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CLEAN COALITION

Making Clean Local Energy Accessible Now

Community Update | June 19, 2012

Dear Clean Coalition Friends,

As the Clean Coalition continues its work on policies and programs that accelerate the transition to clean local energy, the organization is both supported and inspired by the growing youth movement for a sustainable energy future.

The Clean Coalition has begun collaborating with leading groups, which have engaged youth around the globe on energy and climate issues, to promote CLEAN Programs as an excellent tool for communities to develop their clean local energy resources. Recently, the Clean Coalition developed a [CLEAN Program project](#) for the 350.org network and partnered with the [California Student Sustainability Coalition](#) to support clean energy on college campuses. The organization now plans to work with [iMatter](#) to provide youth leaders across the country with the tools to build community support for CLEAN Programs.

The Clean Coalition also praises outstanding efforts by individuals who are single-handedly making substantial impacts. Notably, steadfast campaigning by Evan Lewis, a San Diego based 11-year old, helped lead Solano Beach to unanimously vote in May to ban single-use plastic bags. Evan is working to leverage that success across the San Diego region. I am very proud that in addition to being a young champion for sustainability, Evan is also my nephew. For a little inspiration of what a motivated individual can accomplish, regardless of age, see [Evan's petition](#).



In other exciting news, the Clean Coalition is pursuing forward-thinking intelligent grid (IG) policies and working to deploy a number of demonstration microgrids around the nation. Stay tuned in the coming months for more updates about the organization's expanding IG work.

Please find updates on the following items in this month's newsletter:

- [CPUC stumbles in Final Decision for SB 32 CLEAN Program](#)
- [Legislative Update: Two important California CLEAN bills closer to law](#)
- [Clean Coalition proposal gains support in IEPR Update](#)
- [Clean Coalition scores victory on SCE 'termination clause'](#)
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- [Featured Event: Biogas USA West 2012 Conference](#)
- [An opportunity for clean local energy in Arizona](#)

As always, thank you for supporting the Clean Coalition and its pursuit of making clean local energy accessible now.

Sincerely,
Craig Lewis

Connect



In the News

[California's Clean Energy Roadmap | Fierce Energy | June 8, 2012](#)

UC Berkeley's Center for Law, Energy and the Environment recently released *California's Transition to Local Renewable Energy: 12,000 Megawatts by 2020*, a comprehensive report that includes many Clean Coalition recommendations.

[Has Vermont Solved the Solar Permitting Problem? | Greentech Media | May 29, 2012](#)

Craig Lewis, Executive Director of the Clean Coalition, provides analysis of Vermont's 2012 Energy Bill.

[Securing the Nation's Power Grid | Truthout | May 25, 2012](#)

Craig Lewis, Executive Director of the Clean Coalition, and Jim Woolsey, a member of the Clean Coalition Board of Advisors, co-authored this timely op-ed about grid reliability.

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

Upcoming Events

[June 20, 2012 | Rooftop Solar Challenge Kick-Off Webinar | Online Webinar](#)

Ted Ko, Associate Executive Director of the Clean Coalition, will present at this webinar on standardizing and improving the interconnection process for small-scale solar PV installation.

[August 1, 2012 | Solar Exchange West 2012 Conference | Berkeley.](#)

CPUC stumbles in Final Decision for SB 32 CLEAN Program

On May 24, the California Public Utilities Commission (CPUC) approved the Final Decision (FD) for the design of the Senate Bill (SB) 32* CLEAN Program. Despite the Clean Coalition's best efforts to ensure a well-designed program, the FD made the program less effective than it would have been under the CPUC's March 20 Proposed Decision (PD). In addition to several misguided changes to the PD, the FD ignored critical flaws in the PD.

The FD's changes to the PD will reduce the ability of the SB 32 CLEAN Program to bring clean local energy online. Most significantly, the FD ensures that the meager program capacity cannot be fully subscribed in less than 24 months and that subscription will likely take much longer. Moreover, the deadline for projects to come online was increased to 24 months with a possible 6-month extension. Due to these changes, the program will likely not bring significant amounts of distributed generation (DG) online until close to 2016, thereby putting some projects at risk of losing eligibility for the Federal Investment Tax Credit.

The FD also failed to address serious flaws of the PD. For example, though the price adjustment buckets were clearly too small, no modifications were made to increase them. At a maximum of about 6 megawatts (MW) per bucket, the contract price will change based on just one or two projects, making the program more like an auction than a CLEAN Program. In addition, the FD failed to address misguided viability and eligibility criteria for projects, including development experience, strategic location, and daisy chaining. All of these errors add unnecessary risk and costs to the program, which is contrary to the intent of the SB 32 law.

The Clean Coalition was successful in scoring a small victory in the FD. Now, any bucket that is less than 50% subscribed within two months will see a price increase. Unfortunately, the small bucket sizes in the FD largely negate the impact of this feature.

The Clean Coalition believes that the CPUC made serious errors in the FD. These errors will greatly hinder the Wholesale DG market in California and the Governor's goal of bringing 12,000 MW of DG online by 2020. Nonetheless, the Clean Coalition will continue its fight to fix the program. As a first step, the Clean Coalition will focus on ensuring the best design for the SB 32 Power Purchase Agreement (PPA), which will likely be finalized over the next two months.

* SB 32 is enacted legislation that requires the 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.

Legislative Update: Two important California CLEAN bills closer to law

With the Clean Coalition's support, two important pieces of CLEAN legislation may soon become California law. SB 1332, designed to speed up the implementation of SB 32 CLEAN Programs, passed the State Senate on May 24. Less than a week later, Assembly Bill (AB) 1990, which would create a CLEAN Program targeting low-income California communities, passed the State Assembly.

SB 1332, a Clean Coalition-sponsored bill, would set a start date for Publicly Owned Utilities (POUs) to launch their SB 32 CLEAN Programs and direct POUs to consider locational and environmental benefits in their SB 32 pricing. The bill passed the Senate by a vote of 21-12 and then passed the Assembly Utilities and Commerce Committee by a vote of 9-4 on June 18. The Clean Coalition expects this bill to become law and estimates that this legislative victory will result in an additional 100 MW of CLEAN Program capacity available in California by mid-2013.

AB 1990, also known as the "Solar for All" bill, was approved by the State Assembly by a margin of 49-27 and will now head to the Senate Energy, Utilities, and Communications committee. The legislation — introduced

CA

Clean Coalition team members will participate in two panels at the Solar Exchange West 2012 conference, which will take place on August 1 from 8:30 am - 5:30 pm.

[October 10, 2012 | Biogas USA West | San Francisco, CA](#)

Craig Lewis, Executive Director of the Clean Coalition, will speak on the "Market Overview: Legislation and Policy" panel at the Biogas West conference in San Francisco on October 10 at 9:10 am.

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

Recent Regulatory Filings

[CAISO | Deliverability of DG Draft Final Proposal | April 12, 2012](#)

This filing represents the Clean Coalition's comments supporting the development of CAISO's proposal for Deliverability of DG with proposed modifications on base case, COD timelines, and allocation timelines.

[CPUC | SB 32 Proposed Decision | April 9, 2012](#)

This filing represents the Clean Coalition's opening comments on the Proposed Decision, calling for a doubling of the program size, larger product buckets, a price floor, a 25-year contract, and a number of other recommendations.

[CPUC | RAM PPAs | April 9, 2012](#)

This filing represents the Clean Coalition's arguments in opposition to proposed PPA language which would allow "unilateral termination right for Buyer in the event that expected ratepayer reimbursed transmission system upgrade costs increase by more than 10% over estimates provided by Producer when it bid into the solicitation."

See the Clean Coalition [website](#) for additional regulatory filings.

About the Clean Coalition

The Clean Coalition is a nonprofit organization whose mission is to implement policies and programs that



by Assemblyman Paul Fong of Cupertino, California and sponsored by the California Environmental Justice Alliance — calls for a CLEAN Program designed specifically to help low-income communities in California access clean local

energy. AB 1990 would bring another 375 MW of clean local energy online in California by 2020. The Clean Coalition has been a leading policy partner in advancing this bill, pairing its CLEAN policy design expertise with the grassroots organizing strength of the state's leading environmental justice organizations.

The Clean Coalition is excited by these important milestones and will continue its work ensuring the bills become law.

Clean Coalition proposal gains support in IEPR Update

The California Energy Commission (CEC) has been holding a series of workshops to solicit input from outside experts as they prepare to publish their 2012 Integrated Energy Policy Report (IEPR) Update. The Clean Coalition was invited to speak on a variety of topics related to DG and has been active in many of the workshops.

In May, the CEC supported a Clean Coalition proposal to utilize a new methodology when calculating regional DG targets within the Governor's goal of bringing 12,000 MW of DG online by 2020. The Clean Coalition proposed baseline targets according to regional load that would be adjusted based on policy objectives and values such as job creation, air quality, and grid readiness.

The Clean Coalition is proud of its leadership in helping to shape the IEPR Update and will continue its effort to ensure that DG remains a priority in the 2012 IEPR Update.

Clean Coalition scores victory on SCE 'termination clause'

At a May 11 Renewable Auction Mechanism (RAM) Forum, Southern California Edison (SCE) proposed changes to its RAM PPA, incorporating key recommendations by the Clean Coalition.

The proposed changes alter an unreasonable 'termination clause' within the PPA that allowed SCE to terminate signed PPAs with renewable energy developers. Proposed changes to the PPA include: invalidating the 'termination clause' once an Interconnection Agreement is executed; raising the 'termination clause' trigger from 10% above the projected interconnection cost to the lesser of either 25% above the projected interconnection cost or \$100,000 above the projected cost; and allowing developers to pay for the total grid upgrade cost overrun, which gives developers the option to proceed even if the interconnection costs have exceeded the limit. These Clean Coalition recommendations for the termination clause were the only suggested changes that SCE adopted from all filed comments.

Although the changes have yet to be formally adopted, SCE already removed the termination clause from its PPA. Furthermore, the Clean Coalition expects the changes to soon be reflected in a new resolution by SCE.

Vermont expands statewide CLEAN Program and recognizes locational benefits of

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.

distributed generation

On May 18, Vermont's Governor Shumlin signed into law the 2012 Energy Bill, which contains a groundbreaking acknowledgement of the locational benefits of distributed generation and more than doubles the amount of clean local energy that will be brought online through the state's CLEAN Program.

The new law expands Vermont's statewide CLEAN Program, known locally as the Standard Offer program, from 50 MW to 127.5 MW over the next ten years. Notably, the capacity of any distributed generation facility that provides "sufficient benefits to the operation and management of the electric grid" as a result of its location or other characteristics will not count towards the overall program cap of 127.5 MW. Therefore, no limit exists on the amount of clean local energy that can come online from facilities providing sufficient locational benefits.



The recognition of locational benefits by Vermont legislators is a major step towards broader awareness of the true value of distributed generation. Clean local energy projects alleviate transmission and distribution (T&D) constraints, while also avoiding the inefficient and expensive long-distance transmission of energy. As a leading advocate for the recognition of locational benefits in California, the Clean Coalition provided policy support to Vermont-based clean energy organizations engaged in the legislative process.

"The Clean Coalition's invaluable work, made available to all through their on-line publications, clearly illuminated to state legislators the transmission and distribution benefits and peak load savings provided by distributed generation power stations," said Gabrielle Stebbins, Executive Director of [Renewable Energy Vermont](#). "The legislative emphasis on T&D and peak load benefits would not have remained in this bill without their help."

The Clean Coalition will continue working with policymakers and utilities across the country to ensure broader recognition of the true value of distributed generation.

Featured Event: Biogas USA West 2012 Conference

The Clean Coalition is excited to be an endorsing partner for the upcoming Biogas USA West 2012 Conference, which will be held in San Francisco on October 10-11.

Craig Lewis, Executive Director of the Clean Coalition, will also be speaking on the "Market Overview: Legislation and Policy" panel with a number of other distinguished panelists.



Biogas USA West

This conference is the region's premier event for the biogas community to meet and enhance the profitability of new and existing projects. In this uncertain environment, the Biogas USA West 2012 conference will focus on the factors that offer biogas developers the best chance for achieving viable projects. Conference speakers will address capitalization strategies for emerging high-energy feedstocks such as wastewater, municipal solid waste, and industrial food waste, while exploring how to engage successfully with utility and industrial end users.

For additional conference details, including registration information, please visit [the conference website](#).

An opportunity for clean local energy in Arizona

A [recent report](#) by the Energy Information Administration revealed that Arizona is one of only four American states that generate less than one percent of their electricity from non-hydro renewables. This is shocking news given that Arizona boasts one of the strongest solar resources in the country.

The adoption of a CLEAN Program in Arizona would allow individuals to turn the year-round sunshine that beats down on parking lots, rooftops, and vacant urban spaces into cost-effective clean local energy, while also creating jobs throughout the state.

Unlike most states, Arizona's public utilities commission — the Arizona Corporation Commission (ACC) — is an elected and constitutional agency, meaning the 5-member ACC regulates Arizona's utilities independent of the state's legislature and governor. Therefore, this 5-member agency wields tremendous power in setting Arizona's energy policies. With three pro-solar votes on the ACC, Arizona could become one of the nation's most promising locations for solar development.

In 2011, Commissioners Paul Newman and Sandra Kennedy diligently worked to defend the state's burgeoning solar industry. Now, with Sandra Kennedy and Marcia Busching both strongly supporting clean local energy in the ACC, the re-election of Commissioner Newman would ensure that the majority of the ACC supports aggressive policies to ramp up production of clean local energy. If re-elected, Commissioner Newman plans to increase the Renewable Energy Standard, develop a new energy efficiency scheme, pursue the "rate-basing" of solar, and implement clean local energy strategies, such as a CLEAN Program.



To learn more about Arizona's energy future or about Commissioner Paul Newman, visit www.paulnewmanaz.com or contact Will Greene at will@paulnewmanaz.com or (206) 799-2790.

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