**** BILL NO. ****

INTRODUCED BY ****

BY REQUEST OF THE ****

A BILL FOR AN ACT ENTITLED: “AN ACT ESTABLISHING SHARED SOLAR AND UTILITY REQUIREMENTS; PROVIDING FOR TRANSMISSION OR DISTRIBUTION INTERCONNECTION FOR SHARED SOLAR ENERGY FACILITIES; DISTINGUISHING SHARED SOLAR CUSTOMERS FROM NET METERING CUSTOMERS;; PROVIDING DEFINITIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.”

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

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

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

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

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

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

(4) "Shared solar energy facility" means a solar energy facility whose output is shared through subscriptions and that:

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

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

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

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

(5) "Shared solar energy facility owner" means a public utility, public-private partnership, for-profit business, or nonprofit organization dedicated to operating a shared solar energy facility.

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

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

(2) A shared solar energy facility owner is responsible for all administrative costs incurred to administer the requirements of this section, as determined by the commission.

(3) The proportion of the shared solar energy facility's generating capacity assignable to a subscribing customer must represent at least 1 kilowatt of generating capacity.

(4) A shared solar energy facility must be located within the service territory of the offering public utility.

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

(6) A shared solar energy facility owner generating electricity for subscribing customers shall provide a public utility with:

(a) a single point of contact;

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

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

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

credit.

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

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

(8) A subscribing customer may choose to assign their proportion of generated electricity to a nonprofit or a public utility's low-income energy share program.

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

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

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

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

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

(3) A subscribing customer owns the renewable energy credits associated with the proportion of generated electricity assignable to each subscribing customer receiving an on-bill credit for a proportion of generated electricity from a shared solar energy facility.

NEW SECTION. **Section 5. Shared solar energy facility -- safety and reliability.** A shared solar energy facility must include, at the shared solar energy facility owner's expense, all equipment necessary to

meet applicable safety, power quality, and interconnection requirements established by the commission. The shared solar energy facility owners shall maintain the service of the facility.

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

(2) The commission shall adopt rules establishing:

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

(b) participation opportunities for all customer classes;

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

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

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

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

(4) The commission shall adopt rules within 1 year of [the effective date of this act].

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

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

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

- END -

DRAFT