



Net Metering

In addition to energy generated by large facilities, Massachusetts also allows excess energy generated by small-scale, distributed systems to be purchased by utilities (for up to 3% of their peak load) and fed back into the grid. This is known as “net metering.” When the system owner is consuming energy, their electricity meter spins forward. When they are producing energy for the grid, the meter spins backward. At the end of the month, they are only charged for their net energy consumption (their total consumption minus their energy production). If they produce more energy than they consume in a given billing period, they will receive credit for the excess energy they produced but did not use.

The state requires that all investor-owned utilities offer net metering to their clients. Municipal light plants (“munis”) aren’t required to offer net metering, but may do so voluntarily. In 2009 regulations expanded the size limit of renewable energy systems eligible for net metering from 60 kW to 2 MW. The energy produced by these facilities is viewed as composed of two products (electricity and the positive environmental attributes associated with its production). Through the net metering program, utilities are only paying for electricity and so cannot count the excess kWh fed into the grid from net metered systems towards their RPS obligations. The system owner maintains ownership of the environmental benefits associated with their electrical production, e.g., RECs or SRECs, which they can either sell for further revenue or simply retain to demonstrate support for renewable energy.

Customers interested in generating their own electricity must first file an interconnection application with their distribution company.

References

- “Net Metering Frequently Asked Questions and Answers.” (2013) Massachusetts Executive Office of Energy and Environment. <http://www.mass.gov/eea/grants-and-tech-assistance/guidance-technical-assistance/agencies-and-divisions/dpu/net-metering-faqs.html>