

May 22, 2013

Rep. Holli Woodings
Member of the Idaho House Committee on
Environment, Energy, and Technology
Legislative Services Office
Budget and Policy Analysis
P.O. Box 837220
Boise, ID 83720

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IDAHO PUBLIC
UTILITIES COMMISSION

RE: Case No. IPC-E-12-27
Proposed Net Metering Changes

Dear Mrs. Woodings:

I so appreciate you taking the time to attend at the Public Utility Commission's Workshop (4/25/13), which if granted, will dramatically affect all of Idaho Power Company's (IPC) Net Metering Customers. I also want to thank you for listening to some of my concerns. Please allow me to elaborate on a few other items that I believe are totally punitive to those same customers and to the State of Idaho.

IPC is seeking permission to change the tariff in order to charge their net-metering customers with an entirely different or special rate class, separate from all the other Idaho Power's "standard" residential and/or small business consumer's fees. Furthermore IPC wants to institute a brand new Basic Load Capacity fee (\$1.48 per kWh residential / \$1.37 per kWh business) on top of net-metering user rates, and charging a much higher new service fee per month (\$20.92 residential / \$22.49 businesses).

I am confident you are well aware of the State of Idaho's 2012 energy policy is to encourage investment in customer-owned generation. Therefore, the Idaho Public Utility Commission, utilities, municipalities and cooperatives are encouraged to ensure non-discriminatory policies for net-metering and interconnection.

This new proposed Basic Load Capacity (BLC) charge is multiplied by a "peak billing demand", which is the highest demand for electrical capacity, measured in kilowatts and is calculated by the average of the two highest monthly billing demands from the previous year and multiplied by (\$1.48 Residential / \$1.37 business) per kWh. This BLC rate is based on IPC's new AMI meters indication of the peak delivery, not the average or RMS value. IPC admits their new AMI meters cannot determine (see) the differences between power used and power generated. Thus they fully intend to charge the net-metering customers for the sum of these accumulated amounts for both types of energy (solar generated / grid use combined). Under the proposed new Schedules 6, 8 & 72, IPC may require these net-metering clients to rebuild the line at the net-metering customer's expense to the generating facilities. Furthermore, IPC will not be obligated to accept and may require the net-metering customers to curtail, interrupt or reduce its delivery of energy.

IPC's customers have already paid for those distribution line(s) (poles, lines & apparatuses) prior to construction of the line. If a line must be relocated (due to highway or road widening) the State or Highway Districts and IPC take turns paying for those costs (only for same section of line being relocated on the same strip of roadway), assuming those facilities are within the public right-of-way corridor. The State of Idaho also oversees Federal roadways within the state. Furthermore, in IPC's petition, they may require the net-metering customer to pay to upgrade the line from a standard line (generally single phase line) into a primary 3-phase line, which in most cases isn't necessary. Most single family home owners have single phase lines that feed their homes. However, a primary line separates the power into all three phases (>7,000 volts but <46,000 volts). Primary line should only be considered in the beginning of the design phase in which both the load and the capacity for the

customer's needs are evaluated. They further insist that each property owner must annually provide them with a letter from a professional engineer, stipulating the property owner's facilities were examined and deemed it to be working in good order. In our opinion, anyone can read and interpret the fail safe equipment and provide said letter stating the facilities are good-working order but at much less expense. As a net-metering property owner all aspects this petition (IPC-E-12-27) is excessively punitive to both the State of Idaho, small net-metering customers (businesses/residential), not to mention all of those clean-energy jobs in Idaho that will be lost if adoption of this type of rate structure is granted.

IPC readily admits it will cost the net metering clients more than any other class of residential customers. In essence, IPC will charge the net metering customer for both transporting solar energy, producing energy and purchasing energy from IPC and they further demands that all excess energy be converted to credits (not reimbursements) that will expire at the end of the year. According to one IPC employee they feels justified in charging the net metering customer for using previously purchased distribution lines (by their customers) of which IPC insists on retaining ownership over regardless of whether or not it segregates or discriminate against any specific group of people. In every open market throughout the world, any person or any business that signs an application to secure an agreement (federally mandated) to purchases something of value; it is the responsibility of that purchaser to transport those goods at their own expense. Rarely, if ever does the seller of goods actually deliver their merchandise without charging the purchaser additional fees. In our opinion, it is totally incredulous for IPC to behave so badly and unfairly to its own clients!

At the April 25th workshop, one IPC Senior Manager stated they are "looking to interpret the PURPA laws". IPC further believes their position is justified in not reimbursing net metering customers for their solar production. They additionally claim (under the FERC PURPA laws) they are not obligated to purchase power from those small net metering customers because the net metering agreement was not intend for those purposes. Almost all of Idaho's 353+ small net metering customers are using their solar PV panels (at huge personal investment) to generate green power to offset the ever increasing price of IPC's generated power. In my discussions with most of those net-metering customers, almost all of them are over 50-years of age and living on a fixed income. Therefore these net-metering customers cannot afford additional expense to hire a qualified and experienced lawyer(s) in order to help plead their case in front of the IPUC. These small net metering customers are not businesses who have set up large solar or wind farms in Idaho or any other state. These are everyday folks who live in quite neighborhoods and rural areas of Idaho.

As retired IPC's employees we understood that IPC always put their shareowners first, customers second and employee last. In our view regarding this particular case, it seems they didn't inform some of their employees, never even considered their customer's, they just put their own business interest first, then factored in the shareowners. Not one of the net-metering customers wants put IPC out of business, nor do they even want to compete with them. These net-metering customers are actually helping IPC in producing green energy, which in turn lowers the need for more expensive spot market power (along with wheeling costs) especially during the summer when IPC's power demands are greatest. It also reduces their need for more substations and alternative gas peak-power plants (facilities and land). In fact, IPC should encourage more property owners (residential and small commercial business) to invest in alternative green power sources. In our opinion, they should pay these net-metering customers a reasonable and fair rate for their excess kWhs produced. These net-metering customers are actually helping IPC to reduce their reliance on costly fossil fuel, excessive maintenance costs for power plants, reducing power cost fluctuation and providing reliable renewal energy. Renewal solar energy actually adds a proven financial value to IPC's shareowners.

The cost of our solar system requires a twenty-five year (25-yr) payback period. We approached the decision to install our solar system with a good deal of caution. We made every effort in due-diligent in understanding of all of the risks, prior to having the system installed. Hence, we had many, many

face-to-face meetings with IPC's representative during May, June, August, September and October (2012). Additionally, there were many, many numerous phone calls as well. In October, IPC's representative did say they inspected all of the other net-metering customer's facilities and some of net-metering facilities did not pass IPC's inspection and were not working. However, never once during in any of those meetings (or calls) did IPC state their intention to petition the IPUC to change the net-metering tariff!! The only information IPC gave us was; if the IPUC raised the general rates, then the amount paid to the net-metering customers would go up proportionately. Our solar system went on line towards the end of October and IPC filed its petition in November. Now it is quite obvious this petition was in the works for many months prior to the actual filing. Had we known IPC's intention(s) to file this petition, we would not have invested in our renewable solar energy system. In our view there isn't any excuse for IPC not reaching out to their customers, installers and key state legislators prior to filing this controversial and far-reaching petition.

Furthermore, in our opinion, if there isn't fair compensation, there absolutely no incentive for anyone to invest in green energy, not to mention all the hassle and headaches in dealing with IPC's never-ending intent to "revisit" the matter every two to three (2-3) years or less. We would not have borrowed the money, nor put our hard-earned retirement funds at risk, if we did not receive reassurance from IPC this was a positive step into the renewable energy world. Due to IPC petition, we are totally frustrated with this entire matter, and if it is granted as applied for, making it far cheaper to remain a "standard" residential electric grid client than to be a mislead net-metering customer. We are asking our State Legislators to take significant steps towards advancing renewable energy interest and protecting those interests from any legal abuse of a state sanctioned monopolized corporation.

Sincerely,



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Cc: Idaho Public Utility Commission
Senator Elliot Werk
Senator Michael Crapo
Senator James Risch
John Chatburn, Chair Idaho Office of Energy Resources
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Mr. Nathan J. Davis, Federal Energy Regulatory Commission
Mr. Dean J. Miller, McDevitt & Miller LLP & Idaho Clean Energy Assoc.
Mr. Benjamin Otto, Idaho Conservation League