Public Service Commission
Re: Docket No. 08-035-78 in the Matter of the Consideration of Changes to Rocky Mountain Power's Schedule No. 135 – Net Metering Service
Heber M. Wells Building, 4th floor
160 East 300 South
Salt Lake City, UT 84111
11/23/08

Dear Public Service Commission,

As a resident of Utah, I urge the Utah Public Service Commission to value excess residential customer-generated electricity credits at retail value carrying over from month to month. The current avoided cost (4.6 cents/kwh) valuation discourages citizens from acquiring renewable energy systems such as solar and wind. Those few that do get solar systems usually end up installing systems that produce much less than 100% of their electric power because of the avoided cost valuation. This is because electrical production from solar is high during the summer months, and the idea is to build up electricity credits to get a homeowner through the darker, winter months. If those credits are only worth about half of the retail rate, then it is impossible to truly produce all of one's electricity. This discourages homeowners from purchasing renewable energy systems, thus eliminating their electricity carbon footprint. It also discourages renewable energy manufacturing companies from setting up shop in Utah. Why would a solar or wind manufacturing company build a factory in a state that discourages its residents from purchasing the product that they are making?

Valuing excess residential customer-generated electricity credits at retail value carrying over from month to month would also help improve Utah's Net Metering grade in the Interstate Renewable Energy Council's (IREC) report card. IREC gave Utah an "F" in 2007 and a "D" in 2008. Utah's grade for 2008 is on page 75 at this link.
http://www.newenergychoices.org/uploads/FreeingTheGrid2008_report.pdf

Rocky Mountain Power already credits excess residential customer-generated electricity at retail value from month to month in Oregon. Here's an excerpt from Oregon's schedule 135:

> If the energy supplied to the Company is greater than the energy supplied by the Company, the Customer shall be billed for the appropriate monthly charges and shall be credited for such Net Metering Energy with a cumulative kilowatt-hour credit to be applied at the **full retail rate** for each rate component on the bill that uses kilowatt-hours as the billing determinant on the customer-generator's next monthly bill.

Here's an excerpt from Rocky Mountain Power's Idaho schedule 135:

> If the energy generated by the Customer and delivered to the Company exceeds the energy supplied by the Company, the Customer shall be billed for the appropriate Power and other non-energy charges and:

a. Customers taking retail service under Schedules 1, 36, 23 or 23A shall be financially credited for such net energy at the Customer's **standard service schedule retail rate.**

Here's an excerpt from Rocky Mountain Power's Washington schedule 135

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5. If the energy purchased from the Company is less than the energy supplied to the Company, the Customer shall be billed for the appropriate monthly charges and shall be credited for such **net energy** with a kilowatt-hour credit appearing on the bill for the following billing period.

As you can see, there is strong precedence for Rocky Mountain Power (Pacificorp) to credit excess residential customer-generated electricity at retail value rolling over from month to month. Utah appears to be the only state within PacifiCorp that uses avoided cost. Utah is one of just five states nationwide that credits excess customer-generated electricity at avoided cost. This should be changed to retail. I agree with IREC's statement on page 10 of Freeing the Grid 2008: *"Commissions that attempt to balance utility concerns with customer interests can result in a program that is at odds with state legislators' intent – potentially undermining the state's renewable energy goals."*

I also urge the Public Service Commission to establish a much higher amount of generating capacity from customer generation systems. The current Renewable Portfolio Standard that was passed into law during the Utah Legislature's last session calls for 20% of Utah's power coming from renewable energy. I propose that the generating capacity be raised to 20%, or no cap. Currently, 17 States have set NO CAP on total system enrollment In Utah, no more than .1% of Rocky Mountain Power's peak demand during 2007 can be net metered. This amounts to about 4000 kW or 4 mW. This cap would be easily reached with the installation of 2 or 3 large customer generation systems, thus blocking residents from installing their own renewable energy systems.

The .1% generating capacity also sends the message to renewable energy companies that Utah is closed for business. Our neighbor Colorado has no cap on generating capacity. Colorado also received an "A" from IREC on page 41 of Freeing the Grid 2008. Through strong Net Metering and other encouraging regulations, Colorado has attracted many clean energy companies and thousands of jobs. Here are a few examples from a presentation by Brad Collins, the Executive Director of the American Solar Energy Society. http://www.utah.gov/energy/docs/Brad_Collins_ASES_UEF_102108.pdf

• VESTAS WIND SYSTEMS A/S of Denmark has a **600 employee** wind turbine manufacturing plant in Windsor CO **Last month, VESTAS announced that they would add an additional 1800 jobs!**
• AVA SOLAR INC solar manufacturing plant in Longmont, CO – **500**

workers
• 02/11/2008 – ASCENT SOLAR TECHNOLOGIES relocating to Thornton, CO. To produce 100 megawatts of solar panels per year by 2011, creating **300 jobs**
• 02/21/2008 ABENGOA SOLAR PLANS WORLD'S LARGEST SOLAR POWER PLANT – Lakewood, CO based Abengoa Solar announced a 280 MW plant to be built near Gila Bend AZ. **1500 construction jobs and 85 fulltime workers** once operational
• Renewable Energy Systems America Inc. (RES), a British developer and builder of wind energy farms, is moving its headquarters from Austin, Texas to Broomfield. Involved in 12 percent of US wind farm installations, **including the 300 MW Cedar Point Wind Project in CO.** It **employs 140** people in Broomfield and 90 others in the US
• 06/03/2008 – SIEMENS PICKS BOULDER FOR R&D CENTER. Siemens Energy will establish a new US wind turbine research and development center in Boulder. Launching with 12 employees and growing to **50 employees** by 2013
• 06/18/2008 – CONOCOPHILLIPS PLANS FOR **7000 JOBS**. ConocoPhillips new Colorado campus in Louisville should open earlier than expected and will be able to support 7000 employees the company announced today. Located on the 432 acre former Storage Technology campus will bring a core group of managers to the new site, but the rest will be new employees. It will create an "international learning center and alternative energy/advanced research center at the end of 2011.
• 06/20/2008 – IBM OPENS 'GREEN' DATA CENTER ON BUILDER CAMPUS
• The 115,000 square foot, **$350 million center** will provide data services for 16 clients. The building will take advantage of Colorado's low humidity and cooler temperatures – using a water-cooling system to save energy when conditions are favorable.

Utah can also attract companies and green energy jobs like Colorado has. By valuing excess residential customer-generated electricity at retail value rolling over from month to month and removing the limit on the amount of generating capacity from customer generation systems, the Public Service Commission can help to:
- encourage in-state economic development and the creation of green jobs
- enhance the security and reliability of the electric grid
- reduce air pollution and greenhouse gas emissions
- reduce price volatility in the power sector
- increase energy independence

Thank you for your efforts on this important matter.
I will be mailing 6 hard copies of this letter to you.

Sincerely,

Jim French