

AMENDED IN ASSEMBLY APRIL 22, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1131**

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**Introduced by Assembly Member Skinner**

February 22, 2013

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An act to amend Sections 26070, 26073, 26080, and 26081 of the Public Resources Code, relating to energy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1131, as amended, Skinner. Energy: renewable energy and energy efficiency projects: financial assistance.

(1) Existing law authorizes local governments to assist property owners to finance the installation of distributed generation renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency improvements through the issuance of bonds that are secured by a voluntary contractual assessment on property (PACE bonds). Existing law requires the California Alternative Energy and Advanced Transportation Financing Authority to develop and administer a program to reduce the overall costs to property owners of PACE bonds by providing a reserve of no more than 10% of the initial principal amount of the PACE bonds. Existing law requires the authority to administer a Clean Energy Upgrade Program to reduce overall costs to property owners of a loan provided by a financial institution to finance the installation of distributed generation renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency improvements that are permanently fixed to real property by providing a reserve or other financial assistance at a level to be determined by the State Energy Resources Conservation and Development Commission

and the authority. Existing law, until January 1, 2015, appropriates up to \$50,000,000 from the Renewable Resource Trust Fund for the above purposes. Existing law requires the authority, until January 1, 2015, to submit a report to the Legislature regarding the implementation of the above programs.

This bill would extend that appropriation and the reporting requirement to January 1, 2017.

(2) *Existing law requires the authority to administer the Clean Energy Upgrade Program to provide loans for energy-related improvements for a residential project of 3 units or fewer or energy-related commercial projects that cost less than \$25,000.* Existing law requires the authority, in evaluating the eligibility of a loan program for the Clean Energy Upgrade Program, to consider, among other things, whether the loans made under the loan program are for less than 10% of the value of the property.

This bill would *expand the Clean Energy Upgrade Program to provide financial assistance for residential projects eligible for the program to 4 units or fewer and for energy-related projects for mobilehomes and would delete that consideration requirement that the authority consider whether the loan is for less than 10% of the value of the property.* By expanding the eligibility of loan programs under the Clean Energy Upgrade Program, this bill would make an appropriation.

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

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

1     SECTION 1. Section 26070 of the Public Resources Code is  
 2     amended to read:  
 3     26070. The authority shall administer a Clean Energy Upgrade  
 4     Program to reduce overall costs to the property owners of a loan  
 5     provided by an applicant to finance the installation of distributed  
 6     generation renewable energy sources, electric vehicle charging  
 7     infrastructure, or energy or water efficiency improvements that  
 8     are permanently fixed to real property by providing a reserve or  
 9     other financial assistance at a level to be determined by the State  
 10    Energy Resources Conservation and Development Commission  
 11    and the authority. Improvements financed pursuant to this program  
 12    shall be for a residential project of ~~three~~ four units or fewer, a  
 13    project for a mobilehome, as defined in Section 18008 of the Health

1 *and Safety Code*, or a commercial project that costs less than  
2 twenty-five thousand dollars (\$25,000) in total.

3 **SECTION 1.**

4 *SEC. 2.* Section 26073 of the Public Resources Code is  
5 amended to read:

6 26073. (a) In evaluating eligibility, the authority shall consider  
7 whether the applicant's loan program includes the following  
8 conditions:

9 (1) Loan recipients are legal owners of underlying property.

10 (2) Loan recipients are current on mortgage and property tax  
11 payments.

12 (3) Loan recipients are not in default or in bankruptcy  
13 proceedings.

14 (4) The program offers financing for energy and water efficiency  
15 improvements.

16 (5) Improvements financed by the program follow applicable  
17 standards of energy efficiency retrofit work, including any  
18 guidelines adopted by the State Energy Resources Conservation  
19 and Development Commission.

20 (b) In evaluating an application, the authority shall consider all  
21 of the following factors:

22 (1) The use by the loan program of best practices, adopted by  
23 the authority, to qualify eligible properties for participation in  
24 underwriting the loan program.

25 (2) The cost efficiency of the applicant's loan program.

26 (3) The projected number of jobs created by the loan program.

27 (4) The applicant's loan program requirements for quality  
28 assurance and consumer protection, as related to achieving  
29 efficiency and clean energy production, in accordance with the  
30 standards developed pursuant to subdivision (b) of Section 26072.

31 (5) The mechanisms by which savings produced by this program  
32 are passed on to the property owners.

33 (6) Any other factors deemed appropriate by the authority.

34 (c) The authority may approve a loan program that offers  
35 financing for electric vehicle charging infrastructure if the electric  
36 vehicle charging infrastructure is part of a project to install energy  
37 efficiency improvements and distributed generation renewable  
38 energy resources and is designed so that the project does not  
39 increase peak energy demand.

1 ~~SEC. 2.~~

2 *SEC. 3.* Section 26080 of the Public Resources Code is  
3 amended to read:

4 26080. (a) Until January 1, 2017, an amount of up to fifty  
5 million dollars (\$50,000,000) from the Renewable Resource Trust  
6 Fund, established pursuant to Section 25751, is hereby appropriated  
7 to the authority for the purposes of this chapter. The moneys  
8 appropriated shall remain in the Renewable Resource Trust Fund  
9 until the funds are needed by the authority pursuant to this chapter.

10 (b) Of the moneys appropriated in subdivision (a), up to five  
11 hundred fifty thousand dollars (\$550,000) may be expended by  
12 the authority for the initial administrative costs in implementing  
13 this chapter.

14 (c) All repayments of moneys disbursed pursuant to this chapter  
15 shall be deposited into the Renewable Resource Trust Fund.

16 ~~SEC. 3.~~

17 *SEC. 4.* Section 26081 of the Public Resources Code is  
18 amended to read:

19 26081. (a) On March 31, 2011, and annually thereafter, the  
20 authority shall submit to the Legislature a report pursuant to Section  
21 9795 of the Government Code on all of the following:

- 22 (1) The status of the account.
- 23 (2) A summary of the PACE bonds that received assistance  
24 pursuant to Article 2 (commencing with Section 26060) and a  
25 summary of the loans that received assistance pursuant to Article  
26 3 (commencing with Section 26070).
- 27 (3) A summary of the benefits provided by this division,  
28 including reduced interest rates on the PACE bonds or on loans  
29 receiving assistance pursuant to this division.
- 30 (4) The number of jobs created by the PACE programs or loans  
31 that received assistance pursuant to this chapter.
- 32 (5) Information on energy and water savings resulting from the  
33 PACE programs or loans that received assistance pursuant to this  
34 chapter.

35 (6) Other information deemed appropriate by the authority.

36 (b) This section shall remain in effect only until January 1, 2017,  
37 and as of that date is repealed, unless a later enacted statute, that  
38 is enacted before January 1, 2017, deletes or extends that date.

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