

Green Alternatives Inc. is pleased to have an opportunity to provide comments on the proposed rules related to the Renewable Energy Standard in Missouri.

As a beneficiary and active participant of another state's (New Jersey) evolving experiment in developing a thriving solar market I would like to share our experience that has led to the second largest solar market in the United States outside of California.

Although New Jersey has had some well documented growing pains I think it is fair to say it also has a few successes that can be analyzed and considered as the commission continues its efforts to implement Proposition C. I also realize there are significant differences in the electricity markets in the two states, namely electrical supply is competitively bid in New Jersey and Missouri has a considerable number of cooperatives.

The main areas where New Jersey has succeeded is:

- In-state installed solar electric systems (over 85 MWs to date; close to 4,000 installations) from diverse market segments.
- Developed a relatively easy rebate program based on the DC rated installed capacity of a potential solar electric system.
- Fostered a competitive local solar installation industry as well as ancillary services.
- Establishment of the only actively traded, competitive SREC market in the country.
- Development of an ongoing active stakeholder process.

Where New Jersey has not met with as much success:

- Inconsistent access to the incentive program (because of budget constraints) resulting in a "stop and start" installation market.
- Long-term SREC contracts.

One of my concerns in reading the draft rules and as a participant in the April 13, 2009 workshop was a lack of an explicitly stated goal to develop in state solar resources and a thriving local solar energy installation industry. If the commission were to literally take a page from New Jersey's "RPS book" it might consider the following language,

"To be eligible for REC issuance, solar electric generation must be produced by a generating facility that is interconnected with an electric distribution system that supplies Missouri."

In terms of SRECs, I believe it is important for the commission to decide what type of market is appropriate, i.e. competitive or static for Missouri. Conceptually, does the commission want to decide by fiat what the value of solar is for the ratepayers of

Missouri or does it want to allow the market to work out that value within certain parameters set by the commission?

As an organization that has built its business around a competitive market I would lean toward advocating for a similar scenario in Missouri. However, given Missouri's electricity market structure I don't know if it would be fair to expect a competitive market to develop where there would be limited numbers of mandated buyers of SRECs.

In my experience whichever course the commission chooses it is paramount that a fully developed structure must be put in place ahead of time if there is any expectation for an active market for trading SRECs to exist. The Pennsylvania SREC program is an example of an ineffective market infrastructure that has led to minimal trading activity.

I am not advocating necessarily for it to be adopted in the formal rules but, for the record, I believe most parties in New Jersey would agree we have found it useful to have an ongoing stakeholder process where all the interested parties can discuss and implement solutions to various issues as they develop. This process mainly consists of separate monthly meetings regarding existing energy efficiency and renewable energy programs and proposed changes. These meetings are open to the public where relevant issues can be raised and addressed. Participants generally include staff members of the regulating authority, representatives from the utilities and various members of the renewable energy industry.

Lastly, I have seen mention of a rate cap in terms of a limit the RES can have on the ratepayers of Missouri but I have not seen any discussion of implementing an actual budget process. I am not clear if this is an omission or not the appropriate venue for discussion.

In conclusion, we thank the Commission for the opportunity to submit comments regarding the proposed rules implementing Proposition C in Missouri.

Respectfully submitted on behalf of Green Alternatives Inc.

David Weisman
Principal
Green Alternatives Inc.
759 Bloomfield Avenue
Suite 160
West Caldwell, NJ 07006
973-364-8065
greenalternatives@comcast.net