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an Allen Matkins market intelligence publication

April 19, 2011

Renewable energy law signed in California

Los Angeles Times - Apr 12

California Gov. Jerry Brown signed legislation requiring public and private utilities to obtain 33% of their electricity from renewable energy sources by 2020. The legislation will increase the state's mandate from 20% to 33%. Utilities will be allowed to use power delivered into California from out-of-state sources toward the requirement. Two of the state's three major utilities, SCE and SDG&E expressed support for the legislation, but PG&E officials say they are willing to "work within the rules" of the law, even though they say it will likely increase energy prices.

Related News:

Gov. Brown: California can "do better" than 33% renewable energy California governor signs 33% renewable energy bill California's RPS law sets national standard for clean energy Analysis: Possible effect of 33% law on California economy

RENEWABLE ENERGY FOCUS

DOE loan guarantees for renewable energy projects survive GOP attack

Reuters - Apr 13

The Department of Energy's (DOE) loan guarantee program for renewable energy projects has been revived for another year in House Appropriation Committee's Final Fiscal Year 2011 Continuing Resolution. House Republican lawmakers proposed axing the program earlier this year. Solar Energy Industries Association spokesperson Jared Blanton said his group and other renewable energy advocates will continue to fight to keep the loan guarantee program going when it expires next year.

Related News:

Renewable energy loan guarantees approved by Congress

Federal spending bill slashes EPA budget by 16%

Wall Street Journal - Apr 14

The Senate has passed a spending bill for 2011 that cuts \$1.6 billion from the EPA's budget, or 16% of the agency's funding for the year. The precise effects of the cuts are not yet known, but consumer advocates are hopeful that sustainability initiatives such as the EnergyStar program will survive. After the cuts, the agency will have an operating budget of \$8.7 billion for FY 2011.

California-Canada carbon market to start smaller than planned in 2012

Reuters - Apr 12

The Western Climate Initiative (WCI), a planned cap-and-trade program between U.S. states and Canadian provinces, will start smaller than originally anticipated in 2012 due to the delayed involvement of Ontario and British Columbia. California and the province of Quebec plan to implement the WCI starting Jan.1, 2012 but Ontario and British Columbia have said they will be latecomers to the program because of economic and bureaucratic snags. Ontario officials have said they remain committed to the cap-and-trade program, but will not be able to join for the duration of 2012.



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Upcoming Events

American Wind Energy Association (AWEA) Windpower 2011 Anaheim, CA May 22-25, 2011

RETECH 2011: The Renewable Energy Technology Conference & Exhibition Washington, DC September 20-22, 2011

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

Recent Opportunities

Santa Clara Solar Photovoltaic Energy System at Tasman Drive Parking Structure Request for Proposals

Two New Solar Energy **Opportunities**

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

Analysis: Smart grid adoption is essential to widespread use of renewable energy

Green Business - Apr 13

Widespread adoption of smart grid technology is necessary to expedite a global switch from using fossil-based energy to using energy from renewable sources, according to the <u>Smart Grids Technology Roadmap</u> from the International Energy Agency (IEA). The report compiles the views of 200 top energy-industry stakeholders into a chart that predicts the global development and deployment of smart grid technology between 2010 and 2050. At the report's launch, IEA executive director Nobuo Tanaka said governments have to act faster to develop smart grid standards and pilot programs.

<u>Transmission issues are primary roadblock to widespread</u> <u>renewable energy use, study claims</u>

World Resources Institute - Apr 12

Energy transmission infrastructure, policy, and technology must grow in step with the spread of renewable energy in order to increase global use of sustainable energy, according to a <u>study</u> from the World Resources Institute. *High Wire Act: Improving the Grid for Renewable Energy* analyzes the challenges faced by the U.S., the EU, and China, including: updating outdated transmission infrastructure to include smart grid technologies; quickly building new transmission infrastructure for renewable energy sources in remote locations; and developing policy that better integrates intermittent power sources into the energy market.

<u>IID official: Transmission lines are lynchpin for Imperial</u> <u>Valley renewable energy industry</u>

Imperial Valley News - Apr 9

Transmission lines are key to the success of renewable energy projects in the Imperial Valley, according to Imperial Irrigation District manager Dave Kolk. Kolk said that without IID's new Midway-Bannister transmission line, the 50MW Hudson Ranch I geothermal project would have been denied financing, thus depriving the area of considerable economic benefit. The Midway-Bannister line came in \$2 million under its \$14.5 million budget, Kolk said, and three months ahead of schedule. As the cost for new transmission lines is absorbed by developers, the IID official said that none of the financial burden is shifted onto consumers.

<u>California tosses out solar power plant lawsuit, offers no</u> <u>explanation</u>

Reuters - Apr 14

The Supreme Court of California has refused to consider a lawsuit filed by the Sierra Club seeking to delay construction of a solar plant because it might harm rare plant and animal species. The state's highest court said it would not review the group's complaint against the Calico Solar Project - one of a string of lawsuits accusing solar power plant projects across the state of harming the environment. The court offered no explanation. Sierra Club representatives said they planned to "wait and see" before taking further legal action.

DOE offers \$1.2B loan to support 250MW California solar project

DOE - Apr 12

The U.S. DOE has given a conditional commitment for a \$1.2 billion loan guarantee to support the 250MW California Valley Solar Ranch power plant, sponsored by renewable energy companies SunPower and NRG Solar. When



Allen Matkins #1 Real Estate Law Firm in California 2002-2010

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. <u>More...</u> complete, the California Valley Solar Ranch will be one of the largest photovoltaic solar power plants in the world. SunPower will design, build, and initially operate and maintain the solar plant.

BrightSource achieves fundraising goals for Ivanpah solar project with DOE loan guarantee, Google investment

Wall Street Journal - Apr 11

BrightSource Energy has finished fundraising for its 400MW Ivanpah Solar Energy Generating System in southeastern California with a \$1.6 billion loan guarantee from DOE and a \$168 million investment from Google. Google joins BrightSource and NRG Energy as the project's principal equity investors. Despite ongoing outcry from advocacy groups who say the project was pushed through without proper environmental due diligence, the world's largest solar plant is due to break ground soon and is scheduled to be producing electricity by 2013.

Related News:

BrightSource completes fundraising for Mojave Desert solar project DOE finalizes loan guarantee for BrightSource solar farm

<u>Pegasus Energy Partners planning 400MW Alameda County</u> <u>solar project</u>

SF Gate - Apr 14

San Ramon, Calif.-based developer <u>Pegasus Energy Partners</u> is planning to build a 400MW solar PV plant on 2,000 acres of land in Alameda County. Pegasus representatives said the plant would not have the same challenges with transmission that plague many remotely-located renewable energy projects in California, and are seeking \$1.2 billion in financing to start construction in 2012. The Mountain House Solar Farm would create as many as 400 jobs and would take two to three years to build.

Sacramento dedicates 3MW solar project

Sacramento Press - Apr 12

Mayor Kevin Johnson was among the local officials and business leaders present at a ceremony to inaugurate the area's largest private solar project, a 3MW rooftop solar installation at a military installation in Sacramento's Depot Park. The 12,600 square-foot array is designed to meet 40% of the 3 million square-foot facility's energy requirements. The installation brings the city's total solar production to 20MW.

Los Angeles-area solar company booked solid for 2011

PR Newswire / Sunvalley Solar - Apr 11

Walnut, Calif.-based solar company <u>Sunvalley Solar</u> has announced that its 2011 schedule for commercial solar PV installations is completely full and is rolling out its market initiatives for 2012. The company plans to continue negotiating contracts in the greater Los Angeles area, including Palm Desert, Anaheim, and Pasadena. Sunvalley spokesman James Zhang said the company plans to especially concentrate its efforts on the Palm Desert area and seek power purchase agreements with SCE and other utilities. Zhang added that Sunvalley is also looking to invest in solar plant co-ops with land owners and other investors.

Record demand prompts LADWP to freeze solar rebates

GetSolar - Apr 12

Citing overwhelming public demand, the Los Angeles Department of Water and Power has suspended its solar rebate for a minimum of 90 days so utility officials can "review and revise" the program and deal with thousands of backlogged applications. LADWP's rebate program is capped at \$30 million for 2011, but faces more than 2,000 applications representing about \$110 million in rebates. Adam Sewall writes that the utility's difficulties coping with consumer demand for solar rebates reflects similar situations elsewhere in California and in Arizona, New Jersey, and several other states..

<u>SDG&E scales back investment in Montana wind farm after</u> <u>consumer complaints</u>

Sign On San Diego - Apr 13

SDG&E has reduced its investment in a Montana wind farm following complaints from consumer groups that the deal put too much customer money at risk. The California utility cut back its original \$600 million investment of customer funds in the NaturEner Glacier Wind Farm near Rim Rock, Mont. to \$250 million. The pared-down investment means the project will be built to generate 189MW compared to the 309MW the farm was to have produced under the terms of the original deal. SDG&E President Michael Niggli said the financing arrangement for the project is "the first of its kind", and that the power it generates will be cheaper as a result of the utility's investment of consumer funds.

Report: U.S. geothermal use increasing

Fox News - Apr 9

The domestic geothermal energy industry is poised for 12% growth in 2011 and will continue to expand as more U.S. homeowners and businesses turn to geothermal as a cost-effective and sustainable power source, according to a <u>report</u> from the Geothermal Energy Association. The study claims that the amount of geothermal energy available in the U.S. is sufficient to power more than two million homes.

<u>Marin Energy Authority meets for first time since death of chairman</u>

Marin Independent Journal - Apr 8

The Marin Energy Authority board met to discuss strategy for the first time since the death of founder and leader Marin County Supervisor Charles McGlashan on March 27. Board members shared memories of McGlashan, who is credited with founding the agency despite strong opposition from PG&E, and discussed the agency's recent accomplishments, such as being named the state's leading renewable energy retailer in 2010 by CPUC. The board also noted the formation of the Local Energy Aggregation Network (LEAN), a nonprofit supporting energy consumers nationwide, by board members Shawn Marshall and Megan Matson.

NOTABLE RENEWABLE ENERGY PROJECTS AND DEALS

SDG&E signs power purchase deals on two San Diego County solar projects

PR Newswire / San Diego Gas & Electric - Apr 13

SDG&E has signed two, 25-year power purchase agreements on solar power projects in San Diego County planned to generate a combined 80MW of electricity. Under one of the agreements, the utility will purchase roughly 50MW of energy from 21 ground-mounted solar PV plants designed, built, and maintained by Sol Orchard. The other agreement consists of three contracts that commit SDG&E to buy power from three CPV installations run by Soitec Solar Development that are expected to generate about 30MW.

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Renewable Energy Update - April 19, 2011

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