

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

10/28/2011

DOCKET

11-CAI-03

DATE Oct.28 2011

RECD. Nov.01 2011

***IN THE MATTER OF THE COMPLAINT AGAINST
DYOCORE, INC. BROUGHT BY
ENERGY COMMISSION STAFF***

Docket No. 11-CAI-03

REQUEST FOR EXCEPTION BY CAGREENTEAM, INC.

CaGreenTeam, Inc. requests the enclosed (3) pages of statements be read-into this Docket for public record and review. Additionally (12) pages of supporting documents not placed in Public record, however reviewed for determination of Exception sought. We further request these documents and possible testimony given by Ray Walp (CEO of CaGreenTeam, Inc) on November 2nd, 2011 be considered in granting an Exception for equitable monetary payments to CaGreenTeam and its Customers who have followed all rules and requirements in their projects, including submitting their R-1's within the timeline with the full expectation of a standard approval and re-imbursement under the then current ERP.

Ray Walp CEO

CaGreenTeam, Inc.

720 N. China Lake Blvd.

Ridgecrest, Ca. 93555

Submission of Request for Exception

It is CaGreenTeam, Inc. belief that the CEC should stand by the guidelines that were in place when we sold the (10) systems and properly submitted the (10) R-1's in question.

We propose 2 options:

Make some amiable compromise to all parties, Including those with only R-1 Submittals.

CaGreenTeam be included under the guidelines of the CEC Recommendation with R-1 or R-2 submissions considered the same.

We request that when the ERP is re-instated, that all new installations using Dyocore systems be given 120 days from the date DYOCORE is relisted vise from the date ERP Begins at the \$3.00/watt rate.

On Friday March 4, 2011 we were notified of the suspension of the CEC rebate program with about four hours notice. With many phone calls and much ado we successfully submitted (10) R1's for customers that had made contract commitments for us to install Dyocore Systems. All indications were that by doing so they would proceed under the current printed guidelines and dates published by the CEC. We then proceeded as we had in the past with obtaining permits and net metering applications, etc. We had already taken deposits from our customers in good faith and as is customary with any contract. We proceeded as normal to purchase equipment and to complete 4 installations.

We had no commitments for our Windspire units at this time, however suspension of the ERP has stopped the installation or sale of them as well. This caused us to keep 5 Windspire systems in storage awaiting the CEC decision to reopen the ERP at a upfront cost of \$26,700.00 to CaGreenTeam, Inc.

As in any industry, timing is critical for costs. When we gave our sales and contract pricing it was based on the current price and availability, including the current ERP Rebate. Even though the ERP was designed to assist in cost going down for the end user, installations that do not proceed in a timely manor will assuredly go up for the dealer and at times for the end user.

Though it seems small in the grand scheme of things, we are a small company with only 10 R-1's submitted, CaGreenTeam does not believe in selling something we do not have, and with that in mind, used all available money including all deposits placed with us to purchase the equipment needed for our commitments. Without the rebates processed for these 10 jobs, our company is in danger of Bankruptcy. We have lost the momentum for selling wind systems and our investment in community events, advertisements and potentially hundreds of customers who have lost faith in our company as well as the Governments promises for assistance with people who are willing to purchase renewable energy. We now have customers wanting to take us to court or have their money returned, including some installations that have been completed. Our costs for these 10 systems has been \$156,981.00 so far, and upon completion of all 10 installations will not provide a profit for the company. Our expectations were to profit from additional installations, pointing to these installations as examples.

We believe in the intention of the ERP and were aligned with the CEC and it's stated goals. CaGreenTeam had no thoughts of abusing the system and has been installing wind systems for more than 5 years in our community. We have complied with all requirements and suggestions of the CEC. We have trained installers. The CaGreenTeam is comprised of community leaders that have been business owners for generations in this area and have reputations of honesty and for treating people right to uphold. This action is greatly damaging all aspects of our ingrained integrity.

CaGreenTeam typically installs wind power from beginning to end in the following manner: We advertise, go to community events, hold seminars at the community college and man vender booths at home shows, green energy building committee meetings and meet with our potential customers for a benefit and cost analysis. Then check the available sites and make suggestions for where to place which one of our products. (There have been many cases where the customer has asked for a wind product and it just is not feasible at their location, therefore we have turned down their business.) We then return to the potential customer with a contract of the agreed upon product and a cost of the installed product. We take a deposit and purchase all needed equipment for the job and submit for a engineering plans of the proposal. After engineering, we submit a request for permit to the county and wait for an approved permit. At this time we submit to the CEC a R-1 application and to the utility company a request for Net Metering. When we have the equipment needed for the Job, we schedule the installation. A typical installation of a DYOCORE System takes about 80 man hours, A Typical installation of a Windspire System about 160 man hours. If we have everything needed, we may start the installation in as soon as 3 days after a deposit. We receive payment in full upon completion, therefore have a vested interest in completion in a timely manner.

We are a small company and the results of our R1's simply being tossed out without further consideration will be devastating (and likely bankrupt our business) both to us and our valued customers, (some who took out loans or charged a credit card for their systems) and the small wind industry in general as well.

CaGreenTeam has lost many employees that were highly trained both in Reno Nevada and In San Diego at our expense in installation of these wind products due to the time lag for CaGreenTeam to install our products. After the program resumes we will have to begin as a new company would, and train and hire new employee's provided we have the jobs for them. This is a very expensive hidden expense not accounted for in the suspension of the ERP.

We submit the following documents that provide an explanation to account for the for \$113,743.00 in equipment, \$73,200 taken in Deposits and \$53,865.00 in hard costs for the 4 installations completed, with the justification of \$201,600 in Rebates expected to be paid to our customers. As can plainly be seen, our expected Profit is figured into the next few installations, not in the ones already completed, thus even if paid in full for all investment up to this point we are still at a no profit situation.

1. (10) pages of Project Cost per customer totaling before installation \$131,612.00.
2. (1) page Stock purchased and stored in the shop totaling \$245,355.00.
3. (1) page showing total hard costs for the 4 systems installed and total \$73,200 in deposits taken.

The following Qualified Installers have moved on to other jobs, or remain unemployed, after full training at CaGreenTeam's Expense:

Ray Lara, Eddie McBride, Bill Walsh and Dave Thompson.

Potentially many thousands of Installations we were near Guaranteed and in progress of at the time of suspension of the ERP program will go away. These are from entities such as the California School systems, Department of transportation, several church's in our area and a "chain" Gas station covering 3 states (name can't be put into public record). They are most likely not going to trust and believe in the CaGreenTeam's ability to provide products to them. We understand this is not the intention of the ERP or CEC and hope the outcome of this request will benefit our goal of renewable energy and a greener planet.

Ray Walp CEO

CaGreenTeam, Inc.

720 N. China Lake Blvd.

Ridgecrest, Ca. 93555

POINTS

We were in frequent communication with James Lee (CEC), and David Rain (Dyocore) and were assured all was well. We were told one company had submitted hundreds of R-1's without proper process; such as not purchasing equipment nor doing any kind of site survey.

Have previously submitted R-1's without issue.

Dyocore was on the approved list and we proceeded as normal with engineering, purchase, permits and installations.

WE submitted The R1's on that Friday March 4th in a timely manner with many phone calls and such.

We understood if we got them in on time they would be honored.. no reason not to think this.

We proceeded like always and submitted net metering ect.

We were never ill intended and our goal were aligned with CEC for the "good" intent of the program.

We visited each customer location regarding best sitting.

We are a small company in danger of Bankruptcy because of CEC delays.

We have eight customers with 10 "systems" and substantial investment by them as well as CaGreenTeam and its contractors.

Not getting R1's will devastate and probably bankrupt our company

CaGreenTeam acted in good faith in taking deposits and processing installations.

Customers have been patient but now considering canceling and or lawsuits

CaGreenTeam, nor our customers have done anything wrong , have followed all the rules in place, and these 10 R-1's should proceed under the guidelines that were in place at the time they were submitted.

