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Subject: New Study Shows Idaho Power is Undervaluing Rooftop Solar
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Commissioners
Idaho Public Utilities Commission
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Re: New Study Shows Idaho Power is Undervaluing Rooftop Solar

Dear Commissioners:

A new independent study published by Crossborder Energy shows Idaho Power undervalued customer-owned rooftop solar in its June study, where the state's largest investor-owned utility indicated it may cut compensation rates to local solar owners by over 60%.

Idaho Power's study concludes excess power from local solar owners is worth 2.8-4 cents per kilowatt hour while Crossborder determines that same power is worth 18.3 cents per kilowatt hour -- nearly five times more. The current valued at the retail rate of electricity is around 8-10 cents per kilowatt hour.

Crossborder's study states:

"We conclude that Idaho Power's choice of assumptions and calculation methods significantly undervalue the five components that the utility quantified. We present our own calculations of an [Export Credit Rate] with these five elements. In addition, [Idaho Power's] Study fails to quantify important benefits of distributed solar [...] that are known and measurable, will impact rates, and will benefit Idaho ratepayers and citizens."

Crossborder's analysis shows Idaho Power often used outdated data and made poor assumptions to arrive at lower compensation rates. The company also neglected to include benefits like the long-term hedge against volatile natural gas prices and avoiding the rate impacts of carbon emissions, resulting in artificially lower values that will ultimately discourage locally-owned solar.

This study shows what many of us already expected, that Idaho Power would use a biased approach to protect its own interests of owning and profiting from solar power. Regulators need to step up here and make sure Idahoans interested in rooftop solar have a chance to produce their own affordable, clean energy.

Idaho Power should continue to buy energy from solar generators, like our customers, at the same rate they charge them, as there are just as many economic benefits to the utility and our power grid as there are impacts. Customers who add renewable energy to their home and participate in net metering help Idaho Power meet their own clean energy goals. The customers personally invest in new generation sources that the utility and rate-payers don't have to support and the excess energy sent back to the grid helps to alleviate demand issues the utility faces.

Blaine County has set a goal to achieve 100% clean electricity by 2035. If Idaho Power doesn't correctly value customer generated roof-top solar, it will hamper our ability to generate local electricity, an important tool to achieve this goal.

Not only does rooftop solar provide clean energy to the grid, it also generates electricity locally, right where it is needed by homes and

businesses. Local energy resources help to avoid the need for expensive investments in new transmission and distribution lines, and can also improve community resiliency. Encouraging customers who can do so to install rooftop solar is a smart way to meet Idaho's growing energy needs.

The Idaho Public Utilities Commission (IPUC) is currently reviewing Idaho Power's study, along with Crossborder's independent study, which was submitted as an attachment to Idaho Conservation League's formal comments on September 21. Members of the public can submit comments to the IPUC by October 12 (deadline may be extended). Customer hearings are expected to be held in Boise, Pocatello, and Twin Falls in late October or early November.

The outcome of this case will determine the future of local solar ownership in Idaho.

The IPUC's final decision on whether to accept or reject Idaho Power's study results is expected by the end of the year, after which Idaho Power will propose a new compensation rate structure for solar owners, which will open yet another case at the IPUC early next year.

Crossborder Energy Study:

<https://www.sierraclub.org/sites/www.sierraclub.org/files/2022-09/Independent%20Review%20of%20the%20Idaho%20Power%20Value%20of%20Distributed%20Energy%20Resources%20Study%20-%2009-20-22%20v3.pdf>

Yours sincerely,
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