

AMENDED IN ASSEMBLY MAY 6, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1663**

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

March 11, 1999

An act to amend ~~Sections~~ *Section 15814.15 of the Government Code*, and to amend Sections 25008.5, 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 *25449.4 of*, 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 amended, Committee on Utilities and Commerce. Energy conservation assistance: loans and grants: *energy and water projects*.

(1) *Existing law authorizes the State Public Works Board, until January 1, 2000, to issue revenue bonds, notes, and bond anticipation notes to finance the cost of cogeneration equipment, alternative energy equipment, and conservation measures in public buildings in an amount of \$50,000,000 in each of the 10 fiscal years beginning with the 1982–83 fiscal year, but provides that any portion of that authorization not used in any fiscal year may be used in any future fiscal year.*

*This bill would provide that the total amount of revenue bonds, notes, and bond anticipation notes issued by the board may not exceed a total amount of \$500,000,000, and would extend to January 1, 2005, the termination date of those provisions.*

*(2) Existing law, the Warren-Alquist State Energy Resources Conservation and Development Act, until January 1, 2000, declares that it is the policy of the state to encourage 3rd-party financing of energy and water projects at state-owned sites and that development of energy and water projects at state-owned sites can be accelerated where reasonable incentives are provided, and sets forth specified incentive benefits between the state and the institutions siting the energy and water projects.*

*This bill would extend to January 1, 2005, the termination date of those provisions.*

*(3) Existing law, the Energy Conservation Assistance Act of 1979, which is a part of the Warren-Alquist State Energy Resources Conservation and Development Act, 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~~

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

~~(2) The~~

*The energy conservation 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)

(5) This bill would extend to January 1, 2011, the termination date of the ~~above provisions~~ *energy conservation act*.

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 15814.15 of the Government*  
 2 *Code is amended to read:*  
 3 15814.15. (a) The board may issue revenue bonds,  
 4 notes, including commercial paper notes and other forms  
 5 of negotiable short-term indebtedness, and bond  
 6 anticipation notes pursuant to Chapter 5 (commencing  
 7 with Section 15830) to finance the cost of cogeneration  
 8 equipment, alternative energy equipment, and  
 9 conservation measures constituting the public buildings  
 10 authorized by this chapter. The total amount of revenue  
 11 bonds, notes, including commercial paper notes and  
 12 other forms of negotiable short-term indebtedness, and  
 13 bond anticipation notes authorized to be issued pursuant  
 14 to this section in each of the 10 fiscal years beginning with  
 15 the 1982–83 fiscal year is fifty million dollars  
 16 (\$50,000,000), *for a total of five hundred million dollars*  
 17 *(\$500,000,000)*. Any portion of the authorization not used  
 18 in any fiscal year may be used in any future fiscal year.  
 19 (b) This section shall remain in effect only until  
 20 January 1, ~~2000~~ 2005, and as of that date is repealed, unless

1 a later enacted statute, which is enacted before January  
2 1, ~~2000~~ 2005, deletes or extends that date.

3 *SEC. 2. Section 25008.5 of the Public Resources Code*  
4 *is amended to read:*

5 25008.5. (a) The Legislature hereby finds and  
6 declares that in order to maximize public benefit from  
7 private sector participation in state operations and to  
8 maximize the Legislature's ability to devote limited  
9 resources of the state to the responsibilities of state  
10 government that are less attractive to private sector  
11 investment, it is the policy of the state to encourage  
12 third-party financing of energy and water projects,  
13 including, but not limited to, cogeneration facilities, at  
14 state-owned sites.

15 (b) The Legislature further finds and declares that the  
16 development of energy and water projects at  
17 state-owned sites can be accelerated where reasonable  
18 incentives are provided to the siting institutions. These  
19 incentives are necessary to offset the long-term  
20 administrative, operational, and technical complexities of  
21 energy and water projects developed under this section.  
22 Reasonable incentives for implementing the policy of this  
23 section shall include the sharing of benefits derived from  
24 energy and water projects between the state and the  
25 siting institution. The benefits to the state and siting  
26 institutions derived from projects implemented under  
27 this section may include, but are not limited to, annual  
28 cash revenues, avoided capital costs, reduced energy  
29 costs, reduced water costs, site improvements, and  
30 additional operations and maintenance resources. The  
31 annual cash revenues derived from those projects shall be  
32 shared equally between the state and the siting  
33 institution, if both of the following conditions are met:

34 (1) The use of cash and avoided cost benefits by siting  
35 institutions is to be limited to improvement of ongoing  
36 maintenance, deferred maintenance, cost-effective  
37 energy improvements, and other infrastructure  
38 improvements. To the extent an institution receives  
39 annual cash revenues under this section, the institution  
40 shall retain any money it receives, but not to exceed

1 one-half of this amount, in a special deposit fund account,  
2 which shall be continuously appropriated to the  
3 institution for the purposes of this section. The state's  
4 benefit share, and the siting institution's benefit share  
5 that exceeds its needs, shall be deposited in the Energy  
6 and Resources Fund or, if this fund is not in existence, the  
7 General Fund for the purpose of investing in renewable  
8 resources programs and energy efficiency improvements  
9 at state facilities.

10 (2) The use of benefits shall be in addition to, and shall  
11 not supplant or replace, funding from traditional sources  
12 for a siting institution's normal operations and  
13 maintenance or capital outlay budgets.

14 (c) The Legislature further finds and declares that a  
15 benefit-sharing incentive is applicable to energy projects  
16 reported to, or authorized by, the Legislature pursuant to  
17 Section 13304 or 14671.6 of the Government Code. This  
18 section shall not apply to energy projects which are  
19 constructed on or at facilities or property of the State  
20 Water Resources Development System.

21 (d) ~~Commencing on January 1, 1986, the~~  
22 ~~Notwithstanding Section 7550.5 of the Government~~  
23 ~~Code, the~~ Department of General Services shall submit  
24 annual reports to the Legislature on the cost benefit  
25 aspects in carrying out this section.

26 (e) This section shall remain in effect only until  
27 January 1, ~~2000~~ 2005, and as of that date is repealed, unless  
28 a later enacted statute, which is enacted before January  
29 1, ~~2000~~ 2005, deletes or extends that date.

30 SEC. 3. Section 25410.5 of the Public Resources Code  
31 is amended to read:

32 25410.5. The Legislature finds and declares all of the  
33 following:

34 (a) Energy costs are frequently the second largest  
35 discretionary expense in a local government's budget.

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

(c) Many local governments lack energy management expertise and are often unaware of their high energy costs 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 \$60 million in loans, through a revolving loan account, to 510 schools, hospitals, and local governments.

(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.—~~

*SEC. 4.* 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 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.—~~

*SEC. 5.* Section 25411 of the Public Resources Code is amended to read:

25411. As used in this chapter:

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

4 (b) "Building" means any occupied structure which  
5 includes a heating or cooling system, or both. Additions  
6 to an original building shall be considered part of that  
7 building rather than a separate building.

8 (c) "Eligible institution" means a school, hospital,  
9 public care institution, or a unit of local government.

10 (d) "Energy audit" means a determination of the  
11 energy consumption characteristics of a building or  
12 facility that does all of the following:

13 (1) Identifies the type, size, and energy use level of  
14 ~~such~~ the building or facility and the major energy using  
15 systems of ~~such~~ the building or facility.

16 (2) Determines appropriate energy conservation  
17 maintenance and operating procedures.

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

20 (e) "Energy conservation maintenance and operating  
21 procedure" means a modification or modifications in the  
22 maintenance and operations of a building or facility, and  
23 any installations therein (based on the use time schedule  
24 of the building or facility), which are designed to reduce  
25 energy consumption in—~~such~~ the building or facility and  
26 which require no significant expenditure of funds.

27 (f) "Energy conservation measure" means an  
28 installation or modification of an installation in a building  
29 or facility that is primarily intended to reduce energy  
30 consumption or allow the use of a more desirable energy  
31 source.

32 (g) "Energy conservation project" means an  
33 undertaking to acquire and to install one or more energy  
34 conservation measures in a building or facility, and  
35 technical assistance in connection with any ~~such~~ the  
36 undertaking.

37 (h) "Facility" means any major energy using system of  
38 an eligible institution whether or not housed in a building.

39 (i) "Hospital" means a public or nonprofit institution  
40 which is both of the following:

1 (1) A general hospital, tuberculosis hospital, or any  
2 other type of hospital, other than a hospital furnishing  
3 primarily domiciliary care.

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

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

14 (k) “Local government building” means a building  
15 that is primarily occupied by offices or agencies of a unit  
16 of local government or by a public care institution.

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

23 (m) “Public care institution” means a public or  
24 nonprofit institution that is any of the following:

25 (1) A long-term care institution.

26 (2) A rehabilitation institution.

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

31 (4) A residential child care center.

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

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

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

38 (3) In the case of public care institutions, an  
39 organization also exempt from income tax under Section  
40 501(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~~ *that* 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 that is acceptable for full  
19 credit toward such a degree at any institution which  
20 meets the requirements of subparagraphs (A) and (B)  
21 and which provides such a program.

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

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

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

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

37 (1) Conducting specialized studies identifying and  
38 specifying energy savings and related cost savings that  
39 are likely to be realized as a result of either of the  
40 following:

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

5 (B) Acquisition and installation of one or more  
6 specified energy conservation measures in ~~such~~ *the*  
7 building or facility, or as a result of both.

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

12 (3) Developing and evaluating alternative project  
13 implementation methods and proposals.

14 (s) “Unit of local government” means a unit of general  
15 purpose government below the state or a special district.

16 ~~SEC. 4.—~~

17 *SEC. 6.* Section 25412.5 of the Public Resources Code  
18 is repealed.

19 ~~SEC. 5.—~~

20 *SEC. 7.* Section 25413 of the Public Resources Code is  
21 amended to read:

22 25413. Applications may be approved by the  
23 commission only in those instances where the eligible  
24 institution has furnished information satisfactory to the  
25 commission that the costs of the project, plus interest on  
26 state funds loaned, calculated in accordance with Section  
27 25415, will be recovered through savings in the cost of  
28 energy to such institution during the repayment period  
29 of the allocation.

30 ~~SEC. 6.—~~

31 *SEC. 8.* Section 25415 of the Public Resources Code is  
32 amended to read:

33 25415. (a) Each eligible institution to which an  
34 allocation has been made under this chapter shall repay  
35 the principal amount of the allocation, plus interest, in not  
36 more than 30 equal semiannual payments, as determined  
37 by the commission. The first semiannual payment shall be  
38 made on or before December 22 of the fiscal year  
39 following the year in which the project is completed. The  
40 repayment period shall not exceed the life of the

1 equipment, as determined by the commission, or the  
2 lease term of the building in which the energy  
3 conservation measures will be installed.

4 (b) Notwithstanding any other provision of law, the  
5 commission shall, unless it determines that the purposes  
6 of this chapter would be better served by establishing an  
7 alternative interest rate schedule, periodically set  
8 interest rates on the loans based on surveys of existing  
9 financial markets and at rates not lower than the Pooled  
10 Money Investment Account.

11 (c) The governing body of each eligible institution  
12 shall annually budget an amount at least sufficient to  
13 make the semiannual payments required in this section.  
14 The amount shall not be raised by the levy of additional  
15 taxes but shall be obtained by a savings in energy costs or  
16 other services.

17 ~~SEC. 7.—~~

18 *SEC. 9.* Section 25416 of the Public Resources Code is  
19 amended to read:

20 25416. (a) The State Energy Conservation Assistance  
21 Account is hereby created in the General Fund.  
22 Notwithstanding Section 13340 of the Government Code,  
23 the account is continuously appropriated to the  
24 commission without regard to fiscal year.

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

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

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

39 (e) The commission may make grants to demonstrate  
40 energy efficiency technologies and market

1 transformation projects at appropriate locations  
2 throughout the state. The amount expended for grants  
3 shall not exceed 5 percent of the balance in the account,  
4 as determined by the commission on July 1 of each year.

5 (f) The commission may charge a fee for the services  
6 provided under subdivision (d) and those fees shall be  
7 deposited in the account.

8 ~~SEC. 8.—~~

9 *SEC. 10.* Section 25417.5 of the Public Resources Code  
10 is amended to read:

11 25417.5. (a) In furtherance of the purposes of the  
12 commission as set forth in this chapter, the commission  
13 may also do all of the following:

14 (1) Borrow money, for the purpose of obtaining funds  
15 to make loans pursuant to this chapter, from the  
16 California Economic Development Financing Authority  
17 or the California Infrastructure and Economic  
18 Development Bank, from the proceeds of revenue bonds  
19 issued by either of those agencies.

20 (2) Pledge, to provide collateral in connection with  
21 the borrowing of money pursuant to paragraph (1), loans  
22 made pursuant to this chapter or Chapter 5.4  
23 (commencing with Section 25440), or the principal and  
24 interest payments on loans made pursuant to this chapter  
25 or Chapter 5.4 (commencing with Section 25440).

26 (3) Sell loans made pursuant to this chapter or  
27 Chapter 5.4 (commencing with Section 25440), at prices  
28 determined in the sole discretion of the commission, to  
29 the California Economic Development Financing  
30 Authority or the California Infrastructure and Economic  
31 Development Bank to raise funds to enable the  
32 commission to make loans to eligible institutions.

33 (4) Enter into loan agreements or other contracts  
34 necessary in connection with the pledge or sale of loans  
35 pursuant to paragraph (2) or (3), or the borrowing of  
36 money as provided in paragraph (1), containing any  
37 provisions that may be required by the California  
38 Economic Development Financing Authority or the  
39 California Infrastructure and Economic Development

1 Bank as conditions of issuing bonds to fund loans to, or the  
2 purchase of loans from, the commission.

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

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

17 (d) Notwithstanding any other provision of law, this  
18 chapter provides a complete, separate, additional, and  
19 alternative method for the doing of things authorized by  
20 this chapter, including the authority of the eligible  
21 institutions or local jurisdictions to have borrowed and to  
22 borrow in the future pursuant to loans made pursuant to  
23 this chapter or Chapter 5.4 (commencing with Section  
24 25440), and is supplemental and additional to powers  
25 conferred by other laws.

26 SEC. 8.5. Section 25419 of the Public Resources Code  
27 is amended to read:

28 25419. In addition to the powers specifically granted  
29 to the commission by the other provisions of this chapter,  
30 the commission shall have the following powers:

31 (a) To establish qualifications and priorities, and  
32 evaluation criteria consistent with the objectives of this  
33 chapter, for making allocations.

34 (b) To establish ~~such~~ *those* procedures and policies as  
35 may be necessary for the administration of this chapter.

36 ~~SEC. 9.—~~

37 SEC. 11. Section 25421 of the Public Resources Code  
38 is amended to read:

39 25421. (a) Except as provided in subdivision (b), this  
40 chapter shall remain in effect only until January 1, 2011,

1 and as of that date is repealed, unless a later enacted  
2 statute, which is enacted before January 1, 2011, deletes  
3 or extends that date.

4 (b) All loans outstanding as of January 1, 2011, shall  
5 continue to be repaid on a semiannual basis, as specified  
6 in Section 25415, until paid in full. All unexpended funds  
7 in the State Energy Conservation Assistance Account on  
8 January 1, 2011, and thereafter, except to the extent those  
9 funds are encumbered pursuant to Section 25417.5, shall  
10 revert to the General Fund.

11 ~~SEC. 10.—~~

12 *SEC. 12.* Section 25441 of the Public Resources Code  
13 is amended to read:

14 25441. The commission shall provide financial  
15 assistance to local jurisdictions for the purpose of  
16 providing staff training and support services, such as  
17 planning, design, permitting, energy conservation,  
18 comprehensive energy management, project evaluation,  
19 and development of alternative energy resources.

20 ~~SEC. 11.—~~

21 *SEC. 13.* Section 25441.5 of the Public Resources Code  
22 is repealed.

23 ~~SEC. 12.—~~

24 *SEC. 14.* Section 25442 of the Public Resources Code  
25 is amended to read:

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

34 ~~SEC. 13.—~~

35 *SEC. 15.* Section 25442.5 of the Public Resources Code  
36 is repealed.

37 ~~SEC. 14.—~~

38 *SEC. 16.* Section 25442.7 of the Public Resources Code  
39 is amended to read:



1 25442.7. (a) Loans under this article may not exceed  
2 one million dollars (\$1,000,000) for any one local  
3 jurisdiction, unless the commission determines, by  
4 unanimous vote, that the public interest and objectives of  
5 this chapter would be better served at a higher loan  
6 amount.

7 (b) Loan repayments shall be made in accordance  
8 with a schedule established by the commission.  
9 Repayment of loans shall be made in full unless the  
10 commission determines, by unanimous vote, that the  
11 public interest and objectives of this chapter would be  
12 better served by negotiating a reduced loan repayment  
13 for a project which failed to meet the technical or  
14 financial performance criteria through no fault of the  
15 local jurisdiction.

16 ~~SEC. 15.—~~

17 *SEC. 17.* Section 25443.5 of the Public Resources Code  
18 is amended to read:

19 25443.5. (a) In furtherance of the purposes of the  
20 commission as set forth in this chapter, the commission  
21 may also do all of the following:

22 (1) Borrow money, for the purpose of obtaining funds  
23 to make loans pursuant to this chapter, from the  
24 California Economic Development Financing Authority  
25 or the California Infrastructure and Economic  
26 Development Bank, from the proceeds of revenue bonds  
27 issued by either of those agencies.

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

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



(4) Enter into loan agreements or other contracts necessary 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, 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 institutions or local jurisdictions to have borrowed and to borrow in the future pursuant to loans made pursuant to this chapter or Chapter 5.2 (commencing with Section 25410), and is supplemental and additional to powers conferred by other laws.

~~SEC. 16.—~~

*SEC. 18.* Section 25445 of the Public Resources Code is amended to read:

25445. The commission shall design a local jurisdiction energy assistance program for the purpose of providing financial assistance under Article 2 (commencing with Section 25441) and providing loans under Article 3 (commencing with Section 25442). A local jurisdiction's



1 energy assistance program shall be funded through the  
2 commission's existing local government assistance  
3 programs, except that if a project is not eligible for  
4 funding under an existing program, the commission may  
5 fund the project under this chapter.

6 ~~SEC. 17.—~~

7 *SEC. 19.* Section 25446 of the Public Resources Code  
8 is repealed.

9 ~~SEC. 18.—~~

10 *SEC. 20.* Section 25447.2 of the Public Resources Code  
11 is repealed.

12 ~~SEC. 19.—~~

13 *SEC. 21.* Section 25449.1 of the Public Resources Code  
14 is amended to read:

15 25449.1. The commission shall expend petroleum  
16 violation escrow funds to supplement, and not supplant,  
17 other available funds in order to provide loans to school  
18 districts to purchase, maintain, and evaluate energy  
19 efficient equipment and small power production systems.

20 ~~SEC. 20.—~~

21 *SEC. 22.* Section 25449.3 of the Public Resources Code  
22 is amended to read:

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

30 (b) The commission may charge a fee for the services  
31 provided under this chapter.

32 (c) The commission may contract for services to be  
33 performed by eligible institutions, as defined in  
34 subdivision (c) of Section 25411. Those services shall  
35 include, but are not limited to, performance of a  
36 feasibility analyses and providing project design, field,  
37 evaluation, and operation and training assistance. The  
38 amount expended for contract services shall not exceed  
39 10 percent of the annual scheduled loan repayment to the  
40 Local Jurisdiction Energy Assistance Account, as

1 determined by the commission not later than July 1 of  
2 each fiscal year.

3 ~~SEC. 21.~~

4 *SEC. 23.* Section 25449.4 of the Public Resources Code  
5 is amended to read:

6 25449.4. (a) Except as provided in subdivision (b),  
7 this chapter shall remain in effect until January 1, 2011,  
8 and as of that date is repealed, unless a later enacted  
9 statute which is enacted before January 1, 2011, deletes or  
10 extends that date.

11 (b) All loans outstanding as of January 1, 2011, shall  
12 continue to be repaid in accordance with a schedule  
13 established by the commission pursuant to Section  
14 25442.7, until paid in full. All unexpended funds in the  
15 Local Jurisdiction Energy Assistance Account on January  
16 1, 2011, and thereafter, except to the extent that those  
17 funds are encumbered pursuant to Section 25443.5, shall  
18 be deposited in the Federal Trust Fund and be available  
19 for the purposes for which federal oil overcharge funds  
20 are available pursuant to court judgment or federal  
21 agency order.

