



## Energy Services Department

501 North Anderson Street  
Ellensburg, WA 98926  
(509) 962-7224 Fax (509) 925-8662  
www.ci.ellensburg.wa.us

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Bob Titus  
Director  
962-7226

Wayne Weidert  
Electrical Engineer  
962-7223

Richard French  
Light Operations Supervisor  
962-7219

Steve Prue  
Gas Engineer  
962-7229

Darren Larson  
Gas Operations Supervisor  
962-7227

Gary Nystedt  
Resource Manager  
962-7245

Elliot Mainzer  
Acting Vice President Bulk Marketing  
Bonneville Power Administration  
c/o Public Affairs Office – DM-7  
PO Box 14428  
Portland, OR 97293-4428

**RE:** Response to BPA's Proposed Changes to the Renewable Rate Credit Program

Dear Mr. Mainzer:

The City of Ellensburg has plans to install a 24 KW Community Solar PV system in the spring of 2006 and would like to expand the system to 165 KW by 2009. According to the information given in Table 1, the City would be eligible to receive a New Facility Credit of \$500/MWh generated (first year only). Based on an estimated system cost for the remaining 141 KW of \$1.05 million with an annual solar output of 188MWh, the City will be eligible to claim only \$.09 on every \$1.00 invested into the Community Solar PV system. Please explain why the credit is so small and then limited to first year only.

BPA is also proposing a 20% limitation on donations from utilities to BEF for renewable projects. This limits our donation to BEF to \$19,400 year. BPA should allow a utility to apply for a waiver of the 20% limitations on donations to BEF and RD&D projects as long as it stays within BPA's \$6 million limitation. Another possible option would be to allow a utility doing 100% conservation to donate their 20% renewables allotment to another utility that needs to exceed the 20% limitation (again staying within BPA's \$6 million limitation).

Renewable claims should not be excluded from the biannual budget when determining eligible administrative costs when utility staff are developing and installing renewable projects for the utility. Merely buying renewable power in the marketplace is not staff intensive but developing an incremental resource locally is very staff intensive. A way needs to be found to recognize this.

Our concept is to create a "community solar farm" just as some cities have created community vegetable gardens. Instead of interested individuals installing PV systems on their homes they would be installed at a single site with infrastructure and maintenance support (and bulk buying power) provided by the utility. As an incremental, ongoing project with advertising/marketing costs we feel that admin reimbursement is justified since the work involved is comparable to that for conservation projects.

We appreciate the opportunity to provide these comments. We recognize that you and your staff have put a lot of thought and effort into your proposals and can support most of what you have proposed. However, for an innovative utility such as ours that does not qualify as a small utility but does not have the resources of mid-size or larger utilities, the issues we address above, if not resolved, will cripple our ability to continue to support a vigorous conservation and renewables program in the next rate period.

Thank you.

Sincerely,

Robert J. Titus  
Energy Services Director