



City of San Diego

San Diego Clean Generation Program Update

Natural Resources & Culture Committee

October 7, 2009

CLEAN GENERATION PROGRAM ENABLING LEGISLATION

- Purpose: Allows property owners to finance renewable energy and energy efficiency improvements through loans that would be repaid as an item on the property owner's property tax bill.
- AB 811: Based on 1911 Assessment District
- SB 279: Based on Mello-Roos Law



CLEAN GENERATION PROGRAM

SIMILAR PROGRAMS

- **California**

- Palm Desert - Active
- Berkeley - Active
- San Francisco – IP
- Sonoma County - Active
- San Diego County – Exp
- City of San Diego - IP

- **Other States**

- Boulder, CO - Active
- New York (3) - Active
- Maryland (2) - Active



CLEAN GENERATION PROGRAM HISTORY

- December 2008: Mayor announced intent to bring program forward
- February 2009: RFQ issued
- May 2009: RFP issued
- September 2009: Letter of Intent issued



CLEAN GENERATION PROGRAM

SELECTED FIRMS

Renewable Funding, LLC.

- Short term (Gap Financing)
- Purchase agreement for micro-bonds
- Core administrative services
- Industry leader

California Center for Sustainable Energy (CCSE)

- Administrative services
- CSI integration

North American Development Bank (NADB)

- Guaranteed to purchase bonds from Renewable Funding



CLEAN GENERATION PROGRAM OVERVIEW

- **Capital**

- \$20,000,000 with potential for accessing additional funds
 - 20 Year Treasury plus 245 basis points + annual On-Going Fees at 24 basis points
 - As of 9/21/09 = 6.89%
- Duration of Loan up to 20 years
- Legal Authority: SB 279
- Boundaries: The legal boundaries of the City of San Diego



CLEAN GENERATION PROGRAM OVERVIEW

- **Eligible Measures**
 - Energy Efficiency Retrofits
 - Renewable Energy Fixtures
 - Water Efficiency Fixtures
 - New Construction (Per SB 279)
- **ARRA Leveraging**
 - EECEBG / SEP



CLEAN GENERATION PROGRAM OVERVIEW

- How the Clean Generation Program will work
 - Apply
 - Approval
 - Install
 - City places a lien on the property
 - Interim funding issued to pay the installer
 - Create / Sell Micro Bond
 - Payback
 - Over 20 years along with the regular property tax payments



CLEAN GENERATION PROGRAM

NEXT STEPS

- Finalize Program Design
- Council Approval of Contracts
 - Administrative and financial
- District Formation
 - SB 279 based mello-roos district



CLEAN GENERATION PROGRAM TIMELINE

- October 7, 2009 – Information Status update at NR&C
- October 8, 2009 - Clean Generation Program Workgroup First Meeting
- October 14, 2009 - Clean Generation Program Workgroup Second Meeting
- October 28, 2009 – NR&C
 - Informational Item on the design of the Clean Generation Program
- November (First Two Weeks)
 - Public meetings to discuss the program design
- December 9, 2009 - NR&C
 - Approval of contracts for administrative and financial services



CLEAN GENERATION PROGRAM TIMELINE (CONTINUED)

- First Week of January – City Council
 - Approval of contracts for administrative and financial services
- Mid February - City Council
 - Approval of District Formation
- Month of March – Community and vendor workshops
 - Discussions about how to use and participate in the program
- Late March – Program goes live



CLEAN GENERATION PROGRAM

Questions?



City of San Diego

