



Matthew M. Carter II, Chairman

NET METERING Promotes Renewable Technology in Florida

If you want to install a solar or wind system to generate electricity for your home or business, interconnecting to the utility's grid will soon be easier. Net metering allows you to offset your on-site electricity use and get credit for excess energy produced.

In January 2007, the Public Service Commission (PSC) began holding workshops to explore ways to promote the development of renewable energy in the Sunshine State. One result is the PSC's recent adoption of a new rule, Interconnection and Net Metering of Customer-Owned Renewable Generation, effective this month. The rule applies to Florida residents who want to connect their own renewable generation systems with the utility's grid and all investor-owned utilities.

The new rule replaces and expands the Small PV (photovoltaic) Rule from 2002, which standardized the interconnection of small PV (solar energy) systems of 10 kilowatts or less. Now, customer-owned generation systems are allowed up to two megawatts, which equals the average electricity used to power almost 1,000 homes. Use of all renewable fuels are also included in the new rule, including hydrogen, biomass, hydroelectric power, or solar, geothermal, wind, or ocean energies.

Residents who own a renewable fuel electric generating system to offset part or all of their electricity needs will now be able to interconnect with the utility's distribution system. Interconnection allows customers to share any excess energy produced from their systems with the utility's grid. This provides a clean energy source for the utility and allows customers to earn energy credits toward their utility bill through net metering. Interconnection can be expedited for qualified customers through the utility's PSC-approved standard interconnection agreement. Before interconnecting, customer-owned systems must be inspected and approved to ensure compliance with applicable codes.

Net metering, the other major issue addressed in the new rule, allows customer-owned

renewable generation to offset the resident's electricity use. Net metering equipment on the customer's property measures the difference between the amount of electricity supplied to the customer against the electricity generated by the customer. If a resident's system generates more electricity than is used during a billing cycle, the customer is credited for the excess electricity. Credits may be carried over to use in the following month if needed. At the end of the year, any remaining credits will be compensated to the resident at the retail rate minus the customer charge. The final compensation rate is higher than the wholesale rate, which is the utility's base cost to produce the electricity.

For businesses and residents wanting to install a solar, wind, or other renewable generating system, the interconnection and net metering rule helps provide some economic motivation. As further motivation to invest in renewable energy sources, federal and state tax incentives are available, along with state rebates. For more information on incentives and rebates, go to: <http://www.dsireusa.org/documents/PolicyPublications/PV%20Incentives%20Table%20Aug07.doc>.

Using renewable energy sources benefits all Floridians, not just those generating electricity, by:

- ◆ lowering our dependence on natural gas and other fossil fuels;
- ◆ helping diversify the state's fuel mix;
- ◆ lessening the volatility of fuel costs; and
- ◆ reducing harmful air emissions, thereby protecting the environment.

To read more about the interconnection and net metering rule (Rule 25-6.065 Florida Administrative Code), visit the PSC's Web site: www.psc.state.fl.us/library/filings/08/02031-08/02031-08.pdf.