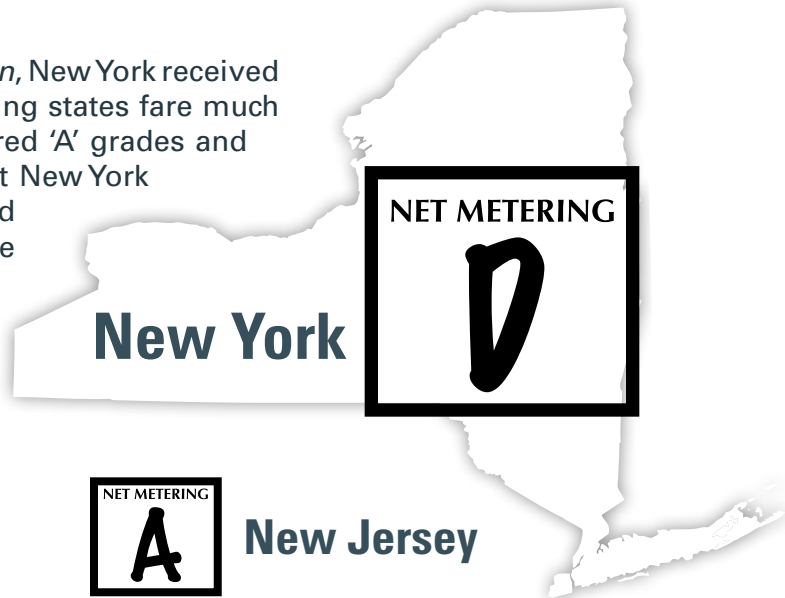


BROAD COALITION SUPPORTS A STRONGER NET METERING PROGRAM IN NY

Business and Environmental Groups Recognize the Role that Net Metering Can Play in Protecting the Environment, Creating Jobs, and Accelerating Clean Energy Development

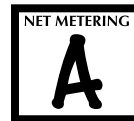
See page 4 for list of coalition members

In the recent report, *Freeing the Grid: 2007 Edition*, New York received a 'D' grade for its net metering law. Neighboring states fare much better (e.g. New Jersey and Pennsylvania scored 'A' grades and Connecticut received a 'B'). The report found that New York restricts the size of renewable energy systems and is only one of two states in the nation (out of the 40 states with net metering policies) that does not allow commercial and industrial customers to net meter. Business leaders cite the restrictive net metering law as the biggest impediment to the state's renewable energy development.

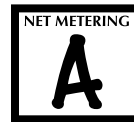


How New York State can improve its Net Metering Program:

- ★ Increase system size to at least 2-MW.
 - » Right now, the ability of businesses to install larger solar systems is limited due to the fact that the law does not allow them to net meter.
 - » System sizes should be expanded to meet customer needs.
- ★ Open up net metering to ALL customer classes; NY's net metering program currently is limited to residential and agricultural.
- ★ Expand the same net excess generation (or rollover) as solar to wind.
- ★ Increase the overall limit on net metering enrollment.
 - » There were so many residential applications to install a photovoltaic system on homes within the service territory of the Central Hudson Gas and Electric Corporation that proponents of net metering had to petition the Commission to raise the limit. During the approval proceeding, Hudson Valley Clean Energy Inc. argued, "the refusal to enroll new photovoltaic net metering customers threatens its economic viability and the 22 skilled, well-paying jobs it provides."¹



New Jersey



Pennsylvania

What is Net Metering?

Net metering is the simplest possible billing arrangement by which customers realize savings from their renewable energy systems, where 1-kWh (kilowatt-hour) generated by the customer has the exact same value (in cents/kWh) as 1-kWh consumed by the customer.

Net metering allows consumers to transfer surplus energy onto the utility grid essentially "banking" it for later use. When the customer's house is producing more electricity than it consumes, the electric meter literally spins backward, allowing consumers to store kilowatt credits, to be drawn upon later; just how cell phone roll-over minutes work.

Without exception, significant deployment of clean, customer-sited distributed generation occurs only in states with modern interconnection and net metering policies.

Benefits of Net Metering:²

- ★ Supplies customers with clean energy and hedges against rising energy bills.
- ★ Helps grow business and create jobs.
 - » Two megawatts of installed solar energy supports 16 local jobs.
 - » With other incentives and investments, net metering can help bring on-line 2,000-MW of solar power in 10 years—creating 13,000 direct and 30,000 indirect jobs in NY.
- ★ Reduces stress on New York's electric grid, often during peak times.
- ★ Significant deployment of clean energy will improve air and water quality and reduce greenhouse gas emissions.

A strong net metering policy is one of four key energy policies required to drive real, cost-effective distributed energy markets for solar, wind, and other renewable technologies. The other policies are favorable utility rates and revenue policies, encouraging standards and incentives, and high-quality interconnection standards. Put in place these four policies, and any state or utility can develop a world-leading market for small-scale clean energy. Get the details wrong in just one policy, and the market can come to a complete halt.

New York's restrictive net metering policy is the biggest impediment to renewable energy expansion in the state. It limits my company, which installs solar electric systems, and other installers to mostly small residential systems, whereas our out-of-state competitors can include larger and non-residential systems in their growth. Furthermore, while commercial customers in New York are demanding solar systems, the lack of net metering makes them impractical. This is not good for industry or job creation in New York.

Jeff Irish

Hudson Valley Clean Energy, Inc.

What Are the Key Components of an Effective Net Metering Program?

- ★ Allow monthly carryover of excess electricity at the retail rate—it's the 'net' in net metering.
- ★ Permit all customer classes to participate.
- ★ Let customer load determine the system size; large commercial customers may have loads in the tens of megawatts, and should be permitted a 2 or 3-MW system.
- ★ Include all clean energy technologies.
- ★ Recognize net metering as a key policy to aid the goals of the statewide renewable portfolio standard and achieve reductions in greenhouse gas emissions.
- ★ Ensure customer-sited systems receive the same treatment as customer efficiency measures.
- ★ Reduce unnecessary and burdensome red tape and special fees.
- ★ These components are currently part of successful net metering programs in CT, NJ and PA.

Overview of New York's Net Metering and Interconnection Standards

NET METERING D		INTERCONNECTION C	
Eligible Renewable/ Other Technologies:	Photovoltaics, Wind, Biomass	Eligible Renewable/ Other Technologies:	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells, Municipal Solid Waste, CHP/Cogeneration, Microturbines, other Distributed Generation Technologies
Applicable Sectors:	Residential, Agricultural (NY's net metering rules are only one of two rules in the country to exclude the commercial class)	Applicable Sectors:	Commercial, Industrial, Residential, Agricultural
Limit on System Size:	10-kW for solar; 25-kW for residential wind; 125-kW for farm-based wind; 400-kW for farm-based biogas	Special Rules for Net Metered Systems:	Yes
Limit on Overall Enrollment:	0.1% of 1996 demand per IOU* for solar; 0.2% of 2003 demand per IOU* for wind; 0.4% of 1996 demand per IOU* for farm-based biogas	Limit on System Size/Overall Enrollment:	2-MW
Treatment of Net Excess:	Credited monthly at retail rate, except for wind greater than 10-kW, which is credited monthly at avoided-cost rate. Accounts reconciled annually at avoided-cost rate.	Standard Interconnection Agreement:	Yes
Utilities Involved:	All utilities	Additional Insurance Requirements:	No
*IOU—Investor-Owned Utility		External Disconnect Required:	Yes

New York State Has Great Potential To Expand Small Scale Photovoltaic Systems

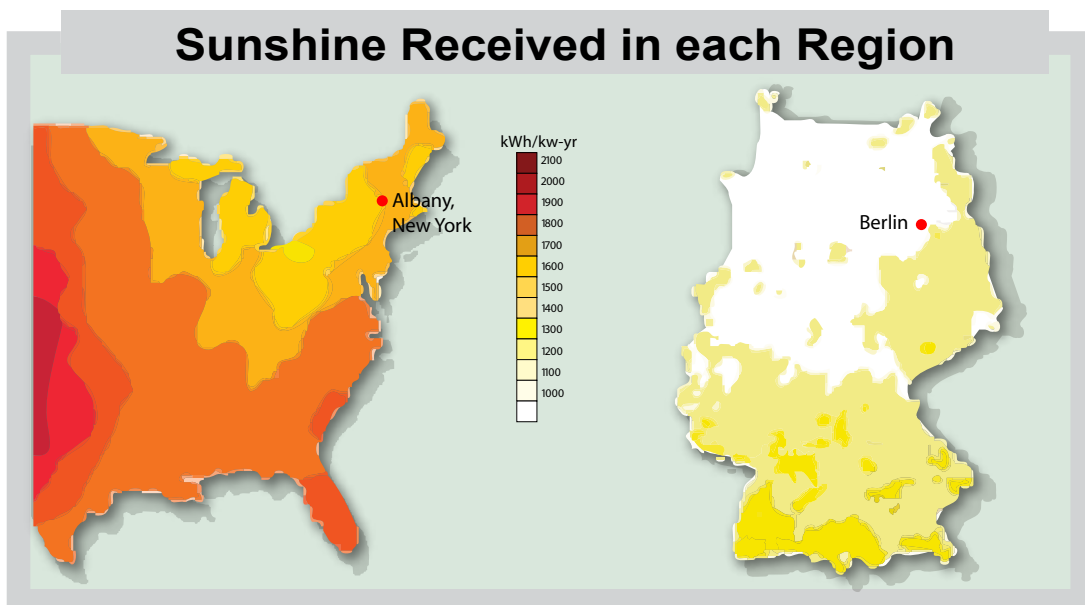


FIGURE 1: Amount of sunshine in New York State and other parts of the Northeast U.S. and the amount of sunshine in Germany, which leads the world in installed solar power capacity³

Global PV Module Installations

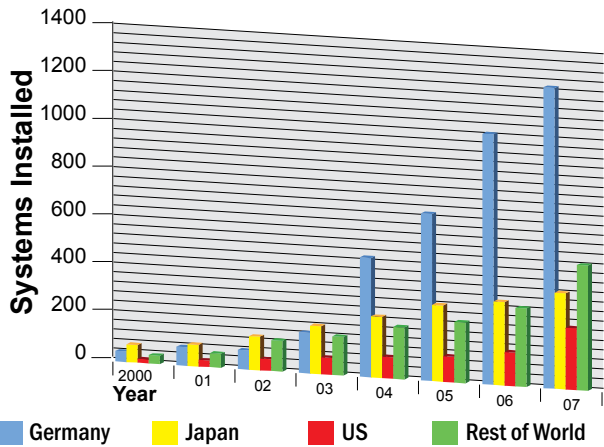


FIGURE 2: Installed solar power capacity 2000-2007 (in MW) in Germany, U.S., Japan, and rest of world (2007 is an estimate)⁴

2006 Installations (kW-DC)

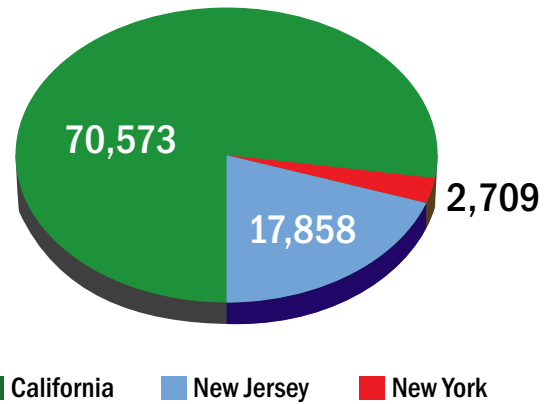
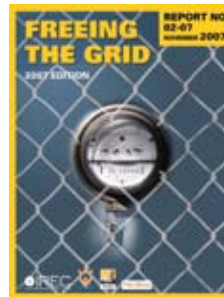


FIGURE 3: 2006 Installed solar power capacity (in kW-DC) in New York State compared to New Jersey and California⁵

- 1 State of New York Public Service Commission. (June 21, 2007) CASE 07-E-0437. Order raising net metering ceiling and providing for additional proceeding. [http://www3.dps.state.ny.us/pscweb/WebFileRoom.nsf/0/9FCC8A6ADD1948C98525730100481601/\\$File/377_07E0437final.pdf?OpenElement](http://www3.dps.state.ny.us/pscweb/WebFileRoom.nsf/0/9FCC8A6ADD1948C98525730100481601/$File/377_07E0437final.pdf?OpenElement)
- 2 Solar Initiative of New York (May 2007). New York's Solar Roadmap. http://www.neny.org/download.cfm/NENY_Membership_Application.pdf?AssetID=225
- 3 Solar Initiative of New York (May 2007). New York's Solar Roadmap. http://www.neny.org/download.cfm/NENY_Membership_Application.pdf?AssetID=225
- 4 PV News, July 2007 as quoted in Travis Bradford and Paul Maycock, "PV Market Update: Demand Grows Quickly and Supply Races to Catch Up," Renewable Energy World, July 2007. http://www.renewable-energy-world.com/display_article/305266/121/CRTIS/none/none/PV-market-update:-Demand-grows-quickly-and-supply-races-to-catch-up/
- 5 *Id.*



Freeing the Grid: 2007 Edition

Available for a free download at:
www.NewEnergyChoices.org/uploads/FreeingTheGrid2007_report.pdf



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LIST OF COALITION MEMBERS JAN. 2008

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 altPower, Inc.
 American Lung Association of NY State
 Black Rock Forest Consortium
 Citizens Campaign for the Environment
 Environmental Advocates of New York
 Hudson River Sloop Clearwater
 Hudson Valley Clean Energy, Inc.
 Long Island Neighborhood Network
 Natural Resources Defense Council
 Network for New Energy Choices
 New York City Apollo Alliance
 New York Interfaith Power and Light

New York League of Conservation Voters
 New York Public Interest Research Group
 New York Solar Energy Industries Association
 New York State Apollo Alliance
 Pace Energy Project
 Renewable Energy Long Island
 Riverkeeper, Inc.
 Solar 1
 Solar Alliance
 The Solar Energy Consortium
 SunEdison
 The Vote Solar Initiative