

August 15, 2011

Regarding: CREST PPA Reform

Dear California Public Utilities Commission:

The undersigned parties – consisting of clean energy developers, financiers, engineering contractors, property owners, labor groups and cities – strongly support the Clean Coalition’s Motion to require immediate reform of the current Southern California Edison CREST Power Purchase Agreement and urges the Commission to approve the Motion as soon as possible. The success of this Motion and the subsequent offering of a financeable PPA are critical to the near-term progress of clean energy development in California and the opportunity for the state to capture millions of dollars in federal benefits.

Collectively, the parties have interest in over 100 MW of active solar PV projects that are currently blocked from progress within the existing CREST program. Substantial funds and countless hours have already been invested into developing these projects to this point. The key barrier to progress is the simple fact that traditional project finance entities will not finance the current CREST PPA.

The specific problematic provisions have been identified and communicated to SCE previously, culminating in a PPA reform process initiated by SCE in May 2011. Further time and resources have been invested with the expectation that the key barriers could be removed this year. Thus, these projects are well along in the other key processes (permitting, interconnection study, etc).

The suspension of the CREST PPA reform process puts at risk the critical federal tax benefits upon which these projects were designed. Tens of millions of dollars in potential benefits to California hinge on whether the CREST PPA can be reformed by the end of September.

Thus, we strongly urge the Commission to approve the Clean Coalition’s Motion and expedite the critical PPA fixes that will allow these projects to go forward.

Signed,

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