



Net metering in the spotlight

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Ohio law permits net metering, which is a billing arrangement that enables customers who produce their own electricity to receive credit on their utility bills for any surplus electricity that flows back into the electric utility's distribution system. Net metering is often an important component of financing certain alternative energy projects, such as rooftop solar.

The Public Utilities Commission of Ohio (PUCO) recently evaluated its net metering rules contained in Ohio Administrative Code (O.A.C.) 4901:1-10-28 as part of the five-year rule review process required under Ohio Revised Code 106.03. On January 15, 2014, the PUCO issued its Finding and Order adopting amended and no change rules, including those applicable to net metering. However, after a series of applications for rehearing by various interested parties on the net metering provisions in O.A.C. 4901:1-10-28, the PUCO issued an Order on March 13, 2015, finding that additional input pertaining to the net metering rules would be beneficial.

A workshop was held on May 5, 2015, for stakeholders to provide input. The case number for this ongoing review of the PUCO's net metering rules is 12-2050-EL-ORD, and the docket can be accessed [here](#).

In addition to the PUCO's ongoing review, the issue of net metering is also before the Ohio Supreme Court and, potentially, the Ohio General Assembly.

In a case before the Ohio Supreme Court, [In the Matter of the Commission's Review of Chapter 4901:1-10, Ohio Administrative Code, Regarding Electric Companies, Case No. 14-1290](#) (filed July 28, 2014), the Ohio Power Company (AEP Ohio) is challenging the PUCO's net metering rules on two bases. First, AEP Ohio argues that the PUCO's revised net metering rules unlawfully and unreasonably require an electric utility, such as AEP Ohio, to provide monetary credits to customer-generators who do not receive their electricity supply from the electric utility. Second, AEP Ohio argues that the rules provide for an overbroad monetary credit for generation charges (including non-energy charges, such as capacity), even though a customer-generator only provides energy back to the grid.

In its initial response, the PUCO urged the Court to dismiss the case, because the disputed rules are not yet in effect and AEP Ohio's claim amounts to nothing more than an "abstract policy disagreement" that is outside the Court's jurisdiction. In light of the recent net metering workshop and the PUCO's ongoing review of the net metering rules, the parties recently requested an extension in the case.

The issue of net metering may also come before the Ohio legislature. During a recent hearing of the Energy Mandates Study Committee, Ohio Senate Public Utilities Committee Chairman Bill Seitz (R-Cincinnati) asked the PUCO to revisit the issue of net metering. In particular, Sen. Seitz cited the issues raised by Ohio's electric distribution utilities concerning net metering. According to a recent Gongwer Ohio Report, Sen. Seitz is considering an option to allow utilities "to help finance an alternative energy project in return for purchasing the electricity it generates at a reduced rate that was negotiated between the two parties."

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