Net Metering Program Highlights

Net metering will be available to new customers until the size of the program reaches 1% of the electric provider's previous year system peak in MW. The 1% will be measured against the total of the generator nameplate capacities for all participating customer's generators and is split into the following tiers:

(1) 0.5% for ≤ 20 kW True Net Metering

This tier will include almost all residential customers.

- Billing is based on net usage.
- Customer receives the full retail rate for all excess kWh.
- 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).
- 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.)
- No interconnection costs (beyond the combined $100 interconnection/net metering application fees), study fees, testing or inspection charges.
- Net metering credits carry forward indefinitely.

(2) 0.25% for >20 kW up to 150 kW Modified Net Metering

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

(3) 0.25% for >150 kW up to 550 kW Modified Net Metering

- Nearly the same as the >20 kW to 150 kW program.
- This tier is only available to methane digesters.
- Customers pay standby charges.

Renewable Energy Generator Output – Sample Calculations

Wind Generator Examples: Nameplate Capacity of 5 kW, 10 kW & 20 kW

5 kW x 8760 hours/year x 18% capacity factor = 7,900 kWh/year or 660 kWh/month on average

10 kW x 8760 hours/year x 18% capacity factor = 15,800 kWh/year or 1,300 kWh/month on average

20 kW x 8760 hours/year x 18% capacity factor = 31,300 kWh/year or 2,600 kWh/month on average

(An 18% average annual capacity factor is used here for illustrative purposes only. Any specific wind turbine will have a higher or lower capacity factor, based on the turbine type, its physical location, variability in the local winds, and other factors.)

Solar PV Generator Examples: Nameplate Capacity of 1 kW, 3 kW & 5 kW

1 kW x 8760 hours/year x 15% capacity factor = 1,300 kWh/year or 110 kWh/month on average

3 kW x 8760 hours/year x 15% capacity factor = 3,900 kWh/year or 330 kWh/month on average

5 kW x 8760 hours/year x 15% capacity factor = 6,600 kWh/year or 550 kWh/month on average

(A 15% average annual capacity factor is used here for illustrative purposes only. Any specific solar PV system will have a higher or lower capacity factor based on the system type, its physical location, variability in the local weather, and other factors.

An average residential electricity customer in Michigan uses roughly 600–700 kWh/month.