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Community Update | June 8, 2011

Dear Clean Coalition Friends,

While an ideal summer includes some extra leisure and vacation, the Clean Coalition is moving full speed ahead; we are simply too busy advancing clean local energy across the country to take a break. This newsletter provides an update on some of the exciting action, including the following items:

- Push for swift implementation of SB 32 in California
- Local CLEAN Program Guide is coming
- CLEAN California campaign update
- California's grid is ready for high penetrations of Wholesale Distributed Generation (see comprehensive study)
- · Request for FERC to reconsider an unfriendly interconnection ruling

The Clean Coalition is excited to continue our efforts to make *clean local energy accessible now*, and we thank you for your ongoing support.

Sincerely,

Craig Lewis
Executive Director, Clean Coalition

### Push for swift implementation of SB 32 in California

Since SB 32 became law on January 1st of 2010, the Clean Coalition has been working hard to accelerate its implementation by the California Public Utility Commission (CPUC). SB 32 is enacted legislation that calls for an expansion of California's existing, albeit small, <a href="CLEAN Program">CLEAN Program</a>. Among other things, it expands the current program size cap from 500 MW to 750 MW of clean energy and increases the eligible project size from 1.5 MW to 3 MW.

Since January when the CPUC public hearing process began, the Clean Coalition has been extremely active in assuring that SB 32 is implemented in the most effective form possible. We have been encouraged recently by positive signals that have been communicated to us that our hard work is paying off and that our idea for a near-term interim SB 32 plan that can be executed quickly is in the works. The Clean Coalition looks forward to guiding the design of the interim plan as well as assuring that the full program is designed and administered in the most effective and timely fashion possible. We expect to have more details to share soon.

# **Local CLEAN Program Guide is coming**

The Clean Coalition is excited to announce the pending beta release of the first installment of the Local CLEAN Program Guide: The Overview & Preliminary Considerations module. The beta version of this first module will be released by the end of June in order to help communities and local utilities determine how CLEAN Programs can help achieve their goals for economic development and environmental sustainability.

The Local CLEAN Program Guide will be a free, downloadable policy tool designed to help local communities and their utilities evaluate, design, and enact the most effective policies for the timely and cost-effective development of local renewable energy resources. Designed for

# **Upcoming Events**

July 11-14, 2011 | Intersolar North America | San Francisco, CA

Craig Lewis, Executive Director, will present on CLEAN Programs during the "PV Market Support -- Political Framework Outlook" panel on Monday, July 11th at 2:00 p.m.

August 18-21, 2011 | AREDAY -American Renewable Energy Day | Aspen, CO

Craig Lewis, Executive Director, will be speaking about CLEAN Programs at this event. The date and time of Mr. Lewis' presentation will be announced soon.

See the Clean Coalition <u>website</u> for additional upcoming events.

# **Recent Regulatory Filings**

CPUC | Rule 21 Interconnection Procedures | May 31, 2011

The Clean Coalition commented following the Rule 21 Workshop on April 29, 2011 relating to the California Public Utility Commission (CPUC) jurisdictional practices for interconnection to the distribution grid.

CEC | Workshop on Renewable, Localized Generation | May 23, 2011

The Clean Coalition responded to the California Energy Commission (CEC) staff questions following a workshop under the CEC's Integrated Energy Policy Report (IEPR) to address Governor Jerry Brown's goal of installing 12,000 megawatts (MW) of distributed generation by 2020.

**CPUC | Project Viability Calculator** 

municipal and utility decision-makers, and community stakeholders, the Local CLEAN Program Guide will cover the following key areas:

- Establishing the Pricing for Renewable Energy
- Understanding the Avoided Cost of Traditional Energy
- Determining the Rate Impact and Program Size
- Quantifying the Economic Benefits
- Designing the Processes and Procedures
- · Gaining Support

By attracting private investment, CLEAN Programs empower communities to achieve their energy, economic, and environmental goals. The fist module of the Local CLEAN Program Guide will provide an overview of CLEAN Programs and help communities start evaluating how to implement one. Look for the release later this month!

# **CLEAN California campaign update**

The Clean Coalition has mobilized a broad partnership of business, community, and environmental groups to accelerate the development of California's clean energy economy under the CLEAN California Campaign. CLEAN California will maximize local job creation, create a new source of revenues for community members, attract billions in private investment, reduce electricity bills, and accelerate our transition to a clean energy economy.

Since the Campaign launch in late April, the effort has continued to gain momentum. The latest members of the Campaign include **the City and County of San Francisco**, **the California Cars Initiative**, **and the California Native Plant Society**. To see a full list of Campaign Partners or to have your organization or company join the effort to make it easier to sell clean local energy to the utilities, please visit the campaign website at <a href="www.EnergyJobsNow.org">www.EnergyJobsNow.org</a> or contact Campaign Coordinator <a href="Stephanie Wang">Stephanie Wang</a>.

# California's grid is ready for high penetrations of Wholesale Distributed Generation (see comprehensive study)

At the May meeting of the Integrated Energy Policy Report (IEPR) Committee of the California Energy Commission (CEC), the consulting firm KEMA presented their CEC-commissioned study on "European Distributed Generation Infrastructure." The overarching conclusion of the study is that California's grid can accommodate high penetrations of Wholesale Distributed Generation (WDG), which is comprised of 20 MW-and-smaller projects that are interconnected to the distribution grid.

Europe, Germany and Spain are the nations most often touted as having made rapid progress toward clean energy adoption. Their respective progress has been made possible by their governments' support of energy policies that spur the quick deployment of renewable energy projects across their distribution grids.

The KEMA study was commissioned to take a look at their grid structure and to see how California compares. It turns out that the German and Spanish network configurations and line voltages are comparable to California's, as are the grid reliability and power quality standards. The fact is that the German and Spanish grids are currently supporting at least six times the renewable energy projects as compared to California's grid. No major changes were required in the German or Spanish grids; both countries have achieved this in part through improved forecasting, even without requiring telemetry in the Spanish systems. The KEMA study also concludes that even though Germany is lapping California in terms of renewable energy deployments, including almost 30 times more solar in 2010, the need for significant grid upgrades are still years away. To learn more, you can visit the CEC website <a href="here">here</a> and download the 3 memos that make up the study.

### Request for FERC to reconsider an unfriendly interconnection ruling

In late May, the Clean Coalition requested that the Federal Energy Regulatory Commission (FERC) reconsider its respective rulings on Southern California Edison's (SCE) and Pacific

### (PVC) | May 23, 2011

The Clean Coalition commented on the California Public Utility Commission (CPUC) Energy Division's request for comments about the PVC for the use in Renewable Portfolio Standard (RPS) Solicitations and held that the current PVC does not accurately reflect project viability.

#### **About the Clean Coalition**

The Clean Coalition is a non-profit organization whose mission is to make clean local energy accessible now. Our top goal is to implement policies and programs that accelerate the adoption of cost-effective clean local energy across the United States. The Clean Coalition believes that the right policies will result in a timely transition to clean energy while yielding tremendous economic benefits, including new job creation, increased tax revenue, and the establishment of an economic foundation that will drive growth for decades. The Clean Coalition is active at the national, state, and local levels.

# **Support the Clean Coalition**

The Clean Coalition is actively seeking financial backing in order to strengthen our efforts.

If you or your organization is interested in supporting the Clean Coalition, please contact us at <a href="Development@Clean-Coalition.org">Development@Clean-Coalition.org</a>

Additionally, we welcome invitations to any forums or events where we can promote the benefits of <u>CLEAN</u> <u>programs</u> to new audiences.

Gas and Electric's (PG&E's) Wholesale Distribution Access Tariff (WDAT) reform proposals. The Clean Coalition requested these rehearings because FERC overlooked several key areas in the respective WDAT reform proposals that would place an undue burden on clean local energy developers and significantly dampen renewable energy development in our communities.

The Clean Coalition raised a number of issues with FERC, including the fact that both proposals contained a "poison pill" that would expose Fast Track applicants to uncapped, undefined, and indefinite cost liability that may result from future electric grid upgrades. This poison pill could cause projects to become unfinanceable due to the high likelihood that banks will not underwrite renewable energy projects subject to uncapped liabilities. Also, both proposals had undefined criteria for the Independent Study Procedure (ISP) that prevented an applicant from having any idea of their potential for success before committing at least \$50,000 for the application fee. If the ISP applicant fails, they must then wait for the next cluster window. Additionally, there are no timelines that specify when studies included for the Independent Study Procedure should be completed, which could potentially give rise to a backlog of requests, like the one that caused the need to begin interconnection reform in the first place. While we may need a fix, the "fix" should at least be an improvement.

We are optimistic that FERC will reconsider its rulings and rehear both the SCE and PG&E WDAT proposals. The Clean Coalition will report on their decision, which is expected in the next 30 days. Visit FERC's page of our regulatory filings section on our website <a href="here">here</a> to download the two requests for rehearings.

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