Renewable Energy Update

an Allen Matkins market intelligence publication



July 28, 2009

Senate Democrats wrestle over carbon market rules, oversight in climate bill

New York Times, ClimateWire - July 24

Diverging views about how to regulate trillion-dollar carbon trading markets that would grow under a capand-trade law have emerged as a major hurdle for Democrats trying to pass a climate bill this year. Some
prominent senators on energy issues say the House-passed climate bill would not prevent a repeat of
alleged speculation or manipulation in oil markets in recent years. At the same time, some banks and
energy companies are warning against excessive market controls that could crimp companies' ability to
hedge risks and control costs under a carbon regime.

Renewable Energy Focus

More than \$57M in Recovery Act Funding announced to advance Smart Grid

U.S. Department of Energy - July 20

U.S. Energy Secretary, Steven Chu, has announced delivery of more than \$47 million in funding under the American Recovery and Reinvestment Act for eight projects to further smart grid demonstration projects in seven states. Chu also announced \$10.5 million in Recovery Act funding available for local governments to develop emergency preparedness plans for their electrical systems. Together, these efforts will help accelerate the development and implementation of a modernized and secure electrical grid, a critical piece in delivering renewable energy to American consumers and ensuring an effective, reliable and efficient electricity system across the country. Funding recipients include Zenergy Power Inc. of San Francisco (\$8,081,973).

IREC issues annual solar report

IREC - July 20

The Interstate Renewable Energy Council (IREC) has released its annual report, <u>U.S. Solar Market Trends</u>

2008, which provides public data on U.S. solar installations by technology, state, and market sector.

According to the report, the annual U.S. photovoltaic (PV) installed capacity grew by 63% in 2008,
compared with installations in 2007, to 335 MW DC (including both grid-connected and off-grid markets).

Although PV installation growth had been steady for many years, the annual growth rate doubled when the federal investment tax credit increased in 2006. The report also states that early indicators point to slower

market growth in 2009, with high growth rates returning in 2010.

Renewable energy accounts for 13% of U.S. electricity by April 2009

CleanTechnica - July 17

Every year the percentage of U.S. electricity generated from renewables has been increasing, according to the latest figures released by the Energy Information Administration in its <u>Electric Power Monthly report</u>. As a result, by April of 2009, the total was 12.97%, with hydropower accounting for 8.73% and other renewables like solar and wind 4.24% of all U.S. electricity on average among all the states. Higher wind generation totals in Texas, Iowa, New York, and Indiana accounted for 62.2% of the national increase in wind-powered generation.

Business aims to provide nationwide network for solar projects

Greentech Media - July 23

Global Solar Center (GSC) says it can provide information about solar incentives and give quotes for anywhere in the U.S. Although customers are increasingly interested in installing panels on their roofs, most never act on the impulse, according to Jack Hidary, the entrepreneur behind GSC, a software company that wants to automate solar installation and take the mystery out of solar for consumers anywhere in the U.S. According to Hidary, consumers and commercial building owners don't fully understand the costs and credits and often have trouble getting answers out of the installers. Also, consumers don't really know how to rate solar installers and then can get stuck with under-performing, inefficient systems.

Next generation of solar dishes use less steel

Associated Press - July 18

A new generation of solar dishes that will be in the field by next year features about 2 tons less steel. The structure that supports the SunCatcher, developed for Arizona-based Stirling Energy Systems, makes the design 5,000 pounds lighter than its prototype. The project is part of a larger effort to make solar energy more affordable for utilities and other potential customers. Interior Secretary, Ken Salazar, recently announced that his agency will designate 670,000 acres of federal land in Nevada, Arizona, California, Colorado, New Mexico and Utah as study areas for utility-scale solar projects. SunCatchers, each producing 25 kilowatts of electricity, will be placed in arrays covering many square miles to generate power for utilities.

Sacramento utility to launch feed-in tariff

Greentech Media - July 22

The Sacramento Municipal Utility District plans to launch a feed-in tariff program next January that would allow solar energy system owners to sell excess electricity to the utility. The program would also apply to other renewable energy such as biogas. It also would apply to owners of combined heat and power generators, which are natural gas power plants that make use of waste heat to reduce their energy consumption and emissions. The utility would buy electricity from systems that are up to 5 megawatts in generation capacity. It has capped the overall program at 100 megawatts. Both residential and commercial/industrial customers are eligible to apply.

Notable Renewable Energy Projects and Deals

PG&E's 'ClimateSmart' program makes largest purchase of greenhouse gas emissions

Lake County News - July 23

Pacific Gas and Electric Company (PG&E) announced its largest purchase of greenhouse gas emission reductions in a contract with The Conservation Fund. The investment by PG&E's ClimateSmart program will yield 600,000 metric tons of verifiable greenhouse gas emission reductions from The Conservation Fund's Big River and Salmon Creek Forest carbon project. The purchase will be the largest registered so far by the Climate Action Reserve, a national offsets registry working to ensure environmental benefits, integrity, and transparency of emission reductions.

enXco signs power purchase agreement with IPL for Minnesota wind project

North American Wind Power - July 21

Escondido-based enXco and Indianapolis Power & Light Co. (IPL) have entered into a power purchase agreement for the 201 MW Lakefield Wind Project to be built in southwestern Minnesota. enXco will develop, build and own the wind project, which will consist of 134 1.5 MW GE wind turbines, while IPL will purchase the power generated under a 20-year power purchase agreement. The project, expected to be operational by the end of 2010, will be operated and maintained by enXco Service Corp.

Terra-Gen Power secures \$115M in wind financing

CleanTech Group - July 20

New York-based Terra-Gen Power said it has closed \$115 million in initial funding of \$140 million in preconstruction financing. The funds bring the company one step closer to being able to purchase 100 General Electric 1.5-megawatt SLE wind turbines. The wind turbines are planned to be deployed as part of the 150-megawatt Alta Wind I wind project in the Tehachapi area of California. The project is the first phase of the

Alta Wind Energy Center, a 3,000-megawatt initiative considered to be one of the largest U.S. wind development projects. Under a 1,550-megawatt power contract with Southern California Edison, the Alta Wind Energy Center plans to sell wind energy back to the utility. The power is expected to be transported from the Tehachapi area to southern California via the utility's Tehachapi Renewable Transmission Project.

Edison, Chevron plan solar projects at both ends of High Desert

Victorville Daily - July 20

The Bureau of Land Management, Southern California Edison, and Chevron are seeking public comment on two solar related projects at either end of the California High Desert. In Lucerne Valley, Chevron Energy Solutions plans to construct a 45-megawatt solar project using photovoltaic panels. Construction is expected to begin December 1, 2010. The project will consist of the construction of two phases, one capable of generating 20 megawatts of electricity and the other capable of generating 25 megawatts. At the other end of the desert, Southern California Edison plans to build a new substation in the Ivanpah Valley and connect it to another substation on the Nevada side using 35 miles of upgraded transmission lines. The project will support the solar energy project proposals in the Ivanpah area including the Ivanpah Solar Electric Generating System, a 400-megawatt project that will be located about three miles from the state line.

Solaren targets space solar

Reuters - July 21

Manhattan Beach-based Solaren has raised \$600,000 from investors to launch solar panels into space and use high-powered radio waves to beam back energy to earth, according to a recent regulatory filing. The company says it will deliver power to California's Pacific Gas & Electric Company (PG&E) by 2016, according to a statement on the utility's website, and PG&E has already signed an agreement to purchase 200 megawatts of electric energy from the startup. Because space solar arrays are not affected by cloud cover and other atmospheric impurities and can be positioned in a high orbit to receive the sun's light 24 hours a day, the technology is considered eight to 10 times more efficient than terrestrial solar arrays, according to PG&E.

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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 summary can be found here.

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

Pasadena, CA August 3 & 4

Energy In California

San Francisco, CA

September 14 & 15

<u>Developing Wind Power</u> <u>Projects in California</u>

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 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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