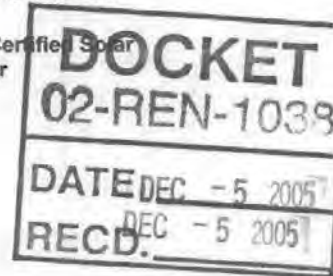




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December 5, 2005

Implementation of Renewables  
Investment Plan Legislation  
Public Utilities Code Sections  
381,383.5, and 445: (SB 1038)

Docket No. 02-REN- 1038  
Renewable Energy Program  
Notice of Committee Workshop

Comments by Offline Independent Energy Systems on the Proposed  
Changes to the Emerging Renewables Program Guidebook

Offline is a PV design-install company doing business in Central California for over 25 years and is a member of CALSEIA. We typically serve residential and small agricultural customers. We and our customers have benefited enormously as participants in the Emerging Renewables Program and thank the people and government of California.

Offline requests that the Commission hold the rebate level at \$2.80 /w for another year. We feel this is justified for the following reasons.

- Our module prices have increased \$.60/w during the last year.
- Concurrently fuel, insurance and inflation costs have increased also. Typically about 5%

Offline's system price to the customer must go up if the rebate is reduced. We can not absorb another drop in the rebate. Historically our pricing has been very competitive, somewhat below the California average. During the last year we have raised our prices modestly, now selling PV systems priced at the market average. We do not believe we can maintain our current cost to the customer if the rebate drops to \$2.60/w.

Many of our customers are working people and families with middle incomes. Though somewhat of a stretch for these folks, many are able to afford a 2-3 Kw PV system at Offline's historical pricing. Our concern is that this customer group will be priced out of the PV market as prices now

begin to increase. We might interject that this is the absolute opposite of the expected trends and antithetical to the ERP design goal.

Our customers, unlike commercial customers, do not enjoy the same tax and investment advantages. They are more sensitive to price increases and the most likely to drop out of the market when prices increase.

Today, well over half of the PV installed in California goes on residences. It would be bad policy if PV were only affordable for large corporation or the very affluent. It is good policy to maximize the opportunities for average people to install PV. Raising the cost of PV systems will exclude these people.

Thank you for considering these comments.

Sincerely,  
Don Loweberg  
NABCEP Certified Solar PV Installer  
Offline Independent Energy Systems