



Community Update | July 7, 2011

Dear Clean Coalition Friends,

I hope everyone had an excellent 4th of July holiday. Just as Americans were busy celebrating our country's independence, the Clean Coalition has been busy advancing our vision for energy independence as we work to make *clean local energy accessible now*. This month's newsletter includes information about the following topics:

- [CLEAN California Update: New Partners](#)
- [Local CLEAN Program Guide: Module 1 Released, Webinar Upcoming](#)
- [Major New Development Affecting SB 32 in California](#)
- [Nevada Update: CLEAN Legislation Must Wait for Next Legislative Cycle](#)
- [California Interconnection Reform Under Rule 21](#)
- [Southern California Edison CREST PPA](#)

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

Sincerely,

Craig Lewis
Executive Director, Clean Coalition

CLEAN California Update: New Partners

The CLEAN California Campaign represents a broad partnership of business, community, and environmental groups that are working together to make it easier to sell clean local energy to utilities and connect these projects to the grid through legislative, regulatory, and awareness building efforts. The extensive list of partners has been expanded to include the Ella Baker Center, a leading social justice organization, and the San Luis Obispo Renewable Energy Secure Community (SLO-RESCO). 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 Campaign Coordinator [Stephanie Wang](#).

Local CLEAN Program Guide: Module 1 Released, Webinar Upcoming

The Clean Coalition recently launched the first module of its Local CLEAN Program Guide, which provides an overview of Clean Local Energy Accessible Now (CLEAN) Programs and discusses the key considerations for assessing what a CLEAN Program can do for communities and local utilities around the United States. The press release announcing the Local CLEAN Program Guide and a link to its download can be found [here](#).

Over the next few months, the Clean Coalition will release the full Local CLEAN Program Guide, which will consist of the following seven modules:

- Module 1: Overview & Key Considerations
- Module 2: Establishing the Price for Renewable Energy
- Module 3: Understanding the Avoided Cost of Conventional Energy
- Module 4: Determining the Rate Impact and Program Size
- Module 5: Quantifying the Economic Benefits of the Program
- Module 6: Designing the Program Procedures
- Module 7: Gaining Support for the Program

To learn more and to download a free copy of all completed modules of the Local CLEAN Program Guide, click [here](#).

Also, please join a webinar covering the Local CLEAN Program Guide on Thursday, July 21 at 11:00 AM PST. Craig Lewis, Executive Director of the Clean Coalition, will speak about the Local CLEAN Program Guide in a webinar hosted by Climate Communities. To be notified when registration for this webinar opens, please email your name to [Andrea Clatterbuck](#) of the Clean Coalition.

Major New Development Affecting SB 32 in California

As the Clean Coalition reported last month, the California Public Utilities Commission (CPUC) is considering an interim SB 32 plan that can be approved this year. SB 32 is enacted legislation that calls for an expansion of California's existing, albeit small, CLEAN Program. Among other things, SB 32 expands the current program size cap from 500 megawatts (MW) to 750 MW of clean local energy and increases the eligible project size from 1.5 MW to 3 MW.

Upcoming Events

[July 11-14, 2011 | Intersolar North America | San Francisco, CA](#)

Craig Lewis, Executive Director, will present on CLEAN Programs on Monday, July 11th from 3:15-3:30 PM and will also participate in the panel "The Role of Feed-in Tariffs in California" on Tuesday, July 12th from 4:15 to 6:00 PM.

[July 21, 2011 | Climate Communities | Webinar](#)

Craig Lewis, Executive Director, will be speaking about the Clean Coalition's Local CLEAN Program Guide for this FREE webinar on July 21st at 11:00 AM PST.

[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 [website](#) for additional upcoming events.

Recent Regulatory Filings

[CPUC | California Renewable Energy Small Tariff \(CREST\) Program Changes | June 22, 2011](#)

The Clean Coalition submitted comments on various aspects of the proposed new pro forma Power Purchase Agreement (PPA). Our main concerns were that Southern California Edison (SCE) move quickly to correct obvious problems in the existing PPA and not to impose any additional onerous requirements, such as Full Capacity Deliverability.

[CAISO | Generator Interconnection Procedures Reform 2 \(GIP 2\) | June 10, 2011](#)

The Clean Coalition's additional comments on the Generator Interconnection Procedures Reform 2 (GIP 2). GIP 2 is meant to address work unfinished from the CAISO Small Generator Interconnection Procedures (SGIP) reform. Our comments have generally focused on increasing the

Just last week, the CPUC issued a ruling requesting comments on SB 32 with respect to pricing, timing of the program implementation, and many other issues that would be considered in this interim plan (download the CPUC ruling [here](#)).

The decision by the CPUC to include pricing in the discussion was unexpected. While the Clean Coalition is pleased that pricing will be discussed, we will work to assure that its inclusion in the immediate proceeding does not preclude moving forward with an interim plan that can be implemented this year. The Clean Coalition has been advocating for an interim plan as a way to quickly enact the best parts of SB 32 in order for clean local energy projects to deploy this year. The timing is crucial because significant federal tax breaks for renewables expire at the end of 2011.

Public comments on this ruling are due July 21 and the Clean Coalition will be submitting substantial comments on how the program can best be implemented. Clean Coalition comments will address our concern over deciding pricing in such a short window of time, and will argue that if pricing is to be considered this year, the "Locational Benefits" of distribution-interconnected projects serving local loads should be considered in pricing calculations. Given that leveled Transmission Access Charges (TACs) are in the range of 1.5 cents/ kilowatt hour (kWh) and transmission line and congestion losses average about 10%, the Locational Benefits value of clean local energy is significant. Additionally, outside of the official comments, the Clean Coalition will be advocating for these priorities with CPUC staff, the Governor's office, and our partners in the CLEAN California Campaign.

It should be noted that Tuesday's ruling also clarifies that the Market Price Referent (MPR) will change later in 2011, which affects all renewable energy programs where the price of renewable energy is set at the price of electricity generated by combusting natural gas. Advocates of clean local energy should take note and join the Clean Coalition in assuring that the significant value of Locational Benefits are reflected in revisions to the MPR. Currently, MPR only reflects the value of energy that is interconnected to the transmission grid and includes no value whatsoever for clean local energy that avoids the substantial costs and energy losses associated with transmission.

Nevada Update: CLEAN Legislation Must Wait for Next Legislative Cycle

Despite a major push by clean local energy advocates, Nevada failed to enact a CLEAN program this year. As the Clean Coalition reported back in early May, Senate Bill (SB) 184 would have created a CLEAN pilot program for Nevada. In late April, following a visit to the Nevada state legislature by Jim Woolsey, former Director of the Central Intelligence Agency and a member of the Clean Coalition's Board of Advisors, and Ted Ko, Associate Executive Director of the Clean Coalition, SB 184 successfully passed the Senate with key bi-partisan support. Unfortunately, the bill was then rejected in the Assembly. Senate leaders later included a CLEAN Program study provision as part of a larger clean energy bill that successfully passed both chambers. However, despite the bill having strong bi-partisan support, Governor Sandoval vetoed the bill as it contained unfavorable provisions on transmission line investments that NV Energy, the big investor owned utility in Nevada, had inserted into the bill. The Clean Coalition will work with clean local energy advocates during Nevada's next legislative cycle to make sure the state successfully enacts a CLEAN Program.

California Interconnection Reform Under Rule 21

The Clean Coalition is actively engaged in Rule 21 interconnection reform as well as other interconnection reform efforts in California. Rule 21 is a state-jurisdictional procedure and is currently used primarily for interconnecting net-metered facilities. Rule 21 can be used for wholesale facilities applying for Southern California Edison's (SCE) California Renewable Energy Small Tariff (CREST) CLEAN Program, however, and will likely be used for the expanded SB 32 CLEAN Program that has yet to be implemented.

Rule 21 has previously been a leading standard for interconnection, but needs to be revised to meet evolving requirements. With significant involvement from the Clean Coalition, the CPUC has reconvened the Rule 21 Working Group to revise Rule 21 so that clean local energy can follow interconnection rules that are within the control of the State of California rather than the Federal Energy Regulatory Commission (FERC). However, California's investor owned utilities (IOUs) have requested that the CPUC allow them to use FERC-jurisdictional interconnection procedures while Rule 21 is being reformed. The Clean Coalition opposes the IOU request, because the FERC procedures, known as the Wholesale Distribution Access Tariffs (WDATs), take far longer than the existing Rule 21 procedures. In addition, the WDATs are far more expensive and they limit the State of California's ability to achieve optimal interconnection procedures for California projects.

Southern California Edison CREST PPA

The Clean Coalition recently submitted comments on the CREST Program proceeding. As mentioned above, CREST is an SCE-administered CLEAN Program that allows projects up to 1.5 MW to sell power to SCE. SB 32 will expand existing IOU programs, such as CREST, to 3 MW sized projects along with several other key changes. Although SB 32 will cause significant changes to the CREST program, SCE has decided to pursue interim changes to the CREST Program's Power Purchase Agreement (PPA).

On June 22, the Clean Coalition submitted comments on various aspects of SCE's proposed new pro forma PPA (go [here](#) to download our filing). Of primary concern is that SCE move quickly to correct obvious problems in the existing PPA while not imposing additional onerous

generally focused on increasing the CAISO's grid and queue transparency.

[CPUC | Order Instituting Rulemaking in new Renewable Portfolio Standard Proceeding | June 2, 2011](#)

These are the Clean Coalition's opening comments on the initial document kicking off this new proceeding. Our comments focused on the need to rapidly implement SB 32 as part of this proceeding, RPS compliance issues and tradable Renewable Energy Certificate issues.

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.

requirements, such as Full Capacity Deliverability. SCE will publish a revision to its plans later in July. The Clean Coalition will work to ensure that no changes will be allowed that impede the development of clean local energy projects.

