

November 16, 2017
2455 West 12340 South
Riverton, UT 84065

UTAH PUBLIC SERVICE COMMISSION
160 East 300 South
P.O. Box 45585
Salt Lake City, UT 84145-0585

RE: PRIVATE NEGOTIATED DEAL BETWEEN RMP AND SOLAR COMPANIES

Gentlemen:

Please refer to the attached Deseret News article by Josh Smith.

I am outraged! How can you, who are supposed to represent all of the users of electricity in this state, possibly rationalize this atrocity? How can you rationalize that 75 year old people on retired/fixed incomes have the privilege and responsibility to pay for other people's solar power panels and their power? How can you think that the policies you have made are even reasonable? We do not have solar panels for the following reasons:

1. We are old. Expending \$20,000.00 on solar panels is not economically wise as we will not live long enough to break even on the expenditure!
2. We are old. You expect us to re-budget our finances so that we can pay a higher rate for electricity in order to pay for some younger person's solar panels? Doesn't compute in my brain, but perhaps you are using NEW MATH. New Math never did make any sense.
3. If the solar companies need a kick-back in order to stay in business, perhaps you need to teach them your NEW MATH.
4. I want to know why you are catering to a few who are lobbying regulators and legislators to benefit special interest groups, the solar companies, not the whole populace?
5. My hard earned income should not end up into the hands of solar companies.
6. Why are you giving in to the lobbying tactics to protect net metering regulations like the recent deal in favor of the solar companies.
7. **Public service commissions in other states have prevented measures like Utah's that benefitted organized groups at the expense of the consumers. Why haven't you?**
8. Solar energy companies should pay for their own development and should not be guaranteed their money back with the ratepayers footing the bill.
9. Net metering producers should be treated like any other electricity generator and not paid a special rate for what they feed onto the grid

I am awaiting, with great anticipation, your reply as to how you can possibly rationalize your thinking and behavior! Has every government organization in the state turned immoral?

Sincerely,


Mrs. LaDawn Sorensen

encl: 1

Watch out for a higher electric bill

BY JOSH SMITH

Beginning in May 2019, you'll likely see an extra charge on your electricity bill to help pay for other people's solar panels. Rocky Mountain Power buys electricity

myview

from commercial electricity producers at around 3 cents a kilowatt-hour (kWh), but because of current rooftop solar regulations in Utah, they are legally required to pay 10 cents per kWh to rooftop solar producers. That's more than three times the market rate.

Last month, the Utah Public Service Commission approved the privately negotiated deal between RMP and several solar companies that allows the 10 cent credit to fall by only one cent per kWh for customers who install solar panels after Nov. 15 and grandfathers current net metering customers' rates until 2035. The deal also allows RMP to raise the electricity bills of all Utah's customers to help recover the costs of paying solar customers for what they feed back to the electrical grid. It's a good deal for solar panel owners and for RMP but a bad deal for the average ratepayer in Utah.

The reason you're on the hook for someone else's solar panel installation is simple. Net metering regulations, which dictate that rooftop solar must be purchased by utilities and specifies the rates, have created

a political group with an incentive to lobby to maintain its special privileges. In this case, solar energy companies are seeking to preserve their privilege of having the electricity their panels produce sell for three times the going rate for electricity.

Utah's net metering rules and recent changes to them are a clear case of organized groups lobbying regulators and legislators to create policies that provide benefits to them at the expense of the unorganized. This is possible because each electricity consumer pays only a small amount of the total costs net metering incurs, while the benefits are concentrated in the hands of a few. This means individual ratepayers are unwilling to expend much effort to object to the costs because, even if they are successful, they aren't winning back much of their own money. It's simply irrational for the average ratepayer to spend any time at all opposing policies like net metering since they're likely to give up more than they gain, even if they spur beneficial policy changes.

Now compare the incentives individual ratepayers face with the incentives of solar companies that benefit most from net metering. Even though each person pays only a small amount, those little pieces add up to a considerable flow of money out of your pockets and into the hands of solar companies. This gives those who install solar panels a huge incentive to lobby in protec-

tion of net metering regulations and to structure changes like the recent deal in their favor. In the case of the net metering changes the PSC just announced, those changes assure that ratepayers are on the hook, not Rocky Mountain Power.

Public service commissions in other states have prevented measures like Utah's that benefit organized groups at the expense of consumers. For example, in New England, natural gas developers wanted to finance their pipeline expansions with a rate increase on all electricity customers instead of just natural gas customers. Luckily for New England consumers, the New Hampshire Public Utilities Commission ruled against that measure. Energy companies should pay for their own developments and shouldn't be guaranteed their money back with ratepayers footing the bill. Unfortunately, Utah's PSC allowed a privately negotiated deal to effectively become law, all at the expense of the average ratepayer in Utah.

Whether they are new pipelines or solar panel installations, energy companies should have to pay for their own developments. Likewise, net metering producers should be treated like any other electricity generator and not paid a special rate for what they feed onto the grid.

Josh T. Smith is a master's student in economics at Utah State University and works as a policy analyst for Strata, a public policy research center based in Logan, Utah.