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12-21-07 SAN JOSE SOLAR SUMMIT 9A

>> IF ALL OF OUR PARTICIPANTS TAKE A SEAT. WE WOULD LIKE THAT GET STARTED AND HAVE A LOT OF PARTICIPANTS. AND WELCOME EVERYONE TO SAN JOSE CITY HALL AS WE WORK ON SAN JOSE'S GREEN VISION. WE HAD A GREEN VISION THAT WAS THE MAYOR'S GREEN VISION BUT NOW IT'S SAN JOSE'S BECAUSE IT WAS ADOPTED BY THE CITY COUNCIL AND THE PEOPLE OF SAN JOSE. IT'S A ROAD MAP FOR SAN JOSE TO BE THE WORLD CENTER IN INNOVATION OF GREEN CLEAN TECHNOLOGIES. WE ARE THE CAPITAL OF SILICON VALLEY OF THE WORLD, BUT WANT TO BE THE WORLD GREEN CITY. AND WE THINK WE WILL DO THE NECESSARY FOR ALL CITIES OF THE WORLD TO IMPLEMENT GREEN TECHNOLOGIES. AND WE ARE BLESSED TO BE IN THE INNOVATION CENTER OF THE WORLD AND WE CAN DO OTHER THINGS THAT PEOPLE CAN'T. AND BECAUSE OF THE FOLKS IN THIS ROOM AND DRIVING THE SOLAR ENERGY LOCALLY AND WANT IT TO STAY HERE AND GROW HERE. AND THERE ARE MANY THINGS THAT WE NEED TO DO FROM THE GOVERNMENT SIDE AND WE ARE FOCUSING ON SOLAR PRIMARILY THIS MORNING. AND I WANT TO THANK OUR SOLAR COMPANIES AND THE REPRESENTATIVES FROM THE LOCAL AND STATE OFFICES TO LISTEN AND PARTICIPATE. AND THE GOAL IS TO DEVELOP A LEGISLATIVE AGENDA FOR THE CITY OF SAN JOSE. THINGS WE NEED TO DO AND THINGS WE CAN ASK OUR STATE AND LOCAL LEGISLATORS AND TO FACILITATE THE GROWTH AND SUCCESS OF THE SOLAR ENERGY. WE WILL TRY TO DEVELOP A TOP 10 LIST OF THE OBSTACLES AND PEDIMENTS TO SOLAR. AND SHARE THOSE WITH ALL OF THE PEOPLE WHO WANT TO HELP. AND I HAVE SPOKEN TO THE STATE AND FEDERAL DELEGATION AND LOTS OF OTHER PEOPLE, AND THERE IS A GREAT DEAL OF EXCITEMENT ABOUT THE OPPORTUNITIES IN SOLAR. AND THEY ALL WANT TO HELP AND THIS MEETING IS TO IDENTIFY THOSE AREAS AND WE WILL GET OUT OF THE WAY AND LET THEM INNOVATE AND CREATE JOBS. WE ARE HOPING TO CREATE 25,000 CLEAN JOBS IN SAN JOSE AND THAT'S OUR NUMBER ONE GOAL TO DO THAT AND THAT ALLOWS MANY OTHER THINGS. WE HAVE THREE SETS OF DISCUSSIONS THIS MORNING, THREE PANELS AND SOLAR MANUFACTURING AND FINANCING AND SHOULD LAST ABOUT AN HOUR EACH. AND WE HAVE MANY PARTICIPANTS AND SOLAR POWER AND BANK OF AMERICA AND PG & E AND WILL HAVE STATE REPRESENTATIVES, CORBETT AND LOFGREN AND THE CITY OF BERKELEY ARE DOING THINGS AND OTHER GROUPS SUCH AS SILICON VALLEY LEADERSHIP GROUP. WHEN WE ARE DONE, WE WILL TRY TO WRAP IT UP AND SUMMARIZE AND SHARE THE REMARKS WITH A BROADER AND WIDER AUDIENCE AND COME UP WITH THAT TOP 10 LIST OF THINGS TO BE DONE. WE WILL CONTINUE THE CONVERSATION FOR A LONG TIME, WEEKS AND MONTHS AND YEARS ON WORKING ON THESE ISSUES. BUT THERE ARE THINGS THAT NEED TO BE DONE SOON AND IDENTIFY THOSE AND THOSE AT THE TOP OF THE LIST. I WANT TO START AND INTRODUCE THE FIRST PANEL, THE MANUFACTURING SIDE AND BRIAN SAGER, AND HOMAYOUN TALIEH AND RICK WISHMAN. AND BRIAN IS FROM SOLOPOWER AND RICK IS FROM SUNPOWER AND THANK THEM FOR COMING IN AND WE WILL GET STARTED AND GIVE THEM TIME TO TALK ABOUT WHAT THEY SEE THE ISSUES AND HAVE QUESTION AND ANSWER FROM THE PANELS AND MYSELF AND TAKE QUESTIONS FROM THE AUDIENCE IF WE HAVE TIME. AND TRY TO OUTLINE THE THINGS WE NEED TO DO OVER THE NEXT FEW MONTHS TO MOVE SOLAR AHEAD. I DON'T KNOW IF WE DREW STRAWS TO SEE WHO GOES FIRST OR YOU DECIDED OR JUST START WITH SUNPOWER.

>> WILL DO, AND THANK YOU VERY MUCH FOR THE INTRODUCTION AND FOR THE REPRESENTATIVES FROM OUR LEGISLATIVE REPRESENTATIVES, AND THE AUDIENCE AS WELL. I WANT TO START WITH A BRIEF INFO COMMERCIAL ON SUNPOWER, IT WAS FOUNDED IN THE MID-90'S AND AN R & D FOCUS ON SOLAR AND PANELS. AND THE COUNTRY HAS GROWN QUITE QUICKLY IN THE LAST DECADE AND UNDER THE PARENTAGE OF THOSE OF THE BUSINESS AND A STRONG COMPANY AND FROM THAT GROWTH SUNPOWER IS AN INTEGRATED COMPANY AND STILL HAVE A STRONG RESEARCH AND DEVELOPMENT AND MANUFACTURE MODULES AS WELL. AND INVOLVED IN THE INSTALLATION OF SYSTEMS, BOTH LARGE AND SMALL. AND WE ARE ALSO MORE AND MORE INVOLVED IN THE FINANCING OF THOSE SYSTEMS. WE OPERATE AT MANY DIFFERENT LEVELS OF THE MARKETPLACE, IN BOTH NEW HOMES AND LARGE COMMERCIAL SYSTEMS, AND WE OPERATE HERE IN THE U.S. AND ASIA AND IN EUROPE ARE OUR MAJOR MARKETS. WE ARE A BROAD COMPANY IN TERMS OF WHAT WE DO AND APPLY OUR TECHNOLOGY. IN TERMS OF ADDRESSING THE CHALLENGES

AND GROWTH AREAS AS WELL IN THE SOLAR BUSINESS TODAY. CERTAINLY ON THE CHALLENGE SIDE, THE FIRST PART THAT'S ON EVERYONE'S PLATE TODAY IS THE FEDERAL LEVEL, THE TAX CREDIT. IT DIDN'T GET INCORPORATED INTO THE ENERGY BILL, THAT BOTH HOUSES AND THE PRESIDENT SIGNED LAST WEEK. THAT WAS UNFORTUNATE IN TERMS OF TIMING. ALTHOUGH WE HAVE OF COURSE, SOME PROSPECT FOR GETTING THAT ADDRESSED EARLY NEXT YEAR. AND IN TERMS OF TIMING, IT'S ESSENTIAL THAT IT'S ADDRESSED AS SOON AS POSSIBLE TO ALLOW OUR BUSINESS AND OTHERS TO HAVE A LONG-TERM PATH FEDERAL TO PLAN OUR BUSINESS AND MANUFACTURING AND HIRING. ALL THOSE THINGS THAT ARE ESSENTIAL TO US AS BUSINESS PEOPLE. AND ESSENTIAL TO OUR CUSTOMERS. SO THEY KNOW THERE IS SUPPORT FROM THE REPRESENTATIVES FOR SOLAR POWER, AND THEY CAN RELY ON THINGS LIKE TAX CREDITS AND OTHER INCENTIVES IN THE FUTURE. THOSE INCENTIVES GO ALONG WAY TO DEPLOYING SYSTEMS TODAY. NOW BECAUSE THEY ARE TAX CREDITS, THE AND THE STRONGEST COMPANIES CAN LEVERAGE THOSE CREDITS BUT THEY BUILD THE VOLUME TODAY AND FOR TOMORROW, AND ADDING VOLUME TO THE MARKETPLACE AND ALLOWS ECONOMIES OF THE SCALE TO TAKE PLACE AT MANUFACTURING LEVEL AND PASSED DOWN TO FUTURE BUYERS. AND THOSE INVESTMENT TAX CREDITS TODAY WILL LEAD TO A HEALTHY SOLAR BUSINESS TOMORROW. AND AT STATE LEVEL THERE ARE A NUMBER OF INITIATIVES HERE IN CALIFORNIA. WE ARE THE LARGEST STATE AND ONE OF THE LARGEST MARKETS FOR SOLAR POWER. AND IN LARGE PART BECAUSE OF THE GOVERNOR AND LEGISLATOR'S SUPPORT IN RECENT YEARS AND IN THE PAST, FOR NET METERING THAT ALLOWS YOU TO SPIN THE METER BACKWARDS AND TAKE ADVANTAGE THAT WAY AND THE HEALTHY INCENTIVES THAT WE HAVE THROUGH THE PUC. AND ANOTHER AREA THAT'S PENDING, THERE ARE A LOT OF STILL PRACTICAL IMPEDIMENTS FOR INSTALLING SOLAR. ONE IS THERE IS A CAP ON THE AMOUNT OF SOLAR YOU CAN INSTALL AT A SINGLE SITE. LET ME GIVE AN EXAMPLE, TALKING TO A CITY MANAGER ABOUT A WEEK AGO AT A WATER DISTRICT CONFERENCE, HE SAID THAT THE GAVEL FELL AT THE CITY COUNCIL MEETING AND POINTED TO HIM AND SAID WE WANT TO BE CARBON NEUTRAL, AND IT'S YOUR JOB TO GET IT DONE IN TERMS OF BUYING POWER FOR THE CITY. AND LOOKS AT THE CITY BUILDINGS AND I HAVE A LITTLE LAND HERE AND THERE, AND I CAN'T PUT SMALL SYSTEMS ON ALL OF THESE DIFFERENT FACILITIES TO ROLL UP AND MAKE THIS CITY A CARBON NEUTRAL CITY. BUT I HAVE A LARGE AMOUNT OF LAND OVER HERE, AND IF I COULD AGGREGATE ALL OF THOSE SITES INTO ONE ACCOUNT OFF SET THAT AND MATCH WITH THE LAND AND WITH THE LIABILITY AND ENERGY USAGE AND BROWN POWER IN THESE PLACES. THERE IS LEGISLATION THAT HAS BEEN KIND OF KICKED ABOUT, I BELIEVE LAST YEAR AND LAST YEAR'S SESSION. IF YOU WOULD LIKE, FEEL FREE TO CONTACT ME LATER ON AND TALK ABOUT THAT LEGISLATION. BUT THAT TYPE OF LEGISLATION REMOVES PRACTICAL BARRIERS TO THE GROWTH OF OUR INDUSTRY. AND AT A LOCAL LEVEL, ONE OF THE MOST IMPORTANT THINGS THAT CITIES AND COUNTIES CAN DO IS STREAM LINE PROCESSES AND ALLOW SOLAR SYSTEMS TO BE INSTALLED EXPEDITIOUSLY AND THINGS THAT CAN LOOK AT EVERY LEVEL. AND IF WE FIND WAYS TO MOVE PROJECTS THROUGH QUICKLY, TIME IS MONEY. AND I HAD EARLIER COMMENTS ABOUT REBATES AVAILABLE IN CALIFORNIA. THOSE INCENTIVES HAVE DROPPED MOST RECENTLY IN THE LAST DAYS, JUST IN THIS YEAR THEY DROPPED OVER 40% IN TERMS OF THE VALUE OF THE INCENTIVE. SO THERE IS REALLY A TIME SENSITIVITY TO THE VALUE OF THE INCENTIVES. THE SOONER THAT CUSTOMERS CAN TAKE ADVANTAGE OF THOSE, THE BETTER. AND THE BETTER FOR THEM AND BETTER FOR THE INDUSTRY AS WELL AS BEING THE SUPPLIER. THE AND THOSE ARE THE AREAS OF STATE AND LOCAL AND FEDERAL, WHERE WE FACE CHALLENGES AND THEY CAN BE MET AND OVER COME.

>> THANK YOU VERY MUCH, WE WILL DO QUESTIONS AT ALL THREE SETS OF REMARKS RATHER THAN STOP IN THE MIDDLE. I THOUGHT I SAW SANDRA COME IN, WE HAVE A SPOT UP HERE WITH YOUR NAME ON IT. COME UP AND HAVE A SEAT AT THE TABLE.

>> GOOD MORNING AND THANK YOU FOR THE OPPORTUNITY ON THE ISSUES RELATED TO SOLAR. AND WHAT WE FACE OF THE CHALLENGES OF BUILDING A COMPANY EVERYDAY. AGAIN, NOT TO BE REPEATING ALL THE COMMENTS AND GOOD POINTS BROUGHT UP, I LIKE TO CONCENTRATE ON THE LANDSCAPE FOR SOLAR AS AN INDUSTRY FOR BOTH CONSUMPTION OF GREEN ENERGY AND BEFORE DOING THAT, I WOULD LIKE TO GIVE SOME

BACKGROUND ON SOLOPOWER. I HAVE BEEN IN THE VALLEY FOR OVER 20 YEARS PERSONALLY, BUILDING PROJECTS FROM SCRATCH, AND APPLYING SYSTEMS AND NOW AT SOLOPOWER. AND SOME OF THOSE PROJECTS HAVE PRODUCED PROJECTS OF TEN'S OF BILLION OF DOLLARS AND MARKET SHARE AND THOSE UNFORTUNATELY WERE CREATED HERE AND MOVED OVERSEAS AND CREATED JOBS AND OPPORTUNITIES THERE. AND THE REASON FOR THAT IS SLOW RESPONSE FROM THE COMMUNITY AND CALIFORNIA AS A WHOLE. TO THE INTEREST TO KEEP THE OPPORTUNITIES HERE AND BUSINESS USUALLY TAKES THE FASTEST ROUTE TO PROFITABILITY. WITH THAT SAID, SOLOPOWER HAS BEEN FOUNDED ALMOST 3 YEARS AGO, AND THE FOCUS OF OUR COMPANY IS TO PRODUCE SOLAR PRODUCTS THAT NEED NO GOVERNMENT OR SUBSIDY IN ORDER TO BE COMPETITIVE WITH CONVENTIONAL AND FOSSIL FUEL. WITH THAT SAID, WE HAVE HAD MULTIPLE OPPORTUNITIES WITH INCENTIVES TO MOVE OUT OF STATE EVEN AT THIS STAGE OF OUR COMPANY, THAT'S BUILDING ITS FIRST FACTORY HERE IN SAN JOSE. WE CHOSE TO STAY HERE. AND AGAIN IT'S THE STRONG DESIRE BY THE MANAGEMENT TO BUILD A COMPANY HERE AND PRODUCE THE PRODUCTS HERE, AND HOPEFULLY GET TO A POINT WHERE BUSINESS WISE IT MAKES SENSE TO BUILD A LARGE COMPLEX OF FACTORIES HERE IN CALIFORNIA AND PRODUCE AND USE OUR PRODUCTS HERE. WITH THE HELP OF MAYOR, WE HAVE HAD SOME SMALL INCENTIVES INITIALLY IN BUILDING OUR FIRST FACTORY, THAT WAS AT THE CITY LEVEL AND MADE LIFE EASIER FOR US FROM THE PERMIT PROCESS, AND BASICALLY ESTABLISHING ROOTS HERE. BUT AS THE PROGRESS TOWARD BUILDING OUR 20 MEGAWATT FACTORY CONTINUES, THE DOLLARS AND CENTS START COMING INTO THE PICTURE AND BUSINESS PLAN AND BOTH ARE INVESTED IN OUR CUSTOMERS AND THE BEST PRICE THEY CAN PAY FOR. AND THERE IS A SIGNIFICANT COMPETITIVE LANDSCAPE OUT THERE FROM RECRUITING COMPANIES LIKE OURS, AND NANOSOLAR AND SUNPOWER AND LIKE. AND ALL ACROSS THE WORLD. THIS IS COMING FROM EUROPE, FROM CHINA, AND JAPAN. THESE ARE THE COUNTRIES THAT WANT TO BE SELF-SUFFICIENT ON THE MATTER OF ENERGY AND PAY STRONG ATTENTION TO THIS ISSUE. AND JUST THE FACT THERE IS A STRONG DESIRE AND SIGNIFICANT ATTENTION TO THIS ISSUE AT A VERY HIGH LEVEL OF GOVERNMENT, BY SELF CREATE OPPORTUNITIES FOR COMPANIES SUCH AS OURS. EVEN IF THE LEGISLATOR TAKES IT TIME AND GOES SLOW, THE FACT THAT YOU PAY ATTENTION TO THIS MATTER, IT GOES A LONG WAY FOR COMPANIES SUCH AS OURS. AND INCENTIVES SHOULDN'T COME OUT AS HAND OUTS TO TECHNOLOGY COMPANIES. BECAUSE I BELIEVE THAT GOVERNMENTS ARE [INAUDIBLE] WHICH TECHNOLOGY IS THE WINNING TECHNOLOGY IN THE MARKET. BUT HOWEVER TAXING COMPANIES AT THE HIGHEST LEVEL IS A BURDEN. SO AT THE STATE LEVEL WE PAY ALMOST 10% SALES TAX ON THE EQUIPMENT WE PURCHASE TO POPULATE OUR FACTORY. I THINK WE GOT A SIGNIFICANT CREDIT, AT LEAST WE GOT ALL THE CREDIT THAT THE CITY COULD GIVE US, BUT WE GOT ZERO OF WHAT THE STATE COULD GIVE US AT THIS STAGE. WITH THAT SAID, MOST OF OUR COMPANIES ARE SECTOR AND HAVE ASKED FOR ASSISTANCE IN THIS AREA. AND ALMOST ALL THE COMPANIES HAVE MOVED AWAY FROM CALIFORNIA IN BUILDING THEIR MANUFACTURING FACILITIES. EITHER IN ASIA OR OVERSEAS, AND NOT IN CALIFORNIA. I LIKE TO CONTINUE WORKING WITH THE LEGISLATOR AND WITH THE HELP OF MAYOR REED IN ORDER TO SEE IF WE CAN MAKE A DIFFERENCE THERE. AND BASICALLY LESSEN THE BURDEN ON THE COMPANIES SUCH AS SOLAR COMPANIES TO BUILD THEIR FACTORIES AND TO HAVE LARGE VOLUME HERE IN CALIFORNIA. I WOULD SUPPORT YOUR QUESTIONS.

>> GREAT, LET'S TURN TO NANOSOLAR.

>> THANK YOU MAYOR AND REPRESENTATIVES OF THE LEGISLATIVE BODIES, WE APPRECIATE YOUR TIME AND ATTENTION. AND NANOSOLAR WAS FOUNDED BY MYSELF IN 2001 AND WE HAVE HAD A SIGNIFICANT TRANSITION, WE ARE BUILDING THE WORLD'S LARGEST MANUFACTURING FACILITY AND PRINTING FACTORIES. AND WE JUST RECENTLY BEGUN SHIPPING PRODUCT. AND WE MADE A TRANSITION FROM WHAT WAS AN R & D FACILITY. AND NANOSOLAR WAS FOUNDED WITH THE GOAL OF COST EFFICIENCY. UNLIKE SOME, WE ARE NOT TRYING TO CREATE HIGH PANELS BUT TO DROP THE COST WITH LOWER PANELS AND WITH ASSISTANCE COST FOR GRID PARITY AND THAT'S WHERE NANOSOLAR IS TARGETING THE SOLAR SYSTEM FROM THE PERSPECTIVE OF THE END USER. AND WE ARE A MODULE MANUFACTURE ONLY, AND WORKING WITH FOLKS THROUGH THE VALLEY CHAIN AND INVERTERS AND COMPONENTS AND SYSTEM INTEGRATORS THAT WILL PULL THAT

TOGETHER TO INSTALL A SYSTEM. WE HAVE THREE FUNDAMENTAL MARKETS, AND UTILITY SCALE POWER PLANT, THAT ARE PRIMARILY IN EUROPE AND HOPE FOR MORE GROWTH IN UNITED STATES. AND TO WHAT MY COLLEAGUE SAID TO AGGREGATE THE LAND OUTSIDE OF THE CITY, WE THINK THAT'S A FANTASTIC IDEA AND THERE ARE PLANTS NEAR THE CITIES THAT NEED THEM TO LOW PARTS OF THE GRID. AND BELIEVE THAT'S AN IMPORTANT PART OF THE ASPECT. AND AT THE LEVEL OF COMMERCIAL ROOF TOPS AND RESIDENTIAL ROOF TOPS. AND THE FEDERAL TAX CREDITS THAT DIDN'T GO THROUGH, AND WOULD ENCOURAGE TO CONTINUE FIGHT THAT FIGHT AND MAKE THAT HAPPEN. WE BELIEVE THAT WOULD BE VERY IMPORTANT. AND MY COLLEAGUE FROM SOLARPOWER MAKES A GOOD POINT FROM COMPANIES IN THEIR INFANCY AND OVER TAXING. AND THE SALES TAX THAT WE HAVE TO PAY FOR MANUFACTURING TOOL IS TOO HIGH WHEN WE HAVE NO REVENUE STARTING OUT. AND WE ARE HAPPY TO BE GOOD CORPORATE CITIZENS AND PAY OUR TAXES BUT WE NEED TO KNOW WHAT THEY ARE. AND WE CONTACT THE ASSESSORS AND SAY WHAT ARE WE GOING TO PAY. AND THEY WON'T TELL US, AND ALMOST HAVE TO STRONG ARM THE OFFICIALS TO KNOW THE PERCENTAGES. DO WE NEED TO HAVE MORE TRANSPARENCY IN TAXATION AT THE BUSINESS LEVEL AND WE WOULD LIKE TO A MANUFACTURING TAX CREDIT FOR COMPANIES CREATING CLEAN POWER AND MANY WOULD SEE THOSE INCENTIVES AND THAT COULD BE A COMBINATION OF FEDERAL, STATE AND LOCAL INITIATIVES AND WE WOULD STRONGLY ENCOURAGE WORKING TOGETHER. AND WE ARE WOOED BY GOVERNMENT AND OTHER OFFICIALS AND WE HAVE CHOSEN TO STAY HERE IN SAN JOSE, BECAUSE WE BELIEVE IT'S A SUPERB PLACE FOR GREAT RESOURCES FOR RECRUITING AND THE INDUSTRY OF MAKING AND OTHER ASPECTS OF HI-TECH AND FIND GOOD ACCESS OF SKILLS AND THAT'S UNUSUAL. AND TO HAVE THAT COMBINATION. AND THOSE OPPORTUNITIES IN THE BAY AREA OF INSTRUMENTAL. AND WE WANT TO STAY HERE, AND TO GROW FROM AN ENTITY TO A GLOBAL SCALE INSTITUTION WILL COST A LOT OF MONEY FOR THE TOOLING. AND ALL OF US NEED TO HAVE SUFFICIENT INCENTIVES TO STAY HERE. AND ANOTHER EXAMPLE IS A CAP ON BUSINESS PROPERTY TAXES OR A CAP ON SALES TAXES. AND AT SOME POINT THE AUTHORITIES WOULD HAVE MADE A GREAT REVENUE. AND IF IT'S EFFICIENT AND THAT WILL COME FROM OTHER PLACES AND THOSE PLACES ARE TRYING TO BRING US WITH 0 CORPORATE TAX AND 0 SALES TAX. AND AT SOME POINT THAT DIFFERENTIAL IS COMPELLING. AND WE PREFER NOT TO DO THAT BUT IT'S IMPORTANT TO THINK THOSE THROUGH. AND IF WE FURNISH THE TAX THAT WE CAN, AND WE WOULD ENCOURAGE THE GROWTH OF THE SYSTEM AND INTEGRATION INTO THE COMMUNITY. THERE ARE NOT ENOUGH INSTALLERS OF THE SOLAR PANELS TO DO THE KIND OF WORK WE SEE. AND FOR THE CALIFORNIA HOME INITIATIVES, IF YOU DO THE MATH, WE NEED TO SEE THAT PART OF THE CHAIN GROWN AND THAT CAN BE EMPLOYED INTO COMPETITIVE SYSTEMS.

>> THANK YOU FOR COMMENTS, AND HAVE SOME NOTES AND SOME THINGS TO CLARIFY.

FIRST, BACK TO THE SUN POWER COMMENTS AND PUC INCENTIVES HAVE DROPPED 40% IN THE LAST YEAR, WHAT INCENTIVES ARE THOSE AND ARE THOSE SET BY THE PUC OR STATE LEGISLATURE OR IS THERE A SCHEDULE?

>> YEAH, THERE IS A SCHEDULE THEY DROP AND A PROGRAM MANDATED BY THE PUC AND ADMINISTERED BY THE FACILITIES IN NORTHERN CALIFORNIA AND THAT BEING PG & E AND THOSE REBATES ARE PAID OUT OVER FIVE YEARS AND ON A MONTHLY BASIS OF HOW THE SOLAR SYSTEM GENERATES. AND THE RATE AT THE BEGINNING OF THE YEAR WAS 39 CENTS PER SOLAR HOUR AND NOW GONE DOWN TO 22 CENTS. AND A DECLINE OF OVER 40% JUST IN ONE YEAR. AND THAT'S HOW THE PROGRAM WAS SET UP. IT WAS SUPPOSED TO DO THAT.

AND THE INTENT BEHIND THAT, THE COUNTERPART FROM NANOSOLAR, TO WING THE INDUSTRY OFF OF ITS RELIANCE ON SUBSIDIES AND BECAME BECOME COMPETITIVE AND WE SUPPORT THAT IDEA AND DRIVE OUR COSTS DOWN. AND WE WANT TO TAKE ADVANTAGE OF INCENTIVES AT THE HIGHEST LEVEL, PEOPLE NEED TO MOVE QUICKLY.

>> AND THE SECOND QUESTION BASED ON THOSE INCENTIVES, YOU SAID THERE IS A CAP ON THE AMOUNT OF SOLAR, I ASSUME THAT'S A CAP WHAT IS ELIGIBLE FOR INCENTIVES?

>> THAT'S RIGHT.

>> NOTHING STOPS OUR CAP ON ROOF?

>> THERE IS TWO CAPS, ON REBATES IS 1 MEGAWATT AND ON METER SPINNING AND BOTH ARE CAPPED BY 1 MEGAWATT BY PUC AND CALIFORNIA LEGISLATURE.

>> THANK YOU, AND THAT'S WHY WE ARE HERE TO IDENTIFY THOSE PLACES AND TO BE HELPFUL. I WANT TO SEE IF THE OTHER FOLKS HAVE SPECIFIC QUESTIONS THEY WOULD LIKE TO JUMP IN. THE MICROPHONES ARE LIVE AND JUST NEED TO GET CLOSE ENOUGH TO PICK UP THE VOICES. INTRODUCE YOURSELF.

>> FROM CONGRESSMAN MIKE HONDA'S OFFICE, I HAVE A COMMENT AND THE TALK OF INVESTMENT TAX CREDIT AND ENERGY BILL, THIS IS ONE THING REMOVED. THIS WAS ONE OF THE LAST THINGS REMOVED FROM THE ENERGY BILL BEFORE PASSED AND SIGNED BY THE PRESIDENT ON WEDNESDAY. THIS WILL BE, I KNOW FOR THE DEMOCRATS, IT'S A TOP MAJORITY FOR '08 AND THEY WILL HAVE TO REVISIT THE WAYS TO PAY FOR IT. AND THAT'S WHY IT WAS DROPPED IN THE SENATE, FOR DISAGREEMENT OF WHAT WAS SEEN AS LOSS FOR REVENUE IN TAX RENEWABLES, WHAT WOULD BE PAID FOR. AND THEY WILL REVISIT THAT AND THAT WILL BE A TOP PRIORITY IN THE SECOND SESSION OF 110TH CONGRESS.

>> THANK YOU FOR THAT AND THEY WILL TAKE THAT UP AND WHERE IT GOES, ONE NEVER KNOWS.

>> AND SANDRA.

>> THANK YOU VERY MUCH FOR BEING HERE AND HAVING THE OPPORTUNITY FOR US TO TEAM AND PARTNER WITH THE CITY'S VISION OF THIS NEW INITIATIVE. I WANT TO SAY THERE ARE SOME POSITIVE THINGS THAT CAME OUT TO THIS. AND THE LEGISLATION THAT JUST PASSED WITH A SIX YEAR EXTENSION OF 30% INVESTMENT TAX CREDIT FOR THE PURCHASE OF RESIDENTIAL SOLAR WATER HEATING AND ELECTRIC EQUIPMENT AND FIELD SELL PROPERTY AND [INAUDIBLE] TAX CREDIT FOR THE PURCHASE OF FUEL POWER PLANTS AND SOLAR ENERGY PROPERTY AND THAT USED TO ELIMINATE THE INSIDE OF THE STRUCTURE AND WE ARE MOVING A LITTLE BIT. IT WASN'T A COMPLETE -- BUT AS YOU KNOW, THE WHOLE DELEGATION FOUGHT TO INCLUDE SOME OF THOSE SPECIFIC PARTS OF THE BILL THAT WERE ELIMINATED AS IT WENT THROUGH THE HOUSE AND THE SENATE. BUT IT ALSO PROVIDED A 6.6 BILLION IN LONG-TERM TAX TERMS AND TO PRODUCE ELECTRICITY FROM WIND AND SOLAR AND HYDROPOWER RENEWABLES. AND FOR THE STATE AND TAX BONDS TO INTRODUCE THESE LOW PROGRAMS, I THINK WE ARE MOVING FORWARD, BUT A LITTLE BABY STEPS. AND WITH THE LEADERSHIP OF SAN JOSE AND THE ELECTED OFFICIALS AND HOPING TO PARTNERING CAN BE DONE. THANK YOU AGAIN FOR YOUR TIME.

>> THANK YOU FOR JOINING US SANDRA. OTHER QUESTIONS?

>> YOUR HONOR, I AM JEFF BYRON, OF THE ENERGY COMMISSION AND IT'S A PLEASURE TO BE HERE. AND I WANT TO ACKNOWLEDGE YOUR PRESENCE, THE FACT YOU ARE HERE, SPEAKS VOLUMES TO HOW IMPORTANT IT IS. US POLICY WAGS WILL SHOW UP AT THE DROP OF A HAT TO TALK ABOUT TECHNOLOGY AND ENERGY, BUT TO HAVE ELECTED OFFICIALS HERE IS SIGNIFICANT. AND AS THE GENTLEMAN SAID THAT THE STATE HAS PUT FORTH SUBSTANTIAL INCENTIVES FOR SOLAR DEVELOPMENT AND IN THE TUNE OF 3 BILLION DOLLARS, AND I WANT TO DISCUSS BRIEFLY THE PART THAT THE ENERGY COMMISSION IS INVOLVED AND MR. WISHMAN MENTIONED THIS. WE HAVE ABOUT 400 MILLION DOLLARS OF INCENTIVES OF THE NEW HOME SOLAR PROGRAM. AND HE INDICATED THEY ARE PARTICIPATING IN THAT AND MAY BE THE OTHER COMPANIES ARE AS WELL. AND MY QUESTION IS SIMPLE, HOW IS THAT PROGRAM GOING? AND ARE THERE WAYS THAT YOU FEEL ITS IMPLEMENTATION CAN BE IMPROVED?

>> IN DEED, WE DO HAVE A VERY STRONG RESIDENTIAL PRESENCE IN THE RETROFIT MARKET AND NEW HOMES MARKET. WE HAVE A STRONG PRESENCE IN THE RETROFIT AND NEW HOMES MARKET. AND IN TERMS OF IMPLEMENTATION. AND THERE ARE PROBLEMS IN THE PROCESS AND THE PROBLEM IS FUNDING THERE. AND I WOULDN'T BE THE ONE SPECIFICALLY TO ADDRESS THE DISCREET ISSUES. BUT THERE IS ALWAYS ROOM FOR IMPROVEMENT OF THE PROCESS. AND THE INITIATIVE THAT IT TAKES A NEW HOME DEVELOPENTER OR NEW HOME BUYER TO INSTALL SOLAR SYSTEMS IS A NUMBER OF A DIFFERENT PRIORITIES AND THE LEVEL OF IMPEDIMENTS IN FRONT OF THEM TAKES A PRIORITY FOR SOLAR DOWN A COUPLE OF NOTCHES. ANY IMPROVEMENTS WE CAN HAVE IN THE PROCESS AND I WOULD BE HAPPY TO GET THE DELEGATES TO SPEAK TO YOU AND I APPLAUD THE CUC FOR THE INITIATIVE AND IT'S APPARENT NATIONWIDE THAT CALIFORNIA IS

A LEADER IN SOLAR POLICY. AND FOR THE MOST PART OTHER STATES HAVE FOLLOWED AND COPIED CALIFORNIA IN THAT RESPECT. AND THAT'S TO YOUR CREDIT, BOTH AT THE CUC AND AT THE PUC. WE HAVE TO BUILD ON THE FUNDING THAT'S THERE TO MAKE IMPLEMENTATION COST EFFECTIVE AND EXPEDIENT AS POSSIBLE.

>> ALWAYS WANT MORE FUNDING.

>> FUNDING IS THERE AND MORE IS GOOD, BUT PROCESS IS VERY IMPORTANT THAT YOU BROUGHT UP, I APPRECIATE THAT.

>> ANY OTHER COMMENTS OR QUESTIONS? PULL IT OVER.

>> HI, I AM JAN BERMAN AND SENIOR DIRECTOR FOR PG & E, AND WANT TO ECHO AND SEE IF THERE IS ACTION THAT PG & E. SHOULD THINK ABOUT FOR SOLAR INDUSTRY IN CALIFORNIA?

>> I HAVE ONE COMMENT, KEEP STRESSING ON THE FACT YESTERDAY OR LAST WEEK, I HAD VISITORS FROM FRANCE AND ENERGY OF FRANCE, ELECTRIC POWER GROUP, TRYING TO BUILD A RELATIONSHIP AND ASSESS THE OPPORTUNITY HERE FROM THE TECHNOLOGY THAT WE DEVELOP. AND FROM TOKYO ELECTRIC POWER, THAT'S LARGEST OF 30% OF JAPAN, ELECTRICITY IS PRODUCED BY THIS COMPANY. AND I MET WITH THE EXECUTIVE OF THE HIGHEST LEVEL OF JAPAN, BECAUSE OF THE FACT THAT THEY SEE THE POTENTIAL OF THE TECHNOLOGY THAT WE DEVELOP HERE IN SAN JOSE. I HAVE YET TO MEET A PG & E REPRESENTATIVE HERE IN CALIFORNIA. IT'S JUST THE FACT THAT THE DESIRE TO PROMOTE, HELP AND APPRECIATE HOME GROWN TECHNOLOGY THAT HAS A TRUE FUNDAMENTAL ADVANTAGE THAT'S REALIZED GLOBELY, IS HERE TAKEN FOR GRANTED. AND I THINK THAT'S A SIGNIFICANT PROBLEM HERE IN CALIFORNIA. THERE IS FUNDING AND TALK OF IT, BUT THERE IS NOT A SUBSTANTIAL TANGIBLE EFFORT WHICH TRULY HELPS COMPANIES SUCH AS MINE OR THE OTHER ONES AT THIS TABLE, TO SEE A BUSINESS OPPORTUNITY HERE IN CALIFORNIA. THAT'S THE PROBLEM.

>> BRIAN, YOU WANT TO ADD TO THAT?

>> YEAH, A VERY IMPORTANT POINT, THERE IS NO SINGLE GRID PRICE POINT. AS AN INDUSTRY AND WANT TO MOVE TO GRID PARITY, IT'S IMPORTANT TO REALIZE IN OTHER COUNTRIES IN THE WORLD, WE ARE AT GRID PARITY. AND SOLAR IS ATTRACTIVE WITH THE TYPE OF TECHNOLOGY THAT SUNPOWER AND NANOSOLAR CAN PROVIDE. AND THE COUNTRIES WITH THAT PRICING ARE INCENTIVE WITH DEVELOPMENT OF THAT AND THE FACILITIES AROUND THE WORLD ARE LOOKING AT THAT PERSPECTIVE. AND IT'S IMPORTANT NOT TO THINK IN A CONVENTIONAL WAY, AND WE ARE STATE-OF-THE-ART TECHNOLOGY AND WILL HAVE A STATE-OF-THE-ART MARKET. BUT IT WILL BE OUT OF THE VALLEY AND TO PLACES WHERE GRID PARITY IS COMPETITIVE TO A LEVEL OF SOLAR ENERGY AS A SOURCE. AND WE NEED REACT TO THAT NOW. AND THAT COMES ACROSS IN MANY DIFFERENT LEVELS. BUT FROM THE STANDPOINT THAT THE COMMISSIONER ASKED, HOW IS CALIFORNIA HOMES INITIATIVE GOING? IT'S IMPORTANT TO REALIZE BEYOND THE FINANCIALS, AND THE SYSTEM INTEGRATION STRUCTURE IS INADEQUATELY NATIONLY AND REGIONALLY, TO DEPLOY THE PANELS. THEY CAN'T WORK FAST ENOUGH AND THE SHOPS ARE SMALL AND INSTALL A MEGAWATT A YEAR AND IF WE ARE GOING TO INSTALL HUNDRED AND MORE OF MEGAWATTS, IT'S A SCALE MOST ARE NOT READY TO TAKE ON. AND IN THE TOTAL ANALYSIS, THERE HAS TO BE A LOT OF TRAINING AND SUPPORT AND GROWTH AT THE SYSTEM INTEGRATION LEVEL. WE CAN CREATE THE WONDERFUL TECHNOLOGY AND PRODUCE PRODUCTS AT LOW PRICE POINTS, BUT IT'S IRRELEVANT IF IT CAN'T BE DEPLOYED AND THAT'S FOR THE U.S. AND PARTICULARLY IN CALIFORNIA. OTHER QUESTIONS? I HAVE MORE. I WANT TO GO BACK TO THE NET METERING ISSUE AND THE LIMIT ON THE AMOUNT THAT YOU CAN FEEDBACK INTO THE GRID, AND WHAT IS THAT AMOUNT AND HOW IS THAT SET?

>> PRIMARILY THE PUC IS IN CHARGE AND WOULD HAVE INFLUENCE ON HOW AND WHY AND THE PARAMETERS. BUT NOW IT'S CAPPED AT 1 MEGAWATT PER SITE. AND THERE ARE DEFINITELY ECONOMIES OF SCALE. AND WE'RE TALKING ABOUT TRYING TO BUILD MORE AND DEPLOY MORE AND LOWER COST. AND THAT'S ALL OF OUR INITIATIVES FROM A BUSINESS PERSPECTIVE. AND WE NEED POLICY TO HAVE THAT SAME OBJECTIVE. THE LARGER SCALE THAT WE CAN DEPLOY AND THE BROADER WE CAN DEPLOY, THE LOWER THE COST. AND WE'RE AT LEVELS AND WE JUST COMMISSIONED A PROJECT IN NEVADA FOR AN AIR FORCE BASE AND IT'S 14 MEGAWATTS AT ONE SIGHT. AND ABLE TO DO THAT AT A VERY ATTRACTIVE

COST. AND IT WAS TO OUR BENEFIT AND OUR INVESTORS. EVERYONE BENEFITED FROM LARGE DEPLOYMENTS. AND TO LOOK AT THAT IN CALIFORNIA AND SAY THAT'S NOT POSSIBLE TO BUILD THAT POWER PLANT IN CALIFORNIA. IT'S NOT POSSIBLE FOR THE AIR FORCE OR A CUSTOMER TO GAIN THAT BENEFIT, WE DID THERE, WHICH WAS FOR ONE YEAR, BUILD AND DO SOME SUBINSTALLATION ON SITE OF THE SYSTEMS THAT WE BUILT THERE. AND IT'S NOT POSSIBLE FOR OUR BACK END MANUFACTURING TO GAIN THE BENEFIT OF 1-15 MEGAWATT AND BUILD THAT. AND IN CALIFORNIA, WE NEED TO DO ONE MEGAWATT, AND ANYONE IN BUSINESS, KNOW THAT THE FORMER STRUCTURE HAS CLEAR BENEFITS TO THE LATTER. AND FOR MANY YEARS WE BUILT SYSTEMS ONE MEGAWATT AT A TIME AND ITS A GREAT BUSINESS. BUT THE INDUSTRY HAS CAUGHT UP WITH THAT. AND WE HAVE BUILT 10 MEGAWATT PLANTS IN GERMANY AND PORTUGAL. AND WE HEARD THAT THE COMPANIES WILL GO WITH THE VALUE PROPOSITION IS. AND THE VALUE PROPOSITION IS STRONGER ELSEWHERE THAN HERE IN CALIFORNIA.

>> OKAY. OTHER QUESTIONS FROM THE PANEL OR COMMENTS ON THAT?

>> I WOULD MENTION ANOTHER INITIATIVE, THERE IS A CALIFORNIA PROPERTY TAX EXEMPTION ON SOLAR SYSTEMS AND DUE AT SUNSET, AT 2008 OR 2009, AND LOOK FOR AN EXTENSION OF THAT AND THAT'S BENEFICIAL TO THE CUSTOMERS TO NOT INCREASE TAX. IT'S NOT JUST TO GET THAT ADDRESSD AND EXTENDED, BUT TO DO IT SOONER THAN LATER, SO WE CAN PLAN BOTH AS BUSINESSES SERVING AND OUR CUSTOMERS AS WELL.

>> YOUR HONOR, THE SOLAR POWER INDUSTRY OR SOLAR GENERATION IS NOT THE ONLY GENERATING SOURCE THAT HAS DIFFICULTY WITH THE NET METERING ASPECT. AND YOU MAY SAY THEY ARE BETTER OFF THAN OTHER GENERATORS. BUT THERE ARE LIMITATIONS AND IT'S A TARIFF ISSUE WITHIN THE INVESTOR OWNED UTILITIES AND THAT'S REGULATED BY THE PUBLIC UTILITY COMMISSIONS. AND THERE WAS LEGISLATION PASSED THAT WE THINK WILL HELP DIRECT THE UTILITIES TO FIGURE THIS IDENTITY AND THE COMMISSION IS COMMITTED TO WORKING WITH THE PUC. AND WE THINK THAT IF CUSTOMERS WILL GENERATE ELECTRONS, THEY HAVE BE COMPENSATED FOR THAT AND WE ARE COMMITTED TO WORKING ON THIS AT THE COMMISSION AND PERSUADE OUR BROTHER AT THE PUBLIC COMMISSION AS WELL.

>> GOOD, THANK YOU. SO SOME QUESTIONS FROM THE AUDIENCE AND ONE I UNDERSTAND BUT LET ME GIVE YOU ONE I DON'T UNDERSTAND. FEED IN TARIFFS, THE QUESTION IS FEED IN TARIFFS ARE HIGHLY SUCCESS AND PUCIPR STRONGLY RECOMMENDS THEM AND THEY HAVE A QUESTION IF YOU KNOW HOW TO MAKE FEED IN TARIFFS MAKE THIS HAPPEN AND IF YOU CAN EXPLAIN THIS AND WHAT IPER IS?

>> IPER IS OUR INTEGRATED POLICY REPORT THAT WE PRODUCE EVERY TWO YEARS. AND BEING FAIRLY NEW TO THE COMMISSION, I HAVE BEEN THERE 18 MONTHS, IT'S REALLY AN IMPORTANT DOCUMENT. WE READ THE IPER AS THE MANTER. AND A LOT OF GOOD RECOMMENDATIONS AND THIS ISSUE, FEED IN TARIFFS IS A GOOD APPROACH AND USED IN EUROPE AND SETTING THE FLOOR WHICH SOLAR CAN BID INTO THE MARKET AND ANY OTHER GENERATING SOURCE. WE ARE HAVING TROUBLE GETTING RENEWABLES IN, THEY TEND TO BE EXPENSIVE. AND IF THEY CAN MATCH THE PRICE OF OTHER GENERATING SOURCES, WHY CAN'T THEY BID IN. AND THERE ARE OTHER PROBLEMS WITH RENEWABLES. AND SOLAR TENDS TO ONLY WORK DURING THE DAY. AND SO I WILL STOP THERE IN TERMS OF TRYING TO EXPLAIN IT, IT'S MORE COMPLICATED AND I AM PROBABLY DOING IT A DISSERVICE. BUT THAT'S WHAT WE ARE TRYING TO DO IS GET SOLARS AND OTHERS INTO THE MARKET AT A FAIR PRICE. AND WE LOVE ANYONE THAT'S WILLING TO INVEST THEIR MONEY TO PUT GENERATION INTO A MARKETPLACE, THAT'S A GOOD THING AND SAVES THE RATEPAYERS AND OTHERS IN THE STATE FOR THE RATES THEY PAY FOR THEIR ELECTRICITY. DOES THAT MAKE SENSE?

>> THAT MAKES SENSE TO ME AND ONE THING THAT MAKES SENSE TO ME IS LOOK AT PEAK HOUR AND BROWN OUTS AND BLACKOUTS AND ROLLING THOSE. SOLAR DIDN'T WORK AT NIGHT BUT IT WORK THE AT PEAK HOUR.

>> IF I CAN ADD AND MR. WISHMAN MENTIONED 14 MEGAWATT PLANT AT THE AIR FORCE AND WE HAVE TWO COMMISSIONS FOR 400 MEGAWATT PLANTS AND ABOUT SOLAR. AND ONE IS PG & E HAVE THAT HAS A POWER PURCHASE FOR THESE AND ANOTHER IN CALIFORNIA. AND

WE'RE EXCITED ABOUT THESE WITH WHAT YOU MENTIONED, THEY MATCH UP WITH PEAK DEMAND, THAT'S BIG, 400 MEGAWATS IS BIG SOLAR.

>> I HOPE THEY WILL BE SUCCESSFUL AND MOVE QUICKLY. I HAD A QUESTION ABOUT WHEN YOU PAY THE SALES TAX ON THE EQUIPMENT AND WHEN YOU START GETTING REVENUES. AND THAT PERIOD OF TIME, BECAUSE I THINK LOCAL GOVERNMENT HAS SOMETHING TO DO WITH HOW LONG THAT TAKES. AND I WANT TO MAKE SURE WE IDENTIFY WHAT WE CAN DO LOCALLY TO MAKE THAT TIME AS SHORT AS POSSIBLE. MAYBE WE CAN GET THE STATE TO DEAL WITH THE SALES TAX OF THE COST OF MANUFACTURING. BUT IN THE MEANTIME WE WANT TO BE SURE THAT YOU ARE UP AND RUNNING TO HAVE THE REVENUES TO PAY THE TAXES.

>> JUST TO MAKE A COMMENT AND A LITTLE OF REPLY. PRIVATE INVESTMENT GROUPS ARE INVESTING HEAVILY IN SOLAR. THERE IS NO SHORTAGE OF PRIVATE INVESTMENT, IT'S A MEASURE OF FOLLOW THROUGH, THOSE INVESTMENTS ARE MADE HERE BECAUSE THE TECHNOLOGY IS HERE AND THE BRAIN POWER IS HERE AND THE SYSTEMS ARE HERE. ONCE THEY ARE DEVELOPED, WHERE THE JOBS ARE CREATED AND THE TECHNOLOGY IS USED, IT GOES OVERSEAS. SO THEY BUILD IT HERE AND TAKE IT HOME. I AM TRYING TO SAY, IF YOU ARE BUILDING IT HERE, LET'S KEEP IT HERE. NOW THIS MATTER OF SALES ISSUE IS, LET'S SAY WE'RE BIGGING A 100 MEGAWATT FACTORY AND COSTS 150 MILLION FOR THE EQUIPMENT AND TAKES 9 TO I DON'T KNOW, FOR DIFFERENT COMPANIES DIFFERENT, ABOUT A YEAR TO YEAR-AND-A-HALF TO RAMP UP TO PRODUCTION OF 100 MEGAWATT OF POWER. THAT'S THE TIMELINE, WHERE YOU HAVE TO MAKE THE INVESTMENT, PURCHASE THE EQUIPMENT, PUT IT INTO THE FACTORY, BRING IT UP AND RUN IT. SO THAT TIMELINE IS ABOUT A YEAR TO YEAR-AND-A-HALF. WHERE THE COMPANY DOES NOT TAKE IN REVENUE BASED ON THAT INVESTMENT YET. YET FOR A COMPANY SUCH AS OURS OR NANOSOLAR AND WE FEEL THAT WE HAVE A SIGNIFICANT ADVANTAGE IN COMING TO COST PARITY AND TO PARITY WITH CONVENTION OF POWER, THAT'S A SIGNIFICANT INVESTMENT. SO THAT'S WHERE THE HELP IS NEEDED.

>> OKAY, I WILL JUST GO BACK TO ONE PIECE OF THAT. I KNOW THAT WE HAVE A PIECE OF THE TIME PERIOD. AND I THINK WE GOT YOUR PERMITS FROM THE CITY ISSUED IN 41 DAYS.

>> THAT'S CORRECT. AND WE GREATLY APPRECIATED THAT. IT WAS AN ISSUE BIG TIME UP FRONT. AS YOU REMEMBER.

>> I DO, AND THAT WAS FASTER, BECAUSE THAT'S 41 DAYS YOU ARE NOT EARNING REVENUES.

>> WE SIGNED OUR LEASE IN OCTOBER AND MOVING THIS WEEK. SO IN THREE MONTHS, WE BUILT THE FACILITY NEEDED AND THANKS TO [INAUDIBLE] BERG AND COMMISSIONER WEST.

>> AND TO THE LEVEL OF THE SALES TAX, MANY TOOLS USED IN THE FACTORY COST A LARGE AMOUNT OF MONEY BUT RARELY PAID IN ONE LUMP SUM. YOU PAY PROGRESS PAYMENTS OVER THE COURSE OF SEVERAL MONTHS TO A TOOL VENDOR AND A FACTORY TEST AND THEN THE EQUIPMENT ARRIVES AND SOME MONEY IS DUE. THE PAYMENTS THAT ARE MADE ARE SPREAD OUT OVER SOMETIMES A YEAR. AND EVEN AFTER THE EQUIPMENT ARRIVES, THERE IS A PERIOD WHERE THE KINKS ARE WORKED OUT AND THE QUESTION IS WHEN DO WE ACTUALLY PAY SALES TAX? AND WE WOULD SUGGEST PAYING ALL THE SALES TAX WHEN WE USE THAT TOOL, AND THAT'S WHEN THE VENDOR IS DEVELOPING THE TOOL AT THEIR FACILITY AND NO CHANCE WHATSOEVER THAT OUR COMPANY CAN GENERATE REVENUES FROM THAT. AND IN A GENERAL LEVEL, WE WOULD LIKE TO SEE MORE ALIGNMENT BETWEEN REVENUE AND TAXATION, AND IF THERE IS A GAP OF THAT AND THE PLANNING AND FORECASTING BECOMES DIFFICULT. AND THE OPPORTUNITIES TO GO IN OTHER LOCATIONS WHERE THAT PLANNING IS MORE PREDICTABLE BECOMES GREATER.

>> THANK YOU, WE HAVE JUST A FEW MINUTES BEFORE WE SHIFT TO ANOTHER SIDE. ANY QUESTIONS FROM THE PANEL? I HAVE QUESTIONS FROM THE AUDIENCE. ONE QUESTION IS ON THE INSTALLERS, AND I DELAY THAT UNTIL WE GET TO THE INSTALLER PART. THERE IS AN INTERESTING QUESTION, IF YOU CAN GIVE US AN IDEA OF THE COMPETITION WE ARE UP AGAINST, THE KINDS OF PROPOSALS AND OFFERS AND INCENTIVES OFFERED TO YOU FROM OTHER CITIES, STATES OR COUNTRIES, AND YOU MENTIONED SOME CONVERSATIONS YOU HAD. WHAT DOES CALIFORNIA'S COMPETITION LOOK LIKE, WHEN YOU MADE THE DECISION AND YOU MADE THE RIGHT ONE, WE AGREE THAT SAN JOSE IS THE PLACE, BUT OTHERS OUT

THERE ARE FACED WITH THE SAME DECISION AND AS THIS INDUSTRY GROWS, WHAT IT IS THE COMPETITION LOOK LIKE?

>> TO BE SPECIFIC, WE HAD AN OFFER FROM PORTLAND, THEY WERE OFFERING 50% OF THE COST OF THE MANUFACTURING FACILITY AS A TAX INCENTIVE OR CREDIT OR COUPON, WHICH WE COULD TAKE AND SELL TO INTEL, WHICH HAS A HIGH TAX ISSUE AND GET CASH UP FRONT AND PUT IT INTO BUILDING OUR 20 MEGAWATT FACILITY. WE FOREGO ON THAT TO BE IN SAN JOSE FOR MANY REASONS. BUT IT ONLY WORK AT THE STAGE WHERE OUR CORPORATE AND R & D LINE WAS HERE AND MANY DIFFERENT REASONS TO PLAY FOR US TO FOREGO ON THAT. BUT NEXT TIME AROUND, IT WOULD BE 10 TIMES HARDER TO DO THAT.

>> NANOSOLAR HAS RECEIVED OFFERS FROM AROUND THE WORLD, INTEGRATED AND FEDERAL AND CITY PROPOSALS TO REDUCE THE TAXATION LEVEL TO 0 AND NO CORPORATE INCOME TAX AND NO BUSINESS PROPERTY TAX AND NO SALES TAX. AND TO RECEIVE SUBSIDIES SIMILAR TO THE SCALE THAT MY COLLEAGUE FROM SOLARPOWER TO BRING UP THE MANUFACTURING FACILITIES. AND FROM THEIR STANDPOINT, THE VALUE IS CLEAR, IF THEY CAN GET PRODUCT PRODUCED IN THEIR COUNTRY AND GETS DEMOIED AND THEY CAN BUILD UP WHAT IS COMPETITIVE TO THEIR GRID AND STIMULATE THEIR ECONOMY. AND THE LOSS OF REVENUES FROM NO TAXATION IS MORE THAN COMPENSATED FROM THE ECONOMY AND THAT BEING SPREAD OUT FOR OTHER SECTORS.

>> FOR THE DATA ON THE TABLE, SOLO LAKES, A COMPANY THAT WAS FOUNDED HERE AND TOOK ADVANTAGE OF THAT TAX AND MOVED TO PORTLAND AND BUILT A HUGE FACTORY OVER THERE. AND ANNOUNCED THAT THREE MONTHS AGO AND PEOPLE ARE TAKING THESE OFFERS AND MOVING ON.

>> THANK YOU FOR THAT, THAT'S PART OF WHY WE ARE HERE AND WE KNOW THAT WE HAVE OUR WORK CUT OUT FOR US AND THE WORLD WOULD LIKE THIS AND WE COMPETE AND HAVE TO RISE TO THE OCCASION AND MAKE IT POSSIBLE FOR YOU TO STAY AND GROW AND THANK YOU FOR COMING AND YOUR INVESTMENT IN OUR COMMUNITY. AND ONE THING, I KNOW THAT SUNPOWER USED TO HAVE THE WORLD'S MOST EFFICIENT SOLAR CELL. I THINK THAT'S TRUE?

>> TRUE.

>> AND BRIAN, THE ADJECTIVES FROM NANOSOLAR, THE WORLD'S LARGEST PRINTING FACILITY.

>> THE PRINTING FALT AND IT'S 430 MEGAWATS IN SAN JOSE AND WE HAVE MORE CAPACITY. AND WE SPLIT THE MANUFACTURING INTO PRINTING ITSELF ON SOLAR SUBSTRATES AND SUBSTRATES INTO MODULES THAT'S HAPPENING IN DIFFERENT PARTS OF THE WORLD INCLUDING SAN JOSE.

>> GREAT, WE ARE GLAD YOU ARE IN SAN JOSE AND WANT TO MAKE YOU SUCCESSFUL. AND WE WILL CHANGE PANELS AND GO FROM MANUFACTURING INTO INSTALLATION. THANK YOU FOR COMING.

>> [APPLAUSE]. WE WILL TAKE A FEW MINUTES TO GET THE INSTALLERS UP.

>> OKAY, I WOULD LIKE TO GET STARTED ON THE SECOND SET, THE INSTALLATION ISSUE. WE WILL START, WE HAVE LYNDON RIVE FROM SOLAR CITY AND TOM MCCALMONT AND REGRID POWER AND ALL LOCAL COMPANIES. WE WILL START WITH LYNDON.

>> THANK YOU MR. MAYOR AND THANK YOU EVERYONE FOR BEING HERE TODAY. AND SOLAR CITY IS A SOLAR AND DESIGN AND WE'RE NEW INTO THE SPACE, I AM ENTREPRENEUR AND THIS IS MY THIRD COMPANY AND I WAS IN THE SOFTWARE INDUSTRY BEFORE THIS. AND LOOKING AT THE NEXT BUSINESS AND THE SOLAR IS THE ENVIRONMENT ALAL COMPETENCE AND I KNEW IT WAS SOLAR AND IT COULD BE APPLIED. AND LOOKING AT THE VALUE CHAIN, IF THERE IS GREAT TECHNOLOGY OUT THERE TOMORROW AND COSTING A DOLLAR PER WATT. AND IT WOULDN'T CHANGE AND THE INDUSTRY IS NOT THERE AND THAT'S WHY THIS IS IMPORTANT AND TO SEE A TRUE DIFFERENCE IN THE ENVIRONMENTAL CHALLENGES AND WE NEED TO SEE ADOPTITION AT A FASTER RATE. AND SOLAR CITY WAS LAUNCHED AND WE WENT FROM 2 EMPLOYEES TO 240 IN 18 MONTHS. AND ONE OF THE BIG REASONS, AND THIS IS SOMETHING THAT I THINK CITY COULD HELP IN SEEING LARGER ADOPTION IS EDUCATION. SOMETHING SOLAR CITY HAS DONE, IS GO INTO A CITY OR LOCAL COMMUNITY AND FOCUS ON THE EDUCATING THE COMMUNITY OF SOLAR AND BENEFITS AND TO DO AN AGGREGATED PURCHASE. AND IF EVERYONE COMES TOGETHER AND WE WOULD REDUCE

THE PRICE AND GIVE A CHEAPER CONTRIBUTION. AND THAT'S MADE SOLAR CITY THE LARGEST RESIDENTIAL INSTALLER IN CALIFORNIA. AND THE KEY THING THAT I THINK IS IMPORTANT, IS THE EDUCATIONAL ASPECT. EDUCATING THE COMMUNITY IS VERY DIFFICULT AND IT REQUIRES A LOT OF RESOURCE AND EXTREMELY COSTLY. WHERE CITIES AND GOVERNMENTS CAN HELP IS IN EDUCATION, RELATING TO THE BENEFITS OF SOLAR AND WHY IT'S IMPORTANT TO GO NOW. UNFORTUNATELY WE ARE IN A TECHNOLOGY ERA WHERE WE ARE INDOCTRINATED THAT TOMORROW THERE WILL BE SOMETHING CHEAPER. AND IN EDUCATING THE COMMUNITY THAT THE SOLAR TECHNOLOGY IS MATURE AND STABLE, AND YET THE EXISTING TECHNOLOGY IS PROVEN. AND THE BEST TIME TO ADOPT SOLAR IS TODAY. EDUCATING THE DIFFERENT CITIES ABOUT THE STATE REBATE PROGRAM AND IT'S DESIGNED TO BENEFIT EARLY ADOPTERS IS A GOOD PLUS. THE CONCEPT OF NEW TECHNOLOGY COMING OUT BEING AT A CHEAPER RATE WILL BE SUPPLEMENTED, AT LEAST THE REBATE REDUCTION WILL DEFEAT THAT BENEFIT. THE REDUCTION COST OF SOLAR WON'T EQUAL THAT OF REBATES IN THE NEXT COUPLE OF YEARS. WHEREAS OUR RESIDENTS AND BUSINESSES DON'T KNOW THAT. EDUCATING THEM AND TO ADOPT SOLAR IS NOW, AND THAT'S ONE HELP. AND NOT TO BE SOUND AS A BROKEN RECORD, BUT THE EXTENSION OF THE ICTE TAX CREDIT IS VITAL. AND TO REPEAT THAT, IT'S EXTREMELY VITAL. TODAY THERE IS A 30% TAX CREDIT THAT EXPIRES AT THE END OF 2008. WE HAVE GREAT HOPE IT WILL GET EXTENDED NEXT YEAR. BUT IF IT DOESN'T GET EXTENDED NEXT YEAR, IT WILL REALLY HURT THE INDUSTRY. AS ANY OPERATIONAL COMPANY LIKE OURS, THE COMPANY IS DESIGNED [INAUDIBLE] AND IF THERE IS A MONTH OF OPERATIONS AND THAT TAKES A TOLL ON THE COMPANY. IF YOU HAVE AN OVERHEAD AND IF YOUR [INAUDIBLE] DOESN'T EXCEED THAT, YOU ARE BURNING IN THE RED. AND WHAT WILL HAPPEN NEXT YEAR, OUR COMPANY WE PLAN TO HAVE CLOSE TO 500 PEOPLE BY THE END OF NEXT YEAR, SO EXTREME GROWTH. COME THE END OF NEXT YEAR, IF THAT TAX CREDIT IS NOT THERE, YOU HAVE TO HAVE A MASSIVE DOWN SIZE. BECAUSE THAT COUPON WON'T BE THERE IN 2009. THE REINFORCEMENT OF THAT TAX CREDIT IS VITAL. AND THE PROPOSED LEGISLATION NOW THAT WASN'T APPROVED IS BETTER NOT THAT CURRENT PLAN. AND INSTEAD OF SAYING BEGGERS CAN'T BE CHOOSERS, IF WE CAN HAVE THE PRESENT PLAN EXTENDED, WE WOULD BE HAPPY. AND TO BENEFIT EDUCATING AND THE BEST TIME TO GO SOLAR IS NOW AND THE EXTENSION OF THE TAX CREDIT.

>> AND WE HAVE BEEN JOINED BY COUNCIL MEMBER CHU AND HIS STAFF AND OTHER COUNCIL MEMBERS STAFF. AND WE HAVE OTHER COUNCIL MEMBER STAFFERS HERE TO SPEAK. THANK YOU.

>> STEVE.

>> THANK YOU MAYOR FOR INVITING US AND BARRY OUR FOUNDER AND C.E.O. WAS TO BE HERE AND HE HAD TO GO TO NAPA VALLEY AND SENDS HIS WELCOME. AND WE HAVE SUPPORTED MAYOR REED'S PROGRAM AND WE HAVE BEEN WORKING WITH THIS SINCE 2001. AND THE COMPANY, WE HAVE BEEN IN BUSINESS SEVEN YEARS AND THE COFOUNDER IS BARRY CINNAMON AND WE ARE HEADQUARTERED IN CALIFORNIA AND BARRY STARTED THE COMPANY IN SARATOGA AND CREATED TOO MUCH DEBRIS AND BECAUSE OF HIS BOXES AND THEY SAID YOU CAN'T OPERATE OUT OF YOUR GARAGE AND THIS WAS A GOOD MOVE AND WE HAVE OFFICE IN NEW JERSEY AND THAT SUPPORTS THOSE STATES AND WE CREATE CLEAN ENERGY FROM THE SUN IS RIGHT FOR THE ECONOMY AND ENVIRONMENT. AND THE FOCUS FOR OUR COMPANY IS INSTALLING RESIDENTIAL IN SMALL TO MEDIUM SIZE SYSTEMS, WE DON'T PRODUCE LARGE SCALP POWER AND WE ARE PUBLICLY TRADED ON NASDAQ AND WE HAVE GROWTH OF 2.4 X AND WE LOOK TO SIMILAR GROWTH NEXT YEAR. AND WE BELIEVE TO BUILD IN SILICON VALLEY AND MOST OF OUR EMPLOYEES ARE IN LOS VERAS AND THESE ARE MANUFACTURING TO AN EXTENT AND ENGINEERING, AND WE THINK THAT WE ARE HELPING THE ECONOMY. AND THE MONEY FLOWING INTO THIS COMPANY IS GREAT. AND I USED TO BE A PART OF HI-TECH AND I WENT TO A CONFERENCE THERE AND WE HAVE A LOT OF SMART PEOPLE MOVING INTO THIS INDUSTRY. AND WE ARE TRYING TO PROMOTE SOLAR VALLEY. AND WE HAVE A TEAM, AND THERE IS 170 YEARS OF EXPERIENCE ON OUR TEAM. AND WE ANNOUNCED OUR PANELS AND IT'S CALLED ONDALE AND THE FIRST SHIPMENT ARRIVED ON THE DOCKS, AND TAKES CARE OF THE WIRING AND HAS HIGH PERFORMANCE. THE CHALLENGES, MUCH OF WHAT I WANTED TO IS MENTIONED AND AT

FEDERAL LEVEL, THE ICET ELIMINATION WILL BE DIFFICULT. AND TOWARD THE END OF 2008, IT WILL BE DIFFICULT WHEN PEOPLE SEE THEY WON'T GET THEIR REBATE OR TAX CREDIT, THEY MAY DECIDE NOT TO BUY SOLAR, AND IF THAT EXPIRES, IT WOULD BE A BLOW TO THE INDUSTRY. AND WE HAVE SEEN THIS HAPPEN BEFORE, AND WE HAVE TO DO A LOT OF WORK ON THAT. AND THE TAX CREDIT, THAT WAS A PAY AS YOU GO TYPE OF THINGS AND THEY WERE GOING TO TAKE THE MONEY AWAY FROM THE OIL COMPANIES AND IT WAS FOR A BILLION DOLLARS, AND IT'S INTERESTING TO LOOK AT THOSE NUMBERS, AND IF PEOPLE ARE SERIOUS, WE HAVE TO MAKE A CHANGE AND AT LEGISLATIVE LEVEL, AND IT'S DIFFICULT. AND AT THE LOCAL LEVEL, CSI IS A WONDERFUL PROGRAM AND WE USE IT EVERYDAY. AND THERE IS STILL SOME CONFUSION THROUGH PG & E AND ANY SIMPLIFICATION WOULD HELP. I TALKED TO THE DOCUMENTATION GAL, WE HAVE 20 PEOPLE THAT DO DOCUMENTATION FOR FILE REBATES. AND BY THE TIME THE SYSTEM IS INVOLVED. AND IT REQUIRES 77 SIGNATURES AND THAT MAY SOUND EASY BUT IT'S VERY DIFFICULT AND WE HAVE PEOPLE WORKING AROUND THE CLOCK FOR THESE REBATES TO GO THROUGH. AND THE TRACK IS DIFFICULT TO UNDERSTAND WHERE THE REBATES ARE AND TELLS YOU WHEN THE REBATES DROP. YOU COULD USE SIMPLIFICATION ON THAT, WE APPRECIATE THE PROGRAM AND WILL TALK ON THAT, WE COULD MAKE PROGRESS. AND LIKE GERMANY, THEY HAVE A ONE PAGE APPLICATION. YOU SEND IT TO THE GOVERNMENT, AND THEY SAY, PUT YOUR SOLAR IN. AND HERE WE HAVE A STACK OF PAPER. AND CAN THE CONNECTICUT IS A ONE PAGE FORM. AND THE REQUIREMENT OF WET INK BEING BLUE AND THAT'S HARD BECAUSE OF THE FAX MACHINES AND IT COSTS CLOSE TO 1,000 DOLLARS AND WE PASS THAT MONEY ON TO THE CLIENT AND THAT MAKES IT HARD TO GROW IN SCALE. AND ON THE MARKET LEVEL, AND IN SAN JOSE AND LOS GATOS ARE WONDERFUL PLACES TO WORK. AND IF YOU GO TO ANOTHER PLACE, YOU MAY HAVE ANOTHER EXPERIENCE. AND WE LOST A CLIENT BECAUSE WE HAD TO GO TO THE PERMIT DEPARTMENT FIVE TIMES AND EACH TIME WE HAD TO ADD TO THE SHEET. AND THE OPPORTUNITY IS SIGNIFICANT, WE ARE GROWING QUICKLY AND CAN'T HIRE PEOPLE QUICK ENOUGH. AND WITH THE SUNSHINE IN THE BAY AREA, WE WANT TO MAKE SAN JOSE AND SOUTH BAY THE LEADER IN THIS INDUSTRY. I WOULD LIKE TO PASS SAN FRANCISCO IN THAT REGARD. AND THE PEOPLE IN THIS INDUSTRY, WOULD WANT TO SUPPORT AND THIS IS A PALABLE INDUSTRY AND WE WANT TO HELP.

>> TOM.

>> THANK YOU. I AM TOM MCCALMONT AND C.E.O. OF REGRID POWER AND WE ARE INTEGRATOR. AND I AM THE CHAIR OF SOLAR TACK AND THIS IS TO ADDRESS ISSUES OF COMMON CONCERN FOR THE SOLAR INDUSTRY. AND I WILL TALK A LITTLE ABOUT BOTH. I THOUGHT I WOULD TALK ABOUT THIS IN TERMS OF CHALLENGES AND OPPORTUNITIES. AND I CERTAINLY ECHO EVERYTHING THAT MY FELLOW PANELISTS HAVE SAID. AND TO TOUCH ON INVESTMENT TAX CREDIT, A LOT OF TIME IT'S NOT UNDERSTOOD, IT'S A 30% TAX CREDIT FOR COMMERCIAL AND 30% TAX CREDIT FOR RESIDENTIAL BUT IT'S CAPPED AT 2000 DOLLARS. AND IT'S MORE SIGNIFICANT FOR COMMERCIAL SYSTEMS THAN RESIDENTIAL. AND COMMERCIAL SYSTEMS TAKE A LONG TIME TO DEVELOP, BY THE TIME YOU GO THROUGH THE PERMITTING PROCESS, ALL THE PLANNING STEPS, THE CONSTRUCTION, THE INTERCONNECTION AND PAYMENT AND INCENTIVE. THAT PROCESS CAN TAKE ABOUT A YEAR. AND GIVEN THAT THE TAX CREDIT IS SLATED TO END AT 2008. THAT MEANS THAT COMMERCIAL PROJECTS WILL START TO DRY UP EARLY IN 2008. WE ARE ONE YEAR AWAY FROM THAT CREDIT ENDING. IT'S A VERY SIGNIFICANT ISSUE. AND THE CONCERN IN THE SOLAR INDUSTRY, THERE MAY NOT BE THE WILL IN WASHINGTON TO GET IT DONE. AND EVEN IF IT DOES BY CONGRESS, THE PRESIDENT MAY VETO. IF WE LOOK AT JANUARY 2009 WHEN THAT PASSES, THERE WILL BE A DIP IN OUR BUSINESS AND WILL AFFECT RESIDENTIAL AS WELL BUT A BIGGER ISSUE FOR COMMERCIAL. AND TO TALK OF THE OTHER CHALLENGES, MY COMPANY IS SIX YEARS OLD. AND LIKE THE OTHER COMPANIES, WE HAVE DOUBLED IN SIZE EVERY YEAR FOR EACH YEAR OF OUR LIFE. WE HAVE ADDED A NUMBER OF NEW JOBS TO SILICON VALLEY. THESE ARE GOOD JOBS AND MIDDLE CLASS AND PAY GOOD WAGES AND HAVE GOOD BENEFITS. AND THEY ARE NOT EXPLOITABLE JOBS, THEY WON'T GET OUTSOURCED. AND OF THE POTENTIAL ROOFS FOR SOLAR, THESE JOBS WILL EXIST FOR DECADES. IT'S AN INDUSTRY THAT'S BRINGING MIDDLE CLASS JOBS BACK TO SILICON VALLEY, THE TYPE OF JOBS WE HAVEN'T HAD FOR DECADES, IT'S IMPORTANT TO CREATE

MIDDLE CLASS JOBS. AND ONE OF THE CHALLENGES WE FACE IS TRAINING THE NEW PEOPLE. AND BECAUSE WE ARE A NEW INDUSTRY, THERE ARE VERY FEW EXPERIENCED INDIVIDUALS WITH EXPERIENCE IN SOLAR. AND COMPANIES LIKE OURS, WE ARE IN POSITION OF TRAINING ALMOST EVERY NEW WORKER THAT WE HIRE. AND THAT'S AN AREA WHERE PUBLIC POLICY AND GOVERNMENT CAN PLAY A ROLE THROUGH SOLAR TECH, WE ARE WORKING THROUGH COMMUNITY COLLEGES TO TRAIN FOR SOLAR WORKERS. BECAUSE THERE IS A POTENTIAL FOR THOUSANDS OF NEW JOBS AND THE WORKERS NEED TO BE TRAINED. JUST TO GIVE SOME SPECIFICS, AN INSTALLATION WORKER TAKES AT LEAST THREE MONTHS TO GET TO A POINT WHERE THEY ARE BARELY COMPETENT, SAFE TO BE ON A ROOF. AND IT TAKES A YEAR TO GET TO A POINT WHERE THEY ARE GOOD. AND ANYTHING WE CAN DO TO SHORTEN THAT TIME IS A BIG BENEFIT TO THE SOLAR INDUSTRY. AND ANOTHER MAJOR CHALLENGE IS IN THE AREA OF BUILDING PERMITS. CITIES, BECAUSE SOLAR IS NEW, AND BUILDING PERMIT STANDARDS AND BUILDING DEPARTMENTS DON'T UNDERSTAND IT WELL. AND STANDARDS ARE UNEVENLY ENFORCED. I WOULD TALK ABOUT BUILDING PERMITS IN THREE PARTS, THERE IS THE PLAN CHECK AND REVIEW STAGE, THERE IS THE ISSUANCE OF THE PERMIT ITSELF. AND THERE IS THE INSPECTION OF THE SYSTEMS. AND WHAT WE FIND, CITIES LIKE SAN JOSE, HAVE DONE HUNDREDS OF SOLAR SYSTEMS AND HAVE GOTTEN BETTER THAN MANY CITIES BUT THERE IS IMPROVEMENT, BUT WHAT WE SEE IN THE BAY AREA, THERE IS A WIDE VARIANCE OF HOW LONG IT TAKES AND SOME CITIES CHARGE NOTHING FOR THE PERMIT FEE AND SOME CHARGE 1500 DOLLARS FOR THE PERMIT FEE. THERE IS A WIDE VARIANCE. AND REGARDING THE INSPECTIONS, THE NATURE OF SOLAR IS DIFFERENT, IF YOU ARE REMODELING YOUR HOUSE, THAT'S THE CHANCE THAT IT'S ONGOING FOR MONTHS AND IF THE INSPECTION SHOWS UP, THERE ARE WORKERS THERE WORKING. AND WITH THE SOLAR SYSTEM, THEY ARE INSTALLED IN DAYS AND THEN THE WORKERS LEAVE THE JOB SITE. AND CITIES TYPICALLY GIVE US A FOUR HOUR OR EIGHT HOUR INSPECTION WINDOW AND WE HAVE TO DISPATCH PEOPLE BACK TO THE SITE THAT SIT THERE AND WAIT FOR AN INSPECTOR FOR A FIVE MINUTE INSPECTION. THE OPPORTUNITY WOULD BE TO SHORTEN THAT WINDOW OF TIME, TWO HOURS IS A REASONABLE ACCOMMODATION. WE HAVE TO PAY SOMEONE TO SIT THERE. AND THAT ADDS COST TO THE SYSTEM TO HAVE SOMEONE THERE. AND A RELATED, AND SIMILAR AREA RELATES TO THE AREA OF INTERCONNECTIONS. AND THE WOMAN FROM PG & E TOUCHED ON THIS AND THE PAPERWORK IS SUBSTANTIAL, I DIDN'T KNOW IT WAS 77 SIGNATURES, BUT IT'S A LOT AND A LOT OF PAPERWORK. AND IT'S COMPARABLE TO A CUSTOMER TO BUY A HOUSE. YOU SIT DOWN FOR 45 MINUTES TO SIGN DOCUMENTS AND IT DOESN'T HAVE TO BE THAT COMPLEX. AND WE KNOW FROM OTHER JURISDICTIONS, LIKE GERMANY, IT CAN BE DONE WITH A ONE PAGE FORM. I WANT TO ACKNOWLEDGE THAT PG & E. IS A GOOD PARTNER AND SUPPORTIVE OF SOLAR POWER, AND DESPITE THAT, THERE IS ROOM FOR IMPROVEMENT. AND WITH OTHER COMPANIES THAT ARE NOT FAMILIAR CAN SOLAR POWER THERE IS A LOT OF ROOM FOR IMPROVEMENT. AND WITH THE SOLAR HOMES AND OUR VIEW IS THAT IT'S NOT WORKING WELL. IT'S REALLY KIND OF A COMPETING PROGRAM WITH THE CSI. THERE ARE DIFFERENT ADMINISTRATORS AND FORMS AND DIFFERENT CALCULATIONS FOR SOLAR GENERATION. I HAVEN'T CHECKED RECENTLY, BUT A FEW MONTHS AGO, THERE WERE ONLY A HANDFUL OF NEW SOLAR HOME PARTNER REBATES APPROVED. AND THAT'S A REFLECTION OF THE DIFFICULTY OF THE PROGRAM AND HOW SLOW AND DIFFICULT AND WE WOULD BE MORE IN FAVOR OF SOMETHING UNIFIED, WITH SAME FORMS AND STANDARDS. AND I WANT TO TECH ON SOLAR TECH, THIS IS AN INITIATIVE FOUNDED THROUGH THE SILICON VALLEY LEADERSHIP GROUP. AND FOCUSED ON AREAS OF COMMON CONCERN. AND THESE GRASS ROOT ISSUES, WE'RE TRYING TO ADDRESS THOSE AND WE BELIEVE THE WAY TO DO THAT IS THROUGH COALITION OF PARTNERS AND FOR MANUFACTURERS AND CITY PARTNERS AND ALL CONSTITUENTS, IF WE WORK TOGETHER, WE HAVE A BETTER CHANCE OF ADDRESSING THORNY AND COMPLEX ISSUES. AND SOLAR TECH'S INITIATIVE IS FOCUSED ON SIX AREAS. AND ONE IS IN AREA OF INSTALLATION STANDARD AND TO LOWER COST AND MAKE INSTALLATIONS SIMPLER. AND SECOND IS IN AREA OF CERTIFICATION AND PERFORMANCE. AND THERE WAS A PRESS RELEASE THAT SOLAR TECH HAS PARTNERED WITH LABORATORIES TO BRING A TESTING CENTER TO SILICON VALLEY WHICH IS GOOD NEWS AND STREAM LINE THE PROCESS FOR SOLAR

MODULES. AND THE THIRD AREA IS TO SOLVE ISSUES AND TO CREATE BETTER TRAINED WORKFORCE. AND FOURTH AREA IN THE AREA OF BUILDING PERMITS AND PROPOSING STANDARDS THAT THE CITY WILL ADOPT TO SIMPLIFY THE PROCESSES. AND FIFTH IS IN AREA OF UTILITY CONNECTIONS AND CLAIMS PROCESSING AND TO STREAM LINE THAT AND IN FINANCING MODELS. SOLAR POWER IS THE CHEAPEST ON EARTH TO RUN BUT NOT THE CHEAPEST TO BUILD. AND FINANCING MODELS, CAN HELP STREAM LINE THE ADOPTION OF SOLAR POWER BECAUSE THEY BRING DOWN THAT COST. AND IF THERE IS INTEREST, I COULD TALK ABOUT THE BERKELEY PROGRAM.

>> WE WILL GET TO THE BERKELEY PROGRAM IN THE NEXT HOUR. THANK YOU VERY MUCH FOR COMING IN AND APPRECIATE YOUR COMMENTS. I HAVE THE FIRST QUESTION, YOU TALKED ABOUT THE 77 WET SIGNATURES NEEDED FOR DOCUMENTATION, THAT'S A LOT. AS A LAWYER, I CAN APPRECIATE HOW HARD IT'S TO GET THE SIGNATURES AND THE COST IS 1,000 BUCKS AND WHAT IS THE TIME, TWO DAYS TO INSTALL AND HOW QUICKLY CAN THEY FLIP THE SWITCH AND HAVE IT ON?

>> THAT'S A GREAT QUESTION, WE FIRST FIND THE CLIENT AND THEN A REQUEST FOR THE FILING OF REBATE FORM AND INTERNAL WORK AND ENGINEERING WORK AND MULTIPLE PAPER FLOWS ALL OVER THE PLACE. AND WHEN WE CONSOLIDATE EVERYTHING BACK AND THE SYSTEM IS INSTALLED. THEN WE REQUEST AN INSPECTION FROM THE UTILITY THAT THE SYSTEM IS VIABLE AND SOMETIMES THAT'S TWO WEEKS TO THREE MONTHS. IN THE MEANTIME THE CLIENT CAN'T TURN THE SYSTEM ON, THEY HAVE TO WAIT WITH THIS BEAUTIFUL SOLAR SYSTEM AND THEY FLIP IT ON AND IT COMES TO BE INSPECTED, THEY ARE IN TROUBLE. SO WE HAVE TO MANAGE THROUGH THAT AND THE 77 SIGNATURES FROM THE CLIENT AND UTILITIES AND INTERNAL DOCUMENTS. SO THE TIME CAN BE QUICK BUT CAN STRETCH OUT MANY MONTHS BEFORE THEY GET THE PRODUCTIVITY OF THE SYSTEM.

>> SOLAR TECH HAS ESTIMATED THAT THE SHORTEST WAS 26 WEEKS, AND UP TO 52 WEEKS FOR ALL STEPS OF THE PROCESS. FROM THE TIME OF THE SIGNATURE TO THE INTERCONNECTION THAT STEVE SPOKE OF. AND WE SET AS A GOAL FOR INDUSTRY, THAT IT SHOULD BE NINE WEEKS.

>> AND I COMMENT ON THAT, THE INSTALLATION TIME IS THREE DAYS.

>> YES.

>> HOW LONG DOES IT TAKE TO INSTALL A WATER HEATER AND GET IT GOING? DON'T ANSWER, PROBABLY 24 HOURS. SO WE HAVE WORK ON THAT. ANY COMMENTS?

>> HI, I AM FRANCIS AND WITH JIM BEALL'S OFFICE, AND YOU ARE TALK ABOUT WORKING WITH THE COMMUNITY COLLEGES AND WHAT KIND OF SKILLS ARE YOU LOOKING FOR, IS IT VIABLE FOR HIGH SCHOOL PROGRAMS OR WITH STATE PROGRAMS?

>> WHAT WE HAVE DONE SO FAR, WE APPLIED FOR AN INDUSTRY DRIVEN REGIONAL COLLABORATIVE GRANT, IT'S A COMMUNITY COLLEGE GRANT AND AWARDED AND THAT GRANT WAS SPECIFICALLY FOCUSED AT INSTALLERS FIRST. AND SO WE ARE WORKING WITH, IT WAS NICELY DONE WITH A COALITION WITH EIGHT COMMUNITY COLLEGES LOCALLY. WHICH IS UNUSUAL BECAUSE THEY DON'T USUALLY COLLABORATE. AND THE FIRST TARGETED IS SAN JOSE COMMUNITY COLLEGE AND DABRI. AND THEY WILL HAVE THE FIRST CLASS AND START IN SPRING OF 2008. AND THEY START WITH DACUM, AND I DO NOT KNOW WHAT THE ACRONYM STANDS FOR, BUT IT'S A SURVEY OF INSTALLERS TO UNDERSTAND WHAT JOB SKILLS THEY NEED. AND THAT DACUM IS USED TO INFORM THE DEVELOPMENT CURRICULUM. THE DACUM RESULTS ARE NOT PUBLISHED BUT WILL BE IN WEEKS AND THAT WILL ANSWER YOUR QUESTIONS ABOUT THE SKILLS.

>> AND WE MET WITH DIANZA COLLEGE AND FOOTHILL AND WE SHOWED THEM OUR SKILL SETS AND THEY ARE GOING TO DEVELOP THEIR PROGRAMS FROM PLANNERS TO SALES PEOPLE AND WE HOPE TO GET ONSIGHT WITH THAT.

>> AND HOW WOULD THE STATE GOVERNMENT HELP IN YOU GUYS DOING THE WORKFORCE TRAINING THROUGH?

>> CERTAINLY MORE OF THIS TYPE OF SUPPORT, THE TYPES OF JOBS, REALLY THERE IS A WIDE VARIETY OF JOBS, THERE ARE INSTALLERS AND SALES PEOPLE AND PROJECT MANAGERS AND ENGINEERS. THERE IS A WIDE RANGE OF POTENTIAL JOBS. WE STARTED AS I SAID, WITH THE INSTALLERS, BUT THERE IS A LOT OF POTENTIAL FOR CURRICULUM PROGRAMS FOR THE JOBS. AND INSPECTORS IS A BIG ONE. BECAUSE CITY INSPECTORS ARE

SO UNFAMILIAR WITH SOLAR AND THERE IS A RETRAINING BURDEN TO GET THEM TO UNDERSTAND HOW SOLAR WORKS AND RETRAIN.

>> AND GOVERNOR SAID HE WANTS 1 MILLION SOLAR ROOFS AND I PROMISED 1 THOUSAND HERE IN SAN JOSE, HOW MANY ROOFERS TO INSTALL 1 MILLION SOLAR ROOFS?

>> A LOT. I DON'T KNOW IF I CAN CORRELATE TO THE THAT NUMBER, BUT THE NUMBER OF JOBS THAT ADD IN THE NEXT DECADES IN SILICON VALLEY IS BETWEEN 40,000 JOBS.

>> WE BARELY HIT 1% IN RESIDENTIAL IN CALIFORNIA. AND IF YOU ASKED A PERSON OFF OF THE STREET HOW MUCH SOLAR IS INSTALLED. AND PEOPLE ARE SHOCKED TO HEAR THAT WE JUST CROSSED 30,000 HOMES IN THE HISTORY OF SOLAR IN ALL OF CALIFORNIA.

>> THAT'S A SMALL NUMBER.

>> I HAVE A QUESTION FROM THE AUDIENCE, YOU CAN TALK MORE SPECIFICALLY ABOUT THE ISSUES OF THE PROBLEMS THAT THE HOMEOWNER SEES THAT NEEDS TO GO INTO THAT EDUCATION COMPONENT?

>> HOMEOWNERS IN SAN JOSE AND NORTHERN CALIFORNIA REALLY WANT TO MAKE A CHANGE. THERE ARE TWO MAIN REASONS WHY HOMEOWNERS ADOPT SOLAR. THE FIRST REASON THEY LOOK AT IT IS BECAUSE OF THE ENVIRONMENTAL IMPACT. AND THE SECOND REASON WHY THEY BUY, IS BECAUSE OF A FINANCIAL RETURN. MOST OF OUR HOMEOWNERS COME TO THE EVENT THAT WE HOST, AND THEY ALL HAVE SEEN AND KNOW ABOUT THE PROBLEM AND LOOKING FOR A SOLUTION. ONLY AFTER THE EVENT DO THEY UNDERSTAND THAT SOLAR IS THE SOLUTION. AND OUR OUTREACH TO RESIDENTS IS LIMITED. YOUR OUTREACH IS FAR GREATER THAN OURS. IF YOU CAN EDUCATE THE CUSTOMERS, THEY KNOW THE ENVIRONMENTAL, BUT TO KNOW THERE IS A FINANCIAL RETURN, OFTENTIMES 10-15% RETURN ON THE INVESTMENT. AND THEN THE TAX, AND THEY GET EXCITED ABOUT ADOPTING IT. AND LATER ON HAVE A DISCUSSION ABOUT FINANCING. BUT THE FIRST BARRIER IS EDUCATION AND BEYOND THE ENVIRONMENTAL RETURN.

>> AND YOU TALK ABOUT THE AGGREGATION APPROACH THAT SOLAR CITY IS DOING? IF YOU HAVE A MODEL, IS IT 50 HOMES? 20 HOMES? IS THERE SOME MOST EFFICIENT WAY TO DO A NEIGHBORHOOD AGGREGATION, OR A THOUSAND? WHAT SCALE IS BEST TO BREAK DOWN BY NEIGHBORHOODS?

>> 100,000 IS A GOOD NUMBER. BUT LET ME EXPLAIN THE PROCESS. AND WHAT IS THE DIFFERENCE OF ONE HOME AND 50 HOMES. WHEN YOU DO ONE HOME, YOU GO AS A SOLAR SALES PERSON AND YOU MEASURE THE ROOF AND IT'S CUSTOMIZED AND NO FORMULA. AND YOU GET SIGNATURES AND THEN THE DESIGNER AND CREWS AND THE INSTALLATION AND THEN THE PERSON FOR THE INSPECTOR. AND THAT'S A LOT OF TRAVELING BACK AND FORTH. IF YOU CONSOLIDATE INTO A CONCENTRATED AREA, YOU SENDS OUT FIVE CREWS AND THEY FINISH ONE HOME AND JUMP ON THE NEXT ONE. AND YOU CAN GO TO THE BUILDING DEPARTMENT WITH A STACK OF 50 APPLICATIONS INSTEAD OF ONE, AND IT TAKES THE SAME THREE WEEKS FOR ALL 50. AND THE GUY CAN MEET THE INSPECTOR AND DO ALL FIVE HOMES. AND THESE EFFICIENCY GAINS HELP US REDUCE OUR COSTS AND THE COMMUNITY BENEFITS AS A SIGNIFICANT COST SAVINGS. IT'S A THREE PART WIN, IT'S A WIN FOR THE SOLAR SYSTEM, AND IT'S A WIN FOR THE HOMEOWNER TO GET THE SYSTEM AT A REDUCED PRICE, AND THE WIN TO THE COMMUNITY, THEY SHOW THEY TAKE LEADERSHIP AND PROMOTE SOLAR AND SEE A CHANGE. THE ENVIRONMENTAL CHANGE OF ONE HOME IS GOOD, BUT THE ENVIRONMENTAL CHANGE OF 100 HOMES IS FAR GREATER.

>> ANYONE ELSE? HI, THANK YOU MR. MAYOR FOR LETTING ME BE HERE TO REPRESENT CONGRESS HONDA'S OFFICE. AND TOM MENTIONED SOLAR TECH AND THE INDUSTRY DRIVEN COLLABORATIVE GRANT THAT THEY APPLIED FOR. SOLAR TECH APPROACHED OUR OFFICE AND IT WAS APPROVED AND IT'S GREAT TO SEE COLLABORATION BETWEEN THE COMMUNITY COLLEGES AND THE OTHER PLAYERS. AND ONE THING IN THE ENERGY BILL THAT ARE NOT BEING DISCUSSED. ONE IS FOCUS ON GREEN JOBS AND THE DEPARTMENT OF LABOR IS DEDICATING 125 MILLION PER YEAR FOR GRANTS FOR RENEWABLE ENERGY AND ENERGY EFFICIENT SECTORS AND SUCH AS SOLAR COMPANIES AND INSTALLERS. AND I WANT TO GET YOUR OPINION ON PREFERENCES FOR TRAINING PROGRAMS IN HOUSE OR THROUGH COMMUNITY COLLEGES AND WHAT YOU THOUGHT WAS MORE EFFICIENT AND CONVENIENT AND BETTER USE OF MONEY?

>> I AM ON THE SIDE THAT PUBLICLY SUPPORTED TRAINING PROGRAMS ARE THE RIGHT PLACE TO BEGIN. COMMUNITY COLLEGES, TRADE SCHOOLS, THOSE OPPORTUNITIES. AND THERE IS A STRONG CERTIFICATION PROGRAM IN THE SOLAR ENERGY, CALLED NABCEP, NORTH AMERICAN BOARD OF CERTIFIED ENERGY PRACTITIONERS. AND THIS IS A CERTIFICATION PROGRAM, NOT A TRAINING PROGRAM. AND COMMUNITY COLLEGE CURRICULA AND PRIVATE TRAINING CURRICULA, SO THAT WHEN THE GRADUATES COME OUT AND HAVE THAT CERTIFICATE AND APPLY AND TAKE THE TEST. THAT'S A BIG WIN, BECAUSE WE CAN HIRE WITH CONFIDENCE IN THEIR SKILLS AND ABILITY.

>> IT COULD BE BOTH. EARLIER THEY MENTIONED ABOUT NOT BEING TAXED ON EQUIPMENT, NOT PRODUCING REVENUE. AND OUR WORKERS, WHEN THEY COME ON BOARD, THE FIRST TWO MONTHS, THEY ARE NOT PRODUCING REVENUE, THEY ARE BEING TRAINED ON THE PROCESSES OR HOW TO ADOPT SOLAR. SO IF THEY COME FROM A COLLEGE AND PRETRAINED. AND WE CAN CUSTOMIZE IN OUR SPECIFIC PROCESSES. IF THERE WERE SUBSIDIES TO BE TRAINED ON HOW TO INSTALL SOLAR SPECIFICALLY TO OUR COMPANY, THAT WOULD BE HELP TREMENDOUSLY, YOU DON'T HAVE TO BEAR THAT BURDEN, AND YOU DON'T HAVE TO WAIT UNTIL THEY INSTALL, THAT WOULD HELP COMPANIES LIKE US.

>> I HAVE A QUESTION IN REGARD TO THE VIEW OF THE RESIDENTIAL CONSUMER AND WHETHER PEAK HOUR PRICING OR NET METERING IS A FACTOR IN THE CONSUMER ANALYSIS AND SOMETHING WE CAN DO IN THOSE AREAS. EVERYONE WANTS TO SEE THAT METER SPIN BACKWARDS AND HOW DO WE MAKE SURE THAT HAPPENS IN THE BEST WAY?

>> THERE ARE SEVERAL DIFFERENT QUESTIONS, THE NET METERING IS SELLING IT BACK. AND TIME OF USE PRICING IS SELLING AT HIGHER PRICE AND BACK AT LOWER PRICE AT OFF PEAK HOURS. AND THESE SCHEDULES ARE COMPATIBLE WITH SOLAR AND THEY ARE MOVED TO A TIME OF USE RATE SCHEDULE, BECAUSE SOLAR PEAKS, WHEN THE GRID NEEDS THE PEAK. IT'S VERY COMPATIBLE. THERE IS SOME EFFORT WITH PG & E FOR A MORE FRIENDLY USE RATE SCHEDULE AND THAT HAS HAPPENED NOW, AND THERE IS WORK STILL BEING DONE IN SOUTHERN CALIFORNIA FOR A MORE SOLAR RATE SCHEDULE WITH EDISON. AND SO, THERE IS A COUPLE OF LIMITATIONS, ONE WAS TOUCHED ON, THE MEGAWATT LIMITATION FOR PROJECT. AND THERE IS A LIMITATION ON THE TOTAL NUMBER OF NET METER SYSTEMS, AND IT'S CURRENTLY 2.5%, AND IT WAS INCREASED FROM LAST YEAR, AND WE WILL SOONER OR LATER RUN AGAINST THAT CAP AND WILL NEED TO RAISE THAT WHEN WE REACH THAT CAP. AND THEN YOU TOUCHED ON THIS, THE WHOLE IDEA OF FEED IN TARIFFS IS ANOTHER OPPORTUNITY POTENTIALLY FOR AN ECONOMIC INCENTIVE THAT WOULD SPURT GROWTH IN THE SOLAR INDUSTRY.

>> THANK YOU, I THINK I WILL HAVE TO GET ANOTHER TUTORIAL LATER ON THE METERING THING, IT DOESN'T SEEM TO MAKE SENSE, TO ENCOURAGE SOLAR RENEWABLE ENERGY AND HAVE LIMITS ON THE SYSTEM. I WILL GET A TUTORIAL THAT CAN EXPLAIN IT BETTER.

>> YOU CAN EXPLAIN IT TO US TOO.

>> MAYBE THERE IS HELP THERE, BECAUSE THE AVERAGE CONSUMER WANTS TO HELP. AND WITH SOME COMPANIES, THEY CAN SEE THAT METER RUN BACKWARDS AND WATCH THAT USAGE AND THAT'S TERRIFIC, IT'S A HUGE INCENTIVE FOR PEOPLE TO SEE WHAT THEY ARE DOING TO HELP WITH THE ENVIRONMENT AND ENERGY, AND THERE ARE OPPORTUNITIES FOR US TO WORK TOGETHER TO DO THAT. OTHER QUESTIONS FROM OUR PANEL? I HAVE OTHER QUESTIONS FROM THE AUDIENCE. ONE QUESTION, PERHAPS IT'S ANSWERED, THE ISSUE OF THE INSTALLATION SIDE AND THE WORKFORCE THERE, IS THAT GOING TO BE A SHORT-TERM ISSUE? WE RAMP UP AND SOLVE IT, OR JUST KEEP RAMPING UP FOREVER. IT SOUNDS LIKE WE WILL BE RAMPING UP FOR A LONG TIME. THERE WILL BE A REAL SHIFT IN THE WORKFORCE, I DON'T KNOW HOW MANY IT TAKES TO GET 1 MILLION SOLAR ROOFS, BUT IT'S LOT. AND WITH OUR PLANNING WITH THE COMMUNITY COLLEGE, THIS IS A LONG-TERM PROPOSITION, NOT JUST A COUPLE OF YEARS TO MEET THAT DEMAND.

>> IT WON'T BE IN OUR LIFETIME THAT THE DEMAND WILL BE MET. AND AS YOU RETROFIT, YOU HAVE NEW HOMES, AND YOU CAN'T CATCH UP.

>> I AGREE.

>> AND I HEARD THIS BEFORE AND I DON'T WERE THE NUMBERS. IF YOU TAKE THE SIZE OF THE ENERGY INDUSTRY AND THE SIZE OF THE SOLAR INDUSTRY, HOW LONG CAN YOU DOUBLE EVERY YEAR BEFORE YOU CATCH UP?

>> A LONG TIME, THERE IS A LOT OF POTENTIAL. WE THOUGHT THAT THE INTERNET WAS BIG AND THE ENERGY INDUSTRY IS A BIGGER INDUSTRY AND THERE IS A LOT OF OPPORTUNITY.

>> IT'S A HUGE INDUSTRY AND WE ARE STILL IN THE 1%, STILL IN SINGLE DIGITS, IT'S A HUGE OPPORTUNITY AND THAT'S WHAT HAS A LOT OF PEOPLE INTERESTED. ANY QUESTIONS FROM THE PANEL MEMBERS? LET ME GO BACK TO OTHER AUDIENCE QUESTIONS. I AM INTERESTED ON THE R & D WORK ON THE INSTALLATION SIDE, WHAT YOU ARE DOING? HOW MUCH YOU SPEND ON THAT? I HAVE SEEN SOME SOLAR DESIGNS THAT MAKE IT MUCH EASIER TO INSTALL, AND WHO DOES THAT R & D? IS THAT SOMETHING THAT YOUR COMPANIES DO OR SOMEONE ELSE THERE?

>> CAN I GET THAT, I JUST ANNOUNCED ONDLAY, OUR PANEL AND BARRY ANNOUNCED THAT, IT WAS HIS EXPERIENCE ON ROOF TOPS AND HOW TO MOUNT THAT SYSTEM. TYPICALLY SYSTEM, YOU HAVE A RAIL AND PANEL AND WE INTEGRATED THE RAIL AND WE HIRED FOUR TO FIVE ENGINEERS THAT DID THE WORK FOR THAT INTERNALLY AND WE ARE DOING THAT IN CHINA, WE CAN'T DO THAT HERE, AND WE ARE CREATING A LOT OF JOBS ON THAT TECHNOLOGY. AND THAT WAS SOMETHING DONE HERE IN SILICON VALLEY.

>> THERE IS A LOT OF OPPORTUNITY THERE, I THINK THAT THE INSTALLATION PROCESS, THERE ARE SMALL STEPS IN THE INSTALLATION PROCESS THAT TAKE A LOT OF TIME AND A LOT OF COST AND PAYING LABOR COST. UNFORTUNATELY, SOME OF THOSE ARE PRETTY THORNY, THERE ARE CODE ISSUES. TO CHANGE THE NATIONAL ELECTRICAL CODE, REQUIRES A DECADES. THAT'S A SLOW CUMBERSOME PROCESS. AND SOLAR TECH HAS IDENTIFIED THAT TO MOVE TO IMPROVE THOSE STANDARDS AND TO WORK ACROSS FUNCTIONALLY TO ADDRESS THE ISSUES BUT THEY WILL TAKE TIME BECAUSE OF THE CODE ISSUES.

>> SO MOST COMPANIES, INTEGRATORS ARE CONTINUING TO INTEGRATE DIFFERENT WAYS TO ADDRESS WHAT WE CALL THE BALANCE OF THE SYSTEM. THE PANELS AND MANUFACTURERS ARE DOING THEIR PART TO REDUCE THE COST AND WE'RE DOING OUR PART, WE ARE ALL ATTACKING IT DIFFERENT WAYS. THE WAY WE TACKLE IT, YOU LOOK AT TOTAL INSTALLATION TIME, 26 WEEKS AT BEST, BEING A TECHNOLOGIES, AND ONLY BEING IN FOR A WHILE, AND DON'T HAVE THE LUXURY OF THE EQUIPMENT PART, AND WE FOCUS ON TECHNOLOGY TO ORDER MADE THAT 26 WEEKS. AND DON'T HAVE TO HAVE PEOPLE SHUFFLE THAT PAPER AROUND, I WOULD LIKE NOT TO FOCUS ON THAT, IF YOU CAN ADDRESS THAT PROBLEM.

>> THANK YOU, WE ARE ALWAYS INTERESTED IN FINDING BEST PRACTICES, THIS IS SILICON VALLEY, YOU HAVE TO INVENT WHAT YOU NEED AND CREATE THE OTHER. AND I AM CURIOUS IF YOU HAVE EXAMPLES, GERMANY HAS COME UP AND CONNECTICUT, PLACES THAT WE NEED TO LOOK AT ON THE PAPER WORK SIDE OR INSPECTION SIDE, I WOULD LIKE TO HEAR OF THOSE PLACES.

>> IN MY VIEW, SAN JOSE HAS BEEN A LEADER ON PERMIT APPROVAL PROCESS FOR RESIDENTIAL APPLICATIONS THAT MEET CERTAIN BASIC CRITERIA. THEY HAVE A VERY STREAM LINED APPROVAL PROCESS. IF THE ARRAY IS FLUSH MOUNT TO THE ROOF AND WEIGHS LESS THAN 40 POUNDS -- NO, FIVE POUNDS FOR SQUARE FOOT AND 40 POUNDS PENETRATION, IF IT MEETS THOSE GUIDELINES, THE PERMIT IS OVER THE COUNTER. THAT'S A GOOD FIRST STEP, AND SOME OF THE WORK THAT SOLAR TECH HAS DONE, IS USE THAT TEMPLATE TO PROPOSE THAT FOR OTHER CITIES, THE AREA THAT SAN JOSE CAN IMPROVE IS THE INSPECTION WINDOW, WE HAVE A LONG WAIT FOR THE INSPECTORS.

>> IS THERE A PLACE WITH A SHORT WAIT?

>> THERE ARE, SOME CITIES WILL GIVE AN HOUR OR HALF AN HOUR. IN SAN JOSE, I DON'T THINK THEY WILL PERMIT TO A.M. OR P.M. UNTIL THE DAY OF THE INSPECTION. SAN JOSE'S WINDOW IS FOUR HOURS AND OUR PEOPLE THAT HANDLE THE INSPECTIONS COULD HANDLE TWO IN A DAY, IF SAN JOSE WOULD SAY, WE'LL COME IN THE MORNING AND YOU CAN SCHEDULE YOUR OTHER APPOINTMENT IN THE AFTERNOON. AND SINCE SAN JOSE WON'T PERMIT TO A.M. OR P.M., THAT PERSON CAN ONLY SCHEDULE-ONE A DAY. AND THAT'S AN EXAMPLE OF AN AREA THAT COULD BE HELPFUL.

>> ANYONE ELSE WITH GOOD EXAMPLES WE WOULD LIKE TO SPREAD THE WORD?

>> I MENTIONED GERMANY, THEY ARE THE LARGEST ADOPTER OF SOLAR AND NUMBER 2 IS JAPAN. AND CALIFORNIA IS THREE, WE ARE DOING WELL, THERE ARE SOME MODELS TO WORK WITH.

>> JUST TO GIVE AN IDEA, YOU DON'T NEED A BUILDING PERMIT AND THAT'S MORE EFFICIENT AND DON'T HAVE THE ELECTRICAL REQUIREMENTS. I AM NOT SURE WHAT INFLUENCE THAT THE CITY OF SAN JOSE WOULD HAVE, BUT THE REBATE ELIMINATION PART AND WE MENTIONED AREAS THAT DO ONE PAGES AND EARLIER MENTIONED THE NEW HOMES. THE NEW HOMES PROGRAMS AND OUR SALES TEAM, WITH NEW CONSTRUCTION, THEY RUN AWAY AND FEEL LIKE THAT TO THE EXTENT, CALL ME WHEN YOUR HOUSE IS DONE AND UP AND RUNNING. AND I WILL COME AND DO A RETROFIT ON YOUR HOME. BECAUSE THE PAPERWORK IS SO DAUNTING. ANYTHING WE CAN DO TO IMPROVE THAT WOULD HELP REDUCE COSTS QUITE FRANKLY.

>> YES, I MENTIONED, I AM JAN BERMAN AND SENIOR DIRECTOR OF CUSTOMER DIRECTIONS OF PG & E AND HAVE BEEN HERE FOR TWO MONTHS AND I HEARD FROM THE INSTALLATION COMMUNITY, GET OUR PROCESSING TIME UNDER CONTROL. AND I AM PLEASED THAT BY DOUBLING OUR STAFF, AND ELIMINATED THAT BACKLOG AND OUR TARGETS ARE BETTER THAN THEY WERE IN THE YEAR. AND WHAT ELSE DO YOU RECOMMEND THAT I FOCUS ON IN THE COMING MONTHS?

>> I THINK IT'S GETTING BETTER AND WE APPRECIATE THAT AND THE INTERCONNECTION PIECE IS DIFFICULT. IF YOU CAN PULL THAT IN AND IT'S LESS THAN A WEEK OR TWO, AND WE WOULD HAVE HAPPIER CLIENTS THAT CAN USE THEIR SOLAR POWER. THE FRONT PROCESS HAS GOTTEN BETTER AND NOW THE BACKSIDE.

>> AND TODAY THE PROGRAMS ARE CALLED CSI AND THERE IS A WEBSITE THAT YOU CAN SEE THE ADOPTION OF SOLAR IN DIFFERENT UTILITIES. THIS IS A VERY IMPORTANT WEBSITE, WE GO TO THE CUSTOMER AND TELL THEM THAT YOUR 20,000 DOLLARS SOLAR SYSTEM AND 5000 IS PAID BY REBATES AND THEN IT'S LESS. AND THAT'S A BAD CUSTOMER EXPERIENCE. AS WE ARE TO BE THE PROFESSIONALS, THE INDUSTRY AND PEOPLE THAT KNOW THE TRADE. AND YET WE CAN'T TELL THEM WHAT THE SOLAR SYSTEM WILL COST THEM UNTIL THEY GET FINAL, FINAL CONFIRMATION. AND THE IMPROVEMENT OF THE DATA INTEGRITY, OF THAT TRACKER. AND THREE DAYS AGO IT SAID YESTERDAY RUNNING AT 5 MEGAWATTS, AND THAT CAME OUT OF THE BLUE. AND YOU TELL YOUR CUSTOMER, HURRY AND GET THIS REBATE OR EXPIRE OR DROP TO THE NEXT LEVEL. AND ALL OF A SUDDEN, THAT IT POPULATES WITH MORE MEGAWATTS. IF THERE IS A WAY TO IMPROVE ON THAT, IT PUTS US IN A BAD LIGHT WHEN WE TELL A CUSTOMER TO HURRY UP AND WAIT.

>> I HAVE ONE MORE, TO DO WITH THE ENGINEERING SIDE. CURRENTLY PG & E DIVIDES SYSTEMS INTO TWO SIZES. SMALLER SYSTEMS HAVE A SIMPLIFIED PROCESS, I THINK IT'S A 10 PAGE FORM FOR ENGINEERING. AND LARGE SYSTEMS HAVE 30 TO 40 PAGES AND THAT'S JUST FOR ENGINEERING. AND THAT HAS TO GO THROUGH PG & E AND THAT TAKES TIME AND CUMBERSOME. AND WE PROPOSE THAT YOU INCREASE THAT SYSTEM, AND IF A TYPICAL HOUSE CAN TAKE 200 AMPS OF INFEED CURRENT, AND WE WOULD LIKE TO SEE 200 AMPS OF OUTFEED AND YOU HAVE A LARGER SYSTEM AND YOU HAVE STREAM LINING OF SYSTEMS BY DOING THAT.

>>> ONE OTHER POINT, THE REBATE PROGRAM TODAY, AND I KNOW WE SAY IMPROVEMENT, AND EXTREMELY GRATEFUL, THIS IS WHAT HAS CREATED THE INDUSTRY, AND HAPPY ABOUT THAT. AND WE NEED BUILD TRUST IN THE CONSUMER. AND WHEN THREE [INAUDIBLE] COMPANIES SHOW UP AT A CUSTOMER, WE WILL DO A SITE SYSTEM, AND EACH REBATE NUMBER WILL BE SLIGHTLY DIFFERENT. AND NO ONE IS WRONG OR RIGHT. IT'S THE WAY IT'S STRUCTURED. IT'S VERY SUBJECTIVE AND THE WAY THAT THE REBATE PAYS THE NUMBER. AND WHEN YOU THE CONSUMER, WILL MAKE THE LARGEST PURCHASE IN YOUR LIFE, AND IT'S MORE EXPENSIVE THAN A CAR. YOU WANT TO KNOW THAT THE INDUSTRY IS MATURE AND EVERYONE GETS THE SAME REBATE FOR THE SAME SYSTEM. AND THAT CONSISTENCY WE HAVE LOST. AND IT'S AN EXTREMELY SENSITIVE NUMBER, IF YOU DO THE MEASUREMENT AND YOUR HAND IS LIKE THIS OR THAT, IT CAN VARY. AND IT MAY ONLY VARY 30 OR 40 DOLLARS BUT WHY IS THERE A VARIANCE.

>> THANK YOU AND THIS IS THE END THE HOUR, AND THANK YOU PARTICIPANTS, THIS IS HELPFUL AND INTERESTING.

>> CAN I MAKE ONE POINT ABOUT THE BERKELEY PROGRAM, I KNOW YOU WILL TALK ABOUT IT IN THE NEXT SESSION. WE ARE IN SUPPORT OF THE IDEA, ONE CONSEQUENCE THAT I WOULD LIKE TO ENCOURAGE CITIES TO THINK THROUGH. WHAT HAS NOW HAPPENED IN BERKELEY, NO ONE IS BUYING SOLAR SYSTEMS. THE PROGRAM IS ANNOUNCED AND EVERYONE IS WAITING FOR THE DETAILS. AND IF IT TAKES NINE MONTHS FOR THE BONDS TO BE APPROVED, NO ONE WILL BUY IN BERKELEY FOR NINE MONTHS. THAT'S SOMETHING TO CONSIDER, IT'S VERY IMPORTANT THAT THE TRIGGER BETWEEN WHEN IT'S ANNOUNCED AND WHEN IT'S TURNED ON, BE VERY CLOSE. SO THERE IS NOT A LONG LAG TIME WHERE SOLAR SYSTEMS STOP COMPLETELY WHILE WE WAIT FOR THE PROGRAM TO MATURE.

>> SAN FRANCISCO ON THAT DAY, ANNOUNCED THIS PROGRAM THEY ARE THINKING ABOUT LAUNCHING AND THEY WILL FINALIZE IN JANUARY, AND THAT'S A GREAT WINDOW TO GET PEOPLE EXCITED AND ROLL IT OUT.

>> THANK YOU AND I WANT TO CLOSE AND THANK YOU SILICON VALLEY LEADERSHIP GROUP FOR YOUR INITIATIVE IN SOLAR TECH AND IT'S AN IMPORTANT INITIATIVE TO WORK THESE PROBLEMS FOR A LONG TIME. AND THEY ARE AT THE CENTER, AND WE WILL TAKE A COUPLE MINUTE BREAK TO CHANGE.

>> BUILD IT AND BANK OF AMERICA AND SCHOOL WILL SAVE MONEY. AND THAT GOT MY ATTENTION AND THE FINANCING PART IS CRITICAL. AND YOU HEARD FROM THE MANUFACTURERS AND INSTALLERS BUT THE CUSTOMERS HAVE TO PAY FOR IT, AND IF YOU HAVE TO PAY FOR IT UP FRONT IS DISCOURAGING AND THE PAY BACK IS A CRITICAL PART OF ROLLING OUT THIS INDUSTRY AND NOT EVERYONE CAN WRITE THE BIG CHECK. IF YOU FINANCE IT RIGHT AND ORGANIZE IT RIGHT, HOMEOWNERS CAN START SAVING MONEY IMMEDIATELY. I AM HAPPY TO HAVE THIS CONVERSATION, BECAUSE I AM REALLY INTRIGUED WHAT WE CAN DO IN THE CITY OF SAN JOSE AND START WITH BRUCE DICKENSON.

>> THANK YOU AND IT'S A PLEASURE TO BE HERE TODAY. I AM BUSINESS DEVELOPMENT DIRECTOR AT CHEVRON, AND TO GIVE A BRIEF DISCUSSION OF WHY CHEVRON IS IN THIS BUSINESS. AND WE HAD A SET OF ACQUISITIONS AND WE HAVE GROWN INTO THE FASTER INTEGRATED SERVICE COMPANY IN THE MIDWEST. AND WE'RE IN THE CALIFORNIA MARKET. AND THE PEOPLE YOU SPOKE WITH EARLIER, THE VARIOUS VENDORS, THEY ARE SUPPLIERS AND WE'RE HAPPY TO SEE THEM HERE AND THEIR BUSINESSES SURVIVING AND GROWING. THE ACTUAL QUESTION OF THE DAY AND THE FINANCING, I PREPARED A PRESENTATION, AND SEEING HOW YOU DON'T HAVE A SET UP, FIRST OFF, TO GO TO THE VERY SPECIFICS OF WHAT WE ARE FACED WITH. WE ARE VERY INTERESTED IN TERMS OF OUR BUSINESS SEGMENT, THAT'S PRIMARILY THE LARGER SCALE OF FINANCING CUSTOMERS AND PUBLIC SECTOR AS OPPOSED TO SMALLER RESIDENTIAL, AND WE ARE VERY INTERESTED IN SEEING THE CAP RAISED AND THE NET METERING LIMITS AND TO ALLOW THOSE CUSTOMERS THAT ARE DEMANDING TO INSTALL THE SYSTEMS AND BE ABLE TO DO SO AND ACHIEVE THOSE BENEFITS. IN ADDITION WE WOULD LIKE TO SEE THE CAP ON NET METERING RAISED. AND THE AGGREGATION OF SITES, AND BROUGHT UP BY GENTLEMAN FROM SUNPOWER AND TO AGGREGATE ACROSS SITES AND TO HAVE AN AGGREGATED POOL OF RENEWABLE POWER IS ALSO FOR CUSTOMERS IN THE STATE. AND IN TERMS OF THE CSI PROGRAM, AND WE APPLAUD THE STATE POLICY MAKERS IN THE PROGRAM DESIGN AND FEEL THAT THE WAY IT'S SET UP IS SUPREME TO CAPITAL BASED INCENTIVE. AND SENDS A SIGNAL TO THE MARKETPLACE AND GETS THINGS IN LINE WITH AN EVEN INCENTIVE BASED ON PERFORMANCE. AND THE FACT THAT THE DECLINING BLOCK STRUCTURE IS RAPID AND DOESN'T MATCH THE COST STRUCTURE ON THE SUPPLY OF THE EQUIPMENT, WE SAY THAT YOU REVIEW THE STRUCTURE AND SEE IF THAT'S STILL APPROPRIATE GIVEN THE ORIGINAL POLICY AND INTENT. AND IN TERMS OF THE ADDITIONAL NEEDS OF THE INDUSTRY, WE HAVE IDENTIFIED A LARGE GAP IN TERMS OF THE ABILITY TO HAVE A WORKFORCE THAT'S REALLY TO MEET THE GROWING DEMAND. AND WE SEE THAT EDUCATION ALONG THE LINES OF CAREER TECH AND WHAT WE CALL THE GREEN COLLAR JOBS FOR THE PROFESSIONAL SERVICES TO GROW THIS INDUSTRY IS A KEY AREA THAT NEEDS SUPPORT. ALL THE WAY TO THE GOVERNMENT REALM FOR THOSE SUPPORT VEHICLES. AND WE LIKE THE APPROACH OF THE SOLAR TECH AND GRANT, AND WE THINK THAT'S A REALLY GOOD START. IN TERMS OF THE PERMIT PROCESS, WE REALLY HAVE APPLAUDED THE WORK HERE OF SAN JOSE AND I THINK YOU ARE A STAND OUT ACROSS THE JURISDICTIONS, IT'S A GOAL TO HAVE STREAM

LINE PERMITTING AND FEE REDUCTIONS OR WAIVERS IN ORDER TO SUPPORT THE STATE GOALS FOR IMPLEMENTING THE NEW CLEAN RENEWABLE SOURCES. AND TERMS OF THE ROLE OF WHAT I WOULD CALL MORE THE GOVERNMENT SECTOR. WE HAVE OUR LOCAL GOVERNMENTS AND CITY AND COUNTY AND STATE. AND YOU ARE IN A GREAT POSITION FOR LEADERSHIP AND COMMUNITY OUTREACH AND WORKING WITH THE UTILITIES. WHICH WHAT YOU ARE DOING TO DATE. AND WE THINK IT WOULD BE IMPORTANT TO HIGHLIGHT INNOVATED, INTEGRATED SERVICE APPROACH THAT'S THE NEW TECHNOLOGY HERE IN SILICON VALLEY. EFFECTIVELY LEARN BY DOING AND YOU SHOW YOUR MARKETPLACE HOW THESE SYSTEMS CAN BE INTEGRATED AND INSTALLED THROUGH DEMONSTRATIONS. AND LASTLY, ONE OF THE QUESTIONS IN TERMS OF YOUR PROGRAM REVIEW, I KNOW THERE IS ONGOING PROGRAM REVIEW AND THAT'S IMPORTANT FOR THE CUC AND MAKE SURE IN YOUR PROGRAM REVIEW, YOU INCLUDE THE EFFECTS IN ADDITION TO THE ECONOMIC EFFECTS AND THE MULTIPLIER EFFECTS OF THE ECONOMIES HERE IN CALIFORNIA AND FROM THESE INCENTIVES AND FROM THE FEDERAL LEVEL, THE MULTIPLIER EFFECTS, INSTEAD OF SAYING IT'S A STRAIGHT TAX CREDIT, LOOK AT THE FULL ECONOMIC PICTURE OF THE ECONOMIC ACTIVITY BEING SPURRED BY THIS INDUSTRY. ALL RIGHT, NOW IN TERMS OF THE PROJECT FINANCING STRUCTURES, WE BELIEVE THAT THE ABILITY OF THE MARKETPLACE TO RESPOND TO THIS DEMAND IS GREAT. THERE IS A HUGE AMOUNT OF ACTIVITY AND YOU LOOK AT NEW COMPANIES AND NEW TECHNOLOGY AND WE SEE INVESTMENT INTO PROJECTS AND THAT'S THE MARKETPLACE TO INSTALL THE SYSTEMS. AND WE THINK THERE IS A GREAT AMOUNT OF UNCERTAINTY THAT'S PUT IN PLAY WITH THE FEDERAL TAX CREDIT ESSENTIALLY HELD UP AT THIS POINT. AND SOME OF THE EARLIER COMMENTS WERE MADE BY THE GENTLEMAN THAT THERE WOULD BE A PAUSE IN THE MARKET AND WE BELIEVE THAT WOULD BE THE CASE FOR A PERIOD OF TIME, DUE TO THE FACT THERE IS A LENGTHY SCALE SYSTEMS FOR 10 MONTHS TO 16 MONTHS TO DESIGN AND DEVELOP AND BUILD THE SYSTEM. WHICH MEANS THAT TODAY WE WOULD BE SIGNING CONTRACTS THAT WOULD BE IN POWER OF 2008. IT WOULD BE DIFFICULT TO SIGN CONTRACTS AS YOU GO INTO THE NEW YEAR. THERE ARE OTHER FINANCING VEHICLES, THOSE ARE EFFECTIVELY THROUGH THE PUBLIC FINANCING AND THERE WILL BE ACTIVITY OF THE OPERATION BONDS PUT OUT IN CALIFORNIA. AND THERE IS LEASE BACK FINANCING, AND TAX EXEMPTION LEASE PURCHASE, AND THESE ARE STANDARDIZED APPROACHES AND THESE ARE ALL ACCESSIBLE. AND THERE IS THE CLEAN RENEWABLE ENERGY BONDS, AND WE SEE THAT AS A GOOD VEHICLE TO SPUR THE GROWTH OF THE INDUSTRY. AND STRUCTURE FINANCING AND THOSE VEHICLES ARE AVAILABLE. THERE IS A TREMENDOUS AMOUNT OF PROJECT CAPITAL THAT'S COME INTO THE MARKETPLACE AND THAT'S SIGNIFICANT. AND THEN THE COMMUNITY BASED FINANCING, AND THE GENTLEMAN FROM BERKELEY THAT WILL TALK ABOUT THE TAX ASSESSMENT MODEL THAT WE THINK IS INTERESTING AND EXCITING. AND THANK YOU FOR MY COMMENTS.

>> THANK YOU BRUCE, AND NEXT TO KATHRYN DANIELS.

>> THANK YOU, I AM CATHERINE DANIELS WITH BANK OF AMERICA AND I AM A CLIENT MANAGER AND FIRST THANK YOU FOR INVITING BANK OF AMERICA FOR THIS SUMMIT. AND SOLAR ENERGY IS AN IMPORTANT COMPONENT FOR OUR CAPITAL AND BANK OF AMERICA MADE A COMMITMENT OF 20 MILLION DOLLARS TO FUND GREEN PROJECTS OVER THE NEXT 10 YEARS AND SOLAR AS ONE OF THOSE COMPONENTS. AND WE HAVE COMMERCIAL OPPORTUNITIES THROUGH MORTGAGE PROGRAMS AND THROUGH OUR CRA AREAS THAT ARE LOOKING TO FUND LARGER PROJECTS THROUGH SOLAR. AND WE ARE WORKING ON THE COMMERCIAL SIDE AND LOOKING FOR OPPORTUNITIES TO FUND SOLAR THROUGH BONDS AND CREBS AND DEBT INSTRUMENTS. AND ONE IS HELPING THE UNDERWRITERS EDUCATED IN THE PROGRAMS AND HOW THE PAY BACKS ARE VIEWED. AND I THINK WE HAVE OVER COME THOSE ISSUES AS AN INDUSTRY. WHAT I BELIEVE IS STILL AN ISSUE ON THE COMMERCIAL SIDE, HELPING THEM UNDERSTAND THE PROCESS. THE COMMERCIAL CLIENTS, KNOW THEY WANT SOLAR BUT NOT SURE HOW TO GET THROUGH THE ANALYSIS STAGE OR THE RIGHT FUNDING VEHICLES. IT'S PUTTING THE RIGHT PLAYERS IN FRONT OF THE CLIENTS TO HELP THEM THROUGH THAT PROCESS. AND IT'S A THREE LEGGED STOOLS, IT'S THE FINANCING AND FUNDSING AND EDUCATION. AND THERE IS A KEY PART, OF EDUCATING THE COMMERCIAL CLIENTS THAT WILL GET THE QUICKEST HIT ON THE SOLAR GRID. WITH THAT

SAID, I DON'T HAVE A ADD TO WHAT BRUCE SAID, BUT I AM AVAILABLE TO ANSWER QUESTIONS. WE ARE IN NEGOTIATIONS OR DISCUSSIONS WITH THE CITY OF SAN FRANCISCO AND CITY OF BERKELEY AND CITY OF SAN JOSE TO HELP WITH THE BACKING PIECE OF THE LARGER PROJECTS FOR THE RESIDENTIAL CLIENTS. IF WE LOOK AT IT AS BLOCKS OF CLIENTS INSTEAD OF ONE, WE WILL MOVE THAT NUMBER OF 30,000 TO ONE MILLION THAN ONE OFF AND ONE AT A TIME.

>> THANK YOU AND MOVE TO CISCO DEVRIES FROM BERKELEY.

>> THANK YOU MR. MAYOR, AND I WANT TO RECOGNIZE THE LEADERSHIP OF THIS AREA AND PARTICULARLY THE LEADER OF SAN JOSE AND BERKELEY IS NOT ON A PANEL OF HIGH FINANCIERS, BUT IT'S A PLEASURE TO BE HERE TO TALK ABOUT OUR PROGRAM AND THE COMPONENTS THAT CAN HELP MOVE SOLAR INTO MAINSTREAM. LET ME GIVE YOU A BRIEF OVERVIEW OF THIS METHOD AND SOME WAYS THAT BOTH THE STATE AND FEDERAL GOVERNMENT CAN PLAY A ROLE IN THE HURDLES THAT WE ENCOUNTERS AND PAVE THE WAY FOR OTHERS TO FOLLOW SUIT IF WE ARE INDEED SUCCESSFUL IN THIS INITIATIVE. WE HAVE CALLED IT THE SUSTAINABLE FINANCING DISTRICT, AND KNOW THAT'S A TERRIBLE NAME AND NOW A NEW NAME CALLED BERKELEY FIRST. AND IT'S AN INITIATIVE FOR SOLAR TECHNOLOGY. AND WE WILL FIND ANOTHER ACRONYM THAT HAS SOLAR IN IT. BUT BERKELEY IS A ZANY PLACE WHERE THE COMMUNITY IS READY TO TAKE A LEAP ON NEW OPPORTUNITIES TO BE ON THE CUTTING EDGE. AND WERE ON PIONEER OF MOVEMENT FOR CURB SIDE RECYCLING AND FIRST FOR PROTOCOL AND NAMED FIRST SUSTAINABLE CITY IN THE UNITED STATES. AND ALL OF THAT IS LOVELY, AND WE WERE RECENTLY AWARDED THE THIRD HIGHEST NUMBER, WE ARE NAMED, THE CITY WAS THE THIRD HIGHEST NUMBER OF SOLAR INSTALLATIONS IN SOUTHERN CALIFORNIA, THAT SOUNDS GREAT UNTIL YOU REALIZE THAT WAS 400 IN FOUR YEARS. AND IT POINTS TO THE CITY AND WE WANT TO TAKE ON THIS CHALLENGE. WE HAVE 50,000 RESIDENTS AND WE HAVE A LOT OF WORK TO DO IN THE CITY OF BERKELEY. AS LOVELY AS IT SOUNDS IN OUR GREAT LEADERSHIP, WE HAVE LIKE OTHERS, A TREMENDOUS HILL TO CLIMB IF WE WANT TO TAKE THE CHALLENGE OF SOLAR WIDESPREAD AND TACKLE GLOBAL WARMING. AND SOME OTHER ISSUES OF BERKELEY AND LAUNCH INTO THE BERKELEY SOLAR FINANCING PROGRAM. AND WE STARTED WITH THE NOTION, THAT THERE ARE REALLY GREAT FINANCING OPTIONS FOR MIDSCALE TO LARGE SCALE AND THROUGH POWER PURCHASING AGREEMENTS AND OTHER THIRD PARTY FINANCING. BUT THERE IS A MISSING SECTION OF THAT IN SMALL SCALE COMMERCIAL AND RESIDENTIAL. THEY DON'T HAVE THESE SOURCES. AND WE WORKED ON A METHOD TO ADDRESS THAT HURDLE AND PROBLEM. AND WE CAME UP WITH THE PROGRAM, THE BERKELEY FIRST, AND LOOSELY MODELED ON WHAT MOST CITIES KNOW ABOUT, THE UNDERGROUND DISTRICT THAT ALLOWS CITIES TO PAY FOR THE UNDERGROUNDING OF POLES AND WIRES WITH YOUR UTILITIES IN A NEIGHBORHOOD. AND THAT NEIGHBORHOOD PAYS FOR THE IMPROVEMENTS AS A LONG-TERM ASSESSMENT ON THE PROPERTY TAXES. AND THE CITY ACTS AS THE MEADIARY BUT DOESN'T PAY ARE THE COST. AND THAT'S BORE BY THE PROPERTY OWNERS IN THE BOND. AND IT'S A LOOSE MODEL, AND THERE ARE CHANGES, AND WE ASK FOR PROPERTY OWNERS TO PAY FOR THE ENERGY PROJECTS, SUCH AS SOLAR, AND AS A VOLUNTARY 20 YEAR ASSESSMENT ON THEIR PROPERTY TAX BILL. AND THE ADDITIONAL TAX THEY PAY WOULD BE EQUAL TO THE COST OF THEIR PROJECT AND A SMALL ADMINISTRATIVE COST AND THE INTEREST. AND THE CITY WOULD HAVE A TAXABLE BOND OR OTHER FINANCIAL INSTITUTION LIKE BANK OF AMERICA OR WELLS FARGO OR ANOTHER BANK. THIS PROGRAM HAS A NUMBER OF ADVANTAGES, IT REDUCES OR ELIMINATES THE UPFRONT COST OF RESIDENTIAL OWNERS, LET'S TALK ABOUT SINGLE PROPERTY AND YOU ASK THEM TO BUY THEIR ELECTRICITY FOR 20 YEARS UP FRONT. AND LIKE ASKING SOMEONE WITH A CELL PHONE FOR 20 YEARS OF MINUTES AND IT'S NOT HOW WE OPERATE AND MOST DON'T HAVE EASY ACCESS TO THAT CAPITAL. AND THIS WOULD ADDRESS THAT HURDLE. AND IT ALLOWS FOR THE TRANSFERABILITY OF THE ASSESSMENT BETWEEN OWNERS. IF YOU PUT ON SOLAR AND INSTALL ON ROOF AND YOU ACHIEVE THE BENEFITS OF 10 YEARS AND YOU HAVE 10 YEARS LEFT TO PAY IT OFF. AND IF YOU SELL YOUR HOUSE, THAT ASSESSMENT TRANSFERS TO THE NEXT PROPERTY OWNER. AND THIS HAS AN ADVANTAGE, THE AVERAGE PROPERTY OWNER ONLY OWNS FOR SEVEN TO 10 YEARS. AND MANY ARE RELUCTANT TO GET SOLAR BECAUSE THEY WON'T SEE THE BENEFITS ON THE

BACK END. AND THIS MEANS YOU DON'T HAVE TO MAKE THAT 20 YEAR COMMITMENT. AND ANOTHER COMPONENT IS REALLY, ESPECIALLY IMPORTANT NOW IN THE CREDIT CRUNCH, THIS IS A TAX EFFECTIVELY ON THE PROPERTY, IT IS NOT AN EQUITY LOAN. IT DOESN'T DEAL WITH THE PROPERTY OWNERS CREDIT SCORE AND DOESN'T COME ON FICO SCORE BUT A TAX ASSESSMENT PLACED ON THE PROPERTY AND THE CITY CARES THAT THE TITLE IS CLEAR AND NO OTHER INVOLUNTARY LIENS AND NO FORECLOSURE OR LATE ON PAYMENTS, AND THAT'S EASY TO CHECK WITH THE BANK PARTNERS OR TITLE COMPANY IN THIS PROGRAM. AND IT'S AN IMPORTANT NOTION NOW THAT WE CAN DEAL WITH IT NOT AFFECTING YOUR CREDIT OR ACCESS TO THE EQUITY IN YOUR HOME. AND WE ARE ABLE TO ACHIEVE A LOWER INTEREST RATE THAN YOU COULD ACHIEVE THROUGH MOST LINES. AND I WANT TO QUALIFY THAT, AND I WANT TO GET INTO CHALLENGES. IT DIDN'T MEAN THAT THIS PROGRAM MEANS YOUR TOTAL SYSTEM COST WILL BE DRAMATICALLY OR CHEAPER THAN A GOOD CREDIT HOMEOWNER GOING INTO THEIR BANK WITH A LOT OF EQUITY AND GET A LOAN. IT SHOULD BE COMPARABLE, BUT THE OTHER ADVANTAGES IS WHAT MAKES THIS PROGRAM ADVANTAGEOUS. AND WE COMPARE AND WE ARE COMPARABLE TO A TRADITIONAL HOME LINE OF CREDIT. AND WE WANT TO, AND THIS IS THE IMPORTANT PART, GET THE ANNUAL ENERGY SAVINGS AS CLOSE TO AND IN LINE WITH YOUR TAX ASSESSMENT FROM YEAR 1. MEANING YOU CAN PAY FOR YOUR SOLAR OUT OF YOUR ENERGY SAVINGS, AND YOU DON'T HAVE TO PAY FOR A LARGE PREMIUM FROM THE SOLAR SYSTEM ON THE FIRST YEAR. AND VERY QUICKLY HOW IT WORKS, WE USE OUR AUTHORITY AS A CHARTER CITY AND SAN JOSE IS A CHARTER CITY TO ACHIEVE A SPECIAL CODE THAT LOOKS LIKE THE STATE MELARUSEC BUT DIFFERENT. AND WE DETERMINE THIS WITH OUR CITY AND THERE ARE A LOT OF DETAILS, BUT TO GIVE A PIECE OF THE NEXT STAGES. AND PROPERTY OWNERS CONTRACT CAN SOLAR INSTALLERS AND CONTRACTORS, AND WE REQUIRE THAT ALL SOLAR MEET THE REQUIREMENT FOR THE CALIFORNIA SOLAR INITIATIVE AND COME THROUGH THAT PROGRAM. AND OUR PLAN IS NOT TO HAVE ADDITIONAL PAPERWORK BUT THE CSI PAPERWORK AND THAT'S LEGENDARY. AND WE FELT NOT MUCH LEFT TO CHANCE. AND WITH PROBABLY PIGGYBACK ON THAT ASK. ONCE THE CONTRACT IS SIGNED AND THE DEPOSIT GIVEN AND CSI REBATE APPLIED FOR AND THEY REVIEW THE PROJECT AND CHECKS FOR CLEAR TITLE AND APPROVES. AND A PROPERTY TAX LIEN IS PLACED ON THE PROPERTY FOR THE 20 YEARS TAX ASSESSMENT. AND THE FUNDS THROUGH A FINANCIAL INSTITUTION. AND ONCE IT'S COMPLETED, THE PROPERTY OWNER HAS TO SIGN WITH THE CITY OR REFUND IF YOU DON'T HAVE IT COMPLETED. AND AN EXAMPLE, WE ARE LOOKING FOR A 110 DOLLARS A MONTH OF COST UNDER THE ASSESSMENT PROGRAM. AND THE IMPORTANT PART THAT CHALLENGES OF THE STATE AND FEDERAL GOVERNMENT TO BE ASSISTANCE, AND A COUPLE OF OTHER QUICK ISSUES. AND BERKELEY IS NOT A GREAT PLACE FOR SOLAR, AS YOU NOTICED WE HAVE A LOT OF FOG AND DON'T HAVE HARDLY ANY AIR CONDITIONING, AND THAT DOESN'T MEAN THAT WE CAN'T USE IT, BUT OUR SYSTEM SIZES ARE SMALLER AND OTHER CITIES, SAN JOSE AND OTHER WARMER CLIMATES, THE ECONOMICS MAY WORK BETTER. AND WE ARE EXTREMELY CLEAR WE WANT TO DO A MAJOR ENERGY EFFICIENT COMPONENT TO THIS AND THAT'S MORE COMPLICATED THAN SOLAR. THE BIG ISSUES WITH US FOR THE STATE AND FEDERAL GOVERNMENT, HAVE TO DO WITH THE BACK AND FINANCING. AND OUR PLACE WITH THE BOND OR OTHER FINANCIAL INSTITUTION, AND THIS GOES ON SCALE, AND THE OPPORTUNITY FOR A STATEWIDE POOL OR ASSOCIATION OF BAY AREA POOL OR SOME OTHER PRIVATELY CREATED FUNDING POOL THAT CAN GET THE TRANSACTION COSTS DOWN AND THE COSTS OF THE INTEREST RATES DOWN IS A GREATER OPPORTUNITY, FOR COLLABORATION ACROSS THE CITIES AND REGIONALLY AND ACROSS THE STATE. AND THERE IS A LOT OF INTEREST IN THE STATE TO DO THAT. AND WE HAVE LIABILITY ISSUES TO ADDRESS, YOU CAN'T HAVE SHODDY INSTALLERS AND HAVE THE CITY LIABLE AND A LAWSUIT. AND THERE ARE WAYS TO DO THAT AND STATE CAN HELP LEGISLATE THROUGH OTHER EFFORTS. AND ONE REASON OUR PROGRAM DOESN'T BLOW A TRADITIONAL HOME EQUITY LINE OUT OF THE WATER, THE SOLAR TAX CREDIT AND THOSE ISSUES. AND UNDER OUR LAWYER'S INTERPRETATION, THE INTEREST YOU PAY WON'T BE DEDUCTIBLE ON THE FEDERAL INCOME TAXES BUT ON STATE. AND THE TAX CREDIT, WE WERE LATE IN THAT GAME AND THERE IS ANOTHER CHANCE TO REVISIT THAT. THERE IS AN EASY FIX, WE'RE NOT SURE WE ARE EXCLUDED,

THAT PARTICIPANTS WOULD BE ELIMINATED FROM THE TAX CREDIT. AND THIS WOULD ELIMINATE THE COMMERCIAL SIDE. IT'S SOMETHING THAT WE CAN ABSORB IN RESIDENTIAL SIDE. AND IT'S CLEARLY A DISADVANTAGE AND PROBABLY NEVER TO BE MET IN THE TAX CREDIT. BUT PROBABLY THE WAY THEY WROTE IT. AND WE HAVE LANGUAGE TO FIX THAT AND HOW TO MAKE THAT FIX. IT'S NOT A MAJOR CHANGE, IT'S A COUPLE OF SENTENCES. AND ANOTHER BIG ISSUE FOR THE STATE, THIS CURRENT PROGRAM UNDER OUR INTERPRETATION IS ONLY ELIGIBLE FOR CHARTER CITIES. ABOUT 100 CITIES IN THE STATE OF CALIFORNIA COULD DO THIS UNDER THE CHARTER AUTHORITY. AND OTHERS WOULD NEED A CHANGE OF LAW. AND THE LAST TO ADDRESS, THE ISSUE THAT WE ANNOUNCE THE PROGRAM PRIOR TO BEING ABLE TO ROLL OUT. AND WE BROUGHT INSTALLERS AHEAD OF TIME AND WORKED WITH THEM ON THE PROGRAM. AND WE WORKED WITH OTHER CITIES AND INSTITUTIONS, WE WANTED TO BE SURE WE WERE RIGHT AND WANTED TO BE SURE THAT WE WEREN'T ANNOUNCING A PROGRAM THAT WOULD HAVE A FLAW. AND WE GOT CALLS FROM OTHER CITIES, THIS IS A GREAT PROGRAM AND WE WANT TO EMULATE. AND BETWEEN THAT AND WE HAVEN'T GONE TO CITY COUNCIL FOR FORMAL APPROVAL, AND THAT LEAD TO MEDIA COVERAGE AND WE ARE EXCITED ABOUT IT. AND WE HAVE A LOT OF PRESSURE, AND WE HOPE TO HAVE THE FIRST ROUND, PILOT PHASE IN JUNE. AND I APOLOGIZE FOR GOING LONG, I AND HAVE A QUICK HAND OUT THAT DESCRIBES THESE DETAILS.

>> THANK YOU AND I WANT TO GO TO THE 50 UNIT HOMEOWNERS GROUP, IS THERE ANY WAY FOR BANK OF AMERICA AND CHEVRON TO GET INVOLVED IN THAT KIND OF THING, AND THE SOLAR CITY PROJECTS, IS THAT STILL GOING TO BE EACH INDIVIDUAL HOMEOWNER IS THEIR OWN, UNTIL WE GET THE BERKELEY MODEL UP?

>> IN TERMS OF FINANCING, THERE IS POSSIBILITIES, AND WE WOULD BE INTERESTED IN INTEGRATION INTO A MULTIFAMILY LARGE SCALE.

>> HOW LARGE SCALE?

>> 50 IS LOW END. BUT THAT WOULD BE POSSIBLE.

>> BANK OF AMERICA WOULD OBVIOUSLY LOOK AT ANY PROJECT LIKE THAT, ESPECIALLY WHEN YOU WRAP SCALE, AND WHETHER HOMEOWNERS ASSOCIATION AND THAT WOULD HAVE TO BE TALKED ABOUT.

>> BUT WE WOULD HAVE TO GET ABOVE 50 FOR THAT TO BE WORTH THE EFFORT?

>> YES, THERE ARE PLENTY OF THE INTEGRATORS THAT WOULD SERVICE AND TAKE UP THAT BUSINESS.

>> OKAY. COULD YOU TALK ABOUT THE PUBLIC FACILITIES THAT BANK OF AMERICA OR CHEVRON FINANCED? I HEARD YOU HAVE DONE ABOUT 400 AROUND THE STATE. AND I AM CURIOUS, I HAVE A LOT OF FACILITIES LOOKING AT FOR SOLAR, AND I KNOW THERE ARE TAX EXEMPT AND BOND PROJECTS AND STILL HAVE DEBT. WHAT KIND OF PUBLIC FACILITIES BESIDES SAN JOSE PUBLIC?

>> WE HAVE WORKED ON THE LARGE NUMBER OF THE COMMUNITY COLLEGES, IN TERMS OF NOT JUST SOLAR BUT OTHER ENERGY EFFICIENCY IMPROVEMENTS AND REDESIGNING PLANTS AND THOSE ARE DONE THROUGH TAX EXEMPTING FINANCING AND EACH PAYMENT IS THROUGH UTILITY REDUCTION AND TAX AND PLUS OPERATION AND MAINTENANCE. AND THE SOLAR COMPONENT IS BLENDED INTO STANDARD OFFERING, SO WE'RE NOT USUALLY GOING TO THE CUSTOMER WITH A SOLAR SOLUTION. BUT TO LOOK AT AND DO AN INTEGRATED ASSESSMENT FOR YOUR SITE. AND WE USE THE ONCONSTRUCTION MONEY OUT THERE THROUGH THE VARIOUS OBLIGATION BONDS. AND WE ARE TRYING TO, ONCE AGAIN IT'S A PROCESS OF EDUCATION, AND EDUCATING THAT YOU ARE PAYING A BOND TO CONSTRUCT YOUR SCHOOL OR HOSPITAL FOR THE NEXT 30 YEARS, BUT YOU SHOULD BE CAREFUL HOW YOU SPEND THE UPFRONT DOLLARS, IT MAY COST YOU IN THE LONG RUN IF YOU DON'T PLAN FOR THOSE. AND WE GET IN THOSE DISCUSSIONS AND INCORPORATE OTHER MECHANISMS VIA A POWER PURCHASE AGREEMENT. WE HAVE ABOUT 15 OR 16 MEGAWATTS FOR SOLAR SYSTEMS IN THE BAY AREA FOR THESE PUBLIC AGENCIES. AND ABLE TO USE THESE THREE MECHANISMS, GENERAL OBLIGATION BONDS OR TAX RELEASE FINANCING OR POWER PURCHASE AGREEMENT. THOSE ARE THE THREE MAJOR TOOLS USED TO DATE.

>> ANYTHING TO ADD?

>> NO, THERE ARE VARIOUS VEHICLES, AND DEPENDING ON WHAT WE ARE TALKING ABOUT IF CREBS OR AND CHEVRON IS ANALYSIS STAGE OF SOLAR PROJECTS. AND WHEN YOU ASK, 400 PROJECTS, IT DEPENDS ON WHETHER CREBS OR WITH SAN FRANCISCO OR SOLAR INSTALLATION. AND THE SCHOOL DISTRICT IS THE LARGEST AND MOST NOTORIOUS IN A GOOD WAY OF PROJECT THAT WE HAVE DONE IN CALIFORNIA. AND YOU SHOULD BE PROUD OFF AND LOOKING AT ANOTHER PHASE OF THAT IN 2008. AND THAT'S THE LARGEST AND NOTE WORTHY.

>> THE MAIN CUSTOMERS ARE CITIES AND COUNTIES AND WATER PLANTS AND THERE IS A HUGE AMOUNT OF DEMAND. AND HIGHER EDUCATION, COMMUNITY COLLEGE AND K-12, A TREMENDOUS AMOUNT OF DEMAND AND HOW THEY MAKE IMPACT AND GOOD STEWARDS AND PROGRESS FOR THE COMMUNITIES. AND WE FEED THEM ON THIS PATH.

>> AND WHERE WE ARE IN THIS CYCLE, THE PHONES ARE RINGING OFF THE HOOK, THEY WANT THE PRODUCT AND WANT TO UNDERSTAND IT. AND THEY CALL AND SAY, HOW DO WE FUND IT AND HOW DO WE CREATE THE ANALYSIS OF HOW TO GET FUNDING DONE. WHERE IS PAY BACK? WHEN CAN WE HIT THE SWITCH. WE ARE NOT SEEING THE DEALS, BUT I THINK WE WILL SEE THOSE IN THE 2008 TIME FRAME AS LONG AS THE INCENTIVES AND PROGRAMS REMAIN IN PLACE.

>> HOW IMPORTANT ARE THE INVESTMENT TAX CREDITS TO THE WORK YOU ARE DOING, EVEN THOUGH IT'S PUBLIC FACILITIES, THEY STILL HAVE AN IMPORTANT ROLE AS I UNDERSTAND?

>> IN TERMS OF PUTTING IN PLAY, AND I WILL CALL THE CLEAN GENERATION THAT IS BIO DIESEL AND THAT'S A BIG CHUNK AND TWO-THIRDS OF THE MARKET GROWTH IN THE PAST YEARS?

>> ANY QUESTIONS? A COUPLE OF OTHER QUESTIONS. ON THE BERKELEY MODEL, IF ONLY CHARTER CITIES CAN DO IT, THAT WILL PRECLUDE US FROM DOING A COUNTY WIDE VERSION, I THINK, I AM NOT TOO CLEAR, BUT MAYBE YOU DON'T KNOW THE ANSWERS OF HOW FAR IT CAN SPREAD FOR EVERY CITY TO DO IT?

>> OUR UNDERSTANDING MR. MAYOR, THAT ONLY CHARTER CITIES WOULD BE ELIGIBLE TO DO IT AND DO IT AS THEIR OWN MUNICIPALITY AND CREATE THEIR OWN DISTRICT. AND DO THINK THERE IS INTEREST IN STATE LEGISLATION TO REMEDY ON THE SHORT-TERM. I THINK IF WE ARE SUCCESSFUL, IT WILL BE RESOFRLED IN A YEAR. AND WE HAVEN'T SEEN A REASON WHY NOT. AND I PRECLUDE A TIMING ON THAT BUT I WOULD REFER TO MY BOND COUNCIL ON THAT.

>> SPEAKING ON BOND COUNCIL, YOU ARE WEAR OF PROBLEMS INCLUDING SOLAR WITH MUNICIPALS AND DO YOU HAVE THOSE PROBLEMS?

>> WE'RE NOT AWARE OF THOSE PROBLEMS.

>> AND THE BEST PRACTICES, THE ANALYSIS, IS THERE A WAY FOR A PUBLIC BUSINESS TO GO TO YOUR WEBSITE. AND SAN JOSE UNIFIED WAS DOING THAT AND HOW DO WE CUT THAT DOWN?

>> THE UTILITIES HAVE A KEY ROLE AND THE ENERGY COMMISSION. THERE ARE QUITE A FEW TOOLS AVAILABLE. AND THERE ARE INDUSTRY STANDARDS AND THE PD WATS MODEL IS USED AS AN ACCESSIBLE PUBLIC ANALYSIS TOOL. BUT I BELIEVE THE THAT UTILITIES ARE IN THE BEST POSITION TO PUT UP THAT ANALYSIS.

>> IF THE CITY OF SAN JOSE CALLS THE BANK OF AMERICA TODAY AND SAYS WE WOULD LIKE TO DO THIS, HOW LONG DOES THAT ANALYSIS PERIOD TAKE FOR THESE DEALS TO MOVE FROM ANALYSIS TO REALITY?

>> IT'S A BIT LONGER THAN RESIDENTIAL ANALYSIS, IT'S STRAIGHTFORWARD, YOU ARE LOOKING AT ONE SINGLE ARRAY OR ONE SMALL SET OF PANELS. AND WE HEARD OF 26 WEEKS TO 52 WEEKS, AND THERE IS ANALYSIS CHUNK IN THERE. I WOULD SAY ON THE LARGER SCALE, THE COMMERCIAL, THE ANALYSIS PERIOD CAN BE FROM THREE WEEKS TO SIX WEEKS, TO SURVEY AND MODEL AND PREENGINEERING. AND THERE ARE A LOT OF IMPACTS AND YOU HAVE TO LOOK AT SEISMIC AND THE CODES AND DO A CAREFUL ANALYSIS OF THE SYSTEM AND ABILITY TO TAKE THE POWER ON THE CUSTOMER SIDE OF THE METER AS WELL. THERE IS CERTAIN INTEGRATING THAT MUST BE DONE AND I WOULD SAY THREE TO SIX WEEKS.

>> THREE TO SIX WEEKS. OKAY. I HAVE LOTS OF QUESTIONS. SUN POWER HAS SIGNED A CONTRACT THAT THEY ANNOUNCED WITH MACY'S, THEY ARE GOING TO DO SOLAR ON 28 MACY STORES AND ENERGY EFFICIENCY. AND THIS WILL SAVE ROUGHLY 50% OF MACY'S ENERGY COST. ARE YOU SEEING THAT SAME SCALE OF SUCCESS WHEN YOU PUT TOGETHER YOUR EFFICIENCY AND SOLAR PROJECTS?

>> YES, I WOULD SAY THAT THE CHARACTERIZATION IS CLOSE. FIRST YOU ARE LOOKING AT THE REDUCTION IN PURCHASE GRID POWER AND THESE PROJECTS CAN ACHIEVE FROM 30% TO MORE, ON A MAJOR RETROFIT. IT'S DIFFICULT, BECAUSE NOT EVERY CUSTOMER YOU CAN DO THAT. BUT IN THE TERMS OF THE COST SAVINGS, YOU HAVE TO PAY FOR THE DEBT PURCHASE AGREEMENT AT OR BELOW THAT PRICE. YOU WON'T GET THAT IMMEDIATE, BUT THE LIFE CYCLE COST SAVINGS EQUIVALENT TO THAT.

>> THERE IS A LOT OF ROOM THERE, PROBABLY WHY THE INDUSTRY IS DOUBLING FASTER THAN EVERY YEAR, A LOT OF OPPORTUNITIES. ANY QUESTIONS OR COMMENTS? FROM THE REST OF THE PANEL? ANY QUESTIONS FROM THE AUDIENCE, I WENT THROUGH ALL THE CARDS. I THINK WE WILL WRAP THIS UP. AND I WANT TO THANK EVERYONE FOR PARTICIPATING AND YOUR MAJOR INVESTMENTS AND THE GREAT BRAIN POWER IN BERKELEY, THAT CAME UP WITH THIS GREAT IDEA AND WE LOOK FORWARD TO WORK WITH BERKELEY ON THE LEGISLATIVE SOLUTIONS, AND WE ARE HAPPY TO COPY THE BEST. AND PLEASED TO HAVE THAT OPPORTUNITY. AND I WANT TO THANK YOU FOR COMING, AND THIS IS JUST THE BEGINNING OF THIS WORK, WE WILL BE AT THIS FOR YEARS. AND I WANT TO REMIND YOU ARE THE VOTER INTENSE COMPETITION AROUND THE COUNTRY AND WORLD. AND WE HAVE TO DO OUR BEST TO BE SURE THAT THE TECH WIZARDS THAT START HERE ARE ABLE TO STAY HERE AND GROW HERE. AND CREATE THOSE JOBS. WE ARE ESPECIALLY EXCITED ABOUT THE GREEN COLLAR JOBS, AND WE LOST A HUGE AMOUNT OF OUR ECONOMY WHEN MANUFACTURING JOBS MOVED ELSEWHERE. AND WE ARE INTERESTED IN GETTING JOBS IN THE SOLAR SECTOR. AND WE ARE HAPPY TO SEE THAT INDUSTRY GROWING HERE AND WANT TO BE SURE THAT IT STAYS. THANK YOU FOR COMING TODAY AND YOUR CONTINUED INVESTMENT IN OUR LOCAL ECONOMY. AND THANK YOU FOR OUR PANELISTS AND WE WILL STAY AND DO THE SUMMARY OF THE WORK, AND NOT SURE HOW, BUT WE WILL. AND WE WILL WORK WITH OUR TOP 10 LISTS OF LEGISLATIVE INITIATIVES THAT NEED TO BE TAKEN TO LOCAL OR STATE OR REGION OR NATIONAL, WE WILL WORK ON THAT. AND THANK YOU, THANKS VERY MUCH, WE ARE DONE.