

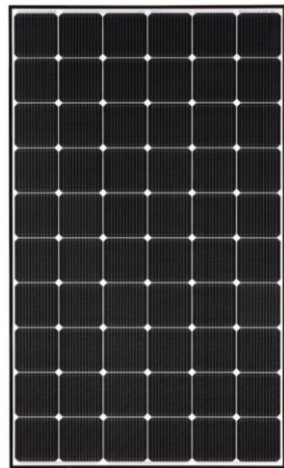
# BILL CREDITING



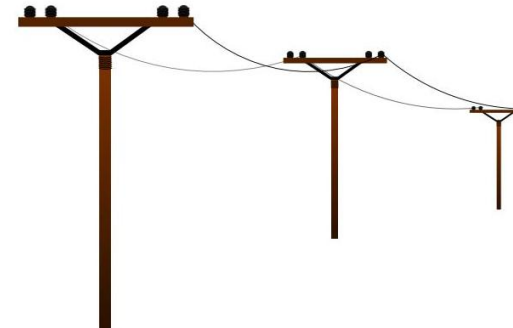
SINCE 1995

# Net energy metering (NEM)

Get retail credit (or a portion of retail credit) for PV production sent to the grid.



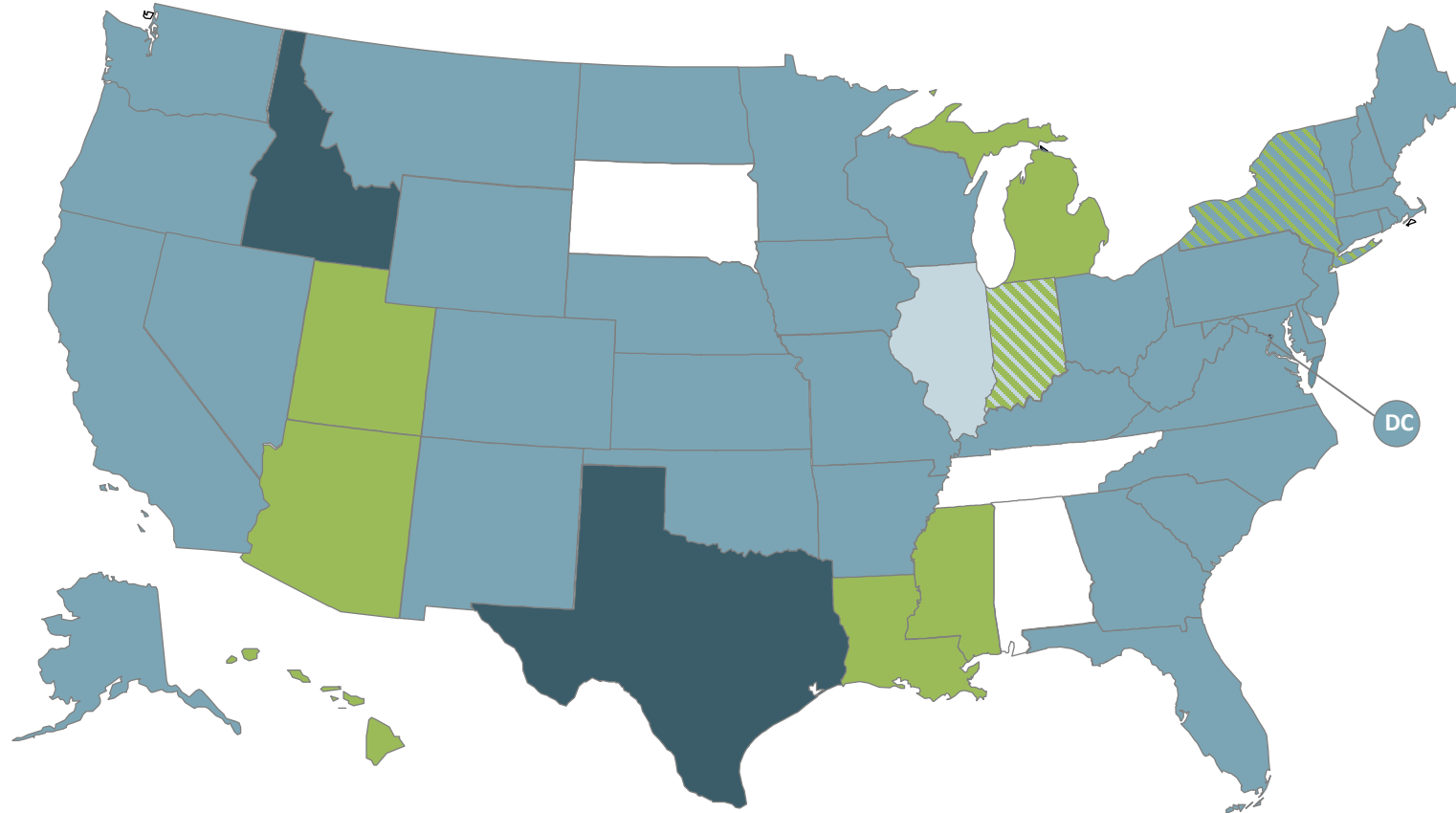
get retail value  
(as a credit)



get retail value  
(avoid buying grid electricity  
at the retail rate)



# Net metering across the U.S.



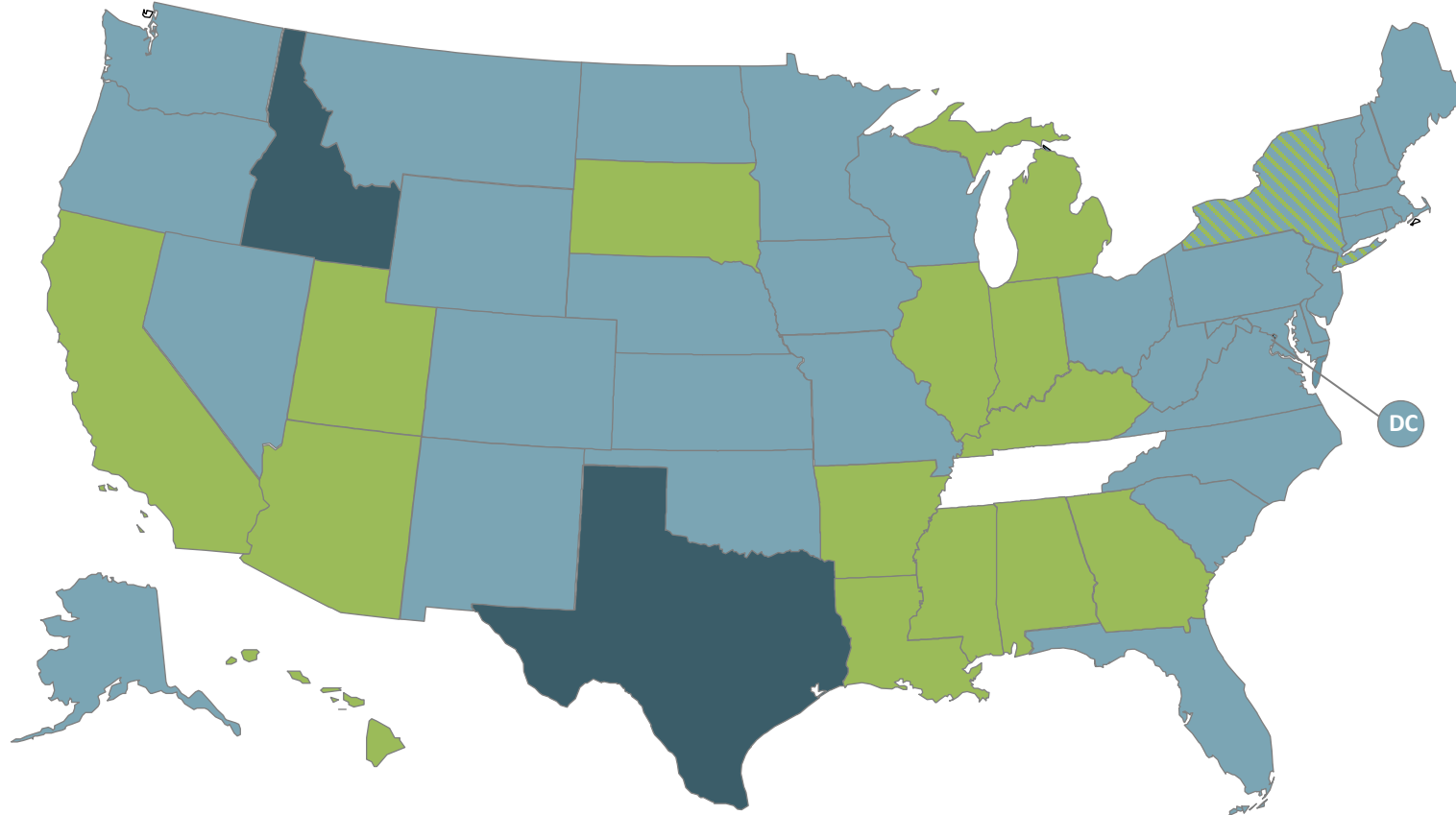
Last updated by DSIRE  
**August 2021**

**39 States have mandatory  
Net Metering rules**

2 of these states are in  
transition to policies other  
than net metering

- State-developed mandatory rules for certain utilities (37 states + DC+ 4 territories)
- In transition to statewide distributed generation (DG) compensation rules other than net metering (2 states)
- Statewide DG compensation rules other than net metering (8 states)
- No statewide mandatory rules, but some utilities allow net metering (2 states)

# Net metering across the U.S.



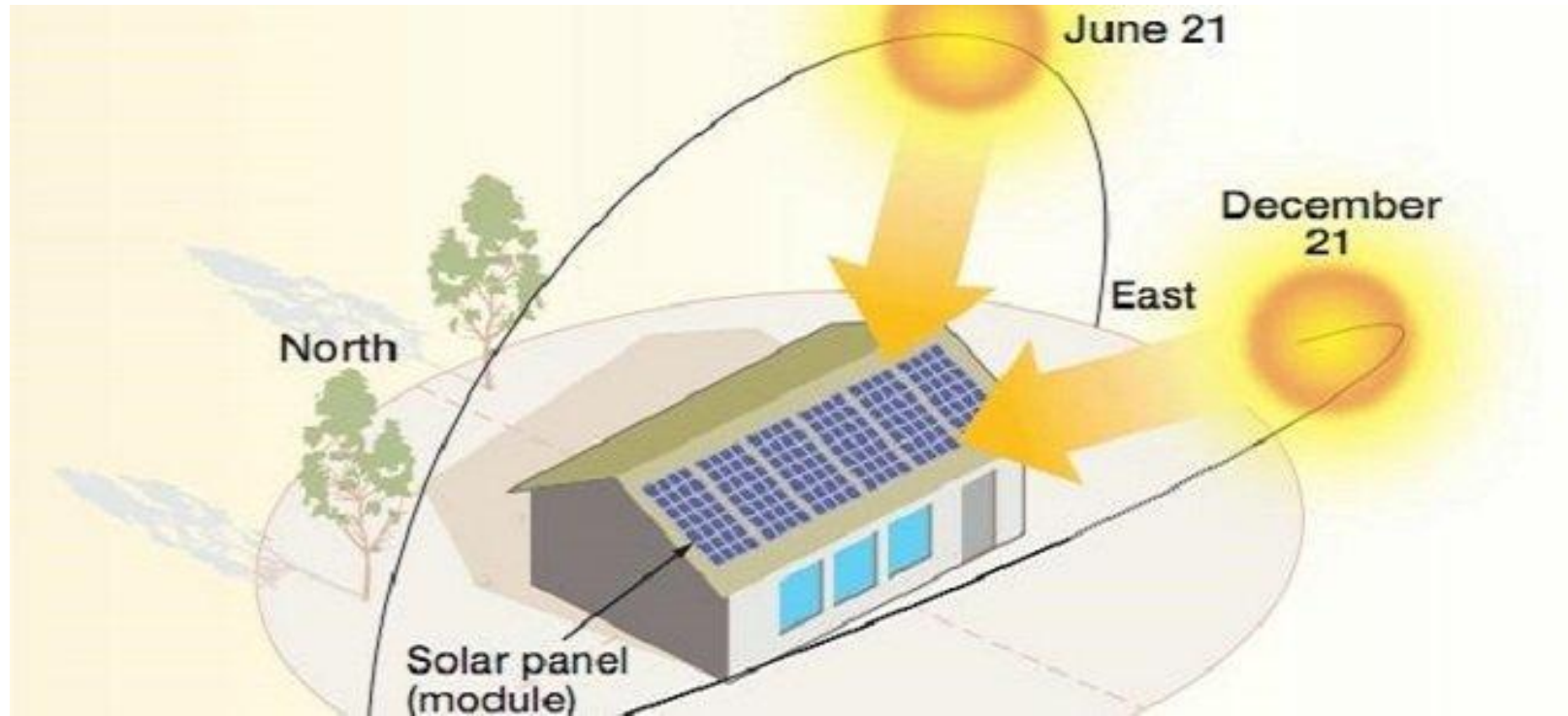
Last updated by DSIRE  
**April 2025**

**34 States have mandatory  
Net Metering rules**

2 of these states are in  
transition to policies other  
than net metering

- State-developed mandatory rules for certain utilities (33 states + DC+ 3 territories)
- Statewide DG compensation rules other than net metering (14 states)
- No statewide mandatory rules, but some utilities allow net metering (2 states)

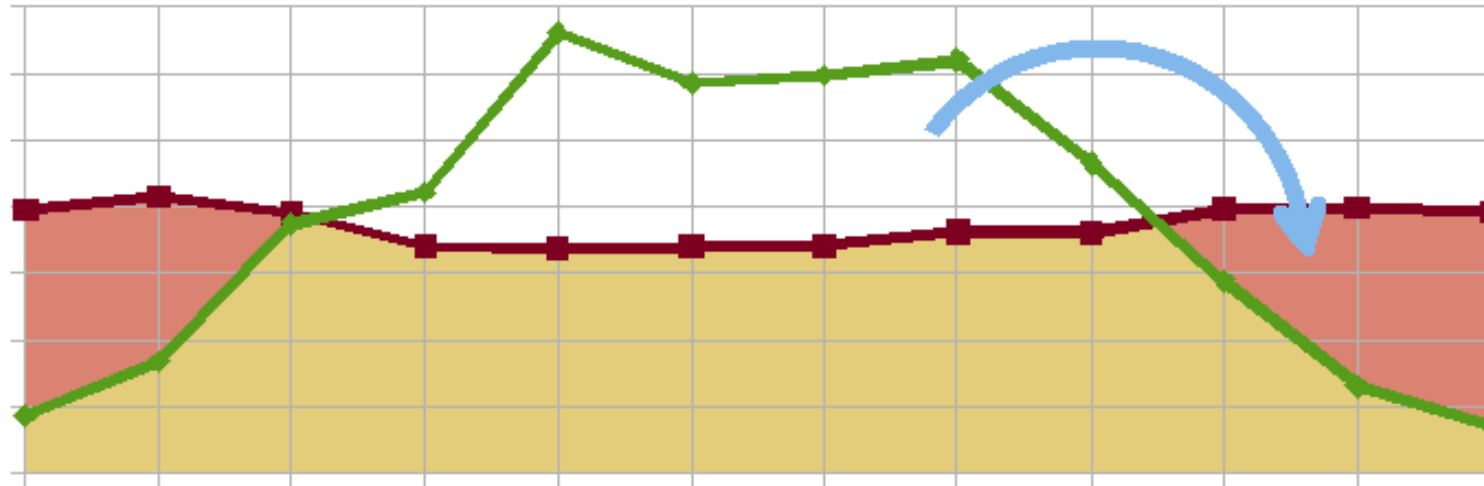
# More PV production in the summer



# Annual net metering

At interconnection, the customer goes from monthly billing to annual billing.

A summer dollar credit can offset a winter dollar cost.

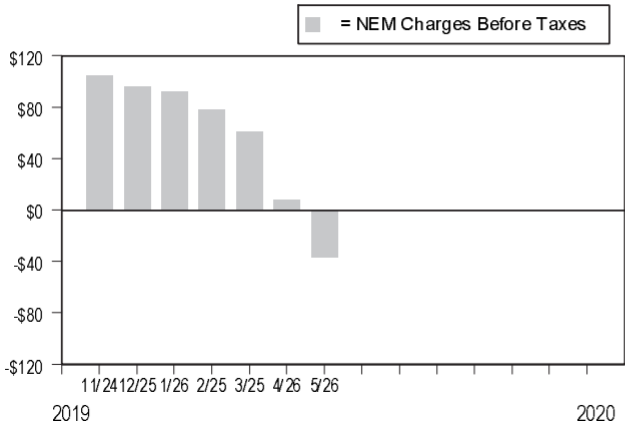


# NEM and the customer bill

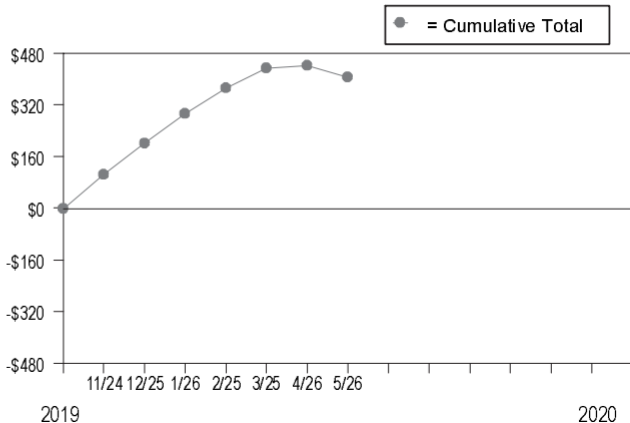
## Summary of NEM Charges

Bill Period End Date	Net Peak Usage (kWh)	Net Part Peak Usage (kWh)	Net Off Peak Usage (kWh)	Net Usage (kWh)	Estimated NEM Charges Before Taxes	Estimated NEM Charges After Taxes
11/24/2019	130	102	500	732	\$105.42	\$114.88
12/25/2019	138	69	444	651	96.49	105.13
01/26/2020	103	89	438	630	92.76	101.07
02/25/2020	71	50	459	580	78.43	85.49
03/25/2020	57	20	390	467	61.21	66.72
04/26/2020	-81	-7	334	246	8.56	9.46
05/26/2020	-171	-76	271	25	-36.05	-39.10
TOTAL	247	247	2836	3331	\$406.82	\$443.65

### NEM Charges Before Taxes



### Cumulative NEM Balance by Month



# Oversized PV systems = lost NEM credits

## Summary of NEM Charges

Bill Period End Date	Net Peak Usage (kWh)	Net Off Peak Usage (kWh)	Net Usage (kWh)	Estimated NEM Charges Before Taxes	Estimated NEM Charges After Taxes
06/25/2019	-47	-323	-370	-\$31.65	-\$33.61
07/25/2019	-59	-408	-467	-35.19	-37.42
08/26/2019	-23	-328	-351	-22.36	-23.83
09/25/2019	-7	-226	-233	-11.47	-12.26
10/24/2019	0	-281	-281	-13.97	-14.93
11/24/2019	35	-157	-122	-3.96	-4.26
12/25/2019	82	204	286	16.74	17.86
01/26/2020	80	254	335	24.42	25.98
02/25/2020	54	-61	-7	1.59	1.68
03/25/2020	14	-62	-48	-0.66	-0.73
04/26/2020	20	-6	15	3.28	3.47
05/26/2020	13	-191	-179	-10.15	-10.82
TOTAL	162	-1585	-1422	-\$83.38	-\$88.87

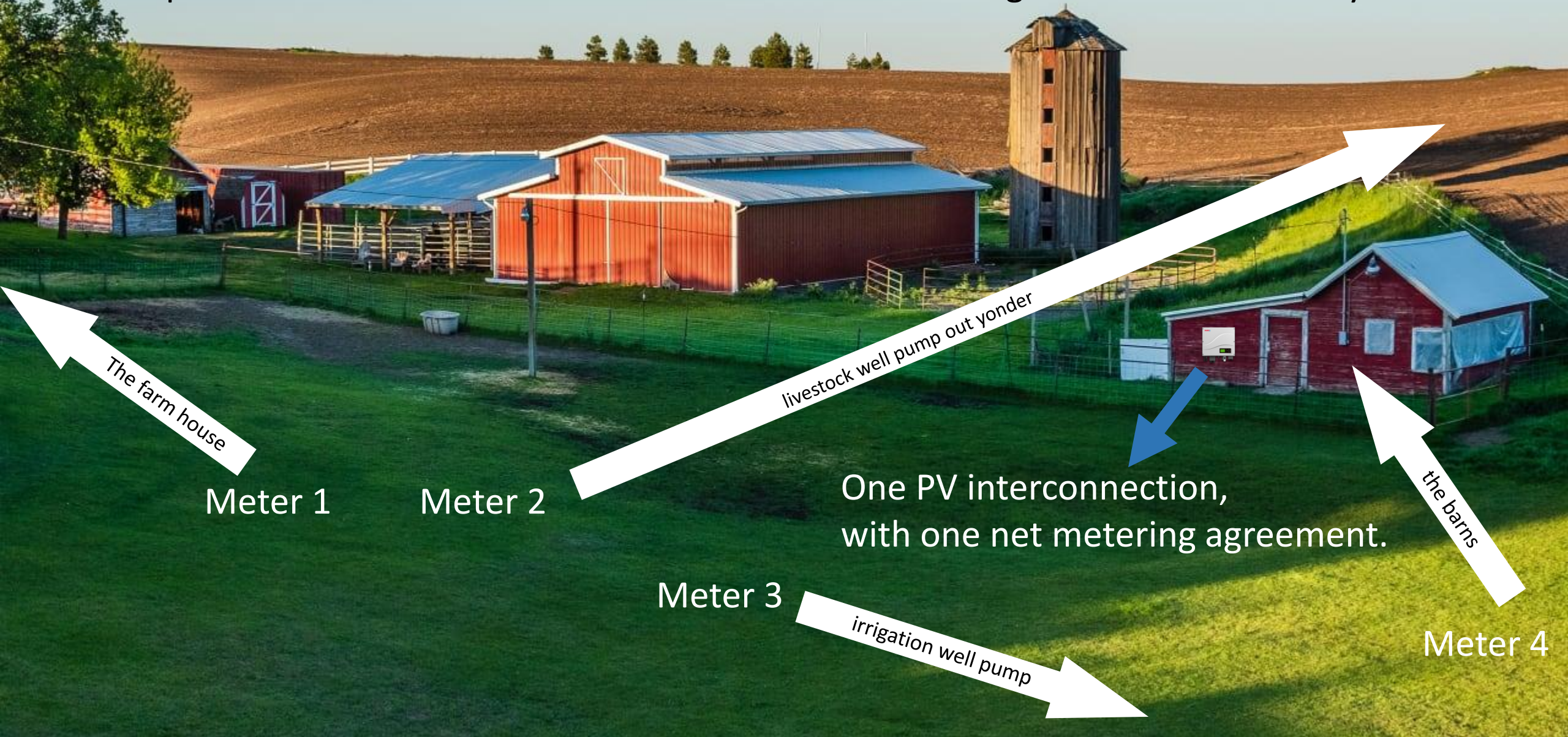


NEM credits are reset to \$0 at the true-up.

Bill Period End Date	Net Peak Usage (kWh)	Net Off Peak Usage (kWh)	Net Usage (kWh)	Estimated NEM Charges Before Taxes	Estimated NEM Charges After Taxes
06/24/2020	22	-176	-154	-\$10.70	-\$11.38
TOTAL	22	-176	-154	-\$10.70	-\$11.38

# Aggregated metering

PV production from one meter is allocated across all usage meters in the utility account.



# Virtual net metering

PV production from one meter is allocated to different utility accounts at the same site.



# Monthly NEM, with retail-rate rollover

Exports are credited at the retail rate.

There's a month-by-month credit rollover within a one-year period.  
(Summer dollar credits can offset the winter cost.)

The customer pays the full amount due every month.

# Monthly NEM, with monthly true-up

Exports are credited at the retail rate.

Summer dollar credits do **not** offset the winter cost.

The customer pays the full amount due every month.

A smaller PV system could get more value per kWh.

# NEM with rate-component distinctions

Example: The full generation rate is credited but not the full delivery rate.

# Value of Solar

Exports earn an export rate.

The retail rate isn't a factor — grid energy is purchased separately.

Feed-In Tariff  
Buy-All Sell-All

WELCOME  
— CITY OF —  
AUSTIN

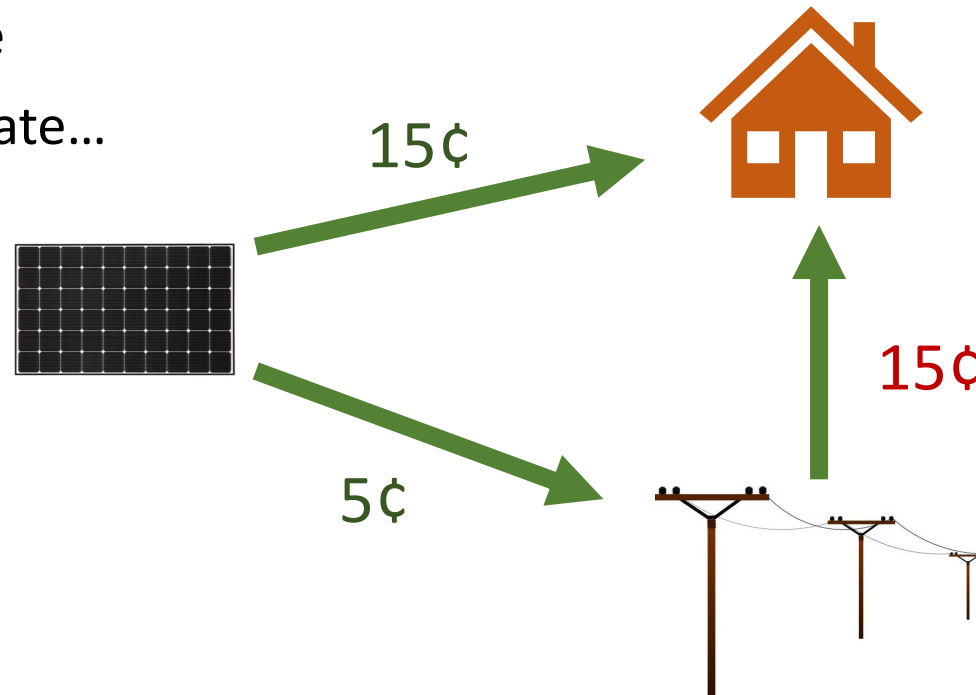


# Net Billing

Production used on site earns the retail rate (by displacing grid power).

Exports are credited at a different export rate.  
(typically the wholesale rate: ~4-5¢)

With a 15¢ retail rate  
and a 5¢ wholesale rate...



# Minimum Site Rate



PV production serving the site is credited at less than the retail rate.

In Lompoc, residential PV customers have to pay 10.3¢ per PV kWh that serves on-site load (6.5¢ to 7.2¢ for non-residential).

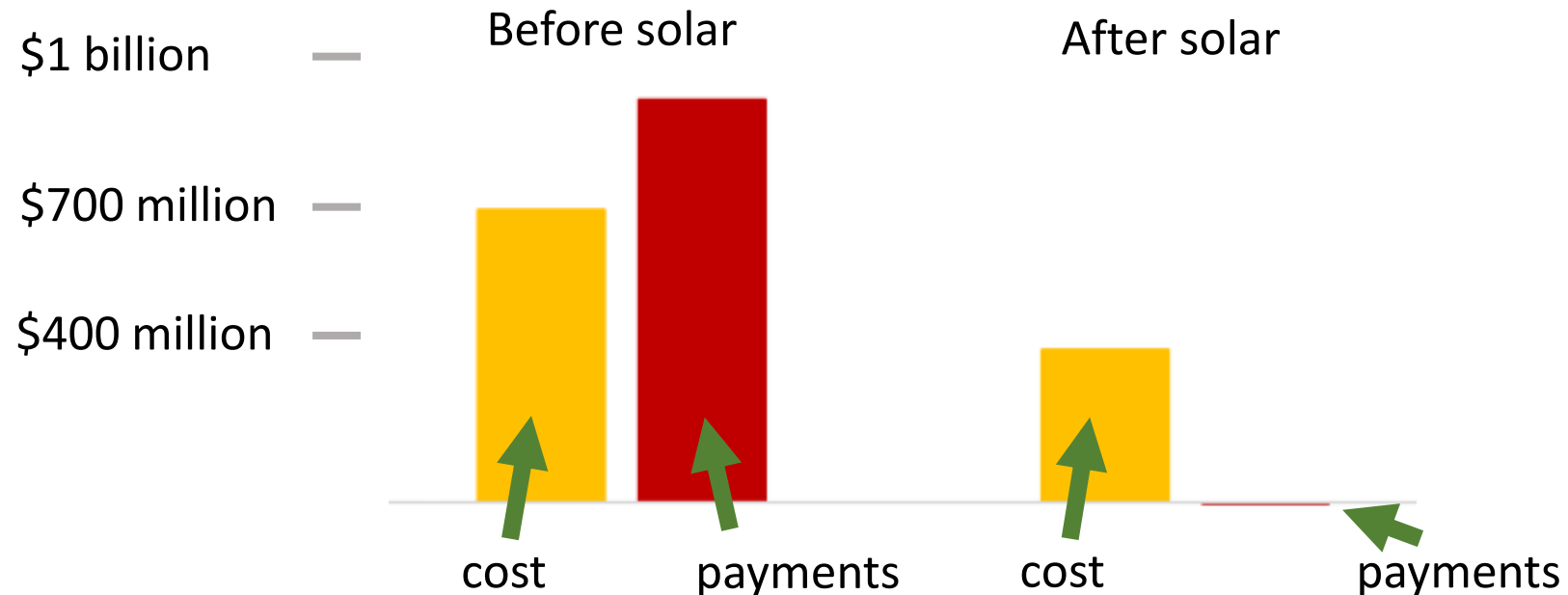


“This schedule collects that portion of the distribution costs, based on measured kilowatt-hours (kWh), when the eligible customer-generator receives energy from their own generating facility.”

# California's end of net metering

A CPUC report's conclusion:

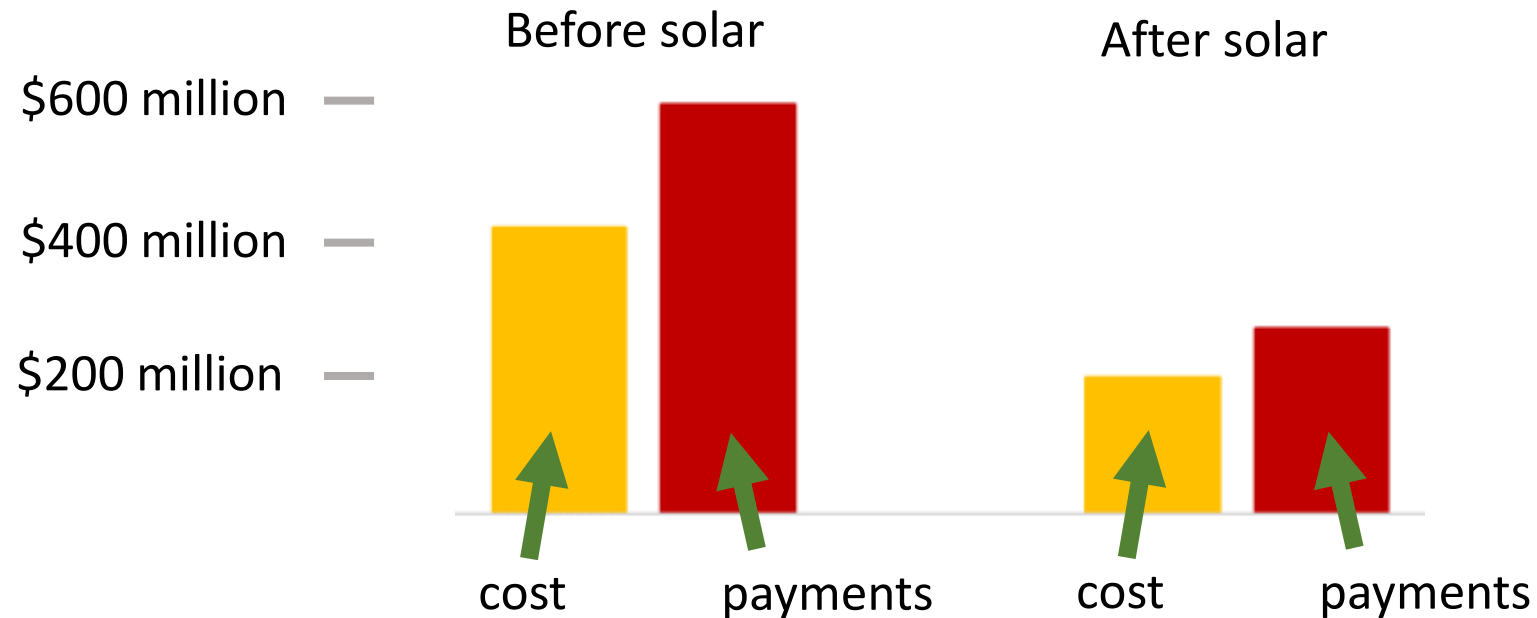
Residential NEM 2.0 customer payments don't cover the cost to serve them.



[Source](#) (from section 1-9)

# California's end of net metering

Non-residential NEM 2.0 customer payments **do** cover the cost to serve them.



[Source](#) (from section 1-9)

# BILL CREDITING

