

ACTION ALERT: MONTHLY SOLAR NETTING

Lawmakers need to ensure solar customers are credited on a monthly basis, not instantaneous, in 2022.



BACKGROUND

SEA 309 LOWERED NET METERING CREDIT

In 2017, Indiana passed a law eliminating net metering. The law (SEA 309) required the IURC to set a new, lower credit rate for the excess electricity sent back to the grid. This rate is well below the 1-to-1 credit net metering provides.

The new rate will be based on the average marginal price of electricity paid by the supplier during the most recent calendar year, plus a 25 percent premium for each individual IOU. That rate will be less than 3 cents/kWh compared to the full retail electric rate of 11-15 cents/kWh. This much-lower rate applies to solar owners who install their systems after net metering is replaced in their utility's territory, no later than July 1, 2022, and will apply to all solar owners with systems installed after 2017 starting in 2032. ***This rate was always intended to be calculated monthly.***

CURRENT PROBLEM

FURTHER PENALIZING SOLAR CUSTOMERS DESPITE CLEAR GUIDANCE IN SEA 309

In April 2021, CenterPoint (formerly Vectren) became Indiana's first investor-owned utility (IOU) to end net metering for new solar customers when the IURC approved their Excess Distributed Generation (EDG) replacement program. The IURC also approved a similar order from NIPSCO in December, ending net metering for non-residential customers. Indiana's other IOUs are pursuing similar terms.

Not only do these programs end net metering, they further reduce the compensation customers receive for the energy they produce and share with their neighbors by changing the netting time period used to calculate the credits.

SEA 309 clearly called for preserving traditional monthly netting. But Indiana's IOUs are all seeking to utilize instantaneous netting, which is a much worse deal for customers and will more than double the time it takes most solar customers to break even on their investment in energy freedom.

In addition to harming future solar owners, this will adversely affect the return on investment for any investor-owned utility customer who installed solar after January 1, 2018, when the lower rate and netting measurement kicks in for them in 2032.

WHAT NEEDS TO HAPPEN

GUARANTEE MONTHLY NETTING IN 2022 SO HOOSIERS CAN EMBRACE ENERGY FREEDOM

The Indiana General Assembly can solve this problem right now by passing legislation clarifying netting should be done on the traditional monthly basis as was intended in SEA 309 so Hoosiers who have installed or are planning to install solar can avoid financial harm and embrace energy freedom.