

CALIFORNIA ENERGY COMMISSION

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SACRAMENTO, CA 95814-5512
www.energy.ca.gov



May 21, 2007

Mr. Craig Durfey
9331 Cellini Avenue, #A
Garden Grove, CA 92841

Dear Mr. Durfey:

Governor Schwarzenegger has asked that I respond to your recent letter regarding appraisals on solar systems.

As you may know, at the direction of Governor Schwarzenegger, the California Solar Initiative was approved by the California Public Utilities Commission (CPUC) on January 12, 2006. It is the State's goal to install 3,000 megawatts of new solar generation capacity in 10 years. To accomplish this, the initiative established a \$3.3 billion ten-year program to be administered by both the CPUC and the California Energy Commission (Energy Commission.) Of the \$3.3 billion, the Energy Commission will manage \$400 million to encourage solar in new home construction.

Even though most of this program funding will be allocated to incentives for installing solar systems, both agencies are in the process of developing marketing campaigns to create greater public awareness of solar technology. The CPUC's program is setting aside 10 percent of its funds for administration and marketing and outreach for the next 10 years. Currently, the California Solar Initiative (CSI) Program Administrators are soliciting input on how to create public awareness to the existing homes market.

Staff from the Energy Commission's New Solar Homes Partnership program (NSHP) will work with builders and developers to incorporate high levels of energy efficiency and high-performing solar systems to help create a self-sustaining solar market. To increase market penetration among homebuyers for solar homes, the Energy Commission has entered into a 3-year contract with an internationally-known marketing and public relations firm, Edelman, which will focus its efforts on educating the public about the benefits of solar in new homes. The campaign is currently under development and will be launching in the near future.

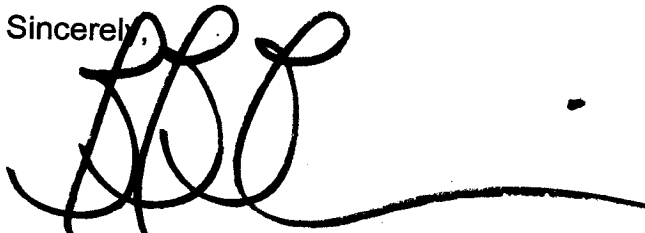
Stakeholder input from you and other groups has led the Energy Commission to be aware that realtors and appraisers are not well educated on the value of solar systems. To address this issue, the Energy Commission's public awareness campaign is complemented with the work by an independent consultant whose main responsibility is to create partnerships with key industry players who are important to the success of the solar program, including but not limited to realtors, appraisers, and residential mortgage

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divisions of major lending institutions. Energy Commission staff values the benefit and significance of realtors and appraisers as partners in the success of the solar program and will work closely to engage and educate this group to highly value solar technology. Our goal is to convince the real estate and lending community about the economic values of photovoltaic systems and the necessity to adjust home values accordingly.

Thank you for being a strong advocate for solar energy. It is our sincere hope that more Californians like you will also understand the benefits of solar energy, so that California can continue to be a leader in solar technology and a model for other states to follow.

Sincerely,

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal flourish extending to the right.

B. B. BLEVINS
Executive Director



OFFICE OF THE GOVERNOR

May 11, 2007

Mr. Craig Durfey
9331 Cellini Ave #A
Garden Grove California 92841

Dear Mr. Durfey,

Thank you for writing to Governor Schwarzenegger to share your concerns with the solar energy industry in California. On behalf of the Governor, we commend you for your interest and personal commitment to advancing renewable energy.

As you know, the Governor is greatly interested in expanding the role solar energy plays in powering our state. Besides simply reducing our energy expenditures, solar energy is a critical component of our state's arsenal for combating global climate change. Please know that the Governor is working – like you – to advance solar and other renewable energy in our great state and will continue to do so.

The issues you address in our letter are no doubt of great concern. However, as you have heard from our office, new legislation would be required to address them.

Again, thank you for writing Governor Schwarzenegger, particularly on an issue he takes to heart: promoting renewable energy sources. The future of our Golden State, its people and its environment depends on the participation of constituents like you.

Sincerely,

Luis Portillo
Office of Constituent Affairs