



Abengoa Solar
First Solar
NextLight
Tessera Solar

Amonix
FRV Renewables
NRG
SunPower

BrightSource Energy
Infinia
Solar Millennium
Suntech

June 17, 2010

The Honorable Michael R. Peevey, President
The Honorable John A. Bohn, Commissioner
The Honorable Dian M. Grueneich, Commissioner
The Honorable Nancy E. Ryan, Commissioner
The Honorable Timothy Alan Simon, Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Review of ARRA-Eligible Contracts/R.06-02-012

Dear President Peevey and Commissioners:

The Large Scale Solar Association (LSA) is an association of utility-scale solar developers, whose members' technologies span both solar thermal and photovoltaic models. LSA companies currently hold more than 6,000 MW of signed contracts with investor-owned utilities in California. Of those contracts, projects totaling approximately 5,300 MW have been fast-tracked by California and federal agencies in an effort to ensure those projects are eligible for the American Recovery and Reinvestment Act (ARRA) funding. To ensure that these projects obtain ARRA funding, LSA urges the Commission to prioritize Staff resources to approve ARRA-project contracts and to stand ready to address issues that arise for contracts already approved.

Federal funding under ARRA offers a material benefit to California stakeholders, including project developers, utilities and ratepayers. California sought to capture these potential benefits when it executed its October 12, 2009, Memorandum of Understanding (MOU) with the Department of Interior. The MOU provides:

The President and Congress have intensified the need for accelerated development of renewable energy projects in California with the passing of the American Recovery and Reinvestment Act (ARRA) of 2009. The Act specifically directs economic stimulus funding to qualified projects that begin construction by December 1, 2010.¹

¹

See <http://www.doi.gov/archive/documents/CAMOUsigned.pdf>.

While aimed largely toward permitting, the MOU also contemplates placing “*a high priority on processing applications for solar development in any areas deemed most appropriate, especially in areas that do not require new transmission.*”

Projects seeking ARRA funding face a challenge in meeting federal requirements. These projects must either commence construction or demonstrate a strong financial commitment to the project by December 1, 2010. To enable projects to meet this quickly approaching deadline, it is critical that the Commission place a high level of importance on moving ARRA-project contracts through its review and approval process. Likewise, if developers with contracts already approved by the Commission encounter difficulties with meeting the ARRA requirements, the Commission should quickly address their issues. A failure to maximize the award of ARRA funding to California projects will ultimately affect the utilities’ ability to meet their Renewable Portfolio Standard (RPS) requirements and will increase costs to ratepayers.

The Commission should not let current uncertainty around the Tradable Renewable Energy Credit (TREC) program interfere with the processing of contracts for in-state ARRA projects. LSA supports the Commission’s efforts to design a workable TREC program and encourages timely resolution of the outstanding petitions for modification of D.10-03-021. LSA appreciates your consideration of this important matter.

Very truly yours,

Shannon Eddy