



## **NET METERING**

Mason County PUD No.1 offers Net Metering to customers who wish to generate their own electricity with fuel cells or solar, wind or hydro powered electric systems of 25 kilowatts or less in generating capacity. Once Mason County PUD No.1 reviews and approves a customer-owned electric generation system, net metering allows a customer to be connected to the utility's distribution system. Any excess electricity generated by a customer can then be credited to the customer's next bill at the same rate they are charged for electricity.

### **WHAT IS NET METERING?**

- For customers who generate their own electricity using small-scale energy systems, net metering measures the difference between the electricity you buy from Mason County PUD No.1 and the excess electricity you produce using your own generating equipment.
- Your electric meter keeps track of this "net" difference as you generate excess electricity and take electricity from the electric grid.

### **HOW EXACTLY DOES NET METERING WORK?**

- Basically, net metering is a special metering and billing arrangement between you and Mason County PUD No.1.
- Normally, your electric meter runs "forward" as it measures the amount of electricity that the PUD sends into your home or business.
- If your generation system makes more electricity than you need at any given time, net metering allows this electricity to run "backward" through the meter and out into the electric grid. This causes the meter to run in reverse, which means you get full retail value for the electricity you generate.
- Net metering can usually be accomplished using the existing meter at your home or business. In some cases, the PUD or the customer may choose to install an additional meter to separately measure the output of your generating system. If this is the case, the electricity generated will be subtracted from the electricity consumed by the customer to determine the net consumption or net excess generation (NEG).

### **HOW WILL I BE BILLED?**

- Just as the PUD does now. The PUD will continue to read your meter and you will receive electric bills on your normal billing schedule.
- If you use more energy than you generate in a given billing cycle, you would be a "net consumer," and the net consumption would appear as a charge on the current bill.
- If your meter ran backward more than forward in a given billing cycle, you would be a "net generator" for that billing cycle, and the NEG would appear as a credit on your next bill.
- Each customer and the PUD will agree in an Interconnection and Net Metering Agreement on how they will treat any net generation at the end of each calendar year.

- In all cases, a monthly minimum customer charge will be applied. This is the same charge that applies to all customers, regardless of whether or not they are net metering customers.

#### **WHAT ARE THE BENEFITS OF NET METERING?**

- By generating your own electricity, you reduce your electricity bills.
- With a net metering arrangement, any excess electricity that you generate and do not use can be fed back to the utility, which will again reduce your electricity bill. Your excess electricity now offsets electricity you would otherwise have to buy at full retail prices, and this makes owning your own generating system more cost-effective.
- Without net metering, one alternative would be to purchase batteries to store the excess power for later use. Having your own battery storage for electricity is very expensive, and would typically only benefit you during a period when the PUD's Power is off for some reason. We suggest serious consideration be given to this cost/benefit issue before choosing to install a battery back-up system.
- Another alternative to net metering is to arrange for metering and sale of the electricity you generate as a "qualifying facility" under PURPA rules. Typically, this type of installation is more expensive, since separate metering equipment is required. In addition, all electricity you generate would be credited at the PUD's "avoided cost," which is usually less than half the retail rate. Net metering allows you to get credit for most of the energy you generate at the retail rate.

#### **AM I ELIGIBLE FOR NET METERING?**

- In Washington, any residential or small commercial electricity customer, in good standing, who generates at least some of their electricity, is potentially eligible for net metering.
- *Solar, hydro, wind or some combination of these resources must power your generating system. It could also be a fuel cell.* Other types of generating systems are not eligible for net metering.
- The generating system must not exceed 25 kilowatts of peak AC power output.

#### **WHAT ARE THE TECHNICAL REQUIREMENTS?**

- A net metering system used by a home owner or business must include, at the customer's own expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the National Electrical Code (NEC), national electrical safety code, the Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories (UL), local serving utility, and any applicable state and local agencies.
- These Interconnection Standards are listed after Mason County PUD No.1's Net Metering Application in this packet.
- *Mason County PUD No.1 must approve your system before you connect to the electric grid.*