ABSTRACT
Several states are currently addressing the issue of net metering program caps, which limit the total amount of net metered generating capacity that can be installed in a state or utility service territory. In this analysis, we examined net metering program caps to forecast how long net metering would be expected to be available in various jurisdictions under current policies. We also surveyed state practices and experience to understand important policy design considerations.

STUDY METHODOLOGY
Using data available from utilities, PUCs, EIA, and other sources, we calculate:
- Net metering cap/trigger (MW)
- Current state of net metering (MW)
- Percent of the cap that is met (%)

We examined states that have a net metering cap or trigger and that have a solar policy that is anticipated to drive future net metering installations. We focused on states that are likely to be closest to meeting or exceeding net metering caps over the next 5 years, based on projections.

Data sources and limitations include:
- Data on current net metering were obtained from EIA, PUC, and utility reports as well as from PUC staff.
- Utilities in a given state may hit their caps at different times due to different net metering adoption rates in varying service territories.
- External estimates of future net metering penetration are largely unavailable.
- Forecasts of future residential and non-residential PV do not necessarily correlate with net metered capacity, and were adjusted where necessary.
- Estimates were made based on the fraction of future capacity that will be net metered; therefore, future market and policy changes may impact these results.

CONCLUSIONS
- Currently, most states are substantially below their net metering caps or trigger levels, with the exception of New Jersey and Hawaii. Some utilities in Massachusetts and Vermont recently reached caps, prompting legislative action.
- Based on projections of near-term distributed PV capacity additions, a handful of states could reach current cap levels by 2018.
- Considerations for setting and adjusting net metering cap levels may include interaction with other policies as well as potential rate and grid impacts. In setting cap levels, some policymakers have considered the interaction of net metering with state or local policy goals for distributed generation as well as federal policies. Another consideration is the potential financial impact on the utility and ratepayer.
- Communication about the status of net metering when installations are nearing the level of the cap is important for providing certainty to solar customers and project developers. Uncertainty about the availability of net metering can impede the PV market.
- Clear definitions of caps and data sources are important for providing accurate information to the market about progress toward reaching a cap. Imprecise or ambiguous definitions in legislation have led to challenges in a few commissions and delayed implementation.

Download report: [Link forthcoming]