What is Net metering?

"Net Metering" is a system in which solar panels or wind turbines are connected to a public-utility power grid and surplus power is transferred onto the grid, allowing customers to offset the cost of power drawn from the utility.

Eligibility:

- Residential
- Commercial

Savings Category:

Solar Photovoltaic
Wind Turbine

System Size:

- Generation offsets consumption at the retail rate
- Excess (above consumption) reimbursed at wholesale rate for systems under 25kW
- Larger systems over 25kW require a contractual energy purchase and are required to pay a demand charge
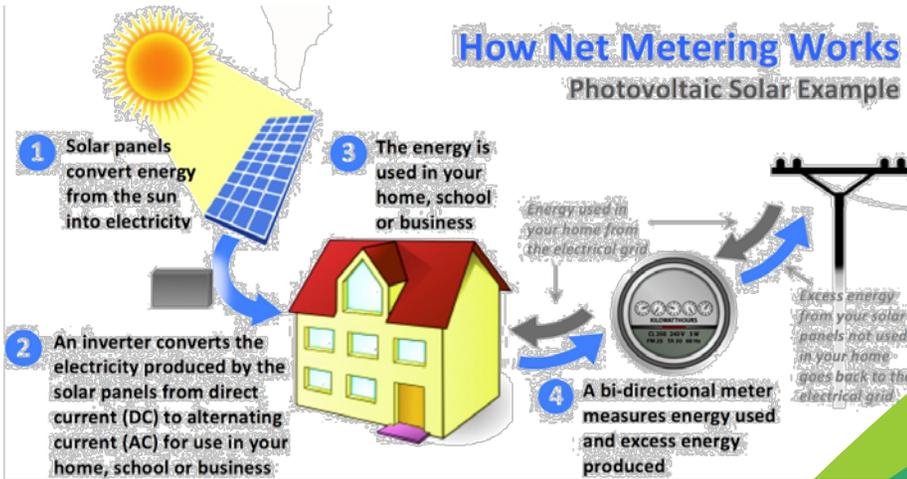
Contact Us:

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Visit us on the Web:
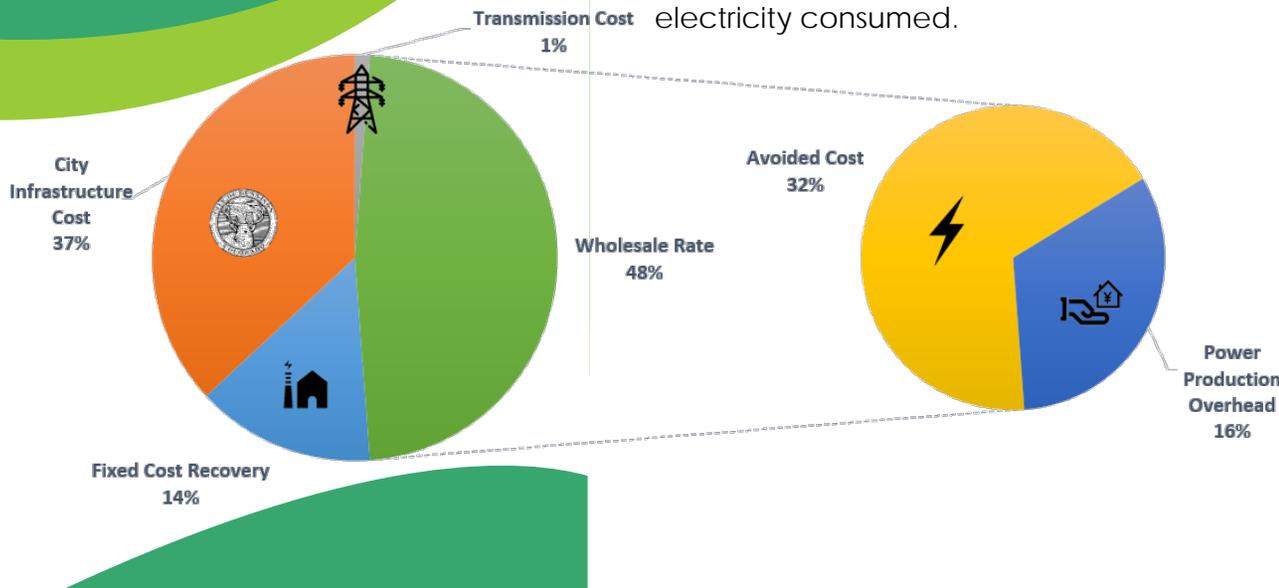www.GunnisonCO.gov

Net Metering Program

How Net Metering Works
Photovoltaic Solar Example

1. **Solar panels** convert energy from the sun into electricity

2. **An inverter** converts the electricity produced by the solar panels from direct current (DC) to alternating current (AC) for use in your home, school or business

3. **The energy is used** in your home, school or business

4. **A bi-directional meter** measures energy used and excess energy produced

Energy used in your home from the electrical grid

Excess energy from your solar panels not used in your home goes back to the electrical grid

A Special Time Interval Recording Meter and a bi-directional dual register meter must be installed to measure energy produced and energy used.

These meter costs are included in your monthly bill.

The City of Gunnison reimburses electricity produced in excess of consumption at the end of each year at the wholesale rate (for systems less than 25 kW) rather than the full retail rate because the City is only able to reduce this cost according to the below chart – this is the cost of primary fuel and other costs billed based on volume of electricity consumed.

Transmission Cost 1%

City Infrastructure Cost 37%

Wholesale Rate 48%

Fixed Cost Recovery 14%

Avoided Cost 32%

Wholesale Rate 48%

Power Production Overhead 16%

Metering Examples:

Example 1:

Suppose your home used 1,000 kWh during the month and your solar panel generated 800 kWh during that same time period.

The City bills the net difference of 200 kWh at the regular retail rate.

Example 2:

Suppose your home used 800 kWh during the month and your solar panel generated 1,000 kWh during that same time period.

The excess 200 kWh are rolled forward for use on the next month's billing. Any credit remaining at March 31 of each year is reimbursed to you at the City's current wholesale rate.

Why isn't excess generation at the end of the year credited at the retail rate?

The City does offset your generation against your consumption at the full-retail rate. However, excess is only at the wholesale rate since the costs of infrastructure, including facilities to purchase back your electricity, are unavoidable.