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Utilities in several US states plan ways to make solar customers pay more

24. SEPTEMBER 2013 | [GLOBAL PV MARKETS](#), [INDUSTRY & SUPPLIERS](#), [MARKETS & TRENDS](#), [INVESTOR NEWS](#) | BY: IAN CLOVER

Homeowners with solar panels that feed into the grid are getting too good a deal, say some state utilities, with plans afoot to readdress the balance.



Utilities in some of the sunnier states of the U.S. – such as Arizona and California – are claiming that solar customers are not paying their fair share.
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The *Wall Street Journal* (WSJ) has reported that utilities in several states across the U.S. feel that domestic solar energy providers are getting an easy deal... and have tabled plans to readdress who pays what.

In a nutshell, utilities in some of the sunniest states (such as [California](#) and Arizona) claim that homes with solar panels do not generate all of the power

consumed by their residents. On cloudy days, during the night, and even on some sunny days, they claim, these properties have to rely on the grid for their energy requirements.

During sunnier spells, these homes produce more energy than they are able to consume, with the surplus power flowing to the grid. When this net metering happens, state rules dictate that customers are credited on their bills for the energy provided, often at the same rate paid when they draw power from the grid.

The utilities' argument is thus: residents with solar panels not only purchase less power from the grid than other customers, but the cost of what they do buy is offset to such an extent that solar customers are not covering their share of maintaining the grid.

This not only increases bills for non-solar providers, but utilities warn that the situation is likely to worsen as more and more homeowners install solar panels on their roofs.

In response, the solar industry has denied that homes with solar panels do not pay their fair share, arguing that the provision of solar power actually relieves demand on the grid, and provides extra power during busy periods. If incentives were cut or diluted, they claim, the grid would not only be deprived of extra power but a [fast-growing, environmentally friendly industry](#) would be blunted.

One option that has been mooted is to only credit solar customers with the power they feed in at the wholesale rate, which is far lower than the current retail rate. Or at least at a level between the two figures. Another option tabled is to charge all customers a monthly maintenance fee.

In Arizona, the Arizona Public Service Co. estimates that the state's [18,000 solar customers](#) are subsidized to the tune of \$18 each a year by the state's one million non-solar customers. "Everyone who's using the grid ought to pay their fair share," said Jim McDonald, the utility's spokesman.

Proponents of the solar industry dispute such calculations. California's Vote Solar Initiative produced a study earlier this year that concluded the cost of net metering is outweighed by the overall value that solar panels feed to the grid.

For now, it remains to be seen what, if any, changes will result from these proposals.



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Regulators rely on the input of all parties – utilities, the solar industry, and consumer advocates – in order to make their rulings. Consumer groups, as ever, may have the final say.

"If you move from a few customers having solar to 10% or 20%, you can't sustain that within the current tariffs," Matthew Freedman, lawyer for consumer group the Utility Reform Network, told the WSJ. "There will be sizable cost shifts, and then you're dealing with a situation where you have the haves and the have-nots."

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