

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



MIKE COONEY
LT. GOVERNOR

May 4, 2017

The Honorable Corey Stapleton
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Stapleton:

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 154 (SB 154), "AN ACT ELIMINATING CERTAIN INCENTIVES FOR NET-METERED SYSTEMS; ELIMINATING CERTAIN SMALL GENERATION EQUIPMENT TAX EXEMPTIONS FOR NET-METERED SYSTEMS; ELIMINATING CERTAIN TAX CREDITS FOR NET-METERED SYSTEMS; PROHIBITING USE OF THE STATE BUILDING ENERGY CONSERVATION ACT FOR NET-METERED SYSTEMS; ELIMINATING USE OF THE ENERGY DEVELOPMENT AND DEMONSTRATION GRANT PROGRAM FOR NET-METERED SYSTEMS; AMENDING SECTIONS 15-6-224, 15-32-201, 15-32-202, 15-32-402, 15-32-404, 90-4-602, AND 90-4-1005, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

SB 154 makes net metered systems ineligible for tax credits and incentives which are designed to encourage the use of alternative energy sources. Removing the tax credit for residential net metering systems would increase the out-of-pocket costs of net metering systems, and may decrease Montanans' interest in investing in net metering renewable energy systems going forward.

SB 154 also prevents the State Building Energy Conservation Program from using net metering, making it difficult for the state to install cost-effective alternative energy on state facilities; projects that would ultimately save taxpayer dollars.

In the Energy Blueprint I released in June of 2016, 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 this bill. The number of new net metered systems being developed would be reduced as customers are forced to weigh the risks of potential investments. Additionally, limiting the options available to state facilities to save money would prevent us from reducing costs for all Montanans.

For these reasons, I veto SB 154.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Bullock", written over a horizontal line.

STEVE BULLOCK
Governor

cc: Legislative Services Division
Scott Sales, President of the Senate
Austin Knudsen, Speaker of the House