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Designed Power & Control Systems

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Monday, April 05, 2010

To the Public Service Commission of Missouri

As a founding member of The Missouri Solar Energy Industries Association (MOSEIA) we are one of twenty-two businesses around the state which are directly involved in the solar industry. Most of us are small to medium-sized businesses, and all are locally owned.

The current draft rules require only a few additional changes to ensure the RES actually results in the orderly growth of the solar industry in the state of Missouri. These important changes are summarized below.

It is important to make the following changes in these rules:

1 Market Segmentation

Solar economics is very different on a small, medium, and large scale. Adjusting incentives to appropriately incentivize all three sizes of solar markets is crucial for the orderly growth of solar in Missouri.

2 Establishing a predictable value for SRECs

The rules are silent on how a value for SRECs should be determined. Without guidance from the PSC, the small-scale solar market will suffer from SREC prices that are unpredictable.

3 Geographic Sourcing 2(A)

With a 1.25 multiplier and a 2% carve-out, it's clear that the RES intends for solar to come from Missouri. Solar should come from within or very close to the borders of Missouri.

4 Standard Offer Contract (SOC) 4(H)

Needs to be modified to ensure up-front payments actually occur up-front, term of contract is 10 years, and option is given to customer to take SREC payments up-front or over time.

5 Customer-Generator Definition 1(D)

Currently could be interpreted as preventing any third-party ownership or lease agreements; this would also prevent PPA's (power-purchase agreements).

6 Empire Exemption 9

Exemption for Empire Electric Co is not grounded. Legally, Prop C passed more recently in time and requires ALL investor-owned utilities to participate in all elements of Prop C.

7 Estimating production for small systems 4(H)

Draft language (unintentionally, we believe) could be interpreted as requiring metering for small systems when estimation is actually intended

8 Definition of "Full Operation" 4(K)

Language could be misinterpreted; clarifying with "substantial production" is called for.

9 Minimum 500W Requirement 4 (para 1)

Remove minimum system size. Current technology makes installations of systems under 500W viable.

It is Important to Keep these rules as they are:

1 Rebate applies to new or expanded systems, up to 25kW 4(D)

Important to keep this language as-is so it's clear that if a rebate-eligible customer installs a 5kW system and later wants to expand, the rebate still applies, up to 25kW

2 AC/DC 4 (para 1)

The RES calls explicitly for a rebate based on installed capacity - "installed watts", not on generation. Solar panel capacity is measured in DC watts.

3 Requirement for use of new equipment with manufacturer warranties 4(D)

New equipment is assumed in incentive valuation, and allowing used equipment to qualify for utility incentives could encourage shoddy business practices and gaming of the system

We are pleased to add our voice to these important solar industry issues for the good of the economic growth and stability of Missouri.

Sincerely;

Gillies M. Werner, President