

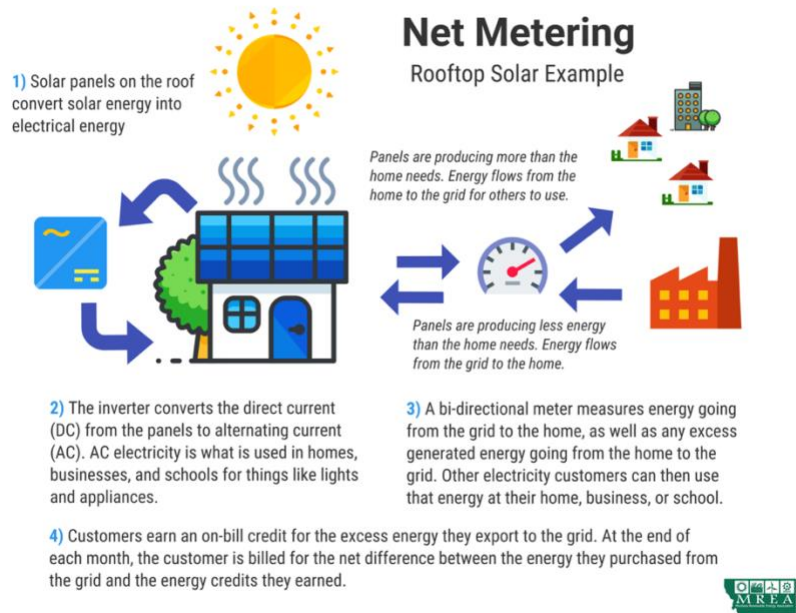
WHAT IS NET METERING?

Distributed Generation (“DG” or “DGen”) is the term used to describe electrical generation systems that are located at or near where the electrical energy is intended to be used. One of the most common examples is rooftop solar photovoltaic (solar “PV”), but the term also includes small wind, ground mounted solar PV, solar thermal, micro-hydro, storage, and other technologies.

Net energy metering (“NEM”, or “net metering”) is a *billing mechanism* that allows a home, business, school, or library with a distributed generation system to accrue on-bill credits for excess energy that their system exports to the grid.

How it works

After you install a renewable energy system on your property, it will begin producing energy. The inverter that is installed with your system converts the direct current (DC) electricity from the system into alternating current (AC) electricity. AC electricity is what is used in homes, businesses, and schools for things like lights and appliances. A bi-directional meter will measure the energy coming from the grid (the "usual" direction) as well as any excess energy going back out onto the grid. If your system is producing more energy than is needed on-site that energy can flow back onto the grid for your neighbors to use. You earn an on-bill credit for any excess energy exported to the grid.



Generally, any saved up credits that may have accumulated throughout the year are forfeited back to the utility. They can't be saved indefinitely. Those forfeited credits are lost without any compensation; no one gets check or any kind of cash payment. Meanwhile, the utility sells that electricity to the customer next door.

Net metering policies may vary depending on your state and your energy provider. You should ask your your energy provider about them. Some good questions to ask are:

- Is there a limit on the allowable system size (in kW) for a net metered system?
- How long can I rollover (e.g. store) my net metering credits? Is there a "true-up" date?
- If there is a true-up date, do I get to choose when it is? And at that time, are my credits forfeited to the utility?
- Am I allowed to do "aggregate billing", allowing credits from a single net metered system to offset multiple meters on my property, ranch, or school?

For more information about net metering visit: MontanaRenewables.org/NetMetering