

Net metering customers have a meter that measures both what the customer uses (consumption or delivered energy) and what the customer puts back onto the electric grid with their solar system (generation or received energy). The customer is only billed for their "net" energy use, the difference between what they consumed and the excess they generated in that billing period.

To qualify for the Net Metering rate, the nameplate rating of Customer's inverter (generator) may not exceed 10 KW. Any system larger than 10 KW would require a purchased power agreement between the customer and the Indiana Municipal Power Agency (IMPA). With either system certain interconnection, application, and inspection criteria must be met BEFORE the system is placed into operation.

Any excess energy that is created by the solar system but not used by the customer is put back onto the grid. The customer is credited with the energy (in kilowatt-hours or KWH) they put on the grid and will use those credits first before being billed for energy they use later.

For example, if a residential customer has a solar system on their roof, and they use 500 KWH in a month, but the solar system pushed out 700 KWH onto the grid during that same month. The net for the month is -200 KWH, the customer is NOT billed for any energy that month (other charges may apply) and the 200KWH is "banked" so that the customer can use it in a future month that they generate less than what they use. The following month the customer's system again generates 700 KWH, but the customer used 1,000 KWH. The net for this month is 300 KWH, but they will be credited with any banked usage first, having 200 KWH banked, the customer is only billed for 100 KWH.

It is important to note that Net Metering never pays the customer for excess generation, rather it banks any excess in KWH in the billing system to be used by that customer later. Banked KWH is shown on the bill but is never converted to a cash payment. Should the customer discontinue the net metering service, any excess "banked" KWH credit is lost.