# Renewable Energy Update

an Allen Matkins market intelligence publication

## Allen Matkins

attorneys at law

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## U.S. lawmakers propose boost to clean energy exports

A group of Democratic lawmakers has proposed legislation to promote U.S. exports of clean energy technology, which they said are badly lagging behind those of China and Europe. The U.S. must be the leader in manufacturing and exporting clean technologies, not one that becomes dependent on foreign energy products," said U.S. Rep. Doris Matsui, a California Democrat. The proposed legislation would create a \$15 million fund administered by the Commerce Department to increase the competitiveness of the U.S. clean technology industry, boost exports and promote policies aimed at reducing production costs and encouraging innovation and investment in the industry.

#### RENEWABLE ENERGY FOCUS

#### Regulators approve first offshore wind farm in U.S.

New York Times - Apr 28

After nine years of regulatory review, the federal government approved the nation's first offshore wind farm. The approval of the 130-turbine farm off the coast of Cape Cod gives a significant boost to the offshore wind industry in the U.S. The turbines for the \$1 billion Cape Wind project would lie in Nantucket Sound, about five miles from the nearest shoreline, and cover 24 square miles, roughly the size of Manhattan. The tip of the highest blade of each turbine would reach 440 feet above the water. The project is hardly shovel-ready. Several regulatory hurdles remain, and opponents of the wind farm have vowed to go to court, potentially stalling Cape Wind for several more years.

#### Related News:

Cape Cod residents don't expect one ruling to end long fight Cape Cod project crucial step for U.S. wind industry

## Grid firm offers hour-by-hour view of California's clean energy

Brighter Energy - Apr 27

California's electricity grid operator has launched a new online system to show exactly how much renewable energy is being generated in the state through each day. The California Independent System Operator Corporation (ISO) is now providing Today's Wind, which shows hour by hour how much wind energy is being produced. A second tool, Renewables Watch, offers a look back at the total renewable output from the day before.

## Record rate of solar adoption trims rebates for California solar consumers

Sunpluggers - Apr 27

A record-setting rate of recent solar installations has resulted in rebate stepdowns for the California Solar Initiative. In the Southern California Edison service area, as of April 19, there were 4.91 megawatts of capacity remaining in residential Step 4, with 4.44 MW under review. Once SCE moves into residential Step 5, the incentive will drop from the current \$1.90 per watt to \$1.55 per watt. Impending step changes almost invariably result in a rush of applications. With California's program, it is difficult to determine precisely

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**Upcoming Events** 

May 23 26, 2010

**AWEA Windpower 2010** Conference and Expo Dallas, TX

when a step change will occur because it takes time to process applications, and when earlier reserved projects are canceled, additional capacity at higher steps may be opened. A tracker, with regular updates, is located here.

## U.S. wind energy industry installs 530 MW in 1Q

AWEA - Apr 29

The American Wind Energy Association announced the U.S. wind industry installed 539 megawatts (MW) in the first quarter of 2010, the lowest first quarter figure since 2007. While the industry worked to accelerate shovel-ready projects in 2009 and installed more than 10,000 MW, continued lack of long-term market signals, combined with low power demand and price, has allowed the pipeline for advanced projects to slow over the past 18 months. AWEA has called on Congress to put in place a strong national renewable electricity standard (RES) as part of comprehensive climate and energy legislation to provide the hard targets needed to stabilize the industry.

## Oil spill may shift climate bill strategy

Sustainable Business - Apr 30

The growing oil spill in the Gulf of Mexico may cause the Obama administration to rethink its strategy for promoting a climate change bill in the Senate. Obama recently lifted a ban on offshore oil drilling in areas off the Atlantic and Florida Gulf coasts, and Democrats were prepared to trade expanded offshore dilling rights to gain Republican support for a renewable energy standard (RES) and caps on carbon emissions. But Obama said no new drilling will be approved until the cause of the explosion and subsequent spill at BP's Deepwater Horizon platform is determined. White House spokesman Robert Gibbs said the spill could change the president's point of view on offering expanded drilling to push a climate bill in the Senate.

# FERC inquiry weighs whether grid rules discriminate against wind power

ClimateWire - Apr 27

The future mix of electric power generation sources in the U.S. is linked to the fate of climate legislation in Congress. But changes in the way the grid works -- if they occur -- hinge more on what happens at the Federal Energy Regulatory Commission, where a set of central policy issues are on the table. FERC has solicited comments into whether the grid's current operating rules discriminate unduly against wind power, and if so, what should be done about it. The inquiry focuses on possible rule changes in how wind power forecasts are handled, how backup generation for wind is priced, and whether wind generation should be coordinated more widely across grid regions to dampen the impact of sudden wind shifts.

## Global renewable energy up 250% in Q1

Renewable Energy Focus - Apr 30

New renewable energy projects in the first quarter of 2010 increased 250% in terms of value to \$224 billion compared to Q1 2009, according to the EIC's quarterly report EIC Monitor. Overall, the global energy industry has seen "encouraging signs of growth" in the first quarter, with "significant increases" in the renewable energy sector. The number of new projects more than doubled to 121 in the quarter compared to Q1 2009. The renewable energy sector was the largest segment of new projects in terms of value.

Mayor's green-energy goals could be in jeopardy after electric rate battle

Renewable Energy Finance Forum (REFF) West San Francisco, CA September 29-30, 2010

ICSC RetailGreen Conference & Trade Exposition on Sustainability, Energy & Environmental Design Scottsdale, AZ October 12-14, 2010

Solar Power International 2010 Los Angeles, CA October 12-14, 2010

#### **Recent Opportunities**

UC Regents' University of Irvine Solar Photovoltaic Renewable Energy Project Request For Proposals

Southern California Edison 2010 Solar Photovoltaic Program's Request For Proposals From Independent Power Producers

San Francisco Public Utilities
Commission Request for
Qualifications for Design-Build
Solar Photovoltaic Projects

City of Willows Opportunity

#### Los Angeles Times - Apr 25

The recent fight over electric rates in Los Angeles exacted a political toll on Mayor Antonio Villaraigosa and executives with the Department of Water and Power, eroding their influence in the wake of their feud with the City Council. Although both sides have taken steps to make amends, the dispute could have a lasting effect on one of the mayor's original 2005 campaign promises: securing at least 20% of the city's electricity from renewable fuel sources by Dec. 31. Despite his demand for an immediate rate hike, Villaraigosa had to settle for one that is both smaller and takes effect three months later than he wanted. With his push for three additional increases up in the air, his green energy goal for 2010 and beyond looks increasingly in doubt, utility officials said.

#### Notable Renewable Energy Projects and Deals

#### <u>SunPower adds 40 MW capacity to California Valley Solar Ranch</u> <u>for PG&E</u>

SunPower - Apr 29

SunPower Corp. has signed an agreement with PG&E that completes contractual arrangements for the development of a 250-megawatt (AC) solar photovoltaic (PV) power plant in San Luis Obispo County. The agreement adds 40 megawatts (MW) of capacity to SunPower's existing contract for 210 MW, which was executed in August 2008. When complete, the 250-MW California Valley Solar Ranch is expected to be one of the largest photovoltaic solar power plants in the world. The California Valley Solar Ranch agreement was designed to accommodate the additional 40-MW capacity, eliminating the need for any amendments to SunPower's county permit application. The solar plant will be completed in phases, with the first phase planned to begin operation in 2011.

#### First Solar to acquire NextLight for \$245 million

CNET - Apr 28

First Solar has signed an agreement to purchase NextLight Renewable Power for approximately \$285 million. NextLight has a total of 570 megawatts worth of solar projects under way, with an additional 530 megawatts in various development stages, according to First Solar. But NextLight, which was formed by the private equity firm Energy Capital Partners in 2007, has been putting together utility-scale solar installation projects and has connections outside its obvious existing portfolio that could benefit a photovoltaic solar systems manufacturer like First Solar. California utilities will be required to source a third of their power from renewable resources by 2020. First Solar already has a relationship with SCE. Buying NextLight will give it a relationship with one of the largest energy utilities in not only California, but the entire U.S.

## Recovery Act funding announced for 37 ARPA-E energy research projects

ARPA-E - Apr 29

The U.S. Department of Energy is awarding \$106 million in funding for 37 research projects. Funded through DOE's Advanced Research Projects Agency-Energy (ARPA-E), the \$106 million is awarded to projects that could produce advanced biofuels more efficiently from renewable electricity instead of sunlight; design completely new types of batteries to make electric vehicles more affordable; and remove the carbon pollution from coal-fired power plants in a more cost-effective way. The grants will go to projects in 17 states. Of the lead recipients, 24% are small businesses, 57% are educational institutions, 11% are national labs, and 8 percent are large corporations.

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