CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov

In the matter of,	)	Docket No. 09-IEP-1G
	)	Docket No. 03-RPS-1078
Preparation of the	)	
2009 Integrated Energy Policy Report	)	NOTICE OF JOINT
(2009 IEPR)	)	COMMITTEE WORKSHOP
	)	RE: "Exploring Feed-in Tariffs for
	)	Renewable Energy Projects over 20 MW"

Notice of Joint Integrated Energy Policy Report and Renewables Committee Workshop "Exploring Feed-in Tariffs for Renewable Energy Projects over 20 Megawatts"

Two California Energy Commission (Energy Commission) Committees oversee the work on this subject: the Renewables Committee with Commissioner Julia Levin as Presiding Member and Chairman Karen Douglas as Associate Member; and the Integrated Energy Policy Report (IEPR) Committee with Commissioner Jeffrey D. Byron as Presiding Member and Vice Chair James D. Boyd as Associate Member. Commissioners and staff from the California Public Utilities Commission (CPUC) may attend and participate. The workshop will be held:

THURSDAY, MAY 28, 2009
10 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Remote Attendance

Web Conferencing - Presentations and audio from the meeting will be broadcast via our WebEx web conferencing system. For details on how to participate via WebEx, please see the "Participation through WebEx" section at the end of this notice.

Purpose

The goal of this workshop is to further evaluate feed-in tariffs for renewable energy projects over 20 megawatts (MW). At this workshop, the IEPR Committee and Renewables Committee seek comment on the following issues:

- Are renewable energy projects over 20 MW having difficulty getting financing?
- Would feed-in tariffs help?
- How should the feed-in tariffs be structured to best help projects obtain financing?

The IEPR Committee and the Renewables Committee are particularly interested in public input regarding the discussion questions listed in Attachment A.

Background

As required by Senate Bill 1389 (Bowen, Chapter 568, Statutes of 2002) the Energy Commission conducts "assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices." In addition, the Energy Commission conducts workshops to receive input from the public and industry stakeholders to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety. Public Resources Code PRC § 25302(a) and (d) directs the Energy Commission to adopt the *IEPR* every odd-numbered year and in even-numbered years an energy policy review is conducted to update analyses from the previous *IEPR* or to raise energy issues that have emerged since the previous proceeding.

California currently has a mandate to achieve 20 percent of retail electricity sales from renewable resources by 2010, and the Governor and the state’s energy agencies have identified a further goal of 33 percent renewable by 2020. This higher goal is a key strategy for meeting the state’s greenhouse gas (GHG) emission reduction targets. Feed-in tariffs have been identified as a way to spur development of renewable projects in support of the state’s renewable energy and GHG emission reduction goals.

In the *2008 IEPR Update*, the Energy Commission recommended cost-based, technology-specific feed-in tariffs for Renewable Portfolio Standard (RPS)-eligible generating facilities up to 20 MW in size. Also, the *2008 IEPR Update* recommended further evaluation of feed-in tariffs for renewable projects larger than 20 MW.

Written Comments

Written comments on the workshop topics must be submitted by 5:00 p.m. on June 11, 2009. Please include both docket numbers **09-IEP-1G** and **03-RPS-1078** and indicate "**Joint IEPR and Renewables Committee Workshop 'Exploring Feed-in Tariffs for Renewable Energy Projects over 20 MW'"** in the subject line or first paragraph of your comments. Please hand deliver or mail an original copy to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-IEP-1G/03-RPS-1078
1516 Ninth Street
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name or organization's in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Docket Office.

Participants may also provide an original and ten copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Office and become part of the public record in this proceeding.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact Elena Miller, Public Adviser at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. If you have questions on the technical subject matter of this forum, please contact Pamela Doughman, Energy Specialist II, at (916) 651-2934 or by e-mail at [pdoughma@energy.state.ca.us]. For general questions regarding the IEPR proceeding, please contact Lynette Esternon-Green, IEPR project manager, by phone at (916) 653-2728 or by e-mail at [lesterno@energy.state.ca.us]**.**

The service list for the *2009 IEPR* is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at [www.energy.ca.gov/2009_energypolicy/]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website [www.energy.ca.gov/listservers/index.html].

Participation through WebEx, the Energy Commission's on-line meeting service

Computer Logon with a Direct Phone Number:

- Please go to https://energy.webex.com and enter the unique meeting number: **926 253 735**
- When prompted, enter your information and the following meeting password **Meeting@10**
- After you login, a prompt will appear on-screen for you to provide your phone number. In the Number box, type your area code and phone number and click OK to receive a call back on your phone for the audio of the meeting. International callers can use the "Country/Region" button to help make their connection.

Computer Logon for Callers with an Extension Phone Number, etc.:

- Please go to https://energy.webex.com and enter the unique meeting number **926 253 735**
- When prompted, enter your information and the following meeting password **Meeting@10**
- After you login, a prompt will ask for your phone number. CLICK CANCEL.
- Instead call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and your unique Attendee ID number which is listed in the top left area of your screen after you login. International callers can dial in using the "Show all global call-in numbers" link (also in the top left area).

Telephone Only (No Computer Access):

Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number above. International callers can select their number from https://energy.webex.com/energy/globalcallin.php

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

JEFFREY D. BYRON
Commissioner and Presiding Member
Integrated Energy Policy Report Committee

JAMES D. BOYD
Vice Chair and Associate Member
Integrated Energy Policy Report Committee

JULIA LEVIN
Commissioner and Presiding Member
Renewables Committee

KAREN DOUGLAS
Chairman and Associate Member
Renewables Committee

E-mail listservs: IEPR, Renewables
Mail Lists: 5507 RPS, 5504 New

Note: California Energy Commission’s formal name is State Energy Resources Conservation and Development Commission.

Attachment A

Joint IEPR and Renewables Committee Workshop
Exploring Feed-In Tariffs for Renewable Energy Projects Over 20 MW
Discussion Questions

1. Are renewable energy projects over 20 MW having difficulty receiving financing?
    a. Are renewable energy projects over 20 MW with transmission access and permitting approval having difficulty receiving financing?
    b. How do financing, transmission planning, and permitting risks interact?
    c. Do delays in project development affect financial viability of renewable energy projects with signed RPS contracts?

2. Would feed-in tariffs help? If not, what other options would help renewable energy obtain low-cost financing?

3. How could a feed-in tariff be designed to address the following:
    a. Minimize costs for ratepayers?
    b. Achieve optimal pricing? What should be used as competitive benchmarks for technology-specific, cost-based feed-in tariffs?
    c. In Spain, feed-in tariffs for solar energy were oversubscribed within a year. In Slovakia, rates for solar were set to low to encourage any real growth. In France, feed-in tariffs for solar were initially set too low and response was poor. To avoid similar situations, how should feed-in tariffs be adjusted to respond to either lack of response or over subscription?
    d. What steps have been taken to reduce the risk of speculative queuing for feed-in tariffs for renewable energy projects up to 20 MW in size? How has this issue been addressed in Europe? Would similar processes be useful for projects greater than 20 MW? Would the following mechanisms be appropriate and/or necessary for projects greater than 20 MW?
        1. Application fees (non-refundable)?
        2. Security accompanied with project milestones? (e.g. up-front fee, refundable if project comes online by milestone date)
        3. Security increases in exchange for time extensions?
    e. Utilities are concerned that feed-in tariffs leave the utilities exposed to the risks of paying too much and relying on commitments from renewable energy generators that may not actually deliver expected levels of renewable energy. How can feed-in tariffs be designed to share these risks with developers without jeopardizing the ability of the project to obtain financing? What incentives can be integrated into the design of a feed-in tariff to address utilities' concerns that renewable energy projects receiving feed-in tariffs:
        1. Meet the expected online date?
        2. Deliver energy in the amount contracted?

3. Smoothly integrate renewables into the electricity system?

f. How can utilities plan for the price paid, location, and total amount of renewable energy interconnected through feed-in tariffs? For example, should feed-in tariffs vary based on renewables located in a priority CREZ with proximity to a permitted transmission line?

4. What programs and opportunities are available that could provide financing to a project receiving a feed-in tariff?

5. Feed-in tariffs can help reduce the cost of generation over time if the tariffs are stepped down over time to encourage cost cutting from manufacturers, developers, and installers.
   a. Which feed-in tariffs in the U.S., Canada, or Europe have been the most successful in this regard? Would such designs work well in California?
   b. What feed-in tariff designs best encourage innovation within the renewables industry while continuing to put downward pressure on costs?

6. How can feed-in tariffs be designed to provide the best opportunities for the project to obtain financing?
   a. How can feed-in tariffs be structured to reduce regulatory risk?
   b. How can feed-in tariffs be structured to ensure that the facility would receive payment from feed-in tariffs regardless of buyer's credit status?
   c. Is there a risk that once awarded, fixed-price feed-in tariffs for a given year could change? For example, if a project coming online in 2010 was awarded 20 cents/kWh for 20 years, what is needed to ensure that amount cannot be changed at a later date? How could such risk be reduced? Are there examples of feed-in tariffs that cannot be changed once awarded?
   d. What level of transparency is needed to best promote investment in renewables?

7. Should feed-in tariffs be set at a different level for utility-owned projects compared to developer-owned projects?