



SIERRA CLUB

MONTANA CHAPTER

Oppose Efforts to Undermine Net Metering

HB 359 could wreck the rooftop solar industry in Montana

OPPOSE HB 359 (Representative Brewster)

- Via net metering, Montanans who invested in rooftop solar and small wind systems get credits on their energy bills for excess electricity they send back to the grid, and those credits can be used to lower their future bills. The excess energy is used by other Montanans.
- HB 359, “An Act Revising Net Metering Rate Laws,” would reduce the value of solar credits by about 70% for homeowners, with a 50-60% reduction for businesses, schools, and libraries. Such a steep reduction in credits would greatly increase the time it takes to pay off investments in solar.
- **The bill could effectively destroy Montana’s solar industry** and cost the state hundreds of well-paying jobs provided by local businesses across Montana. **This is a time when we need to incentivize solar power, not penalize it.**
- In 2019, the Montana Public Service Commission reviewed a detailed study of rooftop solar energy for the costs and benefits to all Montanans, and the PSC found that reducing the crediting rating for rooftop solar is not justified. **HB 359 is yet another bold attempt by NorthWestern Energy to swindle Montanans and bypass the utility regulations Montana has in place.**
- Notable opponents of this bill include MREA, MEIC, Northern Plains Resource Council, MontPIRG, and Climate Smart Missoula.

The Latest in a Long History of Corporate Overreach by NorthWestern Energy

The bill harms the solar industry by changing the credits for net metering customers to an “avoided cost rate,” which is problematic because:

- Avoided cost rates are used for large, utility-scale solar developers, not residences and other smaller buildings. Using avoided cost rates is inappropriate for small customers and harms people relying on rooftop solar systems; and
- Avoided cost rates are evaluated by the Montana PSC every two years. Therefore, the rates would change for net metering customers every two years, creating uncertainty for homeowners considering the installation of solar systems on their homes and businesses.

In addition, changing the contracts of existing installations is a violation of private property rights.

We’re seeing a slurry of NorthWestern Energy-sponsored bills this legislative session as the company continues its history of aggressive interference in the Montana Legislature. NorthWestern Energy (NWE) is a for-profit company with a guaranteed monopoly over supplying energy to most of Western Montana. This company plays a key role in determining Montana’s energy supply mix and energy future. NorthWestern Energy stands out in comparison with many other utilities across the country for its drive to build new fossil fuel plants in the middle of a climate emergency. In Montana, however, NWE has somehow managed to preserve a middling reputation, and continues to get away with launching shameless attacks on the laws and regulations that keep the company in check.

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