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Community Update | December 20, 2011

Dear Clean Coalition Friends,

2011 has been a pivotal year for the Clean Coalition.

The Clean Coalition's relentless work designing and promoting policies and programs that encourage cost-effective clean local energy made the organization an influential voice in renewable energy circles. From the Clean Coalition's involvement with the California Governor's office on clean energy policy (see [August newsletter](#)) to its strong leadership in the [interconnection reform process](#) and the [SB 32 implementation phase](#), the Clean Coalition has been a leading policy authority. The Clean Coalition had many victories throughout the year, including unanimous support from the CPUC Commissioners for the Clean Coalition petition to fix the Southern California Edison [CREST Program](#).

This year the Clean Coalition also published the [Local CLEAN Program Guide](#), a first of its kind Guide for communities and utilities to evaluate, design, and implement CLEAN Programs. The Guide was a culmination of over 6 months of diligent effort by the Clean Coalition team with input from dozens of experienced experts from around the country. Now, team members are busy supporting communities and utilities that are using the Guide to move CLEAN Programs forward in jurisdictions throughout the United States.

Finally, 2011 brought support and partnerships that have allowed the Clean Coalition to expand its agenda to advance its ultimate vision for a smart energy future: high penetrations of clean local energy that are facilitated by intelligent grid solutions like demand response, energy storage, and electric vehicles. The Clean Coalition expects 2012 to be a watershed year for advancing this ultimate vision.

As the year comes to a close, the Clean Coalition offers these final important updates on its initiatives:

- [Complete Local CLEAN Program Guide now available](#)
- [Clean Coalition to offer comments on CEC's Integrated Energy Policy Report](#)
- [CPUC alters RPS risk assessment methodology, changing RPS generation outlook](#)
- [Interconnection Reform: Clean Coalition priorities for the 'Rule 21' California Distribution System Interconnection Settlement: process extended into new year](#)
- [SB 32 CLEAN Program update](#)
- [CREST update](#)
- [Policy spotlight: Pre-application Interconnection Site Report](#)
- [2012 California legislative outlook](#)

Thank you for supporting the Clean Coalition and the organization's pursuit of making *clean local energy accessible now*.

Sincerely,  
Craig Lewis

## Complete Local CLEAN Program Guide now available

The Clean Coalition is excited to have officially released the entire seven-module Local CLEAN Program Guide on November 30. The entire Guide is freely available at: [http://www.clean-coalition.org/local\\_clean\\_program\\_guide/](http://www.clean-coalition.org/local_clean_program_guide/).

The Local CLEAN Program Guide is a comprehensive how-to guide for communities and utilities

## Upcoming Events

### [January 26, 2012 | Energy Investment Forum](#)

Craig Lewis, Executive Director of the Clean Coalition, will serve as moderator on the Energy Infrastructure panel on Thursday, January 26 at 11:30 am.

### [January 28, 2012 | Planning and Conservation League's Environmental Symposium | Sacramento, CA](#)

Ted Ko, Associate Executive Director of the Clean Coalition, will speak on the "Go Big or Go Home" panel on Saturday, January 28 at 1:45 pm.

### [February 27, 2012 | Inverter and PV System Technology Forum | San Francisco, CA](#)

Craig Lewis, Executive Director of the Clean Coalition, will serve as the moderator on the PV Grid Integration and Infrastructure panel on Monday, February 27th from 11:30 am to 1:00 pm.

See the Clean Coalition [website](#) for additional upcoming events.

## Recent Regulatory Filings

### [CAISO | Business Process Manual for Generator Interconnection Procedures | December 12, 2011](#)

This filing represents the Clean Coalition's comments on the CAISO Business Process Manual, which is a non-tariff document used to determine the implementation of tariffs (in this case the Generator Interconnection Procedures). The comments request more date tracking to assure tariff deadlines are being met.

### [CPUC | Draft Staff Proposal for](#)

across the nation to evaluate, design, and enact Clean Local Energy Accessible Now (CLEAN) Programs based on global best practices for ramping cost-effective renewables and reaping the associated economic benefits. The Guide draws from tremendously successful CLEAN Programs in the United States, such as the Gainesville, Florida program and the soon-to-be operational CLEAN Programs that the Clean Coalition helped design in Fort Collins, Colorado and Palo Alto, California.

Dan Kammen, Director of the Renewable and Appropriate Energy Laboratory at the University of California, Berkeley, and the former Chief Technical Specialist for Renewable Energy and Energy Efficiency at the World Bank, reviewed the Guide and stated, "Policymakers who are serious about deploying economically beneficial renewable energy need to read the Local CLEAN Program Guide. CLEAN Programs have delivered far more clean energy production and green-collar job creation than any other renewable energy policy worldwide."

The Clean Coalition press release on the Guide's publication is available [here](#). If you would like to become a local advocate for deploying a CLEAN Program in your community, please email [LocalGuide@Clean-Coalition.org](mailto:LocalGuide@Clean-Coalition.org).

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## Clean Coalition to offer comments on CEC's Integrated Energy Policy Report

On December 5, the California Energy Commission (CEC) published the first draft of their 2011 Integrated Energy Policy Report (IEPR). The biennial report includes the latest research and analysis of energy demand and generation trends relevant to California's 33% Renewable Portfolio Standard (RPS) and the Governor's 12,000 megawatt (MW) goal for distributed generation.

The Clean Coalition will offer comments on the IEPR draft, due on December 23, that specify areas where the CEC can advance a more integrated approach to energy policy. The Clean Coalition is pleased with much of what is already reflected in the IEPR draft. Examples include the draft's recommendation to quantify the non-energy benefits of renewables, such as positive environmental and economic impacts; recognition of the need to minimize interconnection costs and timeframes; and the need to take greater advantage of intelligent grid deployment tools.

Although the draft does not provide detailed policy recommendations for renewable electricity, the report states that a new strategy will be developed in the coming year and published as a renewables strategic plan in 2012. The Clean Coalition will be actively involved in the development of this strategic plan, making sure it prioritizes cost-effective, clean local energy.

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## CPUC alters RPS risk assessment methodology, changing RPS generation outlook

The Clean Coalition is pleased to report that the California Public Utilities Commission (CPUC) has changed the way it calculates project failure risk for clean energy facilities contracted under the RPS.

The risk assessment modification is significant as it changes the outlook on meeting the 33% by 2020 RPS mandate and provides more realistic forecasts for policymakers. Although the investor owned utilities (IOUs) are somewhat likely to hit the 25% by 2016 goal in the RPS law, they now appear to be quite short of hitting the 33% by 2020 goal. This projected shortfall is a major departure from earlier estimating methodologies that erroneously showed utilities hitting the 33% goal. The refined methodology is far more realistic and matches closely to long-standing Clean Coalition analyses. The officially exposed shortfall underscores the need to focus on procuring less risky clean local energy projects, or Wholesale Distributed Generation (WDG), as opposed to the central-station approach taken by utilities to date.

Until this most recent RPS Report to the Legislature (see [CPUC website](#) to download report), the risk of project failure had been based on the CPUC's Project Viability Calculator (PVC). The Clean Coalition has repeatedly stated that the PVC fails to measure ongoing risk and that the utilities' internal method for evaluating project risk should be used instead. The IOUs have said publicly that they evaluate risk on each project, updated every month, and they initially assume

### [Implementation of SB 32 | November 14, 2011](#)

This filing represents the Clean Coalition's reply comments on the CPUC's staff proposal for the implementation of SB 32. To help CPUC staff craft a proposed decision, the comments provide legal interpretations of market price and avoided costs. Additionally, the filing rebuts numerous comments from other parties, especially pricing comments from the IOUs.

### [CPUC | Southern California Edison's Solar Photovoltaic Program | November 7, 2011](#)

This filing represents the Clean Coalition's comments on SCE's petition for modification of Decision 09-06-049. The Clean Coalition observed that SCE's proposed modifications will effectively kill the Solar Photovoltaic Program (SPVP) and/or the procurement of rooftop solar from Independent Power Producers in SCE territory.

### [CPUC | Senate Bill 32 Implementation | November 2, 2011](#)

This filing represents the Clean Coalition's numerous suggestions regarding the SB 32 staff proposal. These comments include recommending to not require a completed Phase 1 interconnection study as a pre-condition for an SB 32 application, opposing SCE's pricing recommendations, and proposing the Clean Coalition's degression/price increase schedule based on the level of interest in the program (volumetric degression).

### [CPUC | California Renewable Energy Small Tariff Reform | October 31, 2011](#)

This filing represents the Clean Coalition's comments regarding the Proposed Decision for the CREST Reform. The Clean Coalition suggests minor changes to the Proposed Decision, which are almost uniformly favorable to the Clean Coalition's requests in its motion for CREST reform, whereby changes to the existing CREST 1.5 MW CLEAN Contract were recommended in order to make it financeable.

See the Clean Coalition [website](#) for

a 40% failure rate on RPS contracts. This latest RPS Report now projects RPS generation through 2020 based on the IOUs own forecasts, and the project viability risk is ranked based on project milestones rather than the PVC.

The Clean Coalition is pleased with this more realistic methodology and will continue to push for better risk reporting in RPS decisions, which will show policymakers that WDG is the lowest-risk path to achieving California's clean energy goals.

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## **Interconnection Reform: Clean Coalition priorities for the 'Rule 21' California Distribution System Interconnection Settlement; process extended into new year**

The Clean Coalition is a leading participant in the CPUC's Distribution System Interconnection Settlement (DSIS)\* process. The goal of this process is to have a vastly improved statewide interconnection tariff that applies to all projects interconnecting to the distribution grid, including for wholesale Qualifying Facilities (QFs). While the DSIS process is confidential, the Clean Coalition can share its priorities for the DSIS outcomes.

Broadly speaking, the Clean Coalition is seeking clarity, speed, predictability, enforceability, and certainty in California's interconnection processes. The Clean Coalition wants to expand the expedited interconnection path to include more projects, increase transparency throughout the process, and have alternative cost allocation options (such as cost averaging), which would allow for a much faster path to interconnection agreements without necessarily waiting for the detailed and supposedly conclusive custom engineering studies on each individual application. Being able to define costs and liabilities is essential for determining whether a project is worth pursuing, and as such, standardizing interconnection costs is a key factor in successful growth of the WDG market sector.

A stretch goal of the DSIS was to have agreement on the improved interconnection tariff by the end of this year. Such aggressive timing was untenable, however, and the target settlement date was recently extended to February.

If you would like to learn more about the DSIS process, see [our past newsletters](#), including our [October's newsletter](#), for a detailed list of the areas of interconnection reform that the DSIS is attempting to address.

\* DSIS is an official CPUC settlement process, with the goal of quickly agreeing to a new interconnection tariff for distribution grid interconnection without the lengthy litigation of a regular proceeding. The resulting tariff is intended to replace current interconnection procedures such as Rule 21 and WDAT.

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## **SB 32 CLEAN Program update**

The Clean Coalition is actively involved in the CPUC proceeding to implement the Senate Bill (SB) 32\*\* CLEAN Program. Originally, parties had expected to see a Proposed Decision from the regulatory body by the end of the year; however, the process has been extended into 2012. Just last week, the CPUC announced that workshops on creating a standardized PPA would be held the week of January 9. This change is likely due to the breadth of comments filed on the latest CPUC Draft Proposal (see [November's newsletter](#) for the Clean Coalition's stance on the current Draft Proposal). In light of this delay, the Clean Coalition now expects a Proposed Decision by March with an operational SB 32 CLEAN Program launch in late spring.

\*\* SB 32 is enacted legislation that calls for an expansion of California's existing, albeit small, AB 1969 CLEAN Program. Among other things, SB 32 expands the AB 1969 program size from 500 MW to 750 MW of clean local energy and increases the eligible project size from 1.5 MW to 3 MW.

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## **CREST Update**

Last month, the Clean Coalition reported that the CPUC voted unanimously to require that Southern California Edison (SCE) fix its California Renewable Energy Small Tariff (CREST)\*\*\* Power Purchase Agreement (PPA) ([please see the November newsletter for details](#)). This was a significant victory for the Clean Coalition and for all distributed generation project developers

additional regulatory filings.

## **About the Clean Coalition**

The Clean Coalition is a nonprofit organization whose mission is to implement policies and programs that transition the world to cost-effective clean energy now while delivering unparalleled economic benefits. 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 [Development@Clean-Coalition.org](mailto:Development@Clean-Coalition.org).

Additionally, we welcome invitations to any forums or events where we can promote the benefits of [CLEAN Programs](#) to new audiences.

and advocates. However, SCE is now using procedural roadblocks, including changing the application process, to try and impede CREST projects.

The Clean Coalition is monitoring the situation and lending our support where possible. If your organization or company has been impacted by SCE's actions with the CREST Program and needs to find out details on the daily changing situation, please contact the Clean Coalition at [Info@Clean-Coalition.org](mailto:Info@Clean-Coalition.org).

\*\*\* The CREST Program is SCE's implementation of Assembly Bill 1969, the existing predecessor CLEAN Program to the coming SB 32 CLEAN Program. Although CREST has been available since 2008, only a handful of projects have been successfully contracted under the program.

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## Policy spotlight: Pre-application Interconnection Site Report

The Clean Coalition has proposed a utility "Pre-application Interconnection Site Report" for WDG projects. The concept behind a utility providing such a pre-application report is to guide developers and community members in siting and planning appropriately-sized renewable energy projects on the distribution grid. If this option were available, it is anticipated that the overall interconnection study timeframes would decrease significantly as more projects would be sited and designed to match the capacity and circumstances found at their proposed locations, avoiding uneconomical system upgrades and allowing expedited and lower cost reviews. This support for well-planned applications will allow more clean energy projects to come online quickly, helping cities and states reach important renewable energy and economic development goals without delay.

Here is the minimum list of items that the Clean Coalition recommends for inclusion in the utility pre-application reports:

- Line segment voltage and peak capacity
- Line segment available capacity (subtracting any capacity consumed by existing projects and/or other applicants on the same line segment)
- Substation voltage and capacity
- Known electrical dependencies at the proposed location (typically current or planned studies that must be completed before this application can be considered).
- Existing short circuit interrupting capacity
- Known power quality or stability issues on the circuit
- Minimum load data, by month for each of the last twelve months, including day-time and night-time minimum loads, if available
- Location of protection equipment on circuit, including reclosers

The Clean Coalition will continue to push the CPUC to require pre-interconnection application reports for all investor owned utilities, but believe this type of report would be useful for any utility to adopt. The Clean Coalition recommends utilities make the reports available for an at-cost fee (estimated at \$300 per project) and that the reports be made available within a reasonable timeframe (suggested at 5 business days).

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## 2012 California legislative outlook

In the upcoming year, the Clean Coalition will explore a legislative agenda based on modest, but impactful ideas aimed at expanding opportunities for the WDG market segment, as well as increasing transparency and accountability with respect to utilities' clean energy decisions.

Specific objectives within the Clean Coalition's 2012 legislative agenda include:

- Expanding the SB 32 CLEAN Program size and clarifying language that has proven to be problematic in the CPUC implementation of SB 32
- Adding transparency and accountability requirements on utility distribution grid investment decisions and interconnection processes by requiring regular, detailed reporting; and establishing penalties for utility failure (currently only developers are held accountable for failing to meet their requirements)
- Increasing RPS accountability by requiring better risk reporting for RPS projects and standardized reporting of non-energy benefits of clean energy such as local job creation

The Clean Coalition welcomes organizational collaboration on these priorities and other legislative initiatives that help to effectively achieve the Governor's goal of deploying 12,000 MW of clean local energy. To discuss collaboration efforts, email Associate Executive Director Ted Ko at [Ted@Clean-Coalition.org](mailto:Ted@Clean-Coalition.org).

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