Renewable Energy Update

an Allen Matkins market intelligence publication



August 4, 2009

U.S. Wind Energy Industry Installs 1,200 MW in Q2

AWEA - July 28

The U.S. wind energy industry installed 1,210 megawatts (MW) of new power generating capacity in the second quarter, bringing the total added this year to just over 4,000 MW, the American Wind Energy Association (AWEA) said in its second quarter (Q2) market report. AWEA said it is seeing a reduced number of orders and lower level of activity in manufacturing of wind turbines and their components, a development it termed troubling in view of the fact that the U.S. industry was previously on track for much larger growth and the global wind power industry is continuing to expand.

Renewable Energy Focus

DOE Makes Energy Loan Subsidies Available

The Associated Press - July 29

The Energy Department is making available \$36 billion in loan guarantees for renewable energy projects and for modernizing the electricity grid. The department said it will accept applications for the financing support over the next 45 days. The government-supported loans are expected to help companies involved in solar, wind, biofuels and other renewable energy projects get private financing. It also aims to spur investments in power grid improvements. The department said \$30 billion in loan guarantees will be available for renewable energy including \$2 billion for biofuels and another \$6 billion for large power grid projects.

Intel Looking at Cleantech Deals

Reuters - July 30

Intel Corp's global investment arm, Intel Capital, is looking at additional investments in cleantech companies and could announce more deals this year, a senior executive says. Intel Capital said it has invested about \$10 million in five cleantech companies, including energy efficiency companies CPower and Grid Net, which build software for smart meters. Intel Capital is looking at funding companies mainly in the area of energy storage, electric vehicles, lithium-ion batteries and smart grid technology.

California's Global Warming Fervor Cools

Green Inc. - July 29

The latest survey on the environmental attitudes of Californians showed that 47% consider the threat of global warming very serious, a decline of seven percentage points from two years ago. Two-thirds of Californians now support the 2006 Global Warming Solutions Act, the landmark 2006 legislation requiring the state to slash its greenhouse gas emissions, down from 78% two years ago. Still, 61% of Californians say the effects of global warming are already occurring, only a slight decline from last year's 64%.

Can Energy Efficiency Halve U.S. Greenhouse Gases by 2050?

ACEEE - July 30

Energy efficiency investments can provide up to half the greenhouse gas emissions reductions most scientists say are needed between now and the year 2050 to avert the worst effects of climate change, based on results from a new report from the American Council for an Energy-Efficient Economy (ACEEE). The assessment report, based on ACEEE's reading of the historical record, argues that many conventional climate economic impact studies misread the historical record on the nation's energy productivity opportunities. The report "Positive Economics of Climate Change Policies: What the Historical Evidence Can Tell Us," suggests that most studies that evaluate cap-and-trade policies either ignore or greatly understate the potential advances in energy efficiency.

Farmers See Prices Tank for Carbon Credits

Associated Press - July 29

Farmers enrolled in a program that rewards them for reducing greenhouse gases are finding the market for their carbon credits has shrunk amid the recession and uncertainty about climate legislation. Carbon dioxide credits are fetching about 60 cents a metric ton, down from a high of about \$7 a year ago, according to the National Farmers Union. The program pools the credits for sale on the Chicago Climate Exchange. Corporations, cities and other exchange members buy the credits to help offset their emissions.

About 3,900 farmers and ranchers in 40 states are enrolled in the program.

Green States to Get Few Rewards in U.S. Climate Bill?

Reuters - July 29

The U.S. climate bill would give states that are heavily reliant on greenhouse-gas emitting fuels more carbon credits on a per capita basis than those that use clean fuels, according to an analysis of the legislation. States that have taken early action to cut emissions of gasses blamed for warming the planet have long wondered how well they would be rewarded under federal climate regulation. A perk they will get under the climate bill passed by the U.S. House of Representatives is cheaper compliance costs, according to analysis by the Georgetown Climate Center and World Resources Institute. States such as California that have made the investments will not be given extra carbon permits that could be sold in a national carbon market.

"Cool roofs" Trending as Means of Reducing Energy Consumption

New York Times - July 29

Relying on the centuries-old principle that white objects absorb less heat than dark ones, some homeowners are joining a movement embracing "cool roofs" as one of the most affordable weapons against climate change. Studies show that white roofs reduce air-conditioning costs by 20% or more in hot, sunny weather. A white roof can cost as little as 15% more than its dark counterpart, depending on the materials used, while slashing electricity bills.

Notable Renewable Energy Projects and Deals

Army Unveils Giant Solar Project

Clark Energy Group - July 30

Clark Energy Group has been selected to develop the largest solar power project in Department of Defense history at Fort Irwin, California. Joining Clark Energy Group in their efforts to construct and manage the Fort Irwin Solar Energy Enhanced Use Leasing (EUL) project will be Acciona Solar Power of Nevada. The Fort Irwin Solar Energy EUL will entail a flexible, phased, multi-technology approach to delivering up to 1,000 megawatts (MW) of power generation while advancing the transformation of Fort Irwin's overall energy security. The proposed development will ultimately include over 500 MW of solar power that will produce 1,250 gigawatt hours (GWh) of renewable energy per year at Fort Irwin facilities.

PG&E, Sempra Units Sign 48-MW Solar Power Agreement

Morningstar - July 27

Pacific Gas and Electric Company (PG&E) has signed a power purchase agreement with Sempra Energy's merchant-generation unit to take the power from a 48-megawatt solar farm under development in Nevada. San Diego-based Sempra Generation is building the solar farm in Boulder City, Nevada, near an existing 10-

megawatt solar farm it owns, using solar panels made by First Solar, Inc. Both solar farms are located near an existing gas-fired power plant Sempra owns. PG&E signed a power purchase agreement with Sempra for the output from the 10- megawatt solar farm.

Cisco in Global 'Smart Grid' Collaboration

San Jose Business Journal - July 31

Cisco Systems, Inc. and Landis+Gyr said they will work together on a "holistic" approach to smart grid communications infrastructure. San Jose-based Cisco and Zug, Switzerland-based Landis+Gyr said they plan to help accelerate "standards-based solutions for the energy industry and facilitate the integration of existing capabilities with renewable power sources, plug-in vehicles and distribution automation functionality."

SunRun to Expand Financing for Solar Panels

Cnet - July 28

San Francisco-based <u>SunRun</u> says it has raised an additional \$18 million in a funding round led by venture capital firm Accel Partners. The money will be used for the firm to expand its solar financing beyond California, Arizona and Massachusetts, according to the company. SunRun has previously raised \$12 million from Foundation Capital, which also participated in this round, and has secured \$105 million from U.S.

Bancorp for financing solar installations.

Energy Conversion Devices buys Solar Integrated Technologies

Energy Conversion Devices - July 22

Energy Conversion Devices is merging with California-based Solar Integrated Technologies (SIT). Energy Conversion Devices, which manufactures and sells thin-film solar laminates, has served as a customer of SIT, which manufactures and installs building integrated photovoltaic (BIPV) roofing systems, for years. To benefit its European operations and grow its U.S. market, Energy Conversion Devices is paying \$11.2 million cash and assuming SIT's debt. The deal is valued at \$16.3 million. Energy Conversion Devices is a subsidiary of United Solar Ovionic, which is also based in Rochester Hills.

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Have a suggestion?

Tell us what you think.

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About Allen Matkins

Allen Matkins Leck Gamble Mallory & Natsis LLP, founded in 1977, is a California law firm with over 230 attorneys practicing out of seven offices in California. The firm's broad based areas of focus include construction, corporate, real estate, project finance, business litigation, taxation, land use, environmental, bankruptcy and creditors' rights, intellectual property and employment and labor law. More...



Allen Matkins #1 Real Estate Law Firm in California Chambers and Partners 2002 - 2009

Recent Events

Allen Matkins has attended numerous events addressing developments in the renewable energy field in 2009.

A <u>summary can be</u> <u>found here</u>.

Allen Matkins hosted the successful panel discussion on

Renewable Energy **Project Finance**. For a copy of the program materials, click here.

Upcoming Events

South Coast Air Quality Management District "Green Tech Connect Forum" Pasadena, CA August 3 & 4

Energy In California

San Francisco, CA

September 14 & 15

Developing Wind Power Projects in California Marina del Rey, CA

Sept 17 & 18

2nd Renewable Energy Finance Forum - West San Francisco, CA September 29 & 30

2009 Algae Biomass **Summit**

San Diego, CA October 7-9

Solar Power Project Development

San Diego, CA October 22

Solar Power

International

Anaheim, CA October 27-29

Recent Opportunities

Southern California
Edison ("SCE")
Issues Its 2009
Request for
Proposals for
Renewable Electric
Energy Products

Pacific Gas and
Electric ("PG&E")
Issues Its 2009
Renewable Portfolio
Standard Solicitation

LADWP and Power
Solar Photovoltaic
Systems And
Professional Services
RFP

City of Willows
Opportunity

New Submission
Deadlines Released
for the California
Energy Commission
Alternative and
Renewable Fuel and
Vehicle Technology
Program

Los Angeles
Department of Water
and Power
Renewable Energy
Supply Rolling
Request for

Proposals

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