



# CITY OF KETCHUM, IDAHO

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April 24, 2013

To: Idaho Public Utilities Commission (IPUC)

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

The City of Ketchum feels the proposal to change Idaho Power's net metering program jeopardizes Idaho citizen's ability to generate their own power and unfairly penalizes a very small portion of rate payers whose on-site solar generation benefits the entire electricity grid during peak demand times.

The City urges the IPUC to eliminate the system wide cap on Idaho Power's net metering program and to reject the proposed rate changes for net metering customers. The City has, through its own energy conservation actions (with a grant from Idaho Power), its development and adoption of mandatory green building codes, sponsorship of public education outreach and classes, and installation of solar energy projects on City property, promoted energy conservation and generation of renewable energy in Ketchum. The City would like to make the following observations regarding Idaho Power's proposal:

- The proposed tariff structure discourages energy efficiency and conservation and is poor public policy. The City encourages the policy direction from the Idaho PUC that encourages energy efficiency and conservation. The proposed fee structure disincentives energy efficiency and conservation and goes against previous Idaho PUC precedents in setting good public policy.
- The proposed tariff structure is unfair to net metering customers. All customers using the same amount of electricity from Idaho Power should be billed the same amount. The proposed changes unfairly place a disproportionate burden upon net metering customers, who are also providing value to the power grid and to fellow rate payers. It is also unfair to existing net metering customers who installed systems under the current rules that made economic sense and risk having their investments in renewable energy by the proposed change in policy.
- Energy Security and Grid Stability. Moving towards a more distributed energy system versus building more centralized generation capacity and the necessary transmission capacity will help create a more stable and secure future for Idaho's energy infrastructure and communities. Distributed energy generation that a robust net metering policy would encourage would help move Idaho towards a more secure and stable energy future.
- The proposed net metering changes fail to recognize the benefits of peak load reduction. Idaho Power's peak load occurs in the summer. In the past, the company has recognized the

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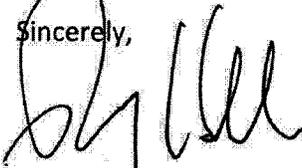
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benefit of curbing peak load through load reduction programs affecting air conditioning and irrigation. Solar power is at a maximum in summer afternoons and matches up well with peak demand times when irrigators are pumping and air conditioning is in high use. There is also benefit in that Idaho Power can purchase summer solar through net metering customers at a fixed known cost per kwh as opposed to buying energy on the unpredictable and volatile summer spot market or through building expensive new peak time generation facilities. This is a benefit to all ratepayers, since all class rates go up when Idaho Power builds an expensive plant or purchases expensive power on the spot market.

In summary, the City urges the Idaho Public Utilities Commission to reject the proposed fee structure, while eliminating the cap on the net metering program capacity. The City encourages the Idaho PUC to direct Idaho Power to develop a new robust net metering program proposal that encourages small scale distributed renewable energy generation, is fair to all customers, and that doesn't have negative unintended consequences for energy efficiency and conservation efforts.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Hall", written over the word "Sincerely,".

Randy Hall, Mayor  
City of Ketchum