

FAQ: Is the value of net metering changing in Illinois?

Under Illinois law, net metering is available to any retail customer that “owns or operates solar, wind, or other eligible renewable energy generating facility with a rated capacity of not more than 2,000 kilowatts that is located on the customer’s premises and is intended primarily to offset the customer’s own electrical requirements.” 220 ILCS 5/16-107.5. Small customers, such as homeowners and small business owners, may receive a one-for-one kWh credit for the net electricity supplied to their utility at the retail rate – that is, for both distribution and supply charges. Non-residential customers, as well as owners and developers of community renewable generation projects, have the option to apply for a rebate equal to \$250 per kilowatt of the nameplate capacity of the solar project; these customers are not eligible to receive retail rate net metering. Under Illinois law, upon the date that installed net metering capacity reaches a certain threshold – 5% of the total peak demand supplied by that utility provider in the previous year – the net metering landscape in the utility’s territory will change and retail rate net metering will no longer be available for new net metering customers who would otherwise qualify.

Ameren Illinois has somewhat unexpectedly notified the Illinois Commerce Commission (the State agency charged with approving Ameren’s tariffs) that it has reached this 5% threshold and, as a result, otherwise-qualified new customers who apply for net metering service will not receive retail rate net metering, but rather, supply-only net metering. Eligible customers who apply for the \$250/kW rebate will continue to receive that rebate until a new rebate value is determined in a Commission-approved proceeding. This notification has spurred a flurry of legal filings, including by the solar energy industry and environmental advocates seeking for retail rate net metering to continue until the matter is fully investigated.

The Commission, which has exclusive jurisdiction over the matter of utility net metering, has opened investigations (1) into Ameren’s net metering rider (Rider NM), to determine whether Ameren has met the 5% threshold and is appropriately ending retail rate net metering, and (2) into the process and formula for calculating the value of distributed generation rebates on a going-forward basis. The Commission has ordered the investigation into Rider NM to be completed by early November; until that time, the IPA understands that retail rate net metering is not available for new, otherwise-qualifying Ameren net metering customers. The investigation to determine successor distributed generation rebate values is expected to be completed in the spring of 2021.

At this time, these ongoing investigations have no immediate impact on net metering in the Commonwealth Edison territory. Additionally, the IPA understands that customers

who already receive retail rate net metering from Ameren Illinois will continue to receive credits at that amount. As the IPA has no jurisdiction over Ameren Illinois or its tariffs, any questions regarding the availability of new or continuing net metering credits should be directed to Ameren. The IPA will update this FAQ as additional information becomes available with respect to the status of net metering rebates.