



PublicService Commission <psc@utah.gov>

Docket #16-035-T14 Public Comment1 message

Robert Loveridge <LOVERIRO@uvu.edu>
To: "psc@utah.gov" <psc@utah.gov>

Sat, Dec 10, 2016 at 12:20 AM

Dear Commissioners,

The recent filing of PacifiCorp-RMP's "Advice No. 16-13" has me greatly concerned and I am in complete opposition to the change of the rate structure they propose. I would like to see (ask) the Public Service Commission to suspend the proposed tariff due to go into effect today, November 9, 2016. I meant to get this off earlier, but in preparing for retirement, a mission, six surgeries, and one or two more planned plus its timing right after an election and a major holiday for a due date has made it difficult to get it done.

I don't know what happened today, but I believe this rate proposal by RMP was carefully timed to leave the least amount of time for public comment or for anyone but RMP to be able to provide research or analysis for consideration, and the timing was certainly chosen to shorten and discourage public comment and participation. I hope the PSC put things on hold until more and better information can be gathered which represents a thorough representation of multiple points of view. At a minimum an independent study by a third party should be done, not the self-serving report done by them.

RMP's sister company did something similar in Nevada, and in one year it killed over 90% of the rooftop solar business which in Utah is over a 4,000 job industry. If a similar thing occurred in UT that would be over 3,500 jobs. Rooftop solar If it were a single company it would exceed most large employers in the state. Already, just the filing of their request has dampened new orders by 50%.

RMP has most things in the state going their way on this issue. Putting solar on a roof according to many study actually helps RMP meet high demand and minimize distribution costs since it creates a tighter distribution grid, and I have personally read where independent studies show that rooftop solar helps the power companies.

In my opinion, a homeowner could actually help them (RMP). However, the entire structure in the state is set to discourage homeowner production. It doesn't pay for surplus production at even the wholesale rate, provide a way for the homeowner to use their SRECs (yet if you are in their lottery, they want 50% of them without any form of compensation), but forces owners who over produce to donate to their self-selected charity. They want us to donate funds to help them create their own solar plant(s). In fact, I believe homeowners should be able to take the entire installation as a tax right off like any other "business" which invests in infrastructure and setup. Their new rate structure does everything to disincentivize a homeowner to invest in clean energy by pushing the ROI to around 30 years from the current 12-14.

I could say a lot more, but will leave it to another time. Thanks for consideration. I wish the time for comments and feedback could be extended.

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PublicService Commission <psc@utah.gov>

Re: Re: Penalizing Solar

1 message

John Whittaker <jdjcds6@yahoo.com>

Mon, Dec 12, 2016 at 11:18 AM

Reply-To: John Whittaker <jdjcds6@yahoo.com>

To: "Eskelsen, David" <David.Eskelsen@rockymountainpower.net>

Cc: "psc@utah.gov" <psc@utah.gov>

Unfounded was the wrong word. Arguable is more appropriate. If I had the resources of RMP I could also provide counter evidence with Phd's or other experts to support my arguments.

How is the retail credit not compensation? The credit has monetary value on the customer's bill. The fact that the credit expires at the end of the year is a structural safeguard to provide an economic incentive for net metering customers to install a system that is an appropriate size for their home or business. It was never designed to allow these customers to make money by accumulating credits. An owners solar production should be theirs and not considered RMP's, RMP didn't produce it. Also why take away this incentive when a customer installs a system that is an "appropriate size" or smaller? This power was generated by their investment and they should be able to use it within that year, as during the winter. RMP's economic incentives should remain in place for the customer who has invested heavily in a utility system such as solar.

While I certainly understand that you do not want to lose the substantial subsidy that supports the economic payback of your installation, is it fair for other residential customers (like me) to support the payback of your system through higher rates? That's what's happening now. That's the determination of the power company, the Division of Public Utilities and the Office of Consumer Services. This point is indisputable. Yes it is fair. People invested in solar under RMP's plan at the time of installation and that should not be taken away in the future.

If the state of Utah wants to subsidize residential solar power in this way, shouldn't this be done by deliberate policy, supported by all Utah citizens, rather than by other residential electric customers only? Yes and no. RMP should stand by their original policy with those who based their investment on the policy in place when the system was installed.

Also, a customer service fee of \$15 is not excessive. There is a wealth of evidence over the past 10 years to support this. This rate structure is similar to what commercial and industrial customers pay. In exchange, the energy charge for net metering customers is reduced from the current bundled rate (8.5 to 14.5 cents per kilowatt-hour) to 3.8 cents per kilowatt-hour. And, the demand charge is, in fact, variable according to the size of the net metering customer's system.

What are the guidelines to determine the "demand charge"? A 125% increase is excessive and should be based on the size of the residential solar array. Commercial and industrial customers have agreements with RMP whenever there is a change to their RMP service, such as a solar installation, transformers, etc. This binds the customer and RMP so that the customer can determine their return on investment. Residential customers have no such agreement.

Finally, what is the best way to make good, sustainable public policy: through an evidenced-based regulatory process, as proposed here, or by public clamor and opinion surveys? Unfortunately RMP has chosen to fast track this proposal through the PSC with little time for the PSC and the public to do their due diligence.

In short you and I will not agree on this issue. My efforts are to educate as many people as I can so they can contact the PSC with their thoughts. The public never seems to know what to believe because RMP only provides their side of the argument with crafted, short statements through the media.

On Monday, December 5, 2016 12:20 PM, "Eskelsen, David" <David.Eskelsen@rockymountainpower.net> wrote:

I find it fascinating that you can dismiss the company's proposals as "unfounded" without any evidence or argument to support your view.

Regarding your responses to Jon Cox's email, some questions occur:

How is the retail credit not compensation? The credit has monetary value on the customer's bill. The fact that the credit expires at the end of the year is a structural safeguard to provide an economic incentive for net metering customers to install a system that is an appropriate size for their home or business. It was never designed to allow these customers to make money by accumulating credits.

While I certainly understand that you do not want to lose the substantial subsidy that supports the economic payback of your installation, is it fair for other residential customers (like me) to support the payback of your system through higher rates? That's what's happening now. That's the determination of the power company, the Division of Public Utilities and the Office of Consumer Services. This point is indisputable.

If the state of Utah wants to subsidize residential solar power in this way, shouldn't this be done by deliberate policy, supported by all Utah citizens, rather than by other residential electric customers only?

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Finally, what is the best way to make good, sustainable public policy: through an evidenced-based regulatory process, as proposed here, or by public clamor and opinion surveys?

From: John Whittaker [mailto:jdjcds6@yahoo.com]

Sent: Sunday, December 04, 2016 9:10 AM

To: Eskelsen, David; Cox, Jon

Subject: [INTERNET] Re: Penalizing Solar

Please find attached my response to Mr Cox's misleading and inflammatory letter.

Mr Eskelsen,

Despite these testimonies and your comments these fees are still unfounded. RMP lumps all solar systems into one pot with no regard for the size, storage capacity and use of RMP's service by each customer. One size does not fit all! RMP needs to take into account these issues instead of a blanket 125% increase in service fees. For those who do not have storage capacity, net metering is the only fair alternative.

On Tuesday, November 22, 2016 12:16 PM, "Eskelsen, David" <David.Eskelsen@rockymountainpower.net> wrote:

Dear Mr. Whittaker:

I appreciate your continuing interest in this issue. Your two accusations, that of hypocrisy and an attempt to “control all electricity production” are off the mark. Allow me to explain.

Those on your side of this debate are mistaken in your assumptions about the company’s motivation here. The issue is: fair and reasonable rates for all types of customers. There is a longstanding principle in utility regulation that when a customer’s electricity use creates certain costs to serve them, their rate should be designed to appropriately cover those costs.

Residential customers who produce their own power and maintain their utility connection through net metering use their utility service in a fundamentally different way than other residential customers. This creates certain costs that should be covered in the rate they pay. What Rocky Mountain Power has proposed is quite similar to rate designs for commercial and industrial customers who produce their own power with solar panels, natural gas generators, or other means. All of these feature separate charges for customer and administrative services, demand on the utility system (how big a “pipe” you need) and a lower kilowatt-hour charge to reflect the cost recovery in the other two areas.

Now, I realize you are probably unconvinced by this. Still, it would be well for you to read the company’s current testimony to better understand what the company is asking.

It’s available here: [Docket No. 14-035-114](#)

I recommend you review the testimony of Joelle Steward and Douglas Marx.

Many have argued for some kind of third-party verification that these costs exist and that some kind of rate change is needed. I invite you to read the testimony of two state regulators who were witnesses in Rocky Mountain Power’s 2014 general rate request, where this issue was first discussed. They are Artie Powell, for the Utah Division of Public Utilities; and Dan Gimble, for the Utah Office of Consumer Services. You’ll see that they do not necessarily agree with the company’s rate design, but they do agree that the current rate for net metering customers does not cover the costs to serve them and should be changed.

Mr. Powell’s testimony is here:

[Artie Powell, PhD Prefiled Surrebuttal Testimony for DPU](#)

Mr. Gimble’s testimony is here:

[Surrebuttal COS/RD Testimony of Daniel E. Gimble for OCS](#)

I can tell you from more than 30 years experience in watching the utility business as an employee of Rocky Mountain Power and its predecessors; and as a newspaper reporter covering the industry before that, such agreement in principle is rare. It is a powerful statement that what the company is proposing here is grounded in both fact and the law.

As explained by the experts noted above, under the current arrangement, the additional cost net metering poses for the utility end up coming from other residential customers. This runs counter to good public policy and should be changed.

Returning to your argument, the usage patterns of customers who employ energy efficiency measures are fundamentally different than those who use net metering arrangements. (See Mr. Marx's testimony for details.) It is also worth noting that the company does not offer energy efficiency measures because some customers use "too much energy," as you put it. Rather, energy efficiency is a resource the company can use to help keep the electric grid in balance. Its effect on the utility system is quite different in nature from residential net metering.

It is certainly understandable that you don't want to see the current arrangement change because it disturbs the economics of your installation. I hope you have noted that the company's proposal is such that current net metering customers will remain on the existing rate design.

Many folks these days urge utility companies to be responsive to changing technologies. Yet regrettably, they do not recognize the company's expertise in matters of electric service. They assume "corporate greed," other sinister purpose, or plain stupidity is behind these proposals.

In reality, the long history of this company makes it well-prepared to deal with technological changes because we've seen many over more than a century of service to our customers.

In this debate, I am reminded of the early days of the utility business, from the 1890s to the early 1900s. Back then, the first electric customers were charged rates based on how many light bulbs they used—because that's all electricity was used for. Very soon, however, electric motors and resistance heating brought washing machines, refrigerators, ovens, clothes irons and toasters into homes. Electricity expanded into all kinds of commercial and industrial uses and society had to figure out a way to design rates to account for these new technologies and create fair rates for all. The electric meter was invented and rate designs to cover customer and administrative costs, electric demand and energy use were developed.

That's what this is all about. Admittedly, the instantaneous nature of electricity makes rate design complicated and perhaps difficult to understand. But the folks here at Rocky Mountain Power, together with those employed by the State of Utah who regulate the company's business, have a long, long history of satisfying the responsibility to make sure electric service is safe and reliable, and prices are fair and reasonable.

We all will this time, as well.

David Eskelsen
company spokesman
Rocky Mountain Power/PacifiCorp
801-2202-447 office

From: John Whittaker <jdjcds6@yahoo.com>
Sent: Tuesday, November 22, 2016 8:32 AM
To: Eskelsen, David
Subject: [INTERNET] Penalizing Solar

This message originated outside of Berkshire Hathaway Energy's email system. Use caution if this message contains attachments, links or requests for information. Verify the sender before opening attachments, clicking links or providing information.

David,

I find it interesting that only a few months ago you appeared on television proposing cash intensives for those who use to much electricity so RMP wouldn't have to build more capacity! Now that RMP has there own solar farm you what to penalize those who have invested in solar by charging us and others. This is not only hypocritical but is a blat en attempt to control all electricity production! Our system only produces 4 Kw at it peak so we are still dependent on RMP to supply our yearly needs. As one who has invested in solar on my home, I don't know how you personally justify yours and RMP's actions.

JW