

Allen & Peggy Merritt  
607 Ridge Circle  
Kimberly, Idaho 83341  
([pegandalhome@gmail.com](mailto:pegandalhome@gmail.com))

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IDAHO PUBLIC  
UTILITIES COMMISSION

October 30, 2019

Idaho Public Utilities Commission (IPUC)  
PO Box 83720  
Boise, Idaho 83720-0074

RE: IPC-E-18-15, IPC-E-18-16 and IPC-E-19-15

Gentlemen & Ladies:

We recently received a letter from Idaho Power Company (IPCO) informing us of a settlement agreement between IPCO, IPUC and others regarding changes to the compensation or billing structure for residential solar users. After some research on the settlement agreement it is our understanding it has not yet been determined how this may be applied to existing residents with solar installations. The purpose of this letter is to argue or urge the IPUC to exempt existing residential solar developments from the settlement structure and/or grandfather such developments and allow them to continue with the current net-metering program.

Background:

Our residence is located in a subdivision developed in the 1980's with only electricity available (no gas). Our house was built with the total electric concept (space heating, water heating, cooking, etc). We have over the years noticed an ever increasing power bill and have taken steps to reduce energy use by adding insulation, replacing windows, etc. In 2018 our monthly bills ranged from a low of \$114 to a high of \$452 per month. We are retired and the children are gone. We find the IPCO bill is our largest expense other than food and medical.

In the spring of 2019 we started to investigate the potential for installing a solar system at our residence to combat our monthly bill and to make our carbon footprint less. It was not totally a financial decision but that played the major part. We understood the current tax incentives were soon to decrease or expire. With all the hype in the news media, internet, and even information from IPCO we determined to proceed. We got bids from four solar installers. One installer's selling point was we needed to act soon to gain the status of being "grandfathered" in to the net-metering program.

We ultimately signed a contract with Gietzen Solar LLC in June of 2019 and our system has been up and running these last few months. (To date our system has saved over 6000 pounds of CO2 emission which is equivalent to more than 150 trees planted) Our system was designed with the net-metering concept to supply 95% of our electricity needs. It cost \$39,200 upfront and was projected to have a payback period of 8.8 years with a system lifetime of 30 years with projected savings of \$32,601. After receiving the recent IPCO letter we requested an analysis of the settlement agreement on our system from Gietzen. They indicated it was difficult because of going to an hourly basis and lack of data, but did estimate the payback period would extend to at least 11.1 years and the lifetime savings over 30 years

would reduce to \$14,948. Essentially it is going to take 2.3 years longer to break even and we will lose \$17,653 from what was expected. If our example is typical for other residential solar users we find this rather unfair to all residential solar users who have based their decisions on the current net-metering concept.

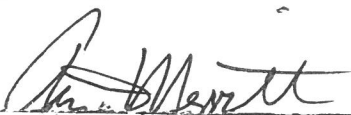
While researching the settlement agreement we found it interesting in IPCO's "Fixed Cost Report" the reference to Bonbright's 10 Principles of Ratemaking as criteria deemed appropriate for establishing rate structures. In our estimation the settlement agreement if applied to existing residential solar users fails the following numbered Bonbright Principles: 3) Stability and predictability of the rates themselves, 4) Static efficiency, 6) Dynamic efficiency in promoting innovation and responding to changing demand-supply patterns, 7) Reflect all present and future private and social cost in the provision of electricity, 9) Simplicity, certainty, convenience of payment, economy in collection, understandability, public acceptability, and feasibility of application, 10) Freedom from controversies as to proper interpretation.

From the aspect of a solar owner, we provide our excess power to the IPCO system mostly during the summer months at a time when IPCO has yearly peak demand. Similarly we provide our excess power during the day when there is daily peak demand, yet even during the night when we rely on using our credit that may have been generated that same day, under the hourly metering scheme we could potentially be penalized over 50%. This seems rather unfair. We believe the benefit of solar users is being undervalued in both regards to power to the system and impact on the environment.

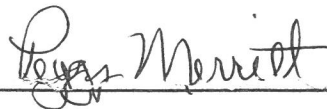
In summary we applaud IPCO for moving toward total green energy by 2045. Our family thought we made that move in 2019 but with the paradigm shift as proposed by the settlement agreement in the rate structure for solar users, we are not so sure. Considering the plight of existing solar system owners who have made good will financial decisions based on the current net-metering program and considering their current and ongoing positive impact on the environment, we urge the PUC to not apply the settlement agreement to existing residential solar users.

Thank you for hearing us out.

Respectfully,



Allen Merritt



Peggy Merritt

CC: Gietzen Solar LLC