



**CALIFORNIA
ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION
FINANCING AUTHORITY**

**2014 ANNUAL REPORT TO THE
CALIFORNIA STATE LEGISLATURE**

March 2015

About CAEATFA:

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) was established to advance the state's goals of reducing greenhouse gas emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality employment opportunities, and lessening the state's dependence on fossil fuels. To support these goals, CAEATFA provides alternative methods of financing to promote the establishment of facilities that use alternative methods and sources of energy, and facilities needed for the development and commercialization of advanced transportation technologies. CAEATFA has developed and administered various programs, including:

- Bond Program to provide low-cost bond financing for eligible projects, which have most recently included Qualified Energy Conservation Bonds (QECBs) and Clean Renewable Energy Bonds (CREBs). As the primary energy bond conduit issuer for the State of California, CAEATFA continues to work with stakeholders on developing innovative approaches to financing gaps.
- Sales and Use Tax Exclusion Program to provide a sales and use tax exclusion on equipment and machinery used in an advanced manufacturing process or for the “design, manufacture, production or assembly” of advanced transportation technologies or alternative source products, components or systems.
- The Property Assessed Clean Energy (PACE) Loss Reserve Program to support residential PACE programs by addressing concerns raised by the Federal Housing Finance Agency (FHFA) regarding risk to federal mortgage enterprises from PACE loans. The PACE Loss Reserve Program will reimburse first mortgage lenders for specified losses resulting from a PACE lien on a property during foreclosure or forced sale to collect unpaid property taxes.
- The California Hub for Energy Efficiency Financing Pilot Programs are a series of programs designed to leverage private capital to help customers of the state's investor-owned utilities obtain financing for energy efficiency retrofits. This program is being administered in collaboration with the California Public Utilities Commission.
- The Clean Energy Upgrade Financing Program provided credit enhancements to financial institutions financing energy efficiency and renewable energy improvements on residential properties.

The CAEATFA Board consists of:

John Chiang, Chair
State Treasurer

Betty T. Yee
State Controller

Michael Cohen
Director, Department of Finance

Robert B. Weisenmiller
Chair, California Energy Commission

Michael Picker
President, California Public Utilities Commission

Overview of 2014 Annual Report

In accordance with the provisions of Section 26017 of the Public Resources Code, the California Alternative Energy and Advanced Transportation Financing Authority (“Authority” or “CAEATFA”) respectfully submits its Annual Report on program activities for the calendar year ending December 31, 2014.

This Annual Report contains information on the Authority’s revenues and expenditures for fiscal year 2013-14, and projections of the Authority’s need for the coming fiscal year. The report also includes an overview of activity under CAEATFA’s Bond Program, and Sales and Use Tax Exclusion Program.

In addition, pursuant to Public Resources Code Section 26081, prior annual reports contained a summary of CAEATFA’s activities related to the Property Assessed Clean Energy (PACE) Bond Reserve Program (SB 99, Pavley, 2010), the Clean Energy Upgrade Financing Program (ABx1 14, Skinner, 2011), and the PACE Loss Reserve Program (SB 96, Committee on Budget and Fiscal Review, 2013).

In 2014, CAEATFA received legislative budgetary authority to administer the California Hub for Energy Efficiency Financing Pilot Programs. Subsequently, CAEATFA entered into a contract with the state’s investor-owned utilities (IOUs) and a memorandum of agreement with the California Public Utilities Commission (CPUC). Information on the California Hub for Energy Efficiency Financing Pilot Programs and Staff’s progress in developing the infrastructure for the programs is included in this report.

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REPORT OF AUTHORITY'S FINANCES

This report of the Authority's finances is submitted pursuant to Public Resources Code Section 26017.

REVENUES AND EXPENDITURES – FY 2013-14

The Authority's total revenues for fiscal year 2013-14 were \$664,901 and the total expenditures were \$1,227,000.

TABLE 1: REVENUES AND EXPENDITURES – FY 2013-14	
Total Revenues:	\$ 664,901
Expenditures:¹	
Salaries and Wages	\$461,000
Staff Benefits	\$210,000
Operating Expenses and Equipment	\$556,000
<u>Total Expenditures</u>	<u>\$1,227,000</u>

PROJECTED NEEDS AND REQUIREMENTS – FY 2014-15; FY 2015-16

The Authority anticipates it has the financial needs and requirements identified in Table 2 for the 2014-15 and 2015-16 fiscal years.

TABLE 2: PROJECTED NEEDS AND REQUIREMENTS – FY 2014-15; FY 2015-16²		
	FY 14-15	FY 15-16
Total Salaries and Wages	\$1,087,000	\$977,000
Staff Benefits	\$462,000	\$441,000
Total Operating Expenses and Equipment	\$2,987,000	\$2,555,000
Special Items of Expenses	\$1,000,000	\$900,000
<u>Total Projected Needs and Requirements</u>	<u>\$5,536,000</u>	<u>\$4,873,000</u>

¹ The values in this section are as reported in the Governor's Proposed Budget for the 2015-16 fiscal year, available online at: <http://www.ebudget.ca.gov/2015-16/pdf/GovernorsBudget/0010/0971.pdf>.

² The values in this table are as reported in the Governor's Proposed Budget for the 2015-16 fiscal year, available online at: <http://www.ebudget.ca.gov/2015-16/pdf/GovernorsBudget/0010/0971.pdf>.

BOND FINANCING ACTIVITIES

PROGRAM SUMMARY

CAEATFA has served as the State’s primary energy bond issuer since its inception in the 1980’s. As a conduit bond issuer, CAEATFA works with both public and private entities in issuing over \$212 million in bond financing for 26 projects over its lifetime. The projects help to meet federal and state energy goals, and have included solar, hydro electric, geothermal, biomass and cogeneration projects. A list of CAEATFA’s outstanding bonds can be found in Table 3.

Most recently, CAEATFA successfully issued Qualified Energy Conservation Bonds to assist in the financing of a public utility’s one megawatt (MW) solar project in San Diego (2010), and Clean Renewable Energy Bonds on behalf of the California Department of Transportation to install solar on approximately 70 of its properties across the state anticipated to save taxpayers \$52.5 million in energy costs.

The financial assistance and incentives that CAEATFA can provide as a conduit bond issuer are authorized by Federal statute and programs. CAEATFA did not have any bond activity in 2014.

CAEATFA continues to collaborate with stakeholders to discuss innovative approaches to meet the financing gaps for renewable energy and energy efficiency projects.

OUTSTANDING BONDS

The Authority has four (4) outstanding bond issues, amounting to a combined total of \$60,664,305 in bond debt.

TABLE 3: OUTSTANDING BONDS					
Closing Date	Bond Short Name	Bond Type	Final Maturity	Amount of Issue	Outstanding Debt
10/01/1993	Arroyo Energy Project Series 1993A and B	CFRB ³	10/01/2020	\$55,000,000	\$50,660,000
10/31/1995	SRI International Project Series 1985 Reissue	CFRB	12/01/2020	\$4,475,000	\$900,000
06/10/2009	Caltrans Projects Series 2009	CREB ⁴	12/15/2023	\$20,000,000	\$3,835,200
11/18/2010	Fallbrook Public Utility District Solar Project Series	QECP ⁵	11/18/2027	\$7,227,000	\$5,269,105
	<u>TOTAL</u>			<u>\$86,702,000</u>	<u>\$60,664,305</u>

³ Cogeneration Facility Revenue Bonds

⁴ Clean Renewable Energy Bond

⁵ Qualified Energy Conservation Bond

SALES AND USE TAX EXCLUSION PROGRAM

PROGRAM SUMMARY

LEGISLATIVE BACKGROUND

In March 2010, Senate Bill 71 (Padilla, Chapter 10, Statutes of 2010) directed CAEATFA to implement the Sales and Use Tax Exclusion Program (“STE Program”). The legislation authorized CAEATFA to approve eligible projects for a sales and use tax exclusion (“STE”) on equipment and machinery (“Qualified Property”) used for the “design, manufacture, production, or assembly” of either advanced transportation technologies or alternative energy source products, components or systems, as defined. The purpose of this program is twofold: to promote the creation of California-based manufacturing jobs that will stimulate the California economy and to incentivize the manufacturing of green technologies that will help reduce greenhouse gases, as well as reductions in air and water pollution or energy consumption.

CAEATFA launched the STE Program in the fourth quarter of 2010; the CAEATFA Board approved the first eight applications for the program at its November 2010 meeting.

Inclusion of Advanced Manufacturing Projects

In September 2012, Senate Bill 1128 (Padilla, Chapter 677, Statutes of 2012) expanded the STE Program to include advanced manufacturing projects. The legislation also placed an annual limit of \$100 million in sales and use tax exclusion awards for each calendar year. The Authority modified its regulations to accommodate the statutory changes and began accepting applications for advanced manufacturing projects in October 2013. The CAEATFA Board approved its first two advanced manufacturing projects at its December 2013 meeting.

PROGRAM DESIGN

Under the STE Program’s statute, all applications are evaluated to determine the extent to which the anticipated benefits to the State from a project exceed the estimated cost of the avoided sales and use tax. Specifically, through the net benefits test established in the STE Program’s regulations, applicants are evaluated based on criteria designed to measure the fiscal and environmental benefits of their projects. The methodology used to evaluate these benefits differs based on the project type. The evaluation of advanced manufacturing projects focuses on the benefits resulting from the manufacturing process used to create a product, whereas evaluation of alternative source and advanced transportation projects focuses on the benefits resulting from the end-product being manufactured. See Section 3 of the Report of 2014 Activities on page 9 for a more specific description of the project evaluation methodologies.

Sales and Use Tax Exclusion Program

HISTORICAL PROGRAM ACTIVITY

Alternative Source and Advanced Transportation

From the program's inception through December 31, 2014, CAEATFA approved a total of 71 alternative source or advanced transportation project applications, of which 18 are complete, 40 are still active and 13 are not moving forward. The 58 active and complete projects were approved for a total of \$1.88 billion in anticipated Qualified Property purchases, and were estimated to result in approximately \$158.5 million in sales and use tax exclusions at the time of application submittal. These projects are located across 22 counties, and are estimated to result in the retention and creation of 8,757 jobs. Under the program's evaluation process, 738 of these jobs are attributable to the STE Program. The projects are anticipated to produce an estimated \$83.7 million in environmental benefits and \$202.1 million in fiscal benefits, resulting in approximately \$136.4 million in net benefits to the state.

Advanced Manufacturing

CAEATFA has approved six advanced manufacturing project applications to date. The six applications were approved for a total of \$850.9 million in anticipated Qualified Property purchases, and were estimated to result in approximately \$71.4 million in sales and use tax exclusions at the time of application submittal. These projects are located in five counties, and are estimated to result in the creation of 2,066 jobs. Under the program's evaluation process, 190 of these jobs are attributable to the STE Program. The projects are anticipated to produce an estimated \$100.7 million in fiscal benefits.

Detailed information on projects approved under the STE Program since its inception can be found in Appendix A.

REPORT OF 2014 ACTIVITIES

APPLICATIONS RECEIVED

Alternative Source and Advanced Transportation

CAEATFA received 16 new applications for alternative source or advanced transportation projects in the 2014 calendar year. The projects have a combined value of approximately \$184.8 million in anticipated Qualified Property purchases, and were estimated to result in over \$15.5 million in sales and use tax exclusions at the time of application submittal.⁶ Table 4 on the next page shows the alternative source and advanced transportation applications received in 2014.

⁶ The estimated sales and use tax exclusion ("STE") amount is based on the average statewide sales tax average of 8.37 percent for projects approved prior to March 2014. Projects approved after March are based on an average statewide sales tax of 8.42 percent.

Sales and Use Tax Exclusion Program

TABLE 4: STE APPLICATIONS RECEIVED IN 2014, ALT. SOURCE AND ADV. TRANSPORTATION

	Date Received	Applicant Name	Project Location	Use of Proceeds	Qualified Property Amount	Estimated STE Amount at time of Application	Status
1	6/20/2014	AltAir Paramount, LLC	Paramount (Los Angeles County)	Renewable Diesel production	\$16,325,984	\$1,374,648	Approved
2	7/25/2014	Anaheim Energy, LLC	Anaheim (Orange County)	Biogas Capture and Production	\$19,143,601	\$1,611,891	Approved
3	10/15/2014	Bowerman Power LFG, LLC	Irvine (Orange County)	Landfill Gas Capture and Production	\$7,030,000	\$591,926	Approved
4	01/17/2014	CleanWorld, Inc.	San Bernardino (San Bernardino County)	Biogas capture and production	\$7,546,506	\$635,415	Approved
5	02/14/2014	DC Solar Solutions, Inc.	Concord (Contra Costa County)	Solar Photovoltaic Manufacturing	\$29,601,986	\$2,492,487	Withdrawn
6	03/21/2014	E&J Gallo Winery, Inc.	Livingston (Merced County)	Biogas capture and production	\$17,592,381	\$1,481,278	Approved
7	07/18/2014	First Element Fuel, Inc.	Coalinga (Fresno County)	Hydrogen Fuel Dispensation	\$1,240,000	\$104,408	Withdrawn
8	07/18/2014	First Element Fuel, Inc.	La Canada (Los Angeles County)	Hydrogen Fuel Dispensation	\$1,240,000	\$104,408	Withdrawn
9	07/18/2014	First Element Fuel, Inc.	San Jose (Santa Clara County)	Hydrogen Fuel Dispensation	\$1,240,000	\$104,408	Withdrawn
10	07/18/2014	First Element Fuel, Inc.	Costa Mesa (Orange County)	Hydrogen Fuel Dispensation	\$1,240,000	\$104,408	Withdrawn
11	03/10/2014	MSB Investors, LLC	Santa Barbara (Santa Barbara County)	Biogas capture and production	\$17,696,003	\$1,490,003	Approved
12	03/06/2014	Pixley Biogas, LLC	Pixley (Tulare County)	Biogas capture and production	\$3,363,238	\$283,185	Approved
13	03/20/2014	Recology, Inc.	Vacaville (Solano County)	Biogas capture and production	\$25,967,035	\$2,186,424	Approved
14	07/18/2014	Rialto Bioenergy Facility, LLC	Bloomington (San Bernardino County)	Biogas capture and production	\$14,722,168	\$1,239,607	Approved
15	08/20/2014	Soxel, Inc.	Milpitas (Santa Clara County)	Solar Photovoltaic Manufacturing	\$20,500,000	\$1,726,100	Approved
16	10/17/2014	WM Renewable Energy, LLC	Novato (Marin County)	Biogas capture and production	\$2,004,360	\$168,767	Approved at the January 20, 2015 Board Meeting
				TOTAL	\$186,453,262	\$15,688,363	

Advanced Manufacturing

CAEATFA received four new applications for advanced manufacturing projects. The projects have a combined value of approximately \$388 million in anticipated Qualified Property purchases, and were estimated to result in over \$32.7 million in sales and use tax exclusions (“STE”) at the time of application submittal. Table 5 below shows the advanced manufacturing applications received in 2014.

Sales and Use Tax Exclusion Program

TABLE 5: STE APPLICATIONS RECEIVED IN 2014,⁷ ADV. MANUFACTURING							
	Date Received	Applicant Name	Project Location	Use of Proceeds	Qualified Property Amount	Estimated STE Amount at time of Application	Status
1	09/26/2014	Pacific Ethanol Madera, LLC	Madera (Madera County)	Industrial Biotechnology – Corn Oil Production	\$4,763,500	\$401,087	Approved at the January 20,2015 Board Meeting
2	04/21/2014	Niagara Bottling, LLC	(San Bernardino County ⁸)	Integrated Computational Materials Engineering	\$30,000,000	\$2,526,000	Approved
3	05/15/2014	nanoPrecision Products, Inc.	El Segundo (Los Angeles County)	Advanced Materials	\$7,963,792	\$670,566	Approved
4	07/17/2014	Lockheed Martin Corporation	Helendale (San Bernardino County)	Advanced Materials	\$345,296,354	\$29,073,953	Approved
				TOTAL	\$388,023,646	\$32,671,606	

APPLICATIONS APPROVED⁹

Alternative Source and Advanced Transportation

The Authority approved eleven alternative source or advanced transportation projects for a total dollar amount of \$151,891,276 in Qualified Property purchases. At the time of application submittal, the projects were estimated to result in \$12,789,244 of sales and use tax exclusions over the next three years. The projects span a range of industries, including biogas, renewable diesel, landfill gas, and solar photovoltaic component manufacturing.

Advanced Manufacturing

The Authority approved four advanced manufacturing projects for a total of \$399,494,361 in Qualified Property purchases. The projects are anticipated to result in \$33,629,323 of sales and use tax exclusions over the next three years.¹⁰

Figure 1 shows the total number of STE projects approved in 2014, by project type.

⁷ This table does not include the application for Enovix Corporation that was submitted in 2013, but approved by the CAEATFA Board at its February 2014 meeting. Data related to the Enovix application is included in the sections of the report that refer to 2014 approved applications.

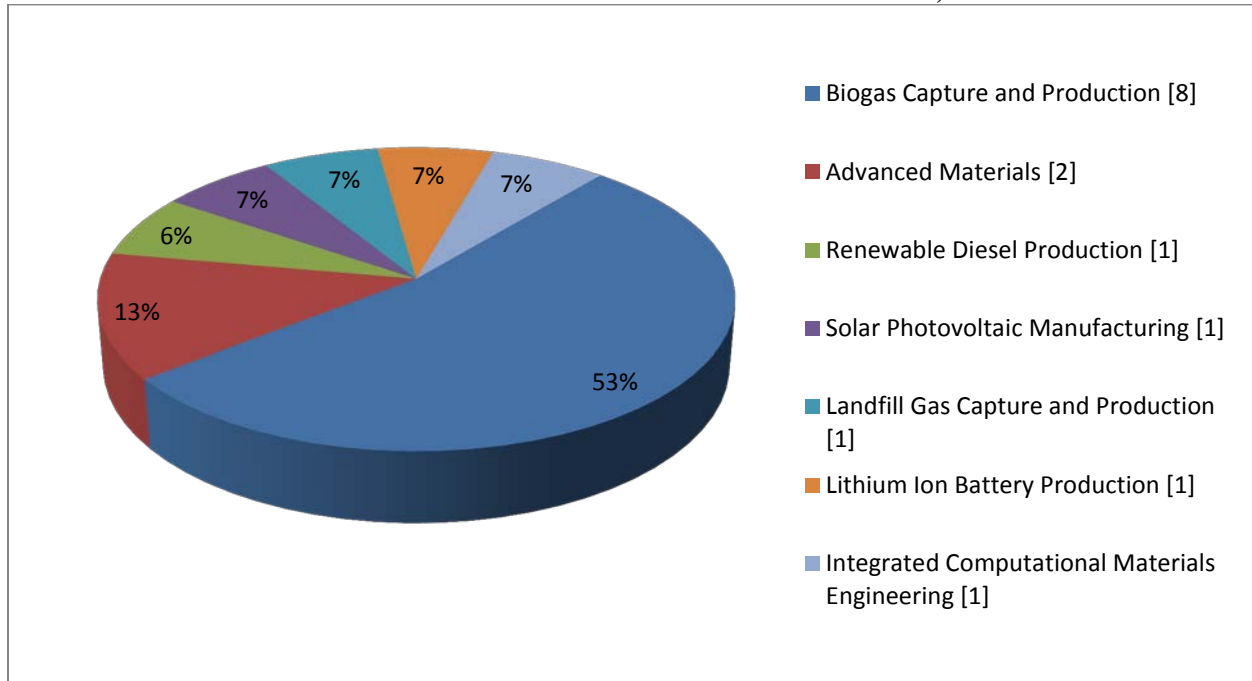
⁸ Niagara Bottling, LLC is currently in the process of evaluating and selecting a site within San Bernardino county for their advanced manufacturing project.

⁹ For the purposes of this section, the data includes an application from Enovix Corporation that was submitted in 2013, but approved by the CAEATFA Board at its February 2014 meeting.

¹⁰ Due to Lockheed Martin Corporation's long-term nature of its project, the company requested an award term of five years. This will result in most of the estimated STE awarded for 2014 being used over a period of five years rather than three years, which is the typical award period.

Sales and Use Tax Exclusion Program

FIGURE 1: 2014 NUMBER OF APPROVED STE PROJECTS, BY TYPE



PROJECT LOCATIONS AND ANTICIPATED BENEFITS¹¹

Alternative Source and Advanced Transportation

The 2014 approved alternative source and advanced transportation projects are located in nine different counties throughout California. Table 6 below displays project information by county. It is expected that these projects will provide economic benefits to the state and local jurisdictions in the form of corporate taxes, personal income taxes, sales and property tax revenues, increased employment, and additional economic activity created by the manufacturing facilities and purchases from related suppliers.

Based on the net benefits methodology embodied in the Program regulations and on representation from these applicants, the Authority estimates the 10 alternative source or advanced transportation applicants approved in 2014 will produce estimated combined environmental benefits valued at approximately \$4.6 million and fiscal benefits valued at approximately \$17.1 million. Together, these environmental and fiscal benefits will result in approximately \$9.5 million in total estimated net benefits.

¹¹ For the purposes of this section, an application from Enovix Corporation is considered approved. This application was submitted in 2013, but was not approved until February 2014.

Sales and Use Tax Exclusion Program

TABLE 6: STE APPROVED PROJECTS BY COUNTY IN 2014, ALT. SOURCE AND ADV. TRANSPORTATION									
County	Number	Percentage of Total 2014 Projects (%)	Amount of Anticipated Qualified Property Purchases	Projected STE Amount ¹²	Estimated Environmental Benefit Value	Estimated Fiscal Benefit Value	Estimated Net Benefit Value	Total Jobs	Total Jobs Attributed to the STE
Tulare	1	10%	\$3,363,238	\$283,185	\$287,308	\$321,007	\$325,130	9	2
Santa Barbara	1	10%	\$17,696,003	\$1,490,003	\$319,442	\$1,392,985	\$222,423	75	5
Solano	1	10%	\$25,967,035	\$2,186,424	\$271,168	\$2,747,503	\$832,247	57	8
Merced	1	10%	\$17,592,381	\$1,481,278	\$356,059	\$1,120,550	\$4,670	57	8
Los Angeles	1	10%	\$16,325,984	\$1,374,648	\$287,233	\$6,023,164	\$4,935,750	141	3
Fresno	1	10%	\$2,200,000	\$185,240	\$165,281	\$304,456	\$285,037	40	2
San Bernardino	1	10%	\$14,722,168	\$1,239,607	\$765,232	\$1,662,628	\$1,188,254	35	3
Orange	2	20%	\$26,173,601	\$2,203,817	\$842,702	\$3,030,203	\$1,669,088	70	8
Santa Clara	1	10%	\$20,500,000	\$1,726,100	\$1,261,678	\$475,809	\$11,387	128	11
TOTAL	10	100%	\$144,540,410	\$12,170,303	\$4,556,103	\$17,078,305	\$9,723,493	612	50

Advanced Manufacturing

The 2014 approved advanced manufacturing projects are located in three California counties. It is expected that these projects will provide economic benefits to the state and local jurisdictions in the form of corporate taxes, personal income taxes, sales and property tax revenues, increased employment, and additional economic activity created by the manufacturing facilities and purchases from related suppliers.

Based on the net benefits methodology embodied in the Program regulations and on representation from these applicants, the Authority estimates the four advanced manufacturing applicants approved in 2014 will produce estimated combined fiscal benefits valued at approximately \$48.8 million. See Table 7 for a breakdown of the various project benefits by county.

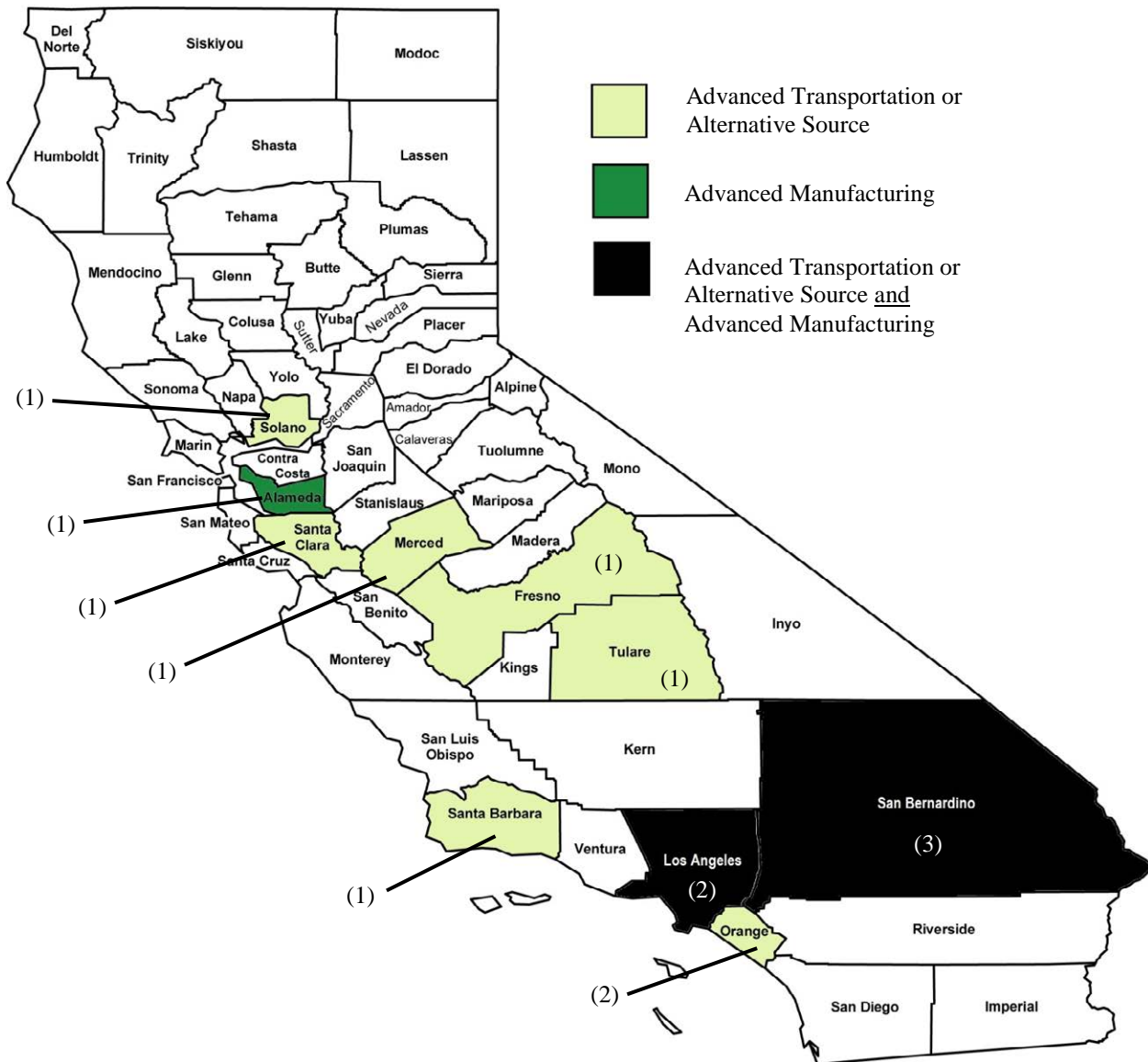
TABLE 7: STE APPROVED PROJECTS BY COUNTY IN 2014, ADV. MANUFACTURING							
County ¹³	Number	Percentage of Total 2014 Projects (%)	Amount of Anticipated Qualified Property Purchases	Projected STE Amount ¹⁴	Estimated Fiscal Benefit Value	Total Jobs	Total Jobs Attributed to the STE
Alameda	1	25%	\$16,234,215	\$1,358,804	\$1,920,567	55	4
San Bernardino	2	50%	\$375,296,354	\$31,599,953	\$46,041,476	1,299	97
Los Angeles	1	25%	\$7,963,792	\$670,566	\$840,081	50	4
TOTAL	4	100%	\$399,494,361	\$33,629,323	\$48,802,124	1,404	145

Figure 2 shows a geographical representation of all projects approved under the STE program to date.

¹³ Several applicants have multiple project sites under their application. For purposes of this table, the data was combined under one county.

Sales and Use Tax Exclusion Program

FIGURE 2: STE APPROVED PROJECTS, BY COUNTY



EVALUATION METHODOLOGY

Alternative Source and Advanced Transportation

For alternative source and advanced transportation projects, CAEATFA Staff evaluates the fiscal and environmental results that stem directly from the sales and use tax exclusion. Only the marginal additional production (and resulting fiscal and environmental benefits) associated with the sales and use tax exclusion are included for purposes of evaluating applications. The marginal additional production resulting from the sales and use tax exclusion is determined based on an estimated increase in equipment purchases resulting from the sales and use tax exclusion. That is, because the sales and use tax exclusion in effect lowers the cost of purchasing capital equipment, applicants are assumed to purchase more such equipment than would be the case in the absence of the sales and use tax exclusion.

Sales and Use Tax Exclusion Program

The net present value of the total *fiscal benefits* over the lifetime of the Qualified Property is derived from the applicant's projected sale taxes, personal income taxes paid by the applicant's employees, corporation taxes on profits, property taxes and other indirect fiscal benefits of the applicant.

The *environmental benefits* include estimates of the dollar value of greenhouse gas reductions and reduction on dependence of fossil fuels. The environmental benefits are also derived from the capacity of manufactured products to generate electricity from alternative sources, thereby reducing the need for traditionally generated electricity.

Advanced Manufacturing

For advanced manufacturing projects, the fiscal benefits are scored using the methods described above, however, the environmental benefits are scored in a different manner due to the nature of the advanced manufacturing projects. Specifically, for alternative source or advanced transportation applicants, the products themselves produce environmental benefits, whereas the products produced by an advanced manufacturing process need not yield any such benefits. Instead, for advanced manufacturing applicants environmental benefits will generally stem from the improvements to the manufacturing process itself.

As a result, the environmental benefits for advanced manufacturing projects are not monetized in the application scoring process as they are with alternative source and advanced transportation projects. Instead, points are given for specific environmental process improvements, such as reductions in energy and water consumption, solid and hazardous waste, and air and other pollutants.

QUALIFIED PROPERTY TRANSACTIONS

CAEATFA tracks the Qualified Property purchases of STE program participants through conveyance/reconveyance agreements or semi-annual reports. The conveyance/reconveyance of Qualified Property is a legal transaction that takes place between the applicant and CAEATFA that provides the formal structure under which an applicant may use the sales and use tax exclusion. As mentioned above, Senate Bill 1128 (Padilla, Chapter 677, Statutes of 2012) made several substantive statutory changes to the STE Program, one of which was to eliminate the conveyance/reconveyance requirement. As such, applicants approved on or after December 17, 2013 are no longer required to submit conveyance/reconveyance transactions in order to participate in the STE Program. In place of the conveyance/reconveyance requirement, approved applicants now submit semi-annual reports that include the Qualified Property purchased in the prior two quarters.

Since the launch of the program through December 31, 2014, CAEATFA has approved a total of 77 applications of which 64 are still active or complete. The 64 active or complete applications have been approved for \$2.6 billion in anticipated Qualified Property purchases. In 2014, 20 of these projects purchased approximately \$202.9 million in qualified property, resulting in approximately \$16.5 million in sales and use tax exclusions. Table 8 shows the total amount of Qualified Property that each approved applicant has purchased and conveyed to date.

Sales and Use Tax Exclusion Program

TABLE 8: STE TRANSACTIONS BY APPLICANT IN 2014

Approved Applicant		Total Amount of Qualified Property Approved	2014 Qualified Property Transactions	2014 Estimated STE	Cumulative Total of Qualified Property Transactions	Cumulative Total of Estimated STE
1	ABEC Bidart-Old River, LLC	\$6,254,045	\$372,377	\$31,168	\$3,926,732	\$328,667
2	DTE Stockton, LLC	\$10,120,000	\$1,451,057	\$121,453	\$10,120,000	\$823,638
3	NuvoSun, Inc.	\$20,000,000	\$4,970,822	\$148,538	\$17,653,743	\$1,540,202
4	California Institute of Technology	\$13,400,000	\$1,344,870	\$113,238	\$10,691,207	\$894,966
5	Buster Biofuels, LLC	\$1,905,343	\$1,280,082	\$107,783	\$1,587,535	\$133,670
6	Vitriflex, Inc.	\$16,330,000	\$4,422,853	\$372,404	\$4,422,853	\$372,404
7	North State Rendering Co, Inc.	\$7,355,324	\$6,316,000	\$531,807	\$6,316,000	\$531,807
8	Tesla Motors, Inc. (Model X)	\$292,000,000	\$56,459,805	\$4,753,916	\$81,246,304	\$6,809,885
9	Biofuels Point Loma, LLC	\$6,236,024	\$829,662	\$69,858	\$5,512,428	\$449,162
10	Bloom Energy Corporation	\$37,447,693	\$6,010,130	\$503,048	\$26,920,520	\$2,266,548
11	Enovix Corporation	\$16,234,215	\$1,100,108	\$92,510	\$1,100,108	\$92,510
12	Pixley Boagas, LLC	\$3,363,238	\$2,967,250	\$249,411	\$2,967,250	\$249,411
13	AltAir Paramount, LLC	\$16,325,984	\$5,841,059	\$491,817	\$5,841,059	\$491,817
14	Tesla Motors, Inc. (Model S)	\$415,000,000	\$69,405,799	\$5,843,968	\$133,692,480	\$11,256,907
15	Solexel, Inc.	\$20,500,000	\$14,436,792	\$1,215,578	\$14,436,792	\$1,215,578
16	Anaheim Energy, LLC	\$19,143,601	\$1,106,329	\$93,153	\$1,106,329	\$93,153
17	EJ Gallo Winery	\$17,592,381	\$12,089,837	\$1,017,964	\$12,089,837	\$1,017,964
18	Crimson Renewable Energy LP	\$14,065,000	\$4,604,383	\$387,412	\$4,604,383	\$387,412
19	Boxer Industries, Inc.	\$6,553,000	\$4,993,661	\$419,500	\$4,993,661	\$419,500
20	nanoPrecision Products, Inc.	\$7,963,792	\$2,747,487	\$231,338	\$2,747,487	\$231,338
21	Mendota Bioenergy, LLC	\$2,200,000	\$119,300	\$10,045	\$119,300	\$10,045
	TOTAL		\$202,869,663	\$16,805,909	\$352,096,008	\$29,616,584

PROPERTY ASSESSED CLEAN ENERGY (PACE) LOSS RESERVE PROGRAM

PROGRAM SUMMARY

LEGISLATIVE BACKGROUND

The Property Assessed Clean Energy (“PACE”) Loss Reserve Program (the “Program”) was authorized in September 2013 to assist residential single family PACE financing by helping to increase its acceptance in the marketplace and protect against the risk of default and foreclosure. PACE allows local jurisdictions to finance renewable energy installations, energy and water efficiency retrofits, and electric vehicle charging infrastructure by issuing bonds that are repaid by participating property owners through their property tax assessments. However, on July 6, 2010, the Federal Housing Finance Agency (“FHFA”) issued a pronouncement that PACE programs “present significant safety and soundness concerns” and violated standard mortgage provisions since PACE tax liens have priority over any other loan or mortgage. The concerns expressed by FHFA caused the majority of the residential PACE programs throughout the country to be placed on hold at that time, including many of the existing residential PACE programs in California.

In response to FHFA’s concerns and to further support the development of PACE in California, Senate Bill 96 (Committee on Budget and Fiscal Review, Chapter 356, Statutes of 2013) authorized CAEATFA to develop and administer the PACE Loss Reserve Program with an initial allocation of \$10 million. The program will assist in addressing FHFA financial concerns to first mortgage lenders and collect data to better quantify actual risk, while helping the State reach its energy efficiency and renewable goals by supporting residential PACE.

PROGRAM DESIGN

The PACE Loss Reserve makes first mortgage lenders whole for any direct losses incurred due to the existence of a PACE lien on a property. The goal of the Program is to put first mortgage lenders in the same position they would be in without the PACE lien on the property. To that end, the Loss Reserve covers the following losses:

1. PACE payments paid while a first mortgage lender is in possession of a property subject to a PACE assessment.
2. Any losses to the first mortgage lender up to the amount of outstanding PACE assessments in a forced sale for unpaid taxes or special assessments.

PACE administrators may participate in the Program by applying to CAEATFA and demonstrating that they meet the Program’s minimum underwriting criteria as established in statute and regulation.

Once enrolled, each eligible financing originated by an enrolled PACE administrator and included in its semi-annual reports may be covered by the Loss Reserve for its full term, or until the Loss Reserve is exhausted. Additionally, PACE administrators that applied to the Program on or before June 9, 2014 were allowed to enroll their existing portfolios under the Loss Reserve to maximize the Program’s effectiveness. To allow new PACE programs (created on or after March 10, 2014) to

Property Assessed Clean Energy Loss Reserve Program

enroll in the Program without delaying their operations, the Loss Reserve also covers financings originated up to 30 days before their enrollment date.

Enrolled PACE administrators must report to CAEATFA on the size and status of their portfolios in March and October of each year. Each report includes detailed information on the financings issued during the reporting period, including the assessor’s parcel number, principal amount, annual assessment amount and term. The October reports also include information on the size and value of the cumulative financing portfolio and information on energy and water savings resulting from the funded projects, to the extent that information is available.

REPORT ON 2014 ACTIVITY

PROGRAM ENROLLMENT

CAEATFA launched the Program in March 2014 and initially enrolled eight PACE programs in June: mPOWER Placer, mPOWER Folsom, Berkeley Financing Initiative for Renewable and Solar Technology (FIRST), Sonoma County Energy Independence Program (SCEIP), CaliforniaFIRST, Western Riverside Council of Governments (WRCOG) Home Energy Renovation Opportunity (HERO) Program, San Bernardino Associated Governments (SANBAG) HERO Program, and California HERO Program.

To date, 24,423 PACE financings with a total principal value of \$498,942,263.99 are covered by the Loss Reserve. Table 9 below shows enrollment activity for the Program.

TABLE 9: NUMBER AND TOTAL PRINCIPAL AMOUNT OF ENROLLED PACE FINANCINGS						
Program	Initial Application (June 2014)¹⁵		July–December 2014 Reporting Period		Total Enrolled	
mPOWER Placer	464	\$10,502,382.62	312	\$9,540,534.04	776	\$20,042,916.66
mPOWER Folsom	3	\$54,181.18	4	\$86,847.90	7	\$141,029.08
Berkeley FIRST ¹⁶	13	\$299,233.74	0	\$0	13	\$299,233.74
SCEIP	1,550	\$43,702,974.25	65	\$1,524,472.34	1,615	\$45,227,446.59
CaliforniaFIRST ¹⁷	0	\$0	151	\$3,435,462.04	151	\$3,435,462.04
WRCOG HERO	9,911	\$189,339,784	1,757	\$34,971,957.65	11,668	\$224,311,741.65
SANBAG HERO	4,286	\$80,398,364.90	1,763	\$32,056,560.00	6,049	\$112,454,924.90
California HERO	1,174	\$25,974,938.48	2,970	\$67,054,570.85	4,144	\$93,029,509.33
TOTAL:	17,401	\$350,271,859.17	7,022	\$148,670,404.82	24,423	\$498,942,263.99

CLAIMS ON THE LOSS RESERVE

To date, no claim has been made on the Loss Reserve. At Program development, CAEATFA Staff initially estimated that the \$10 million Loss Reserve would last between eight to twelve years. Now that the Program has been active for almost one year, CAEATFA will reevaluate the Loss Reserve’s long-term liability and longevity based on activity to date.

¹⁵ Because the participating PACE programs enrolled in June 2014, no additional financings beyond those enrolled during the initial application period were reported and enrolled for the January 1, 2014–June 30, 2014 reporting period.

¹⁶ Berkeley FIRST is a pilot program that is no longer accepting new applications.

¹⁷ CaliforniaFIRST launched its residential PACE program in May 2014 and therefore did not issue any financings until the July–December 2014 reporting period.

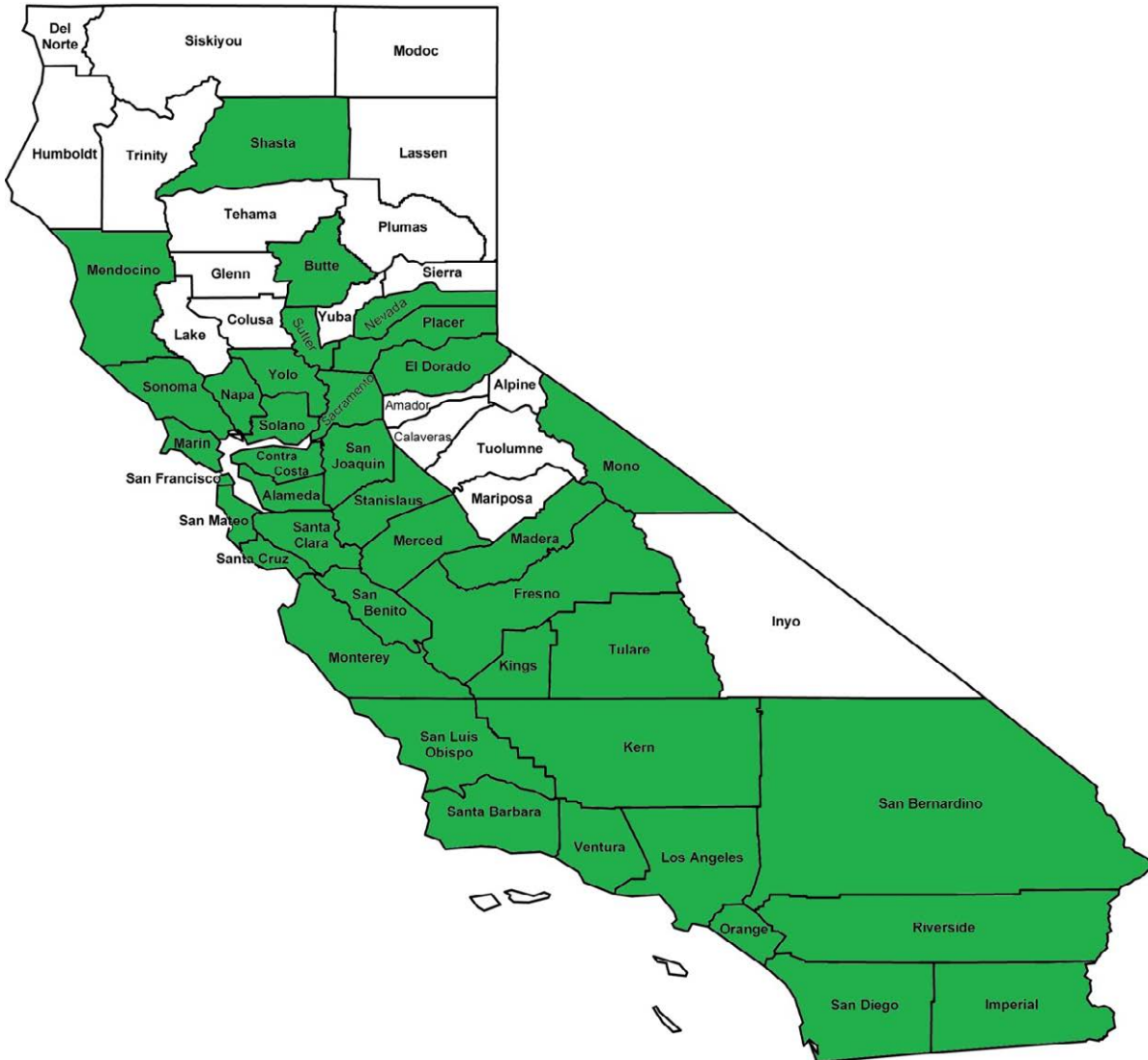
Property Assessed Clean Energy Loss Reserve Program

PROGRAM IMPACT AND RESULTS

Eight PACE administrators have enrolled in the PACE Loss Reserve Program and offer residential PACE financing in a growing number of areas in California. As of March 10, 2015, the enrolled PACE administrators offer residential PACE financing in 329 communities in 37 counties.

A list of all communities currently served by enrolled PACE programs can be found in Appendix B.

FIGURE 3: COUNTIES SERVED BY ENROLLED PACE PROGRAMS



Property Assessed Clean Energy Loss Reserve Program

The Loss Reserve covers PACE financings for energy and water efficiency improvements, electric vehicle charging infrastructure, and clean energy improvements. Table 10 details the estimated annual environmental savings from enrolled financings issued as of June 30, 2014, as reported by each PACE administrator.

TABLE 10: ENVIRONMENTAL SAVINGS FROM ENROLLED PACE FINANCINGS			
Program	Estimated Annual Environmental Savings¹⁸		
mPOWER Placer ¹⁹	2,296,483.86 kWh		
mPOWER Folsom	11,403 kWh		
Berkeley FIRST	61,060 kWh		
SCEIP	14,666,749.3 kWh	103,267 therms	
CaliforniaFIRST ²⁰	N/A		
WRCOG HERO	69,739,128 kWh-e	9,278,955 gallons of water	18,672 MTCO ₂
SANBAG HERO	18,373,724 kWh-e	2,176,282 gallons of water	5,015 MTCO ₂
California HERO	1,552,360 kWh-e	550,332 gallons of water	370 MTCO ₂

CAEATFA adopted the federal standard for job retention and creation estimates, which assumes that \$92,000 of government spending creates one job.²¹ Using this methodology, the Program has facilitated the creation of approximately 5,423 jobs.

¹⁸ Administrators use various distinct methodologies to assess environmental impact of their program.

¹⁹ mPOWER Placer and mPOWER Folsom reported environmental savings data on financed solar photovoltaic projects only.

²⁰ CaliforniaFIRST launched its residential PACE program in May 2014 and therefore did not issue any financings until the July–December 2014 reporting period.

²¹ https://www.whitehouse.gov/assets/documents/Job-Years_Revised5-8.pdf

CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING (CHEEF)

PROGRAM SUMMARY

CAEATFA serves as the manager of the California Hub for Energy Efficiency Financing (CHEEF). In this role, CAEATFA is developing several statewide energy efficiency financing pilot programs. The pilot programs were initially authorized by the California Public Utilities Commission (CPUC) in 2013, and are funded by ratepayers of the State’s investor-owned utilities (IOUs): Pacific Gas & Electric (PG&E), Southern California Edison (SCE), Southern California Gas (So Cal Gas), and San Diego Gas & Electric (SDG&E). These pilot programs include various risk mitigation mechanisms to support private sector investment in energy efficiency projects, and are designed to help California achieve its aggressive energy efficiency goals by increasing the availability of lower-cost financing for these types of projects within IOU service areas. The CPUC authorized a \$65.9 million budget allocation over a two-year pilot period to support marketing, education, outreach and training; program administration; and credit enhancements. CAEATFA received legislative budget authority to serve as the master administrator of the CHEEF effective July 2014. A breakdown of the overall pilot budget is provided below.

TABLE 11: BREAKDOWN OF CHEEF BUDGET	
COST CATEGORY	FUNDING AMOUNT
CHEEF start-up cost (includes CAEATFA administrative and contracting costs)	\$ 5 million
Marketing, education, outreach, training	\$ 10 million
<ul style="list-style-type: none"> • Center for Sustainable Energy (CSE) statewide ME&O plan • CAEATFA outreach to and training of lenders and contractors 	<ul style="list-style-type: none"> \$ 8 million \$ 2 million
Residential sector (includes credit enhancement funds)	\$ 26 million²²
Multi-family sector (includes credit enhancement funds)	\$ 2.9 million
Non-residential sector	\$ 14 million
<ul style="list-style-type: none"> • Small business (includes credit enhancement funds) • Other non-residential (no credit enhancements) 	<ul style="list-style-type: none"> \$ 14 million \$ 0
Information Technology (for IOU IT build-outs to accommodate on-bill infrastructure)	\$ 8 million
TOTAL FUNDING FOR EE FINANCING PILOTS	\$ 65.9 MILLION²³

²² Of the \$26 million allocated for the residential pilot, \$1 million was directed to the Pacific Gas & Electric Company to implement IT changes to accommodate the Energy Financing Line Item Charge.

²³ Note that the CPUC authorized an additional \$9 million reserve, not currently allocated to the budget for the pilot programs.

California Hub For Energy Efficiency Financing

POLICY BACKGROUND

In 2009, Assembly Bill (AB) 758 (Skinner, Chapter 470, Statutes of 2009) specifically directed the CPUC to explore ratepayer-supported means to finance efficiency retrofits. The CPUC subsequently commissioned an independent study of gaps and needs for financing (completed in 2011), followed by extensive public workshops. The study identified needs in specific market segments, and the Commission ordered the utilities to hire a consultant to design pilot finance programs. These were to be based on private capital, with credit enhancements or other support to attract capital at favorable lending terms. The public provided input on the proposed program designs in 2012 – 2013.

In September 2013, a CPUC Decision²⁴ authorized two-year pilot programs to be supported by \$65.9 million of allocated IOU ratepayer funds and serving the residential, multi-family affordable housing, small business, and other non-residential market sectors. The Decision identifies the initial pilot term through December 2015; however, in August 2014 CPUC President Peevey issued an Assigned Commissioner Ruling clarifying that each pilot would run for at least two years from pilot launch, and acknowledged the long-term administrative obligation. Based on the anticipated program development schedule, Staff expects that this will effectively take the pilot term through the 2016-17 fiscal year, and possibly into the 2017-18 fiscal year.

The pilot programs were established with a myriad of goals, all of which are intended to support the State's broader energy efficiency and environmental policy goals using an innovative approach. Primarily, the pilots are designed to: (a) attract a greater amount of private capital to the energy efficiency retrofit market by reducing risk to lenders; (b) broaden the availability of financing to individuals who might not have been able to access it otherwise; and, (c) address the upfront cost barrier to energy efficiency retrofit projects.

CAEATFA'S ROLE

CAEATFA is creating a streamlined, statewide platform for lenders and contractors to participate in the uptake of energy efficiency projects through increased access to financing. As the manager of the CHEEF, CAEATFA is developing uniform program requirements, standardized documentation and processes, and a central administrative entity to facilitate investment in energy efficiency projects and implementation of the pilot programs. In addition, CAEATFA is collaborating with the CPUC, Center for Sustainable Energy, and the IOUs to deliver a \$10 million marketing, education, outreach and training campaign that leverages the existing Energy Upgrade California efforts and will further encourage lender and contractor participation in these types of projects.

CAEATFA will issue several Requests for Proposals (RFPs) to contract services necessary to establish the administrative infrastructure for the CHEEF, including:

- *Master Servicer*: to serve as the master program administrator and manage on-bill repayment ("OBR") transactions that include the flow of funds and data between the IOUs and participating lenders.
- *Trustee Bank*: to hold the ratepayer funds provided by the IOUs for the implementation of the various pilot programs and their respective credit enhancements.
- *Data Manager*: to compile program data and present it via a publicly available web portal
- *Contractor Manager*: to assist in contractor enrollment and management, and conduct quality control oversight of projects not participating in an IOU rebate/incentive program.

²⁴ CPUC Decision 13-09-044 Implementing the Energy Efficiency Financing Pilot Programs. September 20, 2013. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K182/77182202.pdf>

California Hub For Energy Efficiency Financing

- *Lease originators (up to 4)*: to participate as equipment lease providers in the small business lease pilots.
- *Technical Advisor*: to provide necessary industry and financial market expertise, and provide consultant services to CAEATFA staff.

Each of these RFPs is in a different stage of the procurement process. Information on progress made for these contracting efforts is provided below.

PROGRAM DESIGN

The pilot programs are structured to use two key mechanisms to support the program goals: credit enhancements and OBR. Credit enhancements (“CEs”) serve as a risk mitigation to encourage increased lending in energy efficiency retrofits. As a result of this decreased risk, lenders are expected to extend financing options to a wider array of borrower risk profiles, or to enhance the loan terms that they otherwise would have offered for energy efficiency projects. Several of the pilots will also include OBR mechanisms that will allow borrowers to repay their eligible project financing obligations through a payment on their utility bill. Including OBR in the pilots will help test whether payment on the utility bill will increase debt service performance across market sectors.

The CPUC authorized pilot programs for both the residential and non-residential sectors. The residential pilot includes CEs and OBR features for energy efficiency projects on single family residential properties.²⁵ A second pilot will include the same elements for affordable, master-metered multifamily properties.

For the non-residential sector, the pilots offer CEs and OBR for small businesses that finance the installation of energy efficiency upgrades through loans or equipment leases. Borrowers taking loans for other non-residential properties may utilize OBR in a separate pilot that will not receive any funding for CEs.

While OBR mechanisms are available in both the residential and non-residential pilots, the primary operational difference between the two sectors is that borrowers participating in the non-residential pilots may be subject to utility disconnection for non- or partial-payment of their financing charges. Borrowers in the single family and multifamily pilots will not be subject to utility service disconnection for their financings repaid on the utility bill.

STATUS

CAEATFA received legislative budget authority to be the master administrator of the CHEEF in the Budget Act of 2014. In July 2014, CAEATFA entered into a Memorandum of Agreement with the CPUC to carry-out the functions of managing the CHEEF. CAEATFA entered into a receivables contract with the IOUs to cover the administrative costs of designing and implementing the program in September 2014, at which time CAEATFA began to hire staff for the program development and implementation efforts.

CAEATFA also began its competitive procurement process to select partners and begin establishing the CHEEF infrastructure. It issued a Request For Proposal (RFP) to procure services for a Trustee bank in October 2014. An RFP to select a Master Servicer for the pilot programs was issued in

²⁵ The on-bill repayment feature included in the single family pilot program will only be available to customers in the Pacific Gas & Electric Company’s territory, and will be reflected as an Energy Financing Line Item Charge on the customers’ utility bill.

California Hub For Energy Efficiency Financing

November 2014. Given the unique expertise required by this role, Staff re-issued the Master Servicer RFP in December 2014, with slight modifications to better describe the scope of work and prospective bidder requirements.

In October 2014, CAEATFA also began its public process for the development of the single family residential program. Staff held three stakeholder roundtables across the State to solicit input on the design of the Residential Energy Efficiency Loan (“REEL”) Assistance Program – the first of the pilot programs to launch. Subsequently, Staff hosted a regulatory workshop to hear feedback on draft regulation text from stakeholders. Staff will continue to navigate the rulemaking process in 2015, and anticipates that the regulations will be presented to the CAEATFA Board for consideration in February 2015. The program is expected to begin operating in Spring of 2015.

NEXT STEPS

CAEATFA will continue to develop the infrastructure for the pilots throughout 2015. Staff will further develop scopes of work for the Contractor Manager, Data Manager, Lease Providers, and Technical Advisor. Staff expects to enter into contracts to fulfill these roles throughout 2015. In addition, Staff will begin program implementation as the pilots launch sequentially throughout 2015. The residential pilot (REEL Assistance Program) will launch first. The pilots for the multifamily, small business, and other non-residential markets will subsequently phase-in. For each pilot program, CAEATFA will engage stakeholders and potential program participants in a robust public process to develop program regulations that best support the market needs and policy goals of the pilots.

In future years, CAEATFA will work with the CPUC, IOUs, program participants and stakeholders to evaluate program activity and effectiveness. Staff will implement changes to the pilot programs as deemed appropriate by such evaluations.

CLEAN ENERGY UPGRADE FINANCING PROGRAM

PROGRAM SUMMARY

LEGISLATIVE BACKGROUND

Assembly Bill of the First Extraordinary Session 14 (ABX1 14, Skinner, Chapter 9, Statutes of 2011) authorized CAEATFA to administer a Clean Energy Upgrade Financing Program (“CEUFP” or the “Program”) using \$25 million from funds previously appropriated to the PACE Bond Reserve Program. The Program is intended to increase access to capital and lower financing costs for energy efficiency retrofits and renewable energy installations. Funding for the Program was made available through January 1, 2015.

Pursuant to Public Resources Code Section 26081, Table 10 provides a status of the account for the Clean Energy Upgrade Financing Program through fiscal year 2013-2014. CAEATFA transferred an initial \$5 million to its trustee bank to launch the program. As of December 31, 2014, \$599,100.28 in loss reserve contributions had been encumbered on behalf of lenders for their enrolled loans. To date, no lender has filed a claim for reimbursement from the loss reserve account.

Figure 4: Energy Efficiency Measures Under the Clean Energy Upgrade Financing Program

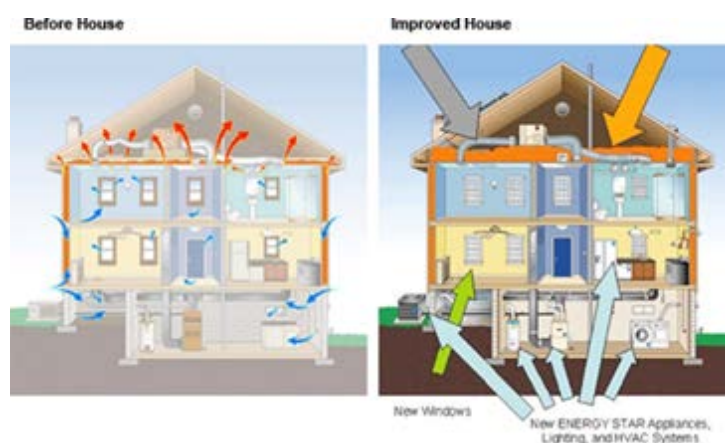


TABLE 12: STATUS OF CLEAN ENERGY UPGRADE FINANCING PROGRAM FUNDS

Costs	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	Total Expenditures	Remaining Funds ²⁶
Administrative	\$2,928	\$26,666	\$155,380	\$183,101	\$123,661	\$368,075 ²⁷	\$181,924
Financial Assistance	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000	\$24,450,000

PROGRAM DESIGN

The Program offered a credit enhancement, in the form of a loan loss reserve, to help leverage private capital and improve financing terms (e.g. lower interest rates and extend loan terms) for energy efficiency and renewable energy loans. Eligible loans were made on residential properties of

²⁶ The status of the funds reported in this table reflects the amounts as of June 30, 2014. The table does not include the impact of expenditures to date in the current fiscal year (2014-2015).

²⁷ Numbers may not sum to total due to rounding.

Clean Energy Upgrade Financing Program

three units or fewer, and must equal less than 10 percent (10%) of the value of the property.

For each loan enrolled in the program, CAEATFA provided a contribution to a loss reserve account for the associated lender. The Program was designed with a tiered structure for loss reserve contributions. This assisted lenders by providing a high loss reserve contribution, equal to 15 percent of the enrolled loan value, early in the process as they built their loss reserve account. The loss reserve contribution decreased to 10 percent of the enrolled loan value as the lender enrolled more loans in the Program.

If a borrower defaults on an enrolled loan, resulting in that loan being charged-off, the lender may recover up to 100% of the outstanding principal amount of the loan from its loss reserve account for the Program. CAEATFA's regulations for the Program include a specific process for lenders to use when claiming reimbursement for a charged-off loan, and to reimburse the Authority if loan proceeds are ever recovered.

REPORT ON 2014 PROGRAM ACTIVITY

Currently, four lenders are enrolled in the Program: Sacramento Municipal Utility District, SAFE Credit Union, Matadors Community Credit Union, and Provident Credit Union.

Lenders reported that participation in the Program has allowed them to modify their lending terms in various ways, including:

- Lowering the required FICO credit score criteria;
- Increasing maximum loan amounts
- Extending loan terms; and
- Lowering interest rates

Since the first loan enrollments in December 2012, CAEATFA has enrolled 386 energy efficiency retrofit loans across 11 counties in the Program.²⁸ Participating lenders have enrolled loans for borrowers with FICO credit scores ranging from 653 to 818, with a median FICO score of 776. Loan amounts have ranged from \$3,917 to \$50,000, with a median value of \$13,847. The majority of enrolled loans have a 10-year term; however, participating lenders have enrolled loans with terms ranging from 5 to 15 years.²⁹ Lenders estimate that their borrowers save, on average, \$1,615.50 in financing costs and 24% in annual energy savings (in kilowatt-hours).³⁰

CAEATFA adopted the federal standard for job retention and creation estimates, which assumes that \$92,000 of government spending creates one job. Using this methodology, the Program has facilitated the creation of approximately 62 jobs.

²⁸ Two of the loans were enrolled in the 2012 calendar year, 203 were enrolled in the 2013 calendar year, and the remaining 181 loans were enrolled in the 2014 calendar year. Loans were enrolled in the following counties: Alameda, Contra Costa, Los Angeles, Marin, Placer, Sacramento, San Francisco, San Luis Obispo, Santa Clara, Shasta, and Ventura.

²⁹ The loan loss reserve covers loans for 10 years; loans with longer terms will not have access to the loss reserve after that period.

³⁰ The energy saving values provided in this report are estimates reported by contractors that participate in the program, and their evaluation tools vary. For some projects, energy savings were estimated using the Energy Pro software, while others used methodologies provided by the borrower's utility company.

**APPENDIX A: SALES AND USE TAX EXCLUSION
APPLICATIONS APPROVED TO DATE**

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

TABLE A.1: STE ALT. SOURCE AND ADV. TRANSPORTATION PROJECTS – APPROVED, ACTIVE														Expected
Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
1	10-SM002	11/17/2010	ABEC Bidart Stockdale, LLC	Bakersfield	Kern	Biogas Capture & Production	\$1,131,584	\$102,974	\$90,622	\$228,808	\$73,809	\$199,643	26	3
2	10-SM004	11/17/2010	First Solar, Inc.	Santa Clara	Santa Clara	Solar Photovoltaic Manufacturing	\$37,700,000	\$3,430,700	\$3,409,567	\$1,668,971	\$1,971,559	\$209,831	174	17
3	10-SM007	11/17/2010	The Solaria Corporation	Fremont	Alameda	Solar Photovoltaic Manufacturing	\$7,800,000	\$709,800	\$375,885	\$834,403	\$1,564,665	\$1,689,268	180	17
4	10-SM009	11/17/2010	Nanosolar Inc.	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$140,187,900	\$12,757,099	\$4,306,412	\$10,527,415	\$6,992,728	\$4,763,045	410	36
5	10-SM013	11/17/2010	NuvoSun Incorporated	Milpitas	Santa Clara	Solar Photovoltaic Manufacturing	\$20,000,000	\$1,820,000	\$1,540,201	\$2,137,232	\$2,594,509	\$2,911,741	160	18
6	10-SM015	11/17/2010	Bloom Energy Corporation	Sunnyvale	Santa Clara	Solid Oxide Fuel Cell Systems Manufacturing	\$37,447,693	\$3,407,740	\$2,266,548	\$562,054	\$11,144,189	\$8,298,503	1,004	83
7	10-SM020	12/15/2010	Ameresco Butte County LLC	Paradise	Butte	Landfill Gas Capture and Production	\$1,085,554	\$98,785	\$62,105	\$71,701	\$185,955	\$158,870	12	1
8	10-SM022	12/15/2010	Ameresco Forward LLC	Manteca	San Joaquin	Landfill Gas Capture and Production	\$2,227,596	\$202,711	\$119,409	\$37,823	\$277,169	\$112,281	11	1
9	10-SM023	12/15/2010	Ameresco Johnson Canyon LLC	Gonzales	Monterey	Landfill Gas Capture and Production	\$766,293	\$69,733	\$55,776	\$33,124	\$168,912	\$132,303	12	1
10	10-SM024	12/15/2010	Ameresco San Joaquin LLC	Linden	San Joaquin	Landfill Gas Capture and Production	\$1,723,486	\$156,837	\$113,649	\$99,894	\$419,234	\$362,292	12	1
11	10-SM025	12/15/2010	Ameresco Vasco Road LLC	Livermore	Alameda	Landfill Gas Capture and Production	\$1,828,204	\$166,367	\$112,036	\$66,258	\$333,415	\$233,306	11	1
12	10-SM026	12/15/2010	BioFuels Point Loma, LLC	San Diego	San Diego	Wastewater Treatment Biogas Capture and Production	\$6,236,024	\$567,478	\$449,162	\$120,126	\$509,292	\$61,939	25	3
13	10-SM027	12/15/2010	Alta Devices, Inc.	Sunnyvale	Santa Clara	Solar Photovoltaic Manufacturing	\$40,845,000	\$3,716,895	\$1,108,616	\$561,404	\$5,025,666	\$1,870,175	322	37
14	10-SM028	12/15/2010	California Institute of Technology	Pasadena	Los Angeles	Research & Development of Solar Fuel Generator Systems	\$13,400,000	\$1,219,400	\$894,966	\$0	\$702,662	-\$516,738	133	15
15	10-SM012	12/15/2010	SunPower Corporation	Milpitas	Santa Clara	Solar Photovoltaic Manufacturing	\$8,000,000	\$728,000	\$704,816	\$903,595	\$1,877,730	\$2,053,325	94	11
16	11-SM001	1/25/2011	Leyden Energy, Inc.	Fremont	Alameda	Lithium Ion Battery Manufacturing	\$1,306,525	\$118,894	\$99,647	\$21,400	\$944,754	\$847,260	26	2
17	11-SM002	1/25/2011	MiaSolé	Sunnyvale	Santa Clara	Solar Photovoltaic Manufacturing	\$26,092,000	\$2,374,372	\$881,599	\$3,246,664	\$1,363,913	\$2,236,206	56	3
18	11-SM003	1/25/2011	Alameda-Contra Costa Transit District	Emeryville	Alameda	Demonstration Hydrogen Fuel Production	\$5,387,950	\$490,303	\$362,320	\$16,040	\$274,173	-\$200,090	6	1
19	10-SM010	12/15/2010 2/22/2011	Simbol, Inc.	Calipatria, Niland, Brawley	Imperial	Lithium and Battery Material Manufacturing	\$42,484,174	\$3,866,060	\$164,278	\$558,363	\$9,552,414	\$6,244,717	212	23

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
20	11-SM006	3/22/2011	Mt. Poso Cogeneration Company, LLC	Bakersfield	Kern	Biomass Processing and Fuel Production	\$14,374,000	\$1,308,034	\$1,164,294	\$197,027	\$3,470,273	\$2,359,266	97	11
21	11-SM005	6/28/2011	Recology East Bay	Oakland	Alameda	Biomass Processing and Fuel Production	\$3,703,090	\$336,981	\$0	\$111,243	\$506,852	\$281,113	46	5
22	11-SM009	6/28/2011	DTE Stockton, LLC	Stockton	San Joaquin	Biomass Processing and Fuel Production	\$10,120,000	\$920,920	\$823,638	\$2,221,793	\$4,297,636	\$5,598,509	62	7
23	11-SM010	7/26/2011	SCS Energy	Fresno	Fresno	Biogas Capture & Production	\$3,155,300	\$255,579	\$247,020	\$40,230	\$271,233	\$55,884	9	1
24	11-SM012	8/23/2011	CE Obsidian Energy, LLC	Imperial	Imperial	Geothermal Brine Extraction	\$174,453,978	\$14,130,772	\$0	\$7,487,143	\$11,697,269	\$5,053,640	381	39
25	11-SM014	8/23/2011	SoloPower Inc.	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$8,411,240	\$681,310	\$494,484	\$419,024	\$575,484	\$313,197	40	1
26	11-SM019	11/15/2011	Zero Waste Energy Development Company, LLC	San Jose	Santa Clara	Biogas Capture & Production	\$17,156,875	\$1,389,707	\$942,179	\$1,355,423	\$2,233,575	\$2,199,291	174	17
27	11-SM016	12/13/2011	Tesla Motors, Inc.	Fremont; Hawthorne; Palo Alto; Menlo Park	Alameda; Los Angeles; Santa Clara; San Mateo	Electric Vehicle Manufacturing	\$292,000,000	\$23,652,000	\$6,809,885	\$2,386,636	\$35,023,610	\$13,758,246	1,237	108
28	12-SM001	2/21/2012	Soraa, Inc.	Fremont	Alameda	Energy Efficient LED Lighting Manufacturing	\$57,002,457	\$4,617,199	\$1,244,232	\$30,775,968	\$2,368,664	\$28,527,434	180	14
29	12-SM003	3/20/2012	Stion Corporation	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$6,417,810	\$519,843	\$490,542	\$277,896	\$253,546	\$11,600	28	3
30	12-SM006	5/15/2012	John Galt Biogas Inc.	Galt	Sacramento	Biogas Capture & Production	\$1,025,769	\$83,087	\$29,538	\$112,933	\$128,931	\$158,777	19	2
31	12-SM004	5/15/2012	Soitec Solar Industries LLC	San Diego	San Diego	Concentrated Photovoltaic Manufacturing	\$104,381,342	\$8,454,889	\$7,351,987	\$3,706,841	\$10,302,813	\$5,554,765	399	44
32	12-SM007	5/15/2012	Reflexite Soitec Optical Technology LLC	San Diego	San Diego	Concentrated Photovoltaic Manufacturing	\$24,500,000	\$1,984,500	\$2,005,024	\$357,750	\$1,704,725	\$77,975	114	8
33	12-SM008	6/19/2012	North Star Biofuels LLC	Watsonville	Santa Cruz	Biodiesel Production	\$4,115,500	\$343,866	\$343,866	\$84,522	\$2,616,810	\$2,367,976	30	1
34	12-SM010	10/16/2012	Electric Vehicles International, LLC	Stockton	San Joaquin	Electric Vehicle Manufacturing	\$5,744,962	\$465,342	\$256,836	\$83,283	\$906,571	\$524,512	114	8
35	12-SM011	10/16/2012	Clean World Partners LLC	Sacramento	Sacramento	Biomass Processing and Fuel Production	\$11,796,759	\$955,537	\$0	\$204,651	\$977,083	\$226,196	24	3
36	12-SM009	10/16/2012	ABEC New Hope LLC	Galt	Sacramento	Biogas Capture & Production	\$2,633,359	\$213,302	\$84,096	\$41,150	\$208,573	\$36,421	22	3
37	12-SM012	11/13/2012	Zero Waste Energy, LLC	Marina	Monterey	Biogas Capture & Production	\$1,187,000	\$96,147	\$94,295	\$18,139	\$95,062	\$17,054	5	1
38	12-SM013	11/13/2012	Oberon Fuels, Inc.	Brawley	Imperial	Biogas Capture & Bio DME Production	\$13,500,000	\$1,093,500	\$47,558	\$423,866	\$679,196	\$9,561	17	3

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
39	13-SM001	1/15/2013	CleanWorld	Davis	Yolo	Biomass Processing and Fuel Production	\$5,851,298	\$489,754	\$0	\$106,588	\$506,088	\$122,923	24	3
40	13-SM002	3/19/2013	Buster Biofuels, LLC	Escondido	San Diego	Biodiesel Production	\$1,905,343	\$159,477	\$107,783	\$103,496	\$786,032	\$730,051	32	2
41	13-SM004	4/16/2013	EJ Harrison and Sons Rentals, Inc.	Oxnard	Ventura	Biogas Capture & Production	\$1,212,095	\$101,452	\$0	\$19,311	\$108,487	\$26,345	6	1
42	13-SM005	4/16/2013	Vitriflex, Inc.	Milpitas	Santa Clara	Photovoltaic Solar Component Manufacturing	\$16,330,000	\$1,366,821	\$372,404	\$1,256,397	\$886,066	\$775,642	47	4
43	13-SM007	6/18/2013	ABEC Bidart-Old River, LLC	Bakersfield	Kern	Biomass Capture & Production	\$6,254,045	\$523,464	\$328,667	\$351,613	\$523,038	\$351,188	28	2
44	13-SM009	8/20/2013	North State Rendering Co Inc.	Oroville	Butte	Biomass Processing and Fuel Production Facility	\$7,355,324	\$615,641	\$531,807	\$305,075	\$422,917	\$112,351	12	2
45	13-SM010	9/17/2013	Central Valley Ag Power, LLC	Oakdale	Stanislaus	Biomass Processing and Fuel Production Facility	\$3,481,313	\$291,386	\$0	\$38,218	\$394,801	\$141,634	23	2
46	13-SM011	10/15/2013	Blue Line Transfer, Inc.	S. San Francisco	San Mateo	Biomass Processing and Fuel Production Facility	\$4,976,469	\$416,530	\$326,788	\$43,980	\$423,841	\$51,291	20	3
47	13-SM013	11/19/2013	Crimson Renewable Energy, LP	Bakersfield	Kern	Biomass Processing and Fuel Production Facility	\$14,065,000	\$1,177,241	\$387,412	\$136,306	\$2,737,899	\$1,696,964	38	2
48	13-SM015	12/17/2013	Tesla Motors, Inc.	Fremont, Palo Alto, Hawthorne	Alameda, Santa Clara, Los Angeles	Electric Vehicle Manufacturing	\$415,000,000	\$34,735,500	\$5,412,939	\$4,847,406	\$54,306,869	\$24,418,775	2,050	115
49	14-SM004	5/20/2014	Pixley Biogas, LLC	Pixley	Tulare	Biogas Capture and Production	\$3,363,238	\$283,185	\$249,411	\$287,308	\$321,007	\$325,130	9	2
50	14-SM005	5/20/2014	MSB Investors, LLC	Santa Barbara	Santa Barbara	Biogas Capture and Production	\$17,696,003	\$1,490,003	\$0	\$319,442	\$1,392,985	\$222,423	75	5
51	14-SM006	5/20/2014	Recology, Inc.	Vacaville	Solano	Biogas Capture and Production	\$25,967,035	\$2,186,424	\$0	\$271,168	\$2,747,503	\$832,247	57	8
52	14-SM007	5/20/2014	E&J Gallo Winery	Livingston	Merced	Biogas Capture and Production	\$17,592,381	\$1,481,278	\$1,017,964	\$356,059	\$1,120,550	\$4,670	57	8
53	14-SM010	8/19/2014	AltAir Paramount, LLC	Paramount	Los Angeles	Renewable Diesel Production	\$16,325,984	\$1,374,648	\$491,817	\$287,233	\$6,023,164	\$4,935,750	141	3
54	14-SM014	8/19/2014	Mendota Bioenergy, LLC	Mendota	Fresno	Biogas Capture & Production	\$2,200,000	\$185,240	\$10,045	\$165,281	\$304,456	\$285,037	40	2
55	14-SM011	9/16/2014	Rialto Bioenergy Facility, LLC	Bloomington	San Bernardino	Biogas Capture & Production	\$14,722,168	\$1,239,607	\$0	\$765,232	\$1,662,628	\$1,188,254	35	3
56	14-SM012	9/16/2014	Anaheim Energy, LLC	Anaheim	Orange	Biogas Capture & Production	\$19,143,601	\$1,611,891	\$93,153	\$568,979	\$1,938,411	\$895,499	40	5
57	14-SM019	10/21/2014	Solexel, Inc.	Milpitas	Santa Clara	Solar Photovoltaic Manufacturing	\$20,500,000	\$1,726,100	\$1,215,578	\$1,261,678	\$475,809	\$11,387	128	11
58	14-SM022	12/16/2014	Bowerman Power LFG, LLC	Irvine	Orange	Landfill Gas Capture and Production	\$7,030,000	\$591,926	\$0	\$273,723	\$1,091,792	\$773,589	30	3

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
59	14-SM023	1/20/2015	WM Renewable Energy, LLC	Novato	Marin	Biogas Capture & Production	\$2,004,360	\$168,767	\$0	\$71,130	\$347,143	\$249,507	19	1
TOTAL:						\$1,880,856,265	\$158,694,610	\$50,092,856	\$87,167,883	\$211,644,510	\$140,306,944	9,095	772	

TABLE A.2: STE ADV. MANUFACTURING PROJECTS – APPROVED, ACTIVE

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²
1	13-SM012	12/17/2013	CE&P Imperial Valley 1, LLC	Brawley	Imperial	Industrial Biotechnology	\$444,811,275	\$37,230,704	\$0		\$51,344,220	650	84
2	13-SM014	12/17/2013	Boxer Industries, Inc.	Redwood City	San Mateo	Advanced Materials	\$6,553,000	\$548,486	\$419,500		\$539,522	12	1
3	14-SM001	2/18/2014	Enovix Corporation	Fremont	Alameda	Lithium Ion Battery Production	\$16,234,215	\$1,358,804	\$92,510		\$1,920,567	55	4
4	14-SM008	6/17/2014	Niagara Bottling, LLC	San Bernardino	San Bernardino	Integrated Computational Materials Engineering – Water Bottling Facility	\$30,000,000	\$2,526,000	\$0		\$7,988,338	86	6
5	14-SM009	7/15/2014	nanoPrecision Products, Inc.	El Segundo, Camarillo	Los Angeles, Ventura	Advanced Materials	\$7,963,792	\$670,566	\$231,338		\$840,081	50	4
6	14-SM013	9/16/2014	Lockheed Martin Corporation	Palmdale, Helendale	Los Angeles, San Bernardino	Advanced Materials	\$345,296,354	\$29,073,953	\$0		\$38,053,138	1,213	91
7	14-SM021	1/20/2015	Pacific Ethanol Madera, LLC	Madera	Madera	Industrial Biotechnology - Corn Oil Production	\$4,763,500	\$401,087	\$0		\$988,793	3	0
TOTAL:						\$855,622,136	\$71,809,600			\$101,674,659	\$587,707	2,069	190

TABLE A.3: STE ALT. SOURCE AND ADV. TRANSPORTATION PROJECTS – APPROVED, INACTIVE

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
1	10-SM003	11/17/2010	ABEC Bidart Old River, LLC	Bakersfield	Kern	Biogas Capture & Production	\$4,738,000	\$431,158	\$0	\$3,080,806	\$438,844	\$3,088,491	50	6
2	10-SM005	11/17/2010	Gallo Cattle Company	Atwater	Merced	Biogas Capture & Production	\$1,245,000	\$113,295	\$0	\$791,959	\$130,374	\$809,038	30	3

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
3	10-SM006	11/17/2010	Solyndra LLC	Fremont	Alameda	Solar Photovoltaic Manufacturing	\$381,776,000	\$34,741,616	\$25,127,322	\$22,202,363	\$20,765,274	\$8,226,021	2,084	225
4	10-SM011	11/17/2010	Stion Corporation	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$105,473,402	\$9,598,080	\$0	\$3,512,324	\$6,207,404	\$121,648	493	47
5	10-SM014	11/17/2010	Calisolar Inc.	Sunnyvale	Santa Clara	Solar Photovoltaic Manufacturing	\$39,000,000	\$3,549,000	\$0	\$1,971,609	\$1,975,797	\$398,407	273	13
6	10-SM016	12/15/2010	Quantum Fuel Systems Technologies Worldwide, Inc.	Irvine	Orange	Solar Photovoltaic Manufacturing	\$8,945,858	\$814,073	\$0	\$508,282	\$5,895,571	\$5,589,780	94	11
7	10-SM018	12/15/2010	Green Vehicles, Inc.	Salinas	Monterey	Electric Vehicle Manufacturing	\$3,708,050	\$337,433	\$0	\$65,608	\$3,018,494	\$2,746,669	126	14
8	10-SM019	12/15/2010	Soliant Energy, Inc.	Monrovia	Los Angeles	Solar Photovoltaic Manufacturing	\$9,966,500	\$906,952	\$0	\$1,142,989	\$1,709,894	\$1,945,932	38	5
9	10-SM021	12/15/2010	SCE Crazy Horse LLC	Salinas	Monterey	Landfill Gas Capture and Production	\$1,558,460	\$141,820	\$0	\$103,093	\$432,228	\$393,501	12	1
10	11-SM007	5/18/2011	Amonix, Inc.	Seal Beach	Orange	Solar Photovoltaic Manufacturing	\$2,278,900	\$207,380	\$0	\$244,895	\$557,789	\$595,304	153	2
11	11-SM015	8/23/2011	Amonix, Inc	Seal Beach; Milpitas	Orange; Santa Clara	Solar Photovoltaic Manufacturing	\$7,879,667	\$638,253	\$0	\$740,148	\$2,884,021	\$2,985,916	200	12
12	10-SM001	11/17/2010	Bowerman Power LFG, LLC	Irvine	Orange	Landfill Gas Capture & Production	\$9,240,000	\$840,840	\$0	\$398,492	\$1,008,052	\$565,704	30	3
13	14-SM002	3/18/2014	CleanWorld	San Bernardino	San Bernardino	Biomass Processing and Fuel Production	\$6,698,715	\$564,032	\$0	\$163,485	\$858,211	\$457,665	10	1
TOTAL OF INACTIVE APPROVED APPLICATIONS						\$575,809,837	\$52,319,898	\$25,127,322	\$34,926,045	\$45,881,953	\$27,924,076	3,593	343	

**APPENDIX B: COMMUNITIES SERVED BY
ENROLLED PACE PROGRAMS**

Appendix B: Communities Served By Enrolled PACE Programs

Adelanto	Carlsbad	Encinitas	La Canada Flintridge	Morgan Hill	Richmond	Saratoga	West Covina
Alameda	Carmel By The Sea	Escondido	La Mesa	Morro Bay	Ridgecrest	Scotts Valley	West Sacramento
Albany	Carson	Fairfax	La Palma	Mountain View	Riverbank	Seaside	Westminster
Alhambra	Chico	Fairfield	La Verne	Murrieta	Riverside	Sebastopol	Wildomar
Aliso Viejo	Chino	Fillmore	Lafayette	Napa	Rocklin	Selma	Windsor
American Canyon	Chino Hills	Firebaugh	Laguna Hills	National City	Rohnert Park	Shafter	Winters
Anaheim	Chula Vista	Folsom	Lake Elsinore	Needles	Rolling Hills	Sierra Madre	Woodland
Anderson	Citrus Heights	Fontana	Lake Forest	Nerwerk	Rolling Hills Estates	Simi Valley	Woodside
Antioch	City of Industry	Fort Bragg	Lancaster	Nevada City	Rosemead	Solana Beach	Yountville
Apple Valley	Claremont	Foster City	Larkspur	Newman	Roseville	Soledad	Yuba City
Arcadia	Cloverdale	Fowler	Lawndale	Newport Beach	Ross	Sonoma	Yucaipa
Arroyo Grande	Clovis	Fremont	Lemon Grove	Norco	Salinas	South El Monte	Yucca Valley
Arvin	Colfax	Fresno	Lemoore	Novato	San Anselmo	South Lake Tahoe	<u>Unincorporated County Areas:</u>
Atascadero	Colma	Galt	Lincoln	Oakdale	San Bernardino	South Pasadena	
Atherton	Colton	Garden Grove	Livermore	Oakland	San Bruno	South San Francisco	Alameda County
Atwater	Commerce	Gardena	Lodi	Oakley	San Buenaventura	St. Helena	Imperial County
Auburn	Concord	Gilroy	Loma Linda	Oceanside	San Carlos	Stanton	Kern County
Azusa	Corona	Glendora	Lomita	Ojai	San Clemente	Stockton	Madera County
Bakersfield	Coronado	Gonzales	Loomis	Ontario	San Diego	Suisun City	Marin County
Baldwin Park	Corte Madera	Grand Terrace	Los Altos	Orange Cove	San Dimas	Sunnyvale	Merced County
Banning	Costa Mesa	Greenfield	Los Altos Hills	Oxnard	San Gabriel	Taft	Mono County
Barstow	Cotati	Grover Beach	Los Gatos	Pacific Grove	San Jacinto	Temecula	Monterey County
Beaumont	Covina	Half Moon Bay	Mammoth Lakes	Pacifica	San Joaquin	Temple City	Napa County
Bellflower	Cupertino	Hawthorne	Manetca	Palmdale	San Jose	Thousand Oaks	Riverside County
Belmont	Cypress	Hayward	Marina	Palo Alto	San Juan Bautista	Tiburon	Sacramento County
Benicia	Daly City	Healdsburg	Martinez	Perris	San Leandro	Torrance	San Benito County
Berkeley	Davis	Hemet	McFarland	Petaluma	San Luis Obispo	Tracy	San Bernardino County
Big Bear Lake	Del Mar	Hermosa Beach	Menifee	Piedmont	San Marcos	Turlock	San Diego County
Bradbury	Del Rey Oaks	Hesperia	Menlo Park	Pittsburg	San Marino	Tustin	San Luis Obispo County
Brawley	Delano	Highland	Merced	Placentia	San Mateo	Twenty Nine Palms	San Mateo County
Brea	Diamond Bar	Hillsborough	Mill Valley	Pleasanton	San Pablo	Union City	Santa Clara County
Brentwood	Dixon	Hollister	Millbrae	Pomona	San Rafael	Upland	Santa Cruz County
Brisbane	Dublin	Huntington Beach	Milpitas	Port Hueneme	San Ramon	Vacaville	Shasta County
Buena Park	East Palo Alto	Huron	Modesto	Portola Valley	Sand City	Vallejo	Solano County
Burlingame	Eastvale	Imperial Beach	Monrovia	Poway	Sanger	Victorville	Sonoma County
California City	El Cajon	Indio	Montclair	Rancho Cordova	Santa Ana	Visalia	Ventura County
Calimesa	El Centro	Inglewood	Monte Sereno	Rancho Cucamonga	Santa Clara	Vista	Yolo County
Calistoga	El Monte	Irwindale	Montebello	Rancho Palos Verdes	Santa Cruz	Walnut	
Camarillo	El Paso De Robles	Jurupa Valley	Monterey	Redlands	Santa Monica	Walnut Creek	
Campbell	El Segundo	Kerman	Monterey Park	Redwood City	Santa Paula	Wasco	