Renewable Energy Update

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May 12, 2009

Obama Budget Would Increase Funding for Renewable Energy

News Journal - May 7

President Barack Obama's budget proposal, released on May 7, 2009, would significantly expand funding for renewable energy sources, such as wind and solar energy, while slashing funding for certain oil and gas research. The plan would invest \$2.3 billion in energy efficiency programs and renewable energy. Funding would increase by 83 percent for solar and 36 percent for wind over last year's budget.

Renewable Energy Focus

California Energy Commission Applies for \$226 Million in Stimulus Funding for Renewable Energy

Office of the Governor (CA) - May 5

The California Energy Commission has submitted an application for \$226 million in American Recovery and Reinvestment Act (Recovery Act) State Energy Program (SEP) funding. The bulk of the SEP funding (\$195.8 million) will be aimed at combining grants, contracts and loans to fund activities that concentrate on clean energy systems and energy efficiency measures. Federal DOE approval of California's SEP application is expected sometime between July and August. The Energy Commission will then collaborate with stakeholders and the public to develop a program design and guidelines to ensure that high priority and preferences are given to projects that meet the intent and goals of the SEP. The Energy Commission anticipates the first round of SEP funding could be awarded as early as September.

Cities Look to New Models to Finance Residential Solar Installations

Sustainable Industries - May 4

Nationwide, cities, counties and states are looking for new ways to encourage residents to anchor solar installations to their home rooftops. Berkeley and Palm Desert, California, have each implemented a model in which homeowners pay for solar installations through an assessment on their property tax bills. Other California cities, including San Francisco and San Diego, are working on programs of their own. In California, such programs were made possible by a 2008 bill allowing cities to develop financing mechanisms for renewable projects to be repaid through property taxes. Oakland-based Renewable Funding, which administers the Berkeley program, is also working with Boulder County, Colo., to roll out a similar project on a wider scale.

Renewable Energy Price Increase Fears Overblown

Forbes - May 1

The Energy Information Administration, part of the Department of Energy, has released a study, "Impacts of a 25% Renewable Electricity Standard," finding that electricity rates will be mostly unmoved if the federal government requirement requirement to get 25 percent of its electricity from renewable sources. The Energy Information Administration concludes that if the U.S. were to get 25 percent of its electricity from renewable sources by 2025, demand for coal and natural gas would slacken, and the price of those fuels would subsequently fall. Savings from lower fossil fuel bills will offset the additional cost utilities face in renewable energy increases.

<u>Senate Draft Plan Would Make Interior Department Lead Agency for High Priority</u> Transmission Lines

New York Times - GreenWire - May 6

Under a draft bill from Senate Energy and Natural Resources Chairman Jeff Bingaman, the Interior Department would be the lead agency for permitting new "high priority" transmission lines on federal lands. The draft bill lays out a schedule for the Interior secretary to site high priority transmission lines on federal lands, including giving each federal agency 60 days to comment on concerns or chances for approval on a project's pre-application and 1 year to finish environmental reviews when all necessary information is submitted. The previous draft of the bill had the Federal Energy Regulatory Commission as the lead agency, although FERC would retain backstop authority to certify construction of the high priority transmission lines under the current draft bill.

Indian Reservations Prime for Renewable Energy

Wall Street Journal - May 6

The U.S. Department of the Interior has identified 77 of the 276 Indian reservations that have the most wind-power potential, and has been surveying the land and introducing wind developers to tribal councils. So far, only the Campo reservation in California has wind turbines operating. Several tribes including the Cherokee in Oklahoma and the Crow and Blackfoot reservations in Montana are nearing lease agreements with wind developers that want to build turbines on the reservation land. The Blackfoot tribe alone could provide 3 to 4 gigawatts of wind power – about one-sixth of the wind power installed in the U.S. right now.

Poll Shows Bipartisan Support for Renewable Electricity Standard

AWEA - May 5

A new poll released by American Wind Energy Association shows strong bipartisan support for a national Renewable Electricity Standard (RES) proposal requiring electric utility companies across the nation to generate at least 25% of their electricity through renewable energy sources by 2025. The poll, conducted by Garin Hart Yang Research Group, found: Three-quarters (75%) of voters favor the RES proposal. 86% of Democrats favor the RES proposal, as do 71% of independents and 62% of Republicans. Support ranges from 84% positive in the Northeast, three-quarters support in the Midwest and West, and 71% support in the South.

Notable renewable energy projects and deals

DOE Selects 53 New Wind Projects for up to \$8.5 million in Funding

DOE - May 6

U.S. Department of Energy (DOE) Secretary Steven Chu announced the selection of 53 new wind energy projects for up to \$8.5 million in total DOE funding. Selections are in four topic areas: market acceptance, environmental impact, workforce development, and distributed wind technology. Selections of two additional topic areas (supporting wind turbine research and testing; and transmission analysis, planning and assessments) will be announced at a later date. Award amounts are subject to negotiation.

San Francisco Approves Major Solar Project

New York Times - May 8

San Francisco's Board of Supervisors has approved a plan to build what would be the largest solar photovoltaic array in California. With 5 megawatts of capability spread over 25,000 panels, it would also be the largest municipal solar project in the U.S. Under the deal, Recurrent Energy will assume the initial financial responsibility for the panels, as well as pay for ongoing operating and maintenance costs. Construction on the project is slated to begin this summer and should be completed by 2010.

BT's North American Headquarters Goes Solar

Reuters - May 7

Document hosted at JDSUPRA

Communications giant BT has completed installation of a solar photovoltaic system at its North American headquarters in Southern California. BT expects the system to produce 15 to 20 percent of the energy needed by the company's offices and data center. Its annual output is projected at roughly one million kilowatt-hours (kWh) of electricity with a reduction in carbon emissions of 700,000 pounds during the same period. The solar system was installed under a power purchase agreement between BT and Solar Power Partners, which owns and operates the system and sells the solar-generated electricity to BT.

Vestas Wind Systems A/S Proceeds with \$1-billion U.S. Expansion

Wall Street Journal - May 5

Danish wind-power giant Vestas Wind Systems A/S is proceeding with a \$1-billion plan to build six factories in Colorado and a research center in Houston. Vestas, the world's largest maker of turbines, is laying off workers in Europe and shifting production to the U.S. to better compete with General Electric Co.

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Editors William R. Devine **Patrick A. Perry Emily Murray**

Recent Events

Allen Matkins has attended the following events in 2009.

A summary can be found

here.

VerdeXchange Green

Marketmakers

Conference

Los Angeles, CA

Renewable Energy

Technology Conference

& Exhibition

Las Vegas, NV

Renewable Energy

World North America

Conference & Exposition

Las Vegas, NV

Green_Cities Conference

and Expo

Portland, OR

Financing Renewable

Energy Conference

San Francisco, CA

Windpower 2009

Chicago, IL

Allen Matkins hosted the successful panel discussion on **Renewable Energy Project Finance**. For a copy of the program materials, click here.

Upcoming Events

California Contract
Cities, 50th Annual
Municipal Seminar
Wells, CA
May 14-17

Recent Opportunities

California Energy
Commission issues
Addendum #3 for the
Alternative and
Renewable Fuel and
Vehicle Technology
Program

San Diego County Water
Authority Extends Its
Deadline for Solar
Power Projects Request
for Proposals and Issues
Addendum No. 1

Renewable Electric
Power RFP (Palo Alto,
CA) &
Fuel Cell Power
Generation RFP (Inland
Empire, CA)

Related News

Energy Related
Provisions of the
American Recovery and
Reinvestment Act of
2009 May Help
California Reach State
Renewable Energy Goals

Pending California
Legislation Mandates
Dramatic Increase in
Renewable Energy
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http://www.jdsupra.com/post/documentViewer.aspx?fid=b6ec2671-5c0e-49c1-8d0d-e66558f02836

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