



Vote Solar is a non-profit grassroots organization working to foster economic opportunity, promote energy independence and fight climate change by making solar a mainstream energy resource across the United States.

Contents

Policy Objectives

How We Work

2010 Campaigns:

California's Prop 23
Project: Permit
Keeping PACE
The Renewable Grid
State by State Highlights
Community Solar
Freeing the Grid
Inroads in the Midwest

Our Team

Out Board

Funding Sources

Get Involved

Policy Issues:

- Renewable Portfolio Standards & financial incentives
- Net energy metering
- Fair electricity rates
- Interconnection & permitting standards
- Wholesale DG programs
- Community solar programs
- Transmission planning
- Procurement & resource planning
- Siting & environmental review

Solar generation accounts for less than one percent of our national energy mix, largely because cost and regulatory barriers stand in the way. Vote Solar works to overcome those hurdles for both **distributed** and **large-scale** solar.

Each market type has its own advantages and specific policy needs. Distributed rooftop systems located at or near where electricity is consumed don't require utilities to invest in expensive new transmission infrastructure. Their smaller size makes them quicker to finance, permit and build. And they can be used by individuals, businesses and others to reduce their power bills and their carbon footprints in one fell swoop. With 'smart from the start' planning, large-scale solar presents an exciting opportunity to bring solar into our energy mix at entirely new economies of scale. We believe that this country needs both to successfully address the very real economic and environmental challenges we face.



We commit for the long-term:

Each law and program successfully enacted requires sustained attention to make sure it is implemented correctly, operating effectively, protected from opposing interests, and amended when necessary. We stay the course and maintain watchdog vigilance to make sure positive progress is made.

We work with policymakers:

Policy leaders across the country are showing unprecedented support for cleaner, cost effective energy. But solar policy is complex and changing all the time. We help regulators and legislators understand their policy options, quantify the costs and benefits, draft legislation, and implement the programs that are going to most effectively support a solar market that benefits individuals, businesses, and communities alike.

We work with local advocates:

We aim to transform one of this country's most powerful industries, and we can't do it alone. We make the most of our own limited resources and those of our skilled advocacy peers by collaborating wherever possible. Whether it's sharing our deep policy design expertise or highlighting best practices from the successful efforts of others, we provide the tools, guidance and support needed to help others make a difference in their own communities.

We work with people:

We are a grassroots organization with approximately 50,000 members nationwide. We help our members and others stay informed about the latest in solar policy through regular email outreach, blog posts, social media, community events and strategic press outreach. When it's time to take action, we mobilize our supporters and give them the easy communication tools they need to make their voices heard to policymakers.



California's Prop 23: The World Series of Renewable Energy

Funded primarily by Texas oil companies, Prop 23 gained nationwide attention for its attempt to suspend California's landmark greenhouse gas law – AB 32. As if that's not bad enough, a number of California's clean energy policies, including the 33% RPS, are wrapped into the state regulator's AB 32 authority. If Prop 23 had passed, the RPS would have been at risk as well.

The Vote Solar Action Fund was part of a large coalition working to defeat this harmful

ballot initiative. We focused our efforts on local grassroots mobilization with a World Series twist. With our San Francisco Giants facing off against the Texas Rangers, we teamed up with local business & a rockstar crew of fellow non-profits to remind those hoards of baseball fans to vote NO on dirty energy.

We worked with local renewable energy businesses to drop banners from buildings surrounding the ballpark reading "Beat Texas (oil)! No on 23." Dozens of coalition members took to the streets to talk to would-be voters, share flyers and arm hundreds of game goers with flashy new "Beat Texas (oil)!"



rally towels. And we used the campaign as a timely reason to alert press and write our own articles urging Prop 23's defeat.

On Election Day, California voted to defeat Prop 23 and support the state's clean energy economy by a resounding margin: 61% to 38%.

Driving solar permitting progress in Arizona



Our Project: Permit campaign uses web 2.0 tools and grassroots advocacy to highlight the need for improved solar permitting practices. We identified Arizona as our pilot state. After launching the interactive map and releasing a city-rankings report for Arizona, we worked with local installers to advocate for improved permitting in the city of Phoenix, a major market with sub-par permitting practices. Vote Solar members in Phoenix emailed in support of improvement permitting practices prior to the city council's vote, and in May the Phoenix city council unanimously approved a new fee structure, lowering fees from upwards of \$1000 to \$225 for expedited projects.

Keeping PACE: Cities and counties throughout the U.S. are developing new finance programs that support green retrofits in their communities. Called PACE, these programs represent one of the most promising tools available to local governments eager to bring new jobs, energy bill savings, and environmental benefits to their residents. The potential is huge, but first a state's tax code must allow municipalities to adopt PACE programs.

With significant effort from Vote Solar over the previous two years, 16 states had already passed this kind of enabling state legislation. Two more states (Hawaii and Florida) do not require a policy change to set up PACE programs. That left 33 states. We began 2010 by managing a coordinated national PACE campaign to address those remaining states. We drafted materials, guided local partners, built coalitions, educated stakeholders, directed legal resources, mobilized our grassroots members and advocated directly in support of PACE. The campaign successfully enabled PACE programs in nine new states: Colorado, Florida, Georgia, Michigan, Minnesota, Missouri, New Hampshire, Ohio, and Wisconsin. An additional state, Connecticut, passed legislation that was later vetoed by the Governor.

In the face of tremendous state momentum and bi-partisan support at all levels of government, our work on PACE was ground to a halt by Fannie Mae, Freddie Mac, and their regulators at the FHFA. In mid-2010, these lending giants declared they wouldn't back loans for PACE participants, rendering these promising programs for solar and efficiency improvements dead in the water. We worked as part of a major coalition effort to protect PACE through Congressional action.

We focused on providing strategic direction to the coalition and building public awareness. We sent multiple national action alerts calling on our members and other grassroots constituents to express support for a fix. We drafted and reviewed six Op-Eds on behalf of key national, state and local leaders. We wrote and placed articles in the renewable energy trade press. Through regular conference calls and webinars, we helped coordinate coalition partners and strategic action nationwide with a particular focus on key Republican districts in Florida, Massachusetts and Ohio. We prepared and distributed draft letters of support for individuals and businesses. We provided regular campaign updates via our blog to provide information on the latest actions and opportunities to defend PACE. It was a busy year.

The battle to protect PACE and its tremendous job and carbon reduction benefits rages on in 2011. And we continue to fight from the front lines. Some ideas are just too good to die.

Building a reliable renewable grid.

Conventional utility and grid operator planning is simply not designed to accommodate variable solar and other renewables. Unless those long-held models and assumptions are adjusted, bringing high levels of renewables onto the grid is likely to result in the construction of significant new fossil-fuel "back up" generation. Needless to say, that would seriously undermine our clean energy future. The road to ahead is long, but we are working hard to change its course. Along with our NGO partners, we helped shift the Western Electricity Coordinating Council's (WECC) 10-year plan priorities to include carbon reduction and environmental goals along with its traditional focus on grid reliability and congestion management. And in California, we intervened and introduced groundbreaking technical research in the state's Long Term Planning Process (LTPP) and before the California Independent System Operator (CAISO).



VOTE SOLAR: STATE BY STATE

Arizona

Defended the RPS. We rallied grassroots and press response to help defeat a proposed law that would have redefined renewables to include existing nuclear, meaning that the state's utilities would already be in compliance with their 2025 goals and could stop renewable development today.

Improved the procurement mechanism for wholesale distributed solar. We helped establish a new 100 MW program for Arizona Public Service. This, combined with other utility efforts in the state, makes for a market of over 300 MW of WDG over the next few years.

California

Doubled the net metering program. Following our multi-year campaign, the state increased California's net metering program cap from 2.5% to 5% ensuring continued near-term access to a critical customer right and DG solar market growth.

Finalized the innovative RAM. Following more than two years of work from Vote Solar and others, the CPUC unanimously passed the RAM program requiring utilities to hold auctions for 1 GW of renewable DG power over the next two years. The new pilot program will help California cost-effectively harness the untapped mid-sized solar

opportunity and serve as a model for other states across the country.

Defended solar-friendly rates in Northern California. PG&E proposed changes to its residential rate structure that would adversely impact solar customers. We intervened in the rate case to protect current and future solar customers of California's largest utility. We expect a settlement in 2011.

Colorado

Raised the bar for renewables to 30% Our economic and environmental impact report illustrated the benefits of expanding the state's rooftop solar market. Colorado then passed HB 10-1001, which increased the state's RPS to 30% renewables and included a 3% distributed generation carve-out that's expected to deploy 700 MW of solar by 2020.

Implemented the state's pioneering community solar law. In June, the Governor signed the Community Solar Gardens Act to support development of solar energy systems that deliver

electricity to 10 or more participants. We are active in guiding this new law through final program design.

Connecticut

Worked to establish a solar carve-out in the RPS. We supported a 350 MW solar goal under the RPS as well as PACE enabling policy. In the final hours of 2010's session, lame duck Governor Rell vetoed this renewable energy policy. We will build on that progress for a renewed effort in 2011.

Delaware

Worked to implement RPS and community net metering laws. In early 2010, Delaware passed a bill amending the state's RPS as well as a bill enabling community-solar-friendly net metering rules. We are participating in the regulatory proceedings to implement those new programs.

Florida

Unlocked tens of millions of dollars in new solar funding. We intervened in a PSC docket to update the state's energy



efficiency and demand-side management program goals, a process that happens every 5 years for the state's investor-owned utilities. The regulators unanimously voted to value solar as a DSM tool, making \$24.5 million per year available as direct rebates for PV and solar hot water systems.

Illinois

Supported solar-friendly provisions in the Illinois Power Agency's 2011 Procurement Plan. This procurement plan helps set the rules for most of the state's solar and renewable procurement. We affirmed the strong provisions in the plan and supported the addition of a DG component. This process is ongoing.

Missouri

Worked to implement the RPS & 155 MW solar carve-out. Missouri is in the process of implementing the voter-approved 15% by 2021 RPS. Vote Solar provided regulatory guidance and economic impact analysis to ensure that the resulting rules support a strong local solar market. This process is ongoing.

Nevada

Improved the state's solar rebate program. Nevada's SolarGenerations rebate program was severely under-utilized as a result of byzantine process and limited funding. Following five months of advocacy from Vote Solar, regulators unanimously approved an expansion plan that included many of our recommended policy changes,

resulting in 40 MW of rebated systems.

New Mexico

Intervened in a PNM utility rate case to protect net metered customers from a "cost recovery" charge. This unnecessary charge would eliminate much of the cost advantage of solar net metering in New Mexico and set a troubling precedent elsewhere. The case is ongoing.

New York

Built support for 5 GW of solar. Our coalition effort made tremendous progress toward a comprehensive and aggressive 5,000 MW solar program. In just one year, the effort garnered 15 co-sponsors for the House bill and 28 co-sponsors for the Senate bill. We are primed for 2011.

Improved the existing solar program through the PSC. Vote Solar advocated for strong solar policies as New York's regulators prepared 2010-2015 plans for the customer-sited program under the RPS. The new plan authorizes \$24 million in solar incentives each year and includes a new geographic initiative to spread program benefits fairly throughout the state.

Amended the state's restrictive net metering law. Vote Solar worked to address the major shortcoming of New York's net metering policy: ensuring fair benefits to larger commercial-scale solar systems. The revised law passed in February now ensures that larger commercial systems qualify for the net metering program.

Ohio

Worked to implement major utility programs for customer owned solar. As two major Ohio utilities submitted plans for their customer SREC incentive programs, Vote Solar intervened in support of strong provisions for Ohio's solar customers. Proceedings are ongoing.

Pennsylvania

Supported tripling the RPS's solar carve-out. Vote Solar continued our participation in a multi-year effort to triple the state's solar carve-out from 0.5% to 1.5% and put the PA solar market back on top. Unfortunately, Pennsylvania lawmakers once again did not vote on the proposed solar program.

Utah

Advocated to allow the third-party PPA financing model. We worked with Utah Clean Energy to raise awareness with stakeholders outside the state and generate industry support for policy change. Utah passed a law allowing solar PPAs for non-profit and government customers, a good first step.

Federal

Extended the Treasury Grant Program. The TGP, which makes the 30% ITC useful for commercial project development in the current economy, was set to expire in Dec 2010. We provided grassroots support to our partners at SEIA working on the ground in DC. Vote Solar members sent nearly 20,000 emails to Congress. On Dec 17, President Obama signed a one-year extension of the Treasury Grant Program.

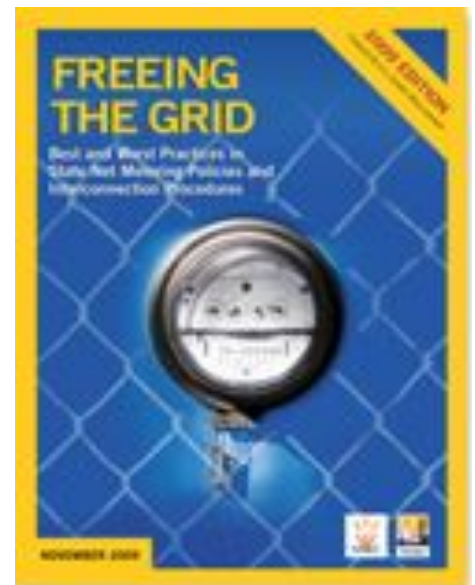
COMMUNITY SOLAR: POWER TO THE PEOPLE

Solar is great (obviously), but the traditional panels-on-your roof model simply doesn't work for everyone. As few as 25% of residential buildings in the U.S. are suitable for hosting solar energy systems. About a third of Americans are renters who are typically unable to install a solar system on their landlords' roofs. We're leaving a huge portion of our nation's solar opportunity on the table.

New community solar models allow a broader segment of the population to harness the power of the sun. Varying models involving joint-ownership by consumers, utility programs for shared consumer participation, and third-party ownership options are being piloted in a few communities in states. Recognizing that community solar programs are evolving into various shapes and flavors across the country, model policies should achieve two key principles:

- Participants in a community solar program should have an experience that is as similar as possible to that of customers investing in on-site renewable energy.
- Community solar programs should be additive to successful on-site renewable energy programs, creating more overall opportunity for participation in the solar economy rather than taking resources from other programs serving another type of customer.

With tremendous input from our partners at IREC, Vote Solar released an online toolkit with model rules and case studies to help local policymakers achieve those principles through effective program design. We are now working hard with state legislators and regulators to advance these programs in key states nationwide.



We partnered with the Network for New Energy Choices, the Interstate Renewable Energy Council, and the North Carolina Solar Center to produce and release the 2010 Edition of Freeing the Grid. This policy guide that grades states on two key programs: net metering and interconnection procedures. Together these policies empower energy customers to use solar and other renewables to meet their own electricity needs. Now in its fourth year of publication, the 2010 report indicated that states continue to drive progress in the nation's renewable energy economy.



It's time to rethink the American solar energy landscape. No longer just the stuff of deserts and palm trees, PV now has its place among silos and cornfields. That's right:

Solar is making impressive inroads in the Midwest.

The region is no stranger to renewable energy. It's already a cornerstone of the nation's growing wind energy market. Aiming to capture even more green economic opportunity, three states — Illinois, Ohio and Missouri — took steps to expand the solar portion of their renewable mix as well. Collectively, the new solar requirements in these three states add up to nearly 2,000 megawatts (MW) by 2025.

But setting an aggressive solar target is one thing, and achieving it is entirely another. In order to successfully hit their solar destination by 2025, these states need to start paving the road for market growth today. Already proving that point, Ohio's utilities failed to meet their initial 2009 solar requirements because the right regulatory structure and market drivers weren't in place. Vote Solar worked with local partners to advocate to help build the needed policy infrastructure so a robust Midwestern solar market can take root.

ILLINOIS: Paving The Way To 750 Megawatts

Last year Illinois amended its renewable energy requirement to include a solar carve-out: 6% of the RES must come from

photovoltaics in 2015. That amounts to a whopping 750 MW of solar, an aggressive initial target for a state that currently has less than 1 MW deployed. And just as Rome wasn't built in a day, new energy markets need time to scale.

In 2010 we worked with local partners to help pass a Solar Ramp Up Bill that establishes interim annual targets to help avoid a 750-MW solar cliff in 2015. . The new solar targets will require approximately 40, 100 and 180 MW of new solar in 2012, 2013 and 2014 respectively. It may sound incremental, but it's an absolutely critical framework for easing electricity providers into the world of solar and protecting Illinois energy consumers from sticker shock. Plus it helps get solar projects and jobs started now – when the Illinois economy can use it most. This year's legislation sends a clear message to the solar industry to gear up to meet tremendous demand from Illinois in the next two years.

OHIO: Removing Tax Barriers To Renewable Development

In 2008, Ohio passed renewable energy procurement legislation that included a 0.5% by 2024 solar carve-out. At the same time that the state was working to develop a local solar market, existing tax rules placed a crippling financial burden on the development of those very same renewable energy projects. The inordinately hefty taxes cost renewable energy developers up to \$100,000 per MW, approximately ten times the rates of neighboring states. Those tax rules severely restricted solar

development.

In 2010 we helped the state pass tax reform which removed that undue financial barrier to solar development. The legislation sets a new flat-rate tax of \$7,000 per MW of generating capacity for clean energy projects including solar and wind. It effectively clears the way for solar growth in the state while ensuring that any renewable development still provides much-needed financial support to Ohio's communities.

MISSOURI: Supporting Customer Adoption Through PACE

In 2008, the Show Me State showed its support for solar by voting overwhelmingly in favor of a renewable energy ballot measure. Looking to translate the momentum from Prop C into more good solar policy, we sought opportunities for growth on the energy customer side as well.

With help from Vote Solar, Missouri became the 21st state to enable PACE programs. The new law gave municipalities the authority they needed to start these innovative finance programs – until they were derailed by Fannie Mae and Freddie Mac. (See more on the fight to defend PACE on page 4).

There's still plenty of work to be done as each of these states continues tackling the ins and outs of solar program design and implementation. But there's no denying that there's some impressive momentum in the heartland. The Midwestern solar market is looking sunny indeed.

Vote Solar Staff

Adam Browning, Executive Director Adam co-founded Vote Solar after working on the successful campaign for San Francisco's 2001 solar bond. Prior to Vote Solar, Adam spent eight years with the Environmental Protection Agency where he ran an award-winning pollution prevention program.

Gwen Rose, Deputy Director Gwen joined Vote Solar from Marin County's solar and climate protection programs, where he work earned the "Best Progress in the Western Region" Award from the Department of Energy's Million Solar Roofs Initiative.

Claudia Eyzaguirre, Senior Solar Advocate Claudia leads municipal and state level solar advocacy efforts at Vote Solar with a focus on the Midwest. Claudia is a GreenCorps-trained campaigner. She joined Vote Solar from Audubon, where she served as the California Chapter Coordinator.

Shaun Chapman, East Coast Campaigns Director Based in New York, Shaun leads Vote Solar's efforts on the East Coast. Shaun was previously with Network for New Energy Choices, where he focused on advancing net metering policies nationwide.

Jim Baak, Utility-Scale Solar Policy Director Jim leads Vote Solar's utility-scale solar program focused on developing the market for centralized solar power plants. Jim joined Vote Solar from Pacific Gas & Electric Co., one of the largest utilities in the U.S.

Kelly Foley, Southwest Regional Director of Utility-Scale Policy Kelly works to advance interstate transmission and other regional policy solutions that expedite large-scale solar development in the Southwest. She has extensive energy law experience, including more than a decade spent as regulatory counsel for Sempra Energy and PG&E. She holds a J.D. from the University of Michigan Law School.

Peter Olmsted, Mid-Atlantic Solar Policy Advocate Based in Pennsylvania, Peter is responsible for advancing solar policy in the Mid-Atlantic region. Peter was previously lead energy policy staff for the Delaware Senate Energy & Transit Committee. He holds a Masters of Energy and Environmental Policy from the University of Delaware.

Rosalind Jackson, Director of Communications & Development Rosalind supports Vote Solar campaigns and organizational growth through media, member and donor relations. Rosalind came to Vote Solar with five years of clean energy public relations experience. She has a degree in Environmental Science and Mass Communications from UC Berkeley.

Vote Solar Board Members

Since 2002, Vote Solar has been a fiscally sponsored project of both the Tides Center and Tsunami Fund. As such we are responsible to the Tides Center's Board of Directors.

In addition, Vote Solar has an active Board of Advisors that focuses on strategy and policy:

Julie Blunden, SunPower

Aimee Christensen,
Christensen Global Strategies

Arthur Haubenstock, BrightSource
Energy

David Hochschild, Solaria

Julia Levin, Former California
Energy Commissioner

Rose McKinney-James, McKinney-
James & Assoc.

Kimia Mizany, Solar Depot

J.P Ross, Sungevity

Ed Smeloff, SunPower



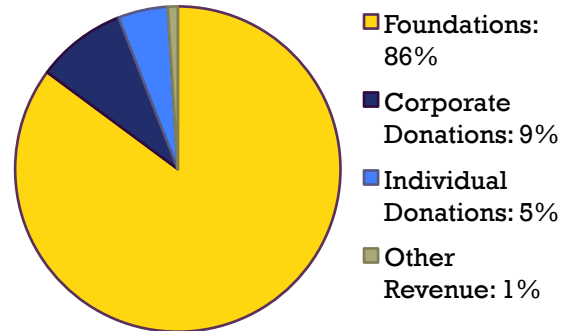
Vote Solar is a project of the Tides Center, a 501(c)3 charitable organization and the Tsunami Fund, a 501(c)4 non-profit organization. We are primarily funded through the generosity of grantmaking foundations, with additional support from corporate and individual donors.

The clock is ticking in our race toward a clean energy future. We would love your help.

Make a Donation: Vote Solar welcomes credit card donations of all sizes online at: www.votesolar.org. Donations by check can be mailed to us at the address below.

Take Action: Subscribe to receive Vote Solar action alerts by email when there's an opportunity to make your voice heard on a critical solar issue. Go to www.votesolar.org and click "Join Now."

2010 Funding Sources



THE
Vote Solar
INITIATIVE

300 Brannan St, Suite 609
San Francisco, CA 94107
415.817.5062
www.votesolar.org
www.votesolar.org/blog
www.twitter.com/votesolar