



Switch Reliable Energy from Renewable Sources

www.SwitchOnEnergy.com

703-941-3284

Net Metering

What is Net Metering?

Net metering is a simplified way of metering the energy consumed or produced by a home or business that produces on-site energy. Federal law mandates that utilities purchase energy produced by on-site systems. Under net metering, when a home or business produces more energy than they use, their electric meter literally spins backwards and they receive credit for energy production. At the end of the month, the net bill is determined by the net amount of energy used at the home or business. In some cases, the utility will owe money to their energy producing customer.

Promise of Net Metering

Net metering offers a simple way for the United States to convert part or all of its electric grid to distributed generation. This would have many advantages for power reliability. It would also allow people or businesses who have access to renewable energy sources to become energy producers for the electric grid. In some areas, this is already possible, and landowners are able to use energy production as an extra source of income.

Net metering works best for individuals or businesses who own on-site energy systems powered by wind, solar, and micro hydropower. This is because these energy resources are intermittent. Solar is only available during the day, wind does not always blow, and streams vary by the amount of rainfall and the season. Net metering allows for individuals and businesses to be net energy producers at some times and to use energy from the grid at others. This is an efficient and effective way of maintaining a very low cost energy supply.

The Problems with Net Metering

Most states limit net metering. This is done to ensure the safety of utility workers in the case of a power outage and to ensure the electric grid is not overwhelmed by a large amount of energy from small producers. States limit net metering by limiting the size of on-site energy systems that are connected to the grid, by setting high standards for connecting the system to the grid, and limiting the price that utilities have to pay for energy. These limitations mean that net metering is better for some customers than it is for others. It also means that net metering availability and usefulness varies greatly from state to state.

One big disadvantage with net metering is that net metering rules require most owners of energy producing systems to have an automatic shut-off switch for power outages. This ensures the safety of utility workers during an outage. However, it means that you lose your ability to produce back-up power. This is why many parties interested in on-site energy chose not to use net metering. SWITCH will provide the specific regional information that will aid in your decision as to whether or not you want a net metered system.



Switch Reliable Energy from Renewable Sources

 www.SwitchOnEnergy.com

 703-941-3284