

ASSEMBLY BILL

No. 796

Introduced by Assembly Member Blumenfield

February 17, 2011

An act to add Division 16.1 (commencing with Section 26050) to the Public Resources Code, relating to energy, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 796, as introduced, Blumenfield. Energy: clean energy economy.

(1) The California Alternative Energy and Advanced Transportation Financing Act requires the California Alternative Energy and Advanced Transportation Financing Authority, in consultation with the State Energy Resources Conservation and Development Commission, to establish criteria for selecting projects related to renewable energy and alternative transportation technologies that would receive financial assistance, including loans, loan loss reserves, interest rate reductions, insurance, guarantees, and other credit enhancement or liquidity facilities, from the authority.

This bill would require the state to establish a program to provide financial assistance in the form of loan guarantees and energy output insurance guarantees to California-based entities.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Division 16.1 (commencing with Section 26050)
2 is added to the Public Resources Code, to read:

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4 DIVISION 16.1. CLEAN ENERGY ECONOMY AND JOBS

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6 CHAPTER 1. GENERAL PROVISIONS AND DEFINITION

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8 26050. (a) The Legislature finds and declares all of the
9 following:

10 (1) The continued growth of California’s clean technology
11 industry is essential to the state’s economic solvency and will
12 continue to create California-based jobs.

13 (2) Promoting innovative technologies that reduce dependence
14 on fossil fuels, improve energy efficiency, and reduce carbon
15 emissions will help California meet its environmental targets and
16 increase energy security.

17 (3) From 1995 to 2008, inclusive, clean technology
18 manufacturing employment expanded by 19 percent, while overall
19 manufacturing employment dropped by 9 percent.

20 (4) California’s environmental laws have stimulated nine billion
21 dollars (\$9,000,000,000) in cumulative venture capital investment
22 from 2005 to 2009, inclusive, including two billion one hundred
23 million dollars (\$2,100,000,000) in investment capital in 2009,
24 representing 60 percent of the total investment in North America
25 and more than five times the investment in the state’s nearest
26 competitor, Massachusetts.

27 (5) Between 2007 and 2009, California led all other states in
28 clean technology patent registrations, outpacing the second-ranked
29 state, New York, by more than 150.

30 (6) California-based companies have patented more types of
31 electric vehicle battery technology than companies in other states.

32 (7) Attempting to take advantage of California’s economic and
33 environmental progress, other states and other countries are
34 providing financial incentives to California clean energy companies
35 to move away from California and establish manufacturing
36 facilities elsewhere.

37 (8) Given the surge in out-of-state and overseas competition
38 and incentives, it is in the state’s best interest to immediately

1 incentivize California-based clean technology companies so that
2 they remain in California.

3 (b) It is the intent of the Legislature to promote the development
4 of in-state manufacturing facilities and jobs that produce
5 technologies that increase energy efficiency, reduce greenhouse
6 gas emissions, improve air quality, or reduce water pollution.

7 26051. As used in this division, “California-based entity” has
8 the same meaning as that set forth in Section 25620.5.

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10 CHAPTER 2. FINANCIAL ASSISTANCE

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12 26055. (a) The state shall establish a program to provide
13 financial assistance in the form of loan guarantees and energy
14 output insurance guarantees to California-based entities.

15 (b) The program shall approve financial assistance application
16 for an in-state manufacturing project that has reasonable prospects
17 of repayment and sufficient funds to complete the project.

18 (c) The program shall identify qualified lender-applicants to be
19 responsible for the overall financial structure of the financial
20 assistance.

21 (d) The program shall evaluate applications based on need, job
22 development benefit, environmental benefit, and financial risk.

23 (e) To the extent funds are required to implement the program,
24 upon appropriation by the Legislature, the state may use federal
25 funds as authorized by federal law, state special funds, or private
26 funds to develop the program.

27 SEC. 2. This act is an urgency statute necessary for the
28 immediate preservation of the public peace, health, or safety within
29 the meaning of Article IV of the Constitution and shall go into
30 immediate effect. The facts constituting the necessity are:

31 To expedite the promotion of California-based manufacturing
32 and California-based jobs, the reduction of greenhouse gas
33 emissions, the reduction in air and water pollution, and the
34 reduction in energy consumption by providing, as soon as possible,
35 financial assistance to projects undertaken by California-based
36 companies, thereby preserving the public peace, health, and safety,
37 it is necessary for this measure to take effect immediately.

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