



Abengoa Solar
First Solar
NextLight
SunPower

Amonix
FRV Renewables
NRG
Suntech

BrightSource Energy
Infinia
Solar Millennium
Tessera Solar

September 9, 2010

Christine Solich, Executive Director
California Alternative Energy and Advanced Transportation Financing Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814
VIA: Hard Copy and Email

RE: Sales Tax Exclusion for renewable generation projects

Dear Ms. Solich,

The Large-scale Solar Association (LSA)¹ appreciates the opportunity to comment on the development of a sales tax exclusion program for renewable generation developers, as discussed in the August 25, 2010 Board meeting. LSA supports the comments submitted by Bright Source Energy and Tessera Solar (dated August 26, 2010). Additionally LSA submits the following comments for your consideration in developing this program.

In particular, LSA encourages the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to work with both the CPUC and CEC to develop criteria that will allow solar generation projects to apply and be considered for a sales tax exclusion (STE), based on the project's consistency with CAEATFA's goals. Limiting the renewable generation projects to baseload projects only is shortsighted given the proliferation and available capacity for solar generation in California.

LSA requests that CAEATFA exclude the criterion recommended by staff requiring eligible projects to be located in counties at 125% of the statewide unemployment rate average or higher. This requirement is overly exclusionary. While this criterion may be intended to incentivize siting in distressed areas, many renewable generation facilities may not be able to site in these areas based on the availability of the renewable resource in these areas. Thus, this requirement would effectively exclude many renewable projects that will provide significant economic benefits to the state from CAEATFA consideration.

//
//

¹ LSA represents twelve of the nation's largest developers and providers of utility-scale, solar generation resources. LSA members are engaged in the development, construction and/or operation of renewable generation plants throughout California and other western states. Collectively, LSA's members, whose technologies and models span both photovoltaic and solar thermal applications, have contracted to provide over 6 gigawatts ("GW") of clean, sustainable solar power in the Western United States.

LSA thanks you for your efforts to develop a financing program for renewable generation projects and looks forward to continuing to work with you and your staff. Please do not hesitate to call on me with any questions or concerns.

Sincerely,

_____/s/____

Shannon Eddy
Executive Director, Large-scale Solar Association

enc: Letter to CAEATFA from Tessera and Bright Source

cc: CAEATFA Board