

California Energy Commission March 28, 2003  
Dockets Office  
Attn: Docket No. 03-RPS-1078  
1516 Ninth St., MS-4  
Sacramento, CA 95814

Dear Sirs;

I want to thank the Commission and the Staff for the opportunity to attend the March 25 Staff Workshop in Renewable Portfolio Standard Proceeding and to participate in the process of planning the implementation of the California RPS.

The Workshop provided valuable insight into the planning process. I was impressed by the openness of the Staff to inputs from a wide assortment of points of view.

Boeing Energy Systems is part of the Rocketdyne Propulsion and Power business area of Boeing and is located in Canoga Park California. Our primary interest in the State RPS is in its effect on the implementation of large solar thermal power plants within California. This is an area that was not one of the major focuses of the March 25 meeting. Solar thermal power plants can be "stand alone" or in a hybrid configuration with fossil energy. Solar augmentation of new or existing fossil power plants may be the most economical approach for implementing large quantities of solar energy. The rules for "stand alone" plant eligibility under the RPS appear straight forward. The Staff has indicated that where the fossil fraction is 25% or less the entire output of a hybrid plant may be considered renewable. The rule making for the eligibility of solar hybrid augmentation of fossil fueled power plants where the solar fraction is less than 75% appears to be more complex and should be considered by the Staff. I was told by Marwan Masri of the Staff that an upcoming meeting will be held with a focus on solar thermal energy systems under the RPS. I look forward to that meeting.

The Eligibility of Out of State Power was one topic area of the March 25 Workshop that will effect the implementation of solar thermal technologies under the RPS. There are outstanding solar resource areas just outside the California border in Nevada, Arizona and Mexico. These area my be conducive because of land availability, geography, and the presence of needed infrastructure for the construction of large solar thermal facilities. In order to provide the lowest cost renewable power to the State rate payers rules should be developed that are as favorable to these "out of state" sites as possible within the specific language of the RPS Statute. As

examples:

- 1) There is no need to define a specific distance to qualify as "near the border of the state". The economic limits of achieving the first point of physical connection to the WECC grid within the State is sufficiently restrictive.
- 2) A system of self certification for RPS suppliers, combined with Staff spot verification should be sufficient to verify that power is being produced using an eligible electricity generation technology and that the point of first connection to the WECC grid is within the State.

Thank you again for the opportunity to participate in this process.

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