

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

**Answer:**

Retail rate net metering – described in more detail below – is still being offered to residential and small commercial customers of Ameren Illinois (“Ameren”), Commonwealth Edison (“ComEd”), and MidAmerican Energy Company (“MEC”) that install a distributed generation system. It is anticipated that the replacement of retail rate net metering with a distributed generation rebate will be triggered under current Illinois law in the Ameren territory in late 2022 or early 2023, and likely later in the ComEd and MidAmerican territories. The mechanism which will trigger the switch from retail rate net metering to a distributed generation rebate, and the process for calculation of that rebate value, is described further below. Customers of rural electric cooperatives and municipal electric utilities should check with those entities to determine whether net metering is offered in the service area.

Background

Under current 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. This is known as “retail rate net metering.” 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 and instead only receive net metering credits for the energy supplied from their system to the utility. The net metering landscape in a utility’s territory will change and retail rate net metering will no longer be available to new net metering customers once the installed net metering capacity in that utility’s territory reaches 5% of the total peak demand supplied by that utility provider in the previous year. Instead, those customers who install a distributed generation system after that point in time would be eligible for net metering of energy supplied to the utility and to apply for the distributed generation rebate, the value for which is to be set by the Illinois Commerce Commission (“Commission”) (the State agency charged with approving utility rates) through “an investigation into an annual process and formula for calculating the value of rebates.” 220 ILCS 5/16/107.6(e). The investigations are conducted separately by utility.

Ameren Illinois

In April 2020, upon notification from Ameren that it had reached a 3% net metering penetration, the Commission opened an investigation into the value of successor rebates for distributed generation systems in the Ameren service territory, which remains open and is ongoing. Additional information related to that proceeding may be found at:

<https://www.icc.illinois.gov/docket/P2020-0738>.

Ameren Illinois notified the Illinois Commerce Commission that it reached the 5% net metering threshold on October 2, 2020. The Commission, which has exclusive jurisdiction over the matter

of utility net metering, opened an investigation into Ameren's net metering tariff (Rider NM) to determine whether Ameren had indeed met the 5% threshold as defined under Illinois law. The Commission found that Ameren's Rider NM incorrectly calculated the threshold and that the volume of installed net metering capacity in the Ameren service territory has not yet met the 5% threshold. The effect of that ruling was to restore the availability of retail rate net metering for otherwise-eligible new Ameren Illinois net metering customers. Pursuant to the Commission's order, Ameren filed updated tariff language reflecting changes to how Ameren calculates the 5% net metering threshold on December 23, 2020, with an effective date of seven business days later. Furthermore, the Commission ordered that Ameren compensate any customers who became net metering customers between October 2, 2020, and the effective date of the revisions to Rider NM for the delivery netting credits those customers should have received during that time. Ameren estimates that it will reach the 5% net metering penetration under the Commission's interpretation of the Public Utilities Act in late 2022 or early 2023.

### Commonwealth Edison

In March 2021, upon notification from ComEd that it had reached a 3% net metering penetration, the Commission opened an investigation into ComEd's net metering tariff (Rider POGNM) and its community solar tariff (Rider POGCS) to determine whether the tariffs correctly implement section 16-107.5(j) of the Public Utilities Act, which outlines the calculation of the 5% net metering threshold. In response to an inquiry from the Commission, ComEd confirmed that under the Commission's interpretation of the Public Utilities Act as applied in the investigation into Ameren's net metering tariff, the net metering penetration in its service territory as of March 1, 2021, was only 1.48%. The Commission's investigation of ComEd's tariffs is ongoing; related documents may be found at: <https://www.icc.illinois.gov/docket/P2021-0196/documents>.