



CALIFORNIA SOLAR ENERGY INDUSTRIES ASSOCIATION

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November 20, 2009

The Honorable Mary Nichols, Chairman
Mr. James Goldstene, Executive Officer
Mr. Gary Collord
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: COMMENTS ON THE RES CONCEPT OUTLINE

Dear Ms. Nichols, Mr. Goldstene, and Mr. Collord,

The California Solar Energy Industries Association (CALSEIA) is the largest solar industry trade group in California. Its mission is to expand the use of solar technologies in California and establish a sustainable industry for a clean energy future. CALSEIA is pleased to provide these comments on the Air Resources Board (ARB) concept outline for a 33% Renewable Electricity Standard (RES). We have arranged our comments in the same order as the outline.

Part II

1. Applicability of the RES

CALSEIA agrees that the RES should apply to California electrical corporations, electric service providers, community choice aggregators, electrical cooperatives, and local publicly owned electric utilities; hereafter referred to as "regulated parties."

CALSEIA would support an exemption threshold of a few hundred Megawatt-hours (MWh) however more information is necessary to determine if the proposed 500 GWh threshold is sufficiently low enough. CALSEIA would encourage the inclusion of the California Department of Water Resources as a regulated party in the RES.

2. RES Eligible Resources

2.a Eligible Resources

CALSEIA encourages clarification of eligible technologies with regard to solar thermal. It is CALSEIA's experience that most policies focus on solar thermal for electric generation and exclude solar thermal for electricity displacement. We believe this occurs because policymakers are less familiar with the latter technology or somehow deem this an efficiency technology rather than a generation technology. Solar thermal for electricity displacement can significantly reduce end use electricity consumption and can be metered and measured. Due to the policy gap for this specific technology, manufacturers of these systems have not built many of these systems in California. They are in use in California only as demonstration projects due to this unfortunate policy

gap.¹ CALSEIA suggests that the ARB work with the CEC to clarify that solar thermal for electricity displacement is an eligible technology.

2.c Geographic Eligibility

CALSEIA encourages the ARB to limit the amount of out of state generation counted toward the RES, and that the total of out of state Renewable Energy Credits (bundled and unbundled, see 2.d comments below) be limited to no more than 20% to ensure that the majority of the projects will be built in California and subject to administrative oversight by California regulators.

2.d Purchase and Use of Renewable Energy Credits (RECs)

CALSEIA supports the concept of purchase and use of RECs. However, as stated above in Item 2.c, CALSEIA suggests the total of out of state RECs be capped at no more than 20% per regulated party to ensure that the renewable generation is built in state and subject to the administrative oversight of California regulators.

Items not addressed in the RES Concept Outline

RECS for Net Metered Facilities. Under Item 5.a the Outline refers to net metered distributed generation. CALSEIA would like to suggest expanding the discussion on net metered distributed generation and suggests that the ARB develop a mechanism which will allow net metered facility owners to sell RECs. Currently, the Energy Commission guidelines prohibit an owner who received a state-authorized rebate (California Solar Initiative, Self Generation Incentive Program, etc.) from registering and trading RECs. CALSEIA suggests that the ARB and the CEC revise this policy to allow renewable facility owners to sell their RECs under the WREGIS program.

Distributed Generation. CALSEIA would like to encourage the ARB to establish policies that maximize the use of Renewable Distributed Generation. Distributed Generation facilities are located on the distribution level of a utility delivery system and do not require new transmission lines to supply wholesale power to the grid. These types of projects are typically small (less than 20MW) and the smaller of these (less than 3MW) can be located close to where electricity is consumed. In the case of solar electric generation, the projects can also contribute meaningfully to reducing peak demand on distribution circuits, which tends to coincide with peak output from solar facilities. The smaller of these projects can be built and brought on line quickly. CALSEIA encourages ARB to include consideration of Distributed Generation in its RES regulations.

Thank you for your consideration of CALSEIA's comments.

Sincerely,



Sue Kateley
Executive Director

¹ <http://www.renewableenergyworld.com/rea/news/article/2009/07/sopogy-solar-ac-demonstration-in-california-begins-operations>