

California Energy Commission  
Re: Docket No. 03-RPS-1078  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5504

California Energy Commission  
Docket 06-IEP-1c  
Docket No. 03-RPS-1078  
RPS Proceeding  
Chairman and Presiding Member,  
Jackalyne Pfannestiel  
Commissioner and Associate Member,  
John L Geesman

03-RPS-1078

<b>DOCKET</b> 06-IEP-1C
DATE _____
RECD. MAY 30 2007

Prepared Comments  
On  
Feed-In Tariffs  
For  
Committee Workshop  
MONDAY MAY 21, 2007

Respectfully Submitted by:  
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California Energy Commission  
MONDAY MAY 21, 2007  
Energy Policy Report Committee  
Regarding  
IERP Committee Workshop on  
Feed-In Tariffs

Prepared comments of: Norman Ross Burgess

My address is P. O. Box 200 Zenia, California 95595.

I am providing comments on my own behalf, as a private owner, operator and developer of a small modified run of the river hydroelectric facility.

Twenty three years and a few months ago I suggested to the CPUC Administrative Law Judge that was presiding over Pacific Gas & Electric Company 1983 Rate Case, that PG&E did not need their requested multi million dollar rate increase.

PG&E had requested a large rate increase to create the capital that would be necessary to construct generation facilities to serve future load.

I suggested that private industry would be more than happy to provide the needed facilities, IF the Commission would establish a sure and certain value for Energy and Capacity and make it available via a contract of sufficient duration to fully amortize the capital requirement.

Almost as soon as the ISO 4 became available the need was filled at no risk to the rate payer. Today the elaborate system of RPS bids and such do not full the need for a Standard Offer, or if you like a, Feed-In Tariff.

For Example:

I have had the ability to increase my facilities output by about 40% or 600 KW for over 13 years. But can not because I have been unable to get a contract that provided adequate value and term. I have made numerous offers and even made it to PG&E's short list in 2004 RFO, to no avail.

I have built a very good small hydroelectric project that I really would like to finish before I die therefore:

1. I strongly support options b and c. I believe that a Feed-In Tariff should be made available as soon as possible to help meet current and future targets.
2. I think you need look no further than the response to the availability of the ISO 4 to have a good idea as to what the response to a Feed-In Tariff could be.
3. I have no knowledge of the specific language or the incentives built into the European feed-in tariff schedules. But I do know that they provide certainties to the potential developer that we lack and developers are building new plant. One of the lessons learned from the standard offer contracts that should be applied, is that incentives produce results. My project is a great example. Historically almost 80% of the "As Available" capacity value was paid based on production during A period Peak. So I licensed and constructed an augmentation project that allows my facility to deliver during A Period Peak. In fact the facilities average A Period Peak output is higher than it's year around average output.
4.
  - a. I suggest that the Market Reference Price be used as a baseline, and that the data points reflect, or mirror, the each utilities needs.
  - b. I suggest that a single Tariff be used as a base line and that it be adjusted upward to reflect the additional societal benefits delivered by some technologies, such as Biomass. Additionally I suggest that project sight and size specific factors become part of the value stream.
  - c. Yes I think tariffs should be specific to renewable technologies within California, but I also think that information gleaned from national and international sources could provide valuable insight.
  - d. If tariffs are based on MRP, then they should be updated with each new MRP and or at least annually. I am unqualified to opine on the ability of the state regulatory process's ability to provide updates in a timely way.

Post conference comments:

I was unable to stay for the afternoon session, but found the morning session most informative. All the presenters provided valuable information that may help avoid the mistakes already made.

In my opinion the comments and suggestions made by MR. Paul Gipe were the most relevant and to the point. We need look no farther than the example set by Germany to know what needs to be done here. Germany provides an excellent example of the likely response to an open market when coupled with reasonable values and adequate term.

I sincerely hope that you are successful with your endeavor. I thank you for this opportunity to provide comments.