



Item #09-06-2
Action

Climate & Air Quality Committee

May 27, 2009

Update on AB 811 Program and Status of SB 279, Renewable Energy and Energy Efficiency Funding

Issue: Valley Vision, with help from SACOG, is to hold a workshop on June 1st related to financing energy efficiency and energy renewable purchase and installation programs similar to AB 811 and SB 279. This workshop will provide additional information to help guide the potential next steps for SACOG related to these programs.

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

Discussion: During the May Climate and Air Quality Committee (CAQ) meeting, committee members voiced concerns over several key technical issues related to energy efficiency financing programs. To address these concerns, the committee directed SACOG to co-convene with Valley Vision a meeting related to this issue. A workshop is being held Monday, June 1st at Sacramento State University to inform participants on the issues regarding these programs and to answer the questions raised during the May CAQ meeting. Workshop presenters include representatives from Sonoma County, who has initiated a program under the AB 811 guidelines, and Renewable Funding, LLC, a private firm focused on these programs.

Staff expects to receive additional information from the June 1st workshop that will help inform the next steps SACOG could take in this process of assisting the region's cities and counties. Workshop summary information will be presented at the meeting. Therefore, this item is listed as action to keep the committee's options open.

A list of organizations attending as of May 27, 2009, and the questions raised during the May CAQ meeting are attached.

Staff is recommending to the Government Relations and Public Affairs (GRPA) committee to take a support position on SB 279. This bill offers an alternative tool for funding energy renewable and energy efficiency improvements. This bill passed from the Senate on April 28, and is currently in the Assembly Committee on Local Government. The cities of Berkeley, Davis, Morgan Hill, Saratoga, and Solana Beach, and the Association of Bay Area Governments, American Federation of State, County, and Municipal Employees, Akeena Solar, Ecology Action, and Sungevity have all supported the bill. There is currently no opposition listed. The GRPA agenda item is attached.

Approved by:

Mike McKeever
Executive Director

Key Staff: Gordon Garry, Director of Research and Analysis, (916) 340-3230
Raef Porter, Associate Research Analyst, (916) 340-3261

RP:le
Attachment

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June 1st Workshop Attendees

Agency	Attendees
Aguer Havelock Real Estate	1
AIM Consulting	1
Altus Energy	2
Bank of America	1
Barnum and Celillo Electric Inc	1
Beutler Corporation	1
Breathe California Sacramento-Emmigrant Trails Sierra Club Mother Lode Chapter League of Women Voters Sacramento county	1
Business Environmental Resource Center (BERC)	1
California Capital Financial Development Corporation	3
California State University, Sacramento	1
Carnahan Electric Ltd/Alternative Electrical Systems	1
City of Davis	1
City of Davis, Planning Commission	1
City of Folsom	1
City of Galt	2
City of Galt, Assistant City Manager	1
City of Lincoln	1
City of Lincoln, Housing and Special Projects	1
City of Rocklin, Chief Building Official	1
City of Roseville	2
City of Sacramento	8
City of Sacramento Planning	1
City of Sacramento Planning Department	1
City of Sacramento, Development Service Department	1
City of South Lake Tahoe	1
City of Vacaville	2
College of Engineering, CSUS	1
Community Development Department, Davis	1
County of Sacramento	2
County of Sacramento EECBG	1
Davis Climate Action Team	1
Davis Energy Group	2
Department of Transportation, El Dorado County	1
Distributed Energy Inc.	1
Downey Brand	2
Economic and Planning Systems Inc.	1
Environmental Resource Management	1
Five Star Bank	2
Golden Sierra WIB	1
Great Valley Center	1
Green Technology	1
JDMT	1
JSE Consultants	1
LEED	1
Local Government Commission	1
Local Government Solutions	1
Local Heroes Productions	1
Loomis Planning Department	1
Los Rios Community College District	1
Mintier Harnish Planning Consultancy and Sacramento City Councilmember Kevin McCarty	1
Mintier Harnish, Planning Consultants	1
M-K Construction	1
Nolte Associates, Inc.	1
North State BIA	1
Office of Congresswoman Matsui	1
PG&E	1
Piper Jaffray & Co	1
Placer Air Pollution Control District	1
Placer County Supervisor	1
Resources Global Professionals	1
SACOG	1
Sacramento County	1
Sacramento Metropolitan Air Quality Management District	2
Sacramento Professional Networks, SETA	2
Sacramento Regional Transit	1
Sacramento Shade	1
Sacramento State	1
Sacramento State University, College of Continuing Education	1
Sacramento Works	1
SARTA	1
SETA	1
Sierra Pacific Home and Comfort	1
SMUD	6
Solar Aire	1
SolarRoofs.com, Inc.	1
SonRay Construction	2
SRRI	1
SynapSense Corporation	1
Teichert Materials	2
The Great Valley Center	1
Town of Loomis	1
Treasure Homes	1
UC Davis Energy Efficiency Center	1
UC Davis School of Medicine	1
Valley Vision	4
Velocity Venture Capital	1
Williams Plus Paddon	1
Workforce Incubator	1
Yolo-Solano Air Quality Management District	1
Yuba County	1

Questions Raised in May Climate and Air Quality Meeting

1. How do participants opt-in, is it a general election, a 218 election, or some other process? Who pays for the administration of this opt-in or election?
2. How do you create the seed money needed to start the program?
3. How do the liens on the properties work? What issues are there with these liens?
4. Where does the money to fund a full program come from?
5. What cost and liabilities are there to an agency when implementing a program?
6. What geographic area would the JPA cover?
7. What are the real estate issues involved with the program, specifically the lien order or priorities?
8. What are the boundaries of the election, the region, county, city or smaller area? Does it require 2/3 vote? Does everybody vote?



You're Invited

Workshop on AB 811 and Building Energy Retrofit Programs
How do these programs work? What can happen in the Sacramento Region?

Event Partners & Sponsors



Our region is investigating the potential to create new financing mechanisms to support the creation of building energy retrofit programs. Specifically, we want to learn about the nuts and bolts of AB 811 financing districts. What are the details? How have these programs worked elsewhere? What is happening in the Sacramento region already and what should be our next steps? Please join us at this free half-day workshop to learn more!

Workshop Details

Date: Monday, June 1, 2009

Time: 9:30 - noon

Host: Sacramento State University

Location: University Union, Redwood Room

RSVP: Please RSVP via email to Hannah Brosnan at Hannah.Brosnan@valleyvision.org by May 26, 2009

(include your name, affiliation, and contact information)

Parking Info: Free parking permits and directions will be sent via email to attendees that RSVP in advance

Workshop Agenda

Overview of AB 811 and programs that are being implemented around the state (Presenter: Mimi Frusha, COO, Renewable Funding, LLC)

Detailed review of the Sonoma County Energy Independence Program: lessons learned on the ground (Presenter: John Haig, Energy and Sustainability Manager, Sonoma County)

Introduction to what is happening in the Sacramento region to implement building energy retrofit programs (Panel of local city, county and utility representatives, TBD)

Next Steps Discussion (Facilitated by the Green Capital Alliance)

**Government Relations & Public Affairs Committee**

May 28, 2009

SB 279 (Hancock) – Energy Efficiency Financing

Issue: What position, if any, should SACOG take on SB 279 (Hancock), which would provide cities, counties, and special districts with a method for financing energy efficiency and renewable energy improvements?

Recommendation: That the Government Relations and Public Affairs Committee recommend that the Board take a position of support for SB 279 as it would provide a flexible tool for local jurisdictions throughout the region to fund energy improvements, and help achieve the state's emissions reduction goals set in AB 32.

Discussion: Senate Bill 279, proposed in February of 2009, would create a voluntary special tax for financing energy efficiency and renewable energy improvements on publicly or privately owned properties. Programs would cover the purchase and installation of permanent fixtures, which includes solar panels, energy efficient water heaters, energy efficient HVAC, attic and wall insulation and other improvements.

SB 279, in contrast to AB 811 (Chaptered 2008) that relies on special assessments, would create a special district to levy taxes. The special district, or Community Facilities District (CFD), would be formed by any governing body. It would allow property owners the option to be annexed into the district. This is different from AB 811, which is subject to Proposition 218 and requires an election. Opting into the district under SB 279 would give permission for bonded indebtedness. Therefore, property would not be annexed until a financing agreement has been made, removing the need for an election. Once purchase and installation is complete, a priority lien would be placed on the property.

Senate and Assembly analysis of the bill state SB 279 gives more flexibility to who can implement financing, and how districts and programs can be formed as compared to AB 811. Analysis from other jurisdictions looking to initiate similar programs show SB 279 as having less legal risk with property liens, and smaller start-up costs with no need for Proposition 218 elections.

The bill passed from the Senate on April 28, and is currently in the Assembly Committee on Local Government. Cities of Berkeley, Davis, Morgan Hill, Saratoga, and Solana Beach, the Association of Bay Area Governments, American Federation of State, County, and Municipal Employees, Akeena Solar, Ecology Action, and Sungevity have all supported the bill. There is currently no opposition listed.

The language and an analysis of the bill are attached.

Approved by:

Mike McKeever
Executive Director

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Attachments

Key Staff: Rebecca Sloan, Director of External Affairs and Member Services, (916) 340-6224
Raef Porter, Associate Research Analyst, (916) 340-6261