

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 21, 2009
POSITION: Neutral

BILL NUMBER: SB 400
AUTHOR: E. Corbett

BILL SUMMARY: Energy: Green Vehicles: Financing

The California Alternative Energy and Advanced Transportation Financing Authority (Authority) provides California's industries with alternative methods of financing for (1) facilities needed for the development and commercialization of "advanced transportation technologies", and (2) facilities using alternative methods and sources of energy. This bill would add "California green vehicles", as defined, to the list of existing "advanced transportation technologies" potentially eligible for financing.

FISCAL SUMMARY

The bill would have no fiscal impact on the Air Resources Board (Air Board), nor would it have a direct fiscal impact on the Authority. However, by broadening the existing definition of facilities eligible for financing, the bill could increase cost pressure on the Authority to provide additional financing.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 23, 2009 version are minor and do not alter our position.

COMMENTS

The Department of Finance is neutral on the bill as it would not impose direct costs on either the Air Board or on the Authority, and its provisions appear to be consistent with the state's commitment to energy conservation, pollution reduction, and transportation efficiency. The bill is intended to provide incentives to companies to manufacture "green vehicles" in California.

The Authority consists of five members: the State Treasurer, the State Controller, the Director of Finance, the Chairperson of the State Energy Resources Conservation and Development Commission and the President of the Public Utilities Commission. The Authority is authorized to issue up to \$1 billion in revenue bonds to finance alternative energy and advanced transportation projects to promote energy sources designed to reduce the degradation of the environment. As of June 30, 2008, the Authority had issued \$181.6 million in revenue bonds.

Existing law defines "advanced transportation technologies" to include electric vehicles and ultralow emission vehicles. This bill would include in the definition of "advanced transportation technologies" "California green vehicles," defined as vehicles that meet at least one of the following criteria:

- Meets or exceeds California's super ultralow emission vehicle standard of exhaust emissions and the federal inherently low-emission vehicle evaporative emission standard.

(Continued)

Analyst/Principal (0623) 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)

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COMMENTS (Continued)

- Is a plug-in hybrid motor vehicle propelled by an internal combustion engine or heat engine using a combustible fuel, an on-board rechargeable storage device, and a means of using an off-board source of electricity.
- Meets or exceeds the California advanced technology partial zero-emission vehicle standard for criteria pollutant emissions and is rated at 45 miles per gallon or greater according to the federal highway fuel economy test procedure.
- Is a gas-electric hybrid vehicle that has a combined fuel economy rating of 45 miles per gallon or greater according to the federal highway fuel economy test procedure and meets or exceeds California's ultralow emission vehicle standard for exhaust emissions.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				(Dollars in Thousands)			
				2008-2009	2009-2010	2010-2011	
0971/Energy Fin	SO	No		-----	See Fiscal Summary	-----	0528
3900/Air Res Bd	SO	No		-----	No/Minor Fiscal Impact	-----	0044
<u>Fund Code</u>	<u>Title</u>						
0044	Motor Vehicle Account, STF						
0528	Alternative Energy Authority Fund, Calif						