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Sent: Wednesday, April 28, 2021 8:59 PM
To: PUC-PUC <PUC@state.sd.us>
Cc: Nelson, Chris; Fiegen, Kristie; Hanson, Gary (PUC)
Subject: [EXT] EL21-011

To whom it may concern,

I am building a house in the Whitewood area and will soon be a long term customer of Black Hills Power (BHP). The proposed amendment to the Congregation and Small Power Production Service Tariff has come to my attention and I would like to express my concerns regarding this potential change.

The current Tariff scheme is a fair system. If a BHP customer has their own power generation system and they are feeding power back into the grid at some point, it is fair that BHP pay that customer for the power that they are going to sell to the surrounding households. BHE acts as a broker in this instance, so it is reasonable to take a profit from this transaction.

Under the proposed change, however, moves past the broker/provider role and goes straight to theft. If a customer invests their personal resources to install power generation on their property, BHP has no right to charge that customer for the power produced by that system.

To answer the reasons laid out by BHP for this change

1. Black Hills Power's reason for this amendment to its QF Service Tariff is that the current conditions of service for customers with Qualified Facilities (renewable generation) allows these customers to not pay the full cost of their Black Hills Power provided electricity requirements and to shift costs to other customers within their customer class.
 1. All customers pay set monthly fees set by BHP to be connected to the grid
 2. BHE sells excess power produced by "Qualified Facilities" at a ~75% markup. Not only do they profit from power that they did not pay to produce, but this dispersed generation reduces overall load on the local grid and should not change the net operating costs of the grid as a whole.
 1. A customer generating power would have to generate (under the current scheme) a net ~4x the amount of power used from the grid to end up with \$0 charge for power consumption. That customer would still pay the standard service and connection fees. BHE would profit from this excess power generation while enjoying lower production and transmission costs for that power.
2. Black Hills Power believes that now is the best time to make this change, so that current and future customers can be fully aware of the true long-run economics of their decision to invest in renewable generation. Black Hills Power is experiencing increasing customer interest in installing customer-sited renewable generation for both economic and climate change response reasons and waiting to address this customer inequity will make the cross-subsidy situation more difficult to correct, both due to more customers being impacted and the dollar amount of the subsidy provided by all customers without Qualifying Facilities.
 1. BHP is trying to get ahead of the curve to ensure that they are the sole provider of energy to all residents within their power grid. Power providers enjoy a monopoly over their area of influence as a necessity, but this lack of competition has proven in the past to lead to predatory and harmful behavior from companies that are allowed such power.

This proposed change would do irreparable harm to the rising residential renewable energy market within the area of BHP influence. It also harms the ability of everyday citizens to create systems to withstand the increasingly frequent severe weather in our region that does interrupt power delivery from BHE on occasion. And as the population of this region expands and the demand for power increases, the potential for customers with "Qualified Facilities" to help BHE balance the load on the grid will surely be integral to their success.

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Thank you for your consideration,
Alex Geffre

