

IPUC Public Comment & Proposal for Case No. IPC-E-23-14

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Thank you to the Idaho Public Utility Commissioners for your consideration of my comments in this matter.

As an Idaho Power customer and on-site solar power generator owner, I am extremely concerned with Idaho Power's ECR proposal. It demonstrates a very one sided argument, that does not truly consider the "on-site power generating customer" (OSPGC). It is also very alarming to me the actions of this Commission. It is allowing a "For Profit" company to use its own study and data to make this extremely self benefiting request. The fact that this Commission is even allowing this proposal to be considered based on their own internal study is disturbing. The IPUC was chartered to protect Idaho customers, but this action depicts a Commission that may be giving its "For Profit" utility companies too much leeway in making excessive requests, and deciding what is right and fair for the different classes of customers.

OSPGC's have had a lack of guidance since the last guidance was provided by this Commission. Providing the guidance that OSPGC's would be subject to change in the future, is not guidance. It is actually an absence of guidance. And in the absence of guidance, responsible community members will do what they believe to be the best thing for their community. All OSPGC's have acted selflessly to protect the environment and to make our power grid stronger and more resilient to negative economic and environmental forces. They should not now be punished for doing so. If anything, they should be rewarded for taking the initiative to do what is right.

There's been a general narrative out there that has been created by Idaho Power and that they once again claimed during the online briefing held on 6 Sep 2023 (slide 15, bullet point # 3), that OSPGC's are basically getting a rate that is better than other Idaho Power customers due to the complexities of how we receive credits for our on site generated power that is sent back out to the grid. This is far from the truth. Prior to having solar energy created at our residence, we were using anywhere between \$50 to \$130 worth of energy from Idaho Power monthly. Now, we pay a monthly payment of \$190 for the loan on the solar equipment. In addition to that, we still pay the monthly service fee charged by Idaho Power, which is currently \$5.00 per month (IP is also proposing to increase this fee to \$15 per month on their General Rate Case IPC-E-23-11). This clearly demonstrates that OSPGC's are not receiving a better per Kwh deal than other Idaho Power customers. In fact, if you consider their loan payments for their solar systems, most (if not all) OSPGC's are already paying more for their energy than all other Idaho Power residential customers. I would imagine that for most OSPGC's, they acquire solar energy to do their part in protecting our environment while also increasing the capacity and capability of our community's grid.

Also, during times of high demand, every single Kwh hour of energy that we are producing that is beyond the OSPGC's personal need, is being sent back out to the grid for other non-OSPGC to use. That prevents Idaho Power from having to go out on the open market and purchase that Kwh. So, in most cases that means Idaho Power is receiving a 1 for 1 Kwh from OSPGC's, while at the same time avoiding purchasing that same Kwh from a wholesaler for costs that can be as high as 20+ cents per Kwh.

There is also a narrative that's been created by Idaho Power that the current legacy 1 for 1 swap of power with OSPGC's is outdated and that Idaho needs to update its process and systems to reflect more like other states that have moved to a system that is more considerate of all customers. I believe this narrative is invalid. Idaho has seen a rapid increase in the amount of homeowners that are adopting solar options. And that number continues to increase dramatically year over year (please refer to the chart on page 4 of Idaho Power's 2023 Annual DER Status Report). According to that report, OSPGC systems grew from less than 1000 in 2013, to nearly 16000 systems at the end of 1st Qtr, 2023. This continues to bolster our grid's capabilities and significantly helps Idaho Power meet its goal of 100% clean energy by 2045. However, if the IPUC adopts Idaho Power's proposal, it will have the opposite effect and will substantially reduce the number of homeowners that adopt solar, just like other similar programs have demonstrated in other states. This legacy program is not outdated. If anything, it should be regarded as the gold standard program for promoting clean energy. Other states should be adopting our program.

To make the case as to when to pay the highest rate for energy created by OSPGC's, Idaho Power claims that their peak energy demand falls between the hours 3pm and 11 pm. However, on their "Time of Day " plan, where they charge the customer a fee per Kwh based on the system demand on the time of day, they claim their peak demand time is 1pm to 9pm. How can they make the argument with everyday customers that peak time is 1 pm to 9 pm, but then turn around and tell us OSPGC's that peak times are between 3 pm and 11 pm? Most solar systems produce their daily peak power between 11:00 am and 2:00 pm. I believe this part of the proposal is Idaho Power's attempt to get the most out of our solar systems when they are creating the most power at the much lower rate of 4.91 cents per Kwh. And to only pay the higher fee of 20.43 cents when the solar systems are already producing well below their highest point of the day. When 3 pm comes around, most systems have already dropped their production well below maximum output for the day.

The one part Idaho Power does not cover on this portion, is how they sell power available within their grid to other companies throughout the US. They state this on their website. What this proposal does not cover is the fact that between 10:30 am and 1 pm, prior to peak hours in Idaho, they are selling our solar created power back to other companies on the east coast and midwest when they are hitting their peaks 2 to 3 hours ahead of our region and in most cases, selling that power for peak prices. That is a clear benefit to Idaho Power.

Also on this part of their proposal, they propose to pay the lower rate during the summer months on Sundays and Holidays. However, on their "Time of Day" plan, they do not turn off the Peak time rate for paying customers on these days. Customers must still pay the higher per Kwh fee during peak times on all Sundays and Holidays during the summer months.

Perhaps the option should be more flexible. As an example maybe the flexibility lies in a three time tier. A low peak of 10:30 am to 1 pm, at which they pay a mid tier rate of 17 cents a Kwh, then from 1 pm to 5 pm a high peak rate of 20 cents a Kwh and all other times are considered off peak in which they pay a rate of 7 cents per Kwh instead of the proposed rate of 4.91. Also, many states that Idaho Power sells energy to reach high Summer temperatures early on in May and hit their peak energy demands during that month. Therefore, peak months for paying OSPGC's the higher rates should be May 15th through October 15th.

I find it highly important that all of us, including the IPUC, ensure that our energy infrastructure is structurally and financially healthy. This means ensuring Idaho Power, along with all other Idaho based utility companies, are in good standing with their finances. If we were to put in place measures and procedures that hurt these companies financially, we could be putting our electrical infrastructure at risk. However, if the IPUC was to disapprove this Idaho Power proposal, the company would still be financially sound. Idaho Power reported that their net income in the 3rd quarter of 2022 had increased \$8.5 million over the same time in 2021. They reported that their net income for the 4th quarter in 2022 had increased \$9.3 million over the same quarter in 2021. They reported that their net income for the 1st quarter in 2023 had increased \$9.8 million over the same quarter in 2022 and finally, in their last reported quarter (2nd quarter 2023) they had increased their net income \$4.3 million from the same quarter in 2022. This demonstrates that even under the current rates applicable to all Idaho Power customers (including OSPGC's 1 for 1 Kwh rate), Idaho Power is still very healthy financially and we are not putting the company in jeopardy by keeping these currently applicable rates. This also brings into question as to why they would be asking for any rate increases for all other Idaho Power customers. But that is a point to be taken up on the Standard Rate Increase proposal.

Most OSPGC's that were not grandfathered into the 1 for 1 system knew that at some point they may lose the 1 for 1 deal. However, this isn't a simple change. This is a dramatic modification that reduces their benefits by 47 percent (nearly half of our power created and sent back out to the grid will be taken from us). I do in fact believe that we as OSPGC's need to be open to the idea that exchange rates may need to be adjusted from time to time. But this is not an adjustment. This is an extreme request by Idaho Power that makes it seem like they are simply trying to pad their bottom line at a high cost to the OSPGC's. This is not a good way to encourage good behavior by members of our community that are just simply trying to do their part in providing clean energy options while also making our grid more secure and stable. Surely many others that are currently looking to add solar energy to their homes, will now think twice before doing so. If this proposal is accepted by the IPUC, I have no doubt, many that are currently looking to purchase a solar system will now decide not to buy because there is not

enough incentive to do so. Again, let's remember that we lose money when we add solar, and this would only make the addition of solar even more financially risky to all solar system owners.

The study used for this proposal (VODER) was conducted by Idaho Power. A "For Profit" company that is publicly traded on the New York Stock Exchange. A company that answers to shareholders. This is a conflict of interests to have a company conduct its own study on whether it should receive a more advantageous price structure. I would speculate that out of 100 "For Profit" companies that would be asked to conduct such a study, and make such a proposal, 100 of them would be able to demonstrate how they should be better compensated. And for that reason this study should not be allowed to be used to make such a proposal. In order for a study (that will have such huge ramifications to customers) to be considered, it must be conducted by a third, neutral party. In fact, two separate companies should be conducting this study to see if each of their findings correlate. Both entities conducting the study should be selected by this Commission, with strict guidance to conduct all studies in an environment that will not allow for misguidance to be given by Idaho Power. And the study should not only consider data from Idaho Power, but also legitimate data that can be provided by any of its customers, to include large corporations that have the manpower and resources to research and provide such relevant data.

One of the mandates/criteria that the IPUC placed on Idaho Power with the VODER study was that "the study be written so it is understandable to an average customer, but its analysis must be able to withstand expert scrutiny". I would like to think of myself as having a decent level of intelligence, and I can tell you that I understand at best 25 percent of the VODER study. I understood even less the presentation that Idaho Power gave on 6 September 2023 on how they came up with their calculations for how OSPGC's should be compensated for their energy sold back to them (6 September 2023 presentation, Slides 19 through 21). I would imagine that at least 90 percent of all other Idaho Power customers would have the same experience with reading the study and the slide presentation.

This proposal is also clearly designed to drive customers away from getting solar power so that Idaho Power can sell more power to those customers that would otherwise get solar, and so they can have more control of whose power is going onto the grid.

Likely, the annual average rate of 5.96 cents per Kwh that Idaho Power has claimed OSPGC's will receive will be lower as Idaho Power likely gave this number favorable rates to over inflate the number beyond what the rate will actually be. If this commission does in fact accept and approve this proposal (which it should not), then perhaps OSPGC's should instead be paid the rate of 5.96 cents per Kwh regardless of time of day or time of year, so as to prevent the customer from getting paid some other even lower average rate.

On April 28, 2023, Idaho Power published its 2023 Annual DER (Distributed Energy Resources) Status Report. On page 10 of this report, Idaho Power denotes how in 2022 there were 28.9 million unclaimed Kwh of power generated by OSPGC's. In other words, OSPGC's have over produced more than 28 million kilowatt hours of power, much of which is unlikely to ever be

recalled or used by the OSPGC customer. If you take the total of that energy and sell it back to Non-OSPGC customers at the standard rate of 11.2 cents, that means Idaho Power benefited roughly 3.2 million dollars from the sale of that energy to other non-OSPGC customers. These unused Kwh by OSPGC's has increased exponentially over the last 9 years, and will likely continue to increase exponentially for many years to come, meaning Idaho Power's benefit from these unused Kwh will only continue to also grow exponentially. Again, another VERY RELEVANT note that is not factored into the study conducted by Idaho Power when they presented their case to IPUC and the public. This is another point that STRONGLY indicates how a study by a neutral third party is absolutely necessary.

The federal government currently promotes solar production by homeowners by giving us significant tax rebates to incentivize the practice. The Idaho government also greatly incentivises this practice with its own tax rebates to homeowners. And even after all these incentives, we still have to make payments that are higher than our power bill would be if we had no solar system. Everybody here is doing their part. And Idaho Power has up till now also done its part. But it must continue to do so if it wants to show that it is serious about becoming 100% clean by 2045. Encouraging OSPGC's and fostering an environment that brings other homeowners and businesses onboard with these types of programs will help Idaho Power meet its goal, possibly much sooner than 2045.

If Idaho Power wants to get to a place that makes more financial sense to their company and their customers, they need to do it gradually over time in order to give the customer time to adjust to any proposed, sensible changes. This proposal is far from sensible. I propose these three options for the Commission to consider instead of Idaho Power's current proposal.

Proposal 1.

Grandfather in all current OSPGC's and any future OSPGC's that have applications pending or that install a system on or before 31 May 2024.

Any new OSPGC's starting on 1 June 2024 would get a 90% return on each Kwh they send out to the grid.

Any new OSPGC's starting on 1 June 2025 would get an 85% return on each Kwh they send out to the grid.

Any new OSPGC's starting on 1 June 2026 would get a 80% return on each Kwh they send out to the grid.

Any new OSPGC's starting on 1 January 2027 would get a 75% return on each Kwh they send out to the grid.

These standards would be in place for 10 years, at which point Idaho Power could submit for a review of these standards.

Also, increase the amount an OSPGC pays for the monthly service fee from the current fee of \$5.00, to \$7.00. This fee would be for the purpose of offsetting any potential benefits that an OSPGC may be getting from having access to the grid.

Proposal 2

Current Non grandfathered OSPGC's and any new OSPGC's that have a system installed prior to 1 June 2024 would maintain the current rate structure until 31 December 2027. Then, starting 1 January 2028, those non grandfathered OSPGC's would receive a 90% return on each Kwh they provide to Idaho Power. This will allow adequate time for current non grandfathered OSPGC's to prepare financially for the changes.

Any new OSPGC's that have a system installed on or after 1 June 2024 would also receive an 85% return on each Kwh they provide to Idaho Power.

Any new OSPGC's that have a system installed on or after 1 June 2025 would receive 80% return on each Kwh they provide to Idaho Power.

Increase the amount an OSPGC pays for the monthly service fee from the current fee of \$5.00, to \$7.00. This fee would be for the purpose of offsetting any potential benefits that an OSPGC may be receiving from having access to the grid.

These proposals are much more sensible and provide customers the ability to adjust to the changes in rates, unlike the current Idaho Power proposal. I do not believe that the IPUC should ever authorize anything other than the 1 for 1 swap that is currently in place, so the above proposals are only meant to give the IPUC options that are not so drastics if it deems it necessary to make chances.

In the event that the IPUC should approve Idaho Power's proposal, I would request that IPUC make the changes effective no earlier than 1 January 2028 in order to give current and future OSPGC's ample opportunity to prepare financially for these drastic changes. They will surely have a seismic effect on our finances if we are not provided ample time to prepare for the changes.

At the end of the day, this is all about what is equitable and not necessarily what is fair to all involved.

Is it fair that non grandfathered OSPGC's only get credit for 53% of the energy they pump out to the grid, while grandfathered OSPGC's get 100%?

Is it fair that Idaho Power is trying to increase everybody's service fee by 200% despite it not showing any type of current financial distress that warrants the increase?

Is it fair that OSPGC's pay a loan payment that is significantly higher than what their electric bill would have been otherwise, while still having to make a payment to Idaho Power?

Is it fair that regular customers get to benefit from having a stable low per Kwh price because during peak hours OSPGC's assist Idaho Power in creating cheap, local and clean energy?

These are all questions that this Commission must try to address in the most equitable way possible. I hope you'll make the right decision based on what best benefits all of our futures, not what benefits Idaho Power's bottom line.

Thank you for taking the time to read and consider my points.

Sincerely

Luis Jordao

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October 11, 2023

Case number IPC-E-23-14; Export Credit Rate Filing

During the September 6, 2023 PUC Public Workshop on Idaho Power's Export Credit Rate Filing, there didn't seem to be an appropriate comparison of power-generation options relevant to the filing. For example, there wasn't a sufficient comparison of "individual solar" and "company solar."

Early in the session, I commented:

- Have you verified yet whether "Cost of surrogate generator, from the most recently filed IRP" (slide 21) provides an apples-to-apples dollar amount, when compared with residential solar generation? For example, residential solar generation involves equipment and installation labor costs that may or may not involve tax incentives.
- Do large entities qualify for more \$ assistance than private homeowners?
- Can the company build a solar farm for less than what a correlating group of residents would spend?
- *[today in this letter I add]* If so, then why not grandparent in all the residential pioneers who provided valuable "proof of concept" examples, helping Idaho Power pave the way toward a reliable and financially viable path to renewables?

A staff member explained the IRP is exploring "What is the value it's replacing. If all the solar generators weren't there, what would Idaho Power have to build to replace that." That's illogical. All the solar generators are there, and they've made a huge difference both in public perception and in the market for solar power – both of which have vastly benefited Idaho Power's financial position as well as its technical ability (if not its will power) to move more quickly and firmly toward a 100% renewables future.

What the residents have invested over time in their systems – in good faith – is much more than what would be needed today to build the same capacity. And a main reason for the current cost decrease is because of so much private demand that helped manufacturers and installers feel confidence in a solid market. Again, Idaho Power has directly benefited from the pioneering behavior of its customers. Those customers shouldn't be harmed because now it's so much less expensive to implement solar.

I especially appreciated this analysis & question from another attendee, at 8:02pm that evening; am echoing it in this letter:

"For the Avoided Generation Capacity component of the Export Credit Rate, Idaho Power uses a new gas plant as the surrogate resource that's being 'avoided,' but their own Integrated Resource Plan shows that they have NO plans to build any new gas plants and have committed to being gas-free by 2045. Idaho Power's IRP shows that utility-scale batteries are their resource of choice to meet capacity needs in coming years (not gas plants). Do you agree that it does NOT make sense to use a low-cost gas plant that will never be built as the proxy 'avoided' resource for this component of the Export Credit Rate?"

Please, Idaho Power and PUC, work separately and in tandem to maximize every tool available to you in helping each human on Earth experience the healthiest possible global atmosphere, rivers, and oceans that our species can accomplish.

With deep appreciation to all of you at the PUC, many conscientious staffers at Idaho Power, and other parties who've helped get us to this opportune moment of exploring, vetting, and challenging the study. It's critical that this type of decision be treated with proper care and appropriate due diligence to match the extreme gravity of the question before us: how humanity wants to generate power going forward.



Sharon Matthies
Boise, ID

From: Zach McCauley <jzmccauley@gmail.com>
Sent: Thursday, October 12, 2023 12:46 PM
To: Jan Noriyuki <jan.noriyuki@puc.idaho.gov>
Subject: Customer comments regarding case number IPC-E-23-14

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Public Utility Commission,

Thank you for providing opportunity to comment on case number IPC-E-23-14.

I want to say first that I understand Idaho Power's reasons for their proposal. That said, their proposal makes assumptions that don't apply to all customers, which in turn means that the impact of their proposal will adversely and disproportionately impact customers in positions similar to mine.

In summary, if Idaho Power's proposal is accepted, this will immediately put our whole solar system under water financially.

Our house is entirely powered by electricity. In other words, we have no gas, so all appliances, HVAC, etc use electricity only. For those reasons, and because of our south facing roof, we were ideal candidates for solar. Net metering allows us to overproduce in the summer (and in turn *contribute* to the grid when demand is highest in the treasure valley), then use our kwh credits in the winter when our personal demand in our drafting old house is highest (but overall treasure valley demand is lower, since most people's homes are heated by gas). Going to Net Billing effectively cuts our credit (not the comparable equivalent Idaho Power claims) in half, and the credit we will receive will not come close to covering the cost of our solar system. This is the first way in which our situation is not well-represented in Idaho Power's Billing Impact calculations.

The second: Idaho Power is prepared to compensate at a higher rate for power generated between peak hours, June - September, 3pm - 11pm. This also actually further sets us back financially since the neighbors to the west of us have a bank of large black locust trees that almost entirely block our production in these peak hours (actually starting around 2:30pm). We produce most of our power in the mornings, but this power would be undervalued, and limit our ability to have a comparable credit arrangement with Net Billing as we do with Net Metering. The higher peak hour compensation rate is intended, I assume, to help customers with solar systems "make up ground" but we would be minimally able to benefit from this arrangement, setting us further back financially.

Our family has been broadsided by Idaho Power's proposal. The rep at Blue Raven Solar who sold us our system did *not* communicate that this proposal was in motion. I wouldn't be surprised to learn that this proposal is mentioned somewhere in the small print of one of the 50 page documents I signed when moving forward with our solar project, so I do accept some responsibility for being unaware of this proposal until receiving the notification letter earlier this year. Had I known what was in motion regarding the switch from Net Metering to Net Billing, I never would have signed up for solar. As a

single-income family who do not even make enough to utilize the federal tax credits (also misrepresented by the Blue Raven rep, though I also need to accept responsibility here for not being thorough in my own research to fully understand that we wouldn't actually be able to benefit from these incentives), a change to Net Billing would bring notable financial challenge to us. In addition, Net Billing instantly transforms our solar system into a financial *liability* which would make our house difficult to sell if we ever needed to sell or move. I say this just to emphasize that these changes will have real detrimental impacts to real families....

Idaho Power has been very vocal and proud about their goal of using 100% clean energy by 2045, so why would they penalize those of us who are trying to participate and help contribute to this goal?

What I would propose is that, if Idaho Power's terms truly seem reasonable enough to the Utility Commission that an adoption of Idaho Power's terms is likely, that the Utility Commission would at least consider granting *all* existing families with solar systems the opportunity to be grandfathered in under the current Net Metering arrangement. This protects families like us, who made generation-impacting financial decisions centered around a Net Metering arrangement, but also allows Idaho Power a path forward if Net Metering truly is as bad as they make it out to be, and also obligates solar companies to be transparent about Net Billing and the financial viability of installing systems under the Net Billing terms.

Again, thank you again for providing opportunity to comment and thank you for reading and considering these thoughts.

Zach