

NET METERING

Driving solar energy investments and bringing value to the grid

Net metering is a policy that credits solar energy system owners for the electricity they add to the grid. Solar customers are only billed for their "net" energy use.

During daylight hours, solar systems typically produce more electricity than a customer uses. Net metering allows solar customers to credit excess production against the electricity consumed at night or when electricity use exceeds solar system output.

With net metering, solar customers add electricity to the grid during daylight hours, when electricity is in most demand and most expensive for utilities to produce.

Net Metering Brings Value to the Grid

Distributed generation (DG) is electricity that is produced at or near the point of use. When a customer's solar system produces excess electricity, it goes back onto the grid, serving the needs of nearby customers. Iowa homeowners and businesses in all 99 counties bring value to the grid through their private investments in solar.

Due to the high demand for electricity during daytime hours, or peak demand, the electricity produced by solar systems comes onto the grid when it's needed most. **Not only do distributed solar systems provide electricity at a vital time, utilities like MidAmerican Energy make a profit off of the electricity that their solar customers add to the grid.** MidAmerican Energy charges customers peak demand rates of 21 cents per kilowatt hour in the summer season when both solar production and electricity demand is highest but only credits solar customers only 10.5 cents per kilowatt hour for what they add to the grid during these peak times.

Analysis shows that solar customers **more than pay for infrastructure costs** with the high-value energy they provide to the system.

Net Metering Encourages Private Investment and Job Growth

Net metering is a driver of solar sales. When an individual or business considers purchasing a solar system, net metering is essential to a reasonable payback period for their investment.

Net metering increases demand for solar energy systems; creating jobs for the installers, electricians, and equipment suppliers in Iowa's growing solar industry. Iowa's solar industry supports over 800 jobs in communities across the state. **An estimated 86% of solar jobs in the U.S. are for homes and businesses with only 14% in the utility sector.** Net metering is critical for these Iowa jobs.

Net Metering in Iowa and Elsewhere

Net metering gives Iowa homeowners and businesses an option to take control of their energy costs. Iowa's major utilities, MidAmerican and Alliant, offer net metering policies regulated by the Iowa Utilities Board.

Illinois, Minnesota, Missouri, and Kansas have pro-solar policies that are leading to job growth in those states. Iowa can continue to see those benefits as well with good policy.

In states that have moved to undermine or undo net metering policies there has been a serious decline in the number of new solar installations.