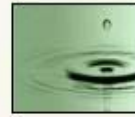




**Bay
Localize**



For a Livable and Resilient Bay Area

Commissioner James Boyd
California Energy Commission
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07-AFC-4

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RECD. APR 14 2009

Re: CEC-800-2009-001-PMPD

Dear Commissioner Boyd,

I am writing on behalf of Bay Localize. Since 2006, Bay Localize has been building a model of localization that works for metropolitan areas by pioneering strategies to address climate change and create sustainable energy systems in the San Francisco Bay Area. Our mission is to catalyze the emergence of regionally self-reliant economy that strengthens all Bay Area communities. We co-founded the Local Clean Energy Alliance, an informal coalition of local organizations and nonprofits that advocate policies that bring more renewable energy and energy efficiency to the East Bay.

We are writing in support of the preliminary decision the California Energy Commission has issued regarding the Chula Vista Energy Upgrade Project. In particular, we agree with your conclusion that the project should be denied, and that solar photovoltaic technology may in fact be a more cost effective way to meet the peaking power need. With this decision, the Commission has set an historic precedent, in that any peaking power project proposed in California will need to demonstrate that it is more cost effective than solar PV.

As the preliminary decision rightly concludes, solar PV is a viable alternative to peak time fossil fuel generation, especially in an area such as San Diego county which has ample solar resources. It is most robust during peak need times, when the sun is shining. Unlike a natural gas peaking plant, solar PV does not add to local pollution, does not emit greenhouse gases, and does not kill fish. Its further development will help move the state towards its mandated goals of renewable energy development and greenhouse gas emissions.

In addition, the cost of solar PV is now competitive with natural gas generated electricity. A February 2009 study of installed costs of solar photovoltaic (PV) power systems in the U.S. shows that the average cost of these systems declined significantly from 1998 to 2007, but remained relatively flat during the last two years of this period. Researchers at the Department of Energy's Lawrence Berkeley National Laboratory who conducted the study say that the overall decline in the installed cost of solar PV systems is mostly the result of decreases in nonmodule

costs, such as the costs such as labor, marketing, overhead, inverters, and the balance of systems. The report concludes further that “state and local PV deployment programs — which likely have a greater impact on nonmodule costs than on module prices — have been at least somewhat successful in spurring cost reductions” (Ryan Wisser, Galen Barbose, and Carla Peterman, “Tracking the Sun,” Berkeley Lab's Environmental Energy Technologies Division.)

We are heartened to see that the California Energy Commission is taking steps which will further reduce these costs and help spread the widespread adoption of solar photovoltaics as a viable peak energy source.

Yours,

Kirsten Schwind
Program Director
Bay Localize
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