

Net metering generates jobs, clean energy for SC

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If you have been to a gas station recently, you know that energy costs have a major impact, not just on our national economy, but our personal budgets. As we search for more sustainable energy sources, South Carolina has an opportunity to capitalize on innovative solutions that ease the crunch, protect the environment, and help our economy grow.

Net metering is such an innovation. Our state took a first positive step by passing H.3395, a bill that I filed last year and signed into law by the Governor last week. The bill directs the Office of Regulatory Staff and the South Carolina Energy Office -- with the participation of utility companies, consumers, and conservation groups -- to study and then offer recommendations to the General Assembly for promoting net metering.

Essentially, net metering enables businesses and homeowners to generate their own electricity through renewable sources and then sell any excess energy back to the grid where it can be distributed to other customers. In a typical scenario, a homeowner installs a renewable energy system -- such as solar panels or windmills -- and generates more energy than he or she consumes. The dials on the meter turn backwards during those periods of surplus power generation as the excess power flows back onto the grid. The electric company pays the homeowner for the electricity, or applies credits to the homeowner's next bill.

The benefits of net metering include reducing the burden on the grid, diversifying our state's energy sources, and giving consumers an incentive to generate their own power. Thus, net metering is good for the environment, good for our state's energy security, and good for our economy.

Indeed, one of the great benefits of net metering is its potential to grow our state's economy. With net metering, more South Carolina consumers can buy and install small-scale renewable energy systems and their components -- and receive benefits for doing so. The market for clean renewable energy technology is expanding and has the capacity to include thousands of potential new customers. Net metering opens an avenue for existing renewable energy companies to reach more people, and will entice more businesses to enter the market. Entrepreneurs will develop, build, sell, and install solar panels and wind or hydro generation systems for homes and businesses.

Many states already offer net metering solutions to residences, businesses, farms, and non-profit organizations. These systems span the entire commercial, industrial, agricultural, and residential spectrum. Creating a broad customer base increases the demand for renewable energy technology and maximizes its benefit.

The economic growth potential includes far more businesses than those associated directly with renewable energy. Allowing businesses to decide how they obtain their

electricity is a valuable tool for recruiting new employers to our state. Even if a company does not utilize net metering, it can still receive benefits from the system. Net metering reduces the strain on existing power grids, freeing valuable energy for other applications. In a sense, net metering expands the infrastructure that supports and sustains business, thereby making South Carolina more attractive to businesses looking to locate in our state.

Net metering could also help our state take a leadership role as our national economy moves toward sustainable energy. For example, as South Carolina continues to build its expertise in hydrogen fuel cells, net metering presents an opportunity to apply this promising new technology to small-scale systems, creating an entirely new business model for our state.

Unfortunately, South Carolina is one of just a handful of states that has yet to implement a meaningful statewide net metering policy. Georgia and North Carolina already have net metering. If our state is going to be a player in the renewable energy sector, we need to act quickly. While our utilities are beginning to create basic net metering policies, it is important that our state set the standard with a robust net metering plan that adopts the best practices of other states. Ultimately, H. 3395 will help our state move forward by establishing effective net metering solutions.