



## Commission removes net metering cap, directs Rocky Mountain to file annual report

*Case No. PAC-E-16-07, Order No. 33511*

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**BOISE (May 4, 2016)** – The Idaho Public Utilities Commission denied a request by Rocky Mountain Power to increase a cap on net metering generation in its Idaho territory from 714 kilowatts to 2,000 kW. Instead, the commission removed the cap entirely and required an annual report that monitors the growth and impacts of net metering.

Net metering customers generate their own power to offset part or all of their energy use. Excess generation from net metering customers is fed back into the grid. The number of net metering customers in Rocky Mountain's Idaho territory has increased from just 2 in 2007 to 161 at the end of 2015, pushing net metering generation to about 1,049 kW. Nearly all of Rocky Mountain's net metering customers use residential and commercial rooftop solar applications.

The utility, which operates in eastern Idaho, has expressed concern that customers who do not net-meter may be subsidizing those who do. That's because a net metering customer who generates more than he or she consumes is paying little or no transmission or distribution costs to the company, even though the net metering customer is still on the grid. 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. When net metering customers generate more than they consume, the utility credits the customer in future bills for the net amount of energy delivered back to the company. The credit is in the form of energy, not monetary payments.

The commission directed the company to file status reports with the commission on or about Oct. 31 of each year or when the company seeks to modify its net metering tariff. "We also expect the company to promptly notify us whenever changes to the net metering service materially affect the company's system and/or its other customers," the commission said.

The annual report should include customer participation levels, types of net metering generation, nameplate capacity, impacts on non-net metering customers and potential impacts to reliability, the commission said.

In response to a commission order when the net metering program was established, Rocky Mountain Power completed an analysis showing the difference between the value of the energy credited to net metering customers and energy market wholesale prices. 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.

In response to the company's claim, the commission adopted a recommendation by the Idaho Conservation League that Rocky Mountain include in its report a comparison of the value of excess net metering generation to the value of delivering alternative sources of power to end-users at the same time of day, month and year that the company is benefitting from net metering generation.

The commission's order and other documents related to this case are available on the commission's website. Click on "Open Cases" under the "Electric" heading and scroll down to Case No. PAC-E-16-07.

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