



March 2, 2005

State of New York
Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

Attn: Jaclyn A. Brillong, Secretary

RE: CASE 05-M-0090 Comments – System Benefits Charge III

Dear Sir/Madam:

SunWize Technologies (SunWize) offers the following comments related to proposed changes to the System Benefits Charge III program.

Background

SunWize is a 12-year old solar technology company specializing in the design and manufacture of integrated solar power systems, and associated project development and wholesale solar product distribution. Our company operates a manufacturing and distribution facility in Kingston, NY and a distribution center in Oxnard, CA, in addition to 12 sales offices in the U.S., Canada and Europe, and will sell over 9 megawatts (MW) of solar modules in 2005.

SunWize began as a small distribution company, incorporated in New York State in 1993. Since our first NYSERDA product development contract in 1994, New York state funding has played a role in SunWize's growth. Our early successes in New York State have been leveraged into nationwide market growth. SunWize, and the New York State renewable energy industry in general, has benefited from a range of NYSERDA programs, including:

- product development partnerships;
- development of the solar electric market in New York State; and
- dealer/installer training and consumer education programs.

NYSERDA's initial programs focused on partnerships for new product development. As part of this program, SunWize developed a photovoltaic (PV) hybrid product line -- known as the SunWize Power Station -- and worked with NYSERDA to identify a market for hybrid systems within New York State. Additional funding helped SunWize to develop its urethane-based custom solar module process, solar power systems for rural telephony applications, and solar

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power systems for rural solar home system applications. In short, these NYSERDA programs helped SunWize develop leading-edge products for commercialization.

NYSERDA's programs were also effective in expanding the PV market and creating jobs in New York State. As an example, NYSERDA's New York Energy \$martsm Residential Photovoltaics Program provided benefits to the growth of SunWize and the greater New York renewable energy industry. Consider the facts:

- In 1999, before our participation in the NYSERDA program, there were twenty-three (23) SunWize dealer/installer customers in New York State, as compared to over 150 dealer/installers today.
- SunWize started in 1992 with 2 employees. We have grown to 65 employees, with 45 in New York State.

These numbers represent the dramatic growth of the solar industry in NY State, stimulated in part by programs such as the NYSERDA Photovoltaic (PV) Incentive Program and New Construction Financial Incentives.

More recent NYSERDA programs – funded by SBC monies – have raised the standards and safety for renewable energy installations and products through the development of accredited training programs and the dealer eligibility program. NYSERDA is creating an educational brochure for the insurance industry. This is well aligned with our industry needs and major barriers that we identified during our NYSERDA residential implementation:

- lack of basic solar knowledge by the end-user and officials;
- lack of consistent, high quality installations;
- lack of qualified leads for the dealer/installer.

SunWize is currently partnering with NYSERDA for development of a consumer-oriented training program for the residential PV market. Our marketing programs are supported with NYSERDA consumer outreach efforts such as the www.powernaturally.org web site and their Solar Electric Energy and Guide to Installing PV brochures which are included in our Solar Connect materials for homeowners. We project this program will increase solar products sold to the New York State grid tie market by 25% in conjunction with available rebates and incentives.

In summary, over the past 10 years, NYSERDA has developed and implemented programs that are not only innovative, but also well aligned with industry and market needs for a sustainable renewable energy industry. One important proof lies in the increased revenues and job creation at SunWize, as well as with the renewable energy industry overall in New York State. We feel that the continuation of SBC funding is critical to maintain this market momentum.

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Response to Matters for Comment

1. The facts presented above support our claim that the SBC-funded outreach programs are meeting goals related to maintaining the momentum of ongoing market transformation.
2. SunWize supports the continuation of the SBC program beyond the current June 30, 2006 expiration date, and recommends a 5-year extension to provide adequate opportunity for program planning and market growth. As a minimum, the program duration should coincide with and support New York Governor George Pataki's Executive Order calling for state agencies to obtain 20% of their electricity needs from renewable sources, such as wind, solar, biomass, geothermal, and fuel cells, by 2010.
3. The New York renewable energy market has matured and grown since the establishment of the SBC. While in our opinion, these conditions do not change the overall goals for the program, there may be new priorities related to continued job growth and manufacturing expansion that can be addressed by the SBC. Also, given that other states (notably California) are looking closely at "performance-based incentives" and "renewable energy credits" which require energy metering, perhaps the SBC funds can be used to support market transformation in this area.
4. In our opinion, the programs should equally support both residential and commercial/industrial programs.
5. It is very important that that SBC programs continue in parallel with the Renewable Portfolio Standard incentives. The focus should remain on consumer education and support for industry growth. Given that other states (notably California) are looking closely at "performance-based incentives" and "renewable energy credits" which require energy metering, perhaps the SBC funds can be used to support market transformation in this area.
6. In support of New York job growth, SunWize recommends that a certain set-aside be made for fund allocation to New York state firms.
7. The creation of manufacturing and service jobs within New York State is a natural outcome of the SBC programs and Renewable Portfolio Standard incentives. We would be interested in new programs that provide support

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for mid-sized company growth and investment, including manufacturing initiatives and employee training.

8. The best means to address consumer needs is through continued funding of public education and outreach programs directed to consumers.
9. NYSERDA is marketing the program very effectively through innovative methods and what they offer is all-encompassing. We couldn't have a better marketing partner.
10. No comment.
11. Yes, we believe the current NYSERDA program evaluation process is adequate and have no recommendations for improvement.
12. No comment.
13. No comment.
14. No comment.

Thank you for the opportunity to provide our feedback.

Sincerely,

David Kulik
President

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