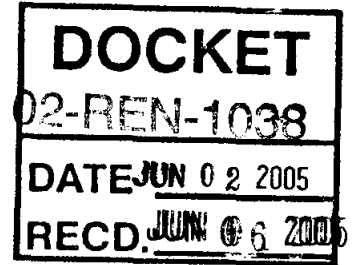


June 2, 2005

California Energy Commission
Re: Docket No. 02-REN-1038
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504



To Whom It May Concern:

Regarding the proposed changes to the ERP Guidebook, we have the following comments/concerns we wish to share with the committee for consideration.

- ***Maintain current rebate level***

We support this change, and feel it would help to eliminate the stress and overload of applications when the rebate is decreased twice a year.

- ***Change to rebate level based on system completion***

We strongly disagree with this altered method and believe this will only create difficulties when selling new systems.

We currently sell based off of a customer contract which reflects the expected rebate amount calculated at the rate during the *time of sale*. By doing this, our customer is aware immediately of the expected rebate amount they will be reserved. Due to the fact that we as a seller wait for this rebate on behalf of the customer, we absolutely require knowledge of this figure in order to calculate the customer's payments which need to be drawn into this binding contract.

By changing the rebate calculation to depend on the rate at the time of completion (if the rebate continues to decrease), there would be no way for us to project what rebate amount would be awarded, and therefore, the remaining portion of the total system cost we would need to agree upon invoicing the customer for.

- ***Increase capacity factor of systems under Pilot Performance-Based Incentive program***

The main concern we have over the PBI program is PG&E's involvement. We seem to have encountered a lack of awareness on their part when we've inquired about their ability to provide system monitoring. Although we have the option of utilizing a separate outside party for this process, we'd like to learn more about what PG&E is in fact able to provide.

- ***Drop requirement that participants provide a utility letter of authorization for grid interconnection***

Our opinion regarding the authorization agreement is that continuing, but improving upon, this procedure would prove beneficial in new construction situations. In the event that a full bill has not yet been generated for a new home, this authorization should enable the CEC to verify the presence of active PG&E service and a meter at the site address. This would help to avoid issues while we are pressed to provide sufficient documentation proving this.

Thank you in advance for you time in considering our comments.

Sincerely,

Dean R. Marks
Premier Power Renewable Energy, Inc.