

From: [Bruner, Brandon S \(PSC\)](#) on behalf of [PSC Executive Director](#)
To: [REDACTED]
Subject: Comments on Case number 2020-00174.
Date: Tuesday, October 27, 2020 12:17:00 PM
Attachments: [Clement Comments 2020-00174.pdf](#)

Thank you for your comments on the application of Kentucky Power Company. Your comments in the above-referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2020-00174, in any further correspondence. The documents in this case are available at http://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2020-00174.

Thank you for your interest in this matter.

Best Regards,

Brandon Bruner
Administrative Branch Manager
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Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

From: PSC Public Information Officer <PSC.Info@ky.gov>
Sent: Tuesday, October 27, 2020 10:39 AM
To: PSC Executive Director <PSCED@ky.gov>
Subject: FW: Comments on Case number 2020-00174.

From: Catherine Clement [REDACTED]
Sent: Sunday, October 25, 2020 5:08 PM
To: PSC Public Information Officer <PSC.Info@ky.gov>
Subject: Comments on Case number 2020-00174.

Dear Public Service Commission,
Please find attached my comments on Case Number 2020--174

Thank you,
Catherine Clement
212 Preston Ave.,
Lexington, KY 40502
[REDACTED]

Public Service Commission
211 Sower Boulevard, Post Office Box 615
Frankfort, KY 40602
RE: Written Comments on PSC Case Number 2020-00174.

October 25, 2020

Dear Public Service Commission,

I am not a Kentucky Power customer, but I am submitting comments in case number 2020-00174 because the decisions here will set a precedent for decisions in other cases throughout the state. Our electric utilities provide an essential public service that no one can live without. This service should be reliable, safe, and available to all. Kentucky Power's current proposals fail to meet these standards.

Our current electricity and regulatory systems date back to the early part of the 20th century. Today, in judging how rates will affect reliability and safety, and in judging whether rates are fair, just, and reasonable, **several modern realities must be considered:**

a. Many customers are financially insecure and cannot afford higher bills (Eastern Kentucky residents on average have the highest energy burdens in the state and some of the highest in the country). This insecurity was true before the Covid-19 pandemic, but with the increased unemployment and loss of health insurance, this is even truer now and in the foreseeable future.

b. We now know that fossil fuels pose a major threat to our safety by threatening our health and climate. Fossil fuels make us sick directly through air and water pollutants. Their green house gasses also threaten our safety through their climate impacts: increases in dangerous extreme temperature and weather events, and heat-related increases in dangerous ground-level ozone.

c. Distributed, clean, energy resources are now available that compete in effectiveness and price with traditional fuel sources.

Given these realities, rate designs must protect low-income customers, must protect consumer choice, must encourage reduction in fossil fuel usage, and must encourage clean, renewable energy.

The Proposed Rate Increase Threatens the Safety of Low Income Customers:

1. With the proposed increase in both the fixed customer charge and the energy charge, many low-income customers will have to choose between paying energy bills, and paying for other needs such as food and medical care. People having to make these choices are not safe.
2. The proposed rates will likely increase the number of disconnections. Thus for low-income people, service would be neither reliable, nor safe. People without energy service are not safe; lack of heat or cooling threatens health especially for children and the elderly. Further, eviction as a result of the inability to pay for both housing and electricity is a serious threat to safety.

The Proposed Rate Increase Threatens Energy Conservation. The continual increases in the fixed service charge, along with the proposed declining block rate, discourage energy conservation and energy efficiency upgrades. This is the opposite of

how rates should be designed. Good rate structure should encourage people to reduce usage, so they can control their bills, and so that we can reduce fossil fuel damage.

Kentucky Power says the declining block rate will help low-income customers. A solution with unacceptable consequences is not a solution. The structure discourages efficiency, and forces low users to subsidize high users. Further, it is questionable that for the year as a whole it will help low-income customers. There are many other ways to help low-income customers: keeping rates as they are; forming a special rate class; promoting well-designed programs for energy-efficiency upgrades. Efficiency upgrades would have long-term positive consequences for customer bills as well as health and safety.

The Proposed Rate Structure Threatens Rooftop Solar. Kentucky Power's proposal for changing net metering is blatantly designed to discourage rooftop solar. Their plan severely limits the ability of solar users to pay off their installations through savings on electricity bills. This of course will kill the local rooftop solar industry (just when we badly need these good paying jobs). As stated below this plan grossly undervalues excess energy fed to the grid. (And in fact, the proposed netting periods perversely reduce the value of solar to the grid by encouraging solar owners to use their generated energy during peak hours, rather than feed it to the grid when energy is costly to utilities). This plan threatens our safety since rooftop solar presents a key way to reduce fossil fuel pollution and green house gasses.

Kentucky Power has provided no evidence of cost shifting from solar to non-solar customers. Such cost shifting would seem impossible with the miniscule level of solar penetration in Kentucky Power's territory. But even at higher levels of penetration, numerous cost-benefit analyses of net-metered solar have shown that benefits outweigh the costs. I am delighted that the PSC has said they will conduct a cost-benefit analysis of net-metered solar. Such an analysis should include the contribution of solar to peak load (even though precise peaks do not match), reduced transmission and distribution losses, reduced wear and tear on the grid, and avoided generation and transmission capacity. Further, beyond such direct system benefits, larger public benefits such as the reduction in fossil-fuel-related environmental and health costs should be considered in PSC analyses. The avoided costs of carbon emissions, and other avoided environmental costs, have been quantified and used in other states' analyses of net-metered solar

Utility-scale Solar is Not Enough. We Need Affordable Solar on the Roof. The new large-scale solar farms coming to Kentucky are good news for reducing fossil fuel usage. But **both** large scale and rooftop solar are essential to decarbonize at necessary levels, and to return to healthy air. Distributed, rooftop, solar is also essential for Kentucky's plans for grid security, grid resilience, and community resilience (unlike large-scale solar, rooftop creates no conflict with local farmland). Finally, net-metered, rooftop solar is an essential component of energy affordability for homeowners, small businesses and non-profits.

We Must Protect the Rights of Individual Kentuckians to Own Solar. Rates should not be used as an anti-competitive tool. Since the PSC is intended to stand in for market forces that are absent with monopoly utilities, I ask that the PSC protect the rights of Kentuckians to have affordable energy choice and to control bills by producing their own energy.

I understand that both energy-efficiency and rooftop solar pose threats to Kentucky Power (and other monopoly utility) revenue streams and profit opportunities. But customers should not bear the burden of this mismatch between utility and societal interests. Customers potentially bear this burden in multiple ways: with higher rates, lack of affordable access to rooftop solar, and through taxes and health care bills arising from pollution and climate change.

Utility Business and Regulatory Models Must Change. Kentucky Power's rate requests should be rejected, and the utilities should seek approval for business models that fit with modern realities, such as revenue decoupling *that is paired with meaningful supports for energy efficiency*, and performance incentive mechanisms that encourage renewable energy.

I am a rooftop solar owner. I am lucky enough to be grandfathered in to the original net metering plan. Thus, I do not have a "personal" stake in this case, except that my wellbeing is improved when my fellow Kentuckians are fairly treated, and when our energy system preserves the public good.

Thank you for considering these comments,

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