

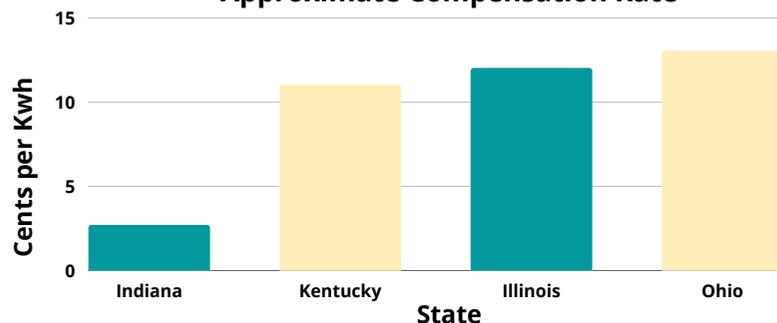
Net Metering in the Midwest



What is Net Metering?

It is a system in which renewable energy generators are connected to a public-utility power grid, and any surplus power from a customer's renewable energy source is transferred onto the public power grid. They can then access this energy on days when their renewable generators are not producing electricity (a cloudy or non-windy day). The excess energy that the renewable customer does not use is credited back to them, and they are only billed for the net energy they use.

Approximate Compensation Rate



Net Metering in Indiana Status:

- Phaseout on July 1st, 2022, or when individual utilities reach 1.5% of peak summer loads

Compensation:

- In April 2021, IURC approves Vectren proposal of instantaneous netting at a rate of 1.25x locational marginal price.
- As of June 2021, similar proposals from other utilities are being considered.

Regulation/Qualification

- Allows use of wind, solar, hydro, fuel cells, hydrogen, organic waste biomass and dedicated crops powered generation.
- Facilities with maximum capacity of 1 MW are eligible.
- Utility may limit aggregate net metering to 1.5% of most recent summer peak load.
- Systems must comply with Indiana's interconnection standards.
- must maintain insurance providing coverage of at least \$100,000 against loss arising out of the use of a net metered facility.

Net Metering in Ohio

Status:

- Ohio Administrative Code Rule 4901:1-10-28 enacted October 7th, 2019
- No expiration date

Compensation:

- 1:1 compensation at standard rate

Regulation/Qualification:

- Allows solar, wind, biomass, landfill gas, hydropower, microturbines and fuel cells.
- System must not exceed 120% of electricity needs
- Generation equipment must be located on customer property

*Uses Indiana's instantaneous netting rate

Sources: Indiana: <https://programs.dsireusa.org/system/program/detail/242>
 Indiana: <http://iga.in.gov/legislative/2017/bills/senate/309#document:74937e18>
 Kentucky: <https://programs.dsireusa.org/system/program/detail/1081>
 https://psc.ky.gov/tariffs/Electric/Kentucky%20Power%20Company/Tariff.pdf
 https://apps.legislature.ky.gov/record/documents/bill/1985/sh100/bill.pdf
 Illinois: <https://programs.dsireusa.org/system/program/detail/2200>
 Ohio: <https://codes.ohio.gov/ohio-administrative-code/rule-4901:1-10-28>
 2021 Electric Rates: <https://www.ela.gov/electricity/state/>

Net Metering in Illinois

Status:

- Enacted in Aug. 2007 with S.B. 680
- No expiration date

Compensation:

- Non-competitive customers compensated with 1:1 credit

Regulation/Qualification:

- Allows solar, wind, biomass, hydro, anaerobic digestion, fuel cells using renewable fuels, and microturbines
- Maximum capacity limit of 2 MW
- Aggregate capacity limit of 5% of utilities peak demand in the previous year
- Net metered system must be installed by certified contractor

Net Metering in Kentucky

Status:

- Kentucky Power's Tariff NMS II enacted May 15th, 2021
- No expiration date.

Compensation:

- Uses avoided cost methodology to determine payment rates
- Residential = \$0.10799/kWh
- Excess credits at end of month compensated at \$0.09746/kWh

Full details on compensation rates at: <https://psc.ky.gov/tariffs/Electric/Kentucky%20Power%20Company/Tariff.pdf>

Regulation/Qualification:

- Allows solar, wind, hydro, biomass, and biogas
- Maximum capacity of 45 kW
- If cumulative generating capacity reaches 1% of the supplier's single hour peak load supplier not obligated to offer net metering.