



Case No: IPC-E-17-13

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Public hearings scheduled for Idaho Power net metering proposal

BOISE (Feb. 7, 2018) – The Idaho Public Utilities Commission has scheduled two public hearings regarding an Idaho Power Company proposal to reclassify customers who generate their own electricity.

Set for March 1 in Boise and March 5 in Pocatello, the hearings will provide interested parties an opportunity to submit testimony for the formal case record. There will be no formal presentation at either hearing.

If approved by the Commission, Idaho Power’s proposal would create new customer classes for residential and small general service customers who generate their own electricity, mainly through rooftop solar.

The proposal does not call for changes to rates or charges for any customers, though it asks the Commission to open a generic docket “to establish a compensation structure” for net metering customers that reflects the costs and benefits that on-site generation brings to the company’s distribution system.

Idaho Power customers with on-site generation are referred to as net metering customers due to the fact that their consumption can be offset or eliminated by sending energy onto the utility’s distribution system and they are charged for the “net” amount of energy they use each month.

These customers are currently classified in the same way as those with standard electric service, although they receive a credit for any excess electricity they send onto the utility’s system or grid.

This credit is at the full retail rate, which incorporates the cost of maintaining the company’s distribution system (poles, transformers, substations, etc.), rather than at a lower rate that is reflective of customer-owned energy production.

Idaho Power contends that this arrangement shifts the financial burden of maintaining and operating the distribution system onto its standard electric customers, creating a “wealth transfer from lower-income customers to higher-income customers.”

The electric utility industry has changed significantly since Idaho Power launched its net metering program in 1983.

Advanced metering technology now allows the company to precisely measure electricity usage, down to 15-minute intervals rather than monthly, making it possible to build sophisticated rate designs that better reflect the cost of providing service.

The cost of solar photovoltaic panels has also plummeted, resulting in the “rapid growth” of Idaho Power’s net metering program in recent years, according to the company.

In June 2017, Idaho Power reported 1,468 active and pending net metering customers with an aggregate nameplate capacity of 11 megawatts.

In late 2012, the company reported 353 net metering customers with an aggregate nameplate capacity of 2.525 megawatts.

Idaho Power projects the number of net metering customers to grow to between 6,171 and 7,032 by 2021.

Given the growth and age of the program, the company contends that net metering has matured to the point where updates are necessary in order to accurately reflect both the value of its distribution system to net metering customers and vice versa.

“The most appropriate time for the Commission to begin to address cost shifting caused by the combination of net metering and current rate design is now, before (on-site generation) penetration reaches higher levels,” the utility said in its application.

Updating the program as proposed will ensure that customers have access to a “fair-priced, scalable and sustainable” service offering in the future, Idaho Power said.

The proposal applies to customers with on-site generation who sign up for new service after Dec. 31, 2017; customers enrolled in the net metering program before that date would “transition over some period of years” to one of the proposed new customer classes.

If approved in full, Idaho Power’s proposal also would require new net metering customers to install smart inverters once an industry standard is established, a move the company said would address its concerns related to the stability and reliability of the distribution system due to an increase in on-site generation systems.

The two public hearings are scheduled to run from 7 pm to 9 pm.

The March 1 hearing in Boise will be held in the Commission’s hearing room at 472 W. Washington St.

The March 5 hearing in Pocatello will be held in Pocatello City Council chambers, 911 N. 7th Ave.

Interested parties who would like to provide input in the case but are unable to attend the hearings may submit comments until the conclusion of a technical hearing scheduled for March 8.

To comment, visit www.puc.idaho.gov. Under the “Consumers” heading, click on “Case Comment Form,” and include the case number, IPC-E-17-13. Or go [here](#).

The company’s application and other case-related documents are available for review on the Commission’s website, www.puc.idaho.gov. Under “Open Cases”, select “Electric” and scroll down to Case No. IPC-E-17-13. Or go [here](#).