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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE )  
APPLICATION OF IDAHO POWER )  
COMPANY TO STUDY THE COSTS, )  
BENEFITS, AND COMPENSATION )  
OF NET EXCESS ENERGY )  
SUPPLIED BY CUSTOMER ON- )  
SITE GENERATION )

CASE NO. IPC-E-18-15

**BRIEF OF THE IDAHO CONSERVATION LEAGUE AND VOTE SOLAR ON  
TREATMENT OF EXISTING CUSTOMERS**

NOVEMBER 13, 2019

1       **I. Introduction and Background**

2           Idaho Conservation League (“ICL”) and Vote Solar respectfully submit this brief  
3   addressing the treatment of customers with existing on-site generation pursuant to the  
4   Commission’s October 17, 2019, Notice of Motion to Approve Settlement Agreement, Notice of  
5   Briefing and Notice of Schedule (“Notice”). In Order 34046 the Commission asked for  
6   “arguments relating to protecting investments already made” by existing customer-generators  
7   prior to implementing the new program parties devised for the future. ICL and Vote Solar  
8   respectfully urge the Commission to allow existing customers with on-site generation to continue  
9   to receive compensation for the electricity they send to the utility through the existing Net  
10   Energy Metering (“NEM”) Program. Allowing legacy customers to access to the NEM Program  
11   allows those customers a reasonable opportunity to protect investments predicated on a monthly  
12   netting arrangement instead of the very detailed nuances of the proposed future Net Hourly  
13   Billing Program that will cause important changes in system design and investment.

14           **A. Background on ICL and Vote Solar.**

15           ICL is Idaho’s leading voice for conservation with approximately 11,000 members, most  
16   of whom are Idaho Power Company (“Company”) customers. Our energy program seeks to  
17   implement policies, regulations, and practices that support energy conservation, customer-owned  
18   generation, and transitioning utility-scale generation from fossil fuels to clean energy. Vote  
19   Solar is an independent 501(c)(3) non-profit working to repower the U.S. with clean energy by  
20   making solar power more accessible and affordable through effective policy advocacy. Vote  
21   Solar seeks to promote the development of solar at every scale, from distributed rooftop solar to  
22   large utility-scale plants. Vote Solar has over 80,000 members nationally, including members in

1 Idaho Power Company's service territory. Vote Solar is not a trade group and it does not have  
2 corporate members.

3 ICL and Vote Solar participated in the settlement discussions in this proceeding that  
4 resulted in the Motion to Approve Settlement Agreement filed on October 11, 2019 ("Settlement  
5 Agreement"). ICL and Vote Solar did not join the Settlement Agreement. However, because  
6 other parties to the negotiations wished to settle under the proposed terms, ICL and Vote Solar  
7 agreed not to oppose the Settlement Agreement, as currently written.

8 **B. The Proposed Settlement Agreement.**

9 The Settlement Agreement would establish "Net Hourly Billing," which provides a  
10 financial credit to customer-generators for electricity that those customers export to the utility on  
11 a net hourly basis.<sup>1</sup> That represents a significant change from the current NEM Program, which  
12 tracks flows of electricity to and from the customer-generator as kilowatt-hours ("kWh") and  
13 nets the bidirectional flow over the monthly billing period. Net Hourly Billing not only values  
14 exported electricity differently, but significantly alters the overall economics of a customer's  
15 investment in on-site generation. In simple terms, electricity used within the same hour it is  
16 produced is valued at the retail rate, while exports are valued significantly less, Net Hourly  
17 Billing discourages exports and encourages near-simultaneous consumption of electricity  
18 produced on-site. Thus, while traditional NEM encouraged customers to design generation to  
19 match annual energy usage without regard to temporal matching to load, Net Hourly Billing will  
20 encourage customers to design generating systems and change consumption patterns to align  
21 generation and consumption to a greater degree. That change is more than a change in prices. It  
22 is a fundamental program change that will alter the economics, the type of customers

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<sup>1</sup> Settlement IV(A)

1 participating, and the design of generating systems and usage patterns of participating customers.  
2 It would also impact existing solar owners differently. Those customers already made  
3 investments based on the NEM Program and are severely restricted in the types of changes they  
4 can make to respond to the Net Hourly Billing Program. Unlike new customers who can respond  
5 to the Net Hourly Billing Program by choosing whether to participate and, if so, how to design  
6 their generating equipment, customers who already installed on-site generation in response to the  
7 NEM Program would be stuck with the awkward fit of generation designed for one program  
8 being forced into a very different one. Many of those systems have significant existing life left  
9 and will not provide the expected return on the investment for many years.

10 The Commission can avoid the inequities of forcing customers with high sunk costs for  
11 existing generation designed for one program into the contours of a very different program that  
12 they cannot reasonably adapt their systems to match. The Settlement does not resolve treatment  
13 of customers with existing on-site generation currently taking service under the NEM Program.  
14 The Commission must determine how to treat those customers.

15 **II. It is Fair And Reasonable To Continue To Provide The Program Relied Upon**  
16 **By Customers Who Previously Invested In On-Site Generation.**

17 When the Commission implemented the NEM Program in 2002 in Case No. IPC-E-01-39  
18 it established a clear, and easy-to-understand program for customers installing on-site generation.  
19 In the Company's own words the NEM Program "was intended to facilitate the development of  
20 small resources and was specifically designed to provide a simple, standardized interconnection  
21 arrangement utilizing a single, inexpensive watt-hour meter."<sup>2</sup> At the time, there was a single

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<sup>2</sup> Aschenbrenner Direct Testimony filed in IPC-E-17-13 at p. 7, ln.11-15

1 customer with on-site generation and two pending applications.<sup>3</sup> Since then, roughly 4,200  
2 residential and small commercial customers responded to the signal sent by the Commission in  
3 2002 and interconnected under the NEM Program.<sup>4</sup> Idaho families and small businesses invested  
4 their private funds, at times linked to personal plans for retirement savings, or college savings, in  
5 local clean energy resources because the Commission's NEM Program encouraged them to do  
6 so. Those Idahoans invested large amounts of their personal finances based on anticipated  
7 payback over the decades of electricity production expected from that investment.

8         The Commission should recognize that approving the NEM Program in 2002 influenced  
9 which customers participated and how they designed generating systems, resulting in significant  
10 personal investments, in response to that program. The Commission may choose to change  
11 program design going forward, as it does with other programs like line extension programs, but  
12 prior investments cannot be unwound and reallocated to respond to new terms. Without  
13 accommodation, those prior investments are at risk, sending an economic signal that responding  
14 to Idaho energy policies comes with high investor risk. That, in turn, signals caution to all  
15 customers and investors considering any future program offerings by utilities, undermining the  
16 ability to attract investments and participation in beneficial future programs. The Commission  
17 should avoid changing the rules on the families and small businesses after they responded, as  
18 intended and designed, to a program set by the Commission. Those customers should be allowed  
19 to see the benefits of the investments they made.

20         Of the handful of states that changed from traditional net metering to alternate  
21 compensation programs, all have protected customers with existing generation. In some cases,

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<sup>3</sup> Aschenbrenner Direct Testimony filed in IPC-E-17-13 at p. 5, ln. 14-17.

<sup>4</sup> See *Attachment 1*, Idaho Power Response to Vote Solar Production Request 18.

1 that protection was applied at the same time as the program change.<sup>5</sup> In other cases, legacy  
2 treatment was retroactively applied after political blowback. For example, in late 2015 and early  
3 2016, the Nevada Public Utilities Commission changed from traditional NEM and applied that  
4 change to both new and existing customers.<sup>6</sup> That resulted in significant public outcry as well as  
5 litigation, ultimately leading to a court order reversing the application to existing customers, the  
6 Commission separately reversing course less than a year later, and, ultimately, to landmark  
7 legislation reinstating NEM for existing participants and creation of a “tiered” crediting program  
8 going forward that guarantees a level of credit for twenty years.<sup>7</sup> As another example, the  
9 Kansas Corporation Commission changed that state’s traditional NEM program effective  
10 September 27, 2018, but made the changes applicable to customers who had interconnected  
11 generation since October 28, 2015—three years prior to the effective date of the change.<sup>8</sup> Less  
12 than a year later, after public outcry, the utility and commission reversed course and extended the

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<sup>5</sup> See e.g., Order at p. 167-68, *In re DTE Electric Co. for Authority to Increase its Rates, Amend its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy and for Miscellaneous Accounting Authority*, Case No. U-20162 (Mich.Pub.Serv.Comm’n, May 2, 2019) (explaining that a change from traditional net metering to an inflow/outflow rate for customers with generation does not apply to customers participating in traditional net metering prior to the date of the commission order adopting the replacement program), available at <https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t0000004SM3yAAG>.

<sup>6</sup> Public Utilities Commission of Nevada, Docket Nos. 15-07041 and 15-07042.

<sup>7</sup> NRS 704.773(8), 704.7732; Nevada Public Utilities Commission, “Net Metering in Nevada”, available at [http://puc.nv.gov/Renewable\\_Energy/Net\\_Metering/](http://puc.nv.gov/Renewable_Energy/Net_Metering/); Duane Johnson, *AB 405 aims to revive state solar power industry*, (June 12, 2017), <https://www.nnbw.com/news/ab-405-aims-to-revive-state-solar-power-industry/>.

<sup>8</sup> Order Approving Non-Unanimous Stipulation and Agreement, *In re Joint Application of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in their Charges for Electric Services*, Docket No. 18-WSEE-328-RTS (Kan. Corp. Comm’n Sept. 27, 2018).

1 legacy rate date from October 28, 2015 to October 1, 2018—after the effective date of the  
2 change.<sup>9</sup>

3 Presumably, to avoid the problems of Nevada, regulators in Arizona and Utah  
4 implemented changes to traditional NEM while simultaneously including clear protections for  
5 existing customers. The Arizona Corporation Commission rejected UNS Electric’s attempt to  
6 change NEM for customers who installed generation prior to the Commission’s order adopting  
7 the changes.<sup>10</sup> Instead, the Arizona Commission ruled that the change would only apply to  
8 customers who installed generation after a date following the commission’s final order.  
9 Customers with existing generation were allowed to “continue to utilize currently implemented  
10 DG-related rate design and net metering for a period of 20 years from the date a DG system  
11 requests interconnection. Existing customers with DG systems will be subject to currently-  
12 existing rules and regulations impacting DG.”<sup>11</sup> As the Arizona Commission explained, it views  
13 typical rate changes that all customers see from time to time differently than a significant change  
14 to net metering policy that customers relied upon to make long-term investments:

15 We also take this opportunity to clarify that this default policy is not intended to shield  
16 customers with DG systems from generally applicable rate design changes, such as  
17 changes for the basic service charge. It is, instead, intended to preserve the expectations  
18 that customers with DG systems may have relied upon when they chose to adopt DG  
19 technology.<sup>12</sup>

20 Similarly, when the Public Service Commission of Utah (“UPSC”) changed from  
21 traditional NEM, it protected existing customers from those changes. Existing customers were

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<sup>9</sup> See Order Approving Joint Application, *In re Joint Application of Westar Energy, Inc. and Kansas Gas and Electric co for Amended of the Grandfathering Dates in their RS-DG and RS Tariffs*, Docket No. 19-WSEE-474-TAR (Kan.Corp.Comm’n Aug. 6, 2019) available at <http://estar.kcc.ks.gov/estar/ViewFile.aspx/20190806112956.pdf?Id=3034b675-fdd0-49ef-b257-cc6bc63bc720>.

<sup>10</sup> Decision No. 75697, ACC Docket No. E-04204A-15-0142, 119:5-17 (Aug. 18, 2016).

<sup>11</sup> Decision No. 75859, ACC Docket No. E-00000J-14-0023, 156:10-13 (Jan. 3, 2017), as amended by Decision No. 75932 in the same proceeding.

<sup>12</sup> *Id.* At p. 156, ln.14-17.

1 defined as those who applied for net metering as of a future date to take place months after the  
2 UPSC's order.<sup>13</sup> Unlike the legacy rate treatment programs in Nevada and Arizona, which run  
3 for 20 years from the date that a customer installs generation, the Utah program provisions a  
4 transition period until a set date of December 31, 2035.<sup>14</sup> That provides a minimum of 18 years  
5 of legacy NEM Program access for the last customers, but longer than 20 years for systems  
6 installed prior to 2015.

7 The UPSC stated:

8 We find the Grandfathering and Transition Periods constitute a just and reasonable  
9 mechanism to address concerns about the long-term viability and rate fairness of the NM  
10 Program while providing adequate price signaling to DG Customers and insulating them  
11 and other stakeholders from significant, abrupt changes in rate structure.<sup>15</sup>  
12

13 Tellingly, Rocky Mountain Power abandoned its initial proposal to subject existing  
14 customers to the change, recognizing through the course of the proceeding “that abrupt changes  
15 would have negative repercussions to [their] customers, the solar industry, and the state”<sup>16</sup> and  
16 ultimately supporting a traditional NEM program for customers who installed generation prior to  
17 the change. In fact, Rocky Mountain Power takes a similar position in its application here in  
18 Idaho.<sup>17</sup>

19 The policies set forth in the foregoing states provide critical protections to existing  
20 customers and ensure that customers making new investments in distributed generation are aware  
21 of the program design so that they can reliably weigh whether or not an investment in local clean

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<sup>13</sup> Order Approving Settlement Stipulation, *In re Investigation of the Costs and Benefits of PacifiCorp's Net Metering Program*, Docket No. 14-035-114, p. 15 (Utah P.S.C., Sept. 29, 2017), <https://pscdocs.utah.gov/electric/14docs/14035114/29703614035114oass9-29-2017.pdf>.

<sup>14</sup> *Id.* p. 5.

<sup>15</sup> *Id.* p. 15.

<sup>16</sup> *Id.* at p. 14.

<sup>17</sup> Rocky Mountain Power Application in Idaho PUC Docket No. PAC-E-19-08.

1 energy makes sense for their families and small businesses. To ICL and Vote Solar's  
2 knowledge, no state regulatory commission that changed from traditional NEM policies  
3 ultimately imposed those changes on customers who invested in generation prior to the effective  
4 date of the change. Typically, those changes applied only to customers adopting generation at  
5 some time after the order approving the new program. In this proceeding, the Commission  
6 should follow that best practice and avoid the public controversies when changes to NEM were  
7 initially imposed on existing customers. The Commission should provide continued access to the  
8 NEM Program for existing customers to allow them the ability to receive the benefit of their  
9 investment made in response to the program that this Commission previously set.

10 **III. The NEM Program Should Remain Open to Existing Customers Under Reasonable**  
11 **Terms.**

12 If the Commission approves the new Net Billing Program, as outlined in the Settlement  
13 Agreement, it should allow residential and small commercial customers with existing on-site  
14 generation legacy access to the NEM Program. Doing so provides customers who already  
15 invested in response to a prior program design the chance to receive the benefit intended by that  
16 program and investment. Existing customers should continue to receive credit for their excess  
17 energy netted against consumption monthly on a kWh basis, the ability to carry forward any  
18 kWh balance to future months.

19 To accomplish these goals, ICL and Vote Solar recommend adopting the following  
20 provisions:

- 21 • **Set NEM Program Enrollment Deadline 60 days following the Commission's order.**

22 Customers who install generation make significant investments of time and resources  
23 towards installing generation, often months in advance of the actual interconnection date.

1 The Commission should use a date 60 days following the effective date of an order  
2 approving a new Net Hourly Billing Program so that customers who already devoted time  
3 and resources and are in the process of designing and installing generation are included.

4 • **Define eligibility based on application.** Installing generation involves many steps from  
5 initial discussion with a professional to completion. Many of those steps are outside the  
6 customer's control. To allow customers to have control over their eligibility for the  
7 NEM Program, the Commission should base qualification on what the customer can  
8 control: submitting a completed Net Metering Application, including payment of the  
9 \$100 application fee. To the extent the Commission has concerns about customers  
10 applying only to reserve NEM Program Access, without an actual intent to install  
11 generation, under the current process, applications expire if generation is not  
12 interconnected within one year. The Commission can provide that expired applications do  
13 not qualify for legacy NEM Program access.

14 • **Keep the NEM Program open to existing customers indefinitely or for a minimum  
15 of 20 years.** It is appropriate for the Commission to allow existing customers indefinite  
16 access to the NEM Program, however, to the extent that the Commission is concerned  
17 about such an open-ended approach, legacy NEM Program access should be granted for a  
18 minimum of 20 years from the NEM Program Enrollment Deadline, consistent with the  
19 best practices from other states and similar to the warranted lifetime of a typical solar PV  
20 investment.

21 • **Allow existing customers the option to transition to the Net Billing Program.** Legacy  
22 enrollment on the NEM Program should be optional. Existing customers should be  
23 allowed, at their sole discretion, to opt into the Net Billing Program. However, once a

1 customer transitions to the Net Billing Program, that customer should not be eligible to  
2 re-qualify for legacy NEM Program access.

3 • **Apply NEM Program status to the system, not the customer.** Eligibility for legacy  
4 access to the NEM Program for existing customers should be connected to the physical  
5 installation, not to the customer. That allows customers to sell their homes and receive  
6 the fair value for the generating equipment based on the investment expectation at the  
7 time the equipment was installed. The new buyer would continue to receive service  
8 under the NEM Program. Conversely, an owner of a system enrolled in the NEM  
9 Program does not qualify for NEM Program enrollment for a second system or a new  
10 system at another residence.

11 • **Prohibit material increases to system size.** If a customer modifies their generation  
12 system to include a material increase in capacity, they will no longer be eligible for  
13 continued enrollment in the NEM Program and would be transferred to the Net Billing  
14 Program. A material increase in capacity should be defined as 10% of existing capacity  
15 or 1 kW, whichever is greater.<sup>18</sup>

16 **IV. Forcing Customers With Existing On-site Generation Onto the New Net Billing**  
17 **Program Would Have Severe and Detrimental Impacts to Those Customers While Having**  
18 **Nominal Impacts on Other Customers.**

19 ICL and Vote Solar analyzed customer information provided from the Company through  
20 discovery to determine the impact to existing customers of enrollment on the Settlement

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<sup>18</sup> A reasonable threshold for materiality is important due to technology changes and market availability of certain products over time. For example, if a tree falls on an individual panel, the customer seeking replacement may find that the exact model of the existing panel is no longer available and small modifications to capacity may be required.

1 Agreement's Net Billing Program.<sup>19</sup> That analysis included: (1) a simple payback analysis to  
2 determine the impact of the Net Billing Program on each customer's ability to recoup their  
3 investment costs; and (2) a bill impact analysis to determine the increase in customer bills if  
4 customers were forced onto the Net Billing Program.

5 For the simple payback analysis, ICL and Vote Solar identified 1,375 residential  
6 customers and 29 small general service customers that had both complete 2018 load data, and a  
7 single solar DG system that was installed in or after 2009. ICL and Vote Solar then conducted a  
8 20-year simple payback analysis for each customer beginning the year that the customer installed  
9 generation, taking into account how IPC's rates and prices for rooftop solar have changed over  
10 the last ten years.<sup>20</sup>

11 Results of the simple payback analysis demonstrate that enrollment on the Net Billing  
12 Program would have significant and adverse impacts on individual customers' ability to recoup  
13 their investments. In fact, **more than 30 percent of customers** analyzed would have their  
14 investments rendered uneconomic as a result of the transition to Net Billing.<sup>21</sup> That ratio applied  
15 to current customer levels means that **roughly 1,300** families and small businesses would have  
16 their investments put underwater if forced onto the Settlement Agreement's Net Billing Program.

17 The bill impact analysis was conducted using similar information, but for a broader  
18 portion of the sample. The broader sample was employed because the bill impact analysis is less  
19 complex and does not require assumptions as to historic rates and investment costs. In total, the

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<sup>19</sup> See *Attachment 1*, Idaho Power Response to Vote Solar Production Request 15.

<sup>20</sup> Historic rates were obtained in discovery from IPC and included here in Attachment 1, Idaho Power Response to Vote Solar Production Request 16. Historic solar install prices were based on LBNL's Tracking the Sun report and scaled to Idaho-specific cost data.

[https://emp.lbl.gov/sites/default/files/tracking\\_the\\_sun\\_2019\\_report.pdf](https://emp.lbl.gov/sites/default/files/tracking_the_sun_2019_report.pdf)

<sup>21</sup> For purposes of this analysis, "uneconomic" systems were defined as those that did not achieve simple payback within a 20-year timeframe.

1 bill impact analysis looked at 1,524 residential and 34 small commercial customers.<sup>22</sup> Individual  
2 customer bills were calculated under the terms of the current NEM Program and the Settlement  
3 Agreement's Net Billing Program to analyze the impact of that change for each customer. ICL  
4 and Vote Solar quantified the increase in customer bills between the NEM Program and the Net  
5 Billing Program in 2028 once the Export Credit Rate is expected to be fully implemented.<sup>23</sup> The  
6 results show that the average existing residential customer-generator's monthly bill would  
7 increase roughly \$17.00, or 25%, on the Net Billing Program when compared to the NEM  
8 Program and the average monthly bill paid to Idaho Power by an existing small commercial  
9 customer-generator would increase roughly \$14.00, or 28%. Figure 1 and Figure 2 below  
10 provide the distribution of impacts in dollar and percentage increase, respectively for residential  
11 and small commercial customers combined.

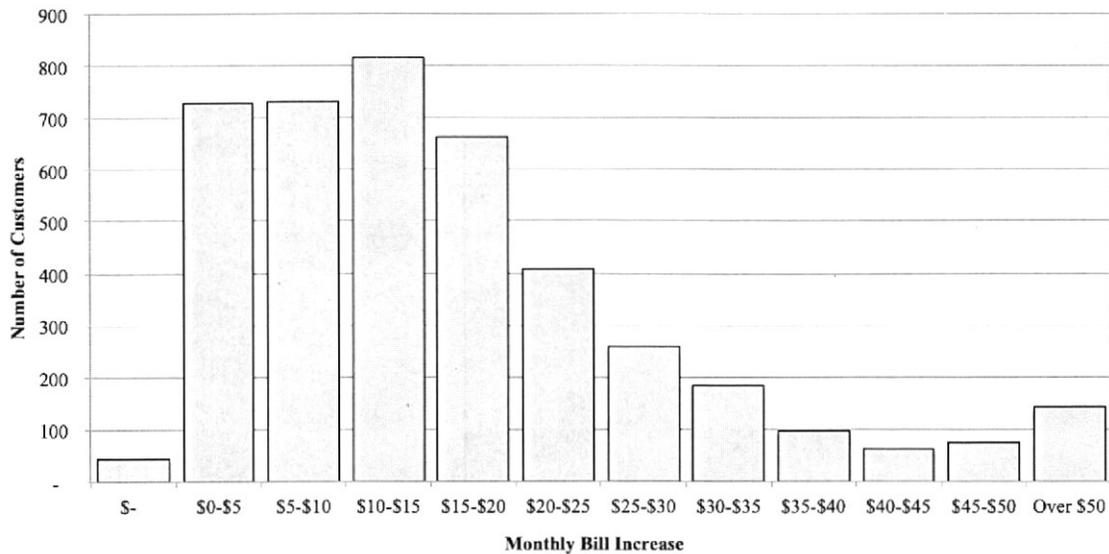
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<sup>22</sup> The bill impact analysis looks at all customers with a complete year of data in 2018 and includes customers with multiple on-site generation systems as well as customers with non-solar distributed generation systems.

<sup>23</sup> While bill impacts will phase in over time as the Export Credit Rate is phased in, the full impacts of movement to the Net Billing Program would be borne in 2028. As outlined in the Settlement Agreement, the Net Billing Program would open in 2020 with an Blended Base Energy Rate of \$0.0860/kWh for residential customers and \$0.10222/kWh for small commercial customers and would transition over a period of 8 years to the Export Credit Rate, initially set at \$0.04406/kWh for residential customers and \$0.04956 for small commercial customers. While ICL and Vote Solar expect that retail rates as well as the Export Credit Rate would change over time, the analysis assumes that rates of increase would track inflationary increases, results are therefore presented in 2020 dollars.

1

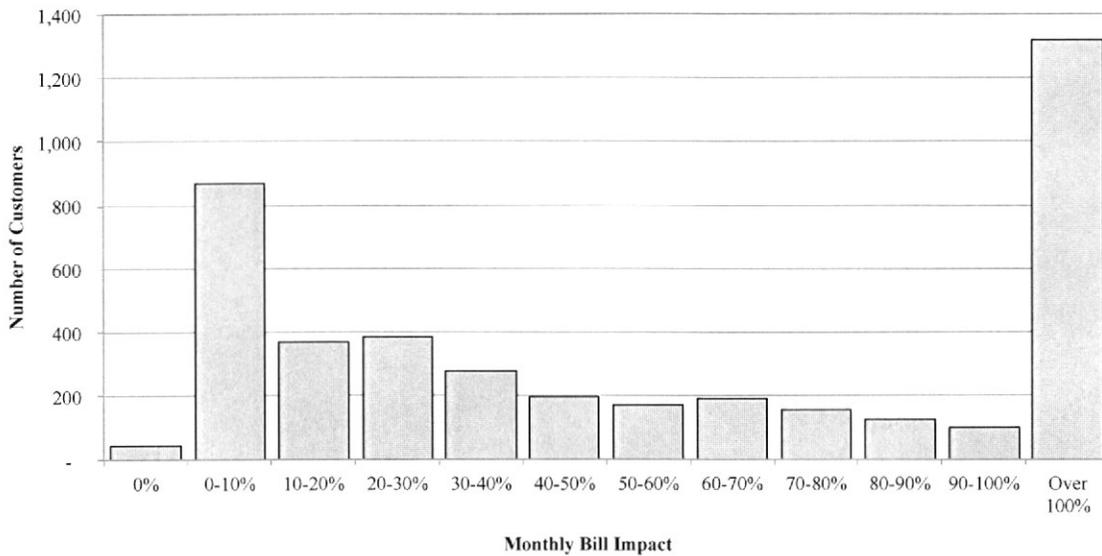
**Figure 1: Bill Impact of Transition to Net Billing Program, \$2020/month**



2

3

**Figure 2: Percent Bill Impact of Transition to Net Billing Program**



4

5 As shown in Figure 1 and Figure 2, impacts to individual customers will vary. Customers  
 6 that export a small portion of the energy that they generate on-site will have lower impacts  
 7 associated with migration to the Net Billing Program when compared to customers that export a  
 8 larger amount of the energy they produce. However, if the Commission orders existing solar  
 9 customers onto the Net Billing Program, the average residential customer-generator would see a  
 10 25% increase in their monthly bill and the average small commercial customer-generator would

1 see a 27% increase. In addition, roughly 31% of residential customers and 24% of small  
2 commercial customers, over 1,300 families and small businesses, will see bills increase more  
3 than 100%, an average bill increase of \$24/month.

4 Increases of 25%-28% on average, and causing 1,300 customers to see bills rise by more  
5 than 100%, is dramatic and would be shocking to those customers. That is especially true since  
6 the bill increase would not be caused by a change in the customer's usage, behavior, or costs.  
7 Rather the Commission would impose this impact on people merely by changing policy after  
8 these Idahoans made investments in their homes and businesses.

9 This large impact to customer-generators is not offset by providing any meaningful  
10 protection or benefit to other Idaho Power customers. ICL and Vote Solar's analysis shows the  
11 impact of providing continued NEM Program access for existing customer-generators has *de*  
12 *minus* impact on other customers. As of August 2019, 4,164 residential customers and 48  
13 small commercial customers had interconnected on-site generation systems<sup>24</sup> and an additional  
14 733 residential and 4 small commercial customers had submitted applications for  
15 interconnection.<sup>25</sup> This constitutes roughly 1% of the residential class and 0.2% of the small  
16 commercial class. If all of these customers were allowed to remain on the NEM Program rather  
17 than be placed on the Net Billing Program, the impact to a typical residential customer would  
18 only be \$0.18 per month.<sup>26</sup> For context, this amount is roughly half of the amount the typical  
19 residential customer pays for the \$4.2 million in annual base salaries that are given to Idaho  
20 Power Company's CEO and executive officers.<sup>27</sup> In short, forcing customers who made

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<sup>24</sup> See Attachment 1, Idaho Power Response to Vote Solar Production Request 17.

<sup>25</sup> See Attachment 1, Idaho Power Response to Vote Solar Production Request 18.

<sup>26</sup> Measured in current-year dollars for the year 2028 when the Export Credit Rate would be fully implemented.

<sup>27</sup> 2018 FERC Form 1, page 108.

1 investments in generation based on the Commission-approved NEM Program onto the  
2 Settlement Agreement's Net Billing Program would lead to drastic bill increases for those  
3 customers with no meaningful benefit for others.

#### 4 **V. Conclusions and Recommendations**

5 ICL and Vote Solar respectfully urge the Commission to protect the Idaho families and  
6 small businesses who spent large amounts of their own money to install local clean energy and  
7 enroll in the NEM Program. Forcing those customers immediately onto the Net Billing Program  
8 that they had no reasonable means to anticipate when they made their investment undermines not  
9 only their finances but the ability of this Commission to implement programs that customers can  
10 trust and rely on. In its comments in support of the Settlement Agreement Commission Staff  
11 characterized the Settlement Agreement as addressing a "long list of complicated and sometimes  
12 contentious issues."<sup>28</sup> A failure to protect existing customers who would have no reasonable  
13 means of foreseeing the outcome of these complicated and contentious issues would have severe  
14 and detrimental impacts on a small number of customers but *de minimus* impact on non-  
15 participants.

16 As a result, ICL and Vote Solar recommend the following:

- 17 • **Set NEM Program Enrollment Deadline 60 days following the Commission's order.**

18 The Commission should use a date 60 days following the effective date of an order  
19 approving a new Net Hourly Billing Program so that customers in the process of  
20 designing and installing generation are included.

- 21 • **Define eligibility based on application.** To allow customers to have control over their  
22 eligibility for legacy NEM Program access, the Commission should base qualification on

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<sup>28</sup> Staff Comments on the Settlement Agreement at page 3.

1 what the customer can control: submitting a completed Net Metering Application,  
2 including payment of the \$100 application fee. Expired applications should not qualify  
3 for legacy NEM Program access.

- 4 • **Keep the NEM Program open to existing customers indefinitely or for a minimum**  
5 **of 20 years.** It is appropriate for the Commission to allow existing customers indefinite  
6 access to the NEM Program, however, to the extent that the Commission is concerned  
7 about such an open-ended approach, legacy NEM Program access should be granted for a  
8 minimum of 20 years from the NEM Program Enrollment Deadline.

- 9 • **Allow existing customers the option to transition to the Net Billing Program.**

10 Existing customers should be allowed, at their sole discretion, to opt into the Net Billing  
11 Program. However, once a customer transitions to the Net Billing Program, that customer  
12 should not be eligible to re-qualify for legacy NEM Program access.

- 13 • **Define NEM Program status by the system, not the customer.** Eligibility for the  
14 legacy access to the NEM Program for existing customers should be connected to the  
15 physical installation, not to the customer. That allows customers to sell their homes and  
16 receive the fair value for the generating equipment based on the investment expectation at  
17 the time the equipment was installed. The new buyer would continue to receive service  
18 under the NEM Program. Conversely, an owner of a system enrolled in the NEM  
19 Program does not qualify for NEM Program enrollment for a second system or a new  
20 system at another residence.

- 21 • **Prohibit material increases to system size.** If a customer modifies their generation  
22 system to include a material increase in capacity they will no longer be eligible for  
23 continued enrollment in the NEM Program and would be transferred to the Net Billing

1 Program. A material increase in capacity should be defined as 10% of existing capacity  
2 or 1 kW, whichever is greater.

Respectfully submitted this 13<sup>th</sup> day of November 2019.

  
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE )**  
**APPLICATION OF IDAHO POWER )**  
**COMPANY TO STUDY THE COSTS, ) CASE NO. IPC-E-18-15**  
**BENEFITS, AND COMPENSATION )**  
**OF NET EXCESS ENERGY )**  
**SUPPLIED BY CUSTOMER ON- )**  
**SITE GENERATION )**

**IDAHO CONSERVATION LEAGUE AND VOTE SOLAR BRIEF ON EXISTING  
CUSTOMERS**

**ATTACHMENT 1**

**(COMPACT DISC WITH DISCOVERY RESPONSES)**

## CERTIFICATE OF SERVICE

I hereby certify that on this 13<sup>th</sup> day of November 2019 I delivered true and correct copies of the foregoing BRIEF ON EXISTING CUSTOMERS to the following via the method of service noted:

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