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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION)
OF NW ENERGY COALITION AND)
RENEWABLE NORTHWEST PROJECT)
TO ESTABLISH NET METERING)
SCHEDULES FOR PACIFICORP.)
_____)

Case No. *PAL-E-03-04*

DIRECT TESTIMONY OF SONJA LING

FEBRUARY 27, 2003

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Q. PLEASE STATE YOUR NAME, ADDRESS, AND EMPLOYMENT.

A. My name is Sonja Ling. I have been a policy associate for the Renewable Northwest Project since March 2001. RNP is located at 917 SW Oak, Suite 303, Portland, Oregon, 97205. Established in 1994, the Renewable Northwest Project is a unique coalition of environmental groups, consumer groups, and energy companies promoting the implementation of new renewable resources in the Pacific Northwest. We have three strategic objectives: getting renewable projects in the ground, developing and promoting renewable energy policies, and marketing green power.

Q. PLEASE OUTLINE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I received a Masters of Science in Environmental Change and Management from the Oxford University in 2000. I have expertise in off-grid solar photovoltaic applications in developing countries. My responsibilities at RNP are to: participate in proceedings to site new renewable facilities in the region, represent RNP in proceedings before state regulatory commissions, and write testimony and reports on critical energy and environmental issues related to renewable resources.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of NW Energy Coalition and Renewable Northwest Project.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

Ling, Sonja
NW Energy Coalition, et al.

1 A. The purpose of my testimony is to address certain policy and regulatory issues
2 regarding the regulation of net metering for customers of PacifiCorp's Utah Power & Light
3 territory in eastern Idaho.

4 Q. WHAT MATERIALS HAVE YOU REVIEWED IN PREPARATION FOR THIS
5 TESTIMONY?

6 A. I reviewed Idaho Power Company's "Schedule 84," which was approved by the
7 Commission in 2002.

8 Q. PLEASE DESCRIBE NET METERING.

9 A. Net metering is the installation, and interconnection to the electric grid, of small
10 renewable energy systems (*i.e.* solar, wind, or micro hydroelectric) by customers of an electric
11 utility. Through net metering, customers are able to offset their own energy uses and receive
12 credit from their electric utility for any excess power they generate beyond what they consume.

13 Although net metered energy systems in the United States account for only a tiny fraction
14 of total energy produced, net metering should be encouraged by regulators and utilities for
15 several reasons. First, net metering is an "energy solution" for customers faced with rising
16 energy prices, and allows customers to take advantage of the renewable energy resources on their
17 own property. Second, technological improvements have made net metering equipment safe and
18 reliable for interconnection to the electric grid. Placement of net metered and other distributed
19 generation systems at or near loads enhances grid efficiency and reliability. Net metering is thus
20 a "win win" for both customers and utilities. Thirty-six states have adopted some form of net
21 metering law. In the western region, Oregon, Washington, Montana, Nevada, Wyoming,
22 California, and Utah, legislatures have passed net metering laws.

1 Q. WHY IS IT IMPORTANT TO ESTABLISH CLEAR AND SIMPLE STANDARDS TO
2 REGULATE NET METERING?

3 A. In key respects, small-scale renewable systems act much like energy conservation
4 to reduce a household's, farm's, or business's reliance on outside sources of power. But small-
5 scale renewable energy systems are often treated far differently and less fairly. Some utilities
6 have created barriers that make it prohibitive to install them, or some have simply treated
7 consumers on a case-by-case basis for contract negotiation, which is a daunting prospect for
8 many consumers. In short, consumers often find it administratively and financially prohibitive to
9 connect solar panels, small wind turbines, or micro-hydro systems to the grid.

10 These barriers discourage private investment in clean energy resources and impede early
11 adoption of distributed technologies. Differing standards from utility to utility make the
12 potential economies of standardization impossible to achieve. Market growth sufficient to create
13 economies of scale and lower prices for small renewable systems is being constrained.

14 It is critical that all utilities offer simplified standards to encourage private investments in
15 small-scale renewable resources by homeowners and businesses. Net metering standards
16 should: (1) Create simple, standardized protocols for connecting solar, small wind or micro
17 hydroelectric systems into the electricity grid that ensure safety, reliability and power quality; (2)
18 Allow consumers to apply the excess generation credit against the next month's power bill from
19 the utility; (3) Encourage investments in small systems by giving the consumer credit for any
20 excess generation at the same rate the utility charges the consumers; and, (4) Simplify metering
21 issues to avoid accounting costs for utilities and consumers.

22 Q. DO YOU BELIEVE THAT IDAHO POWER COMPANY'S SCHEDULE 84
23 PRESENTS A SOUND MODEL FOR PACIFICORP? PLEASE EXPLAIN YOUR ANSWER.
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Page 2/2

1 A. For smaller customers, yes. With respect to net metering for residential and small
2 business customers Idaho Power's Schedule 84 provides for adequate system size (up to 25 kW)
3 and creates an economically viable billing system allowing customers to carry over a financial
4 credit for excess kilowatt-hours from month-to-month at the customer's retail rate.

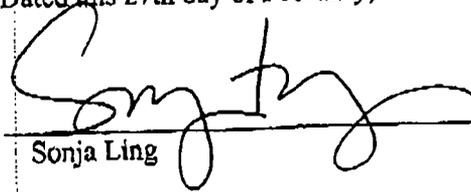
5 For larger customers, Idaho Power's Schedule 84 has advantages and disadvantages. One
6 significant positive aspect of the Schedule is its allowance for installation of systems up to 100
7 kW in size. This size limitation allows for most large customers of the utility to take advantage
8 of net metering and meaningfully offset their consumption. However, the billing system set out
9 in Schedule 84 for larger customers is disadvantageous. Because the Schedule credits
10 customers' excess monthly generation at 85% of avoided cost - an extremely low rate -
11 irrigation customers are unlikely to be able to finance net metered generation systems.

12 In seeking to establish a net metering protocol for PacifiCorp, I believe it is important
13 that the Commission seek comment on this issue from the irrigation community. Rural
14 landowners -- including ranchers, farmers, and other irrigators -- are most likely to benefit from
15 an abundance of sun, wind, and other resources that can be harnessed and converted to clean,
16 renewable electricity.

17 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

18 A. Yes, it does. I thank the Commission for the opportunity to submit this testimony.

20 Dated this 27th day of February, 2003

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23 Sonja Ling

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Ling, Sonja
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