Customer-owned generation
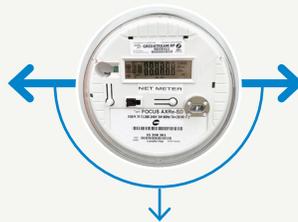# Understanding net metering

Reading your bill with a bidirectional meter

For most solar customers, the energy production shown in your solar generation account does not match the energy listed on your electric bill. This is normal and expected. Here's why:

Electric meter measures net energy

Your electric meter is bidirectional, meaning it measures electricity flowing both directions.

Energy you use from the grid
(consumption)

Energy your solar system sends back to the grid
(excess generation)

Your electric bill shows the net difference between your consumption and excess generation.
The term we use for this is "net kilowatt hours" (net kWh).

The math of net kWh

Net kWh = consumption – excess generation

This is the single number that appears on your electric bill.

- If you used more energy than your solar generation produced, you see a kWh charge.
- If your solar unit generated more energy than you used, you see a credit called Avoided Energy Cost.

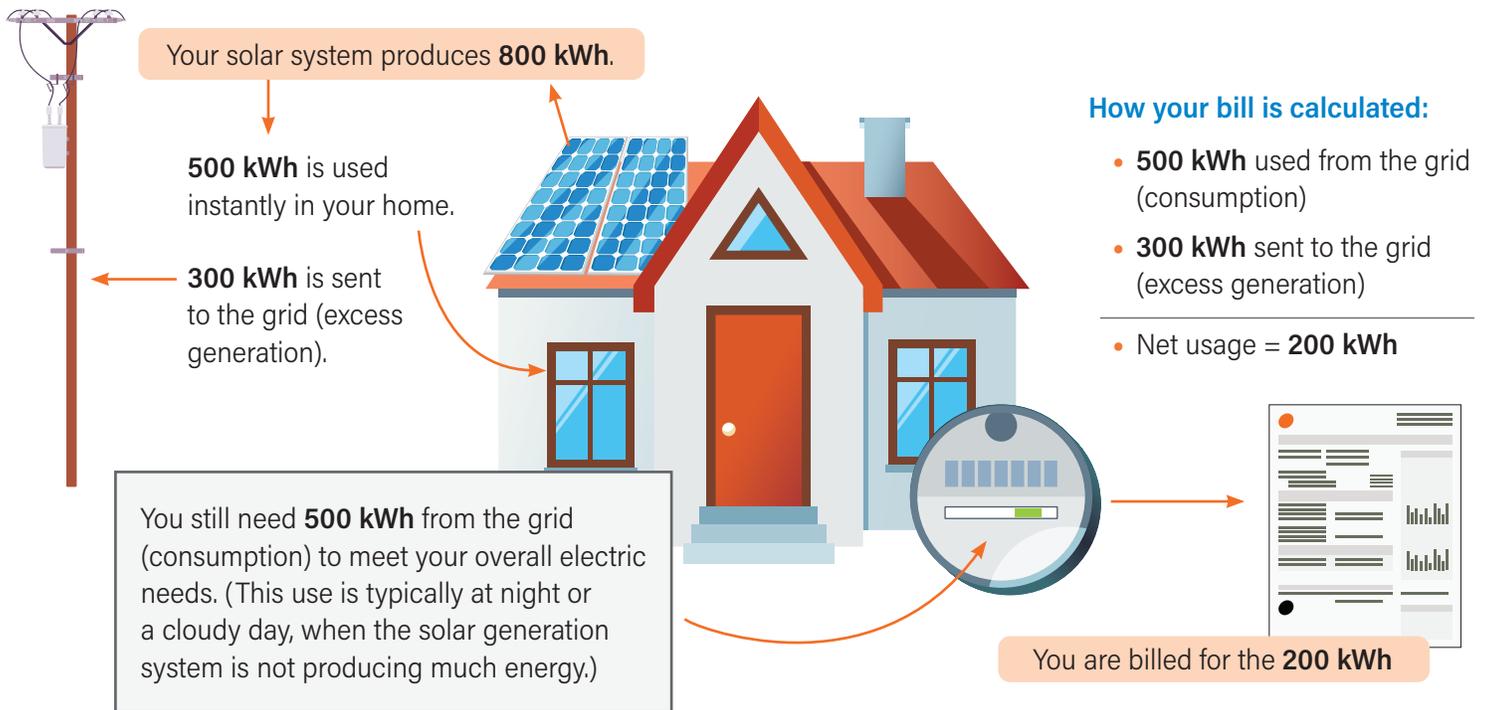### Solar generation doesn't match your electric bill

Your solar generation account measures total solar production only. It may not know:

- How much energy your home used at the same time.
- The amount of energy sent to the grid versus energy used instantly inside your home.

Much of your solar energy is often used immediately inside your home and never flows through the meter, so it doesn't appear on the electric bill.

Net metering example

During one month: Your home uses **1,000 kWh**.

Your solar system produces **800 kWh**.

500 kWh is used instantly in your home.

300 kWh is sent to the grid (excess generation).

You still need **500 kWh** from the grid (consumption) to meet your overall electric needs. (This use is typically at night or a cloudy day, when the solar generation system is not producing much energy.)

How your bill is calculated:

- **500 kWh** used from the grid (consumption)
- **300 kWh** sent to the grid (excess generation)

- Net usage = **200 kWh**

You are billed for the **200 kWh**

Key takeaways

1. Your solar generation account and your electric bill measure different things.

2. Your electric bill shows net energy, not total solar production.

3. Using solar power instantly reduces your bill — even if it doesn't show as a credit.

4. You only receive a credit (Avoided Energy Cost) if you have net excess generation for the month.

5. Net Metering is trued up at the end of each month and kWh cannot be carried forward to offset usage in future months.

For closer look at our customer-owned generation programs, go to
www.we-energies.com/services/wi-customer-owned-generation