

Assembly Bill No. 796

Passed the Assembly August 30, 2012

Chief Clerk of the Assembly

Passed the Senate August 29, 2012

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2012, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, Blumenfeld. 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 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 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.

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

SECTION 1. Chapter 5 (commencing with Section 26090) is added to Division 16 of the Public Resources Code, to read:

CHAPTER 5. CLEAN ENERGY ECONOMY AND JOBS INCENTIVE
PROGRAM

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

(a) (1) “Advanced transportation technologies” means emerging commercially competitive transportation-related technologies identified by the authority as capable of creating long-term, high value-added jobs for Californians while enhancing the state’s commitment to energy conservation, pollution and greenhouse gas emissions reduction, and transportation efficiency.

(2) “Advanced transportation technologies” does not include those projects required to be undertaken pursuant to state or federal law or regulations, air district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents. The State Air Resources Board shall advise the authority to ensure that the requirements of this paragraph are met.

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

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

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

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

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

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

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

(2) Advanced transportation technologies.

(d) “Financial assistance” means loans, loan loss reserves, interest rate reductions, insurance, guarantees or other credit enhancements or liquidity facilities, contributions of money,

property, labor, or other terms of value, or any combination thereof, as determined by the resolutions of the authority.

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

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

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

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

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

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

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

(2) Promotes in-state commercialization and manufacturing capacity that will establish California as a leader in clean energy technologies.

(3) Supports in-state manufacturing of eligible clean energy technology on a scale that is capable of meeting a market demand.

(4) Maximizes the leveraging of other funding sources.

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

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

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

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

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

(5) Any other criteria established by the authority.

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

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

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

26092. (a) This chapter does not require the authority to implement its provisions until the Legislature appropriates funds to the authority for the purposes of this chapter and private or federal funds are made available to the authority for the purpose of developing clean energy technology.

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

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

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

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

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

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

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

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

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

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

Approved _____, 2012

Governor