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**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

Preparation of the <i>2008 Integrated Energy Policy Report Update</i> and the <i>2009 Integrated Energy Policy Report</i>)	Docket No. 08-IEP-1
and)	
Implementation of Renewables Portfolio Standard Legislation)	Docket No. 03-RPS-1078 RPS Proceeding

**COMMENTS OF
OAK CREEK ENERGY SYSTEMS, INC.
ON
2009 IEPR – FEED-IN TARIFFS**

Oak Creek Energy Systems, Inc. (“Oak Creek”) hereby submits its first set of written comments on the *2009 IEPR – Feed-In Tariffs* (“Feed-In Tariffs”) in what we believe will be an on-going process through the year, with opportunity for further discussion and comment. These comments are neither complete nor comprehensive. Oak Creek believes that feed-in tariffs do not address the most significant issues impacting the development of meaningful renewable energy projects, and that change to the process is likely to increase risk and uncertainty and to create substantial unanticipated delay in project development. Oak Creek believes that the following issues are the major impediments to renewable energy projects being built and as well as to a more visible pipeline of future projects:

- Renewable Portfolio Standard (RPS) program is working and will produce substantial, cost-effective clean energy projects consistent with the state’s goals.
- Transmission and permitting are the major high-impact issues impeding rapid development and construction of projects on a large scale.
- Transmission availability issues are moving rapidly toward a rational solution with the permitting of transmission corridors and specific lines being the primary area of concern that may need further attention to facilitate adequate transmission being built timely.
- Permitting of projects is becoming the most significant obstacle to rapid development and construction of projects near term and over at least the next 5 to 10 years; the timeline of

the permitting process is far longer than is being recognized and needs to be streamlined. We believe that some arguing for feed-in tariffs are doing so only because they have not progressed into the permitting stage of their projects and have not yet faced the most serious hurdles to project development.

- In a few county jurisdictions, there is a rational permitting process and permitting in those jurisdictions can and is moving forward on a reasonably acceptable and rational basis. Streamlining of California Environmental Quality Act (CEQA) rules and processes could be of significant help in producing more good renewable projects faster. However, some counties and some federal agencies simply have onerous and non-functional permitting processes that do not produce timely results and create the impression of a risky and an unpredictable permitting process. The single highest impact improvement to the availability and construction of good new renewable projects would come about from resolving these delays and unpredictable processes.
- CEQA segmenting and phasing rules and interpretation appear to be creating an inefficient process and adding significant time delay in resource rich areas.
- Security deposits and other performance guarantees associated with the current power purchase agreement contracting rules when combined with permitting and transmission uncertainty create a significant delay in visibility of project pipelines.

We believe that these issues are the most important to address in order to facilitate the rapid construction of good renewable projects on a large scale in California.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Hal Romanowitz", with a horizontal line underneath it.

Hal Romanowitz, President
Oak Creek Energy Systems, Inc.

July 11, 2008