

CITY OF  
**HAYWARD**  
HEART OF THE BAY

**Clean Energy and Energy Efficiency Funding  
Proposition 39 and AB 32 “Cap and Trade” Revenue**

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**January 30, 2013**



# Clean Energy and Energy Efficiency Funding Introduction

- Review of two potential energy efficiency revenue sources:
  - Proposition 39
  - Cap and Trade (AB 32)
  
- Highlight:
  - Funding sources/amounts
  - Eligibility requirements
  - Eligible projects
  - Potential application in Hayward



# Clean Energy and Energy Efficiency Funding

## Proposition 39

Clean Energy and Energy Efficiency Funding



# Clean Energy and Energy Efficiency Funding Proposition 39 - Background

- Passed in November 2012 by 60% of voters
- Requires multi-state businesses to use single-factor method to calculate income tax liability
- Estimated to generate \$1 billion revenue annually
- Establishes “Clean Energy Job Creation Fund”



# Clean Energy and Energy Efficiency Funding Proposition 39 – Revenue Source

## Three Factor Method

- Location of sales
- Size of property
- Number of employees

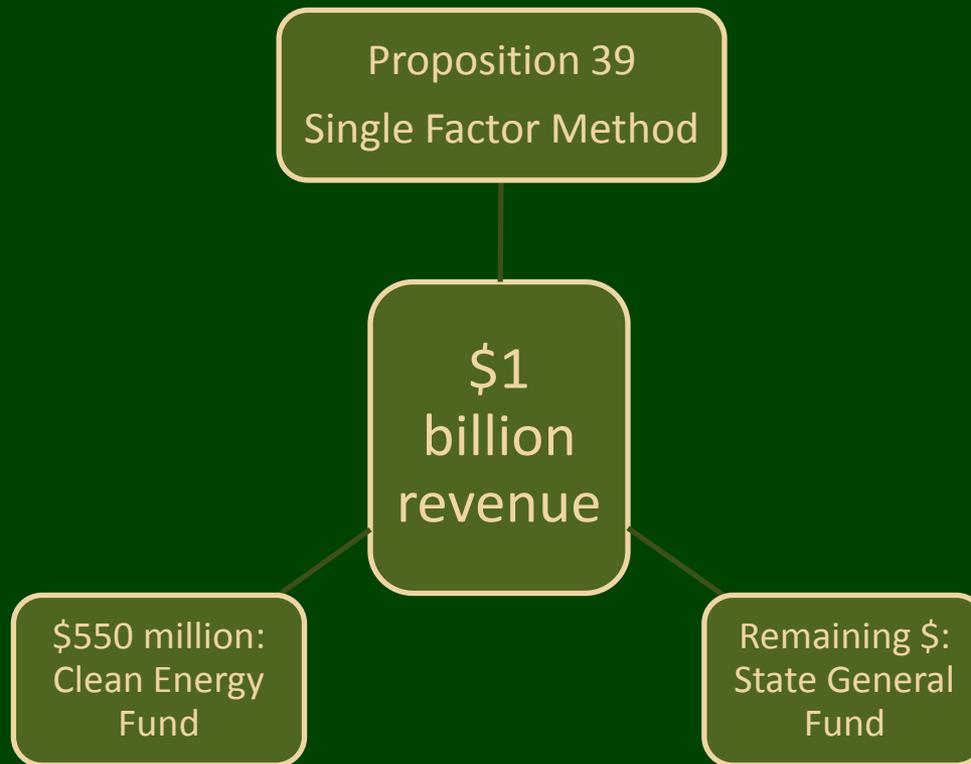
## Single Factor Method

- Location of sales



# Clean Energy and Energy Efficiency Funding Proposition 39 - Clean Energy Job Creation Fund

*Support projects to improve energy efficiency and expand the use of alternative energy*



# Clean Energy and Energy Efficiency Funding Proposition 39 – Qualifying Projects

- *Projects that improve energy efficiency and expand clean energy generation while creating jobs in these fields*

## Public Facilities

- Energy efficiency retrofits
- Alternative energy installations

## Partnerships

- Local government – private partnership
- Finance PACE programs for energy retrofits

## Workforce

- Job training and workforce development programs
- Focus on energy efficiency/clean energy projects



# Clean Energy and Energy Efficiency Funding

## Cap and Trade AB 32

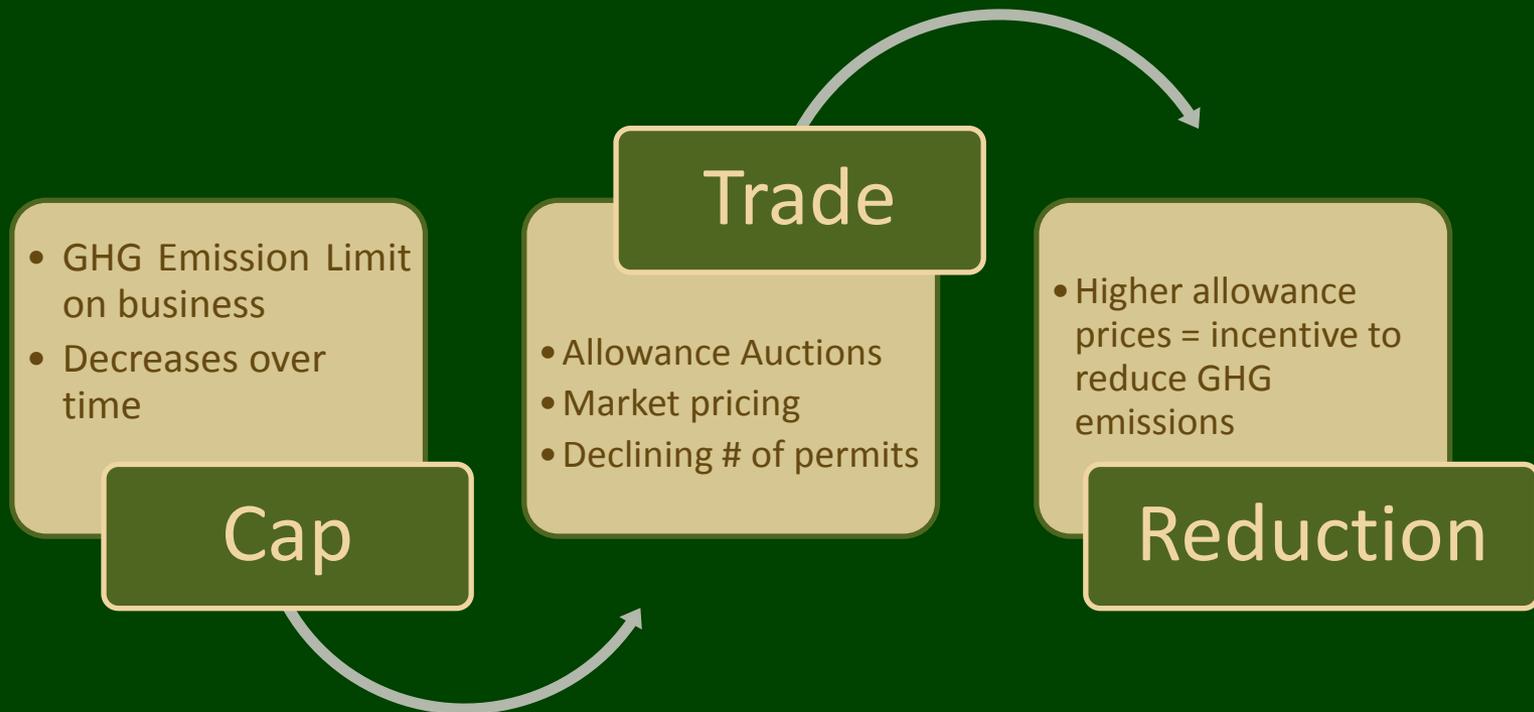


# Clean Energy and Energy Efficiency Funding Cap and Trade - Background

- Enacted in 2006
- Requires reductions in Green House Gas (GHG) emissions by 2020
- Authorizes market based compliance (cap and trade) to achieve a portion of the goal.
- Establishes Green House Gas Reduction Fund (“GHG Fund”)
- Estimated \$1 billion revenue in 2012/13



# Clean Energy and Energy Efficiency Funding Cap and Trade – Description

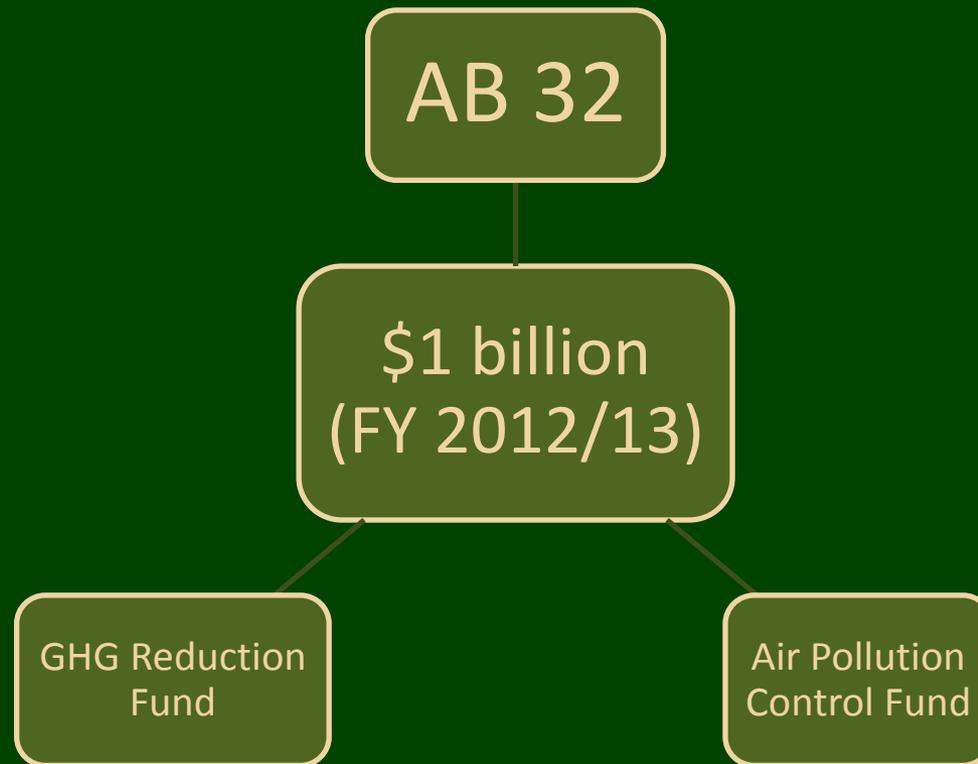


- First auction held November 14, 2012 – nearly \$300M raised



# Clean Energy and Energy Efficiency Funding Cap and Trade – GHG Reduction Fund

*Support the achievement of the GHG reduction goal.*



# Clean Energy and Energy Efficiency Funding Cap and Trade – Qualifying Projects

## Project Types

- Wide variety
  - Energy efficiency, transformation and storage
  - Public Transportation
  - Sustainable Infrastructure
  - Research and Development

## Hayward

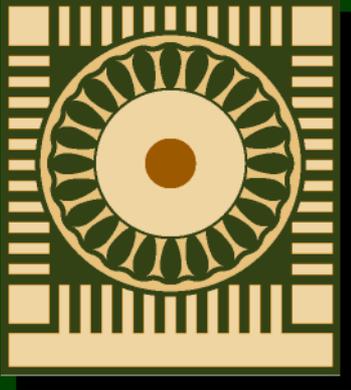
- May be an opportunity to apply for funding
- Potential to assist local businesses
- Funding available to both private and public entities
  - May increase competitiveness



# Clean Energy and Energy Efficiency Funding Next Steps

- Continue to participate in the Bay Area Regional Energy Network, East Bay Energy Watch, and other regional energy related programs.
- Monitor the progress of funding implementation
- Bring information to committee regarding guidelines and legislature activities, as it is available.





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