

NET METERING

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting (5-4-105, MCA; [Chapter 309, Laws of 2017](#)). The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The legislation links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

Legislation can be complex, and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Topic Summary: In Montana, net-metering is available on both the NorthWestern Energy (NWE) and the Montana-Dakota Utilities (MDU) systems. Montana's rural electric cooperatives also offer net metering. Montana's net metering statutes codified in Title 69, chapter 8, part 6 only apply to NorthWestern Energy. Rural electric cooperatives are explicitly exempt from those requirements. MDU is exempt, in large part, as result of the deregulation and partial reregulation of Montana's energy laws in 1997 and 2007. However, MDU and most cooperatives allow for net metering in a manner similar to that as required under Montana law. Montana's net metering law was enacted in 1999. Renewable installations of less than 50 kW capacity are eligible for net metering on NWE's system. Interconnection requirements for MDU and NWE are largely governed through utility-customer agreements. Montana's Public Service Commission (PSC) reviews the overall interconnection requirements to ensure they comply with state law.

During NWE's 2019 rate case, the company proposed implementing a separate rate class and exploring demand charge rates for rooftop solar customers. The Montana Public Service Commission did not approve the request and instead voted to maintain retail rates until net metering hits 5% of NWE's peak load. The company can request an earlier review, if new evidence is provided to the commission, based on commission-established methods. Changes to solar rates for NWE need to occur in a general rate case, based on Montana law. Renewable advocates estimate that rooftop solar is at about 1% of NorthWestern's peak load.

Legislative Services Division Materials:

[Net Metering in Montana -- A Report to the 65th Legislature](#)

[Net Metering in Other States](#)

[Net Metering Interconnection, Safety, Reliability and Advanced Inverters](#)

[Net Metering Questionnaires -- Responses](#)

[Net Metering Economic Impacts](#)

[Net Metering Rate Design](#)

[Net Metering Incentives](#)

Other Materials:

[State Net Metering Policies](#) – National Conference of State Legislatures

[Net Metering Basics](#) – U.S. Department of Energy National Renewable Energy Laboratory

[Navigant: Net Metering Cost-Benefit Analysis](#) -- NorthWestern Energy

[NorthWestern Energy Rate Case -- PSC Final Order](#) (net metering discussion pg. 57)

[Net Metering and Easements](#) -- Montana Department of Environmental Quality

Introduced Legislation

2019

[House Bill No. 704](#) -- (H) Tabled in Committee -- AN ACT ESTABLISHING THE MONTANA SOLAR SCHOOLS ACT; PROVIDING FOR A SOLAR SCHOOLS ACCOUNT AND FOR A SOLAR SCHOOLS GRANT PROGRAM IN THE DEPARTMENT OF ENVIRONMENTAL QUALITY; INCREASING THE SALES TAX ON ACCOMMODATIONS TO FUND THE SOLAR SCHOOLS GRANT PROGRAM; DIRECTING ACCOMMODATIONS TAX COLLECTIONS TO THE SOLAR SCHOOLS GRANT PROGRAM ACCOUNT; PROVIDING GRANT CRITERIA; GRANTING THE DEPARTMENT OF ENVIRONMENTAL QUALITY RULEMAKING AUTHORITY; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-68-102, 15-68-820, AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[House Joint Resolution No. 47](#) -- (H) Tabled in Committee -- A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF OPTIONS FOR DEVELOPING A SOLAR SCHOOLS PROGRAM.

[Senate Bill No. 245](#) -- (H) Tabled in Committee -- AN ACT AUTHORIZING LOCAL GOVERNMENTS TO ADOPT COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY PROGRAMS THROUGH DISTRICTS TO PROMOTE THE USE OF RENEWABLE ENERGY SYSTEMS AND ENERGY CONSERVATION MEASURES; ESTABLISHING THE COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY ACT OF MONTANA; PROVIDING FOR THE ADMINISTRATION OF COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY PROGRAMS THROUGH THE MONTANA FACILITY FINANCE AUTHORITY AND LOCAL GOVERNMENTS; PROVIDING COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY PROGRAM PLANNING REQUIREMENTS; ESTABLISHING PROCEDURES FOR LOCAL GOVERNMENT DEVELOPMENT OF COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY PROGRAMS; ALLOWING FOR VOLUNTARY ASSESSMENTS; PRESCRIBING THE POWERS AND DUTIES OF THE GOVERNING BODIES OF LOCAL GOVERNMENTS AND THE AUTHORITY

RELATED TO COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY PROGRAMS; ESTABLISHING CONTRACT AND LABOR REQUIREMENTS FOR CONTRACTS; ALLOWING LOCAL GOVERNMENTS TO JOINTLY ESTABLISH COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY PROGRAMS; AMENDING SECTIONS 5-11-210, 90-7-202, AND 90-7-211, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE.

2017

[House Bill No. 219](#) -- Chapter Number Assigned -- AN ACT REVISING NET METERING LAWS; REQUIRING THE PUBLIC SERVICE COMMISSION TO REVIEW NET METERING RATE CLASSIFICATIONS; ALLOWING THE COMMISSION TO REQUIRE SEPARATE METERING; REQUIRING A UTILITY TO CONDUCT A COST-BENEFIT STUDY; ALLOWING A UTILITY TO RECOVER COSTS; ALLOWING FOR A NEW SERVICE CLASSIFICATION; GRANTING RULEMAKING; GRANDFATHERING EXISTING CUSTOMER-GENERATOR RATES; AMENDING SECTIONS 69-3-306, 69-8-602, AND 69-8-603, MCA; AND PROVIDING EFFECTIVE DATES.

[House Bill No. 504](#) -- (H) Died in Standing Committee -- AN ACT GENERALLY REVISING NET METERING LAWS; ESTABLISHING A MONTANA NEIGHBORHOOD NET METERING ACT; ALLOWING NEIGHBORHOOD ENERGY FACILITIES TO CONNECT TO A UTILITY'S DISTRIBUTION SYSTEM; ESTABLISHING NEIGHBORHOOD ENERGY FACILITY AND UTILITY REQUIREMENTS; ESTABLISHING FEES; GRANTING THE PUBLIC SERVICE COMMISSION RULEMAKING AUTHORITY; INCREASING THE NET METERING CAP; ALLOWING A CUSTOMER-GENERATOR PARTICIPATING IN NET METERING TO CARRY FORWARD REMAINING UNUSED KILOWATT-HOUR CREDITS AND TO APPLY EXCESS CREDITS TO SEPARATELY METERED ACCOUNTS; PROVIDING STIPULATIONS FOR APPLYING EXCESS KILOWATT-HOUR CREDITS TO ADDITIONAL METERS; REQUIRING A PUBLIC UTILITY TO TRANSFER CERTAIN EXCESS KILOWATT-HOUR CREDITS TO A NONPROFIT ORGANIZATION; ESTABLISHING PROCEDURES FOR USE OF EXCESS CREDITS; PROVIDING FOR ADMINISTRATION OF EXCESS CREDITS BY A PUBLIC UTILITY AND A NONPROFIT ORGANIZATION; AMENDING SECTIONS 69-8-103, 69-8-201, 69-8-602, AND 69-8-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

[Senate Bill No. 1](#) -- (S) Died in Standing Committee -- AN ACT REVISING NET METERING TECHNOLOGY REQUIREMENTS; REQUIRING NEW NET METERING SYSTEMS TO INCLUDE ADVANCED TECHNOLOGIES FOR DISTRIBUTION GRID MANAGEMENT; LIMITING THE USE OF ADVANCED TECHNOLOGIES BY THE OWNERS OF DISTRIBUTION FACILITIES AND PUBLIC UTILITIES; ALLOWING CONTRACTS TO DETERMINE COST SHARING FOR USE OF TECHNOLOGIES; REQUIRING EXISTING OWNERS OF NET METERING SYSTEMS TO TRANSITION SYSTEMS TO ADVANCED TECHNOLOGIES; PROVIDING FOR A WAIVER; AMENDING SECTIONS 69-8-602 AND 69-8-604, MCA; AND PROVIDING AN EFFECTIVE DATE.

[Senate Bill No. 7](#) -- (S) Vetoed by Governor -- 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.

[Senate Bill No. 11](#) -- Chapter Number Assigned -- AN ACT REQUIRING THE PUBLIC SERVICE COMMISSION TO BIENNIALY REVIEW AND UPDATE INTERCONNECTION STANDARDS FOR NET METERING SYSTEMS; EXTENDING RULEMAKING AUTHORITY; AMENDING SECTION 69-8-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[Senate Bill No. 12](#) -- (H) Died in Standing Committee -- AN ACT REVISING AND UPDATING THE PUBLIC SERVICE COMMISSION'S ROLE OF REVIEWING NET METERING EQUIPMENT AND TECHNOLOGIES; AMENDING SECTIONS 69-8-602, 69-8-603, AND 69-8-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[Senate Bill No. 36](#) -- Chapter Number Assigned -- AN ACT ELIMINATING AN EXEMPTION ALLOWING INDIVIDUALS TO PERFORM ELECTRICAL WORK ON A GRID-TIED GENERATOR ON THEIR PROPERTY OR RESIDENCE WITHOUT A LICENSE; AMENDING SECTIONS 37-68-102 AND 37-68-103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

[Senate Bill No. 78](#) -- (H) Died in Standing Committee -- AN ACT REVISING NET METERING LAWS; REQUIRING PUBLIC UTILITIES TO INSTALL A METER OR METERS; ESTABLISHING CRITERIA FOR NET METERING SYSTEMS; ESTABLISHING CRITERIA FOR DETERMINING THE VALUE OF ELECTRICITY PRODUCED AND DELIVERED BY CUSTOMER-GENERATORS AND PUBLIC UTILITIES; REQUIRING THE PUBLIC SERVICE COMMISSION TO ESTABLISH A NEW RATE CLASS; REQUIRING REPORTING WHEN PROPERTY WITH A NET METERING SYSTEM IS SOLD; GRANDFATHERING EXISTING CUSTOMER-GENERATOR RATES FOR NET-METERED CUSTOMERS; AMENDING SECTIONS 69-3-306, 69-8-602, 69-8-603, AND 69-8-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

[Senate Bill No. 154](#) -- (S) Vetoed by Governor -- 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.

[Senate Bill No. 201](#) -- (S) Died in Standing Committee -- AN ACT ALLOWING A CUSTOMER-GENERATOR PARTICIPATING IN NET METERING TO CARRY FORWARD REMAINING UNUSED KILOWATT-HOUR CREDITS AND TO APPLY EXCESS CREDITS TO SEPARATELY METERED ACCOUNTS; PROVIDING STIPULATIONS FOR APPLYING EXCESS KILOWATT-HOUR CREDITS TO ADDITIONAL METERS; AMENDING SECTION 69-8-603, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

2015

[House Bill No. 188](#) -- (H) Missed Deadline for General Bill Transmittal -- AN ACT INCREASING THE ABILITY OF A CUSTOMER-GENERATOR PARTICIPATING IN NET METERING TO CARRY FORWARD REMAINING UNUSED KILOWATT-HOUR CREDITS AND TO APPLY EXCESS CREDITS TO FUTURE BILLS; AMENDING SECTION 69-8-603, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

[House Bill No. 294](#) -- (H) Missed Deadline for General Bill Transmittal -- AN ACT REQUIRING PUBLIC UTILITIES TO ALLOW NET METERING; PROVIDING EXCEPTIONS; AMENDING SECTIONS 15-32-402, 69-8-103, 69-8-602, 69-8-603, AND 75-25-101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[House Bill No. 485](#) -- (H) Missed Deadline for Revenue Bill Transmittal -- AN ACT GENERALLY REVISING NET METERING LAWS; INCREASING THE CAP ON NET METERING SYSTEMS; ALLOWING A CUSTOMER-

GENERATOR PARTICIPATING IN NET METERING TO CARRY FORWARD REMAINING UNUSED KILOWATT-HOUR CREDITS AND TO APPLY EXCESS CREDITS TO SEPARATELY METERED ACCOUNTS; PROVIDING STIPULATIONS FOR APPLYING EXCESS KILOWATT-HOUR CREDITS TO ADDITIONAL METERS; REQUIRING A UTILITY TO CONDUCT A NET METERING STUDY; REQUIRING THE PUBLIC SERVICE COMMISSION TO REVIEW NET METERING CLASSIFICATIONS UNDER CERTAIN CIRCUMSTANCES; ESTABLISHING TIMELINES; ALLOWING FOR A FEE; GRANTING RULEMAKING; AMENDING SECTIONS 69-1-114, 69-1-402, 69-8-103, 69-8-602, AND 69-8-603, MCA; AND PROVIDING AN EFFECTIVE DATE AND A CONTINGENT EFFECTIVE DATE.

[House Bill No. 489](#) – (H) Missed Deadline for General Bill Transmittal -- AN ACT REQUIRING RURAL ELECTRIC COOPERATIVES TO ALLOW NET METERING SYSTEMS TO BE INTERCONNECTED; AMENDING SECTIONS 69-8-311, 69-8-602, 69-8-603, AND 69-8-604, MCA; REPEALING SECTION 69-8-605, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

[Senate Bill No. 134](#) -- (S) Missed Deadline for General Bill Transmittal -- AN ACT ALLOWING A CUSTOMER-GENERATOR PARTICIPATING IN NET METERING TO CARRY FORWARD REMAINING UNUSED KILOWATT-HOUR CREDITS AND TO APPLY EXCESS CREDITS TO SEPARATELY METERED ACCOUNTS; PROVIDING STIPULATIONS FOR APPLYING EXCESS KILOWATT-HOUR CREDITS TO ADDITIONAL METERS; AMENDING SECTION 69-8-603, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

[Senate Bill No. 343](#) – (S) Missed Deadline for General Bill Transmittal -- AN ACT REVISING NET METERING LAWS; REQUIRING PUBLIC UTILITIES TO INSTALL METERS; ESTABLISHING CRITERIA FOR NET METERING SYSTEMS; ESTABLISHING CRITERIA FOR DETERMINING THE VALUE OF ELECTRICITY PRODUCED AND DELIVERED BY CUSTOMER-GENERATORS AND PUBLIC UTILITIES USING AVOIDED COST; REQUIRING THE PUBLIC SERVICE COMMISSION TO ESTABLISH A SEPARATE RATE CLASS FOR CUSTOMER-GENERATORS; REQUIRING AVOIDED COST TO BE DETERMINED BASED ON THE LIFE EXPECTANCY OF NET METERING EQUIPMENT; REQUIRING THE COMMISSION TO ESTABLISH A MONTHLY SERVICE CHARGE FOR CUSTOMER-GENERATORS; AMENDING SECTIONS 69-8-602, 69-8-603, AND 69-8-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

2013

[House Bill No. 429](#) – (H) Died in Process -- AN ACT REVISING THE INDIVIDUAL INCOME TAX CREDITS FOR ALTERNATIVE ENERGY SYSTEMS, LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICES, AND ENERGY-CONSERVING EXPENDITURES; PROVIDING THAT THE INDIVIDUAL INCOME TAX CREDITS FOR ALTERNATIVE ENERGY SYSTEMS AND LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICES ARE LIMITED TO 25% OF INSTALLATION COSTS; INCREASING THE INDIVIDUAL INCOME TAX CREDIT LIMIT FOR ALTERNATIVE ENERGY SYSTEMS, LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICES, AND ENERGY-CONSERVING EXPENDITURES; CLARIFYING THAT CERTAIN ALTERNATIVE ENERGY SYSTEMS MUST MEET CERTAIN SAFETY AND RELIABILITY REQUIREMENTS TO QUALIFY FOR THE CREDIT; PROVIDING A 3-YEAR CARRYFORWARD FOR UNUSED ENERGY-CONSERVING EXPENDITURE TAX CREDITS; AMENDING SECTIONS 15-32-109 AND 15-32-201, MCA; AND PROVIDING AN APPLICABILITY DATE AND A TERMINATION DATE.

[Senate Bill No. 247](#) – (S) Died in Process -- AN ACT INCREASING ALLOWABLE GENERATING CAPACITY OF A NET METERING SYSTEM; ALLOWING A CUSTOMER-GENERATOR TO RECEIVE A CREDIT FOR REMAINING UNUSED KILOWATT-HOURS ACCUMULATED DURING A BILLING CYCLE; ALLOWING A CREDIT TO APPLY TO SUBSEQUENT BILLS OR ADDITIONAL ACCOUNTS; AMENDING SECTIONS 69-8-103 AND 69-8-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

2011

[Senate Bill No. 226](#) – (H) Died in Standing Committee -- AN ACT REVISING THE USE OF NET METERING SYSTEMS; REQUIRING THE CUSTOMER-GENERATOR TO HAVE TWO METERS; REQUIRING THE CUSTOMER-GENERATOR TO PAY TRANSMISSION AND DISTRIBUTION CHARGES; AMENDING SECTIONS 69-8-602 AND 69-8-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

2009

[House Bill No. 540](#) – (H) Died in Standing Committee -- AN ACT INCREASING THE INDIVIDUAL INCOME TAX CREDIT FOR ALTERNATIVE ENERGY SYSTEMS AND ENERGY-CONSERVING EXPENDITURES; CLARIFYING THAT CERTAIN ALTERNATIVE ENERGY SYSTEMS MUST MEET CERTAIN SAFETY AND RELIABILITY REQUIREMENTS TO QUALIFY FOR THE CREDIT; PROVIDING A 3-YEAR CARRYFORWARD FOR UNUSED ENERGY-CONSERVING EXPENDITURE TAX CREDITS; AMENDING SECTIONS 15-32-109 AND 15-32-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

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