

**The State of California
California Energy Commission**

**Support for Changes to the Emerging Renewables
Program Guidebook (10th Edition, CEC-300-2010-003-D)**

Energy Commission Docket No. 02-REN-1038

Submitted by:

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And representing the AWEA Small Wind Turbine Committee

April 2, 2010

Honorable Commissioners and CEC Renewable Energy Program Staff:

Thank you for providing this opportunity to offer input on the proposed changes to the Emerging Renewables Program (ERP) Guidebook. **We strongly support the proposed changes and urge the Commission to adopt them.**

These revisions have been two years in the making and we are very pleased to see the new Guidebook finally before the Commission.

Bergey Windpower Co. (BWC) is one of the leading suppliers of small wind systems in the world and the leading supplier of small wind systems funded by the ERP. We have been in business 30 years and have over 6,000 systems installed worldwide. BWC has been deeply involved with the ERP from the beginning of the program and I have presented testimony in numerous proceedings relating to Docket No. CEC-REN-1038. BWC has also been active in legislative and county initiatives aimed at streamlining the permitting of small wind projects.

AWEA and the small wind turbine manufacturers and retailers are appreciative of the market stimulation provided by the rebate program. Small wind technology has faced significant permitting barriers in California (as outlined in the KEMA report and the recent UC Davis report) and, as a result, has not enjoyed the explosive sales growth seen for solar under the rebate program. Nevertheless, progress has been made and the potential remains large.

The potential for small wind in California is significant. A 2003 study funded by the CEC¹ showed that 24% of California has sufficient resources for small wind (as opposed to a much smaller percentage with wind sufficient for large wind systems) and 1.8 million acres are prime for small wind. The study identified a 400+ MW potential in just a portion of the suitable properties (1 acre or more).

California was the first State to offer rebates for small wind (1999) and was for several years the largest State market for small wind. In 2001, for example, California accounted for an estimated 35% of U.S. grid-intertied small wind system sales. The ERP program has also helped create the highest volume small wind dealership in the nation, Guasti Construction near Hesperia in San Bernardino County.

But things are very different today. Over the last three years, only ~ 30 small wind turbines on average have been installed with ERP support each year. This is one-quarter of the peak annual rate from 2001 and the rate of installations has been declining at ~ 20% per year over the last three years. Equally problematic, the small wind dealer and installer network has shrunk by ~ 75% in the last six years.

This trend is in the wrong direction to meet the program goals stemming from the original legislation (SB 1038). Quoting from Page 1 of the ERP Guidebook:

“The ERP was created to help develop a self-sustaining market for renewable energy systems that supply on-site electricity needs across California. Through this program, the Energy Commission provides funding to offset the cost of purchasing and installing new renewable energy systems using emerging renewable technologies.

The goal of the ERP is to reduce the net cost of on-site renewable energy systems to end-use consumers, and thereby stimulate demand and increased sales of such systems. Increased sales are expected to encourage manufacturers, sellers, and installers to expand operations, improve distribution, and reduce system costs.”

The proposed changes to the ERP Guidebook will reverse the current trend and put the ERP program back on track to meet its goal of expanding markets and decreasing costs.

The new Guidebook responds to concerns raised by the small wind industry and it completes the transition from a solar-dominated program to one tailored to the specific needs of small wind and fuel cells. The fuel cell program improvements were made in February 2009 and the proposed Edition 10 of the Guidebook does the same for small wind.

¹ “Permitting Small Wind Turbines: A Handbook”, Peter Asmus, et al, September 2003, funded by the CEC, see <http://www.bergey.com/School/Cal.Permitting.Handbook.pdf>

Specifically, the temporarily increased rebate, the longer reservation period, and the elimination of inappropriate (relating to solar modules and inverters) tests and deratings will make small wind more competitive in the marketplace and spur sales.

The timing is good. Earlier this year Lowe's home improvement stores began offering small wind systems through 21 California stores, as part of their Lowe's Energy Center initiative. There will be small wind turbines on display at several Lowe's stores over the Earth day weekend in several weeks and the new rebates will get considerable exposure in areas with significant small wind potential.

In closing, I want to thank the CEC for the assistance that the Emerging Renewables Program has provided the small wind turbine industry over the last ten years. As an industry, we sincerely hope that the Commission will respond positively to our request for adoption of the proposed new ERP Guidelines, so that we can reverse the downward trajectory in the marketplace and fulfill the intent of SB 1038 for our emerging technology.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael L.S. Bergey". The signature is fluid and cursive, with the first name "Michael" being the most prominent.

Michael L.S. Bergey
Bergey Windpower Co.
And representing the AWEA Small Wind Turbine Committee

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