

Net Metering

Frequently Asked Questions

Q. Will the utility net meter any system that is 25 kW or smaller?

A. The statute (§70-2001-§70-2004) sets 25 kW as a threshold. The statute also specifies that a qualified generation system is one that is intended “meet or offset the customer-generator’s requirements for electricity.” Net metering is not intended for systems that will continuously generate more than a customer uses. This is why it is important for a customer to size their generation appropriately. It may mean that some systems 25 kW and smaller will not meet the definition for net metering.

Q. If I have a generation system larger than 25 kW will my utility net meter?

A. The statute does not require net metering for larger systems, but utilities may allow for net metering of larger systems at their discretion.

Q. I want to set up my generation at my farm so I can offset my bill in town, is this allowed?

A. No. Net metering is not intended to offset or provide credits for electricity at another location. Qualified generation can only offset energy use at the location of the meter where it is installed.

Q. I am a renter, am I able to net meter where I live?

A. Yes. As long as the “premises are owned, leased, or otherwise controlled” by you, the customer-generator. Ultimately it will depend on your contract with the property owner.

Q. Why don’t I receive the same price for electricity that I generate as I pay for the electricity I receive from my utility?

A. The answer here is two-part. First, until you have offset all of your energy use in a billing cycle you are receiving the same value as you pay. The energy is exchanged at a kilowatt for kilowatt rate and you get to use the distribution system for free to deliver your excess energy. Second, once you have offset your energy use, the utility will pay you “avoided cost.” Avoided cost is essentially what the utility avoided paying their wholesale energy supplier for electricity. If a utility were to pay you retail rates for the excess energy, they would be further subsidizing you and paying you to use the distribution system. This would mean all the other customers must cover those costs for you.

Q. Will I be able to “make money” net metering?

A. Net metering is intended to provide a way for customers to offset their energy use with a renewable resource and is not intended as a means to generate revenues for the customer-generator.

Q. Why is your price (avoided cost) different than other utilities?

A. Each utility is a separate entity with different operating costs and possibly different wholesale energy suppliers that impact the avoided cost rate.

Q. Why aren’t the forms and agreements the same for all utilities?

A. Each utility is a separate entity and may have different needs for engineering the interconnection of your qualified generation. While forms may be different, the core information is generally the same and will be used to determine the best way to interconnect your qualified generation.

Q. I have offset my entire energy demand for the month and have been credited for the excess energy I generated, why do I still have to pay a “customer charge?”

A. A “customer charge” is a charge that all customers in a specific rate class pay. This charge is intended to collect the fixed costs such as billing, meter reading, poles, wires, transformers and other necessary equipment. These costs will be in place regardless if a customer uses energy or not. The credits you have as a customer-generator are applied to the energy portion of your electric bill. They do not offset the fixed costs or “customer charges.”

Q. Why does my utility require me to have liability insurance in place? Isn't that prohibited by law?

A. The statutes specifically prohibit a utility from requiring “additional” liability insurance to discriminate against a net metering customer-generator. It was the intent of the law to allow for liability insurance requirements if they are required for all other forms of distributed generation interconnection. Some lenders and insurance companies for electric utilities require the utility to require insurance for all generation interconnected to the distribution system. For example, the Rural Utility Service requires their borrowers to require customer-generators to carry sufficient liability insurance. This requirement protects the customer-generator from the liability for any damage caused by the generation resource and from the potential injury/death to utility personnel or the public caused by the generation resource.

Q. Do I need a state electrical inspection?

A. Yes. The statutes require an inspection from the Nebraska State Electrical Division and written proof of inspection will be required before a generation resource is interconnected.

Q. Could there be additional costs to install my system?

A. If upgrades to the distribution system are needed to allow your generation to interconnect you would be responsible for the cost of those upgrades. If the interconnection of your generation negatively impacts the delivery of reliable energy to other customers on the distribution system you would be responsible for modifications to the system to prevent the negative impact. The utility would be responsible for the metering system used to allow for net metering.

Q. What happens if I transfer/sell my property and interconnected generation?

A. It is the responsibility of the customer (seller) to notify the utility that the interconnected generation has been transferred. The customer must also inform the buyer that they will need to sign an interconnection agreement with the utility. A new interconnection agreement will need to be signed before service will be transferred, unless the generation is disconnected from the distribution system.

Questions to ask your vendor

1. Are you insured or bonded?
2. How many systems have you installed?
3. Can you provide me with references?
4. Do you use a licensed electrician to interconnect my generation?