[Kokomo Tribune: Dark days ahead for solar energy](http://www.kokomotribune.com/news/dark-days-ahead-for-solar-energy/article_0ffd1d3e-b164-11e4-88f3-ff047f536a28.html)

Two months ago, local renewable energy advocates Tom McKinney and Rick Ortman were excited about Indiana's solar energy future.

Now, all they have are questions about a piece of legislation that may eliminate the benefits of owning small-scale solar installations.

That legislation – House Bill 1320 – is authored by House Utilities and Energy Committee Chairman Eric Koch, R-Bedford, and would change the way solar panel owners are credited for the energy they produce.

Under the current system of net metering, owners of small-scale solar installations are required to pay only for the net amount of energy they consume, and if owners produce more energy than they use, they are then credited at the retail price of electricity. The consumer also pays a fee for connection to the electrical grid.

For instance, if a net metering consumer is billed 10 cents per kilowatt-hour, their account will be credited the same amount for any excess energy sent back into the electric grid.

If HB 1320 -- which has been referred to the House Utilities, Energy and Telecommunications Committee -- becomes law, it will allow utilities like Duke Energy to set additional charges and buy energy at wholesale prices, potentially lowering the amount of credits received by up to 70 percent.

As the owner of Kokomo’s Ortland Drilling and Water Services, Ortland was prepared to purchase and install a “sizeable” number of solar panels before the bill was introduced, he said.

Once he read the bill, the move no longer seemed feasible.

“If they pass the law, we can’t have the panels long enough for it to pay out,” said Ortman. “It would take too many years to pay this off, and we aren’t going to make that investment.”

McKinney, who owns 12 30-foot solar panels across two acres of his Kempton property, sees the legislation as punishing those who hope to make sensible environmental decisions.

“If you plan for a large or small system, this bill will set you back, and you’ve made a big investment to do the right thing,” McKinney said. “Koch said he wants to promote net metering and this is how to do it. His proposal is going to do the exact opposite.”

Ortman was equally baffled by Koch’s decision.

“We were helping to eliminate the carbon footprint for this part of the country, but that doesn’t seem to hold any water,” Ortman said.

McKinney also expects the bill to halt the renewable energy momentum Indiana had recently gained, he said, which will only contribute to a significant increase in energy costs.

Of the 523 people who would be “grandfathered” in under their current deals, meaning their credits will remain at retail price, more than 300 were added since 2011.

If the bill kills the excitement and growth around renewable energy, it is inevitable that energy costs will increase significantly, said McKinney, who will meet the “grandfather” guidelines.

Renewable electricity production from wind and solar generation grew more than 30 percent in Indiana from 2011 to 2013, according to the Indiana Energy Association.

“What will it do to all the small businesses if power costs increases 20 or 30 percent?” McKinney asked. “If I owned a company, I would be looking at solar or wind to help offset energy costs, but people may not do that now.”

Proponents of the bill argue that current net metering agreements harm energy consumers who don't have access to solar energy, because the costs of traditional energy grid maintenance and other fixed costs are disproportionately shifted onto non-solar consumers.

“Solar is growing in popularity, and we would like to see that grow,” said IEA spokesman Dave Arland. “But we need to be cognizant of the costs to do this. People who don’t have solar can’t pay for those who do.”

The majority of solar consumers are often also the wealthiest, and their lack of financial contribution puts the burden on those who can’t afford it, Arland said.

McKinley disagreed, saying his solar panels help provide low-cost energy to a large percentage of his neighbors and the surrounding community.

“I am helping power facilities at peak times,” McKinney said. “When people are really sucking the juice down during the summer and winter, they are taking my power. During all those peak months, I am taking care of their customers and my neighbors with my solar energy farm.

“It is not fair for them to put out literature saying I am not paying my fair share, because we are all in this together,” he added.

Chris Rohaly of Green Alternatives, a Kokomo-based renewable energy installation company, called Arland’s claims “patently false.”

“They have made a lot of claims about solar users shifting the financial burden to people who don’t use solar, but really it looks like they are using that to raise the base rate,” Rohaly said. “We’ve requested to see any analysis from the authors of the bill. I have bills from solar users that are already paying a base infrastructure cost. They are already paying fees for the privilege of having the service at their houses.”

Duke Energy's net metering customers are required to pay a monthly fee to possess their meter, regardless of energy usage, according to Duke Energy spokesman Brandon Hill.

The bill will also introduce a solar panel and wind energy leasing option, giving consumers the option of installing multiple solar panels on their property for a fixed rate.

“This bill will introduce a better way for people to have access to solar energy through the option of leasing,” Arland said. “Today, you have to purchase solar panels and connect them to the grid, which can cost as much as $15,000 or $20,000. Leasing allows you to spread the cost over several years.”

Ortman, who doesn’t expect anything but the current net metering system to motivate solar panel installation, sees the leasing option as a non-factor.

“Whether we finance the installation or someone else does, it is all about what the payback is,” Ortman said. “You are still going to have that lost revenue. It is all about the ultimate savings in our electrical usage.”

In addition to leasing, Arland also focused on the bill’s “right to know” standards, which will provide consumers with all the necessary information related to the finer points of the bill’s pricing adjustments.

“We make sure that in the process of opening this up more consumers are well informed about the agreement,” Arland said. “As doors open, you have to make sure that people understand all the ingredients that are going into this bill.”

Rohaly knows all he needs to know, he said.

“This is like extending the monopoly for utility companies without coming out and saying it,” Rohaly said. “They are making their option the only attractive one, and that provides an unfair advantage. It is truly restricting choice for all consumers.”