

Testimony in opposition to SB 2295
Paul Matthys – VP of Member and Energy Services
Cass County Electric Cooperative
Fargo, ND

Before the North Dakota Senate Industry, Business, and Labor Committee
February 3, 2021

Mr. Chairman and the Senate Industry, Business, and Labor Committee members, my name is Paul Matthys, and I serve as the Vice President of Member and Energy Services at Cass County Electric Cooperative headquartered in Fargo, ND. Thank you for this opportunity to appear in opposition to SB 2295.

NET metering is an accounting or billing process that allows consumers who generate some or all of their power to offset what they purchase from their cooperative or utility, regardless of the time of day it was generated or used. If someone's solar system generates electricity and their home does not use it, the cooperative or utility buys the excess energy at retail rates (under a NET metering policy).

The retail rates of the electric utility include fixed costs which consists of transmission and distribution power lines, transformers, power poles, and system maintenance. All of these components (and many more) are required to bring power to your home. When a utility company is mandated to pay a retail rate for energy produced by the consumer back to the grid, that consumer is ultimately using the grid for free, and other consumers are footing the bill. NET metering essentially provides a retail rate for self-generated electricity, reducing that consumer's contribution to help pay for the electric grid.

The electric utility grid is not a battery, and it is not possible to store energy on it. Electricity is consumed or used at the same time it is generated or produced. NET metering presumes electricity can be stored and used later – this is not true.

Cass County Electric's Board of Directors did adopt a NET metering policy under the federal Energy Policy Act of 2005. The policy contained some limitations to protect both the Cooperative's financial well-being and its physical well-being. One limitation was to cap the aggregate amount of NET metering at a capacity equal to one-tenth of 1% of the highest non-coincidental peak. In 2011, the limit was met, and the NET metering policy was closed.

Cass County Electric, however, didn't close the door to member-owned renewable systems. We opened a program called NET billing. NET billing has almost all of the same features as NET metering, except the ability or idea to "bank" excess energy produced by member-owned renewable systems (e.g., solar). NET billing encourages members to "right-size" their renewable energy system for their use. NET billing allows members to install a renewable energy system of their own, and the Cooperative will buy back the excess energy.

In summary, NET metering is not suitable for an electric cooperative or its member-owners as a whole. NET metering benefits only those that have renewable energy systems that have NET metering. Cass County Electric Cooperative opposes SB 2295 as an unnecessary intrusion into local governance, and we urge your DO NOT PASS recommendation.