

February 20, 2013

Randy Valley
3020 NE Scenic Valley Lane
Mountain Home, ID 83647

RECEIVED

2013 FEB 22 AM 11:44

IDAHO PUBLIC
UTILITIES COMMISSION

Idaho Public Utility Commission (PUC)
P O Box 83720
Boise, ID 83720-0074

RE: Idaho Power versus Net Metering Customers and reimbursement for the power line I purchased and they gave away.

Dear Idaho PUC,

I am furious with Idaho Power for their proposal to raise rates for their customers that use green energy. They claim that it is only fair to the rest of their over 400,000 customers. I do not think they know anything about what is fair.

When I built my home in 2006, which was not finished until February 2007, they charged me \$40,000 to run the power lines to it. It then cost me another \$3,000 to clean up the strewn rocks and fill the holes they left on the side of my driveway for three-fourths of a mile.

This past summer, the summer of 2012, a new home owner connected to the power line I paid for and Idaho Power did not reimburse me one penny. It was my understanding that if anyone connected to the power line that I paid for, I would receive reimbursement. Now they want to charge me more for the power I use once I become a Net Meter customer so that, "I pay my fair share of the cost of installing and maintaining power lines." I paid 100% of the cost of installing the power line for my home. I believe I have already paid for more than my fair share. If they want what is fair, it would only make sense that they would pay me for half of the cost of installing the power line up to the point where my neighbor connected or start paying me for using my power line to sell power to my neighbor.

I made the decision to use green energy based on current policies, which made it cost effective enough to do my part for our environment, not to make money. If you approve Idaho Power's proposal I will never stand a chance to even come close to recouping my outlay for solar power.

Additionally, my cost of power has increased by more than 40% since 2008. It is my understanding that the main reason for this is due to the price Idaho Power has to pay for the power generated by all the wind generators installed since that time. There is no doubt that the price Idaho Power pays for the power produced by the wind generators costs Idaho Power's customers a lot more than solar power customers, but fighting homeowners is easier than fighting big business, so they're going after us.

Another way to look at this: my average monthly bill is currently \$163 and it is estimated that my solar panels will produce \$115 of power a month, which leaves me purchasing approximately \$47 of power monthly. If \$47 a month of power use means I am not paying my fair share of the cost of power lines and other overhead, then the price should be increased for all customers that do not use more than \$47 a month.

Obviously, Idaho Power is totally against green energy and is trying to do anything they can to stifle it. This is in direct conflict with our Federal Government who encourages green energy by giving a 30% tax credit.

I appreciate your consideration,

Randy Valley

Jean Jewell

From: johnrryan@cableone.net
Sent: Thursday, February 21, 2013 3:07 PM
To: Jean Jewell; Beverly Barker; Gene Fadness
Subject: PUC Comment Form

A Comment from John Ryan follows:

Case Number: IPC-E-12-27
Name: John Ryan
Address: 2499 E Herbert Dr
City: Boise
State: Idaho
Zip: 83706
Daytime Telephone: 208-871-0948
Contact E-Mail: johnrryan@cableone.net
Name of Utility Company: Idaho Power
Acknowledge: acknowledge

Please describe your comment briefly:

Idaho Power considers Matthew Larkin to be their most qualified witness to submit their expert testimony rationalizing their proposed restructuring of the net metering program. To support his expert testimony, Larkin cites training and qualifications including:

Education

- Degree in Finance from the University of Oregon (2007)
- MBA University of Oregon (2008)

Electric utility ratemaking courses:

- The Basics: Practical Regulatory Training for the Electric Industry, a course offered through New Mexico State University's Center for Public Utilities
- Introduction to Rate Design and Cost of Service Concepts and Techniques, presented by Electric Utilities Consultants, Inc.

Industry experience:

- Idaho Power Regulatory Analyst Level I
- Idaho Power Regulatory Analyst Level II

Certainly, these are impressive credentials. So it was all the more surprising after reading all

152 pages of his testimony to realize: LARKIN'S TESTIMONY INCLUDES NO ANALYSIS WHATSOEVER TO SUPPORT IDAHO POWER'S PROPOSED RATE INCREASES.

Instead, he blithely makes completely unsubstantiated claims such as (my emphasis in caps):

"...net metering customers are provided the opportunity to UNDULY reduce collection of revenue requirement by receiving credit for generation at the full retail rate while standard service customers are left to compensate for the revenue shortfall..."

"...By crediting net metering customers at the full retail energy rate, the opportunity exists for these customers to UNDULY reduce collection of these costs for which they are partly responsible."

In fact, Larkin "unduly" submitted testimony without performing even the simplest analysis.

One might reasonably expect that somewhere within 152 pages of testimony, Idaho Power's analyst might deliver:

- Calculations supporting an extreme > 4X rate increase. A qualified analyst should have no difficulty explaining how Idaho Power justifies the increase from \$5.00 to a new rate of \$20.92. He should also be able to detail precisely which fixed costs are higher for Idaho Power to net metering customers, while considering and calculating offsetting benefits which these customers deliver during peak demand periods.

- Calculations supporting the rationale for Idaho Power to confiscate excess power generated by net metering customers. When proposing such a radical change to the program, one basic question a qualified analyst should be comfortable explaining would be: Why should Dec 31 be the cutoff when it's no secret that solar net metering customers need their excess annual production most during the dark winter months?

- Calculations supporting new fees where none previously existed. A competent analyst would have provided data to support the fees. Instead, Larkin fills pages accusing net metering customers of stealing from their neighbors!

Idaho Power's analyst didn't simply forget to include his analysis in his testimony. He's simply doing his best to accomplish what he's paid to do: Stop renewable energy in Idaho.

Clearly, Idaho Power sees renewable energy as a threat to their profitability. (The one thing Larkin didn't miss in his testimony is the chart detailing the exponential rise in the popularity of clean, renewable power.)

If approved by the IPUC, Idaho Power's proposal will put renewable energy out of reach for nearly all Idahoans. Please reject their proposal.

The form submitted on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>
IP address is 24.116.140.179

Jean Jewell

From: arhausrath@gmail.com
Sent: Friday, February 22, 2013 8:30 AM
To: Jean Jewell; Beverly Barker; Gene Fadness
Subject: PUC Comment Form

A Comment from Alan & Anne Hausrath follows:

Case Number: IPC-E-12-27
Name: Alan & Anne Hausrath
Address: 1820 N. 7th Street
City: Boise
State: ID
Zip: 83702
Daytime Telephone: 208 345-9631
Contact E-Mail: arhausrath@gmail.com
Name of Utility Company: Idaho Power
Acknowledge: acknowledge

Please describe your comment briefly:
22 February 2013

To: Idaho Public Utilities Commission

From: Alan and Anne Hausrath
1820 N. 7th Street
Boise, ID 83702

Subject: Idaho Power Company Filing IPC-E-12-27

Summary: We urge you to double the cap for net metering customers and reject the remainder of the filing.

We are 36 year residents of Boise who are planning a solar array on our roof but have not yet completed it. We began our installation before Idaho Power made a public announcement of its proposed new tariff for net metering customers and, because of slowness in the delivery of our panels, we will probably finish after the PUC takes its decision. For reasons which we will explain in the remainder of our comments, if you accept the Idaho Power filing in its entirety, we will probably be the last individuals to install solar in Boise into the foreseeable future.

We will focus our comments on proposed Schedule 6 for residential service because we are residential users, but basically the same comments apply to the proposed Schedule 8 for small general service as well.

1. Although we don't see a reason for any cap at all, we urge you to double the cap for net metering customers from 2.9 MW to 5.8 MW. Although this will only open the opportunity for net metering to about 700 customers, it is a step in the right direction.

We hope that some day Idaho will actively encourage the generation of electricity from renewable sources as is done in other countries (most notably Germany), other states (such as California and Washington), and several U.S. cities (for example Gainesville, FL and Los Angeles), but until then, with an increase in the net metering cap, at least we won't be turning people away.

We urge you to reject the remainder of the filing for the following reasons.

2. The proposed tariff is irrational and unfair to net metering customers. All customers using the same amount of electricity from Idaho Power should be billed the same amount and the proposed tariff fails to meet even that simple measure of fairness.

For example suppose we have two neighbors, one "Solar" with a 2 kW solar installation, one "Non-Solar" with no generating capacity, and both use a net of 400 kwh in a month. Under the current tariff (which is not proposed to change) Non-Solar will be billed \$33.94. Under the proposed new tariff Solar would be billed \$47.72 for exactly the same usage, assuming a base load of 5 kW. The base load depends on circumstances and the particular details of the home, but this is a reasonable estimate.

This difference in bills doesn't make any sense, is punitive to Solar who installed the system in good faith, and will reduce the (financial) incentive to install solar to zero, or perhaps even to a negative incentive.

3. In other circumstances, the proposed tariff is irrational and unfair to standard customers and encourages large users to game the system. Suppose we have a large user who uses 2500 kwh per month in the summer. Under the current tariff, that person will pay \$240.27. Under the proposed new rules if they were to install the smallest solar system that qualifies for net metering, they would be able to reduce their monthly bill to \$193.47 while still using 2500 kwh per month (assuming a base load of 10 kW).

4. The proposed tariff is bad public policy because it discourages conservation. The greater the part of the bill that comes from fixed costs and the less the part that comes from per kwh charges, the less (financial) incentive the customer has to reduce consumption. The proposed tariff is doing exactly the wrong thing for the environment we live in.

5. The proposed tariff is bad public policy because it discourages small scale renewable energy. The future of energy generation in the United States does not lie with enormous centralized generation facilities transmitting power long distances over expensive transmission lines. Large coal plants are being closed all over the country (more than 100 closings have been announced in the last few years, more than 150 have been proposed but will never be built) and such a system is brittle, subject to massive failures when it fails, and expensive. On the other hand, a system of small generators providing power to themselves and their neighbors is more stable and robust and represents a reasonable way to get to the 22nd century. The proposed tariff does not recognize the benefits of stability and less reliance on long distance transmission that net metering ought to encourage.

In addition, the proposed tariff makes it impossible for the City of Boise to meet its climate protection, carbon dioxide reduction goals. The city would like to see more "net zero" homes and commercial buildings built in Boise in the future and the proposed tariff makes it financially infeasible for developers to do so.

6. The proposed tariff is short sighted in failing to recognize the benefits of peak load reduction. Idaho Power's peak load occurs in the summer and they have recognized the benefit of curbing peak load in the past through programs affecting air conditioning and irrigation. Solar power is at a maximum in the summer and, with enough net metering customers, the peak load could be cut substantially with no capital investment by Idaho Power. In addition, Idaho Power can purchase summer solar through net metering at a fixed known cost per kwh rather than using the unpredictable and volatile summer spot market or through building expensive new facilities. This is an enormous benefit to all ratepayers since everybody's rates go up when Idaho Power builds expensive plant or purchases expensive outside power.

7. The proposed tariff seems to violate the shareholders' resolution of 2009 which directed Idaho Power to plan for a low carbon future. Solar is certainly a part of a low carbon future and the proposed tariff seems to be a plan to throttle the use of solar at its current levels, rather than to plan for its use.

8. The proposed tariff discourages small private enterprise. Small business should be encouraged to provide electricity and the solar installation industry will be severely hurt if the proposed tariff is put into effect.

9. The proposed tariff is unjust and punitive in its treatment of surplus energy produced by net metering customers. The proposed tariff allows net metering customers to produce surplus electricity and carry forward credits to be applied when they use more than they produce. However the tariff proposes to cancel any carry forwards at the end of the calendar year. Because the calendar year is out of phase with the "solar year," December 31 is one of the worst possible days to cancel credits. Many net metering customers will generate surplus electricity during the summer, and some will still have credits in December. However, January and February are not good solar months in Boise and almost all net metering customers will generate less than they use in those months. It is punitive and unfair to cancel carry forwards at that point.

What other vendor has its invoices arbitrarily cancelled by Idaho Power on December 31?

10. The proposed tariff will make it financially infeasible to install solar generation in the Idaho Power service area. As it is, solar energy has a very long pay back period in southern Idaho; longer than many people can afford. The proposed tariff will lengthen the payback period and the result will be that only the most dedicated conservationists will install solar.

11. The proposed tariff provides wildly different treatment to customers who reduce their electricity use through efficiency and those who reduce it through their own production. As recently as 2010, Idaho Power had a national reputation as a utility company which used innovative means to encourage and enable their customers to reduce their electricity use through efficiency measures. (See, for example, <http://www.nytimes.com/2010/01/24/business/energy-environment/24idaho.html?pagewanted=all>).

Thousands of customers took advantage of those programs to reduce their energy use, through home insulation, for example. And those customers were directly subsidized by other customers through the efficiency surcharge on each bill. Yet, unlike net metering customers, we don't hear a peep from Idaho Power that those customers, all of whom have reduced their consumption, aren't paying their share of infrastructure charges and are receiving subsidies from their neighbors. Clearly the Idaho Power of then recognized the benefits to everybody of reducing peak load and meeting electricity needs through efficiency rather than through construction of new plant. The Idaho Power of now should continue that tradition and withdraw this proposed tariff which penalizes customers who have reduced their usage due to net metering. Reduction in usage through small scale generation should be treated the same in the rate structure as reduction in usage achieved by energy efficiency.

Conclusion. Idaho Power can do better. We urge the Idaho Public Utilities Commission to reject this proposed tariff, except for the doubling of the cap, and direct Idaho Power to develop a tariff which is fair to all customers, encourages net metering and small scale sustainable power generation, and incentivizes lower use of electricity whether due to efficiency and conservation or due to home power generation.

Thank you for the opportunity to comment.

Anne and Alan Hausrath