

From: don kelley <kim_don2001@yahoo.com>
Date: December 2, 2013 at 11:10:08 AM CST
To: "karen.cremer@state.sd.us" <karen.cremer@state.sd.us>
Subject: PUC docket RM13-002
Reply-To: don kelley <kim_don2001@yahoo.com>

Dear Ms. Cremer,

I believe it is very appropriate for the PUC to be considering avoided-cost rule-making.

With the burgeoning interest in, and increasing affordability of, small-scale distributed generation of electricity, it is unacceptable that South Dakota is currently the state with the greatest impediments to adoption of these technologies, thereby slowing the replacement of fossil-fuel generation by renewables. This is in part due to the lack of a net metering policy, with the result that utilities receiving surplus output from small-scale QF's credit them only an amount per kWh which fails to acknowledge several factors. Among these are the reduction of transmission and distribution line losses, daytime lowering of peak demand resulting from solar input, and decreased capital outlay for utility generating capacity, among other factors which have been detailed in studies in those states which have examined the impacts of net metering. Such studies have failed to show a significant cost impact to utilities or ratepayers, and in some instances have shown a net benefit.

South Dakotans are unlikely to remain complacent about the fact that flipping a switch in our homes and businesses means that fossil fuels must be burned. Alternative energy technologies are now mature and economically attractive, and must be given opportunity for wide adoption in our state. Small-scale installations should be given special encouragement, since their development is not dependent on construction of new transmission lines. Revision of the concept of avoided cost will be a major step in this direction.

Thank you for the opportunity to contribute these thoughts.

Sincerely,

Don Kelley
12637 Merritt-Estes Rd.

Deadwood, SD 57732
(605) 578-3857