

AMENDED IN SENATE AUGUST 6, 2012  
AMENDED IN SENATE JUNE 26, 2012  
AMENDED IN SENATE JUNE 12, 2012  
AMENDED IN SENATE FEBRUARY 27, 2012  
AMENDED IN SENATE SEPTEMBER 2, 2011  
AMENDED IN SENATE JULY 13, 2011  
AMENDED IN ASSEMBLY MAY 11, 2011  
AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 796**

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**Introduced by Assembly Member Blumenfield  
(Coauthor: Assembly Member Wieckowski)  
(Coauthor: Senator Pavley)**

February 17, 2011

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An act to add and repeal Chapter 5 (commencing with Section 26090) of Division 16 of the Public Resources Code, relating to financial assistance.

LEGISLATIVE COUNSEL'S DIGEST

AB 796, as amended, Blumenfield. Financial assistance: Clean Energy Economy and Jobs Incentive Program.

Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority and requires the authority to provide financial assistance in the form of a sale and use tax exclusion for applicants to promote the creation of California-based manufacturing,

California-based jobs, the reduction of greenhouse gases, or reductions in air and water pollution or energy consumption.

This bill would require the authority to establish the Clean Energy Economy and Jobs Incentive Program to provide financial assistance in the form of specified financing mechanisms for an applicant to promote the commercialization and manufacturing of ~~a project in an~~ eligible clean energy technology ~~areas~~ project. The bill would establish the Clean Energy Economy and Jobs Incentive Program Fund in the State Treasury and would, upon appropriation by the Legislature, authorize the authority to expend moneys in the fund to implement the program. The bill would repeal the program on January 1, 2018.

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. Chapter 5 (commencing with Section 26090) is  
2 added to Division 16 of the Public Resources Code, to read:

3  
4 CHAPTER 5. CLEAN ENERGY ECONOMY AND JOBS INCENTIVE  
5 PROGRAM  
6

7 26090. As used in this division, the following terms mean the  
8 following:

9 (a) “Biogas” means digester gas, landfill gas, and any gas  
10 derived from an eligible biomass feedstock.

11 (b) “California-based entity” means a corporation or other  
12 business form organized for the transaction of business in  
13 California that has an office in California, and manufactures or  
14 plans to manufacture in California, a product in an eligible  
15 technology that qualifies for financial assistance as determined by  
16 the authority.

17 (c) ~~“Eligible biomass feedstock” means an organic material not~~  
18 ~~derived from fossil fuels, including, but not limited to, agricultural~~  
19 ~~crops, agricultural wastes and residues, waste pallets, crates,~~  
20 ~~dunnage, manufacturing and construction wood wastes, landscape~~  
21 ~~and right-of-way tree trimmings, mill residues that result from~~  
22 ~~milling lumber, rangeland maintenance residues, biosolids, sludge~~  
23 ~~derived from organic matter, and wood and wood waste from~~  
24 ~~timbering operations.~~

1 ~~(1) Agricultural wastes and residues include, but are not limited~~  
2 ~~to, animal wastes, remains, and tallow, food wastes, recycled~~  
3 ~~cooking oils, and pure cooking oils.~~

4 ~~(2) Landscape or right-of-way tree trimmings include all solid~~  
5 ~~waste materials that result from tree or vegetation trimming or~~  
6 ~~removal to establish or maintain right-of-way on public or private~~  
7 ~~land for the following purposes:~~

8 ~~(A) Provision of public utilities, including, but not limited to,~~  
9 ~~natural gas, water, electricity, and telecommunications.~~

10 ~~(B) Fuel hazard reduction resulting in fire protection and~~  
11 ~~prevention.~~

12 ~~(C) Recreational use.~~

13 ~~(d)~~

14 ~~(c) “Eligible clean energy technology” means a technology in~~  
15 ~~any of the following areas either of the following:~~

16 ~~(1) A technology that conserves, produces, or processes heat,~~  
17 ~~space heating, water heating, steam, space cooling, refrigeration,~~  
18 ~~mechanical energy, electricity, or energy in any form convertible~~  
19 ~~to those uses that does not expend or use conventional energy fuels~~  
20 ~~and that uses any of the following energy generating technologies:~~

21 ~~(A) Biogas.~~

22 ~~(B) Biomass.~~

23 ~~(C) Geothermal.~~

24 ~~(D) Solar photovoltaic.~~

25 ~~(E) Solar thermal.~~

26 ~~(F) Wind.~~

27 ~~(1) (A) A device or technology used for a renewable electrical~~  
28 ~~generation facility, as defined in paragraph (1) of subdivision (a)~~  
29 ~~of Section 25741.~~

30 ~~(B) A combined heat and power system, as defined in Section~~  
31 ~~2840.2 of the Public Utilities Code.~~

32 ~~(C) Distributed generation and energy storage technologies~~  
33 ~~eligible under the self-generation incentive program pursuant to~~  
34 ~~Section 379.6 of the Public Utilities Code, as determined by the~~  
35 ~~Public Utilities Commission.~~

36 ~~(D) A facility designed for the production of renewable fuels,~~  
37 ~~the efficient use of which reduce the use of fossil or nuclear fuels.~~

38 ~~(E) Energy efficiency devices or technologies that reduce the~~  
39 ~~need for new electric generation and reduce emissions of toxic~~  
40 ~~and criteria pollutants, and greenhouse gases.~~

1 (2) An emerging commercially competitive  
 2 transportation-related technology capable of creating long-term,  
 3 high value-added jobs for Californians while enhancing the state’s  
 4 commitment to energy conservation, pollution and greenhouse gas  
 5 emission reduction, and transportation efficiency. Eligible  
 6 transportation-related technology projects do not include those  
 7 required to be undertaken pursuant to state or federal law or  
 8 regulations, air district rules or regulations, memoranda of  
 9 understanding with a governmental entity, or legally binding  
 10 agreements or documents. The State Air Resources Board shall  
 11 advise the authority to ensure that the requirements of this  
 12 paragraph are met.

13 ~~(3) Energy storage technology as defined in subdivision (a) of~~  
 14 ~~Section 2835 of the Public Utilities Code.~~

15 ~~(4) Stationary fuel cells designed for renewable fuel use.~~

16 ~~(e)–~~

17 (d) “Financial assistance” means loans, loan loss reserves,  
 18 interest rate reductions, insurance, guarantees or other credit  
 19 enhancements or liquidity facilities, contributions of money,  
 20 property, labor, or other terms of value, or any combination thereof,  
 21 as determined by the resolutions of the authority.

22 ~~(f)–~~

23 (e) “Financial institution” means an insured depository  
 24 institution or insured credit union, as those terms are defined in  
 25 Section 103 of the Riegle Community Development and Regulatory  
 26 Improvement Act of 1994 (12 U.S.C. Sec. 4702).

27 ~~(g)–~~

28 (f) “Manufacture” means to make, process, prepare, alter, repair,  
 29 or finish in whole or in part, or to assemble.

30 ~~(h)–~~

31 (g) “Program” means the Clean Energy Economy and Jobs  
 32 Incentive Program established pursuant to Section 26051.

33 ~~(i)–~~

34 (h) “Project total” means the total capital expenses for an  
 35 applicant’s project.

36 26091. (a) The authority shall establish the Clean Energy  
 37 Economy and Jobs Incentive Program to provide financial  
 38 assistance to eligible California-based entities for the  
 39 manufacturing of eligible technologies.

1 (b) The authority shall evaluate project applications based upon  
2 the net benefits test pursuant to Section 26011.8, which may  
3 include, but are not limited to, the following criteria:

4 (1) Meets or exceeds the state’s energy and environmental goals.

5 (2) Promotes instate commercialization and manufacturing  
6 capacity that will establish California as a leader in clean energy  
7 technologies.

8 (3) Supports instate manufacturing of eligible clean energy  
9 technology on a scale that is capable of meeting a market demand.

10 (4) Maximizes the leveraging of other funding sources.

11 (c) A project is eligible for financial assistance if the applicant  
12 demonstrates, to the satisfaction of the authority, all of the  
13 following:

14 (1) The eligible clean energy technology is significantly more  
15 energy efficient or cost effective than current comparable products  
16 commercially available and has been researched and developed.

17 (2) The project is for the full-scale commercialization or  
18 manufacture of a product to be used as a part of an eligible clean  
19 energy technology within three years of the date of the submission  
20 of the application.

21 (3) The financial assistance would accelerate the construction  
22 or expansion of the project.

23 (4) The eligible clean technology is manufactured by a  
24 California-based entity that is transitioning from product  
25 development to commercialization.

26 (5) Any other criteria established by the authority.

27 (d) (1) The financial assistance provided to an applicant shall  
28 not exceed five million dollars (\$5,000,000), and shall not be worth  
29 more than 25 percent of the project total as provided by the  
30 applicant.

31 (2) Notwithstanding paragraph (1), the authority may provide  
32 financial assistance of up to ten million dollars (\$10,000,000) if  
33 the authority provides notice to the chair of the Joint Legislative  
34 Budget Committee and the chair concurs with the provision of the  
35 financial assistance within 30 days of the notice.

36 (e) The financial assistance provided pursuant to this chapter  
37 shall only be provided in partnership with a financial institution.

38 26092. (a) This chapter does not require the authority to  
39 promulgate regulations to implement this chapter until the

1 Legislature appropriates funds to the authority for the purposes of  
2 this chapter.

3 (b) The implementation of this chapter is contingent on the  
4 availability of ~~the nonbypassable system benefits charge collected~~  
5 ~~by the Public Utilities Commission pursuant to its authority under~~  
6 ~~the Public Utilities Code,~~ and private and federal funds for the  
7 purpose of developing clean energy technology.

8 (c) On or before January 1, 2015, the Legislative Analyst's  
9 Office shall report to the Joint Legislative Budget Committee on  
10 the effectiveness of the program by evaluating factors, including,  
11 but not limited to, all of the following:

12 (1) The number of jobs created by the program in California.

13 (2) The number of businesses that have remained in, or relocated  
14 to, California as a result of the program.

15 (3) The amount of state and local revenue and economic activity  
16 generated by the program.

17 (4) The amount of reduction in greenhouse gas emissions, air  
18 pollution, water pollution, and energy consumption.

19 26093. The authority shall make every effort to expedite the  
20 operation of this chapter, and shall adopt regulations for purposes  
21 of this chapter as emergency regulations in accordance with  
22 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division  
23 3 of Title 2 of the Government Code. For purposes of that chapter,  
24 including Section 11349.6 of the Government Code, the adoption  
25 of the regulations shall be considered by the Office of  
26 Administrative Law to be necessary for the immediate preservation  
27 of the public peace, health and safety, and general welfare.

28 26094. (a) The Clean Energy Economy and Jobs Incentive  
29 Program Fund is hereby established in the State Treasury, and  
30 upon appropriation by the Legislature, shall be expended by the  
31 authority for the purposes of this chapter.

32 (b) Of the moneys appropriated pursuant to subdivision (a), up  
33 to three hundred thousand dollars (\$300,000) may be expended  
34 by the authority for the initial administrative costs in implementing  
35 this chapter.

36 (c) The authority may fix fees and other charges to reimburse  
37 the costs of the authority in its administration of this chapter.

38 26095. This chapter shall remain in effect only until January  
39 1, 2018, and as of that date is repealed, unless a later enacted

1 statute, that is enacted before January 1, 2018, deletes or extends  
2 that date.

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