

Diane Holt

From: steve@berkeleyinc.com
Sent: Friday, August 18, 2017 9:40 AM
To: Beverly Barker; Diane Holt; Matthew Evans
Subject: Case Comment Form: Stephen White, CFA

Name: Stephen White, CFA
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Name of Utility Company: Idaho Power

Comment: As a financial advisor who is often contacted for advice on whether to install solar panels, I am deeply frustrated at Idaho Power's recent filing. It sheds no light on the value of solar, all it does is sow confusion and uncertainty. That level of uncertainty is made worse and more permanent by proposing a policy that customers investing in on-site generation products offered by Idaho Power's few competitors will be put in a tiny separate class which will thereafter be vulnerable to discriminatory rates and fees.

Let's go back to a fundamental principle of investing – the greater the risk, the higher the potential return needs to be to motivate investment. By proposing a policy that increases the risk of solar investments, Idaho Power is unnecessarily discouraging investment in solar. To be clear, there is always some level of uncertainty in investment decisions and specifically with electricity rates, but Idaho Power's proposal to put net metering customers into their own tiny class creates a disproportionate level of risk and uncertainty for prospective solar customers and the businesses that serve them.

For example, a non-profit board asked me to present last night my recommendations regarding the installation of a solar array to offset a portion of their electric bill. At least half the discussion and the majority of the concerns centered on the filing before the PUC, including a wide range of speculations on how the economics of the investment might change in the future. The Board's readiness to invest in a solar array was markedly affected by the discriminatory tone and cloud of uncertainty created by this filing.

In this filing, prospective solar customers are being told that installing an array of ANY size will thereafter make them vulnerable to discriminatory rate structures, that Idaho Power would like to change the economics of the investment the customer is considering, but that Idaho Power doesn't have the evidence to propose fair policies.

In terms of credentials, I have an undergraduate degree in finance, an MBA from Harvard, and hold the Chartered Financial Analyst (CFA) designation - I believe I qualify as an economically logical person, and this filing lacks logic. Idaho Power's real concerns are revealed by its focus on "On-Site Generation," which is not the issue. The Company also uses the filing to reiterate its long-term concern that it recoups fixed costs via volumetric pricing, which, as I understand it, was a strategic move by the PUC to encourage energy conservation. In any event, it is a concern not specific to Idaho Power, and certainly not specific to net metering.

Net metering customers should remain in their current rate classes. They should be free to buy kWh off the grid and pay the same monthly and volumetric rates as other standard customers. Concerns over cost shifting should prioritize the big dollars, and – only if it's demonstrated as truly material - any concerns over the value of kWh put back on the grid should focus on determining value, including the benefits of solar and the timing at which it is generated. Discriminatory

policies like this one before the PUC create disproportionate and unnecessary risk for prospective investments in solar, and it's a job killer for this young and vital industry.

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Diane Holt

From: jthomet@gmail.com
Sent: Wednesday, August 23, 2017 10:30 PM
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Subject: Case Comment Form: Jedidiah Thomet

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Name of Utility Company: Idaho Power

Comment: I am writing both to provide my input in this matter, as well as to request a public hearing so that other concerned stakeholders may express opinions to the Public Utilities Commission.

In short, I respectfully request the Commission to deny Idaho Power's request in its entirety. My reasons for this request are as follows:

First of all, Idaho Power's proposal to close existing Schedule 84 to new service (while allowing existing customers to remain on that rate plan for an indeterminate amount of time) is a shrewd attempt at incrementally chipping away at distributed energy production. If Idaho Power wants the public (and the Public Utilities Commission) to agree with this plan, why can they not be up-front and honest about what the plan (and its timeframe) really is? Before asking the Commission to agree to any proposal, I believe Idaho Power should present specific details -- including a timetable for the elimination of existing rate plans.

Second, the entire question of how long existing customers can remain on Schedule 84 billing is only important because the rates proposed in the two new rate schedules are outrageous! If I had been placed on the proposed Schedule 6 when my PV system was brought online, my monthly bills would have been 24-26% higher (until we hit peak generation season, and my solar generation finally caught up with my family's usage). The proposed Schedule 6 represents an excessive rate increase for those customers whose PV systems are insufficient to generate as much power as they use.

Idaho Power's application suggests net metering customers need to pay a larger portion of the maintenance costs associated with "the grid". They further argue that the net metering customer's failure to pay "their fair share" of these costs represents a wealth transfer. To the extent that this is true, it appears that Idaho Power is failing to recognize that their proposed rate schedules will establish yet another wealth transfer within the class of net metering customers -- from those whose installed PV systems do not cover all of their power consumption to those whose systems do. (Charging more for the power used, while reducing the size of the bottom rung of the tiered plan will only impact those who cannot reach a net zero usage.) The entire way the rate plan is structured serves as a disincentive to anyone who only seeks to install solar to reduce (but not eliminate) their power bill. One wonders if the cooling of solar PV installations through such a rate increase is not the real intent.

Idaho Power's intent aside, it does not take much foresight to see the unintended consequence that the proposed rate plans will have: they will encourage a "rush to zero" on the part of those who choose to install solar PV systems in order to avoid the confiscatory rates. This will further exacerbate Idaho Power's complaint that net metering customers are not paying their share of the grid maintenance costs. This is ironic, since last year's proposed solution was a massive increase to the fixed interconnect fee. While a modest increase to this fee may be justifiable, a fourfold increase hardly seems appropriate. If Idaho Power truly wants net metering customers to pay more for the fixed grid costs, it seems

that a smaller increase to the interconnect fee (possibly phased in over a longer time frame) would do more to address this issue without completely removing the financial incentive to installing a solar PV system.

Finally, I want to comment on the gap between peak generating and peak demand that Idaho Power's application suggests is a key reason to make these changes now. Nobody contends that solar PV systems peak generation leads peak demand by 2-3 hours, as Figure 2 of Angell's filing demonstrates. But, there are ways to creatively address that gap without resorting to discouraging customers from installing on-site generation. For example, Green Mountain Power, a utilities provider in Vermont, has implemented a plan to subsidize a portion of the customer's cost of purchasing/installing a Tesla Powerwall 2 energy storage device with the intent that the distributed storage can be used to augment the grid's capability during peak demand times. If Idaho Power sought to partner with the net metering community, instead of stifling its growth, I'm sure that together we could produce some innovative solutions to the challenges of tomorrow.

As I said, I urge the Commissioners to reject this application. There are better ways to address some of Idaho Power's stated concerns than what they're proposing. Thank you for your time and consideration.

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