



PublicService Commission <psc@utah.gov>

Docket 13-035-184

1 of 1 message

John Anderson <john@appmagic.com>

Mon, Apr 21, 2014 at 2:36 PM

To: psc@utah.gov

Here's an interesting article that provides interesting information relevant to your decision on 13-035-184:

<http://content.sierraclub.org/new/sierra/2014-3-may-june/feature/throwing-shade>

Check it out.

Thanks,
John Anderson

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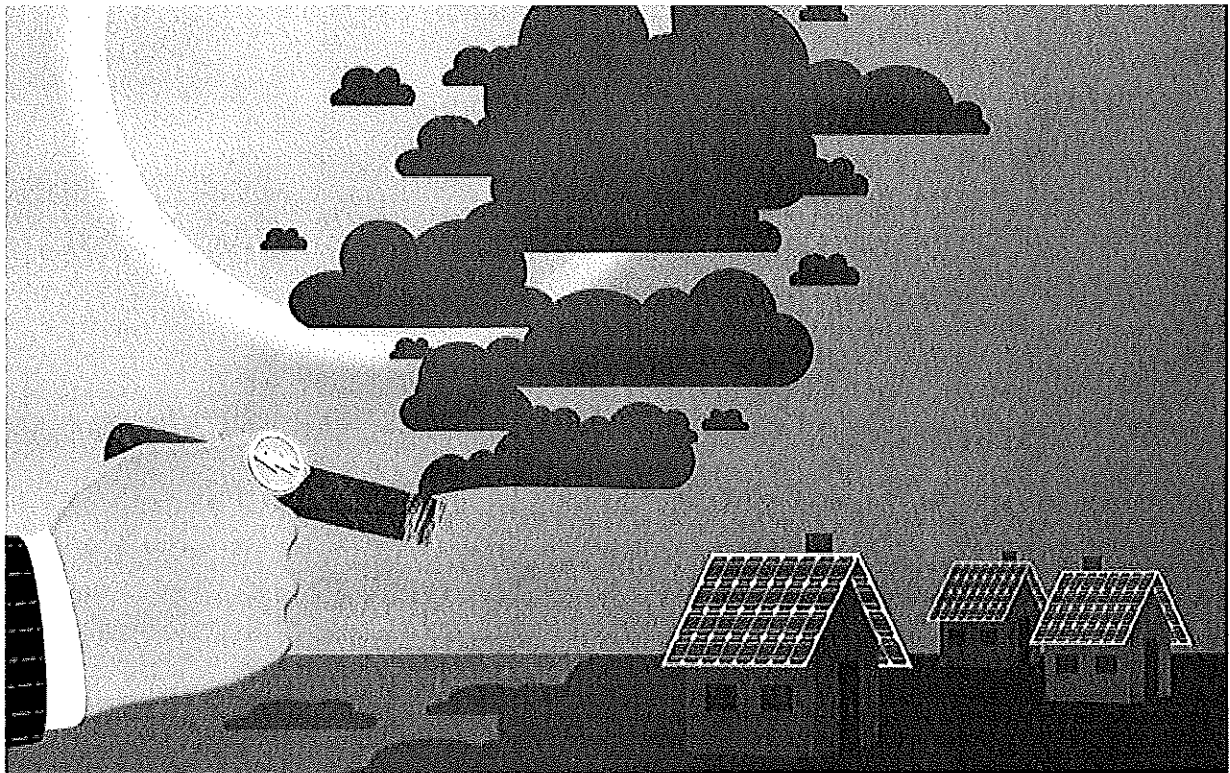
DAILY GREEN TIP

[FEATURE \(NEW/SIERRA/FEATURE\)](#)

THROWING SHADE

Fearing lost profits, the nation's investor-owned utilities are moving to blot out the solar revolution.

BY EDWARD HUMES



Thomas James

For Cynthia Cantero, putting solar panels atop her Oahu, Hawaii, home seemed like a no-brainer. In a state where most electricity is generated by burning pricey imported oil and where [electricity rates](#) are three times the U.S. average, she considered making her

own power "a godsend."

The 54-year-old cancer patient and mother of five researched and shopped for months to put together her solar deal: She and her husband would secure a home equity loan to pay off mounting medical bills, buy a badly needed new family car, and install a solar array large enough for all of their electricity needs. Their loan payments would be less than the family's current \$500-plus monthly electric bill, and once they paid off the note, their home would be powered practically for free.

Math like that has made Hawaii one of the nation's solar leaders, with a higher proportion of solar-powered households than any other state--including 1 in 10 homes on its most populous island, Oahu.

But that same math is denting the revenues of the state's dominant utility, Hawaiian Electric Company. After Cantero's loan closed and her family had fully committed to going solar, Hawaiian Electric refused to approve their system. Homemade solar power, the utility notified her, had saturated the grid, threatening its reliability and safety. Circuits could malfunction and voltage could spike, it claimed, causing blackouts and brownouts. Cantero would have to wait while Hawaiian Electric studied the matter, then possibly pay thousands of dollars to help the utility upgrade its circuits. A thousand other Hawaii households were consigned to a similar solar limbo; Jeff Mikulina, executive director of the state's Blue Planet Foundation, called it a "de facto moratorium on solar."

Five months later, the utility's dire predictions haven't come to pass and the study remains uncompleted. But solar installations and jobs have slowed statewide, and Cantero and her husband, a Honolulu truck driver, have been paying their whopping electric bill plus the loan for the solar array that was supposed to replace it, while falling behind on everything else. They fear foreclosure is on the horizon.

"I thought I was doing the right thing for my family and the environment, and so I could know my children would be taken care of after I'm gone," Cantero says. "Here I am stuck in a nightmare, where a powerful utility can just change the rules while I lose everything."

Utility officials say they are doing the best they can with a grid built for one-way electricity flow, now strained by record amounts of home-brewed solar power flowing back upstream. Hawaiian Electric spokesman Peter Rosegg says that, despite restrictions, solar homeowners are still being connected--more than 40,000 homes to date--and that any delays are "to avoid safety and reliability risks for themselves and their neighbors with and without solar."

But Cantero sees herself as a casualty of a struggle that pits dirty energy against clean, old business models against new, and ratepayers against one another--a war over the

future of rooftop solar.

She is not alone. Nor is Hawaii. In 21 other states across the country, the utility industry is challenging the laws, rules, and programs that have made solar a formidable clean energy contender. Investor-owned utilities see the recent rapid growth of rooftop solar--and all forms of homemade electricity, for that matter--as a revenue-killing, disruptive threat, particularly after a report last year from industry think tank Edison Electric Institute that both terrified and galvanized the industry. Utilities are fighting back with multimillion-dollar anti-solar ad campaigns that portray solar homeowners as mooching "free riders" who avoid paying their fair share for the grid and thereby raise electricity prices for everyone else. "I shouldn't have to pay for my neighbor's solar," a homeowner gripes in an anti-solar ad funded by Edison Electric.

Driving this battle is the simple economic reality that once-expensive solar energy is now competitive with utility power in many parts of the country--and sometimes dramatically cheaper. In Hawaii, the cost per kilowatt-hour for utility-scale solar power is less than half of what Hawaiian Electric charges its customers. And falling prices for solar panels, combined with government incentives and wildly popular no-money-down solar leases, make home-brewed solar energy not only viable for many homeowners but also downright profitable.

The market has responded. Last year, a new rooftop solar system was installed in the United States every four minutes, according to green market analyst GTM Research--20 times the growth rate in 2006. By 2016, GTM predicts, a new rooftop solar system will go up every 83 seconds. Solar still represents less than 1 percent of U.S. electrical generation, but its stratospheric growth could quickly change that.

"David is starting to beat Goliath," says John Farrell, head of the Minnesota-based Democratic Energy Program of the Institute for Local Self-Reliance. Goliath, he notes, has "a business model that has been protected as a government-sanctioned monopoly for nearly a century. It has had no need to innovate--ever. And it seems incapable of change."

That business model is based on big centralized power plants, whereas rooftop solar's model is "distributed" energy, generated by scattered homes and businesses. "We have been generating power for a hundred years in a way that is environmentally unsustainable and a tragedy from an equity standpoint," Farrell says. "We finally have a chance to fix that. The notion that this is somehow a cost is silly. The centralized model is broken. The distributed model is working. It empowers people and democratizes energy."

- "I thought I was doing the right thing for my family and the environment. Here I am stuck in a nightmare, where a powerful utility can just change the rules while I lose everything."

Corporate Welfare



0:00 / 0:30

This anti-solar ad, produced by a group affiliated with the Koch brothers, features sinister "California billionaires."

Last year these dueling notions of power generation clashed dramatically in Arizona. With an average of 300 days of sunshine a year, the Grand Canyon State is an ideal landscape for solar. Nearly 2 percent of the customers of Arizona Public Service, the state's dominant utility, have rooftop solar installations--some 18,000 households. This lets them cut their home electric bills by an average of 70 percent, according to the Arizona Corporation Commission, which regulates utilities in the state.

In July the utility launched a major campaign to slow further home solar growth, taking aim at a crucial incentive called net metering. (The tactic was recommended by the American Legislative Exchange Council, the right-wing anti-renewable energy nonprofit funded in part by the Koch brothers' oil fortune.) Net metering, adopted in 43 states, lets solar homeowners' electric meters run backward when they generate more power than they need and compels utilities to credit homeowners for their electricity at retail rates. In other words, utilities must pay homeowners for their solar power at the same rate that they charge their customers.

The utility industry loathes net metering; it wants to charge retail rates, not pay them. Just as predictably, the...



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ALEC, the Conservative legislative council, is right there with the fossil fuel companies and utility companies on this.

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