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PUBLIC UTILITY COMMISSION
FILING CLERK

August 2, 2012

Chairman Donna L. Nelson
Commissioner Kenneth W. Anderson, Jr.
Commissioner Rolando Pablos
Public Utility Commission
1701 N. Congress Ave.
Austin, Texas 7871 1

Re: Project No. 40480, *Proceeding Regarding Policy Options on Resource Adequacy*
Project No. 40000, *Proceeding to Ensure Resource Adequacy in Texas*

Dear Chairman Nelson and Commissioners Anderson and Pablos:

In light of recent solar-related remarks made before the Public Utility Commission of Texas ("Commission") at the July 27, 2012 workshop addressing resource adequacy concerns, the Solar Energy Industries Association ("SEIA"), the national trade association for the solar industry, feels compelled to clarify its own position and the intentions of its member companies.

SEIA consciously chose not to submit comments in advance of this workshop in an effort to first assess how we might best be able to assist the Commission and ERCOT with the serious generation needs facing Texas. SEIA's member companies are actively seeking development opportunities in Texas and face many of the same challenges as any other generation resource. SEIA applauds the Commission and the Brattle Group for their work regarding resource adequacy in Texas, and is optimistic that as the market works to insure adequate electric supply, solar can serve an important role in assisting the PUCT and ERCOT in achieving their reliability goals.

According to a recent NREL study¹, Texas has the highest potential for solar in the nation, and solar generation's unique characteristics will benefit the market greatly. It has a high effective peak capacity value, is quick to market, can be located in a geographically targeted manner, is highly modular and scalable, and uses virtually no water. The solar industry also continues to work hard to drive down costs, increase deployment, and develop innovative market solutions. Our member companies are proud of their robust and ever maturing manufacturing sector, which continues to streamline and implement industrial efficiencies to produce the most cost-effective panels for the global marketplace. Those production efficiencies combined with aggressive market competition helped lead to an almost 50% reduction in the cost of panels last year. Our companies are committed to push for even greater efficiencies in the future, and predict average prices will continue to fall based on historical production data. In fact, solar technology is more cost competitive today than ever before, and with 85% growth since Q1 2011, the industry is now valued at \$8.4 billion.

¹ "U.S. Renewable Energy Technical Potentials: A GIS-Based Analysis," NREL, Technical Report NREL/TP-6A20-51946 (Jul. 2012), at p. 8.

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SEIA recognizes that the Commission has difficult decisions ahead of them. We welcome the Commission's advice on how best to engage in this process as we want to work with the Commission to develop a resource adequacy system that insures reliability and hopefully exploits the abundant energy options available within Texas. We look forward to enhancing the strong Texas market to facilitate the development of all types of new generation, including solar.

Thank you for your time.

Best,

A handwritten signature in black ink, appearing to read "Emily J. Duncan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Emily J. Duncan
Manager of Government Affairs
Solar Energy Industries Association