



ARIZONA CORPORATION COMMISSION

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Commission Issues Final Approval for “Net Metering” Rules *Rules Provide a Valuable Tool to Offset Costs for Consumers Adopting Renewable Energy Technology*

PHOENIX, AZ—The Arizona Corporation Commission (ACC) has approved a set of rules that allow energy consumers to be compensated for generating their own energy through renewable resources. The “net metering” rules, which would be required of all Arizona electric utility companies, would provide consumers with a key tool to help offset the costs of installing and generating renewable energy in their home or business primarily through the use of solar technology.

Customers with renewable energy generation capabilities such as solar panels will have two-way meters installed that will measure both the electricity coming in to a property, and the energy going back to the grid. This allows customers to be credited for any excess energy generation that they send back to the regional electricity grid. According to the rules, once each calendar year, a customer’s utility company will issue a check or billing credit for the balance of any energy generated in excess of the customer’s usage.

Facilities that qualify under this plan are those operated by a consumer and located on his or her property—whether it is residential or commercial—that is intended to provide all or part of a consumer’s energy needs. There is no limitation on the size of the generating facility, but a facility’s generation will be capped at 125 percent of its total connected load.

The approved net metering rules were previously sent to the Arizona Secretary of State for a Notice of Proposed Rulemaking. They will now be sent to the Attorney General’s office for endorsement.

Today’s approval of the net metering rules follows the Commission’s requirement that utilities generate 15 percent of their total energy from renewable energy technologies by 2025. The Commission’s Renewable Energy Standards promote the generation of “clean” energy to power Arizona’s future.

The approved Order can be viewed at: <http://images.edocket.azcc.gov/docketpdf/0000088991.pdf>

Commissioner Comments:

“Arizona’s net metering rules are already being viewed as ground breaking by other states around the country,” **Commissioner Kris Mayes** said. “For the first time, Arizonans are going to receive the full, fair value of the electricity they produce from their solar panels and sell back to the state’s utilities.”

“I am happy to see these net metering rules move forward,” said **Commissioner Gary Pierce**. “Net metering is a critical component of establishing a viable market for distributed generation in

Arizona. As I sit here today, I cannot say that these rules will avoid all of the potential hurdles and pitfalls associated with connecting thousands—and hopefully hundreds of thousands—of small-scale solar systems to the electric grid, but I can say that the rules reflect the Commission’s best efforts to identify and address those concerns, and I enthusiastically support their passage.”

“The ACC is joining with home and business owners to create a brighter energy future. Power from the sun and wind is real, and available today!” said **Commissioner Jeff Hatch-Miller**. “Today the ACC solved the net metering puzzle. If you have a renewable energy system, when the sun shines or the wind blows, your electric meter will actually run backwards. The result of net metering is lower utility bills for every kilowatt of electricity you produce...everybody wins!”

“The net metering rules will work in concert with the REST rules to increase the number of solar systems on homes and businesses across Arizona,” said **Commissioner Bill Mundell**. “With over 320 days of sunshine per year, it makes sense for our state to encourage the development of solar power, which has zero fuel costs and zero emissions.”

“These rules ignore serious concerns that had been voiced by the major Commission-regulated electric utilities,” said **Chairman Mike Gleason**. “Discussion at today’s meeting revealed that the rules can endanger the electric grid, the meter on your house, and the wiring in your house. For those reasons, as well as their increased cost to other ratepayers, I had to vote ‘no’ on the net metering rules.”

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