



PublicService Commission <psc@utah.gov>

Comments regarding Docket #13-035-184 and 13-035-196

1 message

Bill Hanewinkel <bhanewin@comcast.net>

Fri, Jan 24, 2014 at 9:57 AM

To: psc@utah.gov

Cc: Barbara Brown <barbara.brown@fcs.utah.edu>, Sara Baldwin <SBaldwin@utahcleanenergy.org>

Dear Members of the Public Service Commission:

I am writing to comment on the proposed rate hikes requested by Rocky Mountain Power in regards to co-generated power through residential net metering agreements. As I understand it, the fee increase for co-generators is to offset electrical distribution costs and is being requested as a flat rate fee.

Our residence at 1332 S. Dover Road, SLC, UT 84108 has 2 arrays on the roof that were built in 2009 and 2011, respectively. I refer to these as Phase 1 and Phase 2. Phase 1 was constructed at a time when PV module costs to our family was \$3.25 per watt. This does not include costs which I can provide if requested that includes:

1. Outlay of capital for Photovoltaic Panels, mounting frames, specialized inverters, and cables,
2. Design and engineering costs (Salt Lake City required in our case the review by a Registered Professional Engineer to sign off on Structural analyses and drawings,
3. Installation labor (sweat equity for those with the wherewithal),
4. Time and energy to stage the project correctly for scheduling timely equipment arrival,
5. Cost of applications to local jurisdictions for building permits (2 for each installation)
6. Labor costs for a licensed electrician.

Although Phase 2 was incentivized by RMP, the above costs are also incurred by us the co-generators and I can provide those figures if requested. We are still incurring initial costs on Phase 2 as part of a tree that had to be removed. Since this was a willow tree, the roots are difficult to kill and the stump is now requiring removal.

On January 23rd, 2013, the Salt Lake Tribune published an article that basically RMP was happy with the results of the Solar Incentive program. I requested the report that this article was based upon and have included it as an attachment to this email.

Quoting from the report:

"Table 1 through Table 3 summarize the costs and benefits, the LCOE results, and the results from the cost-effectiveness tests with and without free-ridership, respectively. The proposed program design is cost-effective from the UCT perspective, with a B/C ratio of 1.51 excluding free-ridership, and a B/C ratio of 1.40 when including free-ridership. Note that free-ridership was not measured in the Utah Pilot program, and the free-ridership rate is an average from PV incentive programs in other states. The incentive program is not cost-effective from any of the other perspectives."

What I conclude from this paragraph is that RMP receives back at least \$1.4 for every \$1 spent in the incentive

program when "free-ridership" is taken into account. The B/C ratio for Phase 1 of our system to RMP is certainly higher since we incurred all costs minus any tax incentives.

Since January, 2013, the base rate fee for co-generators has increased for months when we do not purchase any power from RMP. RMP is now requesting an even a larger sum to offset "free ridership".

So I am frustrated from this perspective. In installing a net metered solar array, our family thought and intended on doing a good thing. But at some point there has to be a return-on-investment which we had planned in. Our initial incentive was to lower our carbon footprint and help reduce local pollution. There are future plans of changing out appliances that would operate on electrical power rather than natural gas. RMP benefits by having reserve of peak power during summer and winter months which offsets future costs of building larger neighborhood substations or power plants. So what B/C ratio is RMP really looking for? Did we not faithfully and honestly conclude our end of the bargain within the net metering contract? The rules (tariffs) are changing in the middle of the game. And what payback period does the PSC think is fair for the benefits of having co-generation in a community with high levels of PM2.5 and PM10 pollution?

The costs that RMP is reporting regarding co-generation are so far confusing as to where they come from. And the costs numbers are contrary to what the January 2013 report are touting. It seems to me that there are either mistakes being made by RMP in their assumptions or arithmetic in attempting to define "free-ridership" costs. We are counting on the Public Service Commission of Utah to account for these discrepancies while being fair to those of us who are pioneering a new age of energy generation.

Thank you.

Sincerely,

Bill Hanewinkel



Cadmus C-E Analysis of Proposed UT PV Program_080612.pdf

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