



SENATOR
HOWARD A. STEPHENSON
ELEVENTH DISTRICT

1038 E. 13590 S.
DRAPER, UT 84020
(W) 801-972-8814
(H) 801-576-1022
hstephenson@utahsenate.org

UTAH STATE SENATE

320 STATE CAPITOL • P.O. BOX 145115 • SALT LAKE CITY, UTAH 84114
801-538-1035 • www.utahsenate.org

November 21, 2016

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114
Re: Net Metering Tariff, docket 16-035-T14.

Dear Commissioners,

I am writing to urge the Public Service Commission to eliminate the economically harmful cross-subsidy between roof-top solar customers and non-solar customers. As a member of the Senate Revenue and Taxation Standing Committee I am acutely aware of the importance of sound tax policy. Although the Public Service Commission does not impose taxes, there is a nexus between taxation and utility rate making.

It is critical that rate making, just like tax policy, is done in a manner that is neutral and equitable. Rate making should be neutral by not favoring one locale over another and should not encourage or discourage economic activity. Rate making should also be equitable and not determine winners or losers or unfairly burden or shift costs from one class of ratepayers to another.

I am concerned that the current customer charges, credits, and rate making associated with net metering do not meet the critical principles of being neutral and equitable. Because net metering allows rooftop solar customers to offset the excess power they generate with the power they consume, these customers end up paying less to Rocky Mountain Power every month in use charges.

Rocky Mountain Power recoups most of its capital expenditures (power plants, transmission lines, etc.) through use charges, meaning that rooftop solar customers contribute a lot less than the average customer to maintaining the grid. And yet, the rooftop solar customers still heavily rely on the grid at night, on cloudy days, and to run large appliances and air conditioners. In fact, rooftop solar customers still use the grid during the most expensive summertime peak periods of 6-7 pm. Yet, many roof-top solar customers build up enough electricity credits during inexpensive periods (particularly in the spring) between 1-3 pm in which they can offset their bill. This results in a cross-subsidy. Customers who don't have rooftop solar pay more to maintain the grid and compensate for the utility's inability to recover its fixed capital costs from rooftop solar customers.

I request that the Public Service Commission take into account the sound principles of being neutral and equitable while evaluating the Net Metering Tariff. Further, I request the Public Service Commission eliminate the economically harmful cross-subsidy between roof-top solar customers and non-solar customers.



Howard Stephenson
Utah State Senate
Eleventh District