Renewable Energy Update

an Allen Matkins market intelligence publication



June 16, 2009

U.S. wind will see a surge in 2010

Renewable Energy Focus - June 8

The U.S. wind energy market could bounce back in 2010 after a slower 2009, according to predictions by analysts at <u>Emerging Energy Research</u> (EER). EER says it believes 2009 wind energy capacity additions could drop to 6.5 GW in 2009 -- down 24 percent from the record year 2008, but that 2010 could see a rebound of 9 GW of new wind additions, and another 11 GW in 2011. By 2020, the U.S. could see wind power growth of 15.5 GW, EER predicts. EER says a momentum is building for national renewable portfolio standards, which would spur wind growth even further.

Renewable Energy Focus

Chu wants faster action on stimulus money

The Associated Press - June 11

Energy Secretary Steven Chu has expressed dismay at the slow pace at which some members of his Department are distributing money under the federal economic recovery plan. The Energy Department has nearly \$39 billion at its disposal under the economic recovery effort, but has awarded only \$4.4 billion as of June 7, according to the Department's web site. Only \$94.7 million has been spent. Chu declined to publicly criticize specific programs, although he said DOE offices involved in fossil energy and electricity transmission programs were areas of concern.

USDA Rural Development accepting applications for renewable energy system grants

Energy Business Review - June 4

The U.S. Department of Agriculture (USDA) Rural Development is accepting applications for grants and loan guarantees for farmers and rural small businesses to install renewable energy systems, make energy efficiency developments, and conduct feasibility studies. The projects may include large and small wind turbines, grain dryers, geothermal systems, energy efficient refrigerators or freezers and methane digesters. The maximum grant for renewable energy systems is 25 percent of eligible project costs but will not exceed \$500,000. The maximum loan guarantee is 75 percent of eligible project costs but will not exceed \$25 million.

Clean energy economy generates U.S. jobs

EnergyCurrent - June 12

The number of jobs in America's emerging clean energy economy grew nearly two and a half times faster than overall jobs between 1998 and 2007, according to a report by The Pew Charitable Trusts. Pew found that jobs in the clean energy economy grew at a national rate of 9.1 percent, while traditional jobs grew by only 3.7 percent between 1998 and 2007. The report also found that this promising sector is poised to expand significantly, driven by increasing consumer demand, venture capital infusions, and federal and state policy reforms.

Clean energy will stimulate California's economy: study

The Daily Journal, San Mateo - June 10

A more aggressive use of clean energy would help California emerge from its multibillion dollar budget deficit by creating jobs and lowering energy costs, according to a University of California <u>study</u>. The study determined that moving half of California's electric power needs to renewable energy sources such as wind, solar or biomass would help create half-a-million jobs over the next 40 years. David Roland-Holst, a UC Berkeley economics professor and the study's author, predicted aggressive state legislation meant to curb greenhouse gas emissions would create an enormous new clean energy market and spur innovation to better harness renewable resources.

Solar showdown looms in California

New York Times, Green Inc. - June 9

Solar installations could grind to a halt in California, industry advocates say, unless a legislative proposal, which the state Senate is considering this month, passes. At issue is net metering, which allows customers with small-scale solar and wind installations -- typically smaller than 1 megawatt in capacity -- to get credit for the electricity they deliver back to the grid. In California, utilities can only accept up to 2.5 percent of their electricity from these net-metering customers, and one utility, the Pacific Gas and Electric Company (PG&E), is nearing that limit. Advocacy group Solar Alliance says PG&E will reach the 2.5 percent limit by next year -- and possibly as soon as this year. The group has sponsored a bill that would raise the cap to 10 percent. Opponents, however, are concerned that more net metering could reduce the stability of the grid and raise costs for other customers.

Notable Renewable Energy Projects and Deals

Nation's largest solar plant to be built in New Mexico

Associated Press - June 12

Utility officials announced plans Thursday to build a giant solar energy plant in the New Mexico desert in what is believed to be the largest such project in the nation. The 92-megawatt solar thermal plant could produce enough electricity to power 74,000 homes, far exceeding the size of other solar plants in the United States. The plant -- to be called the Suntower -- will be built on 450 acres of private land near the Santa Teresa port of entry in far southern New Mexico near El Paso, Texas. Construction, which is expected to start early next year, will take up to 16 months to complete, and the plant is expected to be in full operation by the summer of 2011.

PG&E signs third major solar deal this year

Mercury News - June 6

Pacific Gas & Electric (PG&E) has signed a deal with AV Solar Ranch 1, a subsidiary of NextLight Renewable Power, for 230 megawatts of solar power. One megawatt of electricity generally is enough to power 750 to 1,000 homes. Utility-scale photovoltaic projects feature solar modules that convert sunlight directly into electricity and produce the greatest amounts of power during the afternoon, when electricity demand is high. The project, which will be located in Antelope Valley, is expected to begin deliveries in 2011 and be fully operational by late 2013.

Wind-farm project set for Campo reservation

Union-Tribune - June 11

An Indian tribe, an energy company, and San Diego Gas & Electric Co. are partnering to build California's second-largest wind-power project in the mountains east of San Diego. When completed in two years, the 160-megawatt wind farm on the Campo Indian Reservation would produce more than three times the power generated by a similar project on the same reservation 60 miles east of San Diego. The location of as many as 100 new windmills on the reservation depends on the results of tests involving meteorological towers and an environmental review. Chicago-based <u>Invenergy</u> will build and run the \$300-million project, and SDG&E will buy the power.

Redlands biomass plant could turn trash to energy

Redlands Daily Facts - June 8

The City Council of Redlands, California, recently approved a letter of intent to enter negotiations with Austrian waste-to-energy company Biomassekraftwerk Gussing to build a plant that could convert garbage into a renewable energy source. University of Redlands professor Tim Krantz, who is working with Biomassekraftwerk, said the gasification would not be an incineration plant, but would take organic waste, turn it into combustible gases and fuels and do so without creating harmful emissions.

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Editors William R. Devine

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Recent Events

Allen Matkins has attended numerous events addressing developments in the renewable energy field in 2009. A <u>summary can be found</u> <u>here</u>.

Allen Matkins hosted the successful panel discussion on <u>Renewable Energy</u> <u>Project Finance</u>. For a copy of the program materials, <u>click here</u>.

Upcoming Events

<u>Tribal Energy in</u> <u>California Conference</u>

> Cabazon, CA June 22 & 23

South Coast Air Quality Management District "Green Tech Connect Forum" Pasadena, CA August 3-4

Energy In California San Francisco, CA

September 14 & 15

Developing Wind Power Projects in California Marina del Rey, CA Sept 17 & 18

Solar Power International

Anaheim, CA October 27-29

Recent Opportunities LADWP & City of Willows

Inland Empire Utilities Agency Extends Deadline for Fuel Cell Power Generation Systems Design-Build <u>RFP</u>

U.S. Navy and Marine Corps and Marin Energy Authority Renewable Energy Opportunities

New Submission Deadlines Released for the California Energy Commission Alternative and Renewable Fuel and Vehicle Technology Program

Los Angeles Department of Water and Power Renewable Energy Supply Rolling Request for Proposals

About Allen Matkins

Allen Matkins Leck Gamble Mallory & Natsis LLP, founded in 1977, is a California law firm with over 230 attorneys practicing out of seven offices in California. The firm's broad based areas of focus include

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