

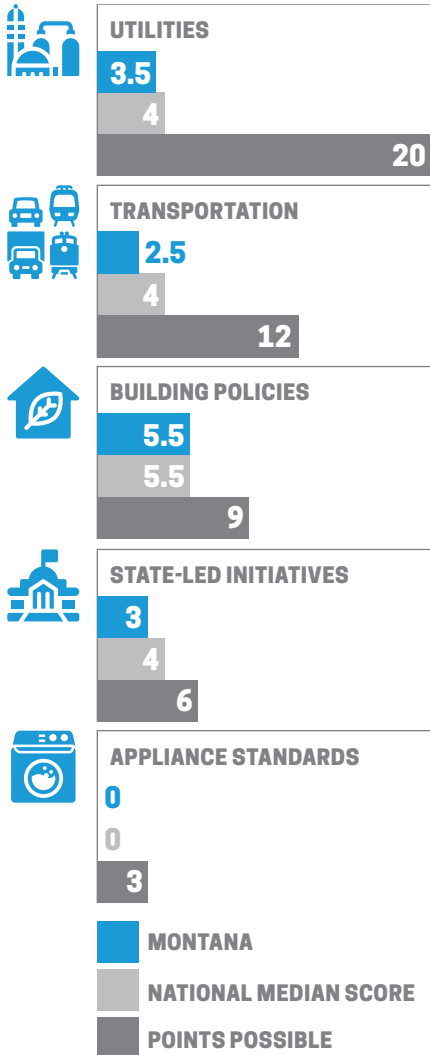
29 

2020 STATE ENERGY EFFICIENCY SCORECARD

Montana

Montana tied for 29th in the 2020 State Energy Efficiency Scorecard, rising seven spots above its 2019 ranking. The state scored 14.5 points out of a possible 50, 2 points more than it earned last year.

Montana’s energy efficiency efforts have lagged in recent years with reported levels of utility savings falling below the national average. Energy efficiency requires continual investment and policy attention. Utility reform legislation signed in 2019 made important updates to the state’s utility integrated resource plan rules to strengthen energy efficiency planning, and further encourages energy savings by paving the way for utilities to earn a rate of return on demand-side management investments. The state also has room to improve its transportation policies.



UTILITIES

The state’s utilities invest in electricity and natural gas efficiency programs; however they realize below-average energy savings. Montana does not have long-term energy savings targets, however utility reform legislation passed in 2019 now allows the state Public Service Commission to approve inclusion of energy efficiency program investments within a utility’s rate base, along with an earned rate of return. The new law also requires utility integrated resource plans to include an evaluation of cost-effective demand-side management programs. Lost revenue adjustment mechanisms for electric and natural gas rates were eliminated in 2015, though a decoupling mechanism pilot was approved for NorthWestern recently. Legislative requirements have established minimum funding levels for low-income energy efficiency and weatherization assistance for public utilities and electric cooperatives.

TRANSPORTATION

The state has a freight plan in place, but in general, Montana has not focused its efforts on policies to encourage efficient transportation systems, leaving significant room for growth.

BUILDING ENERGY EFFICIENCY POLICIES

Residential and commercial buildings must comply with the 2012 International Energy Conservation Code (IECC), with weakening amendments. The state completed a baseline compliance study in 2019 and—working with a stakeholder group—developed a strategic compliance plan. The Department of Environmental Quality offers code trainings and outreach materials to building code departments and real estate professionals. Utilities support code compliance activities.

STATE GOVERNMENT-LED INITIATIVES

Montana offers tax credits and tax deductions for energy efficiency investments in addition to a loan program. The state government leads by example by setting energy requirements for public buildings, benchmarking energy use, and encouraging the use of energy savings performance contracts. In August 2020, the state’s new Montana Climate Solutions Council released a Climate Solutions Plan outlining recommendations to reduce statewide greenhouse gas emissions and address the needs of communities in transition through economic development and workforce strategies.

APPLIANCE STANDARDS

Montana has not set appliance standards beyond those required by the federal government.