

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral
SPONSOR: California State Treasurer Bill Lockyer

BILL NUMBER: SB 1754
AUTHOR: C. Kehoe

BILL SUMMARY

This bill would authorize the California Alternative Energy and Advanced Transportation Financing Authority (Authority) to enter into power purchase agreements with public agencies and renewable energy developers to provide renewable energy to public agencies.

FISCAL SUMMARY

The Authority has not yet prepared an analysis of this bill. Typically, the operating costs of bond authorities are recouped by fees charged on bond sales.

COMMENTS

Finance is neutral on this bill, since it would have no General Fund impact and would encourage the use of renewable energy sources.

Current law allows the Authority to provide bond financing for the development and commercialization of competitive advanced transportation technologies and facilities utilizing alternative methods and sources of energy. In addition, current law allows the Authority to issue up to \$1 billion in revenue or prepayment bonds to fund projects and, under federal law, the Authority can also offer financing at lower than conventional costs through Clean Renewable Energy Bonds.

In 1980, the California Alternative Energy Source Financing Authority was created with an authorization of \$200 million in revenue bonds to finance projects utilizing alternative sources of energy, such as cogeneration, wind and geothermal power. In 1994, it was renamed the California Alternative Energy and Advanced Transportation Financing Authority and was expanded to include the financing of "advanced transportation" technologies.

During the 2001 energy crisis, the Authority's mandate was expanded to provide financial assistance to public power entities, independent generators, and others for new and renewable energy sources, and to develop clean distributed generation.

The Authority has been inactive for more than five years. The Authority has \$53 million of bonds outstanding and approximately \$813.9 million in remaining bond authority.

(Continued)

Analyst/Principal (0621) K. DaRosa Date Program Budget Manager Karen Finn Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

BILL NUMBER

C. Kehoe

Original

SB 1754

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
0971/Energy Fin	SO	No		-----	No/Minor	Fiscal Impact	-----	0528	
<u>Fund Code</u>	<u>Title</u>								
0528	Alternative Energy Authority Fund, Calif								