

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A UTILITY SMART METER APPLICATION
5 PROCESS; REQUIRING THE OFFERING OF TIME-VARYING ELECTRIC RATES; ESTABLISHING TERMS
6 FOR DEMAND RESPONSE MARKETING; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN
7 IMMEDIATE EFFECTIVE DATE."

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

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11 NEW SECTION. **Section 1. Smart meter application and approval -- rulemaking.** (1) A public
12 utility seeking approval of an application to install smart meters shall provide the commission with the following:

13 (a) a cost-benefit analysis clearly identifying measurable outcomes with respect to the type of smart
14 meter chosen for deployment to various customer classes;

15 (b) a list of metrics that track achievement of those benefits, and a plan to report and publish utility
16 performance on those metrics during and after smart meter roll out;

17 (c) a plan for commencing the offering of a time-of-use rate option for all customer classes, including
18 proposed new tariffs for those rate options;

19 (d) a plan for the recovery of costs;

20 (e) an analysis of rate impacts on each customer class;

21 (f) a plan for protecting customer information, including but not limited to:

22 (i) an acknowledgement that customers own their own data;

23 (ii) a process for third parties to access individual customer data that requires written customer
24 consent;

25 (iii) a process for providing data to third-party providers or aggregators in a manner that protects the
26 identity of individual customers either through aggregation of similar customers with any identifying customer
27 information excluded or redaction of any information that can be used to identify a specific customer, or any
28 other means the commission considers appropriate to protect customer privacy; and

- 1 (iv) a plan for considering or implementing an industry-standard program that safely streamlines
- 2 customer data acquisition;
- 3 (g) a description of how the utility plans to educate customers on how they can use the smart meter;
- 4 and
- 5 (h) any additional information the commission requests.
- 6 (2) The commission may approve, disapprove, modify, or take any action it considers appropriate with
- 7 respect to the utilities application.
- 8 (3) The commission shall provide findings of fact for each item in subsection (1).
- 9 (4) The commission shall require:
- 10 (a) enforceable reliability objectives through publicly transparent reporting requirements, performance
- 11 metrics, or other mechanisms the commission considers appropriate; and
- 12 (b) that distribution investments are targeted to provide the most significant impacts.
- 13 (5) The commission shall determine the appropriate cost-recovery mechanism for smart meters and
- 14 require the savings accrued from advanced meter infrastructure benefits be applied to the costs of its
- 15 deployment.
- 16 (6) Any increase in rates to implement any aspect of this section must be considered as part of a rate
- 17 case filed by the utility.

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19 **NEW SECTION. Section 2. Smart meter rates and billing.** (1) A public utility that installs smart

20 meters shall offer commission-approved, time-varying rates within 1 year of initial installation. Time-varying rate

21 options may include but are not limited to:

- 22 (a) time-of-use rates;
- 23 (b) real-time pricing;
- 24 (c) critical peak pricing; and
- 25 (d) peak-time rebates as applicable to the appropriate customer class.
- 26 (2) The utility shall provide each customer with a shadow bill for a period of 1 year following the
- 27 approval of any applicable time-varying rate.

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