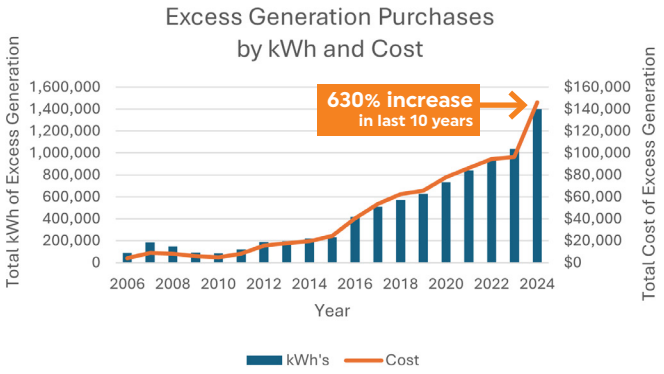
Local Impact of Net Metering

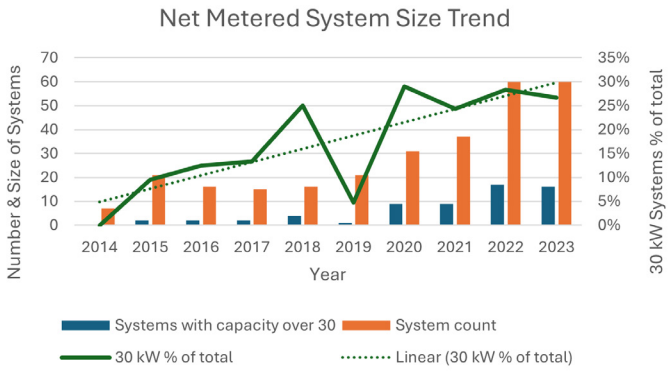
Local Impact of Oversized Systems

- One member household in southwestern Minnesota went from paying $2,655 for one year of electricity to having their neighbors pay them $5,404 the following year due to the installation of an oversized solar system.

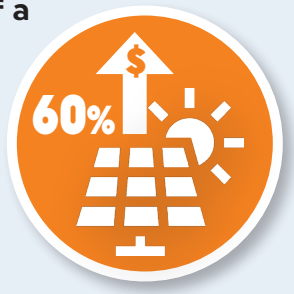
  The graph below illustrates how the cost of purchasing excess generation has increased from $4,000 in 2006 to $146,025 in 2024 for the cooperative discussed.



- All systems create an opportunity for profit at the expense of other members, but oversized systems can create significant passive income streams for members who have the resources to build large systems that exceed their own energy needs. At another cooperatives in southeastern Minnesota, the proportion of oversized systems has increased nearly 30% since 2014 as demonstrated in this graph below.



The Public Utilities Commission shows that **the average size of a solar installation in cooperative territory has increased 60% since 2014.**



Solar System Sizes and What They Power

- **A 5-7kW solar system** is well-suited for powering the essentials in average-sized American homes, especially, especially those using electric heating or cooling.
- **A 9-10kW solar system** is suitable for larger homes with higher electricity consumption. It can handle all appliances, including energy-intensive ones like air conditioners, electric heating and electric vehicles.
- **20kW solar systems** are typically used in commercial buildings or industrial settings. It could supply power for commercial operations, a farm or a fleet of electric vehicles
- **A 40kW solar system** is a significantly large installation, more than any residential home needs. It could supply power for commercial buildings or industrial settings, including running large commercial operations and multiple electric vehicles.

Sizing a system to serve your own load gives widespread opportunity to install solar systems. Oversized systems also limit the number of homes in an area that can install solar system on the existing distribution grid, by gobbling up the system's capacity to serve a few big systems.

Source: Go Green Solar

Who is MREA?

The Minnesota Rural Electric Association (MREA) is the statewide organization representing electric cooperatives serving the state of Minnesota. We foster unity among and provide service to all of Minnesota's 50 electric cooperatives. Our mission is serving our members through collaborative leadership and expertise.

www.mrea.org

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