**From:** Don Jeter [mailto:donjeter@earthlink.net]
**Sent:** Wednesday, August 18, 2010 10:02 PM
**To:** Parvinen, Mike (UTC)
**Cc:** Dean Jensen; Moulton, Peter (COM)
**Subject:** Comments on UTC Docket UE-100849

TO: Mike Parvinen , Assistant Director ; **Energy** (electricity and natural gas)
FROM:  Don Jeter P.E. Prime Biodiesel  ; Chief Engineer

Hello Mike,

This is a follow up memo associated with the August 18, 2010 Work Session 2 for Docket UE- 100849. I was on the Phone for this meeting and want to provide my contact information for your use.

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I recieved notification of this hearing meeting via Peter Moulton of the Commerence Dept. and have included him via CC. (Thanks Peter)

My main comment is that the Commerence Dept. has an extensive program to "grow" a local energy program, the following is from the Commerence web site:

        The Department of Commerce is leading an effort to revise the State Energy Strategy, Washington's comprehensive energy plan for meeting our future energy needs. 2010             legislation [(E2SHB 2658)](http://apps.leg.wa.gov/documents/billdocs/2009-10/Pdf/Bills/Session%20Law%202010/2658-S2.SL.pdf) directed the revision of the state energy strategy and declared that a successful strategy must balance [three goals](http://www.commerce.wa.gov/DesktopModules/CTEDPublications/CTEDPublicationsView.aspx?tabID=0&ItemID=8520&MId=863&wversion=Staging) to:

a)    Maintain competitive energy prices;

b)    Foster a clean energy economy and jobs; and

c)    Meet obligations to reduce greenhouse gas emissions.

        The legislation also established [nine principles](http://www.commerce.wa.gov/DesktopModules/CTEDPublications/CTEDPublicationsView.aspx?tabID=0&ItemID=8520&MId=863&wversion=Staging) to guide the development and implementation of the state's energy strategy and to meet the above goals.

With respect to Incentives, I believe that UTC should work to find ways to make this State Energy Stratagy part of their agenda. In particular, I believe a renewable program which supports the rural farming community has more economic benefits to the state than simply buying Renewable Energy Credits (RECs). I would suggest that Locally (Washington State) Created Renewable Energy Credits should have an inherently higher value in this state than credits from another states, and especially a higher value than foreign energy credits. I realize this probably causes problems with respect to trading RECs. But RECs associated with forestry techniques in the far east is not the same as making renewable power in this state using local labor. I see this as "outsourcing" of the worst possible kind; not only does the state not get jobs out of the RECs, but who will get the CO2 reduction credit when this becomes a mandate?

With respect to the timing of Purchase Power Agreements (PPAs), I am in agreement with the comments that PPAs are needed as part of the initial project reviews, probably on a contingency basis. Without assurance that the product of a project (power) has an assured value, it is almost impossible to get appropriate financing. I would see a system that allows a project developer to recieve a letter providing assurances to the financiers of the value of the power and would allow the project to initiate PPA discussions subject to contingencies. The major Utilities have this because they can be both the producer and the power distributor. Private renewable power producers need a similar assurance up front in order to have a "level playing field".

Thank you, I enjoyed the opportunity to participate.

Sincerely,

Don Jeter P.E.