

From: [@ Musselman Oost, Julie](#)
To: [@ Pruitt, Mark](#); [@ Kelly, Henry](#); [Zuraski, Richard](#)
Subject: FW: Small scale solar power included in Renewable Energy Credits
Date: Monday, September 12, 2011 10:11:54 AM

From: reddyunit1@aol.com [mailto:redyunit1@aol.com]
Sent: Monday, September 12, 2011 8:00 AM
To: Oost, Julie
Subject: Small scale solar power included in Renewable Energy Credits

Julie,

Below is a very well stated position regarding the need to recognize small scale solar providers in the consideration of "Solar Renewable Energy Credits" (sCRECs). Mr. Tom Dersch is a constituent of mine and has stated the case for this much better than I could and I am including his e-mail below along with this e-mail urging that small scale systems are included and not left out! His reasoning is very solid and I would like this position stated at the IPA hearing on September 14th. I appreciate your consideration and look forward to your response.

State Representative Roger Eddy
109th District

Dear Representative Eddy:

As you know, I am a proponent of solar power, as a form of clean, safe, renewable energy. Our southern Illinois business is involved in designing and installing solar power systems for southern Illinois businesses and homeowners. I want to see Illinois become a leader in the energies of tomorrow, including solar power. One way to help promote a strong solar industry is to provide Renewable Energy Credits (RECs) to the producers of solar power. These are known as "sRECs" (Solar Renewable Energy Credits). This is a common economic development method utilized in other states. Illinois, too, is to be involved in the payment of sRECs. However, as I understand it, if the Illinois Power Agency (IPA), follows past practice, the payments will be carried out via an "auction process" of sorts. Unfortunately, the way the "auction process" has been structured in the past, there is a strong, if not exclusive bias toward the sRECs going toward Utility-Scale solar power providers, rather than Distributed/Smaller-Scale solar power providers, which is the reason for my letter to you at this time.

It has come to my attention that the Illinois Power Agency (IPA) will be holding a hearing on how the sRECs may be distributed. Specifically, the IPA is seeking comments on its 2012 Draft Procurement Plan for energy supply and renewable energy resources. This plan establishes the IPA's process for complying with the Illinois Renewable Energy Standard, including the "Solar Carve Out" mandated by state law. I write to seek your support with regard to input provided to the IPA to encourage the IPA to put into place a structure, system, and supporting procedures to ensure that producers of small, distributed solar

power systems get their “fair share” of the sRECs.

In my view, it’s important that owners of “distributed” solar energy systems (small-scale systems that generate power for specific buildings or homes) be given reasonable opportunity to benefit from the sRECs, and NOT just Utility-Scale providers. Unfortunately, the way that IPA’s procurement process works, I am advised that smaller, distributed system owners/producers do NOT have a realistic opportunity to participate in the auction process and to therefore benefit from the sRECs. This needs to be changed if the state wishes to get the most economic bang for the solar buck, and if the state wishes to see state-wide development of the technology and the jobs of the future with solar power. This needs to be done if “Main Street” businesses are to have an opportunity that, now, “Wall Street” type businesses exclusively have.

Consider the following points in favor of Distributed/Smaller-Scale Solar Power systems:

- 1) Small-scale solar power systems typically are installed on portions of property that are not being utilized for productive purposes (e.g. on the roofs of buildings or on the grounds of properties), whereas, utility scale solar power systems more commonly are installed on large tracks of commercial, industrial, and/or agricultural property, such property which potentially has an otherwise productive use. Not too far from where our company is based, for example, it is my understanding that a "utility-scale" solar power system is being considered to be built on what is otherwise fertile, productive farm ground, ground that can be utilized for growing food and/or feedstock for fuels (e.g. corn or Miscanthus for ethanol, soy or algae for biodiesel, etc.). While I favor the development of solar power, both large- and small-scale, I believe that in the name of "resource conservation" alone, solar power installed in areas having no productive use inherently favors distributed solar power of smaller scale systems given that such are most commonly positioned on rooftops and/or on grounds which have little to no productive use.
- 2) Small, distributed solar power systems (installed directly at the places that will consume the energy) don't have the "transmission loss" associated with centralized utility-scale solar power electrical plants where the generated power must be "transmitted" long distances for use, such transmission which represents a significant cost and loss of power. With a decentralized solar power system (e.g. solar power on the property where it is to be consumed), there is very little loss of power as the transmission distance is very short.
- 3) The installation of small-scale solar power systems benefits the small, technical/professional business segments of our economy, who rely on a continuous stream of projects for their viability (e.g. solar power installers, electricians, engineers, footer installers, pipe fitters, roofers, etc.). We know how hard the

economy has been on "small business" and on the "trades" the past decade, the majority of small businesses no longer operating at a profit. Some might term this as a "Main Street" versus "Wall Street" issue. The poor economy has, in turn, adversely affected the economy and financial status of the State in general. Small-scale solar power benefits small, "Main Street" business, a key to turning around the economy, a key to turning around the State's fiscal situation, and the fiscal situation of small communities throughout the state.

- 4) Small-scale solar power systems have the potential to benefit varying portions of the state, and varying portions of our towns and cities in a decentralized way (rather than being concentrated in just one community or region of the state, which can be the case with wind energy that is available principally in "wind corridor" areas, or a centralized renewable energy plant, or a centralized manufacturer, as such can principally benefit one particular local economy or group of investors, etc.). Southern, Central, and Northern Illinois regions all have great potential for distributed solar power.

- 5) When comparing SMALL-scale distributive projects versus LARGE-scale distributed projects, the small-scale projects will typically be constructed at properties where electrical utility rates are higher, thereby yielding the largest potential savings in electrical utility costs to the utility consumer. For example, when I have reviewed the electrical utility bills of small versus large businesses, I often find that the large businesses, who consume significantly greater amounts of electrical energy than their small business counterparts, have received, from the local utility provider, significantly more favorable electrical rates, than the smaller electrical user, thereby making solar power less attractive, from a financial-return standpoint, to the large business than the smaller business. The opposite is true with regard to the smaller business owner who pays higher electrical utility rates. In other words, small-scale distributed solar projects can make the greatest difference to the consumers of power. When consumers are able to save on their utility costs via investments in solar power, there is an increase in their "disposable incomes" long-term, which, over time, can increase their purchasing power of other products and services, to the benefit of the economy versus "burning non-renewable energy".

Other states are advancing in the area of solar power, including the neighboring states of Ohio and Michigan. Solar Power transcends political affiliation, from coast-to-coast. A west-coast state with a Democrat governor like California (Jerry Brown) leads in solar power, as does an east-coast state with a Republican governor like New Jersey (Chris Christie). With solar power, power is produced when electrical power is often at it greatest demand (mid-day) when factories, offices, and schools are in peak operation). It only makes sense to leverage this technology in a decentralized way. Illinois must NOT MISS this OPPORTUNITY with solar power.

I acknowledge that, with large-scale installations, there can be favorable economies of scale. Please know that I do not in any way oppose large-scale installations; nonetheless, I prefer public policy give preference to smaller scale installations for the reasons previously given. I like solar power because it is renewable, clean, and environmentally protective. Health care spending is challenging government budgets through Medicaid and Medicare, as private businesses and organizations through health insurance premiums. Seventy-five percent of all health care spending is related to chronic conditions for which there is reportedly no cure, only on-going care and treatment. To the extent that unclean, unsafe energy is responsible, even in part, to our health woes, I can envision clean, renewable solar power contributing positively long-term toward our health, which will be an added "financial positive" for the public and private sectors of our economy.

The public supports solar power, as public opinion poll after another shows overwhelming public support for solar power. Solar power is good for the economy, benefiting especially small business and skilled/technical jobs (e.g. electricians, solar power installers, engineers, carpenters, pipe fitters, etc. throughout the state, not just one region), good for state and national energy security, and good for environmental and human health -- a beneficial public policy "triple-play".

Please consider contacting the Illinois Power Agency, to advocate for ensuring that small, distributed energy solar power providers get a share of the sRECs, rather than the sRECs going to the exclusive benefit of utility-scale providers. The date of the IPA hearing is September 14, 2011, at the Illinois Commerce Commission main hearing room. Written Comments to the IPA must be received no later than 5 p.m., September 14. If by e-mail, comments may be directed to the attention of Julie Musselman Oost, at JOost@KelleyDrye.com, who is presumably helping to manage the comment-handling process.

Thank you for your consideration.

Tom Dersch
DERSCH ENERGIES, INC.

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From: [Tom Dersch](#)
To: [Zuraski, Richard](#)
Subject: Advocating that Small Scale Solar Power be Included in Solar Renewable Energy Credits
Date: Monday, September 12, 2011 2:09:20 PM

Mr. Zuraski, yes I do represent DERSCH ENERGIES, INC. (I am Vice President of the corporation), and I do consent to the posting of the referenced e-mail. I do believe that I would like to CLARIFY my letter with regard to defining more of what I mean by "small distributed", because some "distributed" energy installations have the potential to be near "utility scale" in size and capacity. I want to be sure that that SMALL DISTRIBUTED solar power installations, especially those 40kW size and less in capacity, be included as a "specially protected class" with regard to opportunity for sREC support for distributed energy production, as this size range, in my view, will potentially lead to the greatest expansion of solar power in a decentralized fashion geographically throughout Illinois, while, at the same time, having the greatest positive affect on the economy throughout the state.

Tom Dersch
DERSCH ENERGIES, INC.

From: rzuraski@icc.illinois.gov
To: tomdersch@hotmail.com
Date: Mon, 12 Sep 2011 12:50:11 -0500
Subject:

Mr. Dersch,

I am in receipt of an email ostensible from you (attached), forwarded to me through State Representative Roger Eddy and then Julie Musselman Oost of the Illinois Power Agency. I am writing to confirm that you represent DERSCH ENERGIES, INC, and that you and DERSCH ENERGIES, INC consent to the posting of the above-referenced email to the Illinois Commerce Commission's website as your comments on the Illinois Power Agency's draft procurement plan.

Richard J. Zuraski
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