

## Diane Holt

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**From:** Steve White <steve@berkeleyinc.com>  
**Sent:** Tuesday, October 24, 2017 3:56 PM  
**To:** Diane Holt  
**Subject:** comment on case IPC-E-17-13

Hello,

Please submit the below comment on the above-referenced case.

As a Chartered Financial Analyst with a career in investment advising, I would like to ensure the PUC recognizes the harmful impact of this filing. If approved, a separate rate class would create long-term uncertainty which changes the economics of investing in on-site generation. This case creates not just a short-term limbo during the proceedings, an approval of a separate rate class would create a long-term limbo that will delay and unduly influence investment decisions in on-site generation.

In my role, I often counsel people who are considering investing in on-site generation. Like installers, I routinely make assumptions on the probability of future rate changes to forecast a return on investment. For any investment in general, the higher the risk, the higher the return must be to motivate someone to invest. **Approving Idaho Power (IPC)'s request for a separate rate class would send a message that the rate structure for customers with on-site generation will fundamentally change, but nobody has any idea what to plug in as an assumption.** The uncertainty created by such a policy decision is toxic – it increases the return customers need to see to overcome the uncertainty, and it forces installers to win or lose projects based on the aggressiveness of their rate change assumptions relative to other installers responding to the same RFP.

The impact could be a death knell to the fledgling solar installer industry in this state. These companies are staffed by young, competent engineers and installers—and now this filing threatens their industry's future and their individual employment. When considering projects with economic benefits spanning 25+ years, customers have the flexibility to wait for more visibility on rate design. Small businesses, however, need to make payroll. I am thankful that my small business is not vulnerable to this type of disruption by a monopoly; if my customer base went on hold while waiting for the promise of future regulation changes down the road, I wouldn't be able to cover staff and overhead while waiting. IPC has far more opportunity to recover its fixed costs than we small businesses do.

Some uncertainty is normal; this is not. If IPC has not provided sufficient cost/benefit analysis to establish what customers should assume when investing in on-site generation, then the PUC does not have enough information to conclude that the current rate design is fundamentally wrong and unstable.

Commissioners, please do not allow IPC to put this unnecessary and unfounded burden on small business. Please protect the interests of small business and individual customers against destructive attempts like this.