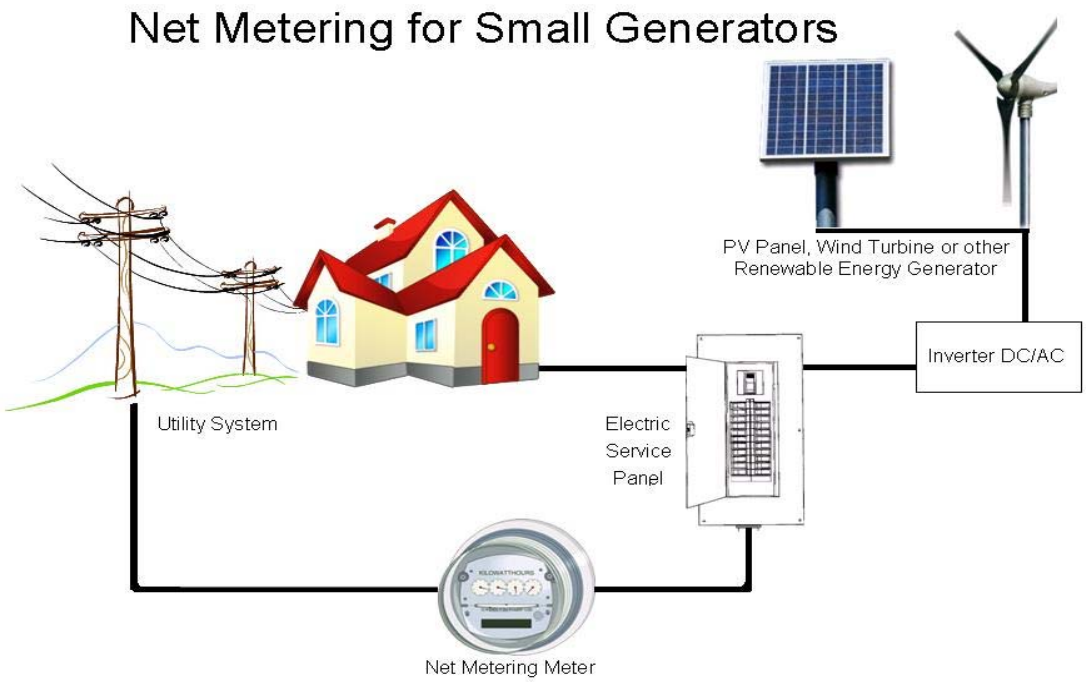
Michigan's
Net Metering Program

Net metering is for customers with renewable electric generators such as wind turbines, solar photovoltaic, and other types of renewable electric generators located at a Michigan residence or business that is served by an electric provider. As of December, 2009, Michigan had over 250 customers participating in net metering.

Utilities and cooperatives with rates that are regulated by the Michigan Public Service Commission are required by law to make this net metering program available to their customers until the size of the program meets the limit specified in 2008 PA 295. These companies use a single, statewide net metering and interconnection application and electric interconnection agreement. Net metering is also available to customers of alternative electric suppliers. Municipals and member-regulated electric cooperatives are not required to participate but may establish their own net metering programs. Before investing in a new renewable electric generating system, interested customers are advised to check with their electric provider to be certain about that company's policies. For more information and to obtain contact information for rate-regulated Michigan utility companies, see www.michigan.gov/netmetering.

After completing the standard electric utility interconnection process with the electric provider and receiving final approval to begin generating electricity, the customer may reduce their electric bill by generating some or all of their electric needs and receive a credit from the electric provider for any excess generation delivered to the electric provider during the billing month. Net metering customers will continue to pay monthly customer charges or system access charges. Net metering projects must be sized no larger than required to meet the customer's expected annual electricity needs. More details about net metering are provided below.



Net Metering: 20 kW and Under Renewable Energy Projects

Net metering is available to any customer meeting the generator size requirements (20 kW and under) and using a UL 1741 certified inverter. Typically, residential customers would fit under this type of net metering. Details of this net metering project type include:

- Billing is based on net usage.
- Customer receives credit for the full retail rate for all excess kWh.
- The utility shall use the customer's existing meter if it is capable of reverse registration (spinning backwards) or install an upgraded meter at no additional cost to the net metering customer.
- Utilities with fewer than 1,000,000 customers shall charge net metering customers at cost for an upgraded meter if the customer's existing meter is not capable of reverse registration (spinning backwards). There will be no additional meter charges for customers of utilities with more than 1,000,000 customers (Consumers Energy and Detroit Edison).
- A generator meter shall be provided at cost, if requested by the customer. (The generator meter is for the customer's benefit. Utilities are not obligated to read a customer's generator meter.)
- Net metering inverters must be certified to meet international standards for electrical safety. The commonly accepted standard is based on testing certified by Underwriters Laboratories (UL); standard number 1741. The inverter manufacturer will be able to produce proof of this certification.
- Maximum interconnection costs will be the combined $100 interconnection and net metering application fees). Utilities will not charge any additional study fees, testing, or inspection charges.
- Net metering credits for excess generation can carry forward indefinitely.

Modified Net Metering: >20 kW up to 150 kW Renewable Energy Projects

This category of net metering is available to any customer meeting the generator size requirements. Typically, these would be commercial, industrial, or institutional customers. Details of this net metering project type include:

- Customers pay the full retail rate for electricity deliveries from their electric provider and receive the generation portion of the retail rate or a wholesale rate for deliveries of excess generation to the grid.
- No charge for the engineering review for interconnection.
- Customers pay all interconnection costs, distribution study fees and any required distribution system upgrade costs.
- Customers with generators up to 150 kW can use their generation on-site (behind the meter) without paying a standby charge.

Modified Net Metering – Methane Digesters: >150 kW up to 550 kW

This category of net metering is available only for on-farm methane digesters. Details of this net metering project type include:

- Nearly the same as the >20 kW to 150 kW program.
- Customers pay the costs of any additional meters.
- Customers pay standby charges.