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POSITION STATEMENT ON NET METERING

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Net metering is an electricity policy for consumers who own renewable electrical energy generating facilities to sell back electrical energy at the same financial rate at which they buy it.

The U.S. Federal government encouraged greater net metering options for electric utility customers as part of the Energy Policy Act of 2005. Under Sec. 1251, each state was required to consider adoption of standards requiring all public electric utilities to make net metering available to their customers upon request.

16 USC 2621(d)(11) NET METERING.—Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term ‘net metering service’ means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.”

Forty-three U.S. states currently allow net metering. The allowed percent of a customer’s demand peak and net metering cap vary widely between states. Indiana’s statutory limit is one of the least progressive in the country. The most progressive state, Arizona, currently has no limits. One of our closest neighboring states, Ohio, has no power limit. A progressive state should adopt limits that make investment in renewable energy sources attractive to industrial consumers. This limit should be no less than ten megawatts. Net metering in watt hours should be allowed up to the monthly customer usage. Beyond that usage customers should be allowed to sell power back at LMP rates.

It is INDIEC’s position that Indiana government should enact legislation that maximizes the incentive to industrial consumers to invest in renewable energy. There should be standards for connectivity to electric utility lines, but there should be no generation limits other than to not exceed the peak demand currently paid for by the customer. This limit would protect the utility company equipment. Customers should be credited monthly at the same rate as they are billed for usage by the utility.