# Renewable Energy Update

an Allen Matkins market intelligence publication



September 8, 2009

## **Caltech Pursues Cheaper Solar Energy**

L.A. Times - August 29

Caltech is pursuing several projects in a push to design the next generation of solar cells -- ones that are cheap, long-lasting and flexible enough to be practical for homeowners and businesses. California has the largest solar market in the U.S., followed by New Jersey and Colorado. Although homes and businesses (including Google, Wal-Mart, and EBay) are increasingly using the technology, solar cells still are not as cost-effective as other forms of energy. Silicon-based solar cells have proved to be long-lasting, durable and efficient at converting sunlight into electricity. However, to be used for solar cells, silicon needs to be purified using an expensive process. Atwater's Caltech team is trying to design a material that is abundant enough to be inexpensive and also absorbs a lot of light.

#### Renewable Energy Focus

#### Federal Government Awards \$503 Million for Renewable Energy Projects

Reuters - September 1

The U.S. Energy and Treasury Departments have announced \$503 million in government cash grants to companies developing renewable energy projects. This is the first round of some \$3 billion in direct payments to companies in lieu of tax credits to eventually support an estimated 5,000 biomass, solar, wind and other renewable energy production facilities. The money comes from the economic stimulus package approved by Congress earlier this year. Previously, energy companies could file for a tax credit to cover a portion of the costs of a renewable energy project. Under the new program, companies would forgo the tax credits in favor of an immediate reimbursement of a portion of the property expense. Twelve projects were awarded grants.

## 2009 Smart Grid Rankings: California's Sempra Energy in 1st

SolveClimate - August 31

A first ever analysis of the budding shift to smart electric grids by America's utilities suggests that a system revolution is finally getting under way, particularly in California and Texas. Three of the nation's top five utilities for smart grid growth are located in California, while the other two come from Texas, so reveals the inaugural <a href="UtiliQ">UtiliQ</a> ranking of the nation's 25 most "intelligent" utilities by IDC Energy Insights and Intelligent Utility magazine. San Diego-based Sempra Energy finished first. In 2008, the company installed

4,500 smart devices on San Diego homes and businesses, making it one of the first utilities in America to meter up its customers. According to *IDC Energy Insights*, all 25 utilities in its ranking have made moves into the smart grid space.

## Green-Energy Plan is Tall Task for California

Union Tribune - August 31

California plans to broaden its already aggressive directive requiring utilities to deliver more power from renewable sources. However, Governor Arnold Schwarzenegger and lawmakers have yet to deliver a final compromise package, which had been declared a top priority going into the last two weeks of the legislative year. There is general agreement that the overarching goal is laudable: tap various renewable sources for a third of the state's energy needs by 2020. Still, 33% is a leap from the existing 20% mandate imposed to encourage so-called green power and partly to minimize the chances of a repeat of the 2000-01 energy crisis that consumed the state. The California Independent System Operator, which manages the state's electricity grid, reports that it could cost up to \$6.5 billion to build the transmission links and other facilities needed to comply with a 33% mandate.

## **Geothermal Setbacks in California**

Sustainable Business - September 3

Geothermal companies, AltaRock Energy and Raser Technologies, have both announced setbacks recently. California-based AltaRock has suspended its engineered geothermal systems (EGS) demonstration project in the Geysers, north of San Francisco. The company said it "encountered a number of physical difficulties" resulting from "geologic anomalies." The company said it is continuing with the development of its EGS technology and is "currently evaluating a number of alternative well locations." Raser Technologies announced it has received notice from the Department of Energy (DOE) that its loan guarantee application for its East Thermo project has been denied. In its notice, the DOE stated "we believe that the East Thermo project possesses fundamental strength, but would benefit from continued development...."

## **Cleantech Patents on an Upward Curve**

Cleantech Group - August 27

Fuel cell technology emerges as the top category of 274 new alternative energy-related patents filed in the second quarter of 2009. A total of 274 new patents were filed during the second quarter of 2009 for green and alternative-energy sources, according to a new report from the Clean Energy Patent Growth Index. This marks the highest quarterly value for the tracking, up from 243 the first quarter of 2009 and 217 in the second quarter of 2008. The index indicates innovation trends in the cleantech sector in categories including solar, wind, hybrid/electric vehicles, fuel cells, hydroelectric, tidal/wave, geothermal,

biomass/biofuels and other renewable energies. Of the patents, 156 were in fuel cell technology, up from 42 in the second quarter of 2008. Solar patents totaled 51, compared to 36 last year, while biomass/biofuels had 13, up from five.

## Feed-In Tariffs' Role in U.S. Energy Policy

RenewableEnergyWorld - August 31

While progress has been made in government funding and support of solar power in the U.S., one of the most effective renewable energy policy and solar incentives available -- the feed-in tariff -- has yet to receive major attention outside of the European Union. Photovoltaic (PV) energy conversion is based on semiconductor technology, and the experience of the last decades has shown that the cost of PV electricity is reduced by 20% with each doubling of the total installed volume. The feed-in tariff, or FIT, has proven to be a powerful tool to create managed economic incentives that yield meaningful results in system deployments, job creation, cost reduction and market development -- yet many policy makers, especially in the U.S., continue to rely upon renewable portfolio standards, investment tax credits, low interest loan guarantees and other mechanisms to reduce fossil fuel dependency.

## On Energy, Obama Finds Broad Support

Washington Post - August 28

Most Americans approve of the way President Obama is handling energy issues and support efforts by him and Democrats in Congress to overhaul energy policy -- including the controversial cap-and-trade approach to limiting greenhouse gas emissions, according to a new poll. Nearly six in 10 of those polled support the proposed changes to U.S. energy policy being developed by Congress and the administration. Fifty-five percent of Americans approve of the way Obama is handling the issue, compared with 30% who do not. A narrower majority, 52-43%, back a cap-and-trade system; that margin is unchanged since June. A cap-and-trade system would set a ceiling for the nation's greenhouse gas emissions, and it would allow firms to buy and sell emissions permits.

## San Diego Wind Energy Efforts Tangled in Red Tape

Union-Tribune - September 2

San Diego County is wrestling with how to handle applications for using residential wind turbines. Critics say the approval process is confusing and drawn-out enough to discourage investment in green power, just as companies are moving to fill the home-windmill niche. Although most wind power in the area comes from commercial-scale turbines, more residents want to install small systems that have become less expensive thanks to technological improvements and governmental incentives. Advocates of wind power said its full potential can't be harnessed when it's snarled by bureaucracy.

## Notable Renewable Energy Projects and Deals

## **Helix Seals Wind Financing Deal**

Sustainable Industries - September 1

San Diego-based Helix Wind Corp. has announced a joint venture with Washington, D.C.-based Atoll Financial Group to develop financing mechanisms for residential and commercial small wind installations. The deal will support the roll out of Helix's technology and enable the purchase of renewables, says Helix CEO Ian Gardner, who predicts that overseas business will account for about half the company's sales. Helix says the deal will also allow its distributors to carry more inventory and support new manufacturing facilities.

#### Fremont Solar Firm Solyndra to get U.S. Loan Guarantee

Associated Press - September 4

A Fremont-based company that makes solar panels will receive a \$535-million federal loan guarantee, allowing it to finish the first phase of construction of a factory, a government official said. The loan guarantee for Solyndra Inc. is to be made by the Energy Department as part of the \$787-billion economic stimulus package. The first phase of the Solyndra facility could lead to the production of as many new solar panels as the U.S. produced in all of 2005.

## El Dorado Irrigation District Eyes Hydro Projects

HydroReview - September 1

Two small hydropower projects may be built in northern California's El Dorado County to serve customers of Pacific Gas and Electric Company (PG&E). The El Dorado Irrigation District recently included funding for the design of both projects in its 2009-2013 capital-improvement budget. The district expects to earn at least \$400,000 a year from the two projects, which would begin commercial production in 2011. Both projects --Pleasant Oak Main and El Dorado Main 2 -- were identified in a year-long study of sites suitable for hydropower generation, the district said. Once both projects are state certified as "clean power," PG&E will guarantee the district a price for the power produced for 20 years.

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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 found</u> <u>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** 

Energy In California San Francisco, CA

September 14 & 15

Developing Wind Power
Projects in California
Marina del Rey, CA
Sept 17 & 18

Taking It Upstream:
Collaboration, Consensus
Building and Sustainable
Development--A Green
Leadership (Un)Conference
Pepperdine University
September 25

Bryan Jackson of Allen Matkins is speaking. Get the Allen Matkins discount when you <u>register!</u>

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

2009 Algae Biomass Summit San Diego, CA October 7-9

ICSC Retail Green (Sustainability, Energy & Environmental Design)

Hollywood, CA October 14-16

**Solar Power Project** Development San Diego, CA October 22

## **Solar Power International**

Anaheim, CA October 27-29

**Urban Land Institute** 2009 ULI Fall Meeting and **Urban Land Expo** 

> San Francisco, CA November 3-6

**Green Technology Green California Schools Summit** Pasadena, CA

December 9-11

**Clean-tech Investors** <u>Summit</u> Palm Springs, CA

January 20-21, 2010

2010 VerdeExchange **Green Marketmakers Conference** 

Los Angeles, CA January 24-25, 2010

Renewable Energy **Technology Conference** and Exhibition (RETECH)

Washington, D.C. *February 3-6, 2010* 

**Recent Opportunities** 

\*NEW\* PacifiCorp's
Request for Proposals For
Renewable Electric
Resources

Los Angeles Department of Water and Power Smart Grid Consulting Services Request for Proposals

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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