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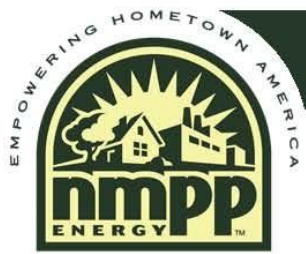
Net Metering Workshop

3rd Annual Nebraska Wind Power Conference

November 9-10, 2010

Chris Dibbern
General Counsel
NMPP Energy
1111 O Street
Lincoln, NE 68506





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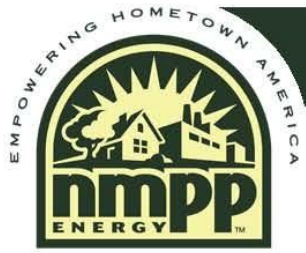
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What is Net Metering?

For electric customers who generate their own electricity, net metering allows for the flow of electricity both to and from the customer – typically through a single, bi-directional meter. With net metering, when a customer's generation exceeds the customer's use, electricity from the customer flows back to the grid, offsetting electricity consumed by the customer at a different time. In effect, the customer uses excess generation to offset electricity that the customer otherwise would have to purchase at the utility's full retail rate.



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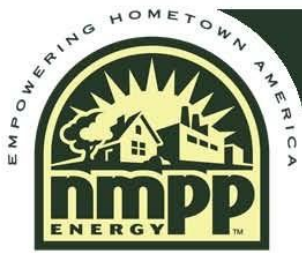


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States that have Net Metering

Today 43 states & DC have adopted a net metering policy





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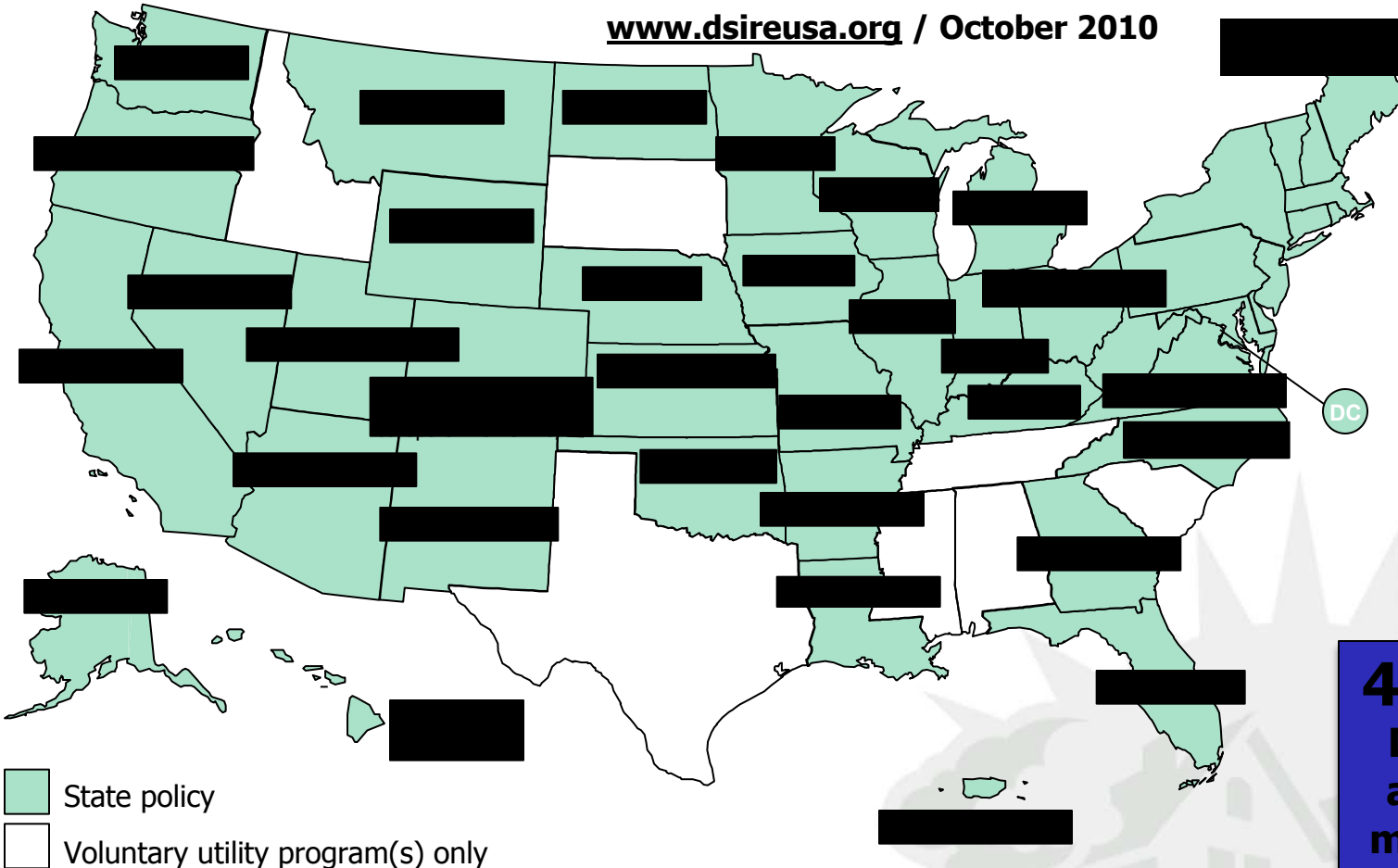
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Net Metering

www.dsireusa.org / October 2010



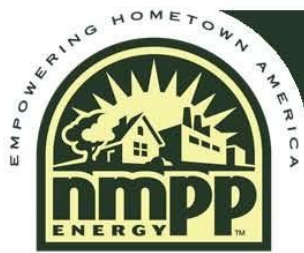
[Redacted text]

43 states + DC & PR have adopted a net metering policy

* State policy applies to certain utility types only (e.g., investor-owned utilities)

Note: Numbers indicate individual system capacity limit in kW. Some limits vary by customer type, technology and/or application. Other limits might also apply.

This map generally does not address statutory changes until administrative rules have been adopted to implement such changes.



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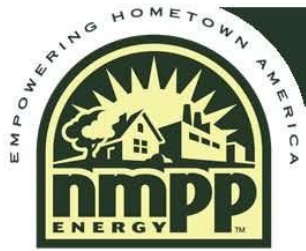
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Introduction to LB 436

Signed in May 2009, established statewide net metering rules for all electric utilities in Nebraska. New law applies to electricity generating facilities which use:

- Solar
- Methane
- Wind
- Biomass
- Hydropower
- Geothermal Energy





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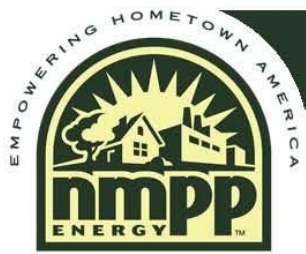


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How large of generation?

- Must have a rated capacity at or below 25 kilowatts (kW).
- Electricity produced by a qualified renewable energy system during a month shall be used to offset any kilowatt hours (kWh) consumed at the premises during the month.





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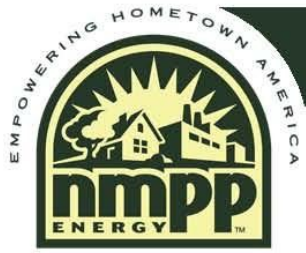
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Safety Implications

The equipment installed by a customer must also be equipped to automatically isolate (itself) from the electrical system in the event of an electrical power outage or other conditions where the line is de-energized.





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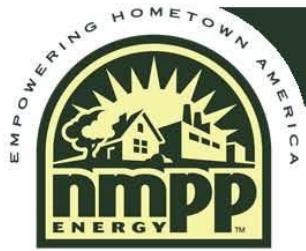


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How much notice will you get?

The customer must notify the utility at least 60 days prior to the installation. The customer bears all the costs associated with the installation.





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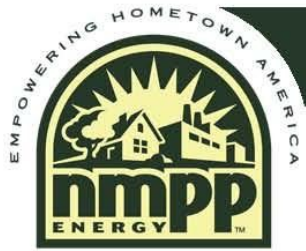
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What must the utility do?

- Interconnect with an interconnection agreement
- Customer pays for costs incurred for equipment or services required to complete the interconnection
- Utility may charge the customer-generator a standard, monthly fixed fee but cannot charge:
 - ④ Additional standby, capacity, demand, interconnection or other fixed fee or charge.



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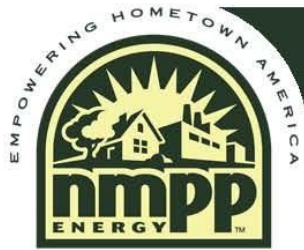
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Metering System that flows in both directions....

A SMART meter

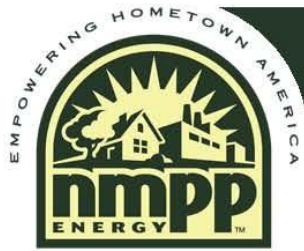
The utility can use a single bidirectional electric revenue meter that has only a single register for billing purposes





Credits for Electricity Generated

- Customer generator earns credit at the utility's retail rate for each KWh produced ...up to the total of their requirements
- Any net excess is credited at a rate equal to the utility's **AVOIDED** costs of electricity supply over the billing period.
 - ④ First applied to the bill
 - ④ If less than zero the credits carry over to future bills until balance is zero
 - ④ At the end of every year any excess credits are paid (true-up)
Beginning March 1, 2010 and every March thereafter the utility must provide to the Power Review Board an annual net metering report.



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Is there a CAP on the program? Yes.

- 1% of the capacity of the utility needs.
- Free to negotiate separate interconnection agreement with customer rated above 25 kW but does not have to comply with LB 436.

