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New York State
Public Service Commission

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CASES 08-E-1305, 08-E-1306, 08-E-1307,
08-E-1308, 08-E-1309, 08-E-1310

Orders on Net Metering Tariffs

**COMMENTS
OF SUSTAINABLE ENERGY DEVELOPMENTS, INC.**

**On SAPA Notice PSC-22-09-00009-P:
Petition of Buddy's Place for Reconsideration of a Size Limit
on Qualifying for Net Metering**

Sustainable Energy Developments, Inc. (SED) a full-service developer of customer-sited (on-site) wind energy projects headquartered in Ontario, NY asks that you consider these comments in support of the petition filed by Buddy's Place, a pet crematory owned by Karen Walker.

SED is a leading developer and installer of decentralized wind energy development that currently employs 20 people and is a member of the Alliance for Clean Energy New York (ACENY). The impact of the decision regarding this petition will have a significant impact on SED's client base in New York and future market development for on-site wind, and therefore we urge the Commission to require National Grid to allow the petitioner to net meter its on-site photovoltaic system and reconsider its decision earlier this year on utility tariffs for net metering.

Respectfully Submitted,

Kevin Schulte
CEO and Co-founder
Sustainable Energy Developments, Inc.

COMMENTS OF SUSTAINABLE ENERGY DEVELOPMENTS, INC.

On SAPA Notice PSC-22-09-00009

I. Introduction

SED is a full-service developer of customer-sited (on-site) wind energy projects and is headquartered in Ontario, NY. SED currently has 20 employees working tirelessly to promote this distinctive form of wind energy development in the Northeast and is an active member of a number of renewable energy organizations including the Alliance for Clean Energy New York (ACENY), Windustry, and the New England Clean Energy Council (NECEC). SED is developing on-site wind projects with a variety of clients including municipalities, small businesses, schools, farms and homeowners. Working on projects from 10kW to several megawatts, SED assists clients with feasibility studies, project design, construction and maintenance of wind turbines. SED currently has projects at various phases of development throughout New York and considers the status of net metering to be of vital importance for successful development of these projects and SED's continued growth in New York.

SED has been headquartered in New York for 7 years and has received important support from a number of organizations including the Wayne County Economic Development Authority and New York State Energy Research and Development Authority (NYSERDA) that led to the relocation to new headquarters in the winter of 2008. SED is currently the leading installer of residential scale wind turbines in New York with 25 projects installed to date and is a regional leader in larger installations (100kW and larger) throughout the Northeast with four projects completed in Massachusetts. The company is working with clients such as Ithaca College, the Town of Webster, Sodus Central School District, Wayne Central School District and Pavilion Central School District to develop wind projects of similar scale in New York.

SED was founded in 2002 with the expectation that many policies being pushed in Albany would create the strongest customer-sited wind energy market in the Northeast. SED has worked hard to promote this market in New York, but has faced a series of difficulties limiting the installation of larger turbines. These obstacles have subsequently caused the company to shift focus to the Massachusetts, and now Pennsylvania markets based on the presence of stronger state-level support. Net metering legislation that passed the New York State Legislature and that was subsequently signed into law by the Governor was one area where SED was hopeful, but the recent decision of the PSC and Utilities to limit the size of

systems to a client's peak demand does not reflect the intent of this legislation. SED therefore takes this opportunity to not only urge the Commission to provide net metering to Buddy's Place, but also to issue an Order repealing the existing utility tariff provisions for non-demand metered customers and order them replaced with tariffs that provide for net metering of systems up to those capable of providing energy output equivalent to the customer's annual average energy use

II. Comments Regarding this Petition

This petition provides an opportunity to discuss the net metering tariffs provided by New York's investor-owned utilities and their approval by the PSC. Buddy's Place is representative of many end-use electricity customers that have taken the initiative and financial risk to offset their electricity costs through the use of an on-site renewable energy generating system. Buddy's Place and many of SED's clients pursued the endeavor with the belief that New York would institute a progressive net metering law that would provide fair value for their excess generation and grow this vital market. The actions of the utilities to water down the original intent of the net metering legislation as passed and the approval of this action by the PSC has dealt a significant blow to these clients and the prospects of a strong market for on-site generation in New York.

Net metering that allows customer's who install their own generating systems to offset electricity usage to get fair value for any generation that is produced beyond what they use is crucial for the growth of on-site renewable energy market and many other states have instituted policies that allow for this. Net metering is particularly important for renewable energy systems like wind and solar, as these technologies production is variable and cannot be developed to conform with a customer's actual usage pattern. Net metering allows for the tracking of excess electricity production that can be put towards times of the year when the client requires more electricity or the conditions aren't present for generation, i.e., the sun isn't shining or the wind isn't blowing.

The interpretation of the net metering legislation by the PSC that would only allow customer's to net meter systems that don't exceed their peak demand is an unfortunate position and does a disservice to the countless hours that clean energy advocates and employees at SED put into getting this legislation passed and signed into law. The effort to have this measure passed was led by clean energy advocates and firms like SED, who would never have agreed supporting legislation that would've capped system size to a customer's peak demand because of the unpredictable nature of these technologies. The nameplate rating capacity of wind turbine's installed by SED for on-site purposes usually exceed the customer's peak

demand, but do not provide enough annual kilo-watt hour (kWh) generation to fulfill the electricity needs of the client. In SED's own internal processes peak demand does not prescribe a certain turbine, whereas annual electricity consumption does.

The potential success for the customer-sited wind market is apparent across the border in Massachusetts where strong financial and institutional support has created the premier market for customer-sited wind energy in the East. This market currently supports the creation of numerous businesses dedicated specifically to customer-sited wind, as well as benefitting complimentary industries such as contractors, concrete suppliers, engineers and manufacturers. SED believes that with interpretation of net metering as was intended by last year's legislation that this success can be replicated in New York. New York possesses a stronger wind resource and could support more viable customer sites than Massachusetts, especially the Upstate region. There is no other wind installer based in New York that has experienced what potential exists for customer-sited wind, as seen in Massachusetts and what will soon take place in Pennsylvania.

III. Conclusion

SED appreciates the opportunity to submit comments on this petition and urges the PSC to consider these comments to grow the customer sited wind market in New York and. SED is a New York company that has achieved significant regional success. It is our goal to translate this regional success to our home market and in the process to bring economic development and growth to the struggling Upstate region. Revisiting net metering so that it will allow customer's pursuing on-site generation to have systems sized to actually meet their electricity needs will be a crucial step towards meeting this goal. SED stands with our fellow renewable energy providers, ACENY and those who have realized the benefits that customer-sited renewable energy generation can provide to provide net metering to Buddy's Place and revisit the decision limiting net metering to peak demand.

Respectfully Submitted,

Kevin Schulte
CEO & Cofounder
Sustainable energy Developments, Inc.