing, or refinancing the transition costs and acquiring transition property,

1 including the costs of issuing, servicing, and retiring transition bonds. Any right that a utility has in the transition
2 property before the utility's sale or transfer or any other right created under this section or created in the financing
3 order and assignable under this chapter or assignable pursuant to a financing order is only a contract right.

4 (30) "Transmission facilities" means those facilities that are used to provide transmission services as
5 determined by the federal energy regulatory commission and the commission and that are controlled or operated
6 by a utility.

7 (31) "Universal system benefits charge" means a nonbypassable rate or charge to be imposed on a
8 customer to pay the customer's share of universal system benefits programs costs.

9 (32) "Universal system benefits programs" means public purpose programs for:

- 10 (a) cost-effective local energy conservation;
11 (b) low-income customer weatherization;
12 (c) renewable resource projects and applications, including those that capture unique social and energy
13 system benefits or that provide transmission and distribution system benefits;
14 (d) research and development programs related to energy conservation and renewables;
15 (e) market transformation designed to encourage competitive markets for public purpose programs; and
16 (f) low-income energy assistance.

17 (33) "Utility" means any public utility or cooperative utility."
18

19 **Section 9.** Section 69-8-201, MCA, is amended to read:

20 **"69-8-201. Public utility -- customer electricity supply service options and requirements --**
21 **exemption.** (1) (a) Except as provided in subsections (1)(b) and (1)(c), a retail customer that has an individual
22 load with an average monthly demand of greater than or equal to 5,000 kilowatts and that is not purchasing
23 electricity supply service from a public utility on October 1, 2007, may not purchase electricity supply service from
24 a public utility.

25 (b) A retail customer referred to in subsection (1)(a) may request electricity supply service from the public
26 utility, and the public utility shall provide electricity supply service if the retail customer demonstrates that the
27 provision of electricity supply service to the retail customer will not adversely impact the public utility's other
28 customers over the long term as determined by the commission.

29 (c) If a public utility provides electricity supply service to a retail customer as provided in subsection
30 (1)(b), that service is regulated by the commission and the customer may not, at a later date, purchase electricity

1 supply service from another provider of electricity supply service.

2 (2) (a) A retail customer that has an individual load with an average monthly demand of less than 5,000
3 kilowatts that is not purchasing electricity from a public utility on October 1, 2007, may continue to purchase
4 electricity from an electricity supplier. The retail customer may subsequently purchase electricity from a public
5 utility subject to commission rule or order, but the customer may not, at a later date, choose to purchase electricity
6 from another source.

7 (b) A retail customer that has an individual load with an average monthly demand of less than 5,000
8 kilowatts and that is currently purchasing electricity from a public utility may not choose to purchase electricity
9 from another source after October 1, 2007.

10 (3) Nothing in this section affects a retail customer's rights and obligations with respect to net metering,
11 use of a neighborhood energy facility, cogeneration, self-generation, or ancillary sales of electricity related to
12 deviations from scheduled energy deliveries from nonutility suppliers, as may be provided for in law, commission
13 rule or order, or a tariff approved by the public service commission or the federal energy regulatory commission.

14 (4) (a) Except as provided in 69-5-101, 69-5-102, 69-5-104(2), 69-5-105 through 69-5-112, 69-8-402,
15 and subsection (4)(b) of this section, a public utility currently doing business in Montana as part of a single
16 integrated multistate operation, no portion of which lies within the basin of the Columbia River, is exempt from
17 the requirements of this chapter.

18 (b) To the extent that a public utility described in subsection (4)(a) becomes the successor in interest
19 of another public utility that has restructured in accordance with this chapter before October 1, 2007, it is subject
20 to the requirements of this chapter with respect to the service area of the acquired public utility."

21

22 **Section 10.** Section 69-8-602, MCA, is amended to read:

23 **"69-8-602. Utility Public utility net metering requirements.** A public utility shall:

24 (1) allow net metering systems to be interconnected using a standard kilowatt-hour meter capable of
25 registering the flow of electricity in two directions, unless the commission determines, after appropriate notice and
26 opportunity for comment:

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

30 (b) how the costs of net metering are to be allocated between the customer-generator and the public

1 utility; and

2 (2) charge the customer-generator a minimum monthly fee that is the same as other customers of the
3 ~~electric~~ public utility in the same rate class. The commission shall determine, after appropriate notice and
4 opportunity for comment if:

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

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

9

10 **Section 11.** Section 69-8-603, MCA, is amended to read:

11 **"69-8-603. Net energy measurement calculation.** Consistent with the other provisions of this part, the
12 net energy measurement must be calculated in the following manner:

13 (1) The public utility shall measure the net electricity produced or consumed during the billing period, in
14 accordance with normal metering practices.

15 (2) If the electricity supplied by the ~~electricity supplier~~ public utility exceeds the electricity generated by
16 the customer-generator and fed back to the ~~electricity supplier~~ public utility during the billing period, the
17 customer-generator must be billed for the net electricity supplied by the ~~electricity supplier~~ public utility, in
18 accordance with normal metering practices.

19 ~~(3) If electricity generated by the customer-generator exceeds the electricity supplied by the electricity
20 supplier, the customer-generator must be:~~

21 ~~—— (a) billed for the appropriate customer charges for that billing period, in accordance with 69-8-602; and~~

22 ~~—— (b) credited for the excess kilowatt hours generated during the billing period, with this kilowatt-hour credit
23 appearing on the bill for the following billing period.~~

24 (3) (a) Except as provided in subsection (3)(c) and in accordance with subsection (3)(e), at the end of
25 each monthly billing period a public utility shall carry over any excess kilowatt-hour credits earned by the
26 customer-generator and apply those credits to the bill for any of the customer-generator's separately metered
27 accounts. Separately metered accounts may include a utility account for a corporation of which the
28 customer-generator is an owner.

29 (b) A separately metered account must be for:

30 (i) a location on the customer-generator's contiguous or abutting property; and

- 1 (ii) electricity used only for the customer-generator's requirements as measured for that location.
- 2 (c) Excess kilowatt-hour credits may not reduce minimum monthly fees imposed by the public utility in
 3 accordance with 69-8-602(2).
- 4 (d) If excess kilowatt-hour credits are applied to a separate meter in accordance with subsection (3)(a)
 5 that is in a different rate class, the kilowatt-hour credit must offset a kilowatt hour of electricity consumption.
- 6 (e) A customer-generator applying excess kilowatt-hour credits to a separately metered account shall:
- 7 (i) give at least 60 days' notice to a public utility that additional meters will be included in meter
 8 aggregation in accordance with this subsection (3)(e):
- 9 (ii) designate the rank order for the meters to which net metering credits are to be applied; and
 10 (iii) at least 60 days in advance of the next 12-month billing period, notify the public utility if the
 11 designation of rank provided in accordance with subsection (3)(e)(ii) will be changed.
- 12 (4) On January 1, April 1, July 1, or October 1 of each year, as designated by the customer-generator
 13 as the beginning date of a 12-month billing period, any remaining unused kilowatt-hour credit accumulated during
 14 the previous 12 months must be ~~granted~~ forfeited to the ~~electricity supplier~~ public utility and treated in accordance
 15 with subsection (5), without any compensation to the customer-generator.
- 16 (5) On or before March 1 of each year, the public utility shall transfer the unused kilowatt-hour credits
 17 to a private, nonprofit organization established in the state of Montana to assist with energy bill assistance. The
 18 organization shall use the credits in accordance with [section 12], and the public utility shall administer the credits
 19 in accordance with [section 12]."
- 20
- 21 **NEW SECTION. Section 12. Energy bill assistance -- utility information.** (1) If an organization
 22 accepts credits in accordance with 69-8-603(5), the organization shall distribute the credits monthly over a period
 23 no longer than a 12-month billing period to persons requesting energy bill assistance in accordance with this
 24 section and procedures established by the organization and public utility.
- 25 (2) (a) A nonprofit organization distributing credits shall provide the public utility with a list of customer
 26 accounts for all customers who will receive on-bill credits.
- 27 (b) Within 30 days of receiving the list from the nonprofit organization, the public utility shall respond to
 28 the nonprofit organization and indicate:
- 29 (i) that the accounts on the list are all accounts payable to that public utility; and
 30 (ii) how the public utility will assign the on-bill credits to the accounts associated with the customers who

1 are to receive credits.

2 (3) The public utility shall provide the nonprofit organization with a monthly report on the use of the on-bill
3 credits and transfer any remaining credits back to the organization for future use in accordance with subsection
4 (2).

5 (4) In order to receive an on-bill credit through a nonprofit organization pursuant to this section, a
6 customer must have an account with the public utility providing the on-bill credit.

7 (5) Account information that may identify a customer obtained by the organization and the public utility
8 for the purposes of an on-bill credit pursuant to this section is confidential information as defined in 2-6-1002 and
9 is exempt from any provision of law permitting the public examination or copying of documents.

10
11 **NEW SECTION. Section 13. Notification to tribal governments.** The secretary of state shall send
12 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
13 Chippewa tribe.

14
15 **NEW SECTION. Section 14. Codification instruction.** (1) [Sections 1 through 7] are intended to be
16 codified as an integral part of Title 69, chapter 3, and the provisions of Title 69, chapter 3, apply to [sections 1
17 through 7].

18 (2) [Section 12] is intended to be codified as an integral part of Title 69, chapter 8, and the provisions
19 of Title 69, chapter 8, apply to [section 12].

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21 **NEW SECTION. Section 15. Saving clause.** [This act] does not affect rights and duties that matured,
22 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

23
24 **NEW SECTION. Section 16. Severability.** If a part of [this act] is invalid, all valid parts that are
25 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
26 the part remains in effect in all valid applications that are severable from the invalid applications.

27
28 **NEW SECTION. Section 17. Effective date.** [This act] is effective on passage and approval.

29
30 **NEW SECTION. Section 18. Applicability.** [Sections 9 through 12] apply to kilowatt hours generated

1 on or after July 1, 2017.

2

- END -