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**Case No. IPC-E-12-27**

*In the matter of Idaho Power Company's Application for Authority to Modify its Net Metering Service and to Increase the Generation Capacity Limit*

**General Comment on Application**

This filing is bad for the Company's public image, short-sighted with regards to Idaho's energy future, and ill-conceived with respect to individual details.

A friend just became a snowbird, moving to Florida for the winter season but retaining his residence in Boise. He expected to find a good deal in Florida on a foreclosed residence, but to his surprise ended up buying instead a new solar home. He was delighted to be producing his own energy and selling excess to his utility on a net metering program. He called me one day in December after reading *The Idaho Statesman* on line to ask how it could be that Idaho Power was choosing to gut its net metering program. He couldn't understand why or how any utility could fail to find net metering a worthwhile program to offer its customers. I'm sure the Company has, will, and should hear that same comment often. Why is the Company going against the tide of offering net metering programs? Why is the Company retarding rather than promoting net metering?

The future of energy is clearly with renewables. It's just a question of time before we move from coal and gas to something in plentiful supply and easier on our environment. Wind and solar are readily available and becoming more cost-effective with each year, despite protestations by the Company to the contrary. Large central-station energy production is in decline, and improvements in transmission infrastructure are making distributed generation a real feasibility. Against the background of these global changes in the structure of the energy business, program changes which inhibit use of solar power are counterproductive. These small net metering customers are part of the solution (to future energy supply), not part of the problem.

Further, the Company's application contains a mish-mash of changes that are at the least confusing. They propose to raise the cap on participation in the net metering program at the same time that they make it more costly and less rewarding for individuals to participate. They propose to streamline payments to net metering customers but confiscate any net balances at year-end. In order to prevent hypothetical gaming of the regulations by small power producers who are in the business of power production and looking for a better deal than they can get under federally-mandated regulations, they propose changes that will severely limit simple net metering customers who just want to do their own part in helping everyone by producing some of their own energy needs.

Many of the proposed changes are based on the idea that net metering customers, by getting the full retail rate, are over-collecting what is due them and not fully covering their share of fixed costs. While this may fit a narrow technical definition of "subsidy", here it is introduced by the Company merely as an excuse for arguing that current net metering customers are raising costs for all other customers and that this favored treatment needs to change. Even assuming that charge is true, when the shifted costs are spread over all non-participating customers, the amount of "subsidy" is trivial. I fully support keeping the current treatment of non-participants, customers who choose not to participate in the net metering program. Left in place as currently configured, this treatment of net metering provides a positive incentive for a move in the right direction by all customers!

### **Specific Comment on Changes Proposed by the Company**

I fully support increasing the cap on net metering capacity, but believe this change is moot, IF the Company's remaining proposed changes are also accepted. If the Company truly wishes to get more net metering customers and increase capacity, it must alter its other proposed changes to accomplish the desired end.

Raising the monthly service charge four-fold and adding a capacity charge to reflect the full cost of service for distribution may be called for in a theoretical sense, but making such changes would "let the perfect be the enemy of the good".

With respect to the billing for excess net energy, I believe it is perfectly acceptable to change the form of payment from cash payment to bill credit. It is NOT ok to cancel ("allow to expire" in the Company's terms) any balance at the end of each December. The Company's application stretches too far in using FERC as an excuse to make this change. While the Company may be correct in citing what it claims is a threat of FERC asserting its jurisdiction if there is a net sale of energy to a net metering customer, I think that threat is dealt with sufficiently by changing the terms from a sale of excess energy with explicit payments to the use of a simple billing credit. I see nothing that would require terminating any net balances at the end of each calendar year.

I fully agree with the Company that net metering is NOT appropriate to be used as an avenue for small power producers outside of Schedule 86 to sell self-generated power at full retail rate rather than at a lower avoided cost rate. But for customers whose intent is merely to reduce all or part of their energy usage, there is no reason to paint them as large energy producers and impose a stricter set of guidelines. The Company's proposed renaming and reshuffling of rate schedules seems to do so.

I would suggest here that if a "halfway" measure is needed or sought on this score, an alternative to abolishing the net balance at the end of each year would be to value the remaining credit at the lower avoided cost rather than the full retail rate. Florida Power and Light, for instance, uses a measure it calls the "as available" rate to bank remaining balances in its net metering accounts. Such a measure solves the so-called subsidy issue without completely confiscating annual net balances.

### Additional questions

At page 1 of its Application, the Company states that its proposals would constitute a rate increase for some net metering customers and “a decrease for others.” I was unable to find further substantiation for this claim and believe this needs further amplification. I fail to see how any net metering customer would get a decrease as a result of the proposed changes.

At page 8 of its Application, the Company discusses replacement of its current payment with a credit, but it provides no discussion of its cancellation at the end of each year. I do not believe that fear of FERC asserting jurisdiction provides adequate rationale for BOTH of these proposed changes to the treatment of excess net energy production.

Submitted by:  
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