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Press Release

Idaho PUC Dims Rooftop Solar Industry, Approves Lopsided Rate Increase

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Contact

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Boise, ID - The Idaho Public Utilities Commission (PUC) quietly closed out 2023 by rebuffing experts and voting to approve Idaho Power's controversial [new rooftop solar compensation rates](#) after years of public, expert and environmental community pushback. The commission also approved a lopsided electric rate increase that will disproportionately impact low-income customers.

The Dec. 29 approval of the rooftop solar credit system will make the cost of new solar panels unreachable for most Idahoans, potentially crushing local rooftop solar businesses in favor of corporate solar ownership.

"The commissioners are saying the voices and expertise of thousands of Idahoans and small businesses are not as important as the voice of the

state's largest monopoly utility," **said Alex McKinley, Owner of Empowered Solar.** "Rooftop solar is an extremely popular and effective way of combating the climate crisis, stabilizing power bills, and putting power back in the hands of everyday people and Idaho Power wants to minimize it."

The new rooftop solar rate structure took effect on Jan. 1 with no public announcement and replaces the former "net metering" method, which compensates customers for their solar energy exports with kWh-for-kWh offsets on their bill. The new structure, "net billing, " will use time-adjusted rates calculated on an annual basis by Idaho Power. The expected change in rates should be close to Idaho Power's [original proposal](#) of an average annual export credit rate of 5.96 cents per kWh, down from the average 8.8 cents per kWh.

During recent PUC public hearings, not one person testified in favor of the proposal. Idaho Power proposed cutting solar rates based on an internally produced "Value of Distributed Energy Resources Study." Sierra Club and other environmental groups hired an independent analyst that [concluded](#) Idaho Power was severely undervaluing rooftop solar's value by using selective data.

"The Idaho PUC decision to approve Idaho Power's solar compensation proposal is very disappointing," **said Mike Engle, Chair at Portneuf Resource Council.** "The proposal willfully misleads the public on the value of rooftop solar to Idaho Power, ignores the huge environmental advantages of distributed clean energy and is likely to kill Idaho's solar industry and the good paying jobs it brings to our state."

"The decision is a slap in the face to progress, environmental stewardship, and the wallets of our most vulnerable citizens. The PUC chose Idaho Power's profits over Idaho's sustainable future and equitable access to clean,

renewable energy,” **said Leigh Ford, Executive Director of Snake River Alliance.** “This isn’t just an attack on local solar businesses; it’s an attack on Idahoan’s right to create our own power.”

On Dec. 28, the PUC **approved** a rate increase for Idaho Power customers, partially through increasing the monthly fixed fee called the “service charge.” Idaho Power will double the fixed service charge on all residential customer bills from \$5 to \$10 in 2024 and then to \$15 in 2025, with future additional increases expected. Small commercial customers will see their fee increase from \$5 to \$25 this year.

Studies **show** fixed charges are harmful to low-use energy customers—low-income families, rooftop solar owners, and energy conscious households—and disincentivizes energy efficiency, something Idaho Power typically **promotes**.

“Idaho Power may need to update its rate system as its customer base grows, but doing it through a fixed-charge system is incredibly unjust,” **said Lisa Young, Director of Idaho Sierra Club.** “Fixed rates are regressive. They disproportionately raise rates on your poorest customers while barely increasing rates for the wealthiest.”

Attacks against solar net metering in 2023 led to real harms to the industry. An unpopular net metering reform in California could lead to the loss of thousands of **solar jobs**. In neighboring Utah, a conservative Supreme Court upheld a controversial solar credit policy allowing the state’s largest corporate utility to reduce solar compensation.

Idaho Power is proposing the same solar rate changes for its Oregon customer base to the Oregon Public Utilities Commission. In an initial

procedural decision, Oregon [rejected](#) the plan but Idaho Power will continue pushing.

Organizations pushing back against Idaho Power's proposals include [Idaho Sierra Club](#), [Snake River Alliance](#), [Portneuf Resource Council](#) [Climate Action Coalition of the Wood River Valley](#), and [Empowered Solar](#).

About the Snake River Alliance

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The Snake River Alliance serves as Idaho's nuclear watchdog and clean energy champion by inspiring, educating, and advocating for and with our fellow Idahoans. We envision an Idaho where our people and our environment are free from the threat of nuclear waste and contamination, and our communities are healthy, strong, and prosperous because of our reliance on clean and renewable energy.

For more information about the Snake River Alliance and our ongoing efforts, please visit our website at snakeriveralliance.org or contact Leigh Ford at lford@snakeriveralliance.org.

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