

### **How does this change affect a net metering agreement with NV Energy?**

There is no impact to the net metering agreement, which is simply an interconnection (connection to NV Energy's grid to receive and send energy) agreement that is required for rooftop solar customers.

### **Is this the first time the basic service charge has changed for net metering customers?**

No. Rates are subject to change during General Rate Case proceedings. The basic service charge has changed (for all customers) four times in southern Nevada and five times in northern Nevada since net metering began [in 1997]. Changes to NV Energy's prices and pricing structure may occur in the future.

### **Do these net metering rate changes increase profits to NV Energy?**

No. There is no additional profit to NV Energy as a result of these changes.

### **Are Time of Use rates available for net metering customers?**

Yes. There is a Time of Use rate option for net metering customers.

### **How do I know if a net metering Time of Use rate is a better option?**

The net metering Time of Use and flat rate schedules are available at [nvenergy.com/nemrates](http://nvenergy.com/nemrates). We encourage customers to view their usage habits and history at [nvenergy.com/myaccount](http://nvenergy.com/myaccount) to determine if the TOU option would save them money.

### **If I'm an existing net metering customer, can I switch to the net metering Time of Use rate?**

Yes. Current TOU net metering customers have until March 31, 2016 to decide if they want to be on the standard net metering rate. Standard net metering customers may switch to the net metering TOU rate at any time. Once the TOU rate is selected, a customer must stay on this rate schedule for 12 months. To make changes customers should contact NV Energy Net Metering Billing.

### **Can customers still apply for an incentive through the RenewableGenerations program?**

Yes. The program is available to all customers.

### **Did the new rules set a limit to the number of rooftop solar projects?**

No, just the opposite. As was agreed to during negotiations on Senate Bill 374, which established a sustainable future for rooftop solar, there is no longer a cap on the number of rooftop solar projects that can be installed in Nevada.

### **Does my eligibility for any potential federal income tax credits change with the new rule?**

No. Eligibility is not affected by the PUCN's order.



## **Net Metering 2016**

### Update and FAQs



*We're customers too.*

Net metering was established in 1997 to encourage the development of rooftop solar in Nevada, while acknowledging that a subsidy occurs in the form of a cost-shift from those with rooftop solar to those without. In February of this year, the Public Utilities Commission of Nevada (PUCN) established a cost-based approach to rates for all net metering customers in order to reduce, and eventually eliminate that subsidy over the next 12 years. The following addresses commonly asked questions about new net metering rules and rates.

### **Will the new rules and regulations affect all net metering (rooftop solar) customers?**

The new rules and rates affect all residential and small general service net metering customers, regardless of when the customer's solar generation system was installed. The PUCN created a separate rate class for these customers. The first step in the 12-year transition to new rates occurred on January 1, 2016.

### **How have the rates changed?**

The basic service charge increased and the Volumetric Charge (kWh or energy charge) decreased. An excess energy credit was created that pays net metering customers for the excess energy they deliver to the utility.

### **Were customers without rooftop solar paying for customers with rooftop solar (net metering) prior to the new rules?**

Yes. Under old net metering rules and rates, southern Nevada net metering customers were receiving an estimated \$623 annual subsidy per customer. Residential rooftop solar customers in northern Nevada received a \$471 annual subsidy. If you do not have a rooftop solar system, you are part of the broad group of customers who pay

that subsidy. Under the 12-year transition, 97 percent of customers will still pay an estimated \$100 million over the next 12 years to subsidize the 3 percent of customers who have net metering. Without these new rules, that subsidy would have continued to grow.

### **Did the amount of the credit for any excess energy a system produces change?**

Yes. Instead of a unit, or kilowatt-hour credit, NV Energy will provide net metering customers with a monetary credit for energy delivered to NV Energy's system. This credit may be used to offset any portion of the customer's NV Energy bill, and unused credits will roll over each month. At the end of the year, NV Energy will issue a check for any outstanding balance. The credit will decrease periodically and, at the end of the 12-year transition period, will reflect the value established by the PUCN.

### **Why did the net metering rates and rules change?**

Rooftop solar customers use the electric grid to receive and send energy. This is a different usage pattern than other electric service customers. These new rates reflect the fact that net metering customers receive unique services and the cost of providing those services is different than providing service to other customers who do not own their own electric generation equipment. Prior to these new rules, customers without rooftop solar were subsidizing those customers with rooftop solar systems.

### **Are the new rate adjustments happening all at once?**

No. The PUCN put into place a laddering process to gradually implement increases in the basic service charge and reductions in the Volumetric Charge (kWh or energy charge) and excess energy credit. The first rate change occurred on January 1, 2016 and one will occur every three

years until January 1, 2028 to ensure a smooth transition to the new rates. The new rates may be changed over the course of time, including during the 12-year implementation period, through action by the PUCN.

### **Will net metering customers still be able to save money on NV Energy's bill?**

Based on current data, net metering customers will have the opportunity to continue saving on their NV Energy bill. Because NV Energy is not involved in negotiating rates with rooftop solar providers, it is recommended that customers review costs included in their contract to determine additional rate information.

