

**Introduced by Senator Steinberg**February 27, 2009

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An act to add Part 70 (commencing with Section 102000) to Division 14 of Title 3 of the Education Code, relating to energy job training.

## LEGISLATIVE COUNSEL'S DIGEST

SB 675, as introduced, Steinberg. Energy job training: Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act of 2010.

Existing law provides various funding sources for energy efficiency projects and related purposes.

Existing law establishes the Public Interest Research, Development, and Demonstration Fund in the State Treasury, and provides that the money collected by the public goods charge to support cost-effective energy efficiency and conservation activities, public interest research and development not adequately provided by competitive and regulated markets, be deposited in the fund for use by the State Energy Resources Conservation and Development Commission to develop, implement, and administer the Public Interest Research, Development, and Demonstration Program to develop technologies to improve environmental quality, enhance electrical system reliability, increase efficiency of energy-using technologies, lower electrical system costs, or provide other tangible benefits.

This bill would enact the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act of 2010 and would create the Clean Technology and Renewable Energy Job Training, Career Technical Education and Dropout Prevention Fund (fund) in the State Treasury. The bill would provide that the moneys in the fund would be available, upon appropriation by the Legislature, in

the form of competitive grants that would be administered by the State Allocation Board and awarded to qualifying entities for the purposes of the construction of new facilities or the reconfiguration of existing facilities to enhance the educational opportunities for program participants, as defined, to provide them with the skills and knowledge necessary for careers directly related to clean technology, renewable energy, or energy efficiency that may also contribute to California’s goal in reducing greenhouse gas emissions. The bill would create the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Council comprised of 9 members. The council would be required to issue guidelines to implement the purposes of this act. The bill would authorize the council to issue and renew negotiable bonds, notes, debentures, or other sources of security of up to \$5,000,000,000 that would be secured by moneys appropriated by the Legislature in the annual Budget Act from the Public Interest Research, Development, and Demonstration Fund.

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. Part 70 (commencing with Section 102000) is  
 2 added to Division 14 of Title 3 of the Education Code, to read:

3  
 4 PART 70. CLEAN TECHNOLOGY AND RENEWABLE  
 5 ENERGY JOB TRAINING, CAREER TECHNICAL  
 6 EDUCATION AND DROPOUT PREVENTION ACT OF 2010

7  
 8 CHAPTER 1. GENERAL PROVISIONS  
 9

10 102000. This part shall be known and may be cited as the Clean  
 11 Technology and Renewable Energy Job Training, Career Technical  
 12 Education, and Dropout Prevention Act of 2010.

13 102001. (a) The people of the State of California and the  
 14 Legislature, in approving this measure, find and declare all of the  
 15 following:

16 (1) California’s international leadership in renewable energy,  
 17 energy conservation, clean technology, and climate change policies  
 18 creates significant, but dramatically underfunded, opportunities to  
 19 provide strategic capital investments in energy conservation, clean

1 technologies, and renewable energy, including projects that  
2 contribute directly to workforce development and educational  
3 opportunities for high school pupils, young workers, community  
4 college students and graduates, youth who participate in community  
5 or state service organizations, college and university students and  
6 graduates, apprenticeship programs for building and construction  
7 trades and other technical and vocational careers, and training  
8 programs for unemployed, underemployed, or displaced workers  
9 and high school dropouts.

10 (2) California has an opportunity to combine the education and  
11 training of both its future college-educated workforce, the  
12 underemployment of recent high school graduates, and its highly  
13 skilled technical workforce with its effort to combat high school  
14 dropouts and the retraining of workers who have been displaced  
15 by the loss of high-wage jobs in California. Clean technology jobs  
16 and renewable energy jobs (green collar jobs) can provide  
17 underserved communities with a pathway out of poverty, a new  
18 and inspiring focus for educational institutions and nonprofit  
19 organizations, and significant statewide economic and  
20 environmental benefits.

21 (3) A 2006 poll of at-risk California 9th and 10th graders by  
22 Peter D. Hart Research Associates found that six in 10 pupils were  
23 not motivated to succeed in school. Of those pupils, more than 90  
24 percent said they would be more engaged in their education if  
25 classes helped them acquire skills and knowledge relevant to future  
26 careers. Career technical education programs that create paths to  
27 further education, advanced training, or productive jobs in high  
28 opportunity careers can keep pupils engaged and on track toward  
29 a diploma.

30 (4) Investments in renewable energy, energy conservation, clean  
31 technologies, and climate change mitigation, and investments that  
32 develop the workforce for these industries will provide multiple  
33 benefits to California in all of the following ways:

34 (A) Helping to achieve the state's climate change goals required  
35 by the California Global Warming Solutions Act of 2006 (Division  
36 25.5 (commencing with Section 38500) of the Health and Safety  
37 Code).

38 (B) Creating employment opportunities for Californians that  
39 would otherwise not be fully realized.

1 (C) Creating opportunities for new businesses, and expanding  
2 and retrofitting existing businesses.

3 (D) Expanding the state's utilization of renewable energy.

4 (E) Contributing to the growth of clean technology businesses  
5 in California.

6 (5) A failure to act by California will perpetuate the lack of an  
7 integrated education, job training, and business infrastructure that  
8 otherwise could take advantage of the projected growth in these  
9 industries and the corresponding increase in state and local taxes,  
10 other public revenues, and additional economic benefits associated  
11 with the likely surge in clean technology and renewable energy  
12 jobs.

13 (6) The American Solar Energy Association, for example,  
14 concluded that in 2006 approximately 3.6 million Americans were  
15 directly employed by renewable energy and energy efficiency  
16 firms and that another 5 million Americans held jobs indirectly  
17 attributable to these industries. The renewable energy and energy  
18 efficiency industries of America generated approximately nine  
19 hundred seventy-five million dollars (\$975,000,000) in revenue  
20 in 2006. These industries could employ a workforce of up to 40  
21 million Americans, and could generate four trillion five hundred  
22 billion dollars (\$4,500,000,000,000) in annual revenue by 2030 if  
23 these industries were expanded aggressively.

24 (7) The Renewable and Appropriate Energy Laboratory at the  
25 University of California, Berkeley, found that renewable energy  
26 creates more jobs per megawatt of power installed, per unit of  
27 energy produced, and per dollar of investment, than the fossil fuel  
28 energy-based sector.

29 (8) A study by the Apollo Alliance, a coalition of business,  
30 labor, and environmental organizations, showed that a major  
31 national investment in renewable energy, alternative automobiles  
32 and fuels, high-performance buildings, and infrastructure would  
33 result in the creation of nearly 3.5 million green collar jobs for  
34 Americans over a 10-year period.

35 (9) Reducing high school dropout and joblessness rates among  
36 California's young people who are preparing for and entering the  
37 job market are important state priorities and it is especially  
38 important that high school and community college students who  
39 choose to do so are trained in careers that will help California

1 achieve its greenhouse gas reduction goals and contribute to the  
2 development of California’s renewable energy resources.

3 (b) (1) It is the intent of the people of the State of California  
4 and the Legislature to stimulate the economy of the State of  
5 California, to create tens of thousands of good paying jobs in  
6 industries and businesses that are in compliance with the state’s  
7 environmental protection laws and regulations, to provide to  
8 entrepreneurs and employers the best-trained workforce in the  
9 United States, and to prepare young people and adults to work in  
10 clean, green industries and professions. These jobs would provide  
11 green pathways out of poverty for individuals in communities that  
12 suffer higher high school dropout rates, joblessness, and pollution.  
13 These jobs would help achieve California’s climate change  
14 mitigation obligations and conserve our state’s vital resources of  
15 water, air quality, land, and energy. These investments would  
16 enable California to offer opportunities for business leaders,  
17 communities, young people, and adults alike, all of which would  
18 benefit from California’s emerging new green economy.

19 (2) It is the intent of the people of the State of California and  
20 the Legislature that federally recognized California Indian tribes  
21 should be eligible to apply for and expend funds authorized in this  
22 part.

23 (3) It is the intent of the people of the State of California and  
24 the Legislature that the grants authorized by this part should be  
25 expended on projects that will occur in California.

26 102002. As used in this part, the following terms have the  
27 following meanings:

28 (a) “Board” means the State Allocation Board.

29 (b) “Clean technology projects” means the following:

30 (1) Energy audits that include a determination of the energy  
31 savings that could be achieved from projects funded under this  
32 part and that may be recovered through utility bill financing.

33 (2) Retrofitting and weatherization activities that increase energy  
34 efficiency and conservation.

35 (3) Energy- and water-efficient public buildings.

36 (4) Retrofitting and installing energy-efficient household  
37 appliances, windows, doors, insulation, and lighting.

38 (5) Retrofitting and installing water and energy conservation  
39 technologies in existing homes, industrial buildings, commercial  
40 and public buildings, and farms, forestlands, and ranches, to

1 improve efficiency, including the use of energy and water  
2 management technologies and control systems.

3 (6) The manufacture, sale, assembly, installation, construction,  
4 and maintenance of energy-efficient technologies and renewable  
5 energy facilities or the component parts of renewable energy  
6 technologies.

7 (7) Projects related to energy-efficient technologies or practices  
8 and renewable energy production or the component parts of  
9 renewable energy plants and energy distribution, including energy  
10 storage, energy infrastructure (including transmission),  
11 transportation (including logistics), clean vehicle technology, clean  
12 heat and power, and water and wastewater (including water  
13 conservation).

14 (8) Natural resource conservation projects related to adapting  
15 to climate change such as fish and wildlife habitat restoration,  
16 reforestation, native species preservation, invasive species  
17 eradication, community tree planting, and other projects that  
18 address stressors on natural resources generated by climate change.

19 (c) “Council” means the Clean Technology and Renewable  
20 Energy Job Training, Career Technical Education, and Dropout  
21 Prevention Council and shall be comprised of the following nine  
22 individuals:

23 (1) The Secretary of the Natural Resources Agency, who will  
24 serve as chair of the council.

25 (2) The Secretary of Labor and Workforce Development.

26 (3) The Secretary for Environmental Protection.

27 (4) The Superintendent of Public Instruction.

28 (5) The Chancellor of the California Community Colleges.

29 (6) Two members appointed by the Senate Committee on Rules  
30 who shall be representatives of each of the following:

31 (A) An employer engaged in the industries described in  
32 subdivisions (c) and (k).

33 (B) A nonprofit environmental advocacy organization.

34 (7) Two members appointed by the Speaker of the Assembly  
35 who shall be representatives of each of the following:

36 (A) A community-based organization representing the interests  
37 of disadvantaged communities in the state, including, but not  
38 limited to, communities with the highest rates of school dropouts.

1 (B) A labor organization that provides state-approved  
2 preapprenticeship and apprenticeship training programs related to  
3 energy efficiency or renewable energy development.

4 (d) “Disadvantaged community” means a community with a  
5 median household income that is less than 89 percent of the  
6 statewide average. “Severely disadvantaged community” means  
7 a community with a median household income that is less than 60  
8 percent of the statewide average.

9 (e) “Eligible entity” means any of the following:

10 (1) A public school that serves any of grades 7 to 12, inclusive.

11 (2) A California community college.

12 (3) Other public entity that provides career technical education,  
13 including a county office of education or school agency joint power  
14 authority.

15 (4) A publicly owned or investor-owned utility.

16 (5) A nonprofit organization that is qualified under Section  
17 501(c)(3) of the Internal Revenue Code and that is registered to  
18 do business in California.

19 (6) A labor organization.

20 (7) A business entity.

21 (8) A state-approved apprenticeship program.

22 (9) A regional collaborative consisting of local educational  
23 agencies, higher education institutions, businesses, labor  
24 organizations, or community-based organizations, including  
25 workforce investment boards and regional workforce or economic  
26 development entities.

27 (10) The California Conservation Corps or a certified local  
28 conservation corps.

29 (11) A public postsecondary educational institution.

30 (12) Any other entity approved by the council.

31 (f) “Fund” means the Clean Technology and Renewable Energy  
32 Job Training, Career Technical Education, and Dropout Prevention  
33 Fund created pursuant to subdivision (a) of Section 102003.

34 (g) “Program participant” means middle or high school pupils,  
35 community college students, job trainees, incumbent workers,  
36 members of the California Conservation Corps and certified local  
37 conservation corps, or minors or adults under 22 years of age who  
38 are on probation or participating in a program that includes career  
39 technical education as an alternative to conviction, incarceration,

1 or adjudication as described in paragraph (3) of subdivision (i) of  
2 Section 102003, served by eligible entities.

3 (h) “Reconfiguration” means a modification of a structure of  
4 any age that will enhance the educational opportunities for program  
5 participants in order to provide them with the skills and knowledge  
6 necessary for their successful employment in careers directly  
7 related to clean technology, renewable energy, or energy efficiency  
8 that may also contribute to California’s goals to reduce greenhouse  
9 gas emissions. “Reconfiguration” may include new construction  
10 necessary to accommodate the reconfiguration.

11 (i) “Renewable energy projects” means research and  
12 development, manufacturing, generation, development, and  
13 maintenance of appropriately sited power line transmission, power  
14 storage, installation, repair, maintenance, and related activities  
15 necessary to produce energy from wind, photovoltaic, solar  
16 thermal, geothermal, biomass, including cellulosic ethanol,  
17 biodiesel, and biomass power, green waste, and fuel cells.

18

19 CHAPTER 2. CLEAN TECHNOLOGY AND RENEWABLE ENERGY  
20 JOB TRAINING, CAREER TECHNICAL EDUCATION, AND DROPOUT  
21 PREVENTION  
22

23 102003. (a) The Clean Technology and Renewable Energy  
24 Job Training, Career Technical Education, and Dropout Prevention  
25 Fund is hereby established in the State Treasury to provide funding,  
26 upon appropriation by the Legislature, including funds from the  
27 sale of bonds pursuant to Section 102006, in the form of  
28 competitive grants to qualifying entities for the purpose of  
29 constructing new facilities or reconfiguring existing facilities,  
30 including, but not limited to, purchasing equipment with an average  
31 useful life expectancy of at least 10 years, to enhance educational  
32 opportunities for program participants in order to provide them  
33 with the skills and knowledge necessary for their successful  
34 employment in careers directly related to clean technology,  
35 renewable energy, or energy efficiency that may also contribute  
36 to California’s goal in reducing greenhouse gas emissions. New  
37 construction and reconfiguration must have a useful life expectancy  
38 of at least 20 years or the length of bond maturity.

39 (b) The council shall develop criteria to evaluate the fund. The  
40 criteria shall include measures of education, job readiness, and



1 environmental outcomes and shall ensure equity, program relevance  
2 to industry needs, and articulation with more advanced coursework  
3 at qualified community colleges, public universities, or private  
4 institutions.

5 (c) Grant applications shall be administered by the board.

6 (d) Grants shall be allocated on a per-square-foot basis for the  
7 applicable type of construction proposed or deemed necessary by  
8 the board consistent with the approved application for the project.

9 (e) New construction grants shall not exceed three million  
10 dollars (\$3,000,000) per project per eligible entity, including  
11 equipment, and be allocated to eligible entities pursuant to this  
12 section, in either of the following methods:

13 (1) For a stand-alone project on a per-square-foot basis for the  
14 applicable type of construction proposed, based on the criteria  
15 established pursuant to subdivision (b), consistent with the  
16 approved application for the project.

17 (2) For new construction projects, as a supplement to the per  
18 pupil allocation pursuant to Section 17072.10. The supplement is  
19 intended to cover excess costs uniquely related to the facilities  
20 required to provide the career technical education program or  
21 programs.

22 (f) Modernization grants shall not exceed one million five  
23 hundred thousand dollars (\$1,500,000) per project per eligible  
24 entity, inclusive of equipment and may be awarded to schools  
25 serving pupils in any of grades 7 to 12, inclusive, community  
26 colleges or joint power authorities currently operating career  
27 technical education programs that have an active career technical  
28 advisory committee pursuant to Section 8070 for the purpose of  
29 reconfiguration, or other eligible entities. For schools serving pupils  
30 in any of grades 7 to 12, inclusive, the grant shall be supplemental  
31 to the per pupil allocation pursuant to Section 17074.10. The  
32 supplement is intended to cover excess costs uniquely related to  
33 the facilities required to provide the career technical education  
34 program or programs.

35 (g) (1) An eligible entity shall contribute a dollar amount that  
36 is equal to the amount of the grant of state funds awarded under  
37 subdivisions (d), (e), and (f). The local contribution may be  
38 provided by private industry groups, the school district, or a joint  
39 powers authority, and may be reduced but not eliminated at the  
40 discretion of the council. The local contribution may be a dollar

1 amount that is used to fund career technical education programs  
2 that will be housed in the projects or used to purchase the durable  
3 equipment described in subdivision (a).

4 (2) A school or community college district shall not be required  
5 to demonstrate that it has unhoused pupils or that a permanent  
6 school building is more than 25 years old in order to receive a  
7 grant under the program.

8 (h) The program shall allow the local contribution to be paid  
9 over time should sufficient local funds not be immediately  
10 available. The State Allocation Board may provide for a repayment  
11 schedule consistent with subparagraphs (C) and (D) of paragraph  
12 (1) of subdivision (a) of Section 17078.57. The board shall not  
13 waive the local contribution on the basis of financial hardship or  
14 on any other basis.

15 (i) Applicants shall meet the criteria developed under subdivision  
16 (b) and shall do one of the following:

17 (1) Enter into agreements, including, but not limited to,  
18 partnerships, contracts, memoranda of understanding, or other  
19 mutually agreed upon arrangements with middle schools, high  
20 schools, or community colleges to support middle school career  
21 exploration activities; curriculum and professional development;  
22 high school pathway programs that integrate academic and  
23 technical learning to prepare pupils for both college and careers,  
24 including a sequence or cluster of three or more courses that align  
25 with the State Board of Education approved career technical  
26 education standards and frameworks, and may be delivered through  
27 high schools, regional occupation centers or programs, adult  
28 education programs, partnership academies, or alternative education  
29 programs, including continuation schools and programs  
30 administered by county offices of education.

31 (2) Enter into agreements, including, but not limited to,  
32 partnerships, contracts, memoranda of understanding, or other  
33 mutually agreed upon arrangements with any other eligible entity  
34 to provide school dropouts or high school graduates under 22 years  
35 of age with inadequate job skills, or members of the California  
36 Conservation Corps and certified local conservation corps, the  
37 knowledge, skills, and credentials necessary for their successful  
38 employment in careers directly related to clean technology,  
39 renewable energy, or energy efficiency that may also contribute  
40 to California's goals to reduce greenhouse gas emissions.

1 (3) Enter into agreements, including, but not limited to,  
2 partnerships, contracts, memoranda of understanding, or other  
3 mutually agreed upon arrangements with a state, local, regional,  
4 or county program, or qualified nonprofit organization that provides  
5 education, job training, or career opportunities for minors or adults  
6 under 22 years of age who are on probation or parole or with a  
7 similar program or organization providing education, job training,  
8 or career opportunities to minors or adults under 22 years of age  
9 as part of an alternative to conviction, incarceration, or adjudication  
10 that is consistent with the Penal Code.

11 (j) A grant application shall include all of the following:

12 (1) A clear and comprehensive career technical education plan  
13 for each course of study applicable to the instructional space that  
14 includes programs that focus on clean technology, renewable  
15 energy, or energy efficient systems.

16 (2) Projections of program participant enrollment.

17 (3) Identification of feeder schools and institutions, industry,  
18 labor organizations, community colleges, or other postsecondary  
19 schools participating in the development, articulation, and review  
20 of the educational program, or other appropriate collaborating  
21 entities.

22 (4) Written approval of the plan by entities listed in paragraph  
23 (3).

24 (5) The method by which accountability for program participant  
25 enrollments and outcomes will be maintained. Outcomes shall  
26 include, but are not limited to, certificate completion, the successful  
27 employment of program participants in the applicable industry,  
28 and successful transition to postsecondary institutions or  
29 state-approved apprenticeship training programs for work in the  
30 applicable industry or other areas of study.

31 (6) Evidence of coordination with appropriate feeder schools,  
32 middle schools, high schools, state-approved apprenticeship  
33 training programs, or other relevant entities within the area to  
34 ensure that the project and programs complement career technical  
35 education offerings in the area.

36 (7) Evidence that upon completion of the project that local  
37 educational agencies will meet all of their obligations under Section  
38 51228 relating to career technical education.

39 (k) Applications shall specify the number of program  
40 participants expected to attend, the cost per program participant,

1 financial participation by industry partners in the construction and  
2 equipping of the facility, commitment to accountability for  
3 outcomes and participation, the strength and relevance of the  
4 educational plans to the needs of industry for qualified technical  
5 employees applicable to the economic development and  
6 environmental needs of the region in which the project will be  
7 located, and coordination and articulation with feeder schools,  
8 other high schools, community colleges, labor organizations, and  
9 relevant community-based organizations.

10 (l) The board shall implement this part pursuant to applicable  
11 regulations and guidelines established by the council.

12 102004. (a) The council shall develop guidelines for  
13 competitive grants for the purposes specified in Section 102003.  
14 Priority shall be given to the following:

15 (1) Projects serving pupils in any of grades 7 to 12, inclusive,  
16 and dedicated to dropout prevention and career technical education.

17 (2) Projects in communities containing a school that serves  
18 pupils in any of grades 7 to 12, inclusive, and that ranks in the  
19 bottom three deciles of the Academic Performance Index (API),  
20 or containing a school participating in the Alternative Schools  
21 Accountability Model (ASAM) with an API score that, if ranked  
22 in the API, would fit within any of deciles 1 to 3, inclusive.

23 (3) Projects in communities with higher than average rates of  
24 dropout, low-income households and very low income households,  
25 crime, incarceration, unemployment, foster care, teen pregnancy,  
26 or the highest historic levels of exposure to air pollution. The  
27 council shall grant not less than 20 percent of the moneys in the  
28 fund to projects in communities in this category.

29 (4) Projects initiated by the California Conservation Corps or  
30 a certified local conservation corps.

31 (b) The council may coordinate outreach efforts to communities  
32 described in paragraph (a) with State Air Resources Board efforts,  
33 under the requirements of the California Global Warming Solutions  
34 Act of 2006 (Division 25.5 (commencing with Section 38500) of  
35 the Health and Safety Code). The council may use appropriate  
36 state agency personnel in administering the public outreach,  
37 education, technical assistance, guideline development, and grant  
38 application review provisions if these efforts are otherwise  
39 consistent with this part.

1 (c) The council shall award and adopt guidelines for awarding  
2 competitive grants pursuant to this part.

3 (d) The council shall give special consideration to projects that  
4 create partnerships among labor, management, and the public  
5 sector in clean technology, renewable energy, or energy efficiency  
6 sectors.

7 102005. (a) Every proposed activity or project to be financed  
8 pursuant to this part shall be in compliance with the California  
9 Environmental Quality Act (Division 13 (commencing with Section  
10 21000) of the Public Resources Code).

11 (b) Acquisitions of real property pursuant to this part shall be  
12 from willing sellers.

13 (c) Up to 5 percent of the funds allocated to a program pursuant  
14 to this part may be used to pay the costs incurred in the  
15 administration of that program.

16 (d) The body awarding a contract for a public works project  
17 financed in part from funds made available pursuant to this part  
18 shall adopt and enforce, or contract with a third party to enforce,  
19 a labor compliance program pursuant to subdivision (b) of Section  
20 1771.5 of the Labor Code that shall be applicable to that public  
21 works project.

22 (e) Chapter 3.5 (commencing with Section 11340) of Part 1 of  
23 Division 3 of Title 2 of the Government Code does not apply to  
24 the development and adoption of program guidelines and selection  
25 criteria adopted pursuant to this part.

26 (f) The chair of the council shall provide for an annual  
27 independent audit of expenditures pursuant to this part to ensure  
28 that all moneys are expended in accordance with this part.

29  
30 CHAPTER 3. FISCAL PROVISIONS

31  
32 102006. The council may incur indebtedness and issue and  
33 renew negotiable bonds, notes, debentures, or other securities of  
34 any kind or class. All indebtedness, however, evidenced, shall be  
35 payable solely from moneys from the Public Interest Research,  
36 Development, and Demonstration Fund created pursuant to Section  
37 384 of the Public Utilities Code and from the fund that are  
38 appropriated by the Legislature in the annual Budget Act for the  
39 purposes of this section and shall not exceed the sum of five billion  
40 dollars (\$5,000,000,000).

1 102007. The Legislature may, by statute, authorize the council  
2 to issue bonds, as defined in Section 102008, in excess of the  
3 amount provided in Section 102006.

4 102008. (a) The council is authorized from time to time to  
5 issue its negotiable bonds, notes, debentures, or other securities  
6 (hereafter collectively called “bonds”) for any of the purposes of  
7 this part. In anticipating the sale of bonds as authorized in Section  
8 102006, or as may be authorized pursuant to Section 102007, the  
9 council may issue negotiable bond anticipation notes and may  
10 renew the notes from time to time. The bond anticipation notes  
11 may be paid from the proceeds of sale of the bonds of the council  
12 in anticipation of which they were issued. Notes and agreements  
13 relating to the notes and bond anticipation notes, collectively called  
14 notes, and the resolution or resolutions authorizing the notes may  
15 contain any provisions, conditions, or limitations that a bond,  
16 agreement relating to the bond, and bond resolution of the council  
17 may contain. However, a note or renewal of the note shall mature  
18 at a time not exceeding two years from the date of issue of the  
19 original note.

20 (b) Except as may otherwise be expressly provided by the  
21 council, every issue of its bonds, notes, or other obligations shall  
22 be general obligations of the board payable from any moneys  
23 appropriated by the Legislature in the annual Budget Act from the  
24 Public Interest Research, Development, and Demonstration Fund  
25 available for these purposes and not otherwise pledged, subject  
26 only to any agreements with the holders of particular bonds, notes,  
27 or other obligations pledging any particular revenues or moneys  
28 and subject to any agreements with any participating party.  
29 Notwithstanding that the bonds, notes, or other obligations may  
30 be payable from a special fund, they are for all purposes negotiable  
31 instruments, subject only to the provisions of the bonds, notes, or  
32 other obligations for registration.

33 (c) Subject to the limitations in Sections 102006 and 102007,  
34 the bonds may be issued as serial bonds or as term bonds, or the  
35 council, in its discretion, may issue bonds of both types. The bonds  
36 shall be authorized by resolution of the council and shall bear the  
37 date or dates, mature at the time or times, not exceeding 50 years  
38 from their respective dates, bear interest at the rate or rates, be  
39 payable at the time or times, be in the denominations, be in the  
40 form, either coupon or registered, carry the registration privileges,

1 be executed in a manner, be payable in lawful money of the United  
2 States of America at a place or places, and be subject to terms of  
3 redemption, as the resolution or resolutions may provide. The  
4 bonds or notes shall be sold by the Treasurer within 60 days of  
5 receipt of a certified copy of the council's resolution authorizing  
6 the sale of the bonds. However, the council, at its discretion, may  
7 adopt a resolution extending the 60-day period. The sales may be  
8 a public or private sale, and for the price or prices and on the terms  
9 and conditions, that the council shall determine after giving due  
10 consideration to the recommendations of any participating party  
11 to be assisted from the proceeds of the bonds or notes. Pending  
12 preparation of the definitive bonds, the Treasurer may issue interim  
13 receipts, certificates, or temporary bonds that shall be exchanged  
14 for the definitive bonds. The Treasurer may sell bonds, notes, or  
15 other evidence of indebtedness at a price below their par value.  
16 However, the discount on a security sold pursuant to this section  
17 shall not exceed 6 percent of the par value.

18 (d) A resolution or resolutions authorizing bonds or an issue of  
19 bonds may contain provisions that shall be a part of the contract  
20 with the holders of the bonds to be authorized, as to all of the  
21 following:

22 (1) Pledging the full faith and credit of the council to secure the  
23 payment of the bonds or of any particular issue of bonds, subject  
24 to the agreements with bondholders as may then exist.

25 (2) The rentals, fees, purchase payments, loan repayments, and  
26 other charges to be charged, and the amounts to be raised in each  
27 year by the charges, and the use and disposition of the revenues.

28 (3) The setting aside of reserves or sinking funds, and the  
29 regulation and disposition of the reserves or sinking funds.

30 (4) Limitations on the right of the council or its agent to restrict  
31 and regulate the use of the project or projects to be financed out  
32 of the proceeds of the bonds or any particular issue of bonds.

33 (5) Limitations on the purpose to which the proceeds of sale of  
34 an issue of bonds then or thereafter to be issued may be applied  
35 and pledging those proceeds to secure the payment of the bonds  
36 or the issue of the bonds.

37 (6) Limitations on the issuance of additional bonds, the terms  
38 upon which additional bonds may be issued and secured, and the  
39 refunding of outstanding bonds.

1 (7) The procedure, if any, by which the terms of a contract with  
2 bondholders may be amended or abrogated, the amount of bonds  
3 the holders of which must consent to the amendment or abrogation,  
4 and the manner in which that consent may be given.

5 (8) Limitations on expenditures for operating, administrative,  
6 or other expenses of the council and board.

7 (9) Defining the acts or omissions to act that constitute a default  
8 in the duties of the council to holders of its obligations and  
9 providing the rights and remedies of the holders in the event of a  
10 default.

11 (10) The mortgaging of a project and the site of the project for  
12 the purpose of securing the bondholders.

13 (11) The mortgaging of land, improvements, or other assets  
14 owned by a program participant for the purpose of securing the  
15 bondholders.

16 (12) Procedures for the selection of projects to be financed with  
17 the proceeds of the bonds authorized by the resolution, if the bonds  
18 are to be sold in advance of the designation of the projects and  
19 program participants to receive the financing.

20 (e) Neither the members of the council nor a person executing  
21 the bonds or notes shall be liable personally on the bonds or notes  
22 or be subject to personal liability or accountability by reason of  
23 the issuance of the bond or note.

24 (f) The council shall have power, out of any funds available for  
25 these purposes, to purchase its bonds or notes. The council may  
26 hold, pledge, cancel, or resell those bonds, subject to and in  
27 accordance with agreements with bondholders.

28 102009. (a) In the discretion of the council, any bonds issued  
29 under the provisions of this part may be secured by a trust  
30 agreement by and between the council and a corporate trustee or  
31 trustees, which may be the Treasurer or any trust company or bank  
32 having the powers of a trust company within or without the state.  
33 The trust agreement or the resolution providing for the issuance  
34 of the bonds may pledge moneys appropriated by the Legislature  
35 in the annual Budget Act from the Public Interest Research,  
36 Development, and Demonstration Fund for the implementation of  
37 this part, or mortgage the project or projects, or any portion thereof,  
38 to be financed out of the proceeds of the bonds.

39 (b) The trust agreement or resolution providing for the issuance  
40 of bonds may contain provisions for protecting and enforcing the



1 rights and remedies of the bondholders as may be reasonable and  
2 proper and not in violation of law, including particularly those  
3 provisions that have been specifically authorized to be included  
4 in any resolution or resolutions of the council authorizing bonds.

5 (c) A bank or trust company doing business under the laws of  
6 this state may act as depository of the proceeds of bonds or of  
7 revenues or other moneys and may furnish indemnifying bonds or  
8 pledge securities as may be required by the council.

9 (d) A trust agreement may set forth the rights and remedies of  
10 the bondholders and of the trustee or trustees, and may restrict the  
11 individual right of action by bondholders. In addition, any trust  
12 agreement or resolution may contain other provisions that the  
13 council may deem reasonable and proper for the security of the  
14 bondholders.

15 (e) Notwithstanding any other provision of law, the Treasurer  
16 shall not be deemed to have a conflict of interest by reason of  
17 acting as trustee pursuant to this part.

18 (f) All expenses incurred in carrying out the provisions of the  
19 trust agreement or resolution may be treated as a part of the cost  
20 of the operation of a project.

21 102010. (a) Bonds issued under this part shall not be deemed  
22 to constitute a debt or liability of the state or of any political  
23 subdivision of the state, other than the council, or a pledge of the  
24 faith and credit of the state or of any political subdivision, other  
25 than the council, but shall be payable solely from the funds  
26 provided under the authority of this part. A bond shall contain on  
27 its face a statement to the following effect:

28 “Neither the faith and credit nor the taxing power of the State  
29 of California is pledged to the payment of the principal of or  
30 interest on this bond.”

31 (b) The issuance of bonds under the provisions of this part shall  
32 not directly, indirectly, or contingently obligate the state or any  
33 political subdivision of the state to levy or to pledge any form of  
34 taxation therefor or to make any appropriation for their payment.  
35 This section does not prevent the council from pledging its full  
36 faith and credit to the payment of bonds or issue of bonds  
37 authorized pursuant to this part.

38 102011. (a) The council is hereby authorized to provide for  
39 the issuance of bonds of the council for the purpose of refunding  
40 any bonds, notes, or other securities of the council then outstanding,

1 including the payment of any redemption premium thereon and  
2 any interest accrued or to accrue to the earliest or subsequent date  
3 of redemption, purchase, or maturity of those bonds, and, if deemed  
4 advisable by the council, for the additional purpose of paying all  
5 or any part of the cost of constructing and acquiring additions,  
6 improvements, extensions, or enlargements of a project or any  
7 portion of a project.

8 (b) The proceeds of any bonds issued for the purpose of  
9 refunding outstanding bonds, notes, or other securities may, in the  
10 discretion of the council, be applied to the purchase or retirement  
11 at maturity or redemption of outstanding bonds either on their  
12 earliest or any subsequent redemption date or upon the purchase  
13 or retirement at the maturity of the outstanding bonds and may,  
14 pending application, be placed in escrow to be applied to the  
15 purchase or retirement at maturity or redemption on the date as  
16 may be determined by the council.

17 (c) Pending the use, any escrowed proceeds may be invested  
18 and reinvested by the Treasurer in obligations of, or guaranteed  
19 by, the United States of America, or in certificates of deposit or  
20 time deposits secured by obligations of, or guaranteed by, the  
21 United States of America, maturing at a time or times as shall be  
22 appropriate to ensure the prompt payment, as to principal, interest,  
23 and redemption premium, if any, of the outstanding bonds to be  
24 so refunded. The interest, income, and profits, if any, earned or  
25 realized on any investment may also be applied to the payment of  
26 the outstanding bonds to be so refunded. After the terms of the  
27 escrow have been fully satisfied and carried out, any balance of  
28 proceeds and interest, income, and profits, if any, earned or realized  
29 on the investments thereof may be returned to the council for use  
30 by it in any lawful manner.

31 (d) The portion of the proceeds of any bonds issued for the  
32 additional purpose of paying all or any part of the cost of  
33 constructing and acquiring additions, improvements, extensions,  
34 or enlargements of a project may be invested and reinvested by  
35 the Treasurer in obligations of, or guaranteed by, the United States  
36 of America, or in certificates of deposit or time deposits secured  
37 by obligations of, or guaranteed by, the United States of America,  
38 maturing not later than the time or times when the proceeds will  
39 be needed for the purpose of paying all or any part of the cost. The  
40 interest, income, and profits, if any, earned or realized on that

1 investment may be applied to the payment of all or any part of the  
2 cost or may be used by the council in any lawful manner.

3 (e) A bond issued pursuant to this section shall be subject to the  
4 provisions of this part in the same manner and to the same extent  
5 as other bonds issued pursuant to this part.

6 102012. Bonds issued by the council are legal investments for  
7 all trust funds, the funds of all insurance companies, banks, both  
8 commercial and savings, trust companies, savings and loan  
9 associations, and investment companies, for executors,  
10 administrators, trustees, and other fiduciaries, for state school  
11 funds, and for any funds that may be invested in county, municipal,  
12 or school district bonds, and bonds are securities that may properly  
13 and legally be deposited with, and received by, any state or  
14 municipal officer or agency or political subdivision of the state  
15 for any purpose for which the deposit of bonds or obligations of  
16 the state, is now, or may hereafter be, authorized by law, including  
17 deposits to secure public funds if, and only to the extent that,  
18 evidence of indebtedness or debt securities of the participating  
19 party receiving financing through the issuance of those bonds  
20 qualify or are eligible for those purposes and uses.

21 102013. Liability shall not be incurred by the council beyond  
22 the extent to which moneys have been provided under this part,  
23 except that for the purposes of meeting the necessary expenses of  
24 initial organization and operation until such date as the council  
25 derives revenues or proceeds from bonds or notes as provided  
26 under this part, the council may borrow money as needed for those  
27 expenses from the State Energy Resources Conservation and  
28 Development Special Account in the General Fund in the State  
29 Treasury. The borrowed moneys shall be repaid with interest within  
30 a reasonable time after the council receives revenues or proceeds  
31 from bonds or notes as provided under this part.

32 102014. The State of California does hereby pledge to and  
33 agree with the holders of any obligations issued under this part  
34 pursuant to the provisions of this part, that the state will not limit  
35 or alter the rights hereby vested in the council until those  
36 obligations, together with the interest thereon, are fully met and  
37 discharged and such contracts are fully performed on the part of  
38 the council. This section does not preclude imitation or alteration  
39 if and when adequate provision shall be made by law for the  
40 protection of the holders of the obligations of the council. The

1 council as agent for the state is authorized to include this pledge  
2 and undertaking for the state in those obligations.  
3 102015. The powers granted to the council by this part may  
4 be exercised without regard or reference to any department or  
5 agency of the state. All other general or special laws, or parts  
6 thereof, inconsistent with this part are hereby declared to be  
7 inapplicable to the provisions of this part. Nothing contained in  
8 this part shall be interpreted to exempt the construction or  
9 acquisition of any project by any program participant from  
10 compliance with all applicable local, state, or federal laws and  
11 regulations.

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