

Green Pricing and Net Metering Programs 2003

Green pricing/marketing programs allow electricity customers to pay the additional costs for renewable energy through direct payments on their monthly bills. The Energy Information Administration (EIA) first collected information on green pricing on the Form EIA-861, "Annual Electric Power Industry Report," which is a survey of electric industry participants including: electric utilities, wholesale power marketers, energy service providers, and electric power producers. All respondents, except independent power producers and qualifying facilities, were asked to report the number of their customers in green pricing programs by state and customer class.

Net metering provisions vary by state and utility, but usually apply only to very small generators that typically use solar or wind energy. This system usually permits a customer operating a small generator to purchase extra electricity when needed. Also, any excess power at the end of the month can be sold back to the utility. Pricing schemes vary by individual utility and customer circumstances. This system facilitates the ease of operating intermittent generators such as those using solar and wind energy and improves their economics. The EIA first collected information on net metering on the Form EIA-861 in much the same manner as it did green pricing.

In 2003, the number of electric industry participants reporting customers in green pricing programs was 308, up 45 percent from 2002 (Table 1). The number of customers

Table 1. Estimated U.S. Green Pricing Customers by Customer Class, 2002-2003

Year	Electric Industry Participants	Participating Customers		
		Customer Class		Total
		Residential	Non-residential	
2002 ^R	212	688,069	23,481	711,550
2003 ^P	308	819,579	57,547	877,126

P=Preliminary
R=Revised

Note: Electric industry participants include the following respondent types: federal, state, municipal, investor-owned, and cooperative utilities; municipal marketing authorities; and power marketers (or energy service providers). Non-residential may include some customers for which 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."

in green pricing programs dwarfed those in net metering and increased 23 percent from 711,550 nationwide in 2002 to 877,126 in 2003. Residential customers accounted for about 93 percent of the total in 2003. However, this was down from residential's 97 percent share in 2002.

Electric industry participants reported having green pricing customers in forty states, including six states that were reported for the first time in 2003 (Table 3). Ohio led the United States in total number of green pricing customers with 428,849 customers and accounted for nearly 44 percent of the annual increase. Pennsylvania, Texas, California and Colorado followed next in order of importance.

In 2003, the number of electric industry participants reporting customers in net metering programs was up to 127 from just 96 one year earlier (Table 2). The number of customers in net metering during 2003 was 6,813 and represented a 52 percent increase from 2002. Residential customers accounted for 86 percent of the customers in the program. Electric industry participants reported having net metering customers in thirty-nine states, including four states that were reported for the first time (Table 4). California dominated with 77 percent of the national total.

Table 2. Estimated U.S. Net Metering Customers by Customer Class, 2002-2003

Year	Electric Industry Participants	Participating Customers		
		Customer Class		Total
		Residential	Non-residential	
2002 ^R	96	3,559	913	4,472
2003 ^P	127	5,870	943	6,813

P=Preliminary
R=Revised

Note: Electric industry participants include the following respondent types: federal, state, municipal, investor-owned, and cooperative utilities; municipal marketing authorities; and power marketers (or energy service providers). Non-residential may include some customers for which 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."

Additional information concerning green pricing and net metering is available on U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy websites. For green pricing and net metering, see <http://www.eere.energy.gov/greenpower/index.shtml> (October 20, 2004).