



WYOMING SENATE DISTRICT 25
SENATOR CALE CASE, PHD

March 16, 2021

The Honorable Mayor Monte Richardson mrichardson@landerwyoming.org
The Honorable Councilwoman Melinda Cox mcox@landerwyoming.org
The Honorable Councilman Dan Hahn dhahn@landerwyoming.org
The Honorable Councilman Chris Hulme chulme@landerwyoming.org
The Honorable Councilman John Larsen jlarsen@landerwyoming.org
The Honorable Councilwoman Julia Stuble jstuble@landerwyoming.org
The Honorable Councilwoman Missy White mwhite@landerwyoming.org

Via email

Hello Honorable Mayor Richardson and Members of the Lander City Council.

I am writing to respond to the attached letter we received from the City about Senate File 16, New Net Metering Customers.

I am sympathetic to your goal to lower utility bills and I wish you well in your efforts to utilize more solar energy. Careful analysis will reveal whether the upfront capital costs of a solar installation are economically offset by reduced utility bills in the future. The Blue-Sky Program, funded with voluntary donations from customers who choose to contribute to new renewable energy systems for nonprofits and governmental entities, may assist with the some of the capital costs. Once built the installation will be subsidized by net metering, an involuntary and regressive program paid for by other customers, too often by those who are least able to afford it.

Unlike a taxable entity, the City will not benefit from the 26% federal investment tax credit for solar projects. This will make it more difficult to justify a capital expenditure purely on electricity cost savings. There are other important climate-driven reasons to want to convert to solar energy and these must be weighed against costs imposed on other utility customers, some poor, who will provide a subsidy to the City's installation. Other, potentially more cost-effective ways of reducing the City's carbon footprint should be considered as well (I can provide several good examples).

Subsidies occur because net metered customers' avoided energy charges remove much of their contribution to utility common costs. Subsidies are exacerbated because solar customers have more dramatic load characteristics as they tend to make power when it is cheap and need power when it is dear. Each utility has different cost factors, but the subsidy issues are similar. Figures provided by the Wyoming Office of Consumer Advocate (OCA) show the level of these subsidies and that the number of new net metering customers is growing rapidly.

I have attached a presentation from High Plains Power, a local company that purchases all its power and does not need to consider its own generation. I requested the study because I represent the people of the Wind River Reservation, many of whom are poor and who often depend on electricity for heating,

frequently in housing that may not be effectively winterized. Comparing High Plains to Rocky Mountain Power, a company with a lower monthly customer charge, reveals that the regressive net-metering subsidies could be even worse in Lander.

Subsidy providing customers in Lander include the poorest ratepayers. They are the same customers paying a higher percentage of the increased franchise fees you imposed as compared to net-metering customers.

SF 16 proposes that we correct this problem by having new rooftop solar customers come on through a rate established by the Public Service Commission that does not contain subsidies from other customers. In this way, customers who choose the addition of solar to the grid will not burden other customers. Existing net metering systems are grandfathered for a period of 10 years under the present rate structure.

I hope the City reconsiders its opposition to SF 16. As always, I remain available to discuss these and other issues with you.

Very best wishes,



Cc: Speaker Barlow
Speaker Pro Tempore Greear
Majority Floor Leader Sommers
Majority Whip Jared Olsen
Chairman Dan Zwonitzer
Joint Corporations Committee
Public File

High Plains Power, Inc

Net Metering Member

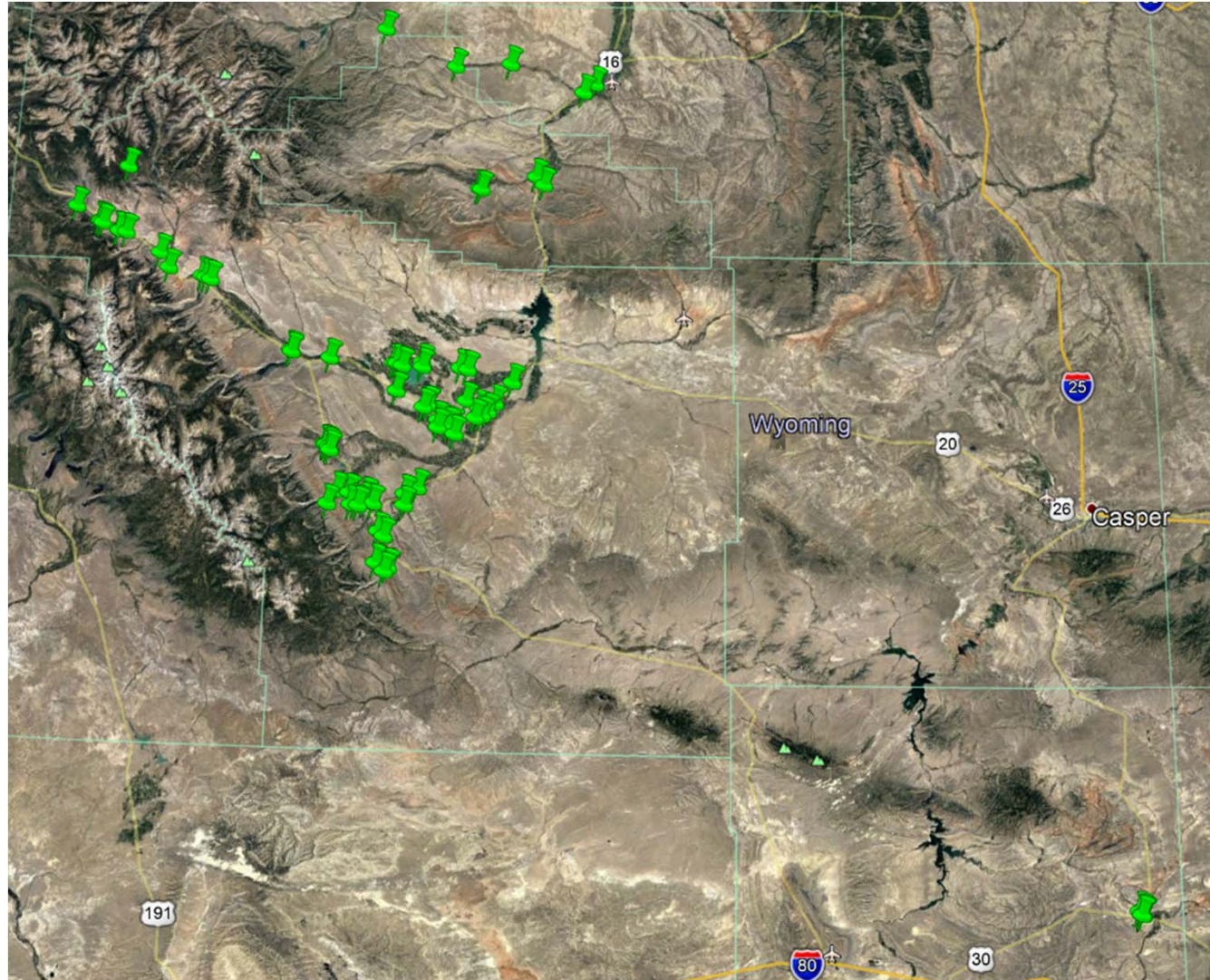
3/1/2021



13,500 total meters for High Plains Power

76 total Net Metering meters for High Plains Power

.5% of all meters fall under the Net Metering state statute.

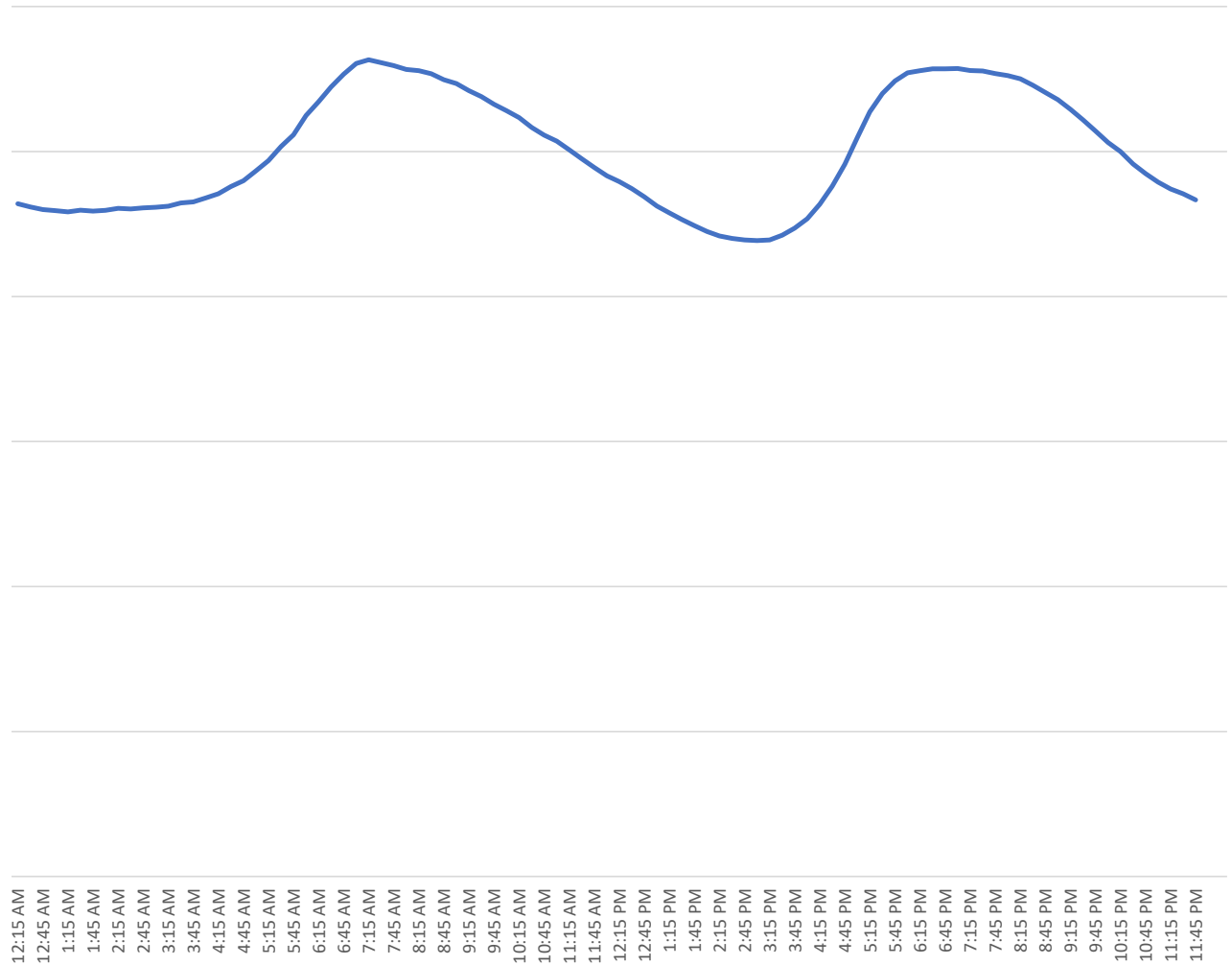




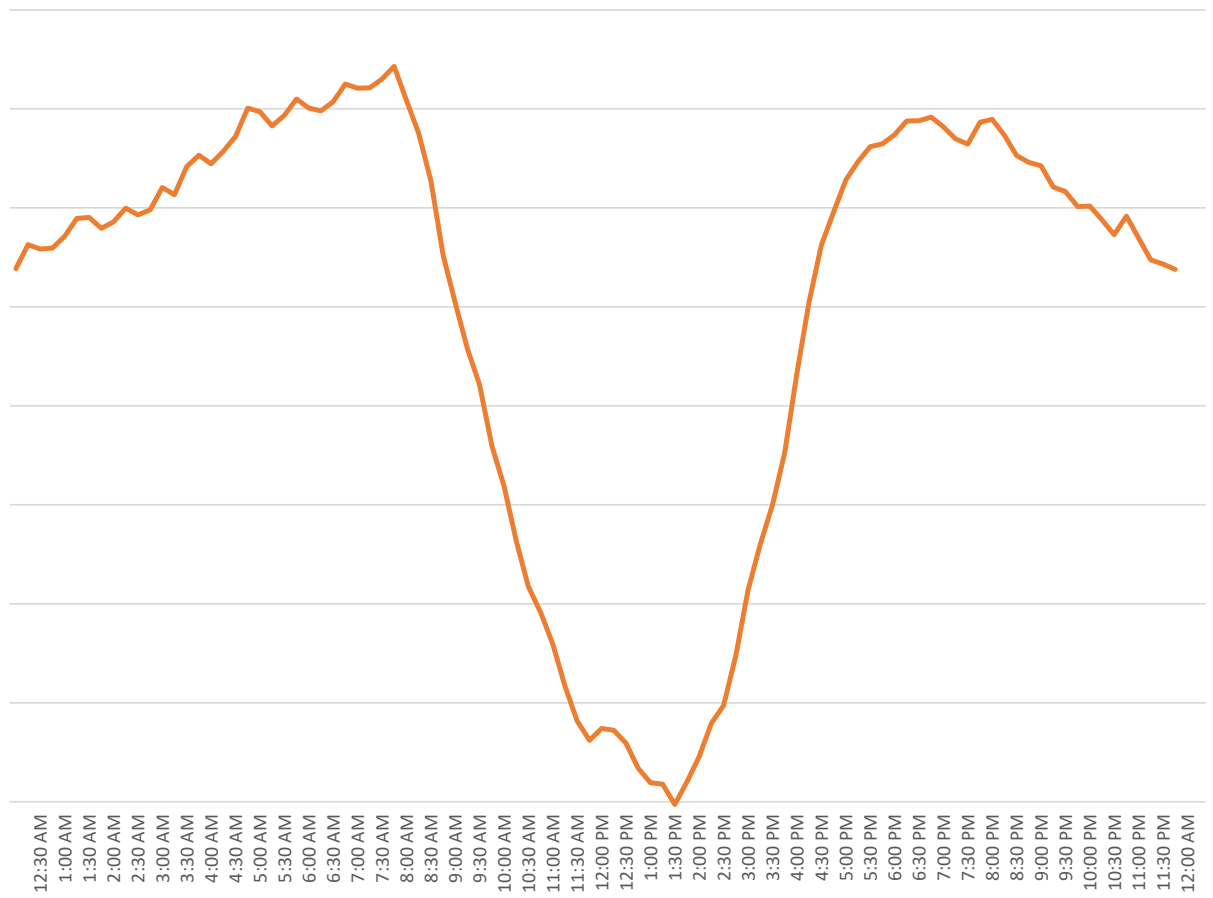
Net Metering Info

- **7 Wind Net Metering Members**
 - 34.70 kW capacity
- **69 Solar Net Metering Members**
 - 595.19 kW Capacity
 - Estimated output 795,409 kWh (based on nrel)
 - Excess kWh refunded in 2020 is 82,221 kWh at avoided cost
- **On HPP system, Net Metering Members are *NOT* covering their cost of power like single phase members**

- Typical load graph for single phase during winter (based on January 2021)
- In general, the flatter the line the lower the power cost



- Load for the Net Metering Members (based on January 2021 load)
- HPP must be able to provide power at the peak
- HPP must be ready to receive power at the valley



Power Cost

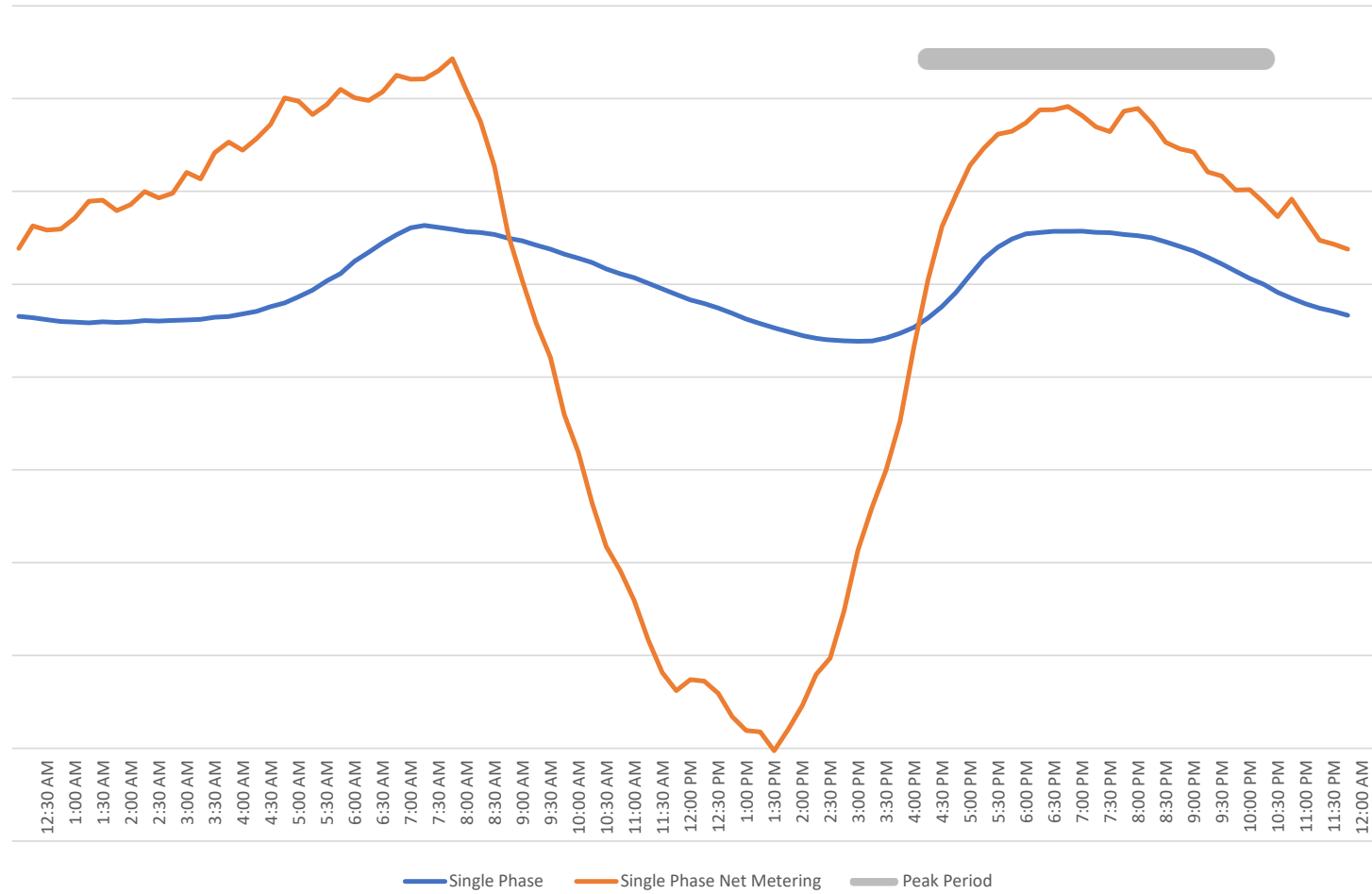
- High Plains Power is part of Tri-State G&T, with a power cost rate that has an energy (kWh) and a demand (kW) component
- The highest price of power for HPP is from 5:00 pm to 9:30 pm.
- Net Metering Members generate during lower cost time and need power from HPP during our most expensive\peak demand times.

- January 2021, Net Metering
 - Power Cost is 6.6% higher than single phase members
- May 2020, Net Metering
 - Power Cost is 57.58% higher than single phase members
 - We sold power to this group at a loss



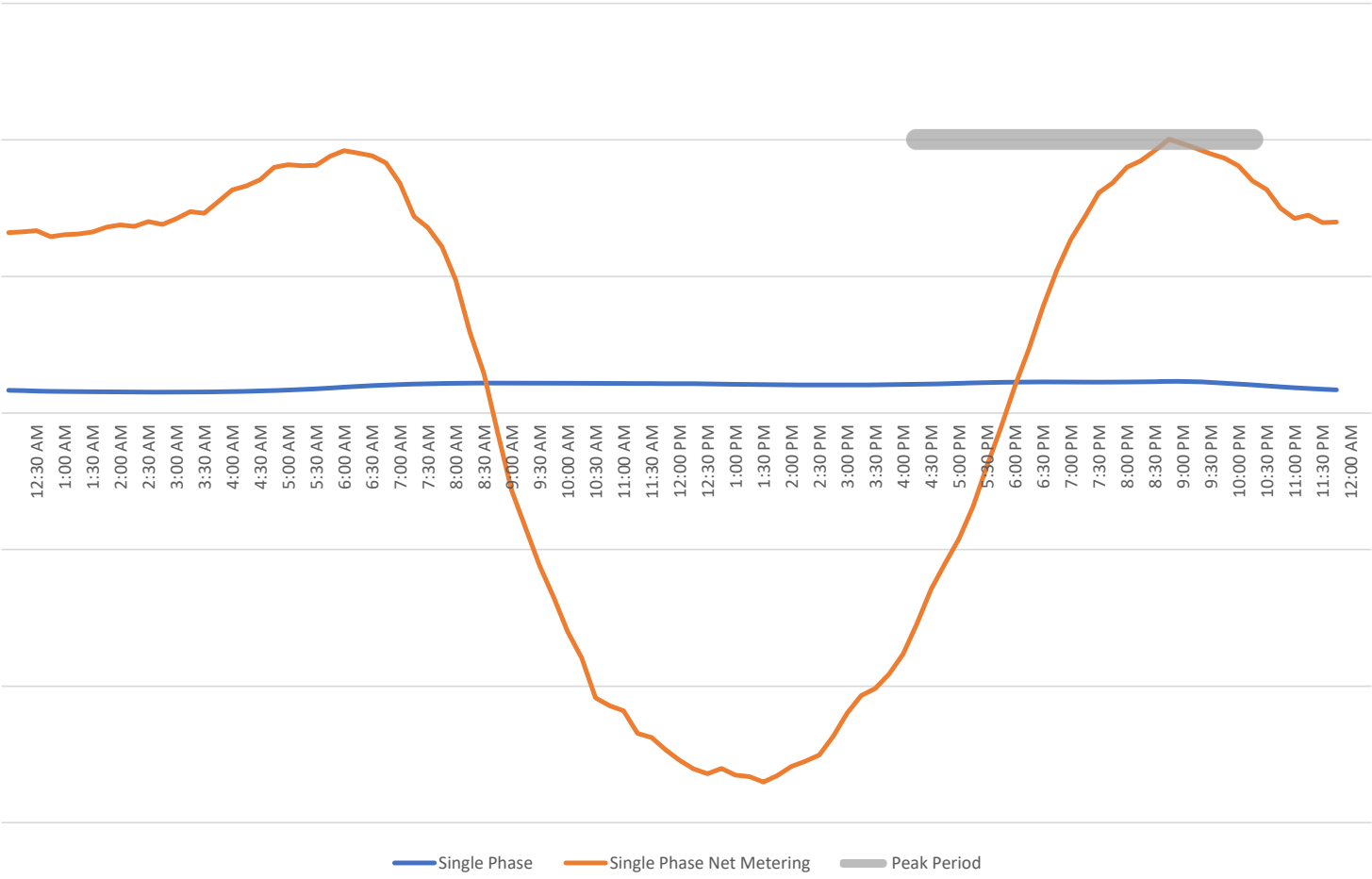
January 2021

Gray line is most expensive times for Power Cost



May 2020

Gray line is most expensive times for Power Cost



Summary



- **Net Metering Members cost to provide power is 15.57% higher than our single-phase members.**
 - On 1,000 kWh typical monthly service, this is about \$12.10 additional cost per month per member
 - Each Net Metering member is costing the other members about \$145.00 per year in additional power cost
 - This cost is covered by the rest of the membership by rate subsidization
 - Our Single-phase members are paying about \$1 per year to cover the additional power costs of the Net Metering members.