

0971 California Alternative Energy and Advanced Transportation Financing Authority

The California Alternative Energy and Advanced Transportation Financing Authority was established by Chapter 908, Statutes of 1980, to promote the prompt and efficient development of energy sources which are renewable or which more efficiently utilize and conserve scarce energy resources. Recognizing the importance of developing a secure energy future to protect the environment and ensure economic stability, the Authority advances the state's goals of reducing greenhouse gas emissions by providing financing options to assist industries in increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality employment opportunities, and lessening the state's dependence on fossil fuels. To support these goals, the Authority provides financing and credit enhancements to promote the establishment of facilities that use alternative methods and sources of energy, and facilities needed for the development and commercialization of advanced transportation technologies.

The Authority consists of five members: the State Treasurer, who serves as the chairperson, the State Controller, the Director of the Department of Finance, the Chairperson of the State Energy Resources Conservation and Development Commission, and the President of the Public Utilities Commission.

3-YEAR EXPENDITURES AND POSITIONS †

	Positions			Expenditures		
	2019-20	2020-21	2021-22	2019-20*	2020-21*	2021-22*
0850 California Alternative Energy and Advanced Transportation Financing Authority	9.0	10.0	10.0	\$5,934	\$6,502	\$7,822
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	9.0	10.0	10.0	\$5,934	\$6,502	\$7,822
FUNDING						
			2019-20*	2020-21*	2021-22*	
0465 Energy Resources Programs Account			\$519	\$511	\$525	
0995 Reimbursements			3,699	4,031	5,387	
9332 California Alternative Energy Authority Fund			1,716	1,960	1,910	
TOTALS, EXPENDITURES, ALL FUNDS			\$5,934	\$6,502	\$7,822	

† Fiscal year 2019-20 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2019-20 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Public Resources Code Sections 26000-26082.

DETAILED BUDGET ADJUSTMENTS

	2020-21*			2021-22*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Other Post-Employment Benefit Adjustments	\$-	\$9	-	\$-	\$9	-
• Section 3.90 Employee Compensation Reduction	-	-177	-	-	-	-
• Salary Adjustments	-	31	-	-	31	-
• Benefit Adjustments	-	1	-	-	1	-
• Retirement Rate Adjustments	-	-13	-	-	-13	-
Totals, Other Workload Budget Adjustments	\$-	-\$149	-	\$-	\$28	-
Totals, Workload Budget Adjustments	\$-	-\$149	-	\$-	\$28	-
Totals, Budget Adjustments	\$-	-\$149	-	\$-	\$28	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

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PROGRAM DESCRIPTIONS

0850 - ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

Financial assistance can take the form of loans, loan loss reserves, interest rate reductions, proceeds of bonds issued by the Authority, loan guarantees or other credit enhancements, contributions of money, or a combination thereof, as determined and approved by resolution of the Authority.

The Authority is a conduit issuer of tax-exempt private activity bonds to finance local district heating or cooling facilities, and private activity bonds for 501(c)(3) non-profits. Past issuances total more than \$212 million in bond financing for green projects in California.

In 2010, the Authority launched a sales and use tax exclusion (STE) program for advanced transportation and alternative source manufacturing in California (Chapter 10, Statutes of 2010). The STE program expanded (Chapter 677, Statutes of 2012) to include advanced manufacturing, with an annual cap of \$100 million available for STE awards. Chapter 768, Statutes of 2015, further expanded the program to also include equipment primarily used to process recycled feedstock and equipment that primarily utilizes recycled feedstock in the production of another product. In 2019, Chapter 690, Statutes of 2019, extended the STE program sunset date to January 1, 2026, and Chapter 672, Statutes of 2019, expanded the job creation-related criteria by which CAEATFA must evaluate applications. The objective of this program is to promote the creation of California-based manufacturing, businesses, and jobs that are aimed at reducing greenhouse gases, air and water pollution, and energy consumption.

Legislation in 2010 (Chapter 15, Statutes of 2010), 2011 (Chapter 9, Statutes of 2011, First Extraordinary Session), and 2013 (Chapter 356, Statutes of 2013), authorized financial assistance to encourage energy efficiency retrofits. The Authority developed a loan loss reserve program for residential whole house energy efficiency and renewable energy projects, and a risk mitigation program for residential Property Assessed Clean Energy programs in California. Programs to support low-interest financing of Property Assessed Clean Energy efficiency projects in commercial buildings are in discussion.

The Budget Act of 2014 authorized administration of the California Hub for Energy Efficiency Financing on behalf of, and in collaboration with, the California Public Utilities Commission to develop and launch energy efficiency financing pilot programs to encourage and leverage private capital lending (in both the residential and commercial sectors). These programs employ various types of credit enhancements, lower costs and expand access to capital for Californians making energy efficiency improvements to help achieve the state's energy efficiency and decarbonization goals. The residential pilot, launched in 2016, has now transitioned to a full program.

DETAILED EXPENDITURES BY PROGRAM [†]

		<u>2019-20*</u>	<u>2020-21*</u>	<u>2021-22*</u>
PROGRAM REQUIREMENTS				
0850	CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY			
	State Operations:			
0465	Energy Resources Programs Account	\$519	\$511	\$525
0995	Reimbursements	3,699	4,031	5,387
9332	California Alternative Energy Authority Fund	1,716	1,960	1,910
	Totals, State Operations	<u>\$5,934</u>	<u>\$6,502</u>	<u>\$7,822</u>
TOTALS, EXPENDITURES				
	State Operations	5,934	6,502	7,822
	Totals, Expenditures	<u>\$5,934</u>	<u>\$6,502</u>	<u>\$7,822</u>

[†] Fiscal year 2019-20 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2019-20 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

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EXPENDITURES BY CATEGORY †

1 State Operations	Positions			Expenditures		
	2019-20	2020-21	2021-22	2019-20*	2020-21*	2021-22*
PERSONAL SERVICES						
Baseline Positions	9.0	10.0	10.0	\$1,533	\$1,570	\$1,570
Other Adjustments	-	-	-	-	-76	31
Net Totals, Salaries and Wages	9.0	10.0	10.0	\$1,533	\$1,494	\$1,601
Staff Benefits	-	-	-	713	801	871
Totals, Personal Services	9.0	10.0	10.0	\$2,246	\$2,295	\$2,472
OPERATING EXPENSES AND EQUIPMENT				\$3,688	\$4,207	\$5,350
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$5,934	\$6,502	\$7,822

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DETAIL OF APPROPRIATIONS AND ADJUSTMENTS †

1 STATE OPERATIONS	2019-20*	2020-21*	2021-22*
0465 Energy Resources Programs Account			
APPROPRIATIONS			
001 Budget Act appropriation	\$519	\$520	\$525
Allocation for Employee Compensation	-	6	-
Allocation for Other Post-Employment Benefits	-	2	-
Section 3.60 Pension Contribution Adjustment	-	-3	-
Section 3.90 Employee Compensation Reduction	-	-14	-
TOTALS, EXPENDITURES	\$519	\$511	\$525
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$3,699	\$4,031	\$5,387
TOTALS, EXPENDITURES	\$3,699	\$4,031	\$5,387
9332 California Alternative Energy Authority Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,716	\$1,997	\$1,910
Allocation for Employee Compensation	-	25	-
Allocation for Other Post-Employment Benefits	-	7	-
Allocation for Staff Benefits	-	1	-
Section 3.60 Pension Contribution Adjustment	-	-10	-
Section 3.90 Employee Compensation Reduction	-	-60	-
TOTALS, EXPENDITURES	\$1,716	\$1,960	\$1,910
Total Expenditures, All Funds, (State Operations)	\$5,934	\$6,502	\$7,822

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Authority - Continued**

CHANGES IN AUTHORIZED POSITIONS †

	Positions			Expenditures		
	2019-20	2020-21	2021-22	2019-20*	2020-21*	2021-22*
Baseline Positions	9.0	10.0	10.0	\$1,533	\$1,570	\$1,570
Salary and Other Adjustments	-	-	-	-	-76	31
Totals, Adjustments	-	-	-	\$-	\$-76	\$31
TOTALS, SALARIES AND WAGES	9.0	10.0	10.0	\$1,533	\$1,494	\$1,601

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