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DOCKETED

JUN 17 2013

CORP COMMISSION
POCKET CONTROL

June 17, 2013

DOCKETED BY *nr*

RE: Net Metering Docket Nos. ~~RE 000001-07-0600~~ E-01345A-12-0290, E-01345A-10-0394, E-01933A-12-0296, E-04204A-12-0297

Dear Interested Parties and Stakeholders:

I want to take this opportunity to comment on certain matters related to the Commission's net metering rules and their current and potential future impact on our electric utilities and their customers. Recent articles and letters to the newspapers highlight what seem to be confusion concerning how net metering works. The opinions expressed in these letters and articles focus on the benefits of utility customers' solar rooftop installations, and I agree that there are many. These opinions, however, may not reflect the whole picture when it comes to how net metering may cause substantial cost shifting to the utilities' other customers.

Here is my understanding of how net metering may act to shift electric service costs from customers with net metering for their solar rooftop installations to non-solar customers. There are fixed utility costs of providing the infrastructure to ensure reliable electric service 24 hours a day, 7 days a week, and 365 days a year. At the present time, solar rooftop installations do not always produce the energy required for solar rooftop customers, and do not provide energy 24/7. Thus, solar customers rely on the back-up infrastructure that keeps the lights on whether the sun is shining or not. These circumstances present issues regarding how to allocate costs among customers in a manner that does not require non-solar customers to unfairly bear shifted costs for infrastructure that is also necessary to serve solar customers.

A recent study released by the solar industry concludes that the long-term benefits of rooftop solar systems outweigh the costs by 50% based on the decreased need for the utility to purchase new generation, transmission, and other pertinent factors over the 20-30 year life cycle of the solar system. The study, however, does not allay my concerns related to whether non-solar customers may pay a disproportionate share of the infrastructure fixed costs now and until the presumed point when the system's benefits to the grid outweigh its costs. A significant percentage of the usage portion of a customer's electric bill is for fixed cost infrastructure. Solar customers reduce or eliminate the usage portion of their bill. As a consequence, it appears that solar customers may significantly reduce their contribution to the support of the infrastructure that they rely on for back-up when the sun is not shining.

Perhaps an even more significant issue is the possibility that net metering may result in the electric utilities purchasing energy back from customers' rooftop installations at the retail rate when the energy is available to the utility at the lower wholesale rate. This could occur when a customer's meter spins backwards when that customer's solar rooftop installation is producing more power than the customer is using at that particular time. Since the meter is spinning backwards, the utility is paying that particular customer at the same rate the utility is charging that customer, *i.e.*, the retail rate, for the extra energy being produced by that customer's solar rooftop installation. The energy that the utility is buying at that retail rate is the energy that the utility is using to serve its other customers. It is my understanding that typically the utility would buy energy and/or produce its own energy to serve its customers at a wholesale rate which is less than the retail rate. The lower cost of the energy generated or purchased by the utility at the lower retail costs is presumably passed through to all utility customers.

I think we all will be striving for a net metering system that is fair to all, and in the spirit of fairness, cost subsidies that may penalize one group of customers at the expense of another will need to be looked at closely. I very much look forward to the Commission's future consideration of matters related to net metering and exploring these issues with my colleagues. I welcome interested party and stakeholder comments on these important topics and will keep an open mind on the challenging issues presented.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert L. Burns".

Robert L. Burns

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