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October 12, 2006

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 06-NSHP-1
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Comments on CEC-Staff Draft Guidebook of October 5, 2006

To the California Energy Commission Renewables Committee:

Volumetric trigger

A volumetric trigger without a dated deadline creates a "limbo period" in which nobody knows what the exact rebate amount is. For most of our clients, purchasing a PV system is a significant investment which requires consideration among multiple parties and often through several layers of management. Decision makers do not like to be presented with contracts which contain large unknowns. And lower level managers do not like to present such contracts to their superiors. Therefore, a limbo period can be a death knell for many contracts. This is especially relevant with larger jobs, which can take several months to conclude. Unfortunately, not only will this uncertainty cause the loss of many specific sales, but the resulting reduced likelihood of success also serves to discourage salespeople from even pursuing larger projects, creating a self-reinforcing cycle of lowered expectations followed by declining results. And declining results is exactly the opposite of what this program must achieve.

We favor a rebate schedule that is more predictable and therefore more attractive to both our clients and our sales force. We recommend that when reservations reach 80% of the volumetric trigger, an alert goes out to all registered sellers and installers establishing a deadline date (e.g. two months away) at which time the rebate will drop to the next level. Any over-enrollment at the higher rebate level could be assessed against the rebate amounts available at the next level, assuring that the program never goes out of balance. This way the rebate structure is responsive to the market but does not cause market disruption inherent in a strict volumetric trigger.

The term "market disruption" really does not do justice to the potential loss of livelihood among those of us in the solar industry. Many of us have devoted our life savings, not to mention our life energy, to this industry for years - my company is now celebrating our 30th year in business. A significant "market disruption" could easily spell bankruptcy for a solar installer, or layoffs and certainly loss of profits. It could also discourage other entrepreneurs from entering the market. In order to attain full market adoption of solar PV, we need sustained growth of 30% per year for the next 10 years. Any setback in that growth could cause the program to underachieve its goals.

Gary T. Gerber
President
Sun Light & Power

I agree with comments above regarding the Volumetric Trigger.

Signed,

Stuart Hallin
Rebate Administrator
Renewable Energy Concepts, Inc.