



LODI ELECTRIC UTILITY ANNOUNCES CLOSE OF NET ENERGY METERING; PLANS FOR SUCCESSOR PROGRAM

Lodi, Calif. (January 17, 2017) – The City of Lodi has seen a significant increase in the number of photovoltaic solar systems installed by customers in recent years. Currently, state law requires Lodi Electric Utility (LEU) to provide net energy metering to eligible customer-generators until such time as the installed capacity of those systems reaches 5 percent of LEU's peak demand.

Net energy metering is a billing mechanism which compensates customers at the full retail rate for electricity they generate on-site. One challenge with this program is that it allows solar customers to avoid transmission and distribution costs even though the customer relies on these assets to remove excess generation and receive energy from the utility when, for example, the sun is not shining. These avoided costs are then shifted to other customers, including those who live in rental or multi-family housing, or who cannot afford to install on-site generation.

LEU has reached its 5 percent cap and net energy metering is now closed to new customers. In recognition of the continued interest in customer-generation, LEU is proposing a new energy purchase program to be considered by the Lodi City Council at an upcoming meeting. Under the proposal, a customer would pay all charges associated with their total consumption and be compensated for the full amount of their generation at a rate consistent with LEU's avoided cost. If approved by the City Council, the proposed energy purchase tariff would provide LEU a mechanism to provide fair compensation to customer-generators while avoiding cost shifts to customers without on-site generation. On November 15, 2016, staff shared the proposal with solar industry representatives.

LEU is dedicated to providing the community with clean, affordable, reliable energy in conformance with the state's ambitious energy policies. In addition to complying with the state's current net energy metering laws, LEU is well positioned to reach the state's goal of 33 percent renewable energy generation by 2020 and is committed to reaching the 2030 goal of 50 percent renewable energy.

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