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June 02, 2011

The Honorable Christine Kehoe  
California State Senator  
State Capitol, Room 5050  
Sacramento, CA 95814

**Subject: Support for SB 585 and the California Solar Initiative (CSI)**

Dear Senator Kehoe:

I am writing on behalf of CleanTECH San Diego to express our strong support for SB 585 to enable full funding of the CSI program. A failure to fund the CSI program could have devastating impacts on San Diego's Clean Renewable Energy Bond (CREBs) initiative and the resulting boost in employment and economic development.

CleanTECH San Diego is a nonprofit association focused on speeding the greater San Diego region's transition to a clean energy economy. It has a broad and diverse membership that includes the private sector such as General Atomics, Bank of America, Kyocera Solar, and Sullivan Solar Power as well as local governments, nongovernmental agencies and universities and research institutes such as UC San Diego, San Diego State University and the Scripps Institution of Oceanography. CleanTECH San Diego was recently selected as one of the top ten clean tech cluster organizations in the world. In addition, Environment California dubbed San Diego as the Number 1 Solar City in the State of California, and the Governor's Office of Economic Development named the San Diego region an iHub with an emphasis in solar energy and energy storage.

We are intensely interested in expanding access to and use of solar and other renewable power and believe that the proposed legislation will help support an innovative solar initiative specifically for public institutions. In October 2009, the greater San Diego region received over \$150 MM in CREBs allocations to install rooftop solar on municipal buildings. This allocation brought 1 of every 5 dollars available nationwide to the San Diego region and equates to an additional 20 MW of solar power if fully utilized. The San Diego public institutions receiving CREBs included:

City of Chula Vista	34 projects	\$29,648,926
City of Lemon Grove	2 projects	\$1,004,494
Fallbrook Public Utility District	1 project	\$292,091
San Diego State University	1 project	\$2,442,005
San Diego Unified School District	111 projects	\$74,290,010
San Dieguito High School District	6 projects	\$8,269,000
City of Santee	7 projects	\$3,081,420
Santee School District	15 projects	\$20,660,000
University of California, San Diego	15 projects	\$14,961,540
<b>Total for San Diego Region</b>	<b>192 projects</b>	<b>\$154,649,486</b>

The State of California won a total of \$640MM in CREBs allocations out of a total available allocation of \$800MM. The CREBs program is a vital tool for our municipal agencies because it allows them to finance, own and operate their solar systems—an option which in many cases is more financially viable for municipal entities. Several of our municipal partners have expressed interest in moving forward with CREBs projects.

The current lack of funding for CSI puts the San Diego CREBs program in serious jeopardy. Approved CREBs projects were based on a set of pro forma financial assumptions that included CSI incentives at established rates. The current lack of funding has stalled the market and has placed CREBs projects in particular in danger of not being able to obtain financing. The CREBs financing tool is a 'use it or lose it' allocation. If municipal entities are precluded from taking advantage of this valuable tool by October 2012, then the allocation will be forfeited.

Municipal agencies in San Diego and throughout California showed great leadership, creativity and initiative in tapping the CREBs program to finance, own and operate solar installations. We applaud your leadership in sponsoring SB 585 and urge you to help preserve the CREBs market in California, which will infuse \$650MM of solar targeted capital with unprecedented low interest rates, and help build a manufacturing and service industry rather than thwart these efforts.

We appreciate your thoughtful consideration. If we can provide further information on our program, the impacts of SB 585 or the San Diego solar market in general—including the 180 solar companies that call San Diego home—please do not hesitate to contact me directly.

Sincerely,



Lisa Bicker

Cc:

Andrew McCallister, California Center for Sustainable Energy  
Byron Washom, University of California, San Diego  
Anna van Degna, Stone & Youngberg  
Adrianna Kripke, Latham & Watkins  
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