

STAND UP FOR ENERGY INDEPENDENCE AND MONTANA JOBS: VOTE NO ON SB 226

Senator Priest: Show us the Subsidy

- The burden is on the bill sponsor to ***put a dollar figure on the so-called subsidy*** of net metering customers before the committee gives serious consideration to a bill that will recklessly destroy Montana's more than two dozen renewable energy installation businesses.
- As presented during the hearing on SB 226, other utilities have put a positive value on distributed generating facilities ranging from 7.9 to 14.1 cents per kilowatt hour.
- There are subsidies and incentives built in throughout the utility system. For instance, rural ratepayers are subsidized by urban ratepayers, simply because more wires and utility poles are required to deliver energy to someone far from a utility substation. No one is proposing to penalize rural customers with higher rates—***why target net metering, a policy that has successfully created jobs?***

SB 226 Kills Jobs and Hurts Montana's Economy

- More than 40 homegrown Montana companies that sell and install small renewable energy systems are threatened by SB 226.
- This industry has grown dramatically since Montana's net metering law was adopted in 1999: more than 800 net metered systems have been installed over the past decade, and the majority of the renewable energy systems installed today are net metered.
- SB 226 cripples net metering, undermines a thriving and important industry, and threatens the livelihood of dozens of small companies and the hundreds of Montanans they employ.

Correcting the Record

- Sen. Jason Priest's argument that the "cost will come in jobs" from the so-called net metering subsidy is unsubstantiated. The subsidy hasn't even been quantified, so ***how can we know what the impact is?***
- Net metered customers pay a \$5.00 monthly "delivery service charge," regardless of whether they use power from the grid.
- Net metered customers are not paid for any electricity they supply to the grid in excess of their annual usage. That's true even though that excess electricity flows to the next closest customer and NorthWestern Energy gets paid full retail value for those kilowatt hours by the neighboring customer.

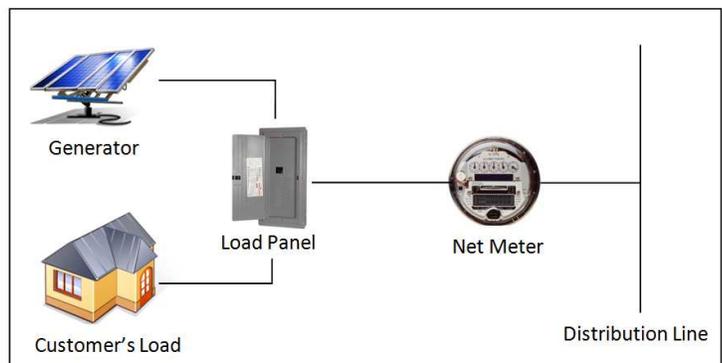
Two Meter Requirement Overcharges Customers

- **Net metered customers will be unfairly charged** for every kilowatt hour they use, even consumption that would have been totally cancelled out by simultaneous production under the current net metering law.
- Why? Because SB 226 would charge net metered customers transmission and distribution charges for all the energy they consume, including energy simultaneously produced on their property—energy that never touches the utility’s distribution network under the current net metering arrangement.

Here’s How it Works

Current Net Metering System: Electricity flows from the customer’s solar panels or wind turbine into the customer’s house; when excess electricity is available, it flows out onto the distribution line and the net meter spins backwards.

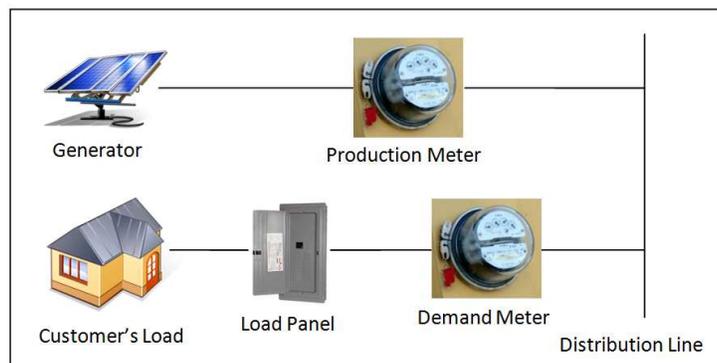
When grid electricity is needed to meet the customer’s load, it flows in from the distribution line, and the net meter spins forwards. The customer pays for the difference between the amount consumed and the amount produced, as measured by the net meter, at a rate of about 10 cents/kWh.



SB 226 Two Meter System: Electricity flows from the customer’s solar panels or wind turbine directly onto the distribution line; the *production meter* measures the amount produced. Meanwhile, electricity flows in on the distribution line to meet the customer’s load, and the *demand meter* measures the amount consumed.

The customer pays about 10 cents/kWh for electricity consumed, and is credited about 6 cents/kWh for electricity produced. The customer doesn’t even have the opportunity to use her system’s energy directly like a net-metered customer would. Instead, even during hours in which she is producing and consuming energy simultaneously, she is

charged 4 cents/kWh as if that electricity was transmitted to her house by the utility.



For more information, please contact:

Conor Darby, Independent Power Systems, 600-2075

Diana Maneta, Montana Renewable Energy Association, 214-9405

Ben Brouwer, Alternative Energy Resources Organization, 465-7200