

VIRGINIA NET METERING

FREQUENTLY ASKED QUESTIONS

What is Net Metering? Net Metering was developed to encourage investment in renewable energy. It is an incentivized program available to eligible customers who operate an on-site, qualifying renewable fuel generator (such as solar panels) and wish to make some or all of their own electricity. It is not available for those that desire to make energy for sale back to their utility. Approved generators are allowed to connect to the electric grid generally via the customer's main service panel providing the customer with the ability to return any excess energy to the grid "banking" it for future use. This is particularly beneficial for solar and wind as these are intermittent power sources.

How does it work? Once a generator is approved for interconnection, Appalachian Power will install a special meter capable of measuring energy flow in both directions. As your generator produces electricity, that energy is first used to supply your own energy needs. If your generator's output will not cover your entire energy needs, Appalachian Power provides the remainder. Conversely, if your generator produces more electricity than you can use, the excess is measured at the meter and sent back to the grid to be used by other customers.

How do I apply for Net Metering? For generating equipment systems that have a capacity of 25 kW or less for residential and 3 MW or less for commercial, a Net Metering Application must be submitted. You can submit a Net Metering Application online by going to <https://aep.powerclerk.com> and registering an account with PowerClerk. A net metering informational package is also available to download at www.appalachianpower.com or by calling (800) 956-4237. The package includes the net metering tariff that defines the conditions of your electric service while interconnected as well as the 2 page Net Metering Interconnection Notification (NMIN) form. Sections 1-4 of the NMIN should be submitted in advance of installation for pre-approval. The fully completed NMIN should be re-submitted after the installation is complete for final field approval. Upon a successful final field approval, your meter will be scheduled for exchange. This process can take up to 30 days for residential and 60 days for commercial customers so please remember to leave your generator off until it is approved and the meter has been exchanged.

How will I be billed? All monthly charges will continue to be based on your standard rate schedule. However, you will only be billed for your "net" energy usage (what we delivered to you less what you put back to the grid). Any non-usage charges or minimums as stated in your standard rate schedule still apply. If you return more energy than was supplied to you in any particular billing period, the excess energy is "banked" for application towards future bills. Most customers track their own excess generation as bills currently do not display that information.

Why was my bank not applied? In any month where you have billable consumption, you will initially get a bill for that usage. Generally within 3-7 days, your account will be reviewed and re-billed to apply any "banked" energy to offset all or part of that billable usage.

How long is the "bank" available for my use? Your net metering start date is the first meter reading following meter exchange. Your account is then reviewed annually to reconcile any excess generation in accordance with Virginia regulations. Any excess generation at that time will be compared to your billed kWhs for the year plus your excess generation rolled from the previous year. Banks in excess of this total are forfeited since State regulations require you to size your generator so that it doesn't produce more energy than you can use annually.

Can I be paid instead for that excess generation? Yes, as an option, you may also request a power purchase agreement in writing prior to the beginning of any 12 month net metering period. At subsequent annual reviews, your bank will be purchased. Please be aware, however, that kWhs rolled into the next net metering period are worth our retail rate (currently about 11 cents per kWh) whereas banked kWhs are purchased at our "avoided cost" (currently \$.02680 per kWh for calendar year 2020). So sizing your system appropriately ensures you remain eligible to roll your excess generation each year and realize the maximum value for your excess energy.

How do I read my new meter? Unlike your old billing meter with a static screen, your new net meter will rotate through multiple screens. While there are several different meters being used today for net metering, all will display a screen with 08 on the left or at the bottom which shows the energy we've delivered to you and a screen with 07 on the left or at the bottom which displays the energy you've returned to the grid. You'll also see a screen that displays the 15 minute average peak demand for electricity consumed during the billing period. Some meters also show the date that peak demand occurred. You will receive a meter display guide with your paperwork after the interconnection. You may also download a copy of that guide at www.appalachianpower.com.

What if I decide to add more solar panels? You must submit a new net metering application for the added capacity and you must secure approval in advance just as you did with your initial system.

Why does my inverter show I generated more energy than your meter does? Your inverter measures the energy that you have generated while our meter only measures what you generated, couldn't use and exported to the grid.