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**DOCKET**

**02-REN-1038**

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**Docket #02-REN-1038**

CALIFORNIA ENERGY COMMISSION EMERGING RENEWABLES PROGRAM

GOAL-INCREASE THE INSTALLATION OF SMALL WIND SYSTEMS AND FUEL CELLS USING RENEWABLE FUELS, BY REDUCING THE NET COST OF ON-SITE RENEWABLE ENERGY SYSTEMS.

SUBJECT-TEMPORARY SUSPENSION OF THE ERP

On behalf of consumers and businesses throughout the state, I emphatically urge the CEC to strongly consider the implementation of the following steps required to rectify the “deficiencies” and immediately “reinstate” the existing rebate format with the following minor changes:

- #-Extend the \$3.00 per watt rebate level for 30 days after the changes are adopted. Thereafter, as scheduled, the rebate could then be reduced as planned to \$2.50 per watt.
- #-Establish a totally new category for the “mini” windmills on homes that were most responsible for this damaging shutdown of the rebate program.
- #-Maintain the status quo for “small wind” systems in regards to the rebate as this system was clearly beginning to show results—and create jobs and energy savings.
- #-Go to a “Two Phase” approach. Phase one would simply keep the program as it was BEFORE the suspension with the ONLY exception being the issue of the underperforming “mini” windmills on homes. Implement a system to verify that this technology is on a par with the established and proven results that have ALREADY been verified throughout the wind industry when using 5,10,20, and or 25 kw systems produced by windmills NOT placed on rooftops. Rooftop technology does NOT have the track record of “normal” wind turbines and should be treated as a totally separate entity.
- #-The “Phase Two” component would set a specific date, either Jan.1 2011 or better yet would be July 1, 2011, where any newly adopted rules and regulations would be in force

starting that day. This gives adequate time to conduct a thorough review of all of the existing components of the ERP and allow for a healthy amount of performance data to be compiled by existing systems that are already in place as well as new projects completed during this time period.

Clearly, receiving the generous and pro-active rebate from the CEC in the exact same manner it was before the suspension, PAYING THE FUNDS AT THE FRONT END, can and will certainly and most definitely continue to jump start the industry as a whole. Stretching out the time frame the rebates are received and making even a portion of the funds not accessible until well after a project is completed, simply is the death knell of projects large and small. Literally EVERY sales representative in the state can state without hesitation that removing the ability for clients secure the funds up front, will simply devastate the industry. Truly, is that the direction the CEC wishes to follow? In essence, on one hand you have the state legislature putting renewable energy on the front burner of progress, while their “partner”, the CEC, comes along and douses the flames by not following through with the guidelines which essentially and for the most part working very well.

**BOTTOM LINE.** Now is not the time to stop the momentum and put even more roadblocks for California businesses to contend with. Simply address the new category of “mini-windmills” and address the loopholes in the regulations that permitted this anomaly to shut down an entire industry. At the same time, immediately re-instate the rest of the program “AS IS” and continue to work diligently from today until a “deadline” in 2012 for any major revisions that MAY be required AFTER evaluating the progress and successes of viable business ventures that are committed to the original goals and objectives of the Emerging Renewables Program. Putting this industry “to sleep” for even another 30 days will continue to reap significant damage which it will have a difficult, if not impossible hurdle to overcome. REMINDER. OUR STATE MUST SET THE STANDARD FOR THE NATION AND THE WORLD FOR THAT MATTER. IT IS TIME TO PUT THOUSANDS OF FOLKS BACK TO WORK—NOT PLACED ON A “LEAVE OF ABSENCE.”

Yes, everyone is going to be watching us as an example for the nation to follow. Yet, instead of various public and private entities being praised for working together to meet the goal of generating 33% of our energy from renewables, our state once again will take a step BACKWARDS. Thousands of potential sales and installations simply disappear, awaiting not only the resumption of the rebates that make it all possible, but further developing the negative mind set of the consumer whose trust in government programs is already very suspect.

Sincerely,

Jeff Zelsdorf  
VP Marketing