# Renewable Energy Update

an Allen Matkins market intelligence publication

# Allen Matkins attorneys at law

October 11, 2011

### Department of Energy finalizes \$4.8B in solar loan guarantees

BrighterEnergy.org - Oct 3

The DOE finalized support packages for four major solar projects totaling almost \$4.8 billion: \$1.46 billion in partial guarantees went to the 550MW Desert Sunlight project; \$1.237 billion for the 250MW California Valley Solar Ranch project; \$646 million for the 230MW Antelope Valley Solar Ranch project; and a \$1.4 billion partial guarantee will go to Project Amp, which is to develop solar power systems on ProLogis warehouses across 28 states and the District of Columbia.

#### RENEWABLE ENERGY FOCUS

### Study finds long-term, stable policy support key to reducing cost of financing renewable projects

Climate Policy Initiative - Oct 4

An <u>analysis</u> of six large-scale renewable energy projects in the U.S. and Europe has found that government policies, such as feed-in tariffs, feed-in premiums and renewable energy portfolios, can deliver the largest reductions in project financing costs by providing long-term revenue support, offering revenue certainty and reducing investor perceptions of risk. In its analysis, the Climate Policy Initiative identified specific ways in which government policies affected the cost of financing for these projects and estimated the size of these effects by modeling a range of policy scenarios for each project.

#### Solar Power International 2011

Dallas, Texas - Oct 17-20

<u>Bill Devine</u> is attending Solar Power International 2011 in Dallas, Texas, on October 17-20. If you would like to arrange an introduction or a meeting while at the conference, please <u>contact us</u>.

## Senate Democrats ask Chu for report on US clean-energy investment

The Hill - Oct 6

Senate Democrats asked Energy Secretary Steven Chu for a report detailing where the U.S. stands on clean-energy investment. The request is part of an intensifying push by Democrats to rebut Republican criticism of the Obama administration's renewable-energy investments in light of the September bankruptcy of Solyndra. Democrats hope to highlight the growing divide between the U.S. and other major economies when it comes to clean-energy spending.

#### Obama's energy chief defends clean energy loans

Associated Press - Oct 2

Energy Secretary Steven Chu, facing increased pressure over the failure of solar panel maker Solyndra, defended a loan guarantee program that has provided billions of dollars for solar energy and other renewable energy projects. He said a stimulus law program that expired Friday will help develop the world's largest wind farm in Oregon, several large solar power farms, and the installation of solar panels on 750 rooftops in 28 states, among other projects which will



Past issues

Have a suggestion? Tell us what you think

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#### **Upcoming Events**

Solar Power International 2011
Dallas, TX
October 17-20, 2011

AWEA WindPower 2012 Atlanta, GA June 3-6, 2012

#### **Recent Opportunities**

Pacific Gas & Electric Issues its Renewable Auction Mechanism Program Request for Offers

Request for Offers for Development of Sacramento Solar Highways

Ventura County Water Works'
Moorpark Wastewater Treatment
Plant Photovoltaic Electrical
Generation System Request for
Design-Build Qualifications

generate clean energy to power more than 2.5 million homes.

### Calif. high court authorizes cap-and-trade program

Mercury News - Sept 29

The California Supreme Court rejected a request by environmental justice groups to stop the California Air Resources Board from implementing a program that provides polluters with financial incentives to emit fewer greenhouse gases. The cap-and-trade program would require polluters to buy annual permits for a specified amount of allowable emissions, which could then be bought and sold by the companies based on whether they exceed or fall short of their quota. The plaintiffs argued that the program will simply allow polluters to buy the right to pollute more and further harm the people who live in neighborhoods near dirty facilities.

## Nonpartisan congressional report underscores need for stable wind energy policy

AWEA - Oct 3

The Congressional Research Service, a nonprofit agency that provides policy research for the U.S. Congress, says in a <u>report</u> that the U.S. wind power industry is an expanding source of new manufacturing jobs and that its future hinges on consistent state and federal policies. The single most important policy that has led to past gyrations in the industry is the federal wind energy Production Tax Credit, which has been allowed to expire three times in the past 12 years.

### Third-party-owned Solar dominates the California market

Greentech Media - Sept 30

Third-party financing of solar, be it some form of lease or power purchase agreement, is becoming the leading method by which homeowners can afford to install solar. June 2011 was the first month in which more Californians elected to go with a third-party-owned solar installation rather than a cash purchase, according to PV Solar Report. This form of financing was largely non-existent in solar a decade ago.

### California solar company makes its way without subsidies

Sacramento Bee - Oct 3

After laying off 40% of its local staff and phasing out a once promising line of business, Roseville's Solar Power returned nearly \$25 million in federal stimulus funding. While the solar industry has come under intense scrutiny in recent weeks with the collapse of Solyndra, Solar Power CEO Stephen Kircher believes it is possible for solar companies to get by without federal funding, providing a counterpoint to the growing criticism that the solar industry requires heavy subsidies.

### <u>Chevron's solar-powered oil extraction begins in California</u>

Mercury News - Oct 3

Chevron began extracting crude oil from a Southern California field using steam produced by a 29MW solar- thermal power plant. BrightSource Energy's system uses mirrors to focus sunlight on a boiler at Chevron's Coalinga enhanced oil recovery project, the Oakland-based solar company said in a statement. According to a Chevron spokesman, "This technology has the potential to augment gas-powered steam generation and may provide an additional resource in areas of the world where natural gas is expensive or not readily available."



Allen Matkins is a full-service law firm with more than 220 attorneys practicing in seven offices throughout California. Some of the areas of focus at Allen Matkins include green and sustainable construction, construction, corporate, real estate, project finance, business litigation, taxation, land use, environmental, bankruptcy, creditors' rights, intellectual property and employment and labor law. More...

## First Solar deal to halt lawsuit over 550MW California solar project

Solar Energy News - Oct 3

North County Watch and Carrizo Commons have consented to dismiss their lawsuit against the 550MW Topaz Solar Farm project that First Solar is developing in San Luis Obispo County. The groups had objected to the project on the grounds of its impact on local wildlife. Topaz has committed to implementing measures which, combined with other off-site lands it is conserving, will support the preservation of approximately 22,000 acres to be protected in perpetuity following the end of project operations.

## Westinghouse Solar files patent-infringement complaint against rival companies

Energy & Capital - Oct 5

Westinghouse Solar filed a patent-infringement complaint with the U.S. International Trade Commission against Canadian Solar and Zep Solar. Westinghouse claims the rival companies have made and imported products that infringe upon two of their patents that make solar panels easier and cheaper to install. Westinghouse wants to launch an investigation and ultimately seek to block imports of solar power systems made by the two companies.

### Former Calico Solar manufacturer declares bankruptcy

Desert Dispatch - Oct 4

The manufacturing company originally slated to provide a portion of technology for the Calico solar project has declared bankruptcy. Arizona-based Stirling Energy Systems stopped all operations mid-September after ongoing struggles to find third-party investors for capital. SES never received federal funding from either of the two DOE programs for alternative energy companies and projects, according to the DOE website.

## <u>Chino Hills votes to continue its fight against the Edison power</u> lines to the state Supreme Court

Inland Valley Daily Bulletin - Oct 3

The city's fight against Southern California Edison's construction of 200-foot high-voltage power lines is not over. Council members have voted to file a request with the California Supreme Court to review a Court of Appeal's decision on the city's effort to fight the route on which Edison is building 19 power transmission lines through the city. The city's case will continue to argue that Edison's easements are too narrow for the power corridor.

## <u>California's underground hot rocks probed for energy of 100 nuclear plants</u>

Bloomberg - Oct 6

At least five American power producers are testing an idea that may dramatically expand the industry's reach. Instead of producing power only in places where steam flows naturally, these companies are drilling deeper to inject water into superhot, dry rocks and create the vapor needed to generate power. The technology "offers the opportunity of creating additional reserves," said a senior geologist at Calpine Corp., the biggest U.S. geothermal power producer. "The heat is a resource in areas around existing plants, but right now we really can't get at it." The Houston-based company is expected to begin testing this process shortly.

## U.S.-backed geothermal plant in Nevada faces financial difficulties

New York Times - Oct 2

Nevada Geothermal Power, a start-up that has relied heavily on an Obama administration loan guarantee, is now struggling with debt after a series of

technical missteps that are draining its cash reserves. The company's auditor said that there was "significant doubt about the company's ability to continue as a going concern." The parallels between this company and the now-famous California solar company Solyndra illustrate the risk inherent in building the clean energy marketplace in the U.S., government officials and industry experts say.

#### NOTABLE RENEWABLE ENERGY PROJECTS AND DEALS

#### NRG completes acquisition of California Valley Solar Ranch

Solar Industry - Oct 3

NRG Energy completed its acquisition of the 250 MW California Valley Solar Ranch project from SunPower. The acquisition occurred immediately prior to the financial closing of the project's loan guarantee from the DOE. Construction on the project has begun, with approximately 350 jobs expected to be created in San Luis Obispo County over the two-year construction period. NRG now bears full ownership responsibility for the project.

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