

**MPSC Staff Net Metering Program Design Proposal
for Inverter Based Systems 10 kW and Less
August 2007**

- **Use a single bi-directional meter to measure and record the following quantities: (1) electricity delivered from the utility (kWh); and (2) electricity delivered to the grid by the customer (kWh).**
- **Bill the customer based on their rate schedule for electricity delivered from the utility.** This part of the bill will not be based on “net” energy usage. Instead, the customer will be billed in the identical manner as a non-net-metering customer, for all electricity delivered by the utility.
- **Provide a net metering credit** on the bill, equal to the utility’s retail generation rate (Retail Rate less distribution charge) for electricity, including all power supply charges and surcharges. Staff expects this will be a credit expressed as a dollar amount for the month. The bill should show kWh delivered, monthly power supply charge credit per kWh, and total \$ amount.
- **Apply the net metering credit toward the customer’s bill total.** Net metering credit can be applied to bring the bill down as low as the minimum bill. Any excess credit will be carried over month to month.

At the end of each year, the utility would either: (1) give the customer a check for the amount of any unused net metering credits; or (2) continue to allow net metering credits to accumulate. MPSC Staff proposes checks might not be written for any amount less than \$50, for example.

The utility may treat net metering credits as a recoverable power supply cost.

- The utility may choose to calculate the distribution and surcharges the customer would have paid, based on their previous year’s usage, absent net metering, but this is done as part of utility accounting for the purpose of making a request to the Commission for future cost recovery and not shown on the customer’s bill.

Customer bills will have a normal billing section for the electricity delivered by the utility and then the following extra lines:

- Carryover net metering credit from past months (in \$).
- Current month net metering credit based on current month electricity deliveries to the utility (in \$). This is the kWh of electricity generated by the customer and delivered to the utility, multiplied by the total power supply charges. (Staff prefers this line item will also indicate the number of kWh and amount of credit per kWh. The per kWh credit is expected to vary each month, along with changes in the utility’s PSCR factor.
- Total net metering credit applied to this month’s bill.
- Net metering credit carried over to the next month.
- Minimum bill/monthly customer charge
- Total bill due