



NEWS RELEASE

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Treasurer Lockyer Announces Sale of \$20 Million in Clean Renewable Energy Bonds for Caltrans Solar Project *Greening 70 Facilities Will Save Taxpayers \$52.5 Million in Energy Costs*

SACRAMENTO – State Treasurer Bill Lockyer today announced the sale of \$20 million in clean renewable energy bonds (CREBs) for Caltrans to install solar panels in 70 of its facilities, a green building initiative that will save taxpayers \$52.5 million in energy costs over the 25-year life of the equipment.

“This project is a great example of how to use innovative financing to green state government, make it more cost-effective for taxpayers, and bolster businesses and jobs in a vital sector of our economy,” said Lockyer. “In just a short time, taxpayers will make a return on their investment and over the long-term they’ll save themselves millions of dollars in energy costs.”

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) sold the bonds on behalf of Caltrans. The transaction marks CAEATFA’s first use of the CREB program created through the Energy Tax Incentive Act of 2005. CAEATFA also is authorized to issue CREBs under a similar program established by the American Recovery and Reinvestment Act of 2009 (ARRA). The federal deadline for CREB applications under the ARRA is August 4, 2009.

"We're putting people back to work on green projects that will help our economy, promote energy conservation, improve air quality and reduce global warming - all at no cost to the California taxpayer," said Governor Arnold Schwarzenegger.

CAEATFA secured for Caltrans a 1.45 percent interest rate over the bonds’ 15-year term. Total debt service costs (principal and interest) over the 15-year term will total \$22.5 million. During the same period, Caltrans will save \$24.7 million on its energy bills. Over the entire 25-year lifespan of the photovoltaic solar panels, Caltrans’ energy cost savings will total \$52.5 million, with \$27.8 million of the savings coming after the bonds are repaid.

Under the CREB program, the federal government pays bondholders up to 100 percent of the interest directly in the form of a tax credit. The program allows borrowers to obtain financing with a minimal interest rate.

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By substituting electricity from traditional central station power plants, photovoltaic solar panels reduce costs associated with generation and transmission. They also provide relief to the local electricity grid, and reduce greenhouse gas and nitrous oxide emissions associated with generation and transmission.

CAEATFA provides financing for facilities that use new and alternative energy sources and technologies. CAEATFA also finances transportation technologies that conserve energy, reduce air pollution, and promote economic development and jobs.

For more information about the CAEATFA and CREB financing, call 916-651-8157 or visit www.treasurer.ca.gov/caeatfa.

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