SUSTAINABLE ENERGY DEVELOPMENTS™

RESPONSE TO NEW YORK ENERGY HIGHWAY

BY

SUSTAINABLE ENERGY DEVELOPMENTS, INC.

Sustainable Energy Developments, Inc. is pleased to respond to the Request for Information (RFI) issued for the New York Energy Highway initiative. SED is encouraged by the possibilities that this approach provides and urge the Task Force to expand this discussion beyond supply-side and infrastructure projects. Planning the future of the New York electricity grid necessitates a comprehensive approach that includes distributed and behind-the-meter renewable energy generation. A dynamic electric grid will need to incorporate these variable resources effectively onto the grid to account for their expansive growth over the coming decade. This will yield a smarter grid able to respond effectively to demand, while maximizing the use of clean and renewable energy. In this vein, SED calls on the Task Force to recognize the significant role that distributed and behind-the-meter projects will play in New York's energy future, with specific regard to community wind development.

Community, or distributed wind energy development, is a unique form of generation that is characterized by the use of wind turbines at homes, farms, businesses, and public facilities to offset all or a portion of a customer's energy consumption. This definition also incorporates small wind farms (under 20MW) interconnected onto the distribution grid, where 51% of the project is locally owned. Community wind development's greatest asset is the localized benefits that are generated and its proven ability to leverage public dollars into local private investment (Minnesota's C-BED program). Community wind development is poised to expand its role in the energy mix in New York due to its ability to be deployed more rapidly than utility-scale wind farms and the policies that have been implemented to support this form of development, namely net metering and the Customer-sited Tier (CST) of the Renewable Portfolio Standard (RPS). By including community wind as well as other distributed generation technologies as part of this discussion, a more comprehensive approach to the New York Energy Highway can be created.

SED is a leader in the development and deployment of community-scale wind turbine installations in the northeast and primarily New York State where we can claim over 30 community-scale installations to our name. We are headquartered in Ontario, NY and were founded in April of 2002 in by five college friends seeking to integrate wind power into the daily lives of the average person. In last decade, SED has grown to more than 20 employees tirelessly working to advance community wind development throughout the northeast and the nation. SED projects generated more than 40

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million kilo-watt-hours of clean, wind generated electricity and saved our clients nearly $7 million in energy costs in the last 5 years. Landmark projects include the first wind turbine at Ski Resort in North America (Jiminy Peak; Hancock, MA), the first 100kW in Upstate New York (Town of Richland) and a 2MW university research and development project (University of Delaware; Lewes). Sustainable Energy Developments is the essence of our business, not just our name. Undertaking each quality project with integrity and enthusiasm, we strive to combine our commitment to providing enduring, renewable energy with our client's vision for a wind or solar installation that provides on-site performance and instills pride of ownership. We believe our mission contributes to a much larger goal of helping heal the Earth and sustain it for future generations – as long as the wind blows and the sun shines

SED is not proposing any specific project as part of this Energy Highway response, but wants to take this opportunity to call on the Task Force to incorporate community wind and distributed technologies as part of the Energy Highway discussion and facilitate the continuation of and expansion of policies that will support the growth of this industry. All forms of development and technologies can and need to be provided the opportunity to play a significant role in New York's energy mix. This will ensure that energy investment and benefit will spread through all industries and to all regions of New York. It's important to recognize the grid is becoming more and more decentralized and that the traditional model needs to be rethought.

Community wind projects can be an important contributor to overall grid stability, as they can be interconnected behind an existing retail energy meter or onto local distribution grids. The presence of generation on the distribution grid allows power to be delivered closer to points of consumption so generation from larger-scale plants to remain on high voltage transmission lines and ensure more is delivered downstate where the demand is greatest. Distributed generation also can open up opportunities in urban and industrial settings throughout New York to that can reduce congestion and supplant aging generation (Steel Winds and Harbec Plastics). These projects also contribute to distribution grid improvements necessitated by the interconnection process, lessening the financial burden on rate payers.

The local benefits of community wind include the generation of commercial-scale financial returns, environmental and educational attributes and the creation of local economic opportunities. According to a 2010 NREL study, community wind projects generated three times the local economic impact of utility-scale wind[1]. This can be attributed to the fact that community wind projects are locally-owned and rely upon local development and construction services. On-site wind turbines can reduce the electricity costs of a business and provide a hedge against the volatile energy market. These savings can spur greater investment in jobs and equipment, creating growth and opportunity throughout the State.

Community wind development has seen sustained growth in the last 5 years and is the only segment of the wind industry that saw growth in 2011. Community wind development accounted for 7% of all new US wind projects in 2011, a trend that will continue as more States, like New York recognize the importance of this type of development. Community wind development has the ability to deployed quickly when compared to utility-scale wind farm developments. Project cycles are typically between

[1] Economic Development Impacts of Community Wind Projects: A Review and Empirical Evaluation;

1 and 3 years, depending on project scale and ownership structure. Additional efforts could be made at the State level to reduce these timelines through guaranteed funding for early development stage work and streamlined permitting processes. SED, as well as other firms have numerous projects in various phases of development that will help the 11.1 MW target set by the CST to be achieved by 2015.

SED fully supports the efforts of this imitative to upgrade our aging transmission infrastructure, but call on the Task Force to pursue a new grid model that is able to respond to demand, while incorporating more decentralized generation. This effort will be key in meeting the economic and environmental needs of New York State. As a leading voice in the community wind development industry, SED would welcome an opportunity to discuss our recommendations in greater detail and we appreciate your consideration of these comments.

Cheers

Kevin Schulte, CEO and Cofounder

Sustainable Energy Developments, Inc.

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