



Comment, Solar Energy Surcharge, 7-25-2014

1 message

John McNary <john.mcnaary@fm.utah.edu>

Fri, Jul 25, 2014 at 10:14 AM

To: "PSC@utah.gov" <PSC@utah.gov>

To: The Public Service Commission
Fm: John McNary
Re: Solar Energy Surcharge

I would like to object to the proposed \$4.65 surcharge for net metering residential solar energy systems. I object to the surcharge for the following reasons:

1. I have spent over \$17,000 on my solar electric system. I know some people have financed their systems. The net metering agreement may contain verbiage that provides flexibility in administering the agreement, but changing the fundamental financial model for such an expensive investment would not be tolerated in other circumstances. Why is this different? This could significantly affect financial institution's willingness to support such investments, and will certainly affect the payback.
2. Such a surcharge should not be inflicted on current net metering customers. New customers can include such surcharges in their financial proformas, and adjust accordingly. This would provide financing agencies reassurance they will not be faced with a bait and switch on residential solar energy system financing in the future.
3. RMP spends a substantial amount of resources in demand side management such as the Cool Keeper Program, in which they pay customers \$20.00 a year for the right to power down their air conditioners in the summer. Yet they want to charge net metering customers \$4.65 a month when they are not only reducing the demand side load, but are actually providing additional electrical power to the grid at a critical time, and when the solar electric output is the greatest. This is a conflict in the utility objectives.
4. My understanding of the net metering agreement is that they will not pay me for producing more energy than I consume over the course of a year. Why should they be allowed to take my energy for free, and charge me for the privilege of giving it to them? If a surcharge is instituted, net metering customers should be allowed to produce enough electricity to compensate for the surcharge, so they have a net zero balance at the end of the year. RMP does gain a benefit from the excess electricity I produce, especially in the summer. So does my neighbor. Why would I not be compensated for that?
5. As pointed out by the Edison Electric Institute, It is clear that distributed energy resources (DER) are a strategic threat to old line utility providers. It is clear that they must adjust to stay viable. But it does not make sense that one electrical producer should charge a competing electrical producer in order to stay viable, or promote ascendancy. RMP is entrusted with the care and operation of a monopoly interest in the utility grid in the public interest. As stewards of a public trust in a very real sense, the grid should not be used as an excuse to extract revenue from distributed electrical resources by targeting individual resources for additional fees in order to suppress their viability. The grid is a public resource, and the general public should support the grid for all users equally. If renewable energy sources should be charged for using the grid, they should also be paid for producing excess electrical energy, so they can develop and maintain a viable financial proforma. Even RMP demands that. And existing systems should not be penalized as early adopters with a switch in the financial model. Apply it to new systems, but not to existing systems.

Thank you for your consideration of my concerns.

Sincerely,

John C. McNary, AIA
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