



Press Release

Federal Jurisdiction of Net Metering

ALLISON EDWARDS | JUNE 17, 2020

The rise of small-scale renewable power generation, such as rooftop solar panels, has not only allowed consumers to produce energy for their own needs, but to sell their unused energy back to the electric grid. Utilities account for this transaction by “net metering” — offsetting the costs of consumed electricity with the value of the produced electricity. While state governments historically have regulated this practice, the Federal Energy Regulatory Commission is considering whether net metering falls within its jurisdiction. AAF’s Director of Energy Policy Ewelina Czapla assesses what such federal preemption would mean and concludes that it would result in additional regulatory burdens and increased costs.

An excerpt:

In the past, federal statutes, agency rulemakings, and federal court review have all found that net metering is within states’ jurisdiction. Altering these policies now would prove detrimental to consumers who could see higher retail rates while utilities would be subject to additional regulatory burden. Further, this change in the short term would undermine the energy sector’s ability to recover from the impacts of the COVID-19 pandemic.

[Read the analysis.](#)