



THE SOLAR ALLIANCE MEMBER COMPANIES

- American Solar Electric
- Applied Materials
- Borrego Solar
- BP Solar
- Conergy
- Evergreen Solar
- First Solar
- Iberdrola Renewables
- Kyocera
- Oerlikon Solar
- Mainstream Energy
- Mitsubishi Electric
- Renewable Ventures, a Fotowatio Company
- Sanyo
- Schott Solar
- Sharp Solar
- SolarCity
- Solaria
- Solar Power Partners
- SolarWorld
- SPG Solar
- SunEdison
- SunPower
- SunRun
- Suntech
- Tioga Energy
- Trinity Solar
- UniRac
- United Solar Ovonic
- Xantrex

Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, Calif. 95814

November 20, 2009

Dear Chairwoman Nichols and Members of the California Air Resources Board:

On behalf of the Solar Alliance, I am writing to submit comments on the Proposed Concept Outline for the California Renewable Electricity Standard (RES). The Solar Alliance is a national association of solar photovoltaic manufacturers, integrators, and financiers dedicated to accelerating the deployment of solar electric power in the United States by promoting cost-effective state-based policies.

The Solar Alliance is very supportive of expanding the current Renewable Portfolio Standard to require utilities to procure 33% of the energy from renewable resources. Increasing the standard will expand the market for solar energy and grow the state's economy through job creation and long-term energy price predictability.

Guiding Principles

We are particularly supportive of key principles that would encourage robust growth of the solar and other renewable energy industries to the benefit of all Californians, including:

- Defining clear steps between now and 2020 to encourage steady market growth
- Requiring all utilities, including local publicly owned utilities, to meet the new requirements
- Encouraging both distributed and central generation as part of a balanced portfolio
- Encouraging investment in the California renewable energy economy by focusing on in-state or nearby generation while providing flexibility to utilities in meeting their RPS requirements

Specific Feedback on the Proposed Concept Outline for the California Renewable Electricity Standard

Geographic Eligibility

The Solar Alliance supports the concept that facilities located in or out-of-state and connected to the Western Electricity Coordinating Council (WECC) transmission system to be eligible for the RES, with the condition that the energy from the facility be delivered into California for consumption within 24 hours of generation.

RES Metric:

As noted in the Proposed Concept Outline for the RES, the existing RPS program compliance is based upon a MWh metric. As this is the industry standard, and switching to a GHG reduction metric would cause unnecessary confusion, the Solar Alliance strongly supports retaining the MWh metric.

Purchase and Use of Renewable Energy Credits (RECs)

Renewables – especially solar power – can bring a wealth of economic, public health and environmental benefits to California. The use of Renewable Energy Credits (RECs) can be a vehicle for the utilities to achieve their RES goals with cost savings to Californians. However, absent assurances that California customers will actually receive these positive attributes, those benefits could be paid for by California and enjoyed elsewhere. In order to achieve the benefits of RECs and ensure maximum value and benefit to California, the Solar Alliance proposes that unbundled REC's be limited to 20% of the incremental RES goal (i.e., the delta between the current 20% RPS and the proposed 33% RES). In other words, set a limit on unbundled RECs of 2.6% of total retail sales, which would equate to 7.9% of the proposed RES goal.

Additionally, the California Public Utilities Commission has previously decided that Californians that voluntarily install solar systems on their homes and businesses own the RECs associated with the electricity generated from their solar system. While many of these solar generators will choose to retire their RECs and make carbon or renewable energy claims, some sell their RECs to the voluntary market to help offset the cost of the purchase of their system. Additionally some solar generators may desire to sell their RECs to a Load Serving Entity for their RES compliance. However this is a complex topic that must be closely considered to ensure the proper balance of customer choices, utility flexibility for RES compliance and ensuring that GHG emissions associated with these systems are incremental to the RES program.

Excluding Net Metered Systems from an RES Obligation

The Solar Alliance appreciates the intent of the Air Resources board to develop policies to encourage the use of technologies such as rooftop PV. However, we are concerned that excluding net metered systems from the Load Serving Entity's RES obligation would effectively lead to double counting. Net metered solar systems are typically sized to meet part or all of a facilities on-site load. In effect, solar systems act similarly to energy efficiency measures, reducing both the amount of electricity delivered by a Load Serving Entity and the Load Serving Entity's total RES obligation. Including net metered

solar systems in the calculation of excluded load would reduce the Load Serving Entity's total RES obligation a second time by the amount of the electricity generated from these systems.

Therefore, while the Solar Alliance greatly appreciates the intent of promoting net metered systems, we request that they not be included in reducing the RES obligation through the excluded load calculation.

Thank you for your careful consideration of this very important topic. Expanding the existing RPS program is an environmental and economic turning point for California and will lead us to an aggressive green infrastructure overhaul and massive economic stimulus for the state and our local economy.

A handwritten signature in cursive script, appearing to read "Sara Birmingham". The ink is dark and the signature is fluid and connected.

Sara Birmingham

Director of Western Policy, The Solar Alliance

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