

2010 INTEGRATED ENERGY POLICY REPORT

Joint Committee Workshop on Clean Energy Manufacturing in California

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DOCKET

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State Financing Authorities

- California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)
- California Pollution Control Financing Authority (CPCFA)
- California Industrial Development Financing Advisory Commission (CIDFAC)
- California Debt Limit Allocation Committee (CDLAC)
- I-Bank

Financial Products

- Tax-Exempt/Tax Credit Bonds for Private Activities
- California Capital Access Program (CalCAP) Loans
- Sales Tax Exclusion (SB 71)

SB 71: Sales Tax Exclusion

Program Outline

SB 71: Sales Tax Exclusion

- Implementation Timeline:
 - ▣ Awards made by December 2010
- Goal:
 - ▣ Rigorous analytic approach
 - ▣ Ensure the application process is predictable efficient to minimize uncertainty on part of applicants
 - ▣ Transparent process that creates level playing field for all applicants
- Program Outline:
 - ▣ Monthly applications, scored, \$100 million soft cap

SB 71: Sales Tax Exclusion

- Qualified Project
- Net Benefit Test (including environmental benefits)

SB 71: Sales Tax Exclusion

- Qualified Project
 - ▣ Tangible personal property
 - ▣ Utilized for the design, manufacture, production or assembly
 - ▣ Of advance transportation technologies OR alternative source
 - ▣ Products, components or systems

SB 71: Sales Tax Exclusion

- Net Benefits Test:
 - ▣ “The extent to which the anticipated benefit to the State from the project equals or exceeds the projected benefit to the participating party from the sales and use tax exclusion”
- Also consider the extent to which the project:
 - ▣ Creates new permanent jobs
 - ▣ Results in reduction to GHG or other pollutants, or increase in energy efficiency
 - ▣ Is in area with high unemployment

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