



Case No. IPC-E-18-15
Final Order No. 34509
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Commission declines proposed Idaho Power net metering settlement agreement, grandfathers existing customers into current program

BOISE (Dec. 20, 2019) – State regulators at the Idaho Public Utilities Commission have rejected a proposed settlement agreement that would change how Idaho Power customers who installed solar panels or other on-site generation systems are compensated.

The proposed settlement agreement involves net metering, where Idaho Power customers pay an independent contractor to have solar panels or other systems installed on their homes or property and then receive credit from Idaho Power for the surplus energy they deliver to the company.

Under the proposed agreement, energy production and consumption would have been netted hourly. Under Idaho Power's current program, production and consumption are netted on a monthly basis. The settlement agreement also would have paid existing on-site generation customers an export credit rate for net energy exported to Idaho Power's grid. Under the company's current program, net excess energy is compensated at a 1:1 kilowatt hour credit, meaning the value of the net energy exports is equal to the value of the energy consumed. The settlement agreement also transitioned new and existing customers who have on-site generation to a new pricing structure over an eight-year period. In addition, Idaho Power would provide a non-export option for customers who want to interconnect to Idaho Power's grid without exporting excess energy back to the company.

The proposed agreement covered Schedule 6 and Schedule 8 Idaho Power customers. Schedule 6 customers are residential customers. Schedule 8 customers are small, general service customers. The agreement was reached after a year of negotiations involving Idaho Power, staff with the commission, the Idaho Clean Energy Association, Idaho Conservation League, Vote Solar, the Idaho Irrigation Pumpers Association, Inc., Idahydro, the City of Boise, Idaho Sierra Club, Industrial Customers of Idaho Power, and Russell Schiermeier.

In the commission's order that rejected the settlement agreement, the commission found that the record created from the settlement proceedings was insufficient to support the settlement. The commission also found the public was not adequately notified or aware that the agreement might result in significant changes to Idaho Power's net metering program.

The commission also addressed the issue of grandfathering for existing Idaho Power net-metering customers. Numerous comments that were submitted expressed concern that proposed changes to

Idaho Power's net metering program would make it difficult for homeowners who invested in solar panels to recoup the cost of their investments. The commission found it reasonable and just to grandfather existing customers under rules in place as of the service date of the commission's order.

In its order, the commission directed Idaho Power to conduct a study of the costs and benefits of distributed on-site generation to its system. The order requires the study to use the most current data possible and that the data be readily available to the public. The order also requires the study to be designed in coordination with the parties that participated in settlement talks as well as all stakeholders. Other requirements are that the study is written so it is understandable to an average customer while its analysis can withstand expert scrutiny. In addition, commission staff and Idaho Power will host public workshops to provide information and perspectives on Idaho Power net-metering program design as well as the design of the study before it is conducted.

The commission's order also requires an opportunity for public comment on the design of the study and public comment on net-metering program design.

During public hearings on the proposed agreement, the commission listened to thirteen hours of public testimony over two days. The commission also received more than 1,000 written comments.

To access documents filed in this case, please visit the commission's website at www.puc.idaho.gov, and click on "Open Cases" under the "Electric" heading. Scroll down to case number IPC-E-18-15.