



The State of California
California Energy Commission

**Comments on Proposed EPIC 2012-2014
Triennial Investment Plan**

Staff Workshop, September 27, 2012

Energy Commission Docket No. 12-EPIC-01

Submitted by:

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Representing DWEA

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October 2, 2012



our Wind our Power our Future

Honorable Chairman Weisenmiller, Commissioner Peterman, and staff:

Thank you for providing this opportunity to offer input on the proposed First Triennial Investment Plan for the Electric Program Investment Charge (EPIC) Program.

The Distributed Wind Energy Association (DWEA) is a national trade association comprised of manufacturers, distributors, project developers, dealers, installers, and advocates, whose primary mission is to promote and foster all aspects of the distributed wind energy industry. We define distributed wind as being behind-the-meter generation, whether it's with a 2 kW residential turbine or a 1.5 MW turbine at a water treatment facility.

California is a priority state for DWEA because it was a leading market for distributed wind systems and because of the policy leadership the state has demonstrated for more than a decade. That leadership continues under Governor Brown's goal of developing 12,000 MW of distributed renewables in support of the State's AB 32 clean energy target is both exciting and challenging.

DWEA and the small wind turbine manufacturers and retailers are appreciative of the market stimulation provided by the Emerging Renewables Program incentives. However, the abrupt end of the ERP on June 28th per SB 1018 was a major shock to the industry and has put the California small wind systems sales and support infrastructure in dire straits. The timing was especially difficult for a number of small California businesses because the ERP program had recently suffered a 9 month shutdown due the DyoCore debacle.

We are pleased that the CPUC has moved expeditiously to add small wind systems to the SGIP program. The large drop in rebate levels, from \$3/W to \$1.25/W, the funding oversubscription at PG&E, and the loss of the CEC's belated quality assurance measures are of concern, however, and DWEA expects to work with the CPUC in the coming months to better tailor the program to the needs of the market.

Small wind technology has faced significant permitting barriers in California (as outlined in the 2009 KEMA report and the 2010 UC Davis report) and received much lower rebates during the early years of the ERP and, as a result, has not enjoyed the explosive sales growth seen for solar under the rebate program. Nevertheless, progress has been made and the potential remains large.

For consumers, small wind can be a more affordable option than solar in areas with good wind resources. The potential for small wind in California is significant. A 2003 study

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funded by the CEC¹ showed that 24% of California has sufficient resources for small wind (as opposed to a much smaller percentage with wind sufficient for large wind systems) and 1.8 million acres are prime for small wind. The study identified a 500+ MW potential in just a portion of the suitable properties.

The most active markets for small wind systems in California, Solano Co. and San Bernardino Co. are characterized by wind resources that are well aligned seasonally with the electric system peak loads. In rural residential areas, in fact, the correlation with peak demand can be better than solar because the wind resources continue into the evening when demand peaks and solar resources have diminished.

California was the first State to offer rebates for small wind (1999) and was for several years the largest State market for small wind. In 2001, for example, California accounted for an estimated 35% of U.S. grid-intertied small wind system sales. The ERP program has also helped create the highest volume small wind dealership in the nation, Guasti Construction near Hesperia in San Bernardino County.

To help restore the momentum lost in the last two years and provide more consumer choice in small scale renewables we believe the CEC needs to aggressively pursue a technology-neutral approach to its entire distributed renewable energy agenda.

With that goal in mind, DWEA offers the following comments and recommendations:

1. We recommend expanding the scope of S3.3 to include distributed wind systems.

While PV is a key technology for distributed generation, it is not the only on-site generation technology with the potential for significant cost reductions and California ratepayers would be better served with more choices. After concentrating on land-based and off-shore multi-megawatt wind turbine technology issues in recent years the US-DOE is starting to expand its distributed wind technology support. NREL, for example, just completed a solicitation for a “Small Wind Turbine Competitiveness Improvement Project”. So there will be similar opportunities for leveraging federal research funds. We believe consumers are in the best position to choose the clean energy generation technology that best suits their situation and EPIC should not driving them to only one.

2. We support S10.1, S10.2, and S10.3 because they provide R&D support opportunities for different technologies from different size companies and will encourage leveraging of resources. These are well thought out proposals.

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¹ “Permitting Small Wind Turbines: A Handbook”, Peter Asmus, et al, September 2003, funded by the CEC, see <http://www.bergey.com/School/Cal.Permitting.Handbook.pdf>



3. We strongly support S14.2, S14.3, S14.4, S14.5, and S14.6 because they directly address the single greatest barrier distributed wind has faced in California - permitting.

EPIC support and involvement in permitting issues could pay big dividends. Creating small wind versions of the CCPDA Model Solar PV Ordinance and OPR Solar Permitting Guidebook would facilitate permit streamlining, which will also help drive down costs. DWEA's efforts to get ordinances updated have run into the cited barrier of scare resources in planning departments. We also find that planning departments tend to give NIMBY concerns a weigh out of proportion to the level of public support for wind and other renewables. Having the CEC behind these efforts may help better balance the local policy environment.

DWEA has developed a model ordinance for small wind systems, which could serve as a starting point for a more comprehensive CCPDA effort. We are part of the Green Government Initiative of the National Association of Counties (NACo) which has resulted in reference documents, webinars, and presentations at major NACo conferences. DWEA is promoting the establishment of a permitting assistance program at the US-DOE analogous to the cited activities in the SunShot PV program. We hope to see new programs that would complement the California efforts. The small wind industry helped pass AB 1207 in 2001 and AB 45 in 2009, both of which encourage streamlined permitting for small wind systems. The proposed opportunities to work with EPIC on this front are greatly appreciated.

DWEA appreciates the opportunity to comment. The draft EPIC plan seems well considered, except it is clear that the staff did scant little homework on small and community wind. DWEA would welcome the opportunity to work with staff to better integrate the potential, prior work, and possibilities of distributed wind in future editions.

Respectfully submitted,

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