

Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114

July 7, 2014

RE: **Docket Number: 13-035-184**

Dear Commission members,

I write to voice my strong opposition to the Rocky Mountain Power (RMP) proposal to assess a surcharge to netmetered solar powered customers connected to the RMP system. Our home is equipped with a solar powered system that produces about 65% of our demand, or about 4.8 Mwhrs annually. The RMP request is based on flawed logic, poorly developed economic thinking, and is unfair to all ratepayers. In light of the PSC's role in Utah, we feel that this increase should be disallowed. Our specific objections include:

- 1. Net metered customers already pay a basic charge.** Our monthly bill has a single phase basic charge and a minimum charge that total \$7.00; with taxes, we pay \$7.74 even in months that we consume no RMP generated electricity. What are these minimum charges for, if not for the basic infrastructure?
- 2. Net metered solar installations financially benefit RMP.** We generate excess power at peak demand times in the summer – 11 am to 6 pm, and in many afternoons in the winter. RMP has paid nothing for this generating infrastructure, credits us at block 1 rates, and is able to feed our excess generation to other consumers at block 2 or block 3 rates. We have installed infrastructure at our expense, and provide excess power that reduces RMP needs to add peak power generation capacity, or to go to the open market to meet peak demand.
- 3. Net metered systems benefit other customers financially and environmentally.** Excess generation during daylight hours does not just go into the air. We feed the grid, and supply energy for neighboring homes, reducing the wear of the system. Home installations create sales tax revenue, income (and thus, employment and income taxes) for the state, and add to the economic vitality of the state.
The universally acknowledged greatest environmental issue for Utah is air quality. Solar power system reduced Pm 2.5 and ozone generation, and thus helps all in the state.
- 4. Carbon-based emissions will become a reality.** Regardless of what RMP, the state government of Utah, or anyone else wishes, regulations on carbon-based emissions will occur. RMP has a golden opportunity to begin to develop efforts to support a relatively small component of a program that will reduce carbon emissions. Assessing a fee is not a logical way to foster this.
- 5. Inconsistent / Specious messages and logic.** RMP has an active program to encourage power conservation: there are rebates for consumers who replace appliances; programs that fund (at a very modest level) small solar systems; and there

are advertising campaigns to encourage conservation. How is a home that reduces its consumption different from a solar net metered home? Both homes are connected to the electricity grid, and both reduce the demand / sales of RMP power. Yet on one case, RMP rebates a customer for reducing demand, and in the second case, RMP penalizes the customer.

6. **Perverse outcomes.** Due to the RMP request, we have discontinued our funding of 3 blocks of Blue Sky program. The lack of logic, flawed economic thinking, and penalty mindset towards its customers indicates that RMP are not yet capable of developing a coherent renewable energy generation system at any scale. RMP has demonstrated that they are very good at conventional electrical generation and transmission. In addition, if this surcharge is added, we will immediately spec out and schedule additions to our system to add our capacity to get us very close to 100% annualized supply. Thus, for an added \$48-60 of revenue from us, RMP will lose about \$400/year, netting them **-\$350** or so. I will also encourage all other solar power generators to do.
7. **Fostering competition into the regulated RMP monopoly.** The RMP effort has also spurred me to become more active. I will begin working immediately with organizations and with one of our state representatives to begin the effort to draft legislation that will allow the investment in solar ranching. Already legal in Colorado, legislation and regulations should be changed to create a free-market, capitalist method in which renewable energy providers can bundle investments from people such that concentrated power systems can be built with funds from people whose homes are not well sited; or from people who do not want to deal with the construction of a solar or wind system at their home. The Colorado system enables these investors to accrue most of the net metered credit, less a portion that the generating system is allowed.

We appreciate the time and effort that you put into serving on the PSC, and we hope you will consider these thoughts when you rule on this rate increase.

Sincerely,

James P. Evans
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