Energy Independence and Security Act of 2007

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Reference: DMEA "Notice of PURPA Implementation" dated February 25, 2009

Initial Overall Comment: My last document to DMEA on this topic was dated March 10, 2007. History shows that DMEA blew off the entire PURPA issue at that time as unwanted and unneeded. I do not expect a different outcome this time even in light of significant and obvious degradation to the environment caused by coal fired power plants not to mention a significant decline in the economy caused in part by a poor national energy policy. The current act was created by the disastrous Bush administration and still is not very good. My hope is that Dr. Chu quickly creates an appropriate document and policy for this important area.

Integrated Resource Planning:

I believe the "All Requirements Contract" is still in place. This means, I believe, there will be no major change in resource fuel mix. This also means, in my view, that DMEA and it's members will continue to be hammered by ever increasing energy costs caused by things like Carbon Taxes, Cap & Trade or similar schemes created to penalize putting CO_2 (and other nasties) into the environment. I also believe that neither DMEA or TriState has demonstrated they can meet significant increased energy demand, required for any major economic recovery, using only renewable resources.

A different approach is clearly indicated in my view. My vote in this area is for the immediate and direct support of advanced, clean burn (deep burn) nuclear fuel cycles[1]. This is not rocket science and safe demonstration reactors, using these technologies, go back many years.

If you are looking for policies to promote energy efficiency, look no further than California where new nuclear power is outlawed[2] and coal generation is heavily frowned upon. The down side to this approach is high energy costs while consuming very large quantities of natural gas[3]. In my view this is really not a

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1 - *Footnotes -*
1a - http://www.utexas.edu/news/2009/01/27/nuclear_hybrid/
1b - http://www.youtube.com/watch?v=AHs2Ugxo7-8
1c - http://www.ect2008.com/publish_files/Venneri_.pdf

2 - http://ballotpedia.org/wiki/index.php/California_Nuclear_Energy_Regulations_(2008)
3- *http://ecdms.energy.ca.gov/*

solution. It remains to be seen if renewables in that environment will meet the energy needs of a major economic upturn.

Rate Design Modifications to Promote Energy Efficiency Investments:

DMEA's policy of giving users of electric powered heat pumps a price break is entirely stupid. It's widely known that from coal pile to customer there is virtually no energy gain. You also neglect to mention that, according to climate scientist, the burning of natural gas emits only 55% of the carbon relative to coal on a per unit of heat energy produced. This really stupid policy simply results in energy use being transferred from clean burning natural gas[4] and propane to coal. I certainly hope Governor Ritter has the opportunity to take a few lessons in energy production from Dr. Chu.

If you want to be honest and ethical, you should give the same lower rates to gas powered heat pumps in addition to co-gen or any high efficiency combined heat and power (CHP) product that uses clean burning natural gas or propane. These products generally achieve true efficiencies approaching 100% while providing both heat and electrical energy and much less CO_2.on a per unit of energy produced basis.

Construction of Smart Grid Investments

DMEA, of course, has spent several millions of dollars on a meter reading system that uses slow carrier current on their phase conductors for communications. From what I've read there is no concise definition of what a smart grid device is but their new meters/system definitely are not "smart grid" devices in my view.

To implement true smart grid features, a relatively fast communications means is required and most examples I've seen to date are based on using Internet IP technology. Local telephone companies in this area (Qwest & TDS) are total disasters with poor service and large debt loads. DMEA has chosen not to provide any type of fast communications option to customers such as other public and private power organizations have done elsewhere. .

DMEA's current devices do not appear to have the ability to communicate directly with customers/members. This makes the monitoring, scheduling and use of electrical energy in real time very difficult. I see no reasonable alternatives in the near term except for a customer/member initiated local

4 http://www.realclimate.org/index.php/archives/2008/06/wired-magazines-incoherent-truths/

solutions.

Smart Grid Information:

I see no evidence that DMEA can do much of anything except remotely read meters and turn off peoples service. These are NOT "Smart Grid" features. To me smart grid features provide the ability to monitor power cost and usage and purchase power on a real time basis. Except for system emergencies, it allows me to purchase and use power based on my needs and willingness to pay for the power. I do not like the concept where suppliers determine both energy cost and when energy can be used (time of day metering). Unlike today, energy use needs to be provided in a versatile open market setting where pricing is available on a real time basis and purchases and usage are determined by the customer not the utility.

Additional Incentives for Recovery, Use and Prevention of Industrial Waste Energy

What can I say? Opportunities are everywhere but apparently are not recognized or supported by the DMEA organization. In my view and as stated previously, a majority of opportunities exist in the fields of combined heat and power where efficiencies are very high and there is little or no reliance on remote coal fired generation. In this same area, there appears to be little serious support for the concept of distributed generation which has the potential to reduce reliance on remote centralized generation using coal and the necessary high voltage transmission lines required to distribute the related remotely generated energy.