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To: NYS RGGI Programs
By Email: rggiprograms@nyserdera.org

Re: Comments on the February 25th draft of the "Operating Plan for Investments in New York under the CO2 Budget Trading Program and the CO2 Allowance Auction Program"

Conserval Systems Inc. of Buffalo NY – and inventor of the SolarWall® solar air heating technology – applaud New York State for your groundbreaking Regional Greenhouse Gas Initiative (RGGI), the United State's first carbon cap and trade system.

We are also very pleased with your outstanding work in preparing the February 25, 2009 Draft "Operating Plan for Investments in New York under the CO2 Budget Trading Program and the CO2 Allowance Auction Program". We are especially excited to see solar thermal technologies included in the draft plan, which would allocate \$7.5 million to technologies that displace conventional heating, which constitutes the largest usage of energy in both the commercial & industrial sector, as well as residential.

Thermal heating produces approximately 50% of the CO2 emissions from the building sector in NY State, which is why initiatives such as yours are essential for achieving widespread GHG reductions. And providing incentives specifically for solar air or solar water heating provides the least expensive GHG offset: The draft Operations Plan identified Photovoltaics (PV) as costing \$284 per ton of Carbon, while Solar Thermal provides the same carbon reduction at \$81 per ton – i.e. one-third the cost. This is why state programs to support renewable heating represent a tremendous opportunity for widespread and cost effective GHG mitigation.

There are 100 MWs of SolarWall® systems installed in over a thousand facilities worldwide - but virtually no one in the state knows that there are 4 MWs of solar thermal installed at Fort Drum in upstate NY, where a 100,000 square foot SolarWall® system will eliminate 2,000 tons of carbon every year by reducing natural gas burned for heating. As well, there is another SolarWall® system at the Rockland County Co-Compost facility that is saving ~14,100 gallons of oil per year.

Currently, over 3 dozen NYS municipalities, authorities, agencies, businesses and colleges are evaluating solar air heating projects.

While the RGGI goal of 1,833 new solar thermal systems is ground-breaking and laudable, we believe that New York State should aim for a much higher goal of at least 10,000 installations per year by 2011, including a minimum of 20 MWs of Solar Air Heated systems.

To achieve this goal, there are 2 changes that we recommend to the Draft Operating Plan:

1. Equalize Solar Thermal and Solar Electric PV funding. The SolarWall® air heating technology has been used in 30 countries around the world, and was described as being the *“most reliable, best performing and lowest cost solar heating system for commercial and industrial buildings available on the market today”* by the **U.S. Department of Energy**. Independent monitoring data, as well as 20 years of usage, indicate that SolarWall® systems can displace up to 50% of heating fuel consumption, depending on size and application. Jumpstarting the widespread use of proven technologies such as this are necessary to achieve the state’s CO2 objectives.

Yet, the Operations Plan calls for \$32 million to be spent on PV, with less than one-quarter (\$7.5 million) allocated to solar thermal. The funding should be at least 50-50 in order to maximize the amount of renewable energy – and CO2 displacement – that can be generated for any given funding level. The program should strive to promote the most cost-effective carbon reduction. The effective promotion and adoption of solar thermal will also lead to a broader public acceptance of all solar technologies, including PV.

2. Provide \$3 million a year for a 3 year statewide "Wake up to Solar" Campaign, in addition to providing the necessary capital incentives for solar thermal. The Campaign would involve all stakeholders in preparing a central message; give the public access to solar thermal information from a central website, toll-free number, and common print materials; and publicize the ground breaking purchases of first adopters, so that others may feel comfortable adopting the technology as well.

We thank you for the opportunity to advance our comments and suggestions, which we hope will help to make your program even more successful. If you have any questions, please don’t hesitate to contact us.

Sincerely,

Victoria Hollick, M.A.
President
Conserval Systems, Inc.