

Understanding the SOLAR NET ENERGY METERING (NEM)

Malaysia's solar feed-in tariff scheme is closed to new applicants as of January 2016, the scheme was a big success to the Renewable Energy(RE) roadmap in Malaysia, the response from the public is overwhelming and the feedback is good. Next, after long days preparation, Malaysia is implementing its 500 megawatts(MW) of capacity for **Solar Net Energy Metering (NEM)** beginning 2016 until 2020, with 100MW capacity limit a year in Peninsular Malaysia and Sabah.

This is part of the 11st Malaysia Plan which is to hit 2,080 MW Renewable Energy (RE) capacity or 11% total energy generating capacity.

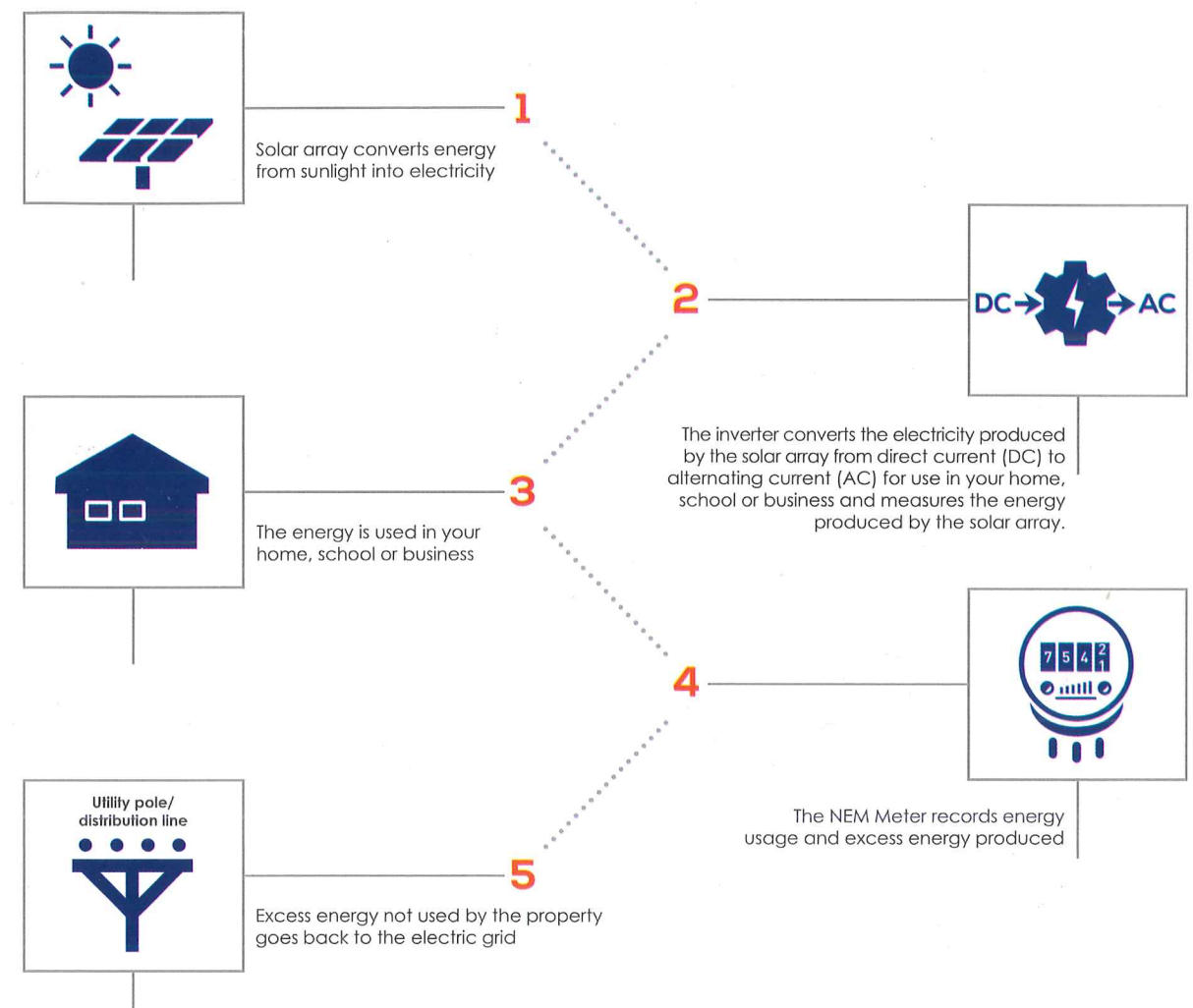
NEM is one of the most effective methods of encouraging the rapid deployment of distributed Renewable Energy (RE) generation. **NEM allows self-consumption of electricity generated by Solar Photovoltaic (PV) system users, while selling the excess energy at the prevailing Displaced Cost to utility company.**

The energy generation by NEM consumer will be consumed first which implies less energy import from the utility. **The more energy generated from the solar PV system is self-consumed; the more NEM consumers can save their electricity bills (by reducing the electricity imported from the utility).**

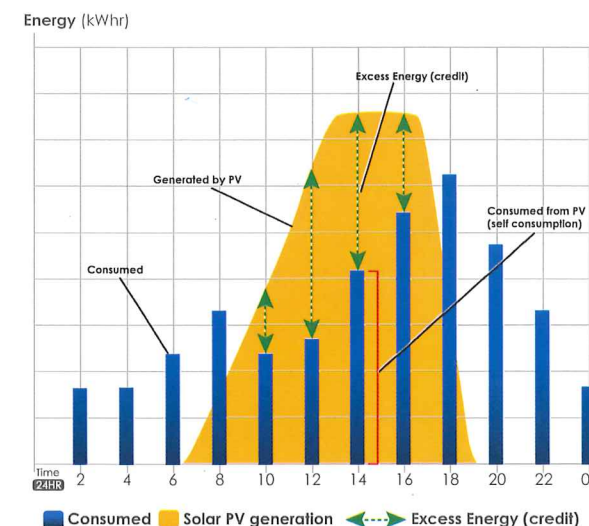
The priority is for self-consumption, however some premises especially industry or manufacturing companies which may not be operating during the weekends may have excess energy exported to the grid. The credit shall be allowed to roll over for a maximum of 24 months and net-off at prevailing **Displaced Cost**.

This is especially relevant for consumers that fall under the high electricity tariff block. In many countries, NEM is often used to hedge any future fluctuation or increase in electricity tariff.

i Understanding Net Energy Metering Solar Photovoltaic Array Example



Grid Tied Net Energy Metering Solar PV system



Roll-Over-Credit (24 months) for Net Energy Metering

