

**From:** Caitlin Collier [<mailto:collierlawoffice@gmail.com>]

**Sent:** Monday, November 25, 2013 4:07 PM

**To:** Cremer, Karen

**Subject:** RM 13-002

Dear Ms. Cremer,

I am writing as an individual citizen to comment upon whether the PUC should enter into rule-making regarding determination of standards for the determination of the avoided costs of utilities so as to set purchase rates.

I believe that rule-making is necessary, particularly for those QFs (such as small power production facilities) which produce less than 80 MW and as low as 20MW or less.

It is my understanding that PURPA requires utilities to purchase electrical power from qualifying facilities (QF) which generate power from alternative energy sources such as wind, solar and biomass. Individuals in South Dakota owning solar array systems which generate small amounts of energy would like to be able to sell their unused energy to the large power companies that own transmission lines in rural South Dakota, but many are unable to do so because they are being told that this would cost the utilities too much, but that "too much" is not identified, and the demands of PURPA are overlooked.

Until the rates of avoided costs are determined, it will be difficult for smaller producers to get anywhere. The rates, which the utilities must use in their required purchases from smaller producers, must not exceed the incremental cost to the utilities of their avoided costs. It is how to calculate those avoided costs which is so very important.

I hope that the SD PUC in its rule-making will look to the experience of other states in that process. Idaho, for example, found many erroneous avoided cost determinations had been made because of outdated fuel-price forecasts, outdated assumptions regarding capacity needs, and failures to capture integration costs.

I do believe that rule-making is necessary in order to make the reasoning behind PURPA work. I hope that the PUC will also consider the views and proposals of small energy producers in the rule-making process.

Thank you.

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