

1 SENATE BILL NO. 399  
2 INTRODUCED BY C. POPE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING COMMUNITY SOLAR AND UTILITY  
5 REQUIREMENTS; PROVIDING FOR TRANSMISSION INTERCONNECTION FOR COMMUNITY SOLAR  
6 ENERGY FACILITIES; DISTINGUISHING COMMUNITY SOLAR CUSTOMERS FROM NET METERING  
7 CUSTOMERS; PROVIDING RULEMAKING AUTHORITY; PROVIDING DEFINITIONS; AND PROVIDING AN  
8 IMMEDIATE EFFECTIVE DATE."

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

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12 NEW SECTION. Section 1. Short title. [Sections 1 through 6] may be cited as the "Montana  
13 Community Solar Act".

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15 NEW SECTION. Section 2. Definitions. As used in [sections 1 through 6], unless the context clearly  
16 indicates otherwise, the following definitions apply:

17 (1) "Community solar energy facility" means a solar energy facility whose output is shared through  
18 subscriptions and:

19 (a) is connected to a public utility's distribution system behind a production meter that is capable of  
20 recording the cumulative kilowatt hours produced by a community solar energy facility;

21 (b) has a generating capacity of not more than 5 megawatts;

22 (c) has a generating capacity of not less than 50 kilowatts; and

23 (d) produces electricity for which two or more subscribing customers within the same service  
24 territory receive an on-bill credit.

25 (2) "Community solar energy facility owner" means a public utility, public-private partnership, for-  
26 profit business, or nonprofit organization dedicated to operating a community solar energy facility.

27 (3) "On-bill credit" means a kilowatt-hour credit applied to a subscribing customer's account to  
28 offset the consumption of electrical energy.

1 (4) "Person" means an individual, firm, partnership, company, association, corporation, city, town,  
2 or local government entity or any other state, federal, or private entity, whether organized for profit or not.

3 (5) (a) "Public utility" means an electric utility regulated by the commission pursuant to Title 69,  
4 chapter 3, on [the effective date of this act], including the public utility's successors or assignees.

5 (b) The term does not include:

6 (i) a community solar energy facility; or

7 (ii) a subscribing customer.

8 (6) "Subscribing customer" means a retail electricity consumer receiving an on-bill credit for  
9 electric generation from a community solar energy facility. Subscribers must be located in the same service  
10 territory as the community solar energy facility. A subscriber may not be a customer-generator as defined in 69-  
11 8-103.

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13 **NEW SECTION. Section 3. Community solar energy requirements -- public utility.** (1) A public  
14 utility shall interconnect a community solar energy facility that meets the requirements of this chapter to its  
15 distribution system.

16 (2) The proportion of the community solar energy facility's generating capacity assignable to a  
17 subscribing customer must represent at least 200 watts of generating capacity.

18 (3) A community solar energy facility must be located within the service territory of the offering  
19 public utility.

20 (4) A public utility shall grant an on-bill credit in accordance with rules adopted by the commission  
21 to the accounts of subscribing customers.

22 (5) A community solar energy facility owner generating electricity for subscribing customers shall  
23 provide a public utility with:

24 (a) a single point of contact;

25 (b) a list of all subscribing customers and the associated accounts to receive on-bill credits for  
26 electricity generated by the community solar energy facility that may be updated on a monthly basis; and

27 (c) the proportion of generated electricity assignable to each subscribing customer and an  
28 associated account or accounts.

1 (6) A public utility may charge a subscribing customer a monthly fee that is established by the  
2 commission that covers reasonable administrative expenses for administering community solar facility on-bill  
3 credits.

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

6 (b) If a subscribing customer ceases to hold the account for which the on-bill credit is received but  
7 has another account in the service territory of the public utility, the on-bill credit must, at the request and  
8 designation of the subscribing customer, be transferred to the new account and adjusted to reflect the  
9 proportion of generated electricity assignable to the account.

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

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14 **NEW SECTION. Section 4. Net energy calculation requirements for community solar energy**  
15 **facilities.** (1) (a) A public utility shall grant on-bill credits to a subscribing customer's account for the account's  
16 proportion of generation from a community solar energy facility for each billing period.

17 (b) The on-bill credit must be determined by multiplying the subscribing customer's proportion of  
18 the electricity produced by the community solar energy facility by the appropriate rate for subscribing customers  
19 determined by the commission.

20 (2) (a) If the electricity supplied by a public utility for the account of the subscribing customer  
21 exceeds the subscribing customer's on-bill credit, the subscribing customer must be billed for the electricity  
22 supplied by the public utility, excluding the subscribing customer's on-bill credit.

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

25 (i) billed for the appropriate minimum monthly fees for that billing period; and

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

28 (3) A subscribing customer owns the renewable energy credits associated with the proportion of

1 generated electricity assignable to each subscribing customer receiving an on-bill credit for a proportion of  
2 generated electricity from a community solar energy facility.

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4 NEW SECTION. Section 5. Community solar energy facility -- safety and reliability. A community  
5 solar energy facility must include, at the community solar energy facility owner's expense, all equipment  
6 necessary to meet applicable safety, power quality, and interconnection requirements established by the  
7 commission. The community solar energy facility owners shall maintain the service of the facility.

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9 NEW SECTION. Section 6. Public service commission authority -- rulemaking. (1) The  
10 commission has the authority to generally implement and enforce the provisions of [sections 1 through 6].

11 (2) The commission shall adopt rules establishing:

12 (a) the applicable bill credit rate for the subscriber;

13 (b) participation opportunities for all customer classes;

14 (c) the reasonable transferability and portability of community solar energy subscriptions;

15 (d) consumer protection in accordance with existing Montana laws; and

16 (e) nondiscriminatory requirements for participation for community solar energy facility owners.

17 (3) The commission rules may not remove a customer from the commission's otherwise applicable  
18 customer class to participate in a community solar energy facility.

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20 NEW SECTION. Section 7. Codification instruction. [Sections 1 through 6] are intended to be  
21 codified as an integral part of Title 69, chapter 3, and the provisions of Title 69, chapter 3, apply to [sections 1  
22 through 6].

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24 NEW SECTION. Section 8. Saving clause. [This act] does not affect rights and duties that matured,  
25 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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27 NEW SECTION. Section 9. Effective date. [This act] is effective on passage and approval.

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