



CALIFORNIA STATE AUDITOR

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FACT SHEET

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The California State Auditor released the following report today:

Solar Energy

As the Cost of This Resource Becomes More Competitive With Other Renewable Resources, Applications to Construct New Solar Power Plants Should Increase

BACKGROUND

In 2002 the State enacted legislation to increase the amount of electricity generated from renewable sources such as solar energy. Solar power offers possible solutions to energy shortfalls and environmental concerns and its period of greatest availability roughly coincides with California's peak-demand time. Various entities can be involved in approving the construction of new solar power plants and related transmission lines, including the California Energy Resources Conservation and Development Commission (energy commission), the California Independent System Operator (CAISO), the California Public Utilities Commission (utilities commission), the federal Bureau of Land Management, and counties.

KEY FINDINGS

In our review of the siting and permitting of large solar power plants and related transmission lines, we reported the following:

- No applications to build large solar power plants have been approved since 1990, however, at least 50 applications had been filed by the end of 2007 and up to eight more are expected in 2008.
- The processes of obtaining the approvals needed to construct a large solar power plant and transmit the electricity it will generate are complex.
 - A potential developer will generally follow one of four possible approval tracks.
 - Each approval track may require three principal reviews and approvals—land use, environmental, and related infrastructure.
 - No single entity is responsible for providing all the approvals needed and projects may require approvals from various federal, state, and local entities.
- Although the reviews can take place concurrently, it can take nearly 39 months to obtain approvals from the various state entities for a single solar power plant and its related transmission lines.
 - The energy commission took, on average, nearly twice as long as its 365-day timeline to approve 15 nonsolar applications, which follow the same process as solar applications, from 2002 through 2006. In one case, it took 1,246 days to approve the application.
 - The utilities commission took an average of 552 days to approve three of the seven applications it approved since 2004 for nonsolar transmission projects needed to send energy to consumers.
 - CAISO, since May 2006 the entity responsible for approving interconnection agreements to the power grid, took an average of about two and one-half years to finalize the 10 agreements for nonsolar projects that we examined.

