

Introduced by Senator Corbett
(Coauthor: Assembly Member Wieckowski)

February 7, 2011

An act to add Article 7 (commencing with Section 10390) to Chapter 2 of Part 2 of Division 2 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 175, as introduced, Corbett. Public contracts: bid preferences: solar photovoltaic system.

Existing law imposes various requirements with respect to contracting by state agencies.

This bill would require a state agency that accepts bids or proposals for a contract for the purchase or installation of a solar photovoltaic system, as defined, to provide a 15% preference to a business that certifies that all of the solar panels installed as part of the solar photovoltaic system have been manufactured in California, in accordance with specified criteria.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California faces the most severe economic downturn since
- 4 the Great Depression. Over two million Californians are out of
- 5 work and California's unemployment rate is one of the highest in
- 6 the nation.

1 (b) At a time of scarce state resources, state purchases should
2 be used to stimulate our state economy and put people back to
3 work.

4 (c) Former Governor Schwarzenegger’s Green Building
5 Executive Order (S-20-04) mandated that state agencies evaluate
6 the merits of using clean and renewable onsite energy generation
7 technologies in all new building or large renovation projects.

8 (d) California has several companies that manufacture solar
9 panels in the state, employing Californians and helping our
10 economy.

11 (e) In the manufacturing of solar panels, it is the creation of the
12 solar cells that convert sunlight into electrical power that generates
13 the most value to the economy. Production of solar cells requires
14 the highest percentage of skilled workers, the highest capital
15 investment, and supports the highest amount of collateral
16 infrastructure in the form of additional local businesses and jobs.

17 (f) California is the nation’s largest clean economy. More than
18 12,000 clean technology companies, including solar manufacturers,
19 call California home and are creating jobs at nearly 10 times the
20 rate as the state’s other industries. A number of these companies
21 have developed novel solar cell technologies and it is in the interest
22 of the state to incentivize these companies to establish and grow
23 manufacturing operations within the state. This will create both
24 construction and permanent manufacturing jobs in California.

25 (g) It is the intent of the Legislature that whenever a solar
26 photovoltaic system is placed on state buildings or property, there
27 should be a preference for a solar photovoltaic system
28 manufactured in California.

29 SEC. 2. Article 7 (commencing with Section 10390) is added
30 to Chapter 2 of Part 2 of Division 2 of the Public Contract Code,
31 to read:

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33 Article 7. Preference for California-Manufactured Solar Panels
34 on State Property

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36 10390. For the purposes of this article:

37 (a) “Manufacture,” “manufactured,” or “manufacturing” means
38 the transformation of raw materials into a solar panel, including
39 both the manufacture of the solar cells and the final assembly of
40 the solar panels.

1 (b) “Power purchase agreement” means a financial arrangement
2 in which a third-party developer owns, operates, and maintains a
3 solar photovoltaic system, and a state agency agrees to site the
4 system on its roof or elsewhere on its property and purchases the
5 system’s electric output, not the system itself, from the third-party
6 developer for a predetermined period of time.

7 (c) “Solar cells” means the basic building block of photovoltaic
8 (PV) technologies. “Solar cells” are functional semiconductors,
9 made by processing and treating crystalline silicon or other
10 photo-sensitive materials to create a layered product that generates
11 electricity by absorbing light photons.

12 (d) “Solar panels” means individual solar cells assembled into
13 larger groups whereby the solar panel or module is the end product,
14 and consists of a series of solar cells to capture and transfer
15 solar-generated electricity, a backing surface, and a covering to
16 protect the cells from weather and other types of damage.

17 (e) “Solar photovoltaic system” means a system created by
18 installing multiple solar panels in the same location to increase the
19 electrical generating capacity. In a “solar photovoltaic system” the
20 solar panels and solar cells represent the highest intellectual content
21 and dollar-value items associated with solar photovoltaic energy
22 generation.

23 10391. (a) A state agency that accepts bids or proposals for a
24 contract for the purchase or installation of a solar photovoltaic
25 system through a power purchase agreement, or through a direct
26 purchase, shall provide a preference of 15 percent to a business
27 that certifies that all of the solar panels installed as part of such a
28 solar photovoltaic system have been manufactured, as defined in
29 Section 10390, in this state. The preference shall be provided as
30 follows:

31 (1) For solicitations to be awarded to the lowest responsible
32 bidder meeting specifications, the preference to a business that
33 certifies that all of the solar panels installed as part of the solar
34 photovoltaic system have been manufactured in this state shall be
35 15 percent of the bid price of the lowest responsible bidder meeting
36 specifications.

37 (2) For solicitations to be awarded to the highest scored bidder
38 based on evaluation factors in addition to price, the preference to
39 a business that certifies that all of the solar panels installed as part
40 of the solar photovoltaic system have been manufactured in this

1 state shall be 15 percent of the total score of the highest scored
2 bidder.

3 (3) A preference awarded pursuant to paragraph (1) or (2) shall
4 not be awarded to a noncompliant bidder and shall not be used to
5 satisfy any applicable minimum requirements.

6 (4) In order to be eligible for the 15-percent preference
7 authorized pursuant to this section, a business shall submit all
8 required substantiating documentation and information needed by
9 the state agency to determine if the business is eligible for the
10 preference, including, but not limited to, documentation regarding
11 who the manufacturer of the solar photovoltaic system will be and
12 the location or locations where the solar photovoltaic system will
13 be manufactured.

14 (b) The Department of General Services shall establish a process
15 to verify that a business meets the criteria for the 15-percent
16 preference.