

# Viewpoints: ISO proposals threaten local clean energy projects



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While everyone wants more clean, renewable energy, few people realize that where you install those solar panels or wind turbines matters quite a bit. The placement of renewable energy projects has a significant impact on electricity rates, green jobs development and business investment. Recent events at the California Independent System Operator show that everyone needs to pay attention and fight to get clean energy built in the best places – distributed around the state in smaller projects close to where the energy is needed.

Most well-known energy policies, such as the California Solar Initiative, focus on subsidies and incentives to help pay for building the projects. But for many projects, especially where renewable energy is sold wholesale to the utilities, how the project connects to the electrical grid is equally or even more important than any of the current incentives in place. The ISO manages much of the California electric grid and runs the processes by which projects determine how much it will cost them to connect to the grid. Costs vary mostly due to network upgrades that are needed to handle the new energy that is fed onto the grid.

The ISO is proposing to change those processes in ways that would make it more difficult to build and connect projects in the growing wholesale distributed generation market segment. These wholesale generation projects can be up to 20 megawatts in size and connect to the grid near cities and other places that need the most electricity. Twenty megawatts will power the peak requirements of roughly 20,000 homes. "Wholesale" indicates that all of the energy produced is sold to the utility rather than used on site.

Building wholesale generation projects instead of large-scale renewable energy farms in remote areas helps consumers by avoiding unnecessary costs. If energy is generated close to where it is used, the utilities do not need to build more long-distance transmission lines, and less energy is lost traveling over those lines. Consumers also pay less in "transmission access charges," fees for converting energy from the transmission grid to the local distribution grid.

Avoiding new transmission lines also helps wholesale generation projects come online more quickly. A new transmission line to a remote area takes years to build, and that assumes there are no issues with environmental impact or community resistance. Further, dozens of smaller wholesale generation projects, built at the same time, can bring us clean energy much more quickly than one or two enormous farms built out in the desert.

These smaller projects, in communities across the state, will also provide more local green jobs and economic benefits than the fewer large projects that utilities prefer to work with today. A recent University of California, Berkeley, study showed that if we hit our state's renewable energy goals for 2020 with wholesale generation projects instead of large, remote projects, we will get hundreds of thousands more in-state jobs, tens of billions more in private investment and billions more in tax revenues.

Finally, local wholesale generation projects can greatly help the environment by repurposing blighted land and replacing fossil fuel plants that pollute the air and water in our communities. Remote projects and the transmission lines they need are often proposed on pristine land, which is unnecessary with development of wholesale generation projects. Further, with new transmission lines and large-scale projects, the full system can take so long to build, communities often wait many years before the remote clean energy can replace the local dirty energy. Wholesale generation projects can help shut down those plants in months rather than years or even decades.

Clearly, we should be making sure that our laws and regulations are helping build wholesale generation projects as quickly and easily as possible. The recent regulation discussions at the ISO have a tremendous impact on the future placement of renewable energy projects, and those discussions should not be taken lightly. Location matters, and Californians should demand that our policymakers are making the right decisions to get clean, renewable energy in the best places.

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