

FREQUENTLY ASKED QUESTIONS

Interconnection and Net Metering Of Customer-Owned Renewable Generation

1. What is net metering?

Net metering is a service option offered by some electric utilities that permits customer-owned renewable generation to be interconnected with the utility's distribution system and used to offset part or all of a customer's electric usage. Any excess customer generation is delivered into the utility's distribution system and is credited on the customer's monthly electric bill.

2. Why offer net metering?

Net metering and interconnection standards provide a number of benefits. The top benefits are: 1) it promotes the development of renewable energy, 2) it enables customers to offset purchases from their electric utility, and 3) it enables customers to sell excess generation to their electric utility. Net metering is a valuable service for customers who want to install renewable generation.

3. How does net metering work?

Net metering enables qualified, customer-owned renewable generation to offset some or all of the customer's electricity consumption from the local electric utility. First, the customer-owned renewable generation is used to supply the customer's own electricity usage, offsetting the need for electricity from their utility. When the customer needs more electricity than their system generates, the deficit is purchased from the utility. Conversely, when the customer uses less electricity than their system generates, the surplus is delivered to the utility's distribution system and credited to the customer. The customer's monthly bill will reflect the net charge for electricity consumed by the customer against electricity sold back to the utility.

4. What types of renewable generation qualify?

There are several types of customer-owned renewable generation that qualify. Solar and wind systems are the most common. Other qualified renewables include biomass, waste heat, hydrogen, geothermal energy, ocean energy and hydroelectric power. The system must be located on the customer's property and have a generating capacity of less than 2 megawatts.

[Note to Utility: Your utility's policy may differ from the sample answer above, so make any changes necessary to comport the answer with your utility's policy.]

5. Who is eligible?

Any customer with qualified renewable generation can participate. The only limit is that the total rated generating capacity of all customer-owned renewable generation on the utility's system cannot exceed 2.5% of the utility's aggregate peak demand. If that limit is reached, subsequent applicants for net metering will be considered on an individual basis.

6. Is there a need for a new meter?

It depends.

[**Note to Utility:** Since each utility's metering arrangement can be different, write an answer that is consistent with your utility's policy.]

7. How is the customer billed?

Net metering adds a credit to the billing process. The customer will be billed for the total amount of electricity delivered to the home by the utility. The customer will then be credited for the total amount of excess electricity that is generated by the customer and delivered to the utility. In the event that a customer's credit for its self-generation is greater than its bill for utility electricity, the excess credit amount will be applied to the following month's bill. The customer's monthly bill will reflect the net of electricity purchased from the utility versus electricity sold to the utility. [**Note to Utility:** This process may be slightly different for those utilities that credit at a full retail rate, so make any changes necessary to be consistent with your utility's policy.]

8. How do I get started?

There are three main steps to implement net metering. First, prepare by reviewing all the program information, and then, research the types of systems that best suit your household and choose a contractor to install it. Second, apply for net metering by submitting all required paperwork to the utility. Finally, review the utility's interconnection and system requirements, install the generating system, and complete the necessary documentation allowing the system to be connected to the utility's distribution system.

9. What documents are necessary to participate in net metering?

Several documents are required to participate in net metering. The three principal documents include: 1) Application for Interconnection, 2) Standard Interconnection Agreement for Customer-Owned Renewable Generation, and 3) Tri-Party Net Metering Power Purchase Agreement. These documents, together with the utility's Net Metering Tariff, establish the terms and conditions for net metering.

10. What are the requirements for interconnecting?

There are several interconnection requirements established for safety reasons. In addition to completing the necessary documents and agreements, the Interconnection Agreement requires that participants provide: 1) certification that the generation equipment and its installation, operation and maintenance are in compliance with applicable codes and standards, 2) a copy of the manufacturer's installation, operation, and maintenance instructions, and 3) certification that the renewable generation system has been inspected and approved by local code officials. In addition, the customer must notify the utility in writing of the date and time the system will be placed in service. This must be completed at least 10 days prior to the beginning date of service. [**Note to Utility:** If your utility adds any interconnection requirements, include them in this answer.]

11. What are the costs associated with net metering?

There are two main costs associated with net metering. These costs include: 1) an application fee, [**Note to Utility:** Some utilities may not charge an application fee, and some may charge both an

application fee and a system impact study fee. Please make the necessary changes to be consistent with your utility's policy.] and 2) purchasing and installing the generation equipment. Additionally, system maintenance and inspections are costs to be considered. Insurance, while recommended, is not necessary for participation when using systems that produce 10 kilowatts or less. [Note to Utility: This may be different for each utility. Also, it may be covered under homeowners insurance.] These are the main costs, though other costs may apply.

12. The Tri-Party Agreement involves the Florida Municipal Power Agency (FMPA). What is FMPA?

The Florida Municipal Power Agency (FMPA) is an Orlando-based wholesale power agency. FMPA is our utility's exclusive wholesale electricity supplier, so FMPA's policies must be coordinated with the utility since net metering involves selling electricity to the utility.

13. Where can I find additional information about net metering?

Additional information can be found on the following Web sites:

[Database for State Incentives for Renewables & Efficiency \(DSIRE\)](#): DSIRE provides a summary of Florida's net metering incentives, rules and regulations.

[Florida Public Service Commission](#): The Florida Public Service Commission provides information on net metering, as well as regulations associated with the electric industry. Municipal electric utilities are not subject to PSC rules on net metering. Instead, each municipal electric utility adopts its own net metering and interconnection policy.