

Green Pricing and Net Metering Programs, 2006

July 2008

Energy Information Administration
Office of Coal, Nuclear, Electric and Alternate Fuels
U.S. Department of Energy
Washington, DC 20585

This report is available on the Web at:
[Hhttp://www.eia.doe.gov/fuelrenewable.html](http://www.eia.doe.gov/fuelrenewable.html)

This report was prepared by the Energy Information Administration, the independent statistical and analytical agency within the U.S. Department of Energy. The information contained herein should be attributed to the Energy Information Administration and should not be construed as advocating or reflecting any policy of the Department of Energy or any other organization.

Contacts

This report was prepared by the staff of the Renewable Information Team, Coal, Nuclear, and Renewables Division, Office of Coal, Nuclear, Electric and Alternate Fuels. Questions about the preparation and content of this report may be directed to Fred Mayes, Team Leader, Renewable Information Team at e-mail fred.mayes@eia.doe.gov, (202) 586-1508 or Mark Gielecki at e-mail mark.gielecki@eia.doe.gov, (202) 586-1264.

Preface

The Energy Information Administration (EIA) reports historical data on green pricing and net metering programs in its report, the *Renewable Energy Annual*. This report, *Green Pricing and Net Metering Programs, 2006*, provides an overview and tables with historical data for 2002-2006. These tables correspond to similar tables presented in *Renewable Energy Annual 2006* and are numbered accordingly.

Data in this report is based upon electric industry participants information reported on Form EIA-861, "Annual Electric Power Industry Report." General information about the survey may be found here: <http://www.eia.doe.gov/oss/forms.html#eia-861>. Definitions for terms used in this report can be found in EIA's Energy Glossary: <http://www.eia.doe.gov/glossary/index.html>.

Tables

Page

4.H1. Estimated U.S. Green Pricing Customers by Customer Class, 2002-2006.....7
4.H2. Estimated U.S. Net Metering Customers by Customer Class, 2002-20068
4.1. Estimated U.S. Green Pricing Customers by State and Customer Class,
2005 and 2006.....9
4.2. Estimated U.S. Net Metering Customers by State and Customer Class,
2005 and 2006.....10

Green Pricing and Net Metering Programs, 2006

Background

Green pricing/marketing programs allow electricity customers to voluntarily pay the additional costs for renewable energy through direct payments on their monthly bills. In return, the electricity provider guarantees that it will provide either directly or by contract that amount of renewable-based electricity.

The Energy Information Administration (EIA) collects information about green pricing programs on the Form EIA-861, "Annual Electric Power Industry Report," which is a survey of electric industry participants.¹ All respondents, except independent power producers and qualifying facilities, are asked to report their number of customers in green pricing programs by state and customer class.

Net metering programs usually permit customers - typically residential - operating very small generators for some of their needs to purchase extra electricity when needed and to sell back any excess power to the utility. Provisions vary by state and utility and often apply to solar or wind energy. In addition, pricing schemes vary by individual utility and customer circumstance. This system facilitates the ease of operating intermittent generators, such as those using solar and wind energy, and improves their economics. The EIA collects information on net metering on the Form EIA-861 in much the same manner as it does green pricing.

2006 In Review

After three years of gains (2003 through 2005) in which the number of electric industry participants and participating customers in green pricing programs all increased, 2006 was a year of relative decline (Table 4.H1). While the number of electric industry participants increased, the number of participating customers fell.

The total number of electric industry green pricing program participants increased from 442 in 2005 to 484 in 2006. However, the total number of customers enrolled in green pricing programs decreased by almost 32 percent, falling from 942,772 in 2005 to 645,167 in 2006.

The number of participating customers decreased in nine states, most notably in Ohio, which lost over 400,000 customers (Table 4.1). This loss was the result of Green Mountain Energy Co., a green power marketer, discontinuing service in Ohio. Citing regulatory hurdles and unexpected transmission charges, Green Mountain terminated its agreement to supply the Northeast Ohio Public Energy Council program. This program,

¹ "Electric industry participants" include electric utilities, wholesale power marketers, energy service providers, and electric power producers.

which served residential and small commercial customers in northeast Ohio, was the largest retail electric aggregation program in the country.²

The state with the biggest increase was Oregon with a net gain of almost 17,000 customers, followed closely by New York, with a net gain of almost 16,000 customers.

Net metering programs have proliferated over the years. Electric industry participants and participating program customers have increased each year during the 2003 through 2006 period (Table 4.H2).

The total number of electric industry participants increased from 188 in 2005 to 232 in 2006. The total number of participating customers was 34,469 in 2006, an increase of 63 percent over 2005. Of this total, 31,323 or 91 percent, were residential customers. Thirty-five states and the District of Columbia reported gains of net metering customers, with the largest gain - 8,705 customers - reported by California (Table 4.2).³

² Austin Business Journal, http://www.bizjournals.com/austin/stories/2005/10/24/daily30.html?from_rss=1, October 26, 2005. A retail electric aggregation program combines customers in an effort to gain leverage in the deregulated market place. Bulk-buying allows the program to negotiate lower rates.

³ For details of individual state net metering programs, including some history, see the North Carolina Solar Center DSIRE database on this website:
<http://www.dsireusa.org/summarytables/reg1.cfm?&CurrentPageID=7&EE=1&RE=1>

Table 4.H1. Estimated U.S. Green Pricing Customers by Customer Class, 2002-2006

Year	Electric Industry Participants	Participating Customers		
		Customer Class		Total
		Residential	Non-residential	
2002	212	688,069	23,481	711,550
2003	308	819,579	57,547	877,126
2004	403	864,794	63,539	928,333
2005	442	871,774	70,998	942,772
2006	484	609,213	35,954	645,167

Note: Non-residential may include some customers for whom no customer class is specified.

Totals may not equal the sum of the components due to independent rounding.

Source: Energy Information Administration, Form EIA-861, "Annual Electric Power Industry Report."

Table 4.H2. Estimated U.S. Net Metering Customers by Customer Class, 2002-2006

Year	Electric Industry Participants	Participating Customers		
		Customer Class		Total
		Residential	Non-residential	
2002	96	3,559	913	4,472
2003	127	5,870	943	6,813
2004	166	14,114	1,712	15,826
2005	188	19,244	1,902	21,146
2006	232	31,323	3,146	34,469

Note: Non-residential may include some customers for whom no customer class is specified.

Totals may not equal the sum of the components due to independent rounding.

Source: Energy Information Administration, Form EIA-861, "Annual Electric Power Industry Report."

Table 4.1. Estimated U.S. Green Pricing Customers by State and Customer Class, 2005 and 2006

State	Electric Industry Participants 2006 ^a	Participating Customers			
		2006			2005
		Residential	Non-Residential	Total	Total
Alabama	4	157	6	163	975
Alaska	1	351	5	356	325
Arizona	3	1,894	39	1,933	5,896
Arkansas	-	-	-	-	-
California	11	45,557	1,970	47,527	40,436
Colorado	25	46,948	1,145	48,093	40,409
Connecticut	-	-	-	-	-
Delaware	6	1,676	892	2,568	-
District of Columbia	2	2,500	1,216	3,716	7,049
Florida	6	29,269	32	29,301	23,599
Georgia	19	5,846	137	5,983	3,795
Hawaii	3	4,416	50	4,466	4,279
Idaho	6	4,003	127	4,130	3,878
Illinois	7	2,763	7	2,770	1,227
Indiana	11	2,014	25	2,039	1,427
Iowa	47	7,801	761	8,562	8,050
Kansas	-	-	-	-	-
Kentucky	10	873	16	889	809
Louisiana	-	-	-	-	-
Maine	2	1,939	207	2,146	2,019
Maryland	2	30,712	6,336	37,048	32,727
Massachusetts	3	5,448	207	5,655	4,709
Michigan	9	7,833	159	7,992	2,014
Minnesota	99	31,838	504	32,342	24,688
Mississippi	1	3	0	3	3
Missouri	14	453	6	459	451
Montana	7	451	9	460	400
Nebraska	4	4,825	62	4,887	3,768
Nevada	3	379	0	379	384
New Hampshire	-	-	-	-	-
New Jersey	4	96	267	363	1,692
New Mexico	11	14,225	1,352	15,577	9,852
New York	9	21,604	827	22,431	6,577
North Carolina	22	9,124	356	9,480	7,887
North Dakota	12	5,824	22	5,846	6,857
Ohio	3	250	2	252	402,433
Oklahoma	9	10,657	635	11,292	10,754
Oregon	13	78,648	2,085	80,733	63,755
Pennsylvania	4	36,520	835	37,355	29,758
Rhode Island	2	4,410	106	4,516	3,477
South Carolina	13	3,229	306	3,535	2,455
South Dakota	7	620	20	640	715
Tennessee	-	-	-	-	-
Texas	9	88,670	12,280	100,950	87,224
Utah	7	19,716	472	20,188	16,713
Vermont	2	4,297	240	4,537	2,095
Virginia	2	2,661	17	2,678	3,009
Washington	25	35,145	841	35,986	31,351
West Virginia	-	-	-	-	-
Wisconsin	57	30,037	1,298	31,335	39,701
Wyoming	7	3,531	75	3,606	3,150
Total	484	609,213	35,954	645,167	942,772

^a Includes entities with green pricing programs in more than one state.

Note: Non-residential may include some customers for whom no customer class is specified. Dash indicates no data was reported for the state. Totals may not equal the sum of the components due to independent rounding.

Source: Energy Information Administration, Form EIA-861, "Annual Electric Power Industry Report."

Table 4.2. Estimated U.S. Net Metering Customers by State and Customer Class, 2005 and 2006

State	Electric Industry Participants 2006 ^a	Participating Customers			
		2006			2005
		Residential	Non-Residential	Total	Total
Alabama	-	-	-	-	13
Alaska	-	-	-	-	-
Arizona	4	185	3	188	152
Arkansas	2	3	1	4	5
California	19	24,160	1,972	26,132	17,427
Colorado	17	380	25	405	145
Connecticut	2	165	16	181	75
Delaware	1	40	10	50	20
District of Columbia	1	1	1	2	-
Florida	5	41	7	48	29
Georgia	1	1	0	1	1
Hawaii	4	184	23	207	98
Idaho	4	28	6	34	21
Illinois	4	4	7	11	8
Indiana	3	11	9	20	16
Iowa	7	10	7	17	16
Kansas	5	15	4	19	11
Kentucky	3	3	2	5	3
Louisiana	-	-	-	-	-
Maine	1	3	0	3	8
Maryland	5	13	0	13	9
Massachusetts	5	454	104	558	246
Michigan	5	9	4	13	7
Minnesota	26	310	19	329	193
Mississippi	-	-	-	-	-
Missouri	4	4	2	6	5
Montana	2	41	5	46	253
Nebraska	-	-	-	-	-
Nevada	2	213	23	236	188
New Hampshire	4	69	28	97	93
New Jersey	5	1,789	203	1,992	604
New Mexico	7	22	2	24	16
New York	5	1,088	119	1,207	130
North Carolina	-	-	-	-	-
North Dakota	2	1	1	2	4
Ohio	8	36	16	52	31
Oklahoma	4	299	153	452	30
Oregon	14	463	77	540	341
Pennsylvania	6	145	29	174	134
Rhode Island	2	81	21	102	81
South Carolina	-	-	-	-	-
South Dakota	-	-	-	-	-
Tennessee	-	-	-	-	-
Texas	9	375	56	431	163
Utah	3	104	7	111	30
Vermont	5	200	32	232	164
Virginia	11	58	2	60	28
Washington	13	124	34	158	96
West Virginia	1	-	-	1	1
Wisconsin	12	169	110	279	240
Wyoming	7	22	5	27	11
Total	232	31,323	3,146	34,469	21,146

^a Includes entities with net metering programs in more than one state.

Note: Non-residential may include some customers for whom no customer class is specified. Dash indicates no data was reported for the state. Totals may not equal the sum of the components due to independent rounding.

Source: Energy Information Administration, Form EIA-861, "Annual Electric Power Industry Report."