

What You Need to Know About Net Metering

The Net Metering Program, approved by the Michigan Public Service Commission, is a way for customers who generate a part or all of their electricity using renewable resources to receive generation credits. Specific details on costs and how to participate in the Consumers Energy Net Metering Program are available at www.consumersenergy.com. Here are answers to key questions to help you determine if net metering is right for you.

How does the program work?

To qualify for the program, your renewable generator must be sized to meet your annual electricity needs. A bidirectional meter will record and measure your energy use and the energy you are putting back onto the electric grid. Consumers Energy will read the meter. If you generate more electricity than you use, you will be given Net Excess Generation credits, which you may carry forward to future billing periods.

How will I receive my generation credit?

You'll receive a bill, just as you do now, for the electricity you use. If the output of your renewable generator exceeds your monthly energy use, the excess will be carried to your next billing in the form of Net Excess Generation credits. If you purchase both electricity and natural gas from us, you will receive two bills per month as a participant in the Net Metering Program: one billing for natural gas, and the other for electricity (including the generation credit).

Who is eligible for the program?

Full Service residential and business customers are eligible to participate in Consumers Energy's Net Metering Program. By Full Service, we mean customers who purchase the electric generation portion of their electric service from Consumers Energy, rather than from another supplier. Enrollment is on a first-come, first-served basis until we have reached our limit, 1 percent of our peak load or approximately 70 megawatts.

Should I participate?

That's a decision you'll need to make. Information on our Web site should help. Many customers will base their decision on the length of time it takes to recoup their investment in installing a renewable generator. We suggest that you begin by estimating your annual electricity needs and then estimating the amount of generation you expect to produce. In some cases, the amount of energy you produce may not be sufficient to warrant becoming a net metering participant because the output will not be sufficient to create Net Excess Generation credits. However, you still may use a renewable generator without being a net metering customer. This still would require an interconnection with the utility grid.



Is there an easy way to figure out whether or not net metering could be cost-effective for me?

To determine the economics of net metering, you should determine the annual estimated output of your generator. The value of this output is equal to the generation credit (found on your electric tariff) times the generator output (kWhs) for the month. You also will need to know the expected life of your renewable generator, the cost of the fuel (if any) and maintenance. You can compare this value (or benefit) to the normal annual electric billings you would expect on your regular electric tariff.



Will I need another meter?

Renewable generators participating in the Consumers Energy Net Metering Program are categorized into three sizes, each with varying metering and cost requirements, as shown below.

Category One — 20 kW and less

- Generator output cannot exceed customer load
- No generator meter required. Bi-directional meter provided at no cost
- No interconnection costs beyond \$100 interconnection/net metering application cost



Category Two — 20 kW to 150 kW

- Generator output cannot exceed customer load
- Generator meter required
- Generator meter and bi-directional meter provided at no cost
- Customer pays all interconnection, review and study fees



Category Three — 150 kW to 550 kW

- Generator output cannot exceed customer load
- Restricted to renewable generators using methane digester technology
- Same metering requirements as Category Two
- Customer pays all metering costs
- Customer pays all interconnection, review and study fees
- Customer pays standby costs

How do I participate in net metering?

Customers must be approved in advance for an interconnection with the utility distribution system in order to participate in the Net Metering Program. Consumers Energy also must approve customers for the parallel operation of their generation system with the utility grid. Complete the interconnection application found at our Web site in the Michigan Electric Utility Generator Interconnection Requirements section. In addition, complete and send us a Net Metering Program application, also available on our Web site. The Net Metering Program application provides us with notice that your interconnection requires special metering.



Contact us

If you have questions or comments about the Net Metering Program, please visit www.consumersenergy.com, e-mail net_metering@consumersenergy.com or call us at (800) 530-4472.

For more information, visit the Michigan Public Service Commission at www.michigan.gov/mpsc and type "Net Metering" in the search field.