From: don kelley

Sent: Tuesday, July 27, 2021 3:03 PM **To:** PUC-PUC < PUC@state.sd.us> **Cc:** PUC < PUCPF@state.sd.us>

Subject: [EXT] EL21-19

To the Commissioners and staff:

i appreciate your timely reply to my earlier comment. I agree that there is no mandate under either PURPA or South Dakota law for the Commission to consider the externalized costs we are discussing. I have also been unable to find language in either which prohibits such consideration. This latitude has apparently enabled regulatory commissions in many other states to include "value of solar" calculations in their determination of just and reasonable avoided costs. Surely the interpretation of the terms "just" and "reasonable" could allow these inclusions, in the absence of specific prohibition of their use.

Although some have held that the real externalized public costs of fossil-fuel generation are insufficiently quantified, that position becomes more difficult to maintain as many recent studies provide concrete evidence of these effects, along with their associated, real-world dollar costs. The costs avoided through adoption of distributed solar are also well substantiated and quantified.

Unfortunately, it appears that investor-owned utilities have shown understandable inertia in adapting to new generation needs. Historical incentives in their regulatory environment have favored capital investments in large mining and generation facilities which are rapidly becoming stranded assets. Despite decades of hard evidence predicting a grim future for fossil-fuel generation of electricity, these companies have continued construction of such plants, even as renewable-energy technology has become economically attractive.

Distributed solar generation is a means for South Dakotans to work around this unnecessarily slow adaptation by the centralized generation sector. In this way, individuals and businesses can avoid participating in this delayed response, thereby avoiding some of the pollution burden shared by all residents of the state. To allow utilities to penalize those taking this responsible position in order to prevent inroads into their monopoly domination of electricity generation would be unfair and unwise.

Again I thank you for your time and consideration.