

Maine Public Utilities Commission  
Net Energy Billing Rule, Chapter 313  
Frequently Asked Questions

**Question 1:** Why did the PUC change the net energy billing rule?

**Answer:** The changes were made to address two issues. First, the costs of small generation facilities that are used to net energy bill, such as solar PV, have been declining significantly, and this trend is expected to continue. The new rule reflects these declining costs. Second, under the old rule, ratepayers that were not participating in net energy billing were paying for the transmission and distribution grid facilities, such as poles and wires, that net energy billing customers were using both to import and export electricity to and from the grid. The new rule reduces this inequity over time.

**Question 2:** What does the amended net energy billing rule change?

**Answer:** The amended rule grandfathers existing NEB customers for 15 years. For new NEB customers starting in January 2018, the amount of the energy produced by a customer's facility that may be used to offset the transmission and distribution (T&D) portion of the bill will be reduced over time. The amount that can be used to offset the supply portion of the bill will not be reduced.

**Question 3:** What happens if I install a new system in 2017?

**Answer:** Installations that are in service before the end of 2017 fall under the old rules.

**Question 4:** If I have an existing NEB contract with a utility what happens?

**Answer:** You are grandfathered under the old rule through December 31, 2032. After 2032, you would fall under these amended rules and net the energy produced by your facility against just the supply portion of your bill.

**Question 5:** If I sign a contract in 2018, what specifically gets netted and how am I compensated?

**Answer:** The key date is when your facility is in service. In this case, if your system is in service before the end of 2018, 90% of the energy produced by your facility would be an offset to your T&D bill, and all of the energy would be an offset to your supply bill. This would continue for 15 years, after which the energy from your facility would be an offset to your supply bill but would no longer be an offset to your T&D bill. The table on page 2 below provides the year-by-year percentages.

**Question 6:** What happens in subsequent years after 2018?

**Answer:** The transmission and distribution component will be gradually decreased for new customers as they begin to net bill by 10 percent each year. **The supply portion remains unchanged.** The table on page 2 below provides the year-by-year percentages.

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T&D Bill Nettable Energy		Percent of Output that is Nettable	Applicable Through December 31 of Year Shown
For existing NEB Customers as of December 31,	2017	100%	2032
For customers that become NEB Customers during calendar year	2018	90%	2033
For customers that become NEB Customers during calendar year	2019	80%	2034
For customers that become NEB Customers during calendar year	2020	70%	2035
For customers that become NEB Customers during calendar year	2021	60%	2036
For customers that become NEB Customers during calendar year	2022	50%	2037
For customers that become NEB Customers during calendar year	2023	40%	2038
For customers that become NEB Customers during calendar year	2024	30%	2039
For customers that become NEB Customers during calendar year	2025	20%	2040
For customers that become NEB Customers during calendar year	2026	10%	2041
For customers that become NEB Customers after calendar year	2026	0%	NA

**Question 7:** Please give a specific example of how the new rule would work for a customer that begins to net energy bill in 2018?

**Answer:** Assume that a solar installation produces a total of 800 kWh's in a month and that the usage at the home is 500 kWh's in that same month. Ninety percent (90%) of the 800 kWh's (720 kWh) would be available to offset the customer's T&D bill in that month or be carried forward to a subsequent month, and 100% would be an offset to the supply bill. So, in this example, the customer would be billed on the basis of 0 kWh in that month, and would carry forward to subsequent months 220 kWh (720 kWh – 500 kWh) as an offset to the T&D bill and 300 kWh (800-500 kWh's) as an offset to the supply bill.

**Question 8:** Please give a specific example of nettable kWh's for a solar facility coming online in 2020.

**Answer:** For a facility coming online in 2020, assume that the solar installation produces a total of 800 kWh's in a month and that the usage at the home is 500 kWh's in that same month. Seventy percent (70%) of the 800 kWh's (560 kWh) would be available to offset the customer's T&D bill in that month or be carried forward to a subsequent month, and 100% would be an offset to the supply bill. So, in this example, the customer would be billed on the basis of 0 kWh in that month, and would carry forward to subsequent months 60 kWh (560 kWh – 500 kWh) as an offset to the T&D bill and 300 kWh (800-500 kWh's) as an offset to the supply bill.

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**Question 9:** What happens to the payback of a typical residential solar installation?

**Answer:** Let's take 2014 for example; with installed costs of about \$4.27 per Watt the payback under the current rule would be about 17 years. For 2028 when the T&D phase down is complete the payback period is 16 years. These are projections based on current prices.

**Question 10:** Are there any other major new aspects of this amended rule?

**Answer:** Yes. The amended rule contains a new provision for customers that could result in additional benefits from an optional renewable energy credits (REC) aggregation program. New NEB customers on or after January 1, 2018 may elect to have the REC's associated with their eligible NEB facility aggregated by the T&D utility (e.g. CMP or Emera ME) and sold into the regional market with proceeds from such sales returned to the participating NEB customers. The parameters and associated costs of this program are yet to be determined.