

**ASSEMBLY BILL**

**No. 1663**

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**Introduced by Committee on Utilities and Commerce  
(Wright (Chair), Pescetti (Vice Chair), Calderon,  
Campbell, Frusetta, Mazzoni, Reyes, Vincent, and Wesson)**

March 11, 1999

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An act to amend Sections 25410.5, 25410.6, 25411, 25413, 25415, 25416, 25417.5, 25419, 25421, 25441, 25442, 25442.7, 25443.5, 25445, 25449.1, 25449.3, 25449.4, and to repeal Sections 25412.5, 25441.5, 25442.5, 25446, and 25447.2 of the Public Resources Code, relating to energy conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1663, as introduced, Committee on Utilities and Commerce. Energy conservation assistance: loans and grants.

(1) Existing law, the Energy Conservation Assistance Act of 1979, creates the State Energy Conservation Assistance Account in the General Fund to provide grants and loans to eligible institutions, as defined, until January 1, 2001, for specified purposes relating to energy conservation assistance. The act authorizes the State Energy Resources Conservation and Development Commission to make loans to local governments owning, or leasing from entities other than privately owned electrical utilities, street lighting systems for purposes of converting those systems to improve energy efficiency.

This bill would delete those provisions.

The act authorizes the commission to contract for specified services to be performed for eligible institutions with respect to energy conservation assistance.

(2) The act requires the commission to provide loans to local jurisdictions for the purchase, maintenance, and evaluation of specified energy efficient equipment, small power production systems, and local transportation systems.

This bill would, instead, require the commission to provide loans to local jurisdictions for the purposes of financing energy audits, feasibility studies, financial analyses, energy conservation measures and projects, engineering and design, legal and technical assistance, and for improving the operating efficiency of local transportation systems. The bill would also make various changes with respect to the terms and conditions for the repayment of energy assistance loans and the criteria for funding grants and loans, and would revise certain of the commission's powers with respect to the administration of provisions of the act.

(3) This bill would extend to January 1, 2011, the termination date of the above provisions.

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

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

1 SECTION 1. Section 25410.5 of the Public Resources  
2 Code is amended to read:

3 25410.5. The Legislature finds and declares all of the  
4 following:

5 (a) Energy costs are frequently the second largest  
6 discretionary expense in a local government's budget.  
7 ~~According to the commission, most public institutions~~  
8 ~~could reduce their energy costs by 20 to 30 percent.~~

9 (b) A variety of energy conservation measures are  
10 available to local governments. These measures are  
11 highly cost-effective, often providing a payback on the  
12 initial investment in three years or less.

13 (c) Many local governments lack energy management  
14 expertise and are often unaware of their high energy costs  
15 or the opportunities to reduce those costs.



(d) Local governments that desire to reduce their energy costs through energy conservation and efficiency measures often lack available funding.

(e) Since 1980, the Energy Conservation Assistance Account has provided ~~\$43.7~~ \$60 million in loans, through a revolving loan account, to ~~323~~ 510 schools, hospitals, and local governments. ~~The energy conservation projects funded by the account save approximately \$20 million annually in energy costs.~~

(f) Local governments and public institutions need assistance in all aspects of energy efficiency improvements, including, *but not limited to*, project identification, project development and implementation, *evaluation of project proposals and options*, operations and maintenance *training*, and troubleshooting of *problem projects*.

SEC. 2. Section 25410.6 of the Public Resources Code is amended to read:

25410.6. (a) It is the intent of the Legislature that the commission shall administer the State Energy Conservation Assistance Account to provide grants and loans to local governments and public institutions to maximize energy use savings, including, but not limited to, technical assistance, demonstrations, and identification and implementation of cost-effective energy efficiency measures and programs.

(b) It is further the intent of the Legislature that the commission seek the assistance of ~~utility companies~~ *others* in providing energy audits for local governments and public institutions and in publicizing the availability of State Energy Conservation Assistance Account funds to qualified entities.

SEC. 3. Section 25411 of the Public Resources Code is amended to read:

25411. As used in this chapter:

(a) "Allocation" means a loan of funds by the commission pursuant to the procedures specified in this chapter.

(b) "Building" means any occupied structure which includes a heating or cooling system, or both. Additions

1 to an original building shall be considered part of that  
2 building rather than a separate building.

3 (c) “Eligible institution” means a school, hospital,  
4 public care institution, or a unit of local government.

5 (d) “Energy audit” means a determination of the  
6 energy consumption characteristics of a building or  
7 facility ~~which~~ *that* does all of the following:

8 (1) Identifies the type, size, and energy use level of  
9 such building or facility and the major energy using  
10 systems of such building or facility.

11 (2) Determines appropriate energy conservation  
12 maintenance and operating procedures.

13 (3) Indicates the need, if any, for the acquisition and  
14 installation of energy conservation measures.

15 (e) “Energy conservation maintenance and operating  
16 procedure” means a modification or modifications in the  
17 maintenance and operations of a building or facility, and  
18 any installations therein (based on the use time schedule  
19 of the building or facility), which are designed to reduce  
20 energy consumption in such building or facility and  
21 which require no significant expenditure of funds.

22 (f) “Energy conservation measure” means an  
23 installation or modification of an installation in a building  
24 or facility ~~which~~ *that* is primarily intended to reduce  
25 energy consumption or allow the use of a more desirable  
26 energy source.

27 (g) “Energy conservation project” means an  
28 undertaking to acquire and to install one or more energy  
29 conservation measures in a building or facility, and  
30 technical assistance in connection with any such  
31 undertaking.

32 (h) “Facility” means any major energy using system of  
33 an eligible institution whether or not housed in a building.

34 (i) “Hospital” means a public or nonprofit institution  
35 which is *both of the following*:

36 (1) A general hospital, tuberculosis hospital, or any  
37 other type of hospital, other than a hospital furnishing  
38 primarily domiciliary care; ~~and~~.

39 (2) Duly authorized to provide hospital services under  
40 the laws of this state.

1 (j) “Hospital building” means a building housing a  
2 hospital and related operations, including laboratories,  
3 laundries, outpatient departments, nurses’ home and  
4 training activities, and central service operations in  
5 connection with a hospital, and also includes a building  
6 housing education or training activities for health  
7 professions personnel operated as an integral part of a  
8 hospital.

9 (k) “Local government building” means a building  
10 ~~which that is owned and~~ primarily occupied by offices or  
11 agencies of a unit of local government or by a public care  
12 institution ~~and shall not include any building intended for~~  
13 ~~seasonal use or any building used primarily by a school or~~  
14 ~~hospital.~~

15 (l) “Project” means a purpose for which an allocation  
16 may be requested and made under this chapter. ~~Such~~  
17 ~~Those~~ purposes shall include energy audits, energy  
18 conservation and operating procedures, energy  
19 conservation measures, energy conservation projects,  
20 and technical assistance programs.

21 (m) “Public care institution” means a public or  
22 nonprofit institution ~~—which owns that is any of the~~  
23 ~~following:~~

24 (1) A long-term care institution.

25 (2) A rehabilitation institution.

26 (3) An institution for the provision of public health  
27 services, including related publicly owned services such  
28 as laboratories, clinics, and administrative offices  
29 operated in connection with such an institution.

30 (4) A residential child care center.

31 (n) “Public or nonprofit institution” means an  
32 institution owned and operated by *any of the following*:

33 (1) The state, a political subdivision of the state, or an  
34 agency or instrumentality of either.

35 (2) An organization exempt from income tax under  
36 Section 501(c)(3) of the Internal Revenue Code of 1954.

37 (3) In the case of public care institutions, an  
38 organization also exempt from income tax under Section  
39 501(c)(4) of the Internal Revenue Code of 1954.

1 (o) “School” means a public or nonprofit institution,  
2 including a local educational agency, which *does any of*  
3 *the following*:

4 (1) Provides, and is legally authorized to provide,  
5 elementary education or secondary education, or both,  
6 on a day or residential basis.

7 (2) Provides, and is legally authorized to provide, a  
8 program of education beyond secondary education, on a  
9 day or residential basis and *does all of the following*:

10 (A) Admits as students only persons having a  
11 certificate of graduation from a school providing  
12 secondary education, or the recognized equivalent of  
13 such certificate.

14 (B) Is accredited by a nationally recognized  
15 accrediting agency or association.

16 (C) Provides an education program for which it  
17 awards a bachelor’s degree or higher degree or provides  
18 not less than a two-year program ~~which~~ *that* is acceptable  
19 for full credit toward such a degree at any institution  
20 which meets the requirements of ~~paragraphs~~  
21 *subparagraphs* (A) and (B) and which provides such a  
22 program.

23 (3) Provides not less than a one-year program of  
24 training to prepare students for gainful employment in a  
25 recognized occupation and which meets the ~~provisions~~  
26 *requirements of paragraph* (2).

27 (p) “School building” means a building housing  
28 classrooms, laboratories, dormitories, athletic facilities, or  
29 related facilities operated in connection with a school.

30 (q) “Technical assistance costs” means costs incurred  
31 for the use of existing personnel or the temporary  
32 employment of other qualified personnel (or both such  
33 types of personnel) necessary for providing technical  
34 assistance.

35 (r) “Technical assistance program” means assistance  
36 to schools, hospitals, local government, and public care  
37 institutions ~~for~~ *and includes, but is not limited to*:

38 (1) Conducting specialized studies identifying and  
39 specifying energy savings and related cost savings that

1 are likely to be realized as a result of *either of the*  
2 *following*:

3 (A) Modification of maintenance and operating  
4 procedures in a building or facility, in addition to those  
5 modifications implemented after the preliminary energy  
6 audit, ~~or~~

7 (B) Acquisition and installation of one or more  
8 specified energy conservation measures in such building  
9 or facility, or as a result of both.

10 (2) Planning of specific remodeling, renovation,  
11 repair, replacement, or insulation projects related to the  
12 installation of energy conservation measures in such  
13 building or facility.

14 (3) *Developing and evaluating alternative project*  
15 *implementation methods and proposals.*

16 (s) "Unit of local government" means a unit of general  
17 purpose government below the state or a special district.

18 SEC. 4. Section 25412.5 of the Public Resources Code  
19 is repealed.

20 ~~25412.5. The commission may make loans pursuant to~~  
21 ~~this chapter to local governments owning, or leasing from~~  
22 ~~entities other than privately owned electrical utilities,~~  
23 ~~street lighting systems for purposes of converting the~~  
24 ~~system from incandescent or mercury vapor lamps to~~  
25 ~~sodium vapor lamps or other lighting system equivalent~~  
26 ~~to a sodium vapor system in energy efficiency. Only such~~  
27 ~~refitting programs which convert to sodium vapor lamps~~  
28 ~~or their equivalent in energy efficiency providing~~  
29 ~~comparable illumination shall be eligible for such loan~~  
30 ~~program, it being the purpose and intent of this program~~  
31 ~~to effect the maximum energy savings rather than to~~  
32 ~~increase the amount of light produced by any street lamp.~~  
33 ~~The commission shall provide for loan repayment on the~~  
34 ~~basis of life-cycle cost effectiveness of such conversions in~~  
35 ~~a manner which distinguishes between savings of~~  
36 ~~electricity purchased from a utility and savings realized~~  
37 ~~by local governments which operate electrical systems~~  
38 ~~and thereby furnish electricity for the operation of~~  
39 ~~streetlights.~~

1 SEC. 5. Section 25413 of the Public Resources Code is  
2 amended to read:

3 25413. Applications may be approved by the  
4 commission only in those instances where the eligible  
5 institution has furnished information satisfactory to the  
6 commission that the costs of the project, plus interest on  
7 state funds loaned, calculated in accordance with Section  
8 25415, will be recovered through savings in the cost of  
9 energy to such institution during the repayment period  
10 of the allocation.

11 ~~The commission shall give priority to applications~~  
12 ~~which, based on anticipated savings in the cost of energy,~~  
13 ~~will most rapidly recover the cost of the allocation.~~

14 SEC. 6. Section 25415 of the Public Resources Code is  
15 amended to read:

16 25415. (a) Each eligible institution to which an  
17 allocation has been made under this chapter shall repay  
18 the principal amount of the allocation, plus interest, in not  
19 more than ~~22~~ 30 equal semiannual payments, as  
20 determined by the commission. The first semiannual  
21 payment shall be made on or before December 22 of the  
22 fiscal year following the year in which the project is  
23 completed. *The repayment period shall not exceed the*  
24 *life of the equipment, as determined by the commission,*  
25 *or the lease term of the building in which the energy*  
26 *conservation measures will be installed.*

27 (b) Notwithstanding any other provision of law, the  
28 commission shall, unless it determines that the purposes  
29 of this chapter would be better served by establishing an  
30 alternative interest rate schedule, periodically set  
31 interest rates on the loans based on surveys of existing  
32 financial markets and at rates not lower than the Pooled  
33 Money Investment Account.

34 (c) The governing body of each eligible institution  
35 shall annually budget an amount at least sufficient to  
36 make the semiannual payments required in this section.  
37 The amount shall not be raised by the levy of additional  
38 taxes but shall ~~instead~~ be obtained by a savings in energy  
39 costs *or other services.*



SEC. 7. Section 25416 of the Public Resources Code is amended to read:

25416. (a) The State Energy Conservation Assistance Account is hereby created in the General Fund. Notwithstanding Section 13340 of the Government Code, the account is continuously appropriated to the commission without regard to fiscal year.

(b) The money in the account shall consist of all money authorized or required to be deposited in the account by the Legislature and all money received by the commission pursuant to Sections 25414 and 25415.

(c) The money in the account shall be disbursed by the Controller for the purposes of this chapter as authorized by the commission.

(d) The commission may contract and provide grants for services to be performed for eligible institutions. Services may include, but are not limited to, feasibility analysis, project design, field assistance, and ~~operation and training~~. The amount expended for those services shall not exceed 10 percent of the ~~annual appropriation from the account~~ *balance in the account, as determined by the commission on July 1 of each year.*

(e) The commission may make grants to demonstrate energy efficiency technologies *and market transformation projects* at appropriate locations throughout the state. The amount expended for grants shall not exceed 5 percent of the ~~annual appropriation from the account~~ *balance in the account, as determined by the commission on July 1 of each year.*

(f) The commission may charge a fee for the services provided under subdivision (d), ~~provided that the funds used for the payment of those services shall have been made available to the eligible institution as a result of the realization of savings in energy costs. Those payments and those fees shall be deposited in the account. If anticipated savings do not result from the project, the repayment of fees shall be forgiven.~~

SEC. 8. Section 25417.5 of the Public Resources Code is amended to read:

1 25417.5. (a) In furtherance of the purposes of the  
2 commission as set forth in this chapter, the commission  
3 ~~shall also have the power and authority to~~ *may also* do all  
4 of the following:

5 (1) Borrow money, for the purpose of obtaining funds  
6 to make loans pursuant to this chapter, from the  
7 California Economic Development Financing Authority  
8 or the California Infrastructure and Economic  
9 Development Bank, from the proceeds of revenue bonds  
10 issued by either of those agencies.

11 (2) Pledge, to provide collateral in connection with  
12 the borrowing of money pursuant to paragraph (1), loans  
13 made pursuant to this chapter or Chapter 5.4  
14 (commencing with Section 25440), or the principal and  
15 interest payments on loans made pursuant to this chapter  
16 or Chapter 5.4 (commencing with Section 25440).

17 (3) Sell loans made pursuant to this chapter or  
18 Chapter 5.4 (commencing with Section 25440), at prices  
19 determined in the sole discretion of the commission, to  
20 the California Economic Development Financing  
21 Authority or the California Infrastructure and Economic  
22 Development Bank to raise funds to enable the  
23 commission to make loans to eligible institutions.

24 (4) Enter into loan agreements or other contracts  
25 necessary ~~or appropriate~~ in connection with the pledge  
26 or sale of loans pursuant to paragraph (2) or (3), or the  
27 borrowing of money as provided in paragraph (1),  
28 containing any provisions that may be required by the  
29 California Economic Development Financing Authority  
30 or the California Infrastructure and Economic  
31 Development Bank as conditions of issuing bonds to fund  
32 loans to, or the purchase of loans from, the commission.

33 (b) In connection with the pledging of loans, or of the  
34 principal and interest payment on loans, pursuant to  
35 paragraph (2) of subdivision (a), the commission may  
36 enter into pledge agreements setting forth the terms and  
37 conditions pursuant to which the commission is pledging  
38 loans or the principal and interest payment on loans, and  
39 may also agree to have the loans held by bond trustees or  
40 by independent collateral or escrow agents and to direct

1 that payments received on those loans be paid to those  
2 trustee, collateral, or escrow agents.

3 (c) The commission may employ financial consultants,  
4 legal advisers, ~~and~~ accountants, *and other service*  
5 *providers* as may be necessary in its judgment in  
6 connection with activities pursuant to this chapter.

7 (d) Notwithstanding any other provision of law, this  
8 chapter provides a complete, separate, additional, and  
9 alternative method for the doing of things authorized by  
10 this chapter, including the authority of the eligible  
11 institutions or local jurisdictions to have borrowed and to  
12 borrow in the future pursuant to loans made pursuant to  
13 this chapter or Chapter 5.4 (commencing with Section  
14 25440), and is supplemental and additional to powers  
15 conferred by other laws.

16 SEC. 8.5. Section 25419 of the Public Resources Code  
17 is amended to read:

18 25419. In addition to the powers specifically granted  
19 to the commission by the other provisions of this chapter,  
20 the commission shall have the following powers:

21 (a) To establish qualifications and priorities, *and*  
22 *evaluation criteria* consistent with the objectives of this  
23 chapter, for making allocations.

24 (b) To establish such procedures and policies as may  
25 be necessary for the administration of this chapter.

26 SEC. 9. Section 25421 of the Public Resources Code is  
27 amended to read:

28 25421. (a) Except as provided in subdivision (b), this  
29 chapter shall remain in effect only until January 1, ~~2004~~  
30 *2011*, and as of that date is repealed, unless a later enacted  
31 statute, which is enacted before January 1, ~~2004~~ *2011*,  
32 deletes or extends that date.

33 (b) All loans outstanding as of January 1, ~~2004~~ *2011*,  
34 shall continue to be repaid on a semiannual basis, as  
35 specified in Section 25415, until paid in full. All  
36 unexpended funds in the State Energy Conservation  
37 Assistance Account on January 1, ~~2004~~ *2011*, and  
38 thereafter, except to the extent those funds are  
39 encumbered pursuant to Section 25417.5, shall revert to  
40 the General Fund.

1 SEC. 10. Section 25441 of the Public Resources Code  
2 is amended to read:

3 25441. The commission shall provide financial  
4 assistance to local jurisdictions for the purpose of  
5 providing staff training and support services, ~~including~~  
6 ~~technical support services, in the fields of planning,~~  
7 ~~design, permitting, conservation, comprehensive energy~~  
8 ~~management, and development of energy and energy~~  
9 ~~resources such as planning, design, permitting, energy~~  
10 ~~conservation, comprehensive energy management,~~  
11 ~~project evaluation, and development of alternative~~  
12 ~~energy resources.~~

13 SEC. 11. Section 25441.5 of the Public Resources Code  
14 is repealed.

15 ~~25441.5. Financial assistance provided to local~~  
16 ~~jurisdictions under this article may not exceed 75 percent~~  
17 ~~of the cost of carrying out the activity, unless the~~  
18 ~~commission determines, by unanimous vote, that the~~  
19 ~~public interest and objectives of this chapter would be~~  
20 ~~better served at a higher level of state funding.~~

21 SEC. 12. Section 25442 of the Public Resources Code  
22 is amended to read:

23 25442. The commission shall provide loans to local  
24 jurisdictions for *the purposes of financing energy audits,*  
25 *feasibility studies, energy conservation measures and*  
26 *projects, engineering and design, legal and financial*  
27 *analyses, and technical assistance as part of the Technical*  
28 *Assistance Program, as defined by subdivision (r) of*  
29 *Section 25411, and for improving the operating efficiency*  
30 *of existing local transportation systems.* ~~all of the~~  
31 ~~following purposes:~~

32 ~~(a) Purchase, maintenance, and evaluation of energy~~  
33 ~~efficient equipment for existing and new facilities,~~  
34 ~~including, but not limited to, equipment related to lights,~~  
35 ~~motors, pumps, water and wastewater systems, boilers,~~  
36 ~~heating, and air conditioning.~~

37 ~~(b) Purchase, maintenance, and evaluation of small~~  
38 ~~power production systems, including, but not limited to,~~  
39 ~~wind, cogeneration, photovoltaics, geothermal, and~~  
40 ~~hydroelectric systems.~~

1 ~~(e) Improve the operating efficiency of existing local~~  
2 ~~transportation systems.~~

3 SEC. 13. Section 25442.5 of the Public Resources Code  
4 is repealed.

5 ~~25442.5. The commission may award financial~~  
6 ~~assistance for project audits, feasibility studies,~~  
7 ~~engineering and design, and legal and financial analysis~~  
8 ~~related to the purposes of Section 25442.~~

9 SEC. 14. Section 25442.7 of the Public Resources Code  
10 is amended to read:

11 25442.7. (a) Loans under this article may not exceed  
12 one million dollars (\$1,000,000) for any one local  
13 jurisdiction ~~and financial assistance under this article may~~  
14 ~~not exceed 75 percent of the project cost,~~ unless the  
15 commission determines, by unanimous vote, that the  
16 public interest and objectives of this chapter would be  
17 better served at a higher loan amount.

18 ~~Loan~~

19 (b) *Loan* repayments shall be made in accordance  
20 with a schedule established by the commission.  
21 Repayment of loans shall be made in full unless the  
22 commission determines, by unanimous vote, that the  
23 public interest and objectives of this chapter would be  
24 better served by negotiating a reduced loan repayment  
25 for a project which failed to meet the technical or  
26 financial performance criteria through no fault of the  
27 local jurisdiction.

28 SEC. 15. Section 25443.5 of the Public Resources Code  
29 is amended to read:

30 25443.5. (a) In furtherance of the purposes of the  
31 commission as set forth in this chapter, the commission  
32 ~~shall may also have the power and authority to~~ do all of  
33 the following:

34 (1) Borrow money, for the purpose of obtaining funds  
35 to make loans pursuant to this chapter, from the  
36 California Economic Development Financing Authority  
37 or the California Infrastructure and Economic  
38 Development Bank, from the proceeds of revenue bonds  
39 issued by either of those agencies.

(2) Pledge, to provide collateral in connection with the borrowing of money pursuant to paragraph (1), loans made pursuant to this chapter or Chapter 5.2 (commencing with Section 25410), or the principal and interest payments on loans made pursuant to this chapter or Chapter 5.2 (commencing with Section 25410).

(3) Sell loans made pursuant to this chapter or Chapter 5.2 (commencing with Section 25410), at prices determined in the sole discretion of the commission, to the California Economic Development Financing Authority or the California Infrastructure and Economic Development Bank to raise funds to enable the commission to make loans to eligible institutions.

(4) Enter into loan agreements or other contracts necessary ~~or appropriate~~ in connection with the pledge or sale of loans pursuant to paragraph (2) or (3), or the borrowing of money as provided in paragraph (1), containing any provisions that may be required by the California Economic Development Financing Authority or the California Infrastructure and Economic Development Bank as conditions of issuing bonds to fund loans to, or the purchase of loans from, the commission.

(b) In connection with the pledging of loans, or of the principal and interest payment on loans, pursuant to paragraph (2) of subdivision (a), the commission may enter into pledge agreements setting forth the terms and conditions pursuant to which the commission is pledging loans or the principal and interest payment on loans, and may also agree to have the loans held by bond trustees or by independent collateral or escrow agents and to direct that payments received on those loans be paid to those trustee, collateral, or escrow agents.

(c) The commission may employ financial consultants, legal advisers, ~~and~~ accountants, *and other service providers* as may be necessary in its judgment in connection with activities pursuant to this chapter.

(d) Notwithstanding any other provision of law, this chapter provides a complete, separate, additional, and alternative method for the doing of things authorized by this chapter, including the authority of the eligible

1 institutions or local jurisdictions to have borrowed and to  
2 borrow in the future pursuant to loans made pursuant to  
3 this chapter or Chapter 5.2 (commencing with Section  
4 25410), and is supplemental and additional to powers  
5 conferred by other laws.

6 SEC. 16. Section 25445 of the Public Resources Code  
7 is amended to read:

8 25445. The commission shall design a local jurisdiction  
9 energy assistance program for the purpose of providing  
10 financial assistance under Article 2 (commencing with  
11 Section 25441) and providing loans under Article 3  
12 (commencing with Section 25442) ~~by March 1, 1987,~~  
13 ~~following consideration of recommendations from an~~  
14 ~~advisory committee appointed by the commission under~~  
15 ~~Section 25447.~~ A local jurisdiction's energy assistance  
16 program shall be funded through the commission's  
17 existing local government assistance programs, except  
18 that if a project is not eligible for funding under an  
19 existing program, the commission may fund the project  
20 under this chapter.

21 SEC. 17. Section 25446 of the Public Resources Code  
22 is repealed.

23 ~~25446. Loans made pursuant to this program shall, at~~  
24 ~~a minimum, be evaluated on all of the following factors:~~

- 25 ~~(a) Project feasibility.~~  
26 ~~(b) Local jurisdiction financial contribution to project.~~  
27 ~~(c) Energy savings or energy production potential~~  
28 ~~sufficient to repay the loan in accordance with Section~~  
29 ~~25442.~~  
30 ~~(d) Availability of other federal or state funds.~~  
31 ~~(e) Potential for project replication in other local~~  
32 ~~jurisdictions.~~  
33 ~~(f) Environmental benefits.~~  
34 ~~(g) Economic development benefits.~~  
35 ~~(h) Consistency with California energy policies as~~  
36 ~~reflected in the commission's biennial report.~~

37 SEC. 18. Section 25447.2 of the Public Resources Code  
38 is repealed.

39 ~~25447.2. Members of the advisory committee shall~~  
40 ~~receive no compensation, but shall be reimbursed for~~



~~1 necessary and reasonable expenses incurred in the  
2 performance of their duties.~~

3 SEC. 19. Section 25449.1 of the Public Resources Code  
4 is amended to read:

5 25449.1. ~~(a) The California Energy Extension  
6 Service of the Office of Planning and Research shall enter  
7 into an agreement with the State Department of  
8 Education to expend petroleum violation escrow funds to  
9 supplement, and not supplant, other available funds in  
10 order to provide grants to school districts for training and  
11 support services for planning and management of energy  
12 conservation and development projects.~~

13 ~~(b) The commission shall enter into an agreement  
14 with the State Department of Education to expend  
15 petroleum violation escrow funds to supplement, and not  
16 supplant, other available funds in order to provide loans  
17 to school districts to purchase, maintain, and evaluate  
18 energy efficient equipment and small power production  
19 systems.~~

20 SEC. 20. Section 25449.3 of the Public Resources Code  
21 is amended to read:

22 25449.3. (a) The Local Jurisdiction Energy  
23 Assistance Account is hereby created in the General  
24 Fund. All money appropriated for purposes of this  
25 chapter and all money received from local jurisdictions  
26 from loan repayments shall be deposited in the account  
27 and disbursed by the Controller as authorized by the  
28 commission.

29 (b) The commission may charge a fee for the services  
30 provided under this chapter; ~~provided that the funds  
31 used for the payment of those services shall have been  
32 made available to the local jurisdiction as a result of the  
33 realization of savings in energy costs. Those payments  
34 shall be deposited in the account. If anticipated savings do  
35 not result from the project, the repayment of fees shall be  
36 forgiven.~~

37 (c) The commission may contract for services to be  
38 performed by eligible institutions, as defined in  
39 subdivision (c) of Section 25411. Those services shall  
40 include, but are not limited to, performance of a



1 feasibility analyses; and providing project design, field,  
2 *evaluation*, and operation and training assistance. The  
3 amount expended for contract services shall not exceed  
4 10 percent of the annual scheduled loan repayment to the  
5 Local Jurisdiction Energy Assistance Account, as  
6 determined by the commission not later than July 1 of  
7 each fiscal year.

8 SEC. 21. Section 25449.4 of the Public Resources Code  
9 is amended to read:

10 25449.4. (a) Except as provided in subdivision (b),  
11 this chapter shall remain in effect until January 1, ~~2002~~  
12 ~~2011~~, and as of that date is repealed, unless a later enacted  
13 statute which is enacted before January 1, ~~2002~~ ~~2011~~,  
14 deletes or extends that date.

15 (b) All loans outstanding as of January 1, ~~2002~~ ~~2011~~,  
16 shall continue to be repaid in accordance with a schedule  
17 established by the commission pursuant to Section  
18 25442.7, until paid in full. All unexpended funds in the  
19 Local Jurisdiction Energy Assistance Account on January  
20 1, ~~2002~~ ~~2011~~, and thereafter, except to the extent that  
21 those funds are encumbered pursuant to Section 25443.5,  
22 shall be deposited in the Federal Trust Fund and be  
23 available for the purposes for which federal oil  
24 overcharge funds are available pursuant to court  
25 judgment or federal agency order.