

**Comments on CASE 05-M-0090 and CASE 03-E-0188:
“In the Matter of the Systems Benefits Charge III”
and
“Motion of the Commission Regarding a Retail Renewable Portfolio
Standard”**

ADDITIONAL COMMENTS

submitted to:

State of New York Public Service Commission

Submitted by:

Bergey Windpower Co.
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Bergey Windpower Co. appreciates the opportunity to provide additional input to the York Public Service Commission as it considers the future of the New York Systems Benefits Charge program under CASE 05-M-0090 and the Renewable Portfolio Standard (RPS) under CASE 03-E-0188. We were one of the 164 parties originally submitting comments on SBC III, and an active party in the RPS proceeding.

The new budget language pertaining to control of the SBC and RPS funds by the Governor and/or the legislature, while no doubt well intentioned, would have the effect of undermining the goal of reducing the cost of small scale renewable energy systems. This is because it would introduce very substantial new risk for any industry investments. As we stated in our answer to Question 2 in our original comments, the industry needs 5-10 years of program surety and stability in order to make the needed investments in production and distribution capabilities.

What sort of investments are we talking about? Here are some examples of current and planned activities:

1. Investments in product development for low wind speed regimes and to extent the product size offerings
2. Technology transfer with a New York tower manufacturer to establish in-state tower manufacturing
3. Training of dealers in the system design, installation and support of small wind turbines

4. Qualification of dealers as "Eligible Installers" under NYSERDA guidelines
5. Recruitment of new dealers
6. Structural analyses of towers to show IBC code compliance in New York
7. Establishment of New York professional engineer licensure
8. Working with cities and towns to update or establish permissive zoning for small wind systems (a very, very big task)
9. Development of long-form, Type 1, SEQR impact forms for potential projects
10. Developing and printing NY specific sales literature
11. Direct mail sales campaigns
12. Seminars, open houses, and various other forms of local advertising

The extent to which Bergey Windpower and its dealers can afford to spend time and money on these activities is directly affected by the likelihood that the incentives underpinning market development will be available next year and the year after and the year after. Those of us who have been in the renewables field long enough to remember the Luz Solar debacle (due to annual uncertainties of the availability of a federal subsidy – Luz went bankrupt) are highly suspicious of the ability of an annual legislative budgeting process to deliver stable policies. We have also seen transfers of funds to non-energy related state programs, as in Illinois in 2003.

We are very concerned.