



DISTRIBUTED GENERATION - BILLING FREQUENTLY ASKED QUESTIONS -

KREMC strongly advises members to research any project thoroughly, contact other individuals or companies with the same type of system you are investigating and run a complete cost benefit analysis.

- 1. Where does KREMC get the kWh reading or amount put back on the grid for billing purposes?** Your meter. Our Advanced Meter Infrastructure System shows the amount of generation put back on the grid. Each month we get a meter reading from your meter and we also pull the generation at or around the same time.
- 2. How do I receive the funds from my excess generation?** Credits will carry over from month to month, limited to a twelve month cycle. If the billing is negative, KREMC will issue a refund to the member in the form of a bill credit.
- 3. What if my generation is more than my monthly bill?** Unless the generation X kWh total is more than \$100, the credit will remain on the account to be credited the following month. If the credit is more than \$100, a member may request a check.
- 4. Does the Cooperative offer “net metering?”** Kosciusko REMC does not offer net metering as it negates cost-fairness among Cooperative members.

Most cooperatives have chosen not to net meter member-owned generation because it is a subsidy that raises costs for other members on the system. Net metering policies require utilities to pay members the retail price for wholesale power. The retail rate utilities charge includes not only the marginal cost of power, but also recovers costs incurred by utilities for transmission, distribution, generating capacity, and other utility services not provided by the member-generator. The policies also require utilities to pay high costs for what may be low-value power. Power from wind and photovoltaic (PV) systems is intermittent and cannot be scheduled or dispatched reliably to meet system requirements. Further, net metering allows members to underpay the fixed costs they impose on the system. A utility has to install sufficient facilities to meet the peak requirements of the member and recover the costs of those facilities through a kilowatt-hour charge. When the net meter rolls backwards, it understates the total energy used by the member, and thus understates the member’s impact on the fixed costs of the systems. It also understates the member’s total share of other fixed charges borne by all members such as taxes.

5. **What rate will the Cooperative pay me for electricity generated?** Kosciusko REMC will pay rates based on avoided cost for energy that the member generates and delivers to the grid to ensure other members on the system do not bear an undue cost for their electricity. This avoided cost standard is pursuant to federal regulations. Please contact the Cooperative for this information.

6. **Does the Cooperative charge a different rate to generators versus members that do not generate their own electricity?** No, not usually. However, if a member installs a DG system that is larger than the typical residential or small commercial unit (up to 10 kW), Kosciusko REMC may provide a special rate to address the unique load characteristics of such a large member resource.

7. **What is the Cooperative's backup rate when my generator is not generating?** At the present time the rate customers pay during this time period is the normal cost-based rate for the rate class applicable to the member. However, under federal regulations the Cooperative has the right to charge a different rate for backup power.

Below are some resources regarding distributed generation:

Planning a home solar system.....www.energy.gov
 American Wind Energy Association..... www.awea.org
 Energy Information Administration.....www.eia.doe.gov
 Wind Powering America..... www.eere.energy.gov
 National Renewable Energy Lab..... www.nrel.gov
 Interstate Renewable Energy Councilwww.millionsolarroofs.org
 Windustry.....www.windustry.org
 Renewable Energy World.....www.renewableenergyworld.com
 Environmental Protection Agency.....www.epa.gov/cleanenergy
 Wind Estimator.....www.windknowledge.com