SOLAR/NET METERING – FREQUENTLY ASKED QUESTIONS

1. What is net metering?

Net metering is a service that credits our residential and commercial customers who are equipped with a renewable generation system (RGS). This RGS may add additional electricity to the grid. Customers are billed for the amount of energy (in kilowatt-hours, kWh) delivered from the utility to their home or business, and the utility will provide compensate customers for the energy received from the customers in excess of their usage. This gives customers more control over their own electricity bill.

2. Why offer net metering?

Net metering and interconnection standards provide a number of benefits. The primary benefits are: 1) it promotes the development of renewable energy generation, 2) it enables customers to offset consumption from their electric utility, and 3) it enables customers to be compensated for excess generation returned to their electric utility. Net metering is a valuable service provided by OEU 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 overall annual 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, metered, and compensated to the customer on future billings as a credit. The customer's monthly bill will reflect the net charge for electricity consumed by the customer and credit for 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. Additional sizing limits will apply based on that customer's annual consumption calculations.

5. Who is eligible?

Any customer with qualified renewable generation can participate. There is a limit on the total rated generating capacity of all customer-owned renewable generation on the utility's system. It cannot exceed 2.5% of the utility's aggregate peak demand. If that limit is reached, subsequent applicants for net metering will be held until capacity under the cap becomes available.

6. Is there a need for a new meter?

Yes, a net meter will measure energy delivered and received.

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 (kWh) delivered to the home by the utility. The customer will then be credited for the total amount of excess electricity (kWh) that is generated by the customer and delivered to the utility at a calculated rate. The calculated rate is based on ARP Renewable Generation Credit Rate/kWh + OEU's current demand credit. The OEU demand credit value is a temporary incentive credit and is currently $0.06000/kWh. However, that additional credit value is not guaranteed in the future and may be reduced at any time. In the event that a customer's credit ($) 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 compensation for electricity delivered to the utility.

8. How do I get started?

There are several steps to implement net metering. Prepare by reviewing all the program information, research the types of systems that best suit your household, and contact OEU to obtain the calculated maximum size system that will be permitted to be interconnected to OEU's distribution system. Choose a contractor. Apply for net metering by submitting all required paperwork to the utility. 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) the Application for Interconnection, 2) the Standard Interconnection Agreement for Customer-Owned Renewable Generation, 3) the Tri-Party Net Metering Power Purchase Agreement, and 4) proof of the required level of general liability insurance for the property location of the system. 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. 4) Certification that the RGS maximum output is equal to or less than the OEU calculated maximum allowed system rating. 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 the requested

net-metering service date. Larger (Tier 3) systems will also require a 3rd party interconnection study.

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 and 2) purchasing and installing the generation equipment. Additionally, system maintenance and inspections are costs to be considered. Insurance is required for all net metering participants. Documentation of insurance is required to be submitted prior to the system being connected to OEU's distribution system. These are the main costs, though other costs may apply. For Tier 3 systems, an interconnection study must also be paid by the customer.

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 delivering electricity to the utility.

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

Additional information can be found on the following Web sites:
U.S. Department of Energy: The U.S. Department of Energy provides an overview of net metering.
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.

14. Will I always have an electric bill each month?

Yes, all customers connected to the electric utility distribution system pay a monthly service charge to cover the cumulative expenses of the generation and maintenance of the local electric distribution system to which they are connected.

15. I'm moving into a house with a renewable energy system already in place. What do I need to do?

Contact OEU Engineering within 30 days of the change of system ownership. You will need to fill out an application, sign a Standard Interconnection Agreement and Tri-Party Agreement, provide proof of insurance requirements, and possibly have the solar system re-inspected to make sure it is in proper working order and within the size/capacity limits for the house, prior to OEU being able to provide the needed net-metering meter unit.

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16. What if I add solar panels or upgrade my system?

Any addition of solar units (additional generation capacity) must be approved by OEU Engineering, at least 30 days prior to making any modification. This involves a re-assessment of the proposed overall generation capacity, to verify that the proposed increase will not exceed the maximum allowed system size for your home or business. System generation capacity increases that are installed without OEU approval are subject to the removal of the net-metering equipment and removal from the net-metering program for a breach of the Standard Interconnection Agreement.

17. How long does the standard application process take?

The application process evaluation period differs depending on the size ("Tier") of the renewable generation system. Some Tier-3 applications require additional system studies that must be performed. The duration also depends on the thoroughness and timeliness of required documentation submittals.

18. When will my net meter be installed?

After all required applications, agreements, studies (if needed), and inspections are completed and approved, installing the net meter can take up to two (2) business days. This assumes there are no emergencies or weather-related events beyond OEU's control.

19. What paperwork does OEU need in order for me to participate in the solar program?

All required documents are covered in OEU's Solar/Net-Metering Guidelines document.

20. What paperwork does OEU provide for submission of building permits?

As soon as OEU Engineering receives the customer's net metering application, it will perform a solar system sizing calculation to determine the maximum allowable system size that can be connected to OEU's electric distribution system based on actual historical consumption (kWh) data for that location. OEU will compare that to the system size on the customer's application and then issue a letter stating that either it is "approved" or "denied." If it is approved, that letter can be submitted with the building permit application. If it is denied, the letter will include a statement of what the maximum allowable size would be so that a revised application can be submitted for approval.

Frequently Asked Questions are located on OEU's website.