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Idaho Public Utilities Commission

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IDAHO PUBLIC
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Subject: Treatment of residential producers of solar energy connected to the power grid

I recently read the article in the Idaho Statesman about Idaho Power's desire to make it harder and more expensive for residential producers of solar energy to hook up their systems to the power grid.

According to the article, Idaho Power wants to 1) stop paying for excess power generated from residential solar systems, 2) increase the rate that Idaho Power charges residential customers with solar systems for power they purchase from the company, and 3) quadruple the fees residential customers would pay to connect their solar systems to the grid. My views on each item are discussed below.

1) Rather than paying for excess power generated by residential solar systems Idaho Power would issue credits that would expire at the end of the calendar year. Given that the greatest potential for generating excess power occurs during the sunny summer and fall in Idaho, residential solar system owners would have little time to use the credits issued by excess generation before the end of the year. Idaho Power claims that any excess credits would be "donated to the system to benefit all our customers". In fact, such a "donation" would only benefit share holders because profits would rise as Idaho Power effectively steals power from residential solar producers.

2) Why would Idaho Power increase the rate that it charges residential customers with solar systems for power they purchase from the company? This concept is so bizarre I don't really know how to respond other than to say the PUC must not allow this to happen.

3) Idaho Power and its customers and share holders are the beneficiaries of residential solar power, as I discuss below. Reasonable connection charges should be allowed but these fees should not be so expensive as to preclude additional residential solar development.

The PUC and Idaho Power should be providing significant incentives to increase the development of residential solar power and connection to the power grid for the following compelling reasons that would be in the best interest of both its customers and share holders.

1) Residential solar energy systems provide reliable power that is not subject to whether or not the wind is blowing. The highest levels of power production by residential solar systems occur during summer afternoons when demand is highest;

2) Residential solar would reduce Idaho Power's need to purchase very expensive peak power to meet peak summer demand;

3) Peak power purchased from a thermal generating source creates greenhouse gasses while residential solar does not;

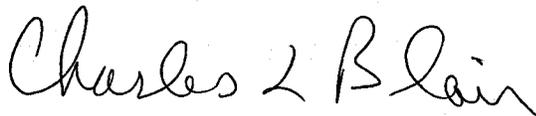
- 4) Residential solar does not require construction of very controversial new transmission lines costing hundreds of millions of dollars and taking decades to plan, permit, and build;
- 5) With the proper incentives, residential solar could avoid the need for additional construction of new natural gas generating plants to meet peak power demands;

Idaho Power and its customers and share holders would all benefit significantly from the cost savings derived from increased residential solar systems. As a state-regulated public utility with a guaranteed profit margin Idaho Power should be required to provide strong financial incentives to encourage much more residential solar development rather than making it harder and more expensive to connect residential solar systems to the power grid and penalizing residential solar owners who also purchase power from Idaho Power. This would be in the best interest of its customers and share holders. Consider what 10 or 20 million dollars of incentives for residential solar could accomplish compared to hundreds of millions for new power plants and transmission lines. Because the PUC represents the citizens of Idaho, incentivized residential solar development on a large scale needs to be carefully considered as the power needs of Idaho are evaluated.

As this process moves forward I would like to be kept informed of Idaho Power submittals and PUC hearings on this topic.

Thank you

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