

BROAD COALITION SUPPORTS AN IMPROVED NET METERING PROGRAM IN NORTH CAROLINA

BUSINESS AND CITIZENS RECOGNIZE THE ROLE THAT NET METERING CAN PLAY IN PROTECTING THE ENVIRONMENT, CREATING JOBS, AND ACCELERATING CLEAN ENERGY DEVELOPMENT

The net metering program in North Carolina is failing to result in more renewable energy because of prohibitive monthly fees. Proposed legislation can raise North Carolina's grade to a B+.

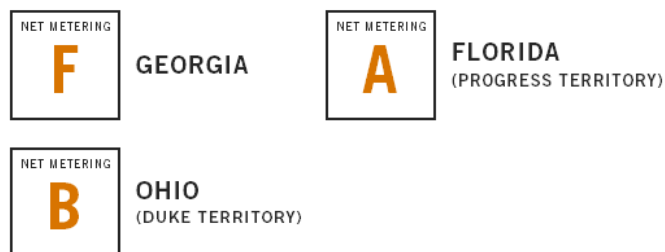
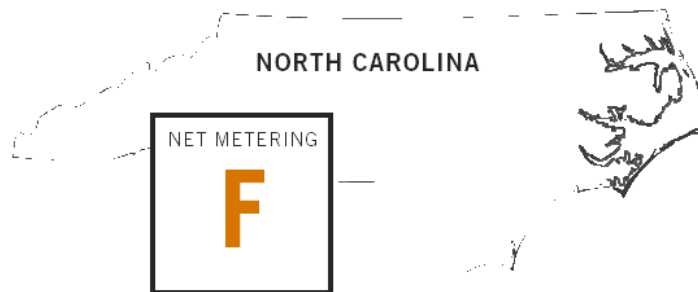
ELEMENTS OF A STRONG METERING PROGRAM:

- All customer types are able to participate—business, residential, agriculture
- System sizes up to 1 Megawatt can net meter and simply interconnect
- Customer's credits rollover from month-to-month, with an annual account reconciliation
- Customers can choose to remain on the same rate schedule, and prevent additional standby charges
- Customers can sell their Renewable Energy Certificates to the utility for REPS compliance

BENEFITS TO NC OF NET METERING:

- Provides hedge against rising energy prices and increases energy security
- Helps grow businesses and create jobs, conservatively, 1 Megawatt of installed solar PV supports 3–4 jobs
- Supplies customers with clean energy
- Increases the reliability of the electric grid during times when consumption is high
- Significant deployment of clean energy will improve air and water quality and reduce greenhouse gas emissions

Net Metering can help bring on-line 300 Megawatts of solar power in 10 years—creating over \$500 million in new investment and 900–1200 jobs.



Source: *Freeing the Grid: Edition 2007*, a report by a coalition of top renewable energy policy experts, ranks and grades the states with net metering standards.

WHAT IS NET METERING?

Net metering is the simplest possible billing arrangement by which customers realize savings from their renewable energy systems, where 1-kWh (kilowatt-hour) generated by the customer has the exact same value (in cents/kWh) as a 1-kWh consumed by the customer.

Net metering allows consumers to transfer surplus energy onto the utility grid essentially "banking" it for later use. When the customer's house is producing more electricity than it consumes, the electric meter literally spins backward, allowing consumers to store kilowatt credits, to be drawn upon later; just how cell phone roll-over minutes work.

Without exception, significant deployment of clean, customer-sited distributed generation occurs only in states with modern interconnection and net metering policies. Net metering is technically and economically feasible across the NC grid.

WHAT NORTH CAROLINA BUSINESSES ARE SAYING ABOUT NET METERING:

North Carolina is positioning itself as a national leader on renewable energy, which creates jobs and reduces pollution. Our state needs to improve its net metering program to fully realize the benefit of renewable energy.

Michael Shore, FLS Energy, Black Mountain, NC

NC GreenPower is a stop-gap measure and the rate has already dropped once. What happens when NCGP is no longer a viable option? This could happen quickly as PV becomes mainstream. Without a solid net metering program the PV industry in NC will quickly dwindle once the NCGP program gets to the point where more dollars are flowing out to producers of green power than contributions can support.

Erik Lensch, Argand Energy, Charlotte, NC

Meeting the REPS requirements and coming carbon reduction goals requires renewable energy to get to scale quickly. Current NM is too small in size and creates added cost and risk for commercial customers to want to try it. Its less risky to install a small system that will never back feed instead of a larger one that requires signing up for net metering.

Richard Harkrader, Carolina Solar Energy, Durham, NC

With strong net metering laws the cost of solar installations will drop and the complexity of the financial rewards will be reduced, encouraging more businesses and residences to consider solar energy.

Bob Kingery, Southern Energy Management, Morrisville, NC

WHY CURRENT NORTH CAROLINA NET METERING PROGRAM DOESN'T MAKE THE GRADE

Under today's rules, a North Carolina customer-generator can actually pay more for using less electricity. The new "standby rates" onto which they are forced include extra monthly charges in meter fees, stand-by charges and larger monthly minimums. When NCSEA searched for a good story on net metering success, no one even had an anecdotal success. Few customers are enrolling in net metering because the economics just fail.

Some of the reasons so few NC customer-generators net meter:

- A customer-generator is automatically shifted to a time-of-use rate which often results in higher costs than the typical residential or commercial fixed rates.

- Customer-generators are subject to the utilities' tariffs and riders which include extra monthly demand charges and metering fees.
- The monthly minimum charge for a customer-generator is larger than the monthly minimum charge for each respective customer class.

Net Metering should facilitate renewable energy generation, not deter it. The current program is a losing financial proposition for homeowners and commercial retailers.

Send a letter to the NC Utilities Commission

Ask for a fair Net Metering rule!

Address your letter to:

Chairman Ed Finley

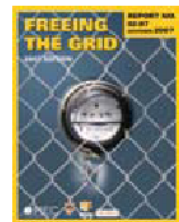
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FREEING THE GRID: 2007 EDITION

Available for a free download at: www.new-energychoices.org/uploads/freeingthegrid2007_report.pdf

Source: Kammen, D. "Putting Renewables to Work: How Many Jobs Can the Clean Energy Industry Generate?" *The Renewable and Appropriate Energy Lab at UC Berkeley*, 2004.



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