

On behalf of the Silicon Valley Manufacturing Group, I would like to thank the CEC for the opportunity to review and provide comments on the Draft Committee Report.

We are very pleased with the thoroughness of the report, the even-handed treatment of comments from the SVMG, and the strategy options and goals contained in the report. We endorse this report for adoption by the Commission without qualification.

We do offer some suggested corrections, but more to show that we have reviewed the document than anything else.

1. The heading of "Internal Combustion Engines" appears to be incorrect. It seems as though the heading should be "Combustion Turbines".
2. The "Status of DG in California" section concludes by focusing "on three distributed generation categories having a significant impact on the California market: microturbines, fuel cells and solar photovoltaics." Gas-fired reciprocating engines have had and will likely continue to have a significant impact on the DG market for the foreseeable future.
3. The first of the mid-term goals is to reduce distributed generation equipment costs in order to obviate government incentives. We believe that such incentives only exist for renewable generation technologies. Although this is a good goal, we would suggest that perhaps another goal might be to reduce siting and other costs imposed upon DG.
4. The second long-term goal is that by 2020, 20% of all incremental generation will be DG. We suggest that the goal should be to enable this level of penetration of DG technologies.

So as to leave the wrong impression, we reiterate our endorsement of this report without reservation. It is an excellent Strategic Plan, consistent with the goals and needs of SVMG member companies.

Regards,  
Jeff Byron  
Co-Chair SVMG DER Subcommittee  
biz 650-960-3113  
cel 650-575-6564