



## ***“The Energy Company Of Choice”***<sup>®</sup>

### **Definitions**

Western Indiana Rural Electric Membership Corporation (WIN Energy REMC) is a rural electric distribution cooperative located in southwestern Indiana. On August 8, 2005, the Energy Policy Act of 2005 was signed into law. Under this new law, electric utilities that sell in excess of 500 million KWH in retail electric sales are required to consider the standard under PURPA Sections 1251, 1252, and 1254.

The complexity of the issues presented requires the use of terms not necessarily used in everyday contexts. For that reason, below is a list of terms and what WIN Energy REMC means when that term is used.

**Avoided Cost:** This is the cost that would have been paid to a traditional generation and transmission company, Hoosier Energy REC in this case.

**Net Metering:** In its simplified definition, a home or small business that has its own renewable energy generator, for example a wind powered generator is allowed to use the generator to both offset the amount of energy that customer would have purchased from the utility AND to generate power back into the electric distribution company at times when the customer was consuming less power than the generator output. In some metering applications, spinning the meter backwards.

**Net Billing:** A home or small business that owns its own renewable energy generator, operate through a double metering system that allows the utility to sell power to the consumer at retail rates and purchase power from the consumer at a lower “avoided cost”.

Links to all of these documents and to the Library of Congress website listed above will be available on the WIN Energy REMC website at:

[www.winenergyremc.com](http://www.winenergyremc.com)