



Item #09-05-3
Action

Climate & Air Quality Committee

April 29, 2009

Update on Renewable Energy & Energy Efficiency Funding

Issue: Several efforts are underway around the state focusing on funding renewable energy sources and energy efficiency improvements. Interest in a similar program has risen in the SACOG region. What role can and should SACOG play in this type of effort?

Recommendation: That the Climate & Air Quality Committee recommend to the Board the next steps for SACOG's role in renewable energy and energy efficiency funding.

Discussion: Several California cities and counties have begun developing or implementing financing mechanisms for renewable energy or energy efficiency improvements for private properties using the legal framework established under Assembly Bill 811. These efforts include the administration, financing, and implementation of the program, which gives cities the authority to create assessment districts to finance permanent fixtures within the program parameters to be paid back by the property owner through levies on their property. Typically items financed within these programs include the purchase and installation of solar panels, energy efficient water heaters, energy efficient HVAC, attic and wall insulation, etc.

Senate Bill 279, proposed in February of 2009 and is a follow up to Assembly Bill 1709, has a similar charge, but creates a voluntary special tax levied on the property instead of an assessment. This method is being researched by the Association of Bay Area Governments (ABAG) as a regional funding mechanism. In the ABAG example, an established joint powers authority will form a district, as allowed under the Mello-Roos Act, for financing improvements.

The attached sheet highlights some efforts currently underway around the state under AB 811 and SB 279. A summary of these bills and efforts from around the state will be presented.

Approved by:

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Attachment

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Energy Efficient and Renewable Energy Funding Programs in California

AB 811 Program Examples

City of Palm Desert	Funding early phases through general funds
City of Berkeley	Managed by outside company, funded through bonds. Solar only program
City of San Diego	Funded through bonds
Sonoma County	Treasury notes to fund early phases, then bonds or long term financing
San Francisco	Seeking private sector management and funding

SB 279 Program Examples

Association of Bay Area Governments	Early stages funded through lines of credit, bonds issued once \$35 million in loans secured.
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