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Comments Respectfully Submitted for Consideration by the ERP Staff,

Your April 14 workshop offered valuable insight into the issues that prompted the suspension of the Emerging Renewables Program (ERP). Comments from both the staff and the industry participants made it very clear that the ERP, as currently structured, can allow excessive incentives for small wind projects. However, there were no comments by either the staff or industry participants suggesting that the program provides excessive incentives for fuel cell projects.

In fact, the completed systems files on the ERP web site show only two fuel cell projects, out of a total of 28,513 projects, that received ERP incentives between the inception of the program and the end of 2009 (most recent information available). The two fuel cell projects that are listed were installed early in the program and would not even qualify under the current ERP. This history certainly does not suggest that the ERP allows excessive incentives for fuel cell projects.

Based on the comments made during the workshop, and on the program information available through the ERP web site, I would like to suggest implementing different requirements for fuel cell and wind projects under the ERP. Since fuel cells have only recently reached a price point that allows the current ERP incentive to make them economically viable, the program does not need to be altered as it relates to fuel cells. At most, a simple percentage cap on the incentive and a requirement for ANCI/CSA FC-1 certification would be sufficient for fuel cells. This would allow fuel cell projects to continue while the more complicated issues surrounding wind projects are addressed.

The ERP suspension clearly harms both the wind and fuel cell industry in California. It compromises the efforts of the entire industry, and California, to make renewables a viable energy option. The suspension is likely to result in cancelled projects for both the wind and fuel cell industries and will drive some customers to install conventional power systems rather than renewable power systems. However, since the issues leading to the program suspension apply only to wind systems, only that part of the program should be suspended. Allowing fuel cell projects to continue, while the wind program is refined, will allow California, the fuel cell industry, and customers to capitalize on the momentum that was building, and the investments that they have already made, for fuel cells.

Based on the information that was presented in the workshop, on the ERP website, and summarized in this message, I therefore recommend allowing fuel cell projects to proceed under the ERP while the program is revised to address the issues related to wind projects.

As background, I am a professional engineer (California License M19705) and have been working in energy management since 1973. My work has included the analysis and design of solar, wind, and fuel cell projects as well as many other technologies. Recently, my focus has been on bio-technologies and fuel cells because I feel that they offer the most realistic approach to achieving clean and sustainable power production.

Thank you for considering these comments.

Best regards,

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