

# Controller *John Chiang*

## California State Controller's Office



### **SENATE BILL 1130 (De León)**

#### **PURPOSE:**

SB 1130 creates the statewide Building the Economy Through Energy Retrofits (BETER) program, to make energy efficiency upgrades cost-effective for commercial property owners while putting California's construction labor workforce back to work.

#### **BACKGROUND:**

California lost nearly 1.4 million jobs between December 2007 and December 2011, and of those, more than 400,000 jobs were in construction. This bill will help put those who have been out of work back to work. Retrofitting commercial buildings will lower energy costs for the building owner and increase the property's value, while reducing our carbon footprint.

Energy efficiency in commercial buildings offers businesses real cost savings that can be redirected toward new employees, capital investments or their balance sheets. But many property owners don't pursue retrofitting their buildings because the projects are so expensive and capital-intensive and the pay-back period is too short to reduce the cost of borrowing.

#### **PROPOSAL:**

Under SB 1130, a commercial building owner would secure a private loan to finance the retrofits. The borrower then would apply to enroll in the BETER program. The State aggregates the loans and issues the revenue bonds, which will pay off the loans. Once enrolled in BETER, the building owner begins to send an energy remittance repayment every 30 days to the Board of Equalization. These remittances are then used to pay off the bonds.