



Rocky Mountain seeks increase to net metering cap

Case No. PAC-E-16-07, Order No. 33484

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BOISE (March 18, 2016) – PacifiCorp, which does business in eastern Idaho as Rocky Mountain Power, is asking state regulators to modify its net metering tariff to increase the “participation cap” in its Idaho territory from 714 kilowatts to 2,000 kW.

Net metering customers generate their own power to offset all or part of their energy use and feed excess energy back into the grid. The number of net metering customers in Rocky Mountain’s Idaho territory has increased from just two in 2007 to 161 at the end of 2015, pushing net metering generation to about 1,049 kW. Nearly all of Rocky Mountain’s distributed generation customers use residential and commercial rooftop solar applications.

Residential net metering customers who generate more power than they consume receive financial credits at the retail rate as established in the company’s residential rate tariff. PacifiCorp claims paying net metering customers the retail rate rather than a wholesale rate results in subsidization from the company and other non-net metering customers. There is not enough net metering generation yet to make that subsidy significant, but the company believes the issue will need to be addressed as the amount of distributed generation increases.

In response to a commission order when the net metering program was established, Rocky Mountain Power completed an analysis showing the difference between the purchase prices paid net metering customers and the wholesale prices for alternative power supplies. On average, the company claims, it paid 10.34 cents per kilowatt-hour to net metering customers compared to a wholesale rate at the Mid-Columbia Trading Hub of 2.47 cents per kWh. The company claims that during 2015 it paid \$44,446 for excess net metering generation that had a corresponding energy wholesale market value of \$10,638.

Rocky Mountain said paying net metering customers the full retail rate sends an uneconomic price signal to those customers regarding the value of distributed generation. “While the subsidization may be relatively minor at this time as a percentage of total Idaho retail revenues, the company believes the issue should be addressed as soon as possible to minimize potential impacts on customers and set appropriate expectations,” the company said.

Customers who want to comment on the company's application to increase the participation cap can do so through April 6. Comments are accepted via e-mail by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Consumers" heading. Fill in the case number (PAC-E-16-07) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

The company's application and other documents related to this case is available on the commission's website. Click on "Open Cases" under the "Electric" heading and scroll down to the above case number.

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