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CWE

To whom it may concern,

My name is Robert Crizer, and I am the owner and founder of Crizer Wind Energy, Inc. This letter is being written to express our position and associated concerns with the recent ERP suspension and ensuing complaint that was filed against Dyocore.

Crizer Wind Energy (CWE) was established in October of 2010 after I visited a town in Massachusetts that generated much of its electricity from a municipally owned, community wind project. I created CWE with the hope that I could bring wind energy to Central California. Upon further research into the various "levels" of wind, I determined that the best entry in wind for CWE was distributed wind. Consequently, I became aware of the California Energy Commission's Emerging Renewable Program that provided rebates for small wind installations. I was also happy to see the California Energy Commission already had a list of approved wind turbines that could be used for the ERP program. At this time, it was my understanding that California Energy Commission was the main oversight entity responsible for the ERP and small wind energy here in California. A product on the approved list had to be approved and/or certified by the CEC under guidelines that are CEC established. Based on said approval process, it is reasonable to expect that the CEC would never let a "bum" product be listed as approved. As the CEC website claims that it is the "states primary energy policy and planning agency", I would expect the agency to be well aware of the production for each of the products it listed on its website.

The reason our company became Dyocore distributors is simple. When we started this company we wanted to find the best turbine for our area that could still take advantage of the ERP rebate. By taking a look at the CEC's approved list of turbines, we chose to represent Dyocore because it had the highest performance in the lowest wind speed (as stated in the CEC approved turbine webpage). Even though we were new to wind energy, it was comforting to know that this turbine had been approved by the CEC and its performance had been verified according to CEC approval process.

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Crizer Wind Energy (CWE) decided early on that we would only work with products that are listed as "approved" by the CEC. The CEC has a long standing reputation for governing the emersion of new and productive energy systems and has created a public trust in its approved products. The CEC has also responsibly managed rebate programs to support these developing technologies. The trust that CWE has put in the CEC is now subject to question due to recent allegations that the CEC will not be paying pre-approved R2s.

At the time of formal complaint regarding Dyocore, we ceased our active search for rooftop wind energy customers, and decided to suspend any projects involving the Dyocore SolAir that had not already started construction. The only projects that continued after the suspension were projects that had already started construction. The ONLY reason these projects had started construction is because we had approved R2s for each project. Had I known at the time of the suspension that there was a possibility of projects involving Dyocore not receiving approved rebate checks, I would have ceased construction immediately. This thought, however, did not even occur to me as we already had approved and paid R2s on other nearly identical projects.

CWE has taken a proactive position reguarding the development of Dyocore systems. We have stopped construction as of the July 28th notice that Dyocore had a complaint filed against it. Furthermore, we sent in a written request to the California Energy Commission on August 3rd requesting that all pending R1s (submitted by CWE), that listed the Dyocore turbine as the proposed equipment, be removed from the list of projects awaiting approval.

Projects that CWE has finished to date are all projects that the CEC issued R2s (promise to pay) for. The CEC never suggested we should hold off on finishing pre-approved projects during the suspension of the ERP. The CEC never mentioned that there was a question regarding Dyocore's rating and production rating during the March suspension. Now, CWE is subject to CEC's reconsideration regarding payment for projects that are complete and on line (or ready to go online), all of which were built following rules established by the CEC and completed prior to the July 28th complaint against Dyocore. Said reconsideration is a clear violation of public trust. CWE should not be abused by the CEC's lack of control over their product approval measures. The CEC

clearly owes CWE for the systems that are complete to date. The only trustworthy and responsible decision would be to pay those promised amounts with expedience. Any other action is a clear violation of public trust.

In the event the CEC violates public trust and refuses to pay promised funds (CWE is owed approximately $70,000) the CEC is effectively killing any further innovation to any renewable energy from this point forward. How can I persuade a customer to invest in any type of renewable energy when the agency who supplies rebates has a history of revoking rebates that have already been approved? It was clearly stated in the CEC ERP handbook that once a customer has an approved R2, and the project is built out using the equipment that was approved on the R1/R2, a rebate will be paid once the wind system is online. Nowhere in the hand book does it state that an R2 can be dishonored RETROACTIVLY in the event that a turbine may be removed from the approved ERP equipment list. If the CEC determines that it will not honor preapproved R2s, no one from this point forward is going to trust that they will be paid for rebates (for any CEC program) that have been approved. The rating issue relating to Dyocore (and possibly other turbines) needs to be resolved. But this does not change the fact that my company has incurred significant costs and sustained a substantial loss as the result of placing trust in the CEC approved list and rebate process.

In the simplest terms, the CEC made a mistake in regards to the rating of the Dyocore turbine. For the CEC to place this financial burden on my company and customers is both irresponsible and unethical on the behalf of the state and its standing on the continued growth of renewable energy in California. The CEC has only one choice regarding the payments of the built out systems that had R2s in place prior to the July 28th filing of the complaint – that choice is to pay the promised funds, and to do it quickly.

Respectfully,

Robert Crizer

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