

## **TAKE ACTION! Speak up for a fair deal for rooftop solar in Idaho!**

### IPC-E-18-15 - Application to Study Net Excess Energy from Customer On-site Generation

Today, Idaho Power offers a program for customers for rooftop solar known as “net metering.” In this program, net metering allows solar customers to receive a credit on their bill for the excess electricity (netted monthly) they send back to the grid. Currently, that credit is the same as the rate all customers pay Idaho Power for electricity. But the Idaho Public Utilities Commission (PUC) is currently deciding whether to approve a new program for rooftop solar customers that would pay less than full retail rates for the portion of electricity the self generator exports to the grid.

#### **Why the proposed change?**

Electric utilities around the nation have been successfully working to undermine and revise net metering programs across blue and red states. Their motivation is driven by the threat that self generators present to their traditional business model. However, their arguments before regulators center on wanting to address cross subsidies utilities allege are occurring between customers with and without onsite generation. Consequently, retail net metering programs are being changed in blue and red states.

The under-collection/cross-subsidy issue arises because the majority of the utility’s costs are “fixed”. By “fixed” we mean that they don’t change (i.e those costs are not “variable”) if customers purchase slightly more or slightly less energy from the utility. Utilities argue that when self-generators export power to the utility, only a small portion of the utilities costs go down. In Idaho Power’s case, less than a third of their costs are for the fuel and wear-and-tear on their generators would be avoided by not having to generate the energy the net-meterer is providing when they export.

In July of 2017, Idaho Power filed an [application](#) with the Public Utilities Commission (PUC) that alleged cross subsidies were occurring between customers and requested that residential and commercial customers with rooftop solar be placed into a separate rate class for further study. Sierra Club formally intervened in this proceeding and retrained Tom Beach to serve as our expert witness. We argued that creating a new rate class before comprehensive studies had even been created was unnecessary and poor policy.

Unfortunately the PUC determined that differences in the electricity usage and load characteristics of customers with on-site generation and customers with standard electric service warrant the separation of the two groups; they also directed Idaho Power to collaborate with Commission staff and other stakeholders on a study to determine proper rates, rate design, and compensation for customers with onsite generation.

Last year the PUC directed Idaho Power to study design of a new rooftop solar program to address these concerns.

The next step in this process began when Idaho Power filed their application for a study in October of 2018 ([IPC-E-18-15](#)). Sierra Club once again formally intervened and participated in negotiations over the course of the next year. Given the significant changes occurring to net metering across the nation, we did not think it was realistic to expect an outcome of no change. In light of this, our main objectives were to ensure fair treatment for existing customers (secure “grandfathering”) and to negotiate for the best deal we thought we could get in order to minimize damage done to the economics of rooftop solar in Idaho Power’s service territory.

### **Current status**

On October 11th, Sierra Club, joined the Idaho Clean Energy Association, City of Boise, IPUC staff, Industrial Customers of Idaho Power, Idaho Pumpers and Irrigators Association and others in signing a [settlement agreement](#) which outlines the structure and compensation for what will take the place of current retail net metering. If approved by the Commission, this new program will provide a lesser value than full retail rates for onsite generation that is exported to the grid (reducing 50% less than current retail rates over the course of 8 years). Customers would retain the ability to offset their own demand (non-exported production) at the full retail rate. Unfortunately, if approved, this deal will make rooftop solar in Idaho less economically attractive for new customers when compared with full retail net metering.

While the proposed settlement is far from perfect, Sierra Club chose to sign the settlement because we believed the settlement terms are a less bad outcome than would likely have resulted from this issue being fully litigated and decided by the Idaho Public Utilities Commission.

**The Commission is currently accepting comments through December 3rd and will be determining two issues: (1) Whether to approve the settlement; (2) How to treat existing customers (i.e. will there be ‘grandfathering?’).**

The Idaho Public Utilities Commission (PUC) must decide whether to force existing solar owners onto the new program or to treat them fairly by applying the changes only to new customers.

If you care about solar, clean energy, and fair rules, it’s important to urge the PUC to protect families and small businesses who invested in rooftop solar from bill increases.

## **How you can help!**

- **Attend a public hearing! This is the most impactful way to have your voice heard.** You can speak to the PUC directly at two hearings: by phone at 1-800-920-7487 passcode 6674832# on Monday, Dec. 2nd from 10 a.m. to 4 p.m., or in person starting at 7 p.m. Tuesday, Dec. 3rd at the PUC's office, 11331 W. Chinden Blvd., Building 8, Suite 201-A, Boise, ID 83714.
- **If you can't attend a public hearing, submit a comment:** You can write the PUC online at <https://puc.idaho.gov/forms/casecomment.aspx>, Case Number IPC-E-18-15. Comments accepted through Dec 3.
- **Write to Governor Brad Little and tell him you support a fair deal for existing customers. Comments can be made here:** <https://gov.idaho.gov/contact-us/>

Below we provide some talking points to give you ideas of what you might address in your public comment. Unique comments are most impactful so it's best to put your comments in your own voice. Feel free to tell the Commission your own story (why you care about solar in Idaho, or why you made a major investment in rooftop solar and how the proposed changes will hurt you).

### **Suggested Talking Points**

- Idaho Power's methodology for calculating the fair value for export electricity fails to quantify the full benefits solar brings to our system. If the PUC accepts this proposed settlement, the Commission should direct Idaho Power and other stakeholders to collaborate on a detailed and independent study to fully quantify value streams.
- Idaho families shouldn't have the rules changed on them after they've made their investment.
- This proposal could cost 4,000 plus Idaho families that have invested in rooftop solar thousands of extra dollars on our electricity bills.
- Thousands of Idahoans have already made an investment in local clean energy expecting a fair deal.
- Allowing existing customers to stay on the existing net metering program and applying the new program to new customers is a commonsense compromise that allows both utilities and customers to keep agreements made in good faith.
- **This isn't just a change in rates, it's a whole new program** – the method for calculating net excess energy is changing from monthly netting to hourly netting. We all know rates can change, but changing the manner in which excess energy is calculated changes the math for a lot of decisions customers made when they had their systems designed and installed.

- **Existing customers don't have the same options as new customers.** For new customers, there are several ways to mitigate the impact of the new rate program. For existing customers, there are less options that are economically feasible. [e.g., A new customer could configure a system to be zero export more economically than an existing customer, choose different orientations and sizes of systems.] Existing customers configured the design, size, and orientation of their major investment in based on monthly net billing. It is fair that existing customers be treated fairly and allowed to stay on Idaho Power's retail monthly net metering program that exists today.
- Many Idahoans that have rooftop solar today have invested significant savings (even retirement funds) in an effort to save money on their bills long-term. Now is not the time to change the deal for working class Idaho families and retirees.

Questions?

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