

March 18, 2011



Damon Franz
California Public Utilities Commission

Dear Mr. Franz:

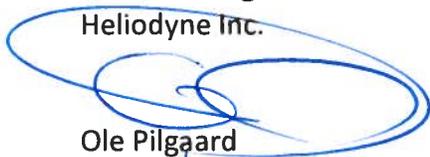
Heliodyne Comments on Non-Water Heating Solar Thermal

Heliodyne understands why there are strong incentives to open up the CSI Thermal program to Non-water Heating solar projects. Our concern, however, is that this would primarily include large scale solar thermal turnkey solutions maxing out on the incentive \$500k cap per project and consequently draining the limited pool of CSI incentives for commercial solar hot water systems very quickly. This would prevent the development of a sustainable solar thermal industry in California. The program already suffered a big blow from losing 80 million dollars under the CSI electricity program. This can largely be attributed to large-scale turnkey PV projects.

Ensuring a long-term program with multiple installations is a necessity to change the solar thermal perceptions of the mainstream construction industry such as general contractors, engineers, architects and wholesalers. With the CSI thermal program emerging they are finally coming to the table and including the solar thermal technology in their projects. Should the CSI thermal program come to an early completion because large scale solar thermal projects have exhausted the incentive pool they will defer away from this technology once again and the goals of the AB1470 would not be met. The nature of large-scale solar thermal projects typically shortcuts the mainstream players and as such do not develop solar thermal in the mainstream construction channel.

Heliodyne recommends that CPUC find separate funding from outside the current program to stimulate the demand for non-water heating solar thermal and keep the CSI Thermal funds for solar water heating projects.

With kind regards
Heliodyne Inc.



Ole Pilgaard
President

EXCELLENCE
BY DESIGN