

AMENDED IN SENATE SEPTEMBER 4, 2001

CALIFORNIA LEGISLATURE—2001–02 SECOND EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 61

Introduced by Assembly Member Kehoe

May 30, 2001

An act to amend Section 15356 of the Government Code, and to amend Sections 25433.5, 25434.5, 26003, and 26011.6 of the Public Resources Code, relating to energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 61, as amended, Kehoe. Energy.

Chapter 8 of the Statutes of ~~2001~~ *the 2001–02 First Extraordinary Session* contains erroneous cross-references.

This bill would correct the erroneous cross-references.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 15356 of the Government Code is
2 amended to read:
3 15356. (a) The agency shall determine the percentage of the
4 reserve in the Renewable Energy Loan Loss Reserve Fund
5 required to secure loan guarantees made by the committee.
6 However, in no event shall the reserve be less than 25 percent of
7 the fund.
8 (b) The minimum amount that the agency may guarantee for
9 any renewable energy system is twenty-five thousand dollars

1 (\$25,000) and the maximum amount is two million dollars
2 (\$2,000,000). The agency may elect to lower or raise the minimum
3 or maximum amount if a change is found to be in the best interest
4 of the state.

5 (c) The term of the guaranteed loan shall not exceed the useful
6 life of the renewable energy system or 15 years, whichever is
7 shorter.

8 (d) The amount guaranteed shall not exceed 90 percent of a
9 loan, or an amount equal to the anticipated proportion of
10 renewable fuel usage to fuel the renewable energy system, as
11 ~~authorized~~ defined by subdivision (e) of Section 15351, whichever
12 is less.

13 SEC. 2. Section 25433.5 of the Public Resources Code is
14 amended to read:

15 25433.5. (a) In consultation with the Public Utilities
16 Commission, the commission shall do both of the following for the
17 purpose of full or partial funding of an eligible construction or
18 retrofit project:

19 (1) Establish a grant program to provide financial assistance to
20 eligible low-income individuals.

21 (2) Establish a 2-percent interest per annum loan program to
22 provide financial assistance to a small business owner, residential
23 property owner, or individual who is not eligible for a grant
24 pursuant to paragraph (1). The loans shall be available to a small
25 business owner who has a gross annual income that does not
26 exceed one hundred thousand dollars (\$100,000) or to an
27 individual or residential property owner who has a gross annual
28 household income that does not exceed one hundred thousand
29 dollars (\$100,000).

30 (b) (1) The commission shall use the design guidelines
31 adopted pursuant to paragraph (2) of subdivision (f) of Section 14
32 of the act that added this section as standards to determine eligible
33 energy-efficiency projects.

34 (2) The award of a grant pursuant to this section is subject to
35 appeal to the commission upon a showing that the commission
36 applied factors, other than those adopted by the commission, in
37 making the award.

38 (3) The grant or loan recipient shall commit to using the grant
39 or loan for the purpose for which the grant or loan was awarded.

(4) Any action taken by an applicant to apply for, or to become or remain eligible to receive, a grant award, including satisfying conditions specified by the commission, does not constitute the rendering of goods, services, or a direct benefit to the commission.

(5) The amount of any grant awarded pursuant to this article to a low-income individual does not constitute income for purposes of calculating the recipient's gross income for the tax year during which the grant is received.

SEC. 3. Section 25434.5 of the Public Resources Code is amended to read:

25434.5. As used in this article, the following terms have the following meanings:

(a) "Eligible construction or retrofit project" means a project for making improvements to a home or building in existence on the effective date of the act adding this section, through an addition, alteration, or repair, which effectively increases the energy efficiency or reduces the energy consumption of the home or building as specified by the commission's guidelines under paragraph (2) of subdivision (f) of Section 14 of the act that added this section. The improvements shall be deemed to be cost-effective.

(b) "Low income" means an individual with a gross annual income equal to or less than 200 percent of the federal poverty level.

(c) "Small business" means any small business as defined in paragraph (1) of subdivision (d) of Section 14837 of the Government Code.

SEC. 4. Section 26003 of the Public Resources Code is amended to read:

26003. As used in this division, unless the context otherwise requires:

(a) "Authority" means the California Alternative Energy and Advanced Transportation Financing Authority established pursuant to Section 26004, and any board, commission, department, or officer succeeding to the functions of the authority, or to which the powers conferred upon the authority by this division shall be given.

(b) "Cost" as applied to a project or portion thereof financed under this division means all or any part of the cost of construction and acquisition of all lands, structures, real or personal property or

1 an interest therein, rights, rights-of-way, franchises, easements,
2 and interests acquired or used for a project; the cost of demolishing
3 or removing any buildings or structures on land so acquired,
4 including the cost of acquiring any lands to which those buildings
5 or structures may be moved; the cost of all machinery, equipment,
6 and furnishings, financing charges, interest prior to, during, and
7 for a period after, completion of construction as determined by the
8 authority; provisions for working capital; reserves for principal
9 and interest and for extensions, enlargements, additions,
10 replacements, renovations, and improvements; the cost of
11 architectural, engineering, financial, accounting, auditing and
12 legal services, plans, specifications, estimates, administrative
13 expenses, and other expenses necessary or incident to determining
14 the feasibility of constructing any project or incident to the
15 construction, acquisition, or financing of any project.

16 (c) (1) “Alternative sources” means the application of
17 cogeneration technology, as defined in Section 25134; the
18 conservation of energy; or the use of solar, biomass, wind,
19 geothermal, hydroelectricity under 30 megawatts and meeting the
20 criteria set forth in ~~Section 15357~~ *paragraph (2) of subdivision (e)*
21 *of Section 15351* of the Government Code, or any other source of
22 energy, the efficient use of which will reduce the use of fossil and
23 nuclear fuels.

24 (2) “Alternative sources” does not include any hydroelectric
25 facility that does not meet state laws pertaining to the control,
26 appropriation, use, and distribution of water, including, but not
27 limited to, the obtaining of applicable licenses and permits.

28 (d) “Advanced transportation technologies” means emerging
29 commercially competitive transportation-related technologies
30 identified by the authority as capable of creating long-term, high
31 value-added jobs for Californians while enhancing the state’s
32 commitment to energy conservation, pollution reduction, and
33 transportation efficiency. Those technologies may include, but are
34 not limited to, any of the following:

- 35 (1) Intelligent vehicle highway systems.
36 (2) Advanced telecommunications for transportation.
37 (3) Command, control, and communications for public transit
38 vehicles and systems.
39 (4) Electric vehicles and ultralow emission vehicles.
40 (5) High-speed rail and magnetic levitation passenger systems.

(6) Fuel cells.

(e) “Financial assistance” includes, but is not limited to, either, or any combination, of the following:

(1) Loans, loan loss reserves, interest rate reductions, proceeds of bonds issued by the authority, insurance, guarantees or other credit enhancements or liquidity facilities, contributions of money, property, labor, or other items of value, or any combination thereof, as determined by, and approved by the resolution of, the board.

(2) Any other type of assistance the authority determines is appropriate.

(f) “Participating party” means either of the following:

(1) Any person or any entity or group of entities engaged in business or operations in the state, whether organized for profit or not for profit, that applies for financial assistance from the authority for the purpose of implementing a project in a manner prescribed by the authority.

(2) Any public agency or nonprofit corporation that applies for financial assistance from the authority for the purpose of implementing a project in a manner prescribed by the authority.

(g) “Project” means any land, building, improvement thereto, rehabilitation, work, property, or structure, real or personal, stationary or mobile, including, but not limited to, machinery and equipment, whether or not in existence or under construction, that utilizes, or is designed to utilize, an alternative source, or that is utilized for the design, technology transfer, manufacture, production, assembly, distribution, or service of advanced transportation technologies.

(h) “Public agency” means any federal or state agency, board, or commission, or any county, city and county, city, regional agency, public district, or other political subdivision.

(i) (1) “Renewable energy” means any device or technology that conserves or produces heat, processes heat, space heating, water heating, steam, space cooling, refrigeration, mechanical energy, electricity, or energy in any form convertible to these uses, that does not expend or use conventional energy fuels, and that uses any of the following electrical generation technologies:

(A) Biomass.

(B) Solar thermal.

(C) Photovoltaic.

1 (D) Wind.

2 (E) Geothermal.

3 (2) For purposes of this subdivision, “conventional energy
4 fuel” means any fuel derived from petroleum deposits, including,
5 but not limited to, oil, heating oil, gasoline, fuel oil, or natural gas,
6 including liquefied natural gas, or nuclear fissionable materials.

7 (3) Notwithstanding paragraph (1), for purposes of this section,
8 “renewable energy” also means ultralow emission equipment for
9 energy generation based on thermal energy systems such as natural
10 gas turbines and fuel cells.

11 (j) “Revenue” means all rents, receipts, purchase payments,
12 loan repayments, and all other income or receipts derived by the
13 authority from the sale, lease, or other disposition of alternative
14 source or advanced transportation technology facilities, or the
15 making of loans to finance alternative source or advanced
16 transportation technology facilities, and any income or revenue
17 derived from the investment of any money in any fund or account
18 of the authority.

19 SEC. 5. Section 26011.6 of the Public Resources Code is
20 amended to read:

21 26011.6. (a) The authority shall establish a renewable energy
22 program to provide financial assistance to public power entities,
23 independent generators, utilities, or businesses manufacturing
24 components or systems, or both, to generate new and renewable
25 energy sources, develop clean and efficient distributed generation,
26 and demonstrate the economic feasibility of new technologies,
27 such as solar, photovoltaic, wind, and ultralow emission
28 equipment. The authority shall give preference to utility-scale
29 projects that can be rapidly deployed to provide a significant
30 contribution as a renewable energy supply.

31 (b) The authority shall make every effort to expedite the
32 operation of renewable energy systems, and shall adopt
33 regulations for purposes of this section and Section 26011.5 as
34 emergency regulations in accordance with Chapter 3.5
35 (commencing with Section 11340) of Part 1 of Division 3 of Title
36 2 of the Government Code. For purposes of that Chapter 3.5,
37 including Section 11349.6 of the Government Code, the adoption
38 of the regulations shall be considered by the Office of
39 Administrative Law to be necessary for the immediate
40 preservation of the public peace, health and safety, and general

1 welfare. Notwithstanding the 120-day limitation specified in
2 subdivision (e) of Section 11346.1 of the Government Code, the
3 regulations shall be repealed 180 days after their effective date,
4 unless the authority complies with Sections 11346.2 to 11347.3,
5 inclusive, as provided in subdivision (e) of Section 11346.1 of the
6 Government Code.

7 (c) The authority shall consult with the State Energy Resources
8 Conservation and Development Commission regarding the
9 financing of projects to avoid duplication of other renewable
10 energy projects.

11 (d) The authority shall ensure that any financed project shall
12 offer its power within California on a long-term contract basis.

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