

***Resolution Regarding Net Energy Metering for Small-Scale Renewable Generating Facilities***

**WHEREAS**, Encouraging cost-effective use of renewable energy resources has been an important national goal under past utility regulatory policy, including the Public Utility Regulatory Policies Act of 1978, and the Energy Policy Act of 1992; *and*

**WHEREAS**, Renewable energy production has steadily improved in cost-effectiveness and performance and promises continued improvement; *and*

**WHEREAS**, Renewable energy supply brings fuel diversity benefits and mitigates fuel market power in the nation's mix of energy supplies, and enhances national security, reduces dependence on imported fuels, and decreases environmental impacts; *and*

**WHEREAS**, Public preference and customer demand support cost-effective renewable energy product development and commercialization; *and*

**WHEREAS**, Net energy metering, an accounting mechanism whereby customers are billed only for their net energy consumption over a given billing period, provides a direct, inexpensive, and easily-administered mechanism for encouraging the demand side use of small scale renewable energy facilities; *and*

**WHEREAS**, The use of customer-sited, grid-connected, small-scale renewable energy generating facilities offers many technical and economic benefits to the electricity system including reduced transmission and distribution line loads and losses, and/or peak demand reduction; *and*

**WHEREAS**, Over twenty states currently require utilities and competitive energy providers to make net energy metering available under terms and conditions that vary widely among states, and among individual utilities within those states; *and*

**WHEREAS**, Greater consistency in the terms and conditions under which net energy metering is made available to electricity consumers across the United States would remove or reduce market entry barriers, reduce the administrative burden and complexity of interconnecting small-scale renewable energy generating facilities, and encourage the effective use of such facilities; *now, therefore, be it*

**RESOLVED**, That the Executive Committee of the National Association of Regulatory Utility Commissioners ("NARUC"), convened at its 1998 Winter Meetings in Washington, D.C., urges state commissions and legislatures to adopt measures to make net energy metering available to small-scale renewable generating facilities, and further request Congress and the FERC to identify and remove any barriers to state implementation of net energy metering; *and be it further*

**RESOLVED**, That the NARUC support further exploration of issues relating to implementation of net energy metering including such issues as: the eligibility for net

metering of different customer classes; generating technologies and generator sizes; the appropriate metering and interconnection requirements for net energy metering facilities; state and federal barriers to implementation; and funding mechanisms to address any revenue impacts associated with the implementation of net energy metering.

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*Sponsored by the Committees on Energy Resources and Electricity  
Adopted March 4, 1998*