

AMENDED IN SENATE APRIL 2, 2009

SENATE BILL

No. 675

Introduced by Senator Steinberg
(Principal coauthors: Senators Hancock and Romero)
(Coauthor: Senator Alquist)
(Coauthor: Assembly Member Hayashi)

February 27, 2009

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 amended, 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, *and* 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~~ *an unspecified amount* that would be secured by moneys appropriated by the Legislature in the annual Budget Act from the Public Interest Research, Development, and Demonstration Fund. *Proceeds from the sale of the bonds, notes, debentures, or other sources of security would be deposited into the 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:

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

4
5 CHAPTER 1. GENERAL PROVISIONS
6

7 102000. This part shall be known and may be cited as the Clean
8 Technology and Renewable Energy Job Training, Career Technical
9 Education, and Dropout Prevention Act of 2010.

10 102001. (a) ~~The people of the State of California and the~~
11 Legislature, in approving this measure, find and declare all of the
12 following:

13 (1) California's international leadership in renewable energy,
14 energy conservation, clean technology, and climate change policies
15 creates significant, but dramatically underfunded, opportunities to
16 provide strategic capital investments in energy conservation, clean
17 technologies, and renewable energy, including projects that
18 contribute directly to workforce development and educational
19 opportunities for high school pupils, young workers, community
20 college students and graduates, youth who participate in community
21 or state service organizations, college and university students and
22 graduates, apprenticeship programs for building and construction
23 trades and other technical and vocational careers, and training
24 programs for unemployed, underemployed, or displaced workers
25 and high school dropouts.

26 (2) California has an opportunity to combine the education and
27 training of both its future college-educated workforce, the
28 underemployment of recent high school graduates, and its highly
29 skilled technical workforce with its effort to combat high school
30 dropouts and the retraining of workers who have been displaced
31 by the loss of high-wage jobs in California. Clean technology jobs
32 and renewable energy jobs (green collar jobs) can provide
33 underserved communities with a pathway out of poverty, a new
34 and inspiring focus for educational institutions and nonprofit
35 organizations, and significant statewide economic and
36 environmental benefits.

37 (3) A 2006 poll of at-risk California 9th and 10th graders by
38 Peter D. Hart Research Associates found that six in 10 pupils were
39 not motivated to succeed in school. Of those pupils, more than 90
40 percent said they would be more engaged in their education if

1 classes helped them acquire skills and knowledge relevant to future
2 careers. Career technical education programs that create paths to
3 further education, advanced training, or productive jobs in high
4 opportunity careers can keep pupils engaged and on track toward
5 a diploma.

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

10 (A) Helping to achieve the state's climate change goals required
11 by the California Global Warming Solutions Act of 2006 (Division
12 25.5 (commencing with Section 38500) of the Health and Safety
13 Code).

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

16 (C) Creating opportunities for new businesses, and expanding
17 and retrofitting existing businesses.

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

19 (E) Contributing to the growth of clean technology businesses
20 in California.

21 (5) A failure to act by California will perpetuate the lack of an
22 integrated education, job training, and business infrastructure that
23 otherwise could take advantage of the projected growth in these
24 industries and the corresponding increase in state and local taxes,
25 other public revenues, and additional economic benefits associated
26 with the likely surge in clean technology and renewable energy
27 jobs.

28 (6) The American Solar Energy Association, for example,
29 concluded that in 2006 approximately 3.6 million Americans were
30 directly employed by renewable energy and energy efficiency
31 firms and that another 5 million Americans held jobs indirectly
32 attributable to these industries. The renewable energy and energy
33 efficiency industries of America generated approximately nine
34 hundred seventy-five million dollars (\$975,000,000) in revenue
35 in 2006. These industries could employ a workforce of up to 40
36 million Americans, and could generate four trillion five hundred
37 billion dollars (\$4,500,000,000,000) in annual revenue by 2030 if
38 these industries were expanded aggressively.

39 (7) The Renewable and Appropriate Energy Laboratory at the
40 University of California, Berkeley, found that renewable energy

1 creates more jobs per megawatt of power installed, per unit of
2 energy produced, and per dollar of investment, than the fossil fuel
3 energy-based sector.

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

10 (9) Reducing high school dropout and joblessness rates among
11 California's young people who are preparing for and entering the
12 job market are important state priorities and it is especially
13 important that high school and community college students who
14 choose to do so are trained in careers that will help California
15 achieve its greenhouse gas reduction goals and contribute to the
16 development of California's renewable energy resources.

17 (b) (1) It is the intent of ~~the people of the State of California~~
18 ~~and~~ the Legislature to stimulate the economy of the State of
19 California, to create tens of thousands of good paying jobs in
20 industries and businesses that are in compliance with the state's
21 environmental protection laws and regulations, to provide to
22 entrepreneurs and employers the best-trained workforce in the
23 United States, and to prepare young people and adults to work in
24 clean, green industries and professions. These jobs would provide
25 green pathways out of poverty for individuals in communities that
26 suffer higher high school dropout rates, joblessness, and pollution.
27 These jobs would help achieve California's climate change
28 mitigation obligations and conserve our state's vital resources of
29 water, air quality, land, and energy. These investments would
30 enable California to offer opportunities for business leaders,
31 communities, young people, and adults alike, all of which would
32 benefit from California's emerging new green economy.

33 (2) It is the intent of ~~the people of the State of California and~~
34 the Legislature that federally recognized California Indian tribes
35 should be eligible to apply for and expend funds authorized in this
36 part.

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

1 102002. As used in this part, the following terms have the
2 following meanings:

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

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

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

8 (2) Retrofitting and weatherization activities that increase energy
9 efficiency and conservation.

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

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

13 (5) Retrofitting and installing water and energy conservation
14 technologies in existing homes, industrial buildings, commercial
15 and public buildings, and farms, forestlands, and ranches, to
16 improve efficiency, including the use of energy and water
17 management technologies and control systems.

18 (6) The manufacture, sale, assembly, installation, construction,
19 and maintenance of energy-efficient technologies and renewable
20 energy facilities or the component parts of renewable energy
21 technologies.

22 (7) Projects related to energy-efficient technologies or practices
23 and renewable energy production or the component parts of
24 renewable energy plants and energy distribution, including energy
25 storage, energy infrastructure (including transmission),
26 transportation (including logistics), clean vehicle technology, clean
27 heat and power, and water and wastewater (including water
28 conservation).

29 (8) Natural resource conservation projects related to adapting
30 to climate change such as fish and wildlife habitat restoration,
31 reforestation, native species preservation, invasive species
32 eradication, community tree planting, and other projects that
33 address stressors on natural resources generated by climate change.

34 (c) “Council” means the Clean Technology and Renewable
35 Energy Job Training, Career Technical Education, and Dropout
36 Prevention Council and shall be comprised of the following nine
37 individuals:

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

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

- 1 (3) The Secretary for Environmental Protection.
- 2 (4) The Superintendent of Public Instruction.
- 3 (5) The Chancellor of the California Community Colleges.
- 4 (6) Two members appointed by the Senate Committee on Rules
- 5 who shall be representatives of each of the following:
- 6 (A) An employer engaged in the industries described in
- 7 subdivisions ~~(e) and (k)~~ (b) and (i).
- 8 (B) A nonprofit environmental advocacy organization.
- 9 (7) Two members appointed by the Speaker of the Assembly
- 10 who shall be representatives of each of the following:
- 11 (A) A community-based organization representing the interests
- 12 of disadvantaged communities in the state, including, but not
- 13 limited to, communities with the highest rates of school dropouts.
- 14 (B) A labor organization that provides state-approved
- 15 preapprenticeship and apprenticeship training programs related to
- 16 energy efficiency or renewable energy development.
- 17 (d) “Disadvantaged community” means a community with a
- 18 median household income that is less than 89 percent of the
- 19 statewide average. “Severely disadvantaged community” means
- 20 a community with a median household income that is less than 60
- 21 percent of the statewide average.
- 22 (e) “Eligible entity” means any of the following:
- 23 (1) A public school that serves any of grades 7 to 12, inclusive.
- 24 (2) A California community college.
- 25 (3) Other public entity that provides career technical education,
- 26 including a county office of education or school agency joint ~~power~~
- 27 *powers* authority.
- 28 (4) A publicly owned or investor-owned utility.
- 29 (5) A nonprofit organization that is qualified under Section
- 30 501(c)(3) of the Internal Revenue Code and that is registered to
- 31 do business in California.
- 32 (6) A labor organization.
- 33 (7) A business entity.
- 34 (8) A state-approved apprenticeship program.
- 35 (9) A regional collaborative consisting of local educational
- 36 agencies, higher education institutions, businesses, labor
- 37 organizations, or community-based organizations, including
- 38 workforce investment boards and regional workforce or economic
- 39 development entities.

1 (10) The California Conservation Corps or a certified local
2 conservation corps.

3 (11) A public postsecondary educational institution.

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

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

8 (g) “Program participant” means middle or high school pupils,
9 community college students, job trainees, incumbent workers,
10 members of the California Conservation Corps and certified local
11 conservation corps, or minors or adults under 22 years of age who
12 are on probation or participating in a program that includes career
13 technical education as an alternative to conviction, incarceration,
14 or adjudication as described in paragraph (3) of subdivision (i) of
15 Section 102003, served by eligible entities.

16 (h) “Reconfiguration” means a modification of a structure of
17 any age that will enhance the educational opportunities for program
18 participants in order to provide them with the skills and knowledge
19 necessary for their successful employment in careers directly
20 related to clean technology, renewable energy, or energy efficiency
21 that may also contribute to California’s goals to reduce greenhouse
22 gas emissions. “Reconfiguration” may include new construction
23 necessary to accommodate the reconfiguration.

24 (i) “Renewable energy projects” means research and
25 development, manufacturing, generation, development, and
26 maintenance of appropriately sited power line transmission, power
27 storage, installation, repair, maintenance, and related activities
28 necessary to produce energy from wind, photovoltaic, solar
29 thermal, geothermal, biomass, including cellulosic ethanol,
30 biodiesel, and biomass power, green waste, and fuel cells.

31

32 CHAPTER 2. CLEAN TECHNOLOGY AND RENEWABLE ENERGY
33 JOB TRAINING, CAREER TECHNICAL EDUCATION, AND DROPOUT
34 PREVENTION
35

35

36 102003. (a) The Clean Technology and Renewable Energy
37 Job Training, Career Technical Education, and Dropout Prevention
38 Fund is hereby established in the State Treasury to provide funding,
39 upon appropriation by the Legislature, ~~including~~ *consisting of, but*
40 *not limited to*, funds from the sale of bonds pursuant to Section

1 102006, in the form of competitive grants to qualifying entities
2 for the purpose of constructing new facilities or reconfiguring
3 existing facilities, including, but not limited to, purchasing
4 equipment with an average useful life expectancy of at least 10
5 years, to enhance educational opportunities for program participants
6 in order to provide them with the skills and knowledge necessary
7 for their successful employment in careers directly related to clean
8 technology, renewable energy, or energy efficiency that may also
9 contribute to California's goal in reducing greenhouse gas
10 emissions. New construction and reconfiguration must have a
11 useful life expectancy of at least 20 years or the length of bond
12 maturity.

13 (b) The council shall develop criteria to evaluate the fund. The
14 criteria shall include measures of education, job readiness, and
15 environmental outcomes and shall ensure equity, program relevance
16 to industry needs, and articulation with more advanced coursework
17 at qualified community colleges, public universities, or private
18 institutions.

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

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

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

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

31 (2) For new construction projects, as a supplement to the per
32 pupil allocation pursuant to Section 17072.10. The supplement is
33 intended to cover excess costs uniquely related to the facilities
34 required to provide the career technical education program or
35 programs.

36 (f) Modernization grants shall not exceed one million five
37 hundred thousand dollars (\$1,500,000) per project per eligible
38 entity, inclusive of equipment and may be awarded to schools
39 serving pupils in any of grades 7 to 12, inclusive, community
40 colleges or joint power authorities currently operating career

1 technical education programs that have an active career technical
2 advisory committee pursuant to Section 8070 for the purpose of
3 reconfiguration, or other eligible entities. For schools serving pupils
4 in any of grades 7 to 12, inclusive, the grant shall be supplemental
5 to the per pupil allocation pursuant to Section 17074.10. The
6 supplement is intended to cover excess costs uniquely related to
7 the facilities required to provide the career technical education
8 program or programs.

9 (g) (1) An eligible entity shall contribute a dollar amount that
10 is equal to the amount of the grant of state funds awarded under
11 subdivisions (d), (e), and (f). The local contribution may be
12 provided by private industry groups, the school district, or a joint
13 powers authority, and may be reduced but not eliminated at the
14 discretion of the council. The local contribution may be a dollar
15 amount that is used to fund career technical education programs
16 that will be housed in the projects or used to purchase the durable
17 equipment described in subdivision (a).

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

22 (h) The program shall allow the local contribution to be paid
23 over time should sufficient local funds not be immediately
24 available. The State Allocation Board may provide for a repayment
25 schedule consistent with subparagraphs (C) and (D) of paragraph
26 (1) of subdivision (a) of Section 17078.57. The board shall not
27 waive the local contribution on the basis of financial hardship or
28 on any other basis.

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

31 (1) Enter into agreements, including, but not limited to,
32 partnerships, contracts, memoranda of understanding, or other
33 mutually agreed upon arrangements with middle schools, high
34 schools, or community colleges to support middle school career
35 exploration activities; curriculum and professional development;
36 high school pathway programs that integrate academic and
37 technical learning to prepare pupils for both college and careers,
38 including a sequence or cluster of three or more courses that align
39 with the State Board of Education approved career technical
40 education standards and frameworks, and may be delivered through

1 high schools, regional occupation centers or programs, adult
2 education programs, partnership academies, or alternative education
3 programs, including continuation schools and programs
4 administered by county offices of education.

5 (2) Enter into agreements, including, but not limited to,
6 partnerships, contracts, memoranda of understanding, or other
7 mutually agreed upon arrangements with any other eligible entity
8 to provide school dropouts or high school graduates under 22 years
9 of age with inadequate job skills, or members of the California
10 Conservation Corps and certified local conservation corps, the
11 knowledge, skills, and credentials necessary for their successful
12 employment in careers directly related to clean technology,
13 renewable energy, or energy efficiency that may also contribute
14 to California's goals to reduce greenhouse gas emissions.

15 (3) Enter into agreements, including, but not limited to,
16 partnerships, contracts, memoranda of understanding, or other
17 mutually agreed upon arrangements with a state, local, regional,
18 or county program, or qualified nonprofit organization that provides
19 education, job training, or career opportunities for minors or adults
20 under 22 years of age who are on probation or parole or with a
21 similar program or organization providing education, job training,
22 or career opportunities to minors or adults under 22 years of age
23 as part of an alternative to conviction, incarceration, or adjudication
24 that is consistent with the Penal Code.

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

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

30 (2) Projections of program participant enrollment.

31 (3) Identification of feeder schools and institutions, industry,
32 labor organizations, community colleges, or other postsecondary
33 schools participating in the development, articulation, and review
34 of the educational program, or other appropriate collaborating
35 entities.

36 (4) Written approval of the plan by entities listed in paragraph
37 (3).

38 (5) The method by which accountability for program participant
39 enrollments and outcomes will be maintained. Outcomes shall
40 include, but are not limited to, certificate completion, the successful

1 employment of program participants in the applicable industry,
2 and successful transition to postsecondary institutions or
3 state-approved apprenticeship training programs for work in the
4 applicable industry or other areas of study.

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

10 (7) Evidence that upon completion of the project ~~that~~ local
11 educational agencies will meet all of their obligations under Section
12 51228 relating to career technical education.

13 (k) Applications shall specify the number of program
14 participants expected to attend, the cost per program participant,
15 financial participation by industry partners in the construction and
16 equipping of the facility, commitment to accountability for
17 outcomes and participation, the strength and relevance of the
18 educational plans to the needs of industry for qualified technical
19 employees applicable to the economic development and
20 environmental needs of the region in which the project will be
21 located, and coordination and articulation with feeder schools,
22 other high schools, community colleges, labor organizations, and
23 relevant community-based organizations.

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

26 102004. (a) The council shall develop guidelines for
27 competitive grants for the purposes specified in Section 102003.
28 Priority shall be given to the following:

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

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

37 (3) Projects in communities with higher than average rates of
38 dropout, low-income households and very low income households,
39 crime, incarceration, unemployment, foster care, teen pregnancy,
40 or the highest historic levels of exposure to air pollution. The

1 council shall grant not less than 20 percent of the moneys in the
2 fund to projects in communities in this category.

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

5 (b) The council may coordinate outreach efforts to communities
6 described in paragraph (a) with State Air Resources Board efforts,
7 under the requirements of the California Global Warming Solutions
8 Act of 2006 (Division 25.5 (commencing with Section 38500) of
9 the Health and Safety Code). The council may use appropriate
10 state agency personnel in administering the public outreach,
11 education, technical assistance, guideline development, and grant
12 application review provisions if these efforts are otherwise
13 consistent with this part.

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

16 (d) The council shall give special consideration to projects that
17 create partnerships among labor, management, and the public
18 sector in clean technology, renewable energy, or energy efficiency
19 sectors.

20 102005. (a) Every proposed activity or project to be financed
21 pursuant to this part shall be in compliance with the California
22 Environmental Quality Act (Division 13 (commencing with Section
23 21000) of the Public Resources Code).

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

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

29 (d) The body awarding a contract for a public works project
30 financed in part from funds made available pursuant to this part
31 shall adopt and enforce, or contract with a third party to enforce,
32 a labor compliance program pursuant to subdivision (b) of Section
33 1771.5 of the Labor Code that shall be applicable to that public
34 works project.

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

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

4
5 CHAPTER 3. FISCAL PROVISIONS
6

7 102006. The council may incur indebtedness and issue and
8 renew negotiable bonds, notes, debentures, or other securities of
9 any kind or class. All indebtedness, however, evidenced, shall be
10 payable solely from moneys from the Public Interest Research,
11 Development, and Demonstration Fund created pursuant to Section
12 384 of the Public Utilities Code and from the fund that are
13 appropriated by the Legislature in the annual Budget Act for the
14 purposes of this section and shall not exceed ~~the sum of five billion~~
15 ~~dollars (\$5,000,000,000)~~. *an unspecified amount. Proceeds from*
16 *the sale of the bonds, notes, debentures, or other securities shall*
17 *be deposited into the fund.*

18 102007. The Legislature may, by statute, authorize the council
19 to issue bonds, as defined in Section 102008, in excess of the
20 amount provided in Section 102006.

21 102008. (a) The council is authorized from time to time to
22 issue its negotiable bonds, notes, debentures, or other securities
23 (hereafter collectively called “bonds”) for any of the purposes of
24 this part. In anticipating the sale of bonds as authorized in Section
25 102006, or as may be authorized pursuant to Section 102007, the
26 council may issue negotiable bond anticipation notes and may
27 renew the notes from time to time. The bond anticipation notes
28 may be paid from the proceeds of sale of the bonds of the council
29 in anticipation of which they were issued. Notes and agreements
30 relating to the notes and bond anticipation notes, collectively called
31 notes, and the resolution or resolutions authorizing the notes may
32 contain any provisions, conditions, or limitations that a bond,
33 agreement relating to the bond, and bond resolution of the council
34 may contain. However, a note or renewal of the note shall mature
35 at a time not exceeding two years from the date of issue of the
36 original note.

37 (b) Except as may otherwise be expressly provided by the
38 council, every issue of its bonds, notes, or other obligations shall
39 be general obligations of the board payable from any moneys
40 appropriated by the Legislature in the annual Budget Act from the

1 Public Interest Research, Development, and Demonstration Fund
2 available for these purposes and not otherwise pledged, subject
3 only to any agreements with the holders of particular bonds, notes,
4 or other obligations pledging any particular revenues or moneys
5 and subject to any agreements with any participating party.
6 Notwithstanding that the bonds, notes, or other obligations may
7 be payable from a special fund, they are for all purposes negotiable
8 instruments, subject only to the provisions of the bonds, notes, or
9 other obligations for registration.

10 (c) Subject to the limitations in Sections 102006 and 102007,
11 the bonds may be issued as serial bonds or as term bonds, or the
12 council, in its discretion, may issue bonds of both types. The bonds
13 shall be authorized by resolution of the council and shall bear the
14 date or dates, mature at the time or times, not exceeding 50 years
15 from their respective dates, bear interest at the rate or rates, be
16 payable at the time or times, be in the denominations, be in the
17 form, either coupon or registered, carry the registration privileges,
18 be executed in a manner, be payable in lawful money of the United
19 States of America at a place or places, and be subject to terms of
20 redemption, as the resolution or resolutions may provide. The
21 bonds or notes shall be sold by the Treasurer within 60 days of
22 receipt of a certified copy of the council's resolution authorizing
23 the sale of the bonds. However, the council, at its discretion, may
24 adopt a resolution extending the 60-day period. The sales may be
25 a public or private sale, and for the price or prices and on the terms
26 and conditions, that the council shall determine after giving due
27 consideration to the recommendations of any participating party
28 to be assisted from the proceeds of the bonds or notes. Pending
29 preparation of the definitive bonds, the Treasurer may issue interim
30 receipts, certificates, or temporary bonds that shall be exchanged
31 for the definitive bonds. The Treasurer may sell bonds, notes, or
32 other evidence of indebtedness at a price below their par value.
33 However, the discount on a security sold pursuant to this section
34 shall not exceed 6 percent of the par value.

35 (d) A resolution or resolutions authorizing bonds or an issue of
36 bonds may contain provisions that shall be a part of the contract
37 with the holders of the bonds to be authorized, as to all of the
38 following:

- 1 (1) Pledging the full faith and credit of the council to secure the
2 payment of the bonds or of any particular issue of bonds, subject
3 to the agreements with bondholders as may then exist.
- 4 (2) The rentals, fees, purchase payments, loan repayments, and
5 other charges to be charged, and the amounts to be raised in each
6 year by the charges, and the use and disposition of the revenues.
- 7 (3) The setting aside of reserves or sinking funds, and the
8 regulation and disposition of the reserves or sinking funds.
- 9 (4) Limitations on the right of the council or its agent to restrict
10 and regulate the use of the project or projects to be financed out
11 of the proceeds of the bonds or any particular issue of bonds.
- 12 (5) Limitations on the purpose to which the proceeds of sale of
13 an issue of bonds then or thereafter to be issued may be applied
14 and pledging those proceeds to secure the payment of the bonds
15 or the issue of the bonds.
- 16 (6) Limitations on the issuance of additional bonds, the terms
17 upon which additional bonds may be issued and secured, and the
18 refunding of outstanding bonds.
- 19 (7) The procedure, if any, by which the terms of a contract with
20 bondholders may be amended or abrogated, the amount of bonds
21 the holders of which must consent to the amendment or abrogation,
22 and the manner in which that consent may be given.
- 23 (8) Limitations on expenditures for operating, administrative,
24 or other expenses of the council and board.
- 25 (9) Defining the acts or omissions to act that constitute a default
26 in the duties of the council to holders of its obligations and
27 providing the rights and remedies of the holders in the event of a
28 default.
- 29 (10) The mortgaging of a project and the site of the project for
30 the purpose of securing the bondholders.
- 31 (11) The mortgaging of land, improvements, or other assets
32 owned by a program participant for the purpose of securing the
33 bondholders.
- 34 (12) Procedures for the selection of projects to be financed with
35 the proceeds of the bonds authorized by the resolution, if the bonds
36 are to be sold in advance of the designation of the projects and
37 program participants to receive the financing.
- 38 (e) Neither the members of the council nor a person executing
39 the bonds or notes shall be liable personally on the bonds or notes

1 or be subject to personal liability or accountability by reason of
2 the issuance of the bond or note.

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

7 102009. (a) In the discretion of the council, any bonds issued
8 under the provisions of this part may be secured by a trust
9 agreement by and between the council and a corporate trustee or
10 trustees, which may be the Treasurer or any trust company or bank
11 having the powers of a trust company within or without the state.
12 The trust agreement or the resolution providing for the issuance
13 of the bonds may pledge moneys appropriated by the Legislature
14 in the annual Budget Act from the Public Interest Research,
15 Development, and Demonstration Fund for the implementation of
16 this part, or mortgage the project or projects, or any portion thereof,
17 to be financed out of the proceeds of the bonds.

18 (b) The trust agreement or resolution providing for the issuance
19 of bonds may contain provisions for protecting and enforcing the
20 rights and remedies of the bondholders as may be reasonable and
21 proper and not in violation of law, including particularly those
22 provisions that have been specifically authorized to be included
23 in any resolution or resolutions of the council authorizing bonds.

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

28 (d) A trust agreement may set forth the rights and remedies of
29 the bondholders and of the trustee or trustees, and may restrict the
30 individual right of action by bondholders. In addition, any trust
31 agreement or resolution may contain other provisions that the
32 council may deem reasonable and proper for the security of the
33 bondholders.

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

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

1 102010. (a) Bonds issued under this part shall not be deemed
2 to constitute a debt or liability of the state or of any political
3 subdivision of the state, other than the council, or a pledge of the
4 faith and credit of the state or of any political subdivision, other
5 than the council, but shall be payable solely from the funds
6 provided under the authority of this part. A bond shall contain on
7 its face a statement to the following effect:

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

11 (b) The issuance of bonds under the provisions of this part shall
12 not directly, indirectly, or contingently obligate the state or any
13 political subdivision of the state to levy or to pledge any form of
14 taxation therefor or to make any appropriation for their payment.
15 This section does not prevent the council from pledging its full
16 faith and credit to the payment of bonds or issue of bonds
17 authorized pursuant to this part.

18 102011. (a) The council is hereby authorized to provide for
19 the issuance of bonds of the council for the purpose of refunding
20 any bonds, notes, or other securities of the council then outstanding,
21 including the payment of any redemption premium thereon and
22 any interest accrued or to accrue to the earliest or subsequent date
23 of redemption, purchase, or maturity of those bonds, and, if deemed
24 advisable by the council, for the additional purpose of paying all
25 or any part of the cost of constructing and acquiring additions,
26 improvements, extensions, or enlargements of a project or any
27 portion of a project.

28 (b) The proceeds of any bonds issued for the purpose of
29 refunding outstanding bonds, notes, or other securities may, in the
30 discretion of the council, be applied to the purchase or retirement
31 at maturity or redemption of outstanding bonds either on their
32 earliest or any subsequent redemption date or upon the purchase
33 or retirement at the maturity of the outstanding bonds and may,
34 pending application, be placed in escrow to be applied to the
35 purchase or retirement at maturity or redemption on the date as
36 may be determined by the council.

37 (c) Pending the use, any escrowed proceeds may be invested
38 and reinvested by the Treasurer in obligations of, or guaranteed
39 by, the United States of America, or in certificates of deposit or
40 time deposits secured by obligations of, or guaranteed by, the

1 United States of America, maturing at a time or times as shall be
2 appropriate to ensure the prompt payment, as to principal, interest,
3 and redemption premium, if any, of the outstanding bonds to be
4 so refunded. The interest, income, and profits, if any, earned or
5 realized on any investment may also be applied to the payment of
6 the outstanding bonds to be so refunded. After the terms of the
7 escrow have been fully satisfied and carried out, any balance of
8 proceeds and interest, income, and profits, if any, earned or realized
9 on the investments thereof may be returned to the council for use
10 by it in any lawful manner.

11 (d) The portion of the proceeds of any bonds issued for the
12 additional purpose of paying all or any part of the cost of
13 constructing and acquiring additions, improvements, extensions,
14 or enlargements of a project may be invested and reinvested by
15 the Treasurer in obligations of, or guaranteed by, the United States
16 of America, or in certificates of deposit or time deposits secured
17 by obligations of, or guaranteed by, the United States of America,
18 maturing not later than the time or times when the proceeds will
19 be needed for the purpose of paying all or any part of the cost. The
20 interest, income, and profits, if any, earned or realized on that
21 investment may be applied to the payment of all or any part of the
22 cost or may be used by the council in any lawful manner.

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

26 102012. Bonds issued by the council are legal investments for
27 all trust funds, the funds of all insurance companies, banks, both
28 commercial and savings, trust companies, savings and loan
29 associations, and investment companies, for executors,
30 administrators, trustees, and other fiduciaries, for state school
31 funds, and for any funds that may be invested in county, municipal,
32 or school district bonds, and bonds are securities that may properly
33 and legally be deposited with, and received by, any state or
34 municipal officer or agency or political subdivision of the state
35 for any purpose for which the deposit of bonds or obligations of
36 the state, is now, or may hereafter be, authorized by law, including
37 deposits to secure public funds if, and only to the extent that,
38 evidence of indebtedness or debt securities of the participating
39 party receiving financing through the issuance of those bonds
40 qualify or are eligible for those purposes and uses.

1 102013. Liability shall not be incurred by the council beyond
2 the extent to which moneys have been provided under this part,
3 except that for the purposes of meeting the necessary expenses of
4 initial organization and operation until such date as the council
5 derives revenues or proceeds from bonds or notes as provided
6 under this part, the council may borrow money as needed for those
7 expenses from the State Energy Resources Conservation and
8 Development Special Account in the General Fund in the State
9 Treasury. The borrowed moneys shall be repaid with interest within
10 a reasonable time after the council receives revenues or proceeds
11 from bonds or notes as provided under this part.

12 102014. The State of California does hereby pledge to and
13 agree with the holders of any obligations issued under this part
14 pursuant to the provisions of this part, that the state will not limit
15 or alter the rights hereby vested in the council until those
16 obligations, together with the interest thereon, are fully met and
17 discharged and such contracts are fully performed on the part of
18 the council. This section does not preclude imitation or alteration
19 if and when adequate provision shall be made by law for the
20 protection of the holders of the obligations of the council. The
21 council as agent for the state is authorized to include this pledge
22 and undertaking for the state in those obligations.

23 102015. The powers granted to the council by this part may
24 be exercised without regard or reference to any department or
25 agency of the state. All other general or special laws, or parts
26 thereof, inconsistent with this part are hereby declared to be
27 inapplicable to the provisions of this part. Nothing contained in
28 this part shall be interpreted to exempt the construction or
29 acquisition of any project by any program participant from
30 compliance with all applicable local, state, or federal laws and
31 regulations.