

AMENDED IN SENATE AUGUST 24, 2012  
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~~ *sales* 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~~ *to eligible California-based entities for the manufacturing of an eligible clean energy technology project, as specified.* 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 (a) (1) *“Advanced transportation technologies” means  
 12 emerging commercially competitive transportation-related  
 13 technologies identified by the authority as capable of creating  
 14 long-term, high value-added jobs for Californians while enhancing  
 15 the state’s commitment to energy conservation, pollution and  
 16 greenhouse gas emissions reduction, and transportation efficiency.*

17 (2) *“Advanced transportation technologies” does not include  
 18 those projects required to be undertaken pursuant to state or  
 19 federal law or regulations, air district rules or regulations,  
 20 memoranda of understanding with a governmental entity, or legally  
 21 binding agreements or documents. The State Air Resources Board*

1 *shall advise the authority to ensure that the requirements of this*  
2 *paragraph are met.*

3 (b) “California-based entity” means a corporation or other  
4 business form organized for the transaction of business in  
5 California that has an office in California, and manufactures or  
6 plans to manufacture in California, a product in an eligible  
7 technology that qualifies for financial assistance as determined by  
8 the authority.

9 (c) “Eligible clean energy technology” means either of the  
10 following:

11 (1) (A) A device or technology used for a renewable electrical  
12 generation facility, as defined in paragraph (1) of subdivision (a)  
13 of Section 25741.

14 (B) A combined heat and power system, as defined in Section  
15 2840.2 of the Public Utilities Code.

16 (C) Distributed generation and energy storage technologies  
17 eligible under the self-generation incentive program pursuant to  
18 Section 379.6 of the Public Utilities Code, as determined by the  
19 Public Utilities Commission.

20 (D) A facility designed for the production of renewable fuels,  
21 the efficient use of which ~~reduce~~ *reduces* the use of fossil or nuclear  
22 fuels.

23 (E) Energy efficiency devices or technologies that reduce the  
24 need for new electric generation and reduce emissions of toxic and  
25 criteria pollutants, and greenhouse gases.

26 ~~(2) An emerging commercially competitive~~  
27 ~~transportation-related technology capable of creating long-term,~~  
28 ~~high value-added jobs for Californians while enhancing the state’s~~  
29 ~~commitment to energy conservation, pollution and greenhouse gas~~  
30 ~~emission reduction, and transportation efficiency. Eligible~~  
31 ~~transportation-related technology projects do not include those~~  
32 ~~required to be undertaken pursuant to state or federal law or~~  
33 ~~regulations, air district rules or regulations, memoranda of~~  
34 ~~understanding with a governmental entity, or legally binding~~  
35 ~~agreements or documents. The State Air Resources Board shall~~  
36 ~~advise the authority to ensure that the requirements of this~~  
37 ~~paragraph are met.~~

38 (2) *Advanced transportation technologies.*

39 (d) “Financial assistance” means loans, loan loss reserves,  
40 interest rate reductions, insurance, guarantees or other credit

1 enhancements or liquidity facilities, contributions of money,  
2 property, labor, or other terms of value, or any combination thereof,  
3 as determined by the resolutions of the authority.

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

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

10 (g) “Program” means the Clean Energy Economy and Jobs  
11 Incentive Program established pursuant to Section ~~26051~~ 26091.

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

14 26091. (a) The authority shall establish the Clean Energy  
15 Economy and Jobs Incentive Program to provide financial  
16 assistance to eligible California-based entities for the  
17 manufacturing of eligible technologies.

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

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

22 (2) Promotes—~~instate~~ *in-state* commercialization and  
23 manufacturing capacity that will establish California as a leader  
24 in clean energy technologies.

25 (3) Supports—~~instate~~ *in-state* manufacturing of eligible clean  
26 energy technology on a scale that is capable of meeting a market  
27 demand.

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

29 (c) A project is eligible for financial assistance if the applicant  
30 demonstrates, to the satisfaction of the authority, all of the  
31 following:

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

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

39 (3) The financial assistance would accelerate the construction  
40 or expansion of the project.

1 (4) The eligible clean technology is manufactured by a  
2 California-based entity that is transitioning from product  
3 development to commercialization.

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

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

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

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

16 26092. (a) This chapter does not require the authority to  
17 ~~promulgate regulations to implement this chapter~~ *its provisions*  
18 until the Legislature appropriates funds to the authority for the  
19 purposes of this chapter *and private or federal funds are made*  
20 *available to the authority for the purpose of developing clean*  
21 *energy technology.*

22 ~~(b) The implementation of this chapter is contingent on the~~  
23 ~~availability of private and federal funds for the purpose of~~  
24 ~~developing clean energy technology.~~

25 ~~(e)~~

26 (b) On or before January 1, 2015, the Legislative Analyst's  
27 Office shall report to the Joint Legislative Budget Committee on  
28 the effectiveness of the program by evaluating factors, including,  
29 but not limited to, all of the following:

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

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

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

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

37 26093. The authority shall make every effort to expedite the  
38 operation of this chapter, and shall adopt regulations for purposes  
39 of this chapter as emergency regulations in accordance with  
40 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division

1 3 of Title 2 of the Government Code. For purposes of that chapter,  
2 including Section 11349.6 of the Government Code, the adoption  
3 of the regulations shall be considered by the Office of  
4 Administrative Law to be necessary for the immediate preservation  
5 of the public peace, health and safety, and general welfare.

6 26094. (a) The Clean Energy Economy and Jobs Incentive  
7 Program Fund is hereby established in the State Treasury, and  
8 upon appropriation by the Legislature, shall be expended by the  
9 authority for the purposes of this chapter.

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

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

16 26095. This chapter shall remain in effect only until January  
17 1, 2018, and as of that date is repealed, unless a later enacted  
18 statute, that is enacted before January 1, 2018, deletes or extends  
19 that date.