Hello all!

A lot has happened since the last edition of ASEA¹s e-newsletter, especially in the political arena. The Federal Energy Bill passed and was signed by the President, and the Arizona Corporation Commission has decided to add more renewable energy to our states energy portfolio. In addition, the American Solar Energy Society (ASEA¹s parent organization) held it¹s annual convention, concurrently with the International Solar Energy Society¹s (ASES¹ parent organization) bi-annual convention. However, for brevity, we will discuss the convention in next month¹s e-newsletter.

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Before the Energy Policy Act of 2005 was passed, we asked all of you to contact your congressmen, and let them know how you felt about the bill.
Now that it has passed, we want to share with you what exactly was included in the final draft, and our response to it.

In total, the bill calls for $14.5 billion in subsidies and tax provisions for the energy industry. For solar energy, the most important provision is a 30% tax credit for solar electric (with $2,000 cap for residential) and solar hot water systems (excluding pools and hot tubs). This is estimated to cost the government $31 million on the residential side, and another $21 on the commercial scale. For wind energy and biomass, the 1.8 cents per kilo Watt-hour production tax credit has been secured for 2 more years at an estimated $2.7 billion. There is $1.2 billion for alternative fueled vehicles. There are energy efficiency credits for $1.80 per square foot for commercial buildings for heating, cooling, lighting systems, and building envelope, a 10% credit to new home owners with energy efficient qualified property, (windows, envelope, water source/ground coupled-heat pumps), and appliances credits of $100 for dish/clothes washers, and up to $175 for refrigerators. These add up to another $1.8 billion total. ³Together there is $5.2 billion in investment borne by the American taxpayer, presumably to drive emerging technologies into the marketplace and cut down energy imports and harmful pollution and they do,² says renewable energy expert, Scott Sklar, in a recent article in Renewable Energy Access News. But emerging technologies need longer term subsidies that slowly fade away in order to make the industry it jumpstarts to keep rolling. For example, the Japanese model for solar energy lasted ten years before the incentives completely fizzled out, and by the end of it, prices were just as low as when the subsidies were covering half the costs. Is $31 million over two years out of
$14.5 billion over 15 years enough (0.21% of total)? This isn¹t the first time the government has tried to jumpstart new industries. They know better.
So what is going on? While the rest of the world is able to find investors to put down large sums of money for wind projects, the U.S.¹

production tax credit has had to be renewed every year, stifling sustainable growth. The U.S. used to be the world leader in solar electricity with 80% of the world marker in 1980, 40% of the world market in 1997, and now our market share is 14% (SEIA). This trend of market share loss can also be found in wind energy, as Europe has over 4.5 times the amount of wind generation than the US (AWEA).

As far as fossil fuel energy, [3]this leaves [$9.1] billion in the energy bill to support mostly mature, fossil or nuclear based fuel energy,[2] says Scott Sklar, [3]The remaining approximately $6 billion in subsidies to the oil and natural gas industries of $2.6 billion, and electric utilities (including
nuclear) of $3.1 billion are another story. While the renewable energy credits are all set to expire after two years, the nuclear credits run to 2020, clean coal to 2015, natural gas pipelines to 2010, and coke gas incentives to 2009. Not only are these incentives given to mature (and very profitable companies) in mature markets with reasonably mature technologies
- but in many cases they actually encourage energy imports.

The Bill
allows FERC to preempt State governments on siting Liquefied Natural Gas
(LNG) ports to import more natural gas from the very countries from which we ostensibly are trying to wean our oil dependency. Aside from concerns about the crumbs from petroleum and natural gas proceeds falling into the hands of groups trying to harm our country, the Bill promotes nuclear power right after a recent National Academy of Sciences report affirmed that much of our nuclear waste storage is susceptible to acts of terrorism, aside that much of our uranium would need to be imported as well.[2]

The bill also offers a number of provisions that will surely threaten the environment. A concise and referenced summary of these can be found from the Natural Resource Defense Council[1]s website here: http://www.nrdc.org/legislation/factsheets/050726 energy.pdf.

Here is ASES[1] (our parent organization) official position on the bill:

[3]For ASES members and the sustainable energy sector the most important provision of the energy bill is a 30 percent tax credit for solar energy.

[3]ASES commends the government for its inclusion of the solar tax credits, but once again finds itself unable to support the overall legislation. The emphasis of Congress on fossil and nuclear fuels and its unwillingness to support such measures as higher automotive fuel efficiencies cannot be ignored. Whether one considers the impact on the economy of rising petroleum prices, the influence of fossil fuels on the environment and foreign policy or the threat posed by storing nuclear waste, the conclusion is the same.
The current energy policy of the United States is unsustainable in either the long or short-runs.

[3]The leadership of ASES believes that the bill does more to perpetuate an unsustainable status quo than to lead the nation towards an appropriate and supportable energy path.[2]

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The government is currently working on a bill for new fuel efficiency standards for light trucks. Unfortunately, they are minimal, and actually REDUCE m.p.g standards for the largest vehicles.

[3]SMALLEST PICKUPS, MINIVANS, AND SUVS:
28.4 m.p.g. by 2011
(up from 23.5
m.p.g.)
Subaru Forester, Chrysler PT Cruiser, Suzuki Vitara, Chevrolet Equinox, Toyota RAV4

"BIGGEST PICKUPS AND SUVS:
21.3 m.p.g. by 2011
(down from 23.5 m.p.g.)
Chevrolet Silverado, GMC Sierra, Hummer H3, Dodge Ram 1500 Quad Cab, Nissan Titan

"Hummer H2s, Ford Excursions, and other models weighing between 8,500 and 10,000 pounds would remain exempt from fuel economy standards on the grounds that they're a very small percentage of all personal vehicles on the road today.[2] (From http://www.csmonitor.com/2005/0825/p01s01-usec.html) Stay tuned for more information as it comes in on this issue.

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The Arizona Corporation Commission:
Great news! The Arizona Corporation Commission decided to raise our states portfolio of renewable energies to 15% by the year 2025, although they have not yet decided on the final mix. This is good news, because as it stands now, Arizona has a $6 billion energy deficit (AZDOC), and currently has a very small mix of renewable energy. One thing that looks promising is the probability of set asides for distributed generation, which means a lot of solar electricity on roof tops. Unfortunately, there is no set aside for solar in general, which means no guarantees for large scale solar power plants. With these decisions being in the hands of the utilities, a lot of our renewable electricity will probably end up being imported from wind projects in other states. This shows a real lack of leadership from our utilities. As we are the state endowed with the most solar energy resources in the country, we need to lead the country in renewable energy generation, and our utilities are our biggest buyer of energy generation. If we covered half of Maricopa County with current commercially available solar technology, we could produce enough electricity for the entire country! None of the ACC[1]s recommendations are set in stone yet, other than the actual percentage of renewable production, and will probably not be worked out for several more months, even though they first announced that they were planning on such a change last November. Although this target of 15% in 20 years is unbearably low, at least there is some sort of leadership coming from somewhere in our state. ASEA, the sustainable community in Arizona, and the public at large needs to make our opinions known to push our energy decision makers to make renewable energy a top priority.

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Chapter news:

Rio Salado chapter: 2 events.
1. Board and member meeting, networking, dinner and presentation: Thurs. Sep. 22 | Denny¹s on Scottsdale Rd & Osborn (just S of the SE corner
- in the meeting room). This will be the first meeting in a while that provides an open forum for members (and prospective members) of the Rio Salado chapter to talk with chapter board members about issues in the Phoenix Metro area. 5pm-9pm. Open to the public and free.
5-6: policy, solar tours in October, etc.
6-7: dinner/networking
7-9: ³Peak Oil" a digital presentation by Geoff Sutton, a venture capitalist in the energy industry.

2. The Rio Salado Chapter's monthly lecture series, "Living With the Sun,"
continues the third Thursday of every month at 7pm at the City of Scottsdale Community Design Studio, 7506 E. Indian School Rd (the NE corner of 75th St.
and Indian School Rd.) Always free and open to the public. There is also a meeting hosted by the local Green Building Council chapter on the 1st Thursday of every month, same time, same place.

Thurs. September 15, 2005 TECHNOLOGIES: What¹s Cooking? ³Hot Food and Clean Water Using the Sun.² A popular past lecture returned by public demand, using the sun¹s heat to cook our food and purify our water.

Sedona / Verde Valley Chapter:
The monthly meeting / lecture series continues the 4th Wednesday of each month at 7:15 PM at the Sedona Winds Retirement Center on Jacks Canyon Road in the Village of Oak Creek. Always free and open to the public. There are NO meetings Nov. and Dec. because of holidays.

Wed. Sept. 28 | Dan Aiello will be giving a speech. Topic TBA. Check http://www.azsolarcenter.com for topic update.

Flagstaff chapter:
Coconino Community College¹s 4th St. Campus offers classes and workshops in their Sustainable Living Series Alternative Energy Program for Fall 2005. To view what they have to offer, click here: http://www.azsolarcenter.com/education/courses.html#coconino

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Educational opportunities:
For information on educational opportunities in your area, click here: http://www.azsolarcenter.com/education/courses.html

After September:
The National Solar Tour is coming up this October. ASEA personnel are working in all areas of the state to make this year¹s tour the biggest, featuring tours every weekend in October. Please contact us for information, stay tuned, and check the solar center website for

updates. Please let us know if you would like your home to be added to the tour by responding to this email.

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That¹s all for now, feel free to email us with your questions and comments.
Keep in mind we are in a process of changing the format of this e-newsletter, as well as web presence. Our hearts go out to all affected by Hurricane Katrina.

Ben Marcus
Arizona Solar Energy Association (ASEA)

If you would like to not receive emails from us, or are accidentally receiving multiple copies of this email, let us know by responding to this message, and we will solve the problem immediately.