

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/26/2012
POSITION: Oppose

BILL NUMBER: AB 2409
AUTHOR: Allen, Michael

BILL SUMMARY: Energy efficiency.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to implement various programs to provide financial assistance to specified entities for energy efficiency improvements.

This bill would require the Energy Commission to review and make recommendations based on emerging technology financing models used in other states to finance energy efficiency technology and services to maximize private sector investment in California. The bill would require the Energy Commission to make the recommendations in collaboration with the Public Utilities Commission (PUC), the State Treasurer's office (STO), the Air Resources Board, (Air Board) and the Infrastructure and Economic Development Bank (I-Bank), and in consultation with investor-owned utilities and other stakeholders.

FISCAL SUMMARY

The State Treasurer has not provided a cost estimate, however the Department of Finance (Finance) estimates any consultation costs on its part to be minor and absorbable. The Energy Commission estimates a need for one position and \$150,000 Energy Research Programs Account to implement the bill. However the Department of Finance (Finance) estimates any Energy Commission cost to be minor and absorbable within existing resources. The PUC states costs would be minor and absorbable as the PUC and or the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) are already looking at the financing issues this bill seeks to address. We note any request for additional resources would be evaluated as part of the annual budget development process.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the May 2, 2012 version are minor and do not alter our position. The bill has been amended to change the section that would be added to the Public Resources Code to 25325, rather than 25228, and to specifically require the review and recommendations in the bill be provided as part of the integrated energy policy report the Energy Commission periodically updates and provides to the Legislature.

COMMENTS

Finance is opposed to the bill because it is unnecessary and duplicative of existing state efforts to provide financing options for energy efficiency.

The CAEATFA and the PUC are already looking, on an ongoing basis, at the financing options and models for energy efficiency technologies and improvements the bill would address. The CAEATFA provides financing for facilities that use alternative energy sources and technologies. The CAEATFA also provides financing for facilities needed to develop and commercialize advanced transportation technologies that conserve energy, reduce air pollution, and promote economic development and jobs. CAEATFA takes

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Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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COMMENTS (continued)

direction from its board in deciding which projects to assist. Members of the board include the State Treasurer (Chair), the State Controller, the Director of Finance, the Chairperson of the Energy Commission, and the President of the PUC.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code	
	LA	(Dollars in Thousands)						
	CO	PROP						
	RV	98	FC	2012-2013	FC	2013-2014	FC	2014-2015
0950/St Treasurer	SO	No		-----	See Fiscal Summary	-----		0001
3360/Energy Comm	SO	No		-----	See Fiscal Summary	-----		0465
8660/PUC	SO	No		-----	No/Minor Fiscal Impact	-----		0462
<u>Fund Code</u>	<u>Title</u>							
0001	General Fund							
0462	Publ Utilities Comm Utilities Reimb Acct							
0465	Energy Resources Programs Account							