

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov

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Temporary Suspension of the Emerging Renewables Program

The Energy Commission is temporarily suspending the Emerging Renewables Program (ERP) effective March 4, 2011, at 5 pm PST. New applications for ERP rebate reservations will not be accepted after this date. The Energy Commission will, however, continue to process payment claims for rebate reservations approved before this date.

Complete applications for rebate reservations postmarked through March 4, 2011, or received via fax or email before the suspension takes effect will be processed. Applications submitted by fax must be sent to (916) 653-2543. Applications submitted by email must include a scanned copy of the application as an attachment, and be sent to [\[ang@energy.state.ca.us\]](mailto:ang@energy.state.ca.us). Please include "ERP Rebate Application" in the subject line.

The Energy Commission is suspending the ERP so it may address deficiencies with the program requirements. The goal of the ERP is to increase the installation of small wind systems and fuel cells using renewable fuels, by reducing the net cost of on-site renewable energy systems. The program, however, is not intended to fully eliminate a consumer's economic interest by covering the entire cost of the system. Over the last several weeks, the Energy Commission has seen a significant increase in applications for small wind energy systems, where the applicant is requesting rebate amounts close to or equal to the total installed cost of the system. As a result, the consumer and retailer/installation contractor may have no interest in verifying that the installation site has adequate wind resources to accommodate the wind energy system and generate enough electricity to offset the consumer's electrical load. Wind energy systems installed in locations with a poor wind resource are likely to underperform and result in a poor investment and use of ERP funding.

During this suspension the Energy Commission will review its current ERP Guidelines and adopt necessary changes to guidelines to address deficiencies with the program requirements. The suspension will remain in effect until further notice. The Energy Commission anticipates that it will take 60 to 120 days to review the ERP Guidelines and adopt necessary changes. New applications for rebate reservations received after the suspension becomes effective, will **NOT** be reviewed or approved by the Energy Commission and will be returned to the applicant.

The Energy Commission recognizes that the current rebate level for wind energy systems is scheduled to drop from \$3.00 per watt to \$2.50 per watt on April 7, 2011, and that the suspension of the ERP will extend beyond this date, thereby precluding prospective applicants from taking advantage of the higher rebate level. To avoid affecting any pending negotiations or potential sales that are contingent on the higher rebate level of \$3.00 per watt, the Energy Commission intends to extend the \$3.00 per watt rebate level for approximately 30 days after the suspension is lifted. Applications for rebate reservations submitted to the Energy Commission after the suspension is lifted and the ERP is re-started will be subject to *ERP Guideline* changes that are adopted while the suspension is in place.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. For technical questions on the subject matter, please contact James Lee, at (916) 653-1195 or by e-mail at [jslee@energy.state.ca.us].

JAMES D. BOYD
Vice Chair and Presiding Member
Renewables Committee

Electronic Mail Lists: Renewables
Date: March 4, 2011