

August 19, 2014

RE: Docket Number: 13-035-184

Dear Utah Public Service Commission:

I have two objections regarding RMP's proposed net-metering facilities charge, including ones regarding inaccuracies in RMP's recent "[Post-Hearing Brief on Net Metering Facilities Charge](#)" (hereinafter "brief") that was posted recently on the PSC's net metering docket. I thank the committee from the bottom of my heart for listening to and acting upon my concerns.

First, those who participated in this docket were not supposed to provide **testimony** after the public hearing that the PSC held in late July 2014. Yet, this is exactly what RMP has provided in the aforementioned brief. This is patently unfair to all involved.

Before stating my second objection, which encompasses a variety of issues, I should note that none of what I suggest below takes into account **any** of the benefits solar power reaps for the environment (including our state's abysmal air quality), public health, or RMP-accrued carbon credits. RMP, in fact, flatly refused to calculate these benefits and merely blithely asserted these benefits to be minimal.

I should further note that this docket has failed to attend to the devastation documented in other states to the public's willingness to invest in alternative energy sources, including solar, as the result of these states imposition of a net-metering facilities charge. Our governor and several of its representatives purportedly are invested in "cleaning up" our environment yet any net-metering charge obviously contradicts this commitment.

My second objection specifically concerns the faulty reasoning evident in RMP's recent post-hearing brief. In this brief, RMP effectively proposes to surcharge net-metering customers (NMCs) because RMP credits NMCs for the excess electricity they generate yet it asserts that NMCs are not paying for using the system (e.g., they're not paying to cover fixed infrastructure costs).

To buttress their argument, RMP's post-hearing brief refers readers to Line 11, labeled "Net Metering kWh, in a spreadsheet entitled "**257444Exhibit A to Steward Rebuttal Test - Copy of 5\_Exhibit\_RMP\_JRS\_1R 6-26-2014.xlsx**". This spreadsheet's Line 11 is completely irrelevant to RMP's major premise, as it reflects the total number of kWhs (13,012,995) being **delivered** to net-metering customers' homes. Why should solar customers be treated any differently than non-solar customers based on the electricity they **actually use** to power their homes?

Instead of relying on data of no relevance to RMP's "excess generated electricity for which RMP credits NMCs" premise, the PSC and the public need valid, reliable, and independently verifiable data regarding a series of issues.

- To be considered **valid**, these data should be based on stratified random and representative **sets of samples** garnered from throughout the state (not just one small sample, as they have relied upon in the past).
- To be considered **reliable**, multiple data sets need to be sampled across several units of time, all of which are the same time units (including the time units during which RMP calculates “NMC-generated excess electricity”).
- To be considered **independently verifiable**, the PSC in collaboration with outside agencies needs to involve several well-credentialed scientists from different organizations to whom RMP needs to release all of its data for independent corroboration.

Otherwise, no one, including the PSC, can attribute confidence to these data nor can the PSC possibly render legitimate recommendations.

Now, I am not an accountant, nor am I familiar with the accounting terms unique to the electric utilities. However, I urge the committee to find ways of gathering the following data before it even considers making a recommendation regarding a net-metering facilities charge:

1. How much excess electricity in kWhs do NMCs reliably generate on average across the specified time units?
2. Of this excess electricity, how much do NMCs reliably consume on average across the specified time units?
3. How much electricity do NMCs reliably draw on average from RMP’s own “original” resources (fossil fuels) across the specified time units?
4. What is the **net difference** on average across the specified time units between the excess electricity NMCs generate **versus** the electricity NMCs reliably draw on average from RMP’s own “original” resources (fossil fuels)? There obviously are two types of outcomes that can result from this calculation that I will label hereinafter as follows:
  - a. **Net excess:** When the [excess electricity NMCs generate] **>** the [electricity NMCs reliably draw on average from RMP’s own “original” resources (fossil fuels)]
  - b. **Net deficit:** When [excess the electricity NMCs generate] **<** the [electricity NMCs reliably draw on average from RMP’s own “original” resources (fossil fuels)]
5. Out of all NMCs, which proportion represents **net excess** versus **net deficit**? **NOTE:** Although I cannot provide recommendations as to how to proceed with this, it seems eminently fair of the committee to gather recommendations from experts as to whether these two classes of NMCs should be charged differently assuming **any** net-metering charge is even deemed fair and reasonable. After all, the net deficit NMCs, according to

RMP's own reasoning, already are paying for more of RMP's fixed infrastructure costs than do the net excess NMCs (assuming, and this is very important, that RMP can even demonstrate that NMCs as a general class aren't paying for these fixed costs). The following points, thus, focus solely on the net excess NMCs.

6. For the **net excess** NMCs, how much of this net excess does RMP turn around and sell to non-solar customers at the full rate? RMP needs to express this in terms of the number of total excess kWhs it sells.

**NOTES:** The rates RMP charges to these non-solar customers covers at least a portion of the fixed costs RMP claims NMCs do not pay. However, these non-solar customers are paying the same portion of the fixed costs RMP claims NMCs do not pay, regardless of whether the power they're paying for derives from NMCs' net excess or RMP's fossil fuels. In fact, by having non-solar customers purchase net excess at the full rate, as opposed to RMP's fossil fuels, RMP is saving other costs, including the costs of purchasing fossil fuel, processing it, and transmitting it over a much wider distribution network. This consideration leads to the next question RMP needs to answer (and that outside experts need to independently verify):

7. For the **net excess** RMP sells to non-solar customers, how much money does RMP actually save because it does not need to pay the costs to purchase fossil fuels, process them, and transmit them over a much wider distribution network than is required by selling NMCs' net excess to their near neighbors?

Having determined this, RMP needs to stipulate its net excess savings on a "cents per kWh" basis. This result is hereinafter labeled "**cents per kWh net excess savings to RMP**".

8. Ignoring for now the cents per kWh net excess savings to RMP, for how many kWhs does RMP credit NMC net excess customers on average across the specified time units? Having determined this, RMP then needs to specify this credit on a cents per kWh basis. This is hereinafter labeled "**cents per kWh net excess NMC credit**".

**NOTE:** At some point during this PSC docket, RMP asserted it could sell to non-solar customers at the full retail rate the fossil fuels it purchases at lower wholesale prices (whereas it credits NMC customers for their excess-generated electricity at the retail rate). If and only if this assertion is documented to be true on average across the specified time units, then the PSC should consider whether adjustments are needed regarding the cents per kWh credit NMCs receive for the excess electricity they generate.

9. What is the average difference between the **cents per kWh NMC credit** versus the **cents per kWh net excess savings to RMP** across the specified time units?

It seems eminently reasonable for RMP to surcharge these NMCs a "cents per excess kWh" net-metering facilities charge **if and only if** the [**cents per kWh NMC credit**] >

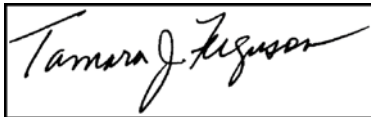
the [**cents per kWh net excess savings to RMP**].

In contrast, it would be flagrantly unfair for RMP to pocket the **cents per kWh net excess savings to RMP** while the PSC simultaneously permits the RMP to impose a net-metering facilities charge on any of the excess NMCs generate when the [**cents per kWh NMC credit**]  $\leq$  the [**cents per kWh net excess savings to RMP**].

10. There is one final set of data that needs to be quantified. Next to no attention is being given to the fact that those customers who invest in solar power also invest in additional energy-saving methods, such as LED light bulbs, better home insulation, Energy Star appliances (etc.). Of which I'm aware, RMP has no means of quantifying which proportion of NMC homes' net excess (or their lower consumption of RMP's fossil fuels) is attributable to these energy saving methods. However, just as non-solar customers who have adopted energy-saving methods consume less electricity, have lower resulting electric bills, and therefore pay for a lesser proportion of RMP's fixed costs, RMP needs to credit solar homeowners for using less electricity due to their non-solar energy-saving efforts.

Unless and until the PSC accrues the data to establish the facts I (and others) purport are necessary, including solar-related benefits, I fear the PSC can never render an informed and fair decision regarding the ever shifting proposed net-metering facilities charge.

Sincerely,



Tamara J. Ferguson  
672 Cholla Court  
Ivins, UT 84738  
Email: [tamara.ferguson@usu.edu](mailto:tamara.ferguson@usu.edu)