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This document summarizes comments from SkyFuel Inc., a solar thermal technology development company, regarding the California RETI Phase 1A draft report dated 14 March 2008 (B&V Project Number 149148.0010).

Comments are provided by report paragraph number.

General: The report has given scant consideration to the advent of energy storage for solar thermal. Two facilities with over 1000 MW-hr of molten salt energy storage are currently under construction in Spain. Further, Arizona Public Service and Abengoa announced a new CSP plant in Southern Arizona with 6 hours of molten salt energy storage, effectively making this 250 MW plant a firm resource. If the scope and objective of RETI is to truly evaluate and rank renewable resources for future development, the availability of energy storage for CSP needs to be fully documented and conveyed in the final version of this report. More importantly, the economic analysis and ranking of resources needs to consider the value of load-following, dispatchable energy from solar thermal with energy storage. It is not clear from this report or the presentations from Black & Veatch that energy storage will be given this consideration.

Section 3.9: The text in this section should include an explanation that a curve showing bus-bar cost (such as that depicted in figure 3-6) does not necessarily represent the best value for the consumer. The example in the Arizona study is particularly striking (and misleading) because of the timing of availability of the renewable resources. In the case of wind in Arizona, the wind resource tends to be the strongest during the morning and evening in the fall and spring months. During this period, electrical loads are the lowest. Thus, wind is supplanting energy supplied from what would otherwise be the lowest-cost resources. From a consumer perspective, a wind project with a bus bar production cost of $125/MW-hr and supplants a resource such as nuclear or coal at a price of $50-$70/MW-hr should not be ahead of a solar project with bus bar production costs of $200/MW-Hr but replaces a resource with a cost of $180/MW-hr such as simple-cycle gas turbines which are producing during periods of peak demand which typically occurs when output from solar plants is highest.

Request: (1) that some additional text be included about the shortcoming of supply curves that are only based on bus bar production costs such as those in the Arizona report and (2) a commitment to publish value-based supply curves in Phase 1B report.

Section 5.4.1: Please incorporate the following text into the last paragraph of this section. “SkyFuel is another technology supplier developing a glass-free trough based on ReflecTech™ mirror film, a product developed at NREL as a substitute for glass mirrors.”

Sections 5.4.5 and 6.4.1: The land requirement assumption of 10 acres/MW (or range of 7 to 10 acres/MW stated in 5.4.5) does not seem to be justified in that it is 2x the NREL estimate. Nevada Solar One, the most recent large-scale CSP plant to come online in the US is 64 MW and uses 320 acres, 5MW per acre. The expectation is that as efficiencies improve, the land requirement per MW will decrease further. Given this, 5 MW per acre seems as though it would be a reasonable estimate with some built-in conservatism.