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Community Update | August 12, 2011

Dear Clean Coalition Friends,

This summer has been an extremely busy time for the Clean Coalition. Hence, this month's newsletter is jam-packed with the following exciting updates:

- [CLEAN Coalition participates in Governor Brown's Conference on Clean Local Energy](#)
- [SB 32 update and upcoming workshops](#)
- [Local CLEAN Program Guide: update and upcoming webinar](#)
- [CLEAN California Campaign: update and new partners](#)
- [RAM design wins](#)
- [CREST update](#)
- [Interconnection Reform: California Rule 21 workshop](#)

Thank you for your continuing support of the Clean Coalition and we look forward to bringing you more important updates soon.

Best Regards,

Craig Lewis
Executive Director, Clean Coalition

Clean Coalition participates in Governor Brown's Conference on Clean Local Energy

In late July, the Clean Coalition participated in California Governor Jerry Brown's Conference on Local Renewable Energy Resources ([link](#)). The invitation-only conference was held at UCLA and focused on the Governor's goal of reaching 12,000 megawatts (MW) of distributed generation (DG) by 2020.

The Clean Coalition had a strong presence at the event. Executive Director Craig Lewis was a speaker on the interconnection panel and presented on the necessity of grid access reform to increase transparency and accountability in the interconnection process. Associate Executive Director Ted Ko organized and facilitated a panel on grid planning, which included submitting brief papers prior to the conference. Ko's brief was highly praised by the conference organizers and panel participants, and can be found online [here](#) along with the other briefs prepared for the event.

Overall, much of what came out of the conference validated the Clean Coalition's policy focus. There was strong recognition that Wholesale DG (WDG) is a vital pathway for achieving the Governor's goal. WDG will produce cost-effective clean energy while helping local communities meet other objectives, such as maximizing job creation and other New Energy Economy benefits in a timely fashion. Participants recognized that there is a severe need for policy improvement to address the main barriers to WDG: procurement, interconnection, and financing – solutions to which are at the core of the Clean Coalition's policy agenda.

The Clean Coalition is helping to synthesize the mass of information that was produced at the conference into actionable objectives and policies. The Clean Coalition will keep you posted as the efforts move forward.

In the News

[Hooking up to the grid: Reforming access is imperative | Capital Weekly | August 10, 2011](#)

This op-ed is authored by Fred Keeley, Santa Cruz County Treasurer, Former Speaker pro Tempore of the California State Assembly, and Clean Coalition Board of Advisors Member.

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

Upcoming Events

[August 18-21, 2011 | AREDAY - American Renewable Energy Day | Aspen, CO](#)

Craig Lewis, Executive Director of the Clean Coalition, will be speaking about CLEAN Programs as part of a panel discussion on Saturday, August 20th at 2:00pm MST.

[September 8, 2011 | Applied Solutions | Webinar](#)

Craig Lewis, Executive Director of the Clean Coalition, will be speaking about the Clean Coalition's Local CLEAN Program Guide on Thursday, September 8th at 11am PST.

[September 13-15, 2011 | Modern Energy Investors Forum | Denver, CO](#)

Craig Lewis, Executive Director of the Clean Coalition, will be presenting on CLEAN Programs on Thursday, September 15th at 10am MST.

[September 16, 2011 | Opal Real Assets Investing Forum | San Francisco, CA](#)

Ted Ko, Associate Executive Director of the Clean Coalition, will speak

SB 32 update and upcoming workshops

As reported in the Clean Coalition's last few newsletters ([link](#)), the process of implementing Senate Bill (SB) 32* is building momentum. The Clean Coalition has been advocating for an interim approach where the less controversial portions of this 2009 legislation are implemented before the end of the year, in time to benefit from the Federal tax benefits that expire at yearend. In comments submitted to the California Public Utilities Commission (CPUC) on July 21st, the Clean Coalition recommended a three-phase implementation process in which immediate pricing begins at Market Price Referent plus Time of Delivery. In the second phase, pricing is proposed to include a rough proxy for Locational Benefits that is based on the avoidance of Transmission Access Charges (TACs). In the third and final phase, the Locational Benefits adder is refined to be more precise. The Clean Coalition also introduced a volumetric digression scheme, Volumetric Market Price (VMP), which is similar to the tiering scheme used in the California Solar Initiative. For more details, see the Clean Coalition filing [here](#).

The CPUC is expected to hold further workshops on SB 32's implementation within the next few weeks. The Clean Coalition will continue to advocate for the swiftest start to an SB 32 Program. Although on the current trajectory of the SB 32 proceeding, the Clean Coalition does not expect a working program to be operational by the end of the year; the Clean Coalition is working creatively to at least get a partial program started before the tax benefits expire at yearend. Please be prepared for a potential call-to-action from the Clean Coalition in case the organization determines that collective action will make a tangible difference.

* 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.

Local CLEAN Program Guide: update and upcoming webinar

The Clean Coalition is in the process of creating a seven-module Local CLEAN Program Guide, which is designed to help communities and local utilities evaluate, design, and enact CLEAN Programs. Applied Solutions, a new CLEAN California Campaign partner, is hosting a webinar featuring the Guide on Thursday, September 8th at 11am PST. To sign up for the webinar and/or to become a local champion for a CLEAN Program in your community, please email at LocalGuide@Clean-Coalition.org. More information about the Local CLEAN Program Guide can be found [here](#).

CLEAN California Campaign: update and new partners

The CLEAN California Campaign continues to grow its broad partnership base for promoting policies that help meet Governor Brown's call for 12,000 MW of clean local energy by 2020. Recent additions to the growing list of partners includes the California Business Alliance for a Green Economy, the California Student Sustainability Coalition, and Applied Solutions. To learn more about the CLEAN California Campaign, or to join the effort, please visit the Campaign website at www.EnergyJobsNow.org or contact the Clean Coalition's Director of Programs and Campaigns, Stephanie Wang, at Steph@Clean-Coalition.org.

RAM design wins

The Clean Coalition is happy to announce that the California Public Utilities Commission (CPUC) denied many of the counterproductive program design changes to the new Renewable Auction Mechanism (RAM)** that were requested by the utilities. RAM is a new program designed to promote larger scale WDG projects in California.

In the Draft Resolution response (which can be found [here](#)), the CPUC outlines implementation details, bidding protocols, and standard Purchase Power Agreements (PPA) for each of three investor owned utilities under the RAM. The CPUC is expected to vote on this Draft Resolution at their August 18th meeting. If adopted, the first auction under the RAM will be in November.

about the importance of understanding (and getting involved in) energy policy when considering clean tech/energy investing as part of the Clean Tech panel discussion on Friday, September 16th at 10:45am PST.

[September 20-22, 2011 | Renewable Energy Technology Conference and Exhibition | Washington, D.C.](#)

Craig Lewis, Executive Director of the Clean Coalition, will be speaking at this event during session B2: State Policies – Cross-Cutting Issues on Wednesday, September 21st at 11:00am EST.

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

Recent Regulatory Filings

[CPUC | Rule 21 Interconnection Procedures | July 26, 2011](#)

This filing is the Clean Coalition's protest to the utilities' request to allow Federal Energy Regulatory Commission (FERC)-jurisdictional interconnection procedures to be used on an interim basis under the state-jurisdictional Rule 21 interconnection process. The Clean Coalition's concerns are: 1) the FERC-jurisdictional procedures (Wholesale Distribution Access Tariff [WDAT]) are very lengthy and costly; 2) allowing this change on an interim basis opens the door wide for permanent use in the same way, which is very unwelcome; and, 3) the California Public Utilities Commission (CPUC) should instead work quickly to revise Rule 21 and provide a viable interconnection procedure before the next cluster window closes for WDAT.

[CPUC | Senate Bill 32 Implementation | July 21, 2011](#)

This filing is the Clean Coalition's Coalition's opening comments on the Administrative Law Justice Ruling on the implementation of SB 32. The Clean Coalition recommends a three-phase implementation process in which immediate pricing begins at Market Price Referent plus Time of Delivery. In the second phase, pricing is proposed to include a rough proxy for Locational Benefits that is based on the avoidance of Transmission

The Clean Coalition successfully protested various aspects of the utilities' requested changes to the RAM, including the three issues below, which the Clean Coalition believes are crucial wins for clean local energy:

1. The CPUC agreed with the Clean Coalition that Southern California Edison's (SCE's) public interconnection data map is inadequate. They ordered that SCE provide more details, including available capacity at substations or at the circuit levels. They also found that Pacific Gas & Electric's (PG&E's) map needed to be improved by the end of the year with more substation details.
2. The utilities' request to require project developers to demonstrate "deliverability" was rejected, as recommended by the Clean Coalition. Project developers already have to prove "reliability," meaning they must show that they can bring energy onto the grid without negatively impacting it. Deliverability, or proving that a project could deliver power to the central transmission grid from the distribution grid, is not necessary for the vast majority of WDG projects. The main purpose of WDG is to use the power close to load centers rather than requiring energy to come from long distances over transmission lines. By adding the deliverability requirement, the utilities would have imposed a high hurdle on the RAM Program before it even started. For most potential RAM participants, adding the time and expense to prove deliverability may have priced and/or timed them out of the next two years of auctions.
3. The CPUC agreed with the Clean Coalition that auctions should be held every 6 months. Utilities had requested more flexibility in putting on the auctions, including only having one auction per year.

These wins are major victories for clean local energy, and the Clean Coalition applauds the CPUC's draft resolution.

** RAM is a two-year procurement program that was adopted by the CPUC with the purpose of lowering transaction costs and promoting the development of WDG projects on the larger end of the WDG market segment, which includes projects up to 20 MW in size.

CREST update

The California Renewable Energy Small Tariff (CREST) Program is Southern California Edison's (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 deployed under the program.

One of the primary barriers in the program has been the untenable Power Purchase Agreement (PPA), which has provisions that are unacceptable to banks and other investors. SCE had been preparing to fix the PPA with a proposal in early August; however, they recently halted that process due to the flurry of activity to implement SB 32. The Clean Coalition disagrees with SCE's attempt to halt the process, since the Clean Coalition knows the PPA fixes are vital to allowing projects to qualify for the federal tax benefits that expire at the end of 2011. The Clean Coalition will be working directly with the CPUC to get the CREST PPA fixed independent of the SB 32 process and may circulate a call-to-action to help get the right outcome.

Interconnection Reform: California Rule 21 workshops

As reported in the Clean Coalition's last newsletter ([link](#)), the Rule 21*** working group has been reconvened by the California Public Utilities Commission (CPUC). Rule 21 needs to be revised to enhance transparency, accountability, and certainty for WDG project developers.

The next two workshops are scheduled for August 19th and 23rd, and the Clean Coalition will be heavily involved throughout the process of reforming Rule 21.

Additionally, the Clean Coalition, along with other parties, vigorously protested when the utilities filed Advice Letters using their Wholesale Distribution Access Tariff (WDAT) procedures (see the Clean Coalition's last newsletter for details) for their interim interconnection processes

Access Charges (TACs). In the third and final phase, the Locational Benefits adder is refined to be more precise. The Clean Coalition also proposes the name "Volumetric Market Price" as a new term for pricing under this new program.

[CAISO | Generator Interconnection Procedures Phase 2 \(GIP 2\) | July 14, 2011](#)

This filing is the Clean Coalition's final comments on the Generator Interconnection Procedures Reform 2 (GIP 2) before the proposal goes to the CAISO board for approval. The Clean Coalition mainly reiterated its comments from prior submissions, continuing to stress the importance of queue and grid transparency.

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

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 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.

while Rule 21 is being reformed. The Clean Coalition's official response filing can be found [here](#). The Clean Coalition is working closely with the CPUC to develop solutions for effectively interconnecting WDG projects in advance of a new Rule 21.

*** Rule 21 is a California state-jurisdictional procedure. It is currently used primarily for interconnecting net-metered facilities. However, Rule 21 can also be used for wholesale facilities, including in SCE's CREST Program, and will likely be used for the upcoming SB 32 CLEAN Program.

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