

Net Metering

Net metering allows residential and commercial customers who generate their own electricity from solar power to feed electricity they do not use back into the grid. Many states have passed net metering laws. In other states, utilities may offer net metering programs voluntarily or as a result of regulatory decisions. Differences between states' legislation and implementation mean that the benefits of net metering can vary widely for solar customers in different areas of the country.

What Is Net Metering?

Net metering is a billing mechanism that credits solar energy system owners for the electricity they add to the grid. For example, if a residential customer has a PV system on the home's rooftop, it may generate more electricity than the home uses during daylight hours. If the home is net-metered, the electricity meter will run backwards to provide a credit against what electricity is consumed at night or other periods where the home's electricity use exceeds the system's output. Customers are only billed for their "net" energy use. On average, only 20-40% of a solar energy system's output ever goes into the grid. Exported solar electricity serves nearby customers' loads.



This digital meter runs in both directions to accommodate electricity generated at this customer's home. A 4 kilowatt PV system on a home in this area would offset around 4911 kilowatt hours of electricity each calendar year, saving the homeowner over \$380 on their utility bill. (Source – NREL PV Watts, EIA)

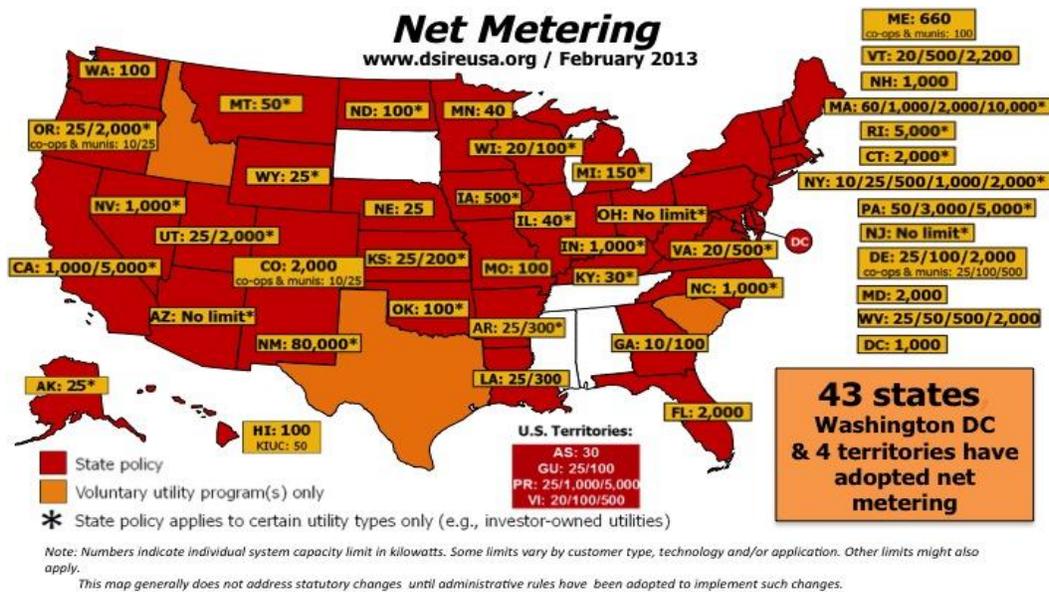
Giving Customers Control Over Their Electricity Bills

Net metering allows utility customers to generate their own electricity cleanly and efficiently. During the day, most solar customers produce more electricity than they consume; net metering allows them to export that power to the grid and reduce their future electric bills. California public agencies and schools will save \$2.5 billion in electricity costs over the next 30 years using net metering.

Protecting the Electric Grid

Unfortunately, some utilities perceive net metering policies as lost revenue opportunities. In fact, net metering policies create a smoother demand curve for electricity and allow utilities to better manage their peak electricity loads. By encouraging generation near the point of consumption, net metering also reduces the strain on distribution systems and prevents losses in long-distance electricity transmission and distribution.

NEM Is a Fundamental Policy



Source:

Solar Energy Industries Association, Washington, DC 20004

www.seia.org/policy/distributed-solar/net-metering