

To Whom It May Concern:

My name is Dan DeRuyter, partner in George DeRuyter and sons Dairy, in Outlook Washington. We have a digester that was constructed in 2006 and has been running for three years now. I do not believe that under current conditions, digesters will be built in the Yakima valley, where most of the cows in the state are located.

When our digester was built, the energy prices were rising and there was talk that we would be getting more encouragement to build sustainable energy projects. Since the completion of our project, however, there have been more road blocks and less income than I had expected. The problem is that we are in a monopoly area where one company controls what is charged and what is paid for. We are currently under the schedule 37 tariff and are getting paid about 6.3 cents per kilowatt hour. While that pays the bills, there is not much money to pay down the debt. I was offered more money in other areas such as Spokane, Seattle, and I even could get more if I was located about 40 miles to the north. The problem is that I must go over the local power company's line and the charge would negate the profit. The road ahead is bleaker still, the contract that I have is for two years and under the schedule 37 it looks like I will be operating at a loss once that contract expires. I tried to get a reasonable contract for a long period but was told that there was no way that I could get a long term contract.

I don't see a future in digesters in Yakima County, which is sad because most of the potential power from digesters is in this county. When I talk to dairy farmers in this area, I tell them "don't do it", the revenue is not worth the debt. Unless we can address the subject of reasonable pricing or at least be able to get the power to the people that are willing to pay for the power without making the increase in price meaningless, I think that getting digesters to power anything is a waste of time.

Sincerely

Dan DeRuyter