

Virtual Net Metering

Solar Policy Survey

October 2016



The NESEMC Solar Policy Survey compiles information on state-level policies that significantly influence the solar energy market. The survey was produced with the help of the Pace Energy and Climate Center's team of student researchers. The vast majority of the information contained within this document has been obtained from [the Database of State Incentives for Renewables & Efficiency](#) (DSIRE) with additional information and research obtained from various sources.

Note: These factsheets are updated periodically to reflect policy changes within each state. If you notice a mistake or out of date information, please contact Nick Martin at nmartin@nesemc.com.

POLICY BACKGROUND

Virtual net metering (VNM), also referred to as remote net metering, allows a solar PV customer to offset electricity purchases on multiple of their own meters or accounts with the generation from a single PV system. VNM can expand solar PV markets by allowing customers with multiple meters (e.g. agricultural customers, universities, and shopping malls) to offset electricity usage with PV systems sited at locations best suited for solar projects, regardless of the location of each meter.

The extent to which this policy opens new opportunities for solar PV development will depend upon the limitations placed on VNM. Rules may limit VNM to meters located on the same or an adjacent piece of property owned by the same customer or to only certain customer classes. VNM credits may also be valued at less than retail rates, which can further dampen solar PV development.

SUMMARY

VIRTUAL NET METERING

CT	<p>VNM is allowed, but is limited to state, municipal, and agricultural customers.</p> <p>Excess generation is credited to beneficial accounts at declining rates based on years of operation.</p> <p>Beneficial accounts are limited to 10 accounts of the same class, or accounts that are part of a microgrid for critical infrastructure.</p>
ME	<p>VNM is allowed and generally follows regular net metering provisions.</p> <p>Beneficial accounts are limited to 10 accounts.</p>
MA	<p>VNM is allowed and generally follows regular net metering provisions.</p> <p>Beneficial accounts and host customers must be in same utility territory.</p>
NH	<p>VNM is allowed and generally follows regular net metering provisions.</p> <p>Beneficial accounts must be default service customers of the same electric distribution utility as the host customer.</p>
NJ	<p>VNM is allowed, but is limited to public entities only.</p> <p>Beneficial accounts receive credit at the wholesale rate.</p>
NY	<p>VNM is allowed for agricultural (<100kW) and non-residential facilities (<2MW).</p> <p>Excess generation is credited to beneficial accounts at the host’s retail rate.</p> <p>The host may designate credits to any meter on property leased or owned by customer in the same utility territory and load zone as generating facility.</p>
PA	<p>VNM is allowed and generally follows regular net metering provisions.</p> <p>Beneficial accounts must be in the same utility territory as host and located on property (owned or leased) by customer host within 2 miles of boundaries of that property.</p>
RI	<p>VNM is allowed and generally follows regular net metering provisions.</p> <p>Residential customers are not permitted to virtually net meter.</p>
VT	<p>VNM is allowed and generally follows regular net metering provisions.</p> <p>Customers must file with Vermont Public Service Board explaining the beneficial accounts to used, method for adding / removing meters, credit allocation, and dispute resolution process.</p>

CONNECTICUT

Connecticut state law allows virtual net metering for specific customer classes and for specific uses.¹

Maximum System Capacity:

Virtually net metered systems may be up to 3MW per facility.

Aggregate Capacity Limit:

There is not a specified aggregate (e.g. state-wide or utility-wide) capacity limit on virtually net metered facilities.

Compensation Rules:

Generation in excess of the host customer's consumption is credited to beneficial accounts at the full generation service component and at the following declining percentages for the transmission and distribution service component:

- First year of commercial operation: 80% of transmission and distribution charges
- Second year of commercial operation: 60% of transmission and distribution charges
- Third year of commercial operation and after: 40% of transmission and distribution charges.

Any excess credits after one year are credited to the host customer at the retail generation rate and the declining percentage of transmission and distribution charges.

Limitations:

The host customer must be either a state, municipal, or agricultural customer. The benefiting accounts must be of either the same customer class as the host or a critical facility connected to a microgrid.

State/municipal customers can host up to 5 additional accounts of the same customer class and 5 additional accounts that are critical facilities connected to a microgrid.

Agricultural customers can host up to 10 beneficial accounts as long as those accounts either use electricity for agricultural purposes, or are critical facilities connected to a microgrid.

The host customer may aggregate all the meters owned by that customer host.

MAINE

Maine allows virtual net metering under its existing net metering program for investor-owned utilities.

Cooperative and municipal utilities may offer it voluntarily.

Maximum System Capacity:

Virtually net metered facilities may be up to 660kW per facility, which are the same limits that apply to net metered facilities .

Aggregate Capacity Limit:

Virtually net metered facilities are included under the net metering program's aggregate capacity limit. There is

¹ [Conn. Gen. Stat. § 16-244u](#)

not a specified cap on these facilities. However, utilities must notify the Maine PUC if the capacity of net metered facilities reaches 1% of peak demand.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program.

Limitations:

A maximum of 10 accounts may be credited, and the owners of the benefiting accounts must all hold an ownership stake in the eligible facility.

MASSACHUSETTS

Massachusetts allows for virtual net metering under its existing net metering program.

Maximum System Capacity:

Virtually net metered systems may be up to 2MW for most facilities and up to 10MW for municipal or government facilities, which are the same limits that apply to net metered facilities.

Aggregate Capacity Limit:

Virtually net metered facilities are included under the net metering program's aggregate capacity limit, which is 7% of utility's peak load for private entities and 8% of utility's peak load for municipalities and government entities

Compensation Rules:

Beneficial accounts are credited at the host customer's fully bundled retail rate.

Limitations:

Host customers and beneficial accounts must reside within the same distribution company territory and ISO-NE load zone.

NEW HAMPSHIRE

New Hampshire allows virtual net metering under its existing net metering program.

Maximum System Capacity:

Virtually net metered facilities may be up to 1MW, which is the same limit that applies to net metered facilities.

Aggregate Capacity Limit:

Virtually net metered facilities are included under the net metering program's aggregate capacity limit.

Compensation Rules:

Beneficial accounts are given credits at same rate as under the net metering program.

Limitations:

The host customer must provide a list of beneficial accounts (group members) to the New Hampshire PUC and electric distribution utility, and must certify that all members of the group have an executed agreement with the host.

The beneficial accounts must be default service customers of the same electric distribution utility as the host customer.

Costs associated with upgrading the utility's information system to accommodate new billing arrangement must be paid by the host customer.

NEW JERSEY

New Jersey state law allows virtual net metering for public entities with strict limitations.

Compensation Rules:

The host customer receives credit at the retail rate, while beneficial accounts receive credit at the wholesale rate.

Limitations:

The solar facility must be owned by a public entity such as state and local governments, local agencies, or school districts.

The solar facility must be on property owned by the customer.

The solar facility must be owned and operated by the single customer.

The solar facility must be located in the customer's territorial jurisdiction unless it is a state entity. If the solar facility is owned by a state entity, all facilities must be located within 5 miles of each other.

NEW YORK

New York allows for virtual net metering under its existing net metering program for certain customer classes.

Maximum System Capacity:

Virtually net metered facilities may be up to 100kW for farms and 2MW for non-residential facilities.

Aggregate Capacity Limit:

Virtually net metered facilities are included under the net metering program's aggregate capacity limit, which is 6% of the utility's 2005 electric demand.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program at the host's retail rate.

Limitations:

Only non-residential and farm-based customers may virtually net meter.

Customer hosts may designate net metering credits to any meter that is located on property owned or leased by the customer and is within the same utility territory and load zone as the generating facility.

PENNSYLVANIA

Pennsylvania allows for virtual net metering under its existing net metering program.

Maximum System Capacity:

Virtually net metered systems may be up to 110% of the cumulative consumption across all qualifying meters.

Aggregate Capacity Limit:

Like net metered facilities, there is not a specified aggregate (e.g. state-wide or utility-wide) capacity limit on net metering facilities.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program at the host's retail rate.

Limitations:

Beneficial meters must be in same utility territory as customer host and located on properties owned or leased by the customer host within 2 miles of the boundaries of the customer host's property.

The customer host is responsible for an incremental expenses involved in billing the accounts.

RHODE ISLAND

Rhode Island allows virtual net metering under strict limitations.

Maximum System Capacity:

Net metered systems may be up to 10MW per location.

Aggregate Capacity Limit:

Virtually net metered systems are included under the net metering program's aggregate capacity limit. There is no aggregate capacity limit for National Grid. Block Island Power Company and Pascoag Utility District are capped at 3% of peak load.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program at the host's retail rate.

Limitations:

Currently, residential systems may not virtually net meter. However, recent legislation ([H8354A](#), [S2450B](#)) creates a 30 MW pilot program to allow virtual net metering for residential and low- to moderate-income customers. Program details are to be defined through a PUC docket in Fall 2016.

VERMONT

Vermont allows virtual net metering through its group net metering rules.

Maximum System Capacity:

Virtually net metered facilities may be up to 500kW, which is the same as net metered facilities.

Aggregate Capacity Limit:

Virtually net metered facilities are included under the net metering program's aggregate capacity limit, which is 15% of utilities' peak demand during 1996 or the peak demand during most recent full calendar year, whichever is greater.

Compensation Rules:

Beneficial accounts are credited the same as under the net metering program at the host's retail rate.

Limitations:

The customer host must file with the Vermont Public Service Board (PSB) information that explains the beneficial accounts to be included; the method for adding/removing meters and how credits will be allocated; main contact person; and a dispute resolution process.

About NESEMC



The **Northeast Solar Energy Market Coalition** brings together solar energy business associations and other stakeholders in the Northeast United States to harmonize regional solar energy policy and advance the solar energy market. We are funded by the U.S. Department of Energy SunShot Initiative as a cooperative agreement through 2017.

Our vision is a thriving, efficient regional market for solar photovoltaic energy generation in the Northeast.

We will realize our vision by encouraging and engaging regional solar businesses in advancing market policy to lower costs and increase solar market opportunity. We will educate stakeholders and policy makers throughout the region directly, and by empowering our member organizations with robust analysis and timely information.

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