

DOCKET	
09-IEP-1G	
DATE	DEC 10 2008
RECD.	DEC 10 2008

Comments on 2009 IEPR – Feed-in Tariffs
Docket # 09-IEP-1G and #03-RPS-1078
Submitted December 10, 2008
By Infinia Corporation

Thank you for the opportunity to provide comments to the California Energy Commission (CEC) on the second draft consultant report, “California Feed-in Tariff Design and Policy Options” publication No. CEC -300-2008-009-D2 as well some related issues in the companion report, “Feed-in Tariff Design and Implementation Issues and Options” publication No. CEC-300-2008-03-F.

Infinia Corporation is a US company based in Kennewick, Washington producing a 3kWac solar electric system, the Infinia Solar System (ISS). Infinia will begin commercial shipments in first quarter 2009, and is expanding its Kennewick, WA manufacturing center and its L.A.-based U.S. sales and service center to ensure a successful launch. Infinia currently has contracts to deliver Infinia Solar Systems in 2009 to projects of 1MW and larger. Infinia participated in the October and December Workshops and submitted comments written and oral during this process.

Overview:

Infinia agrees with the consultant’s summary in Chapter 7, Recommendations and Conclusions, of the Tariff Design and Policy Options report, and calls for the CEC to recommend that a feed-in tariff be developed in California with the following characteristics:

- A *must take* tariff offering long-term contracts open to all RPS-eligible resource types.
- Initially limited to projects 20 MW or less in size.
- Full-scale implementation. The feed-in tariff should not be launched on a pilot basis for a limited amount of time, nor only in one utility territory.
- Technology-specific. Each target technology receives a differentiated rate that allows it to be viably developed, rather than setting a single value-based price or price structure applicable to all technologies.
- Size differentiated. Tariffs may be differentiated by size for those technologies with strong economies of scale.
- Cost-based. The technology-differentiated feed-in tariff rate is based on the generation cost of target technologies, plus a reasonable profit.



Feed-in Tariffs are proven to allow the markets to develop significant quantities of solar and other renewable energy technologies in short periods of time and the consultant's report confirms that conclusion. California has committed to develop a substantial portion of its energy supply from energy technologies that do not produce greenhouse gases. Market experience confirms that Feed-in Tariffs can be designed to help accomplish that goal.

California has a Solar Initiative program that is designed to serve projects up to 1MW. The California RPS process, whose market response is regulated by the electric utilities, uses an RFP process and a bi-lateral negotiation process to identify potential projects to meet the RPS goals. For smaller utility-connected projects, the cost of the current RPS process is a burden that when put on the smaller project makes the project less-competitive (or non-competitive) with larger projects. Yet many projects up to 20MW could be developed close to load sources and be connected quickly to existing T&D system. This "distributed generation" (20 MW and less) segment of the market could be brought rather quickly on-line with a properly designed Feed-in Tariff.

The experience applying the Feed-in Tariff to the 20MW and under segment can be used to extend the Tariff to larger projects, as the experience and conditions warrant.

Feed-in Tariff Implementation Issues: How to establish initial feed-in tariff prices

The consultant report highlighted some Implementation Issues that would need to be addressed as the Feed-in Tariff was implemented. Infincia would like to address one of those issues: How to establish initial feed-in tariff prices. Infincia recognizes that the CPUC is currently responsible for feed-in tariffs that are in place and under development for California's IOUs. As such, the CPUC would also be ultimately responsible for implementing, approving and overseeing the recommended tariffs for the IOUs. Because Infincia support the immediate development and deployment of Feed-in Tariffs for 20 MW and under projects, we believe that the CPUC should use its staff, the CEC staff, and consultants to develop a proposal for the technology specific tariffs that would support financeable projects in California for the 20 MW and under. That proposal then should be made available for comments by the public.

Of course, as a solar electric system manufacturer, we are very interested in getting feed-in tariffs for solar electric systems that can be implemented in California in volumes that the CPUC / CEC desire for the California RPS. Although the Infincia technology is not a photovoltaic (PV) technology, it is deployed in modules of 3kWe that make it used in these 20 MW and under projects more like PV than the larger central station type solar electric systems. While some feed-in tariffs have differentiated PV from other solar electric systems, we do not see a technology reason to make that differentiation between solar electric system types in this 20 MW and under scale. We would recommend a single solar electric system technology tariff which could be differentiated by size, if conditions warrant.



Conclusion:

Infinia thanks the Commission for the moving ahead with this review of the feed-in tariff market experience and the resulting options for California policy makers. Infinia supports the Commissions in a recommendation that California move ahead with a low-risk, and potentially very high payoff for its RPS and GHG objectives by setting a suitable must-take, cost-based, technology-specific Feed-in Tariff for solar electric and other renewable energy technologies.

Thank-you for the opportunity to comment on this matter of significant importance to Infinia.

Respectively submitted,

/original signed/

David L Townley
Vice President, US Sales & Marketing
dtownley@infiniacorp.com
509-628-7521 (m)

4695 MacArthur Court
11th floor
Newport Beach, CA 92660