

NOV 13 2019

PUBLIC SERVICE
COMMISSION

Case Number 2019-00256

Dear Commissioners,

My name is Joel Dufour, and I own & operate Earth Tools Inc, a small business in rural Owen County KY. I am writing and submitting these comments in response to the Commission's July 30, 2019 Order requesting comments on the implementation of 2019 Senate Bill 100 ("the Net Metering Act"). I appreciate the Commission's pro-active effort to accept input on the multitude of important issues that need to be addressed in order to implement the provisions of the new law. A well-considered and balanced implementation of the Net Metering Act is critical to any business providing solar-energy-related services in the Commonwealth.

In the past, one of the services we offered was sales & installation of Solar PV systems for residential and small businesses. While we have currently suspended this part of our business due to staffing issues, we would like to begin offering it again in the future IF Net-Metering laws continue to make it affordable/economical for individuals and small businesses to make this investment.

We installed solar-PV systems for about 4 years. The number of installations had been steadily increasing (thereby increasing local employment, as we often had to hire additional labor)... but if the implementation of SB100 causes net metering to no longer be economically feasible to our customers, then this business will simply die out.

Net metering had been critical to our success in growing this segment of our business because it has historically provided a simple and reliable mechanism for our customers to benefit from the installation of on-site solar generation. We recognize that the Net Metering Act mandates that certain changes be made to the current net metering policy. In making those changes, we urge the Commission to consider the following:

Benefits of On-Site Generation: On-site generation is uniquely suited to providing system benefits that help avoid long-term costs. Customer-sited generation can provide the same capacity and energy benefits of large utility-scale investments, but can also provide further local benefits such as avoided transmission and distribution costs and avoided line losses. The use of advanced inverters and battery storage can enhance these benefits and create the potential for additional grid services to be offered. The full suite of benefits needs to be fully accounted for. Typically, cost-benefit analysis offered by Utility Companies DO NOT factor in the benefits of on-site generation.

Policy Uncertainty is Bad for Business and Consumers: Uncertainty about the future of key issues such as customer compensation for solar generation threatens our ability to do business. Uncertainty undermines our ability, and our customers' ability, to make informed choices on long-term, capital intensive investments. Utilities receive this type of certainty when they make investments, and it is only fair that customer investments also be protected as well.

Customer Preferences for Choice: Many customers value the opportunity to choose how the electricity they use is produced. In a state like Kentucky with vertically integrated monopoly utilities, on-site generation is *the only way* they can exercise this choice. It is also the only practical way for monopoly utilities to face the type of competition present in virtually every other industry.


Local Energy is Valuable: On-site generation is inherently locally produced, which retains economic benefits in local communities as opposed to sending it elsewhere to support jobs in other locations.

Simplicity and Predictability: It is critical that any revised net metering design offer the same level of simplicity and predictability for customers as current net metering. Customer acquisition is among the most significant cost to solar providers. Mechanisms that are difficult for customers to grasp or for which savings are difficult to predict make the investment in solar undesirable for many consumers.

The Utility Companies seem terrified of Net-Metering, and spent tens (possibly hundreds) of thousands of dollars during the last legislative session to make sure SB100 was passed so that net-metering law could be re-written and, essentially, "undone". This seems quite strange, being that net-metered solar energy produced in Kentucky is FAR LESS than 1% of total energy produced (about 0.2%, if I'm not mistaken). If solar net-metering got to the point of being, say, 5% of energy produced in KY, then I can understand the Utility companies making a fuss about it. Even so, shutting net-metering down by changing the law to make it economically unfeasible for a homeowner or small business owner to invest in their own solar-energy production is NOT the way to go about this. These utility "giants" are used to operating completely on their own terms...a tiny bit of competition, and they panic. Hey...competition is *good* for any business!

It is undeniable that Solar energy is the energy source of the future...the massive world-wide investment in this clean, renewable power source speaks volumes to this effect. Utility Companies should find ways to work WITH those "small guys" who are willing to make the investment in producing electricity from the sun...and hopefully, your Commission can do the same. As a society, we cannot afford to continue to let vested interests control the future of energy production.

Respectfully,



Joel Dufour
Earth Tools Inc.
1525 Kays Branch Road
Owenton, KY 40359