

## Net Metering

Under net metering, a consumer generates renewable electricity for their own use while sending excess power to the grid for a credit. Before investing in a renewable energy system for net metering purposes, check with the utility to confirm eligibility and that the renewable energy system can be connected to the grid.

### How net metering works

1. Renewable energy (RE) systems generate electricity from renewable sources. For example, solar panels convert energy from the sun into electricity.
2. The home or business uses electricity from the RE system and the utility's electricity grid when needed.
3. When the RE system produces more electricity than needed, the excess electricity flows into the utility's grid.
4. The utility measures the electricity used from, and sent to, their grid.
5. The utility bills for the electricity consumed from their grid, and gives a credit on the electricity bill in return for the RE sent to the grid. If there are credits left over, they can be carried over to future bills for up to 12 months.

To be eligible for net metering, you must generate RE **primarily** for your own use, and enter into a net metering agreement with the utility to send excess electricity to their grid in exchange for **on-bill credits**. Apply to the utility to connect the RE system to their grid and meet the utility technical, safety and inspection requirements.

Since July 2022, regulations allow third-party ownership of net metered generation facilities and retailing to consumers under these net metering arrangements. Customers can buy an RE system outright, or lease or finance it from a third party, including an electricity retailer.

If you contract with an electricity retailer for the RE system and to buy the electricity generated by the RE system from the electricity retailer, the retailer will enter you into 2 separate agreements – a **Power Purchase Agreement (PPA)** for the purchase of electricity generated by the RE system and an **Associated Equipment Agreement (AEA)** for the renewable energy system itself. The OEB does not set prices in a PPA or AEA. There is also no term limit for PPAs and AEAs. Before signing a PPA or an AEA, understand what you will pay, your other rights and responsibilities under each of those agreements, and how long each agreement will last. The retailer must supply you with **Disclosure Statements and Price Comparisons**.

**Power Purchase Agreement (PPA):** OEB-approved standard terms and conditions must be included in an electricity retailer's PPA for [residential](#) and [business](#) customers, with other provisions to be filled in by the electricity retailer.

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- If you sign a PPA, you will still receive a bill from your utility for the electricity that you use from the utility's grid, as well as for other charges like delivery and taxes.
  - A PPA may not save you money. Review the terms of the PPA carefully. Read the Price Comparison that comes with the PPA to help you understand how entering into the PPA can affect some of your electricity costs.
  - No one can sign you up for a PPA while they are at your home. If you sign a PPA, the retailer will contact you 10 to 45 days after that to verify that you wish to continue with it. If you don't want to continue with the PPA, you can say so. You will not have to pay a cancellation fee.
  - You can cancel a PPA with no penalty associated with the PPA:
    - within 10 days after signing the PPA
    - within 30 days after you receive your second bill under the PPA. You must pay that bill.
  - You can cancel the PPA at any time after that, but there may be a cancellation fee.
  - Cancellation of the PPA at any time may result in penalties or fees under the AEA.

**Associated Equipment Agreement (AEA):** An AEA is a contract for a renewable energy system that is offered by an electricity retailer in association with their PPA. It contains information about the equipment for the RE system that will be used for net metering purposes. An AEA can take different forms – for example, it can be a leasing agreement. The AEA is associated with, but separate from, the PPA.

Before entering into an AEA, make sure you receive and review the associated PPA. In addition to the provisions relating to the purchase of electricity, the associated PPA must also include certain information about the AEA, including payment terms, options or obligations to purchase the renewable energy system, and any of your maintenance and operation obligations.

#### Considerations Prior to Entering into an AEA

- Cancellation fee or penalty
- Selling a property under an AEA
- Liability if something happens to the RE system
- Maintenance and repair responsibilities for the RE system, or for any damage that the renewable energy system may cause to property
- RE system generation capacity, and determination process
- Electricity generated by a RE system is variable. Changes can impact generation, for example, shade from a new tree or building can reduce electricity production.

Carefully review the AEA before you sign it, including the cancellation provisions and penalties or fees. Visit [Consumer Protection Ontario](#) to learn more about your rights before, during and after you sign a contract.

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**Disclosure Statements and Price Comparisons** that accompany a PPA must be as approved by the OEB. Retailers are not permitted to alter or redact the Disclosure Statements, or any portion of the template that has been pre-populated by OEB.

OEB's [Retailer Code of Conduct](#) sets out rules relating to the PPA, Disclosure Statements, Price Comparisons and other materials to be used by electricity retailers in the net metering context. OEB has approved a form for the disclosure that is required by [O. Reg. 541/05 \(Net Metering\)](#).

This disclosure is required to be given to the electricity distributor in the case of a third-party net metering arrangement that does not also involve the purchase of electricity from a retailer (i.e., does not involve a PPA). The purpose of this form is to confirm that the consumer has been provided certain information about the equipment agreement for the RE system that will be used for net metering purposes.

### **Energy Supply Contracts**

New contracts and contract renewal forms must be accompanied by the applicable OEB-approved Disclosure Statement(s) and by the applicable Price Comparison(s), generated using the OEB-approved templates, with section(s) completed by the electricity retailer or gas marketer in accordance with the OEB's instructions.

### **Downloads and Email Contacts**

[Disclosure Statements](#)

[Price Comparison Templates Residential](#)

[Price Comparison Templates Business](#)

[Standard Residential Contract Terms and Conditions](#)

[Standard Non-Residential Contract Terms and Conditions](#)

[Energy Consumer Protection Act, 2010 \(ECPA\)](#)

[Ontario Energy Board Electricity Retailer Code of Conduct](#)

[Ontario Energy Board Code of Conduct for Gas Marketers](#)

[publicinformation@oeb.ca](mailto:publicinformation@oeb.ca) for consumer information

[IndustryRelations@oeb.ca](mailto:IndustryRelations@oeb.ca) to seek guidance regarding policy or regulatory obligations

### **Know your rights and responsibilities**

Before entering contracts, make sure you understand your rights and responsibilities.

- You don't need to rush into any agreements. Your utility will always provide you with electricity, whether or not you enter into a PPA.
- Your energy bill is private. It contains personal information like your account number and energy usage. You do not have to give it to a salesperson for an energy retailer.
- A salesperson for the retailer must give you a business card and show their company ID.
- Energy retailers are not the utility, the government or the OEB.
- Net metering retailers must allow offer both TOU and tiered pricing options: [OEB Bulletin](#)