

Idaho Public Utilities Commission

Case No. IPC-E-12-27, Order No. 32767

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Contact: Gene Fadness (208) 334-0339, 890-2712

Hearing schedule in net metering case announced

The Idaho Public Utilities Commission has developed a timeline on processing a case involving Idaho Power Company's net metering service. The process begins with a public workshop on April 25, customer and technical hearings tentatively set for the week of June 10 and a target decision date of July 1.

Idaho Power is proposing to double the capacity limit on the amount of energy that can be generated from its net metering customers from 2.9 MW to 5.8 MW, but also proposes to adjust the amount net metering customers are paid. That's needed, Idaho Power claims, because of increasing costs to serve a growing number of net metering customers, costs the company says are being passed on to other ratepayers.

Net metering customers offset their electrical use by connecting their own generating resources (such as solar panels or wind turbines) to Idaho Power's transmission grid.

The case has already generated hundreds of comments to the PUC, many claiming the changes proposed by Idaho Power will make it difficult, if not impossible, for net metering customers to recoup their investment, most in solar panels. Idaho Power claims the net effect on customers will vary depending on how they use and generate energy. Some customers will be paid more than they currently receive, while others will get less, the company claims.

Currently, net metering customers are credited for the amount of electricity they generate at the full retail rate that all residential and small-business customers pay for their electric use. Idaho Power claims that full retail rate is higher than the actual value of the generation provided by net metering customers. That's because the full retail rate paid by other customers includes not just the cost of energy generation, but also transmission, distribution and customer-related costs such as billing. Because net metering customers provide only generation and not transmission or distribution, these customers are being paid for services they do not provide to the detriment of other customers, Idaho Power claims.

Further, Idaho Power claims, the fixed costs of connecting net metering customers to the grid have increased with the rapid expansion of net metering customers from just three in 2002 to more than 350 today. The utility says these price inequities are unfair to standard service customers who must then compensate the company for expenses related to net metering.

To account for the transmission and distribution components of electric service that net metering customers do not provide, Idaho Power proposes to increase the monthly service charge for residential net metering customers from \$5 to \$20.92 and from \$4 to \$22.49 for small-business net metering customers.

To more fully reflect the cost of service associated with net metering customers' use of Idaho Power's distribution system, the utility proposes to establish a basic load capacity charge of \$1.48 per kW for residential net metering customers and \$1.37 per kW for small-business net metering customers.

While those demand-related charges would **increase**, Idaho Power proposes to **reduce** the retail energy rates net metering customers pay to Idaho Power for their consumption. For example, a residential net metering consumer would pay a non-summer rate of 4.85 cents per kWh compared to a standard residential customer's rate of 7.23 cents per kWh for the first 800 kWh of use.

Finally, Idaho Power proposes to stop paying customers who generate more energy than they consume and instead issue them a credit against a future billing period. Credits remaining after the December billing period would expire, but would not be kept by Idaho Power. Instead they would be passed on to all customers through the annual Power Cost Adjustment (PCA) mechanism.

Idaho Power claims the net metering service was created for customers who want to generate their own electricity in order to reduce all or part of their monthly electric use. The program was not intended to be one in which net-metering customers would be able to sell excess power.

The purpose of the April 25 workshop is for Idaho Power to present its net metering proposal. Commission staff, interested parties and other customers will have an opportunity to ask questions. The workshop begins at 9 a.m. in the commission's hearing room at 472 W. Washington St. in Boise. The rest of the case schedule is as follows:

- May 10 – Deadline for staff and intervenors to file direct testimony and exhibits.
- May 31 – Deadline for Idaho Power's rebuttal testimony and exhibits
- Week of June 10 – Customer hearings and technical hearings. Precise times and locations will be announced later.
- July 1 – Target date for commission order.

Intervenors to the case include the City of Boise, Idaho Clean Energy Association, Idaho Conservation League, Pioneer Power LLC, Powerworks LLC and Snake River Alliance.

To read Idaho Power's application as well as comments filed by customers, go to www.puc.idaho.gov. Click on the electric icon, then on "Open Electric Cases," and scroll down to Case No. IPC-E-12-27.