

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
July 26, 2011**

1. CALL TO ORDER & ROLL CALL

Rohimah Moly, Chairperson, called the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or Authority) meeting to order at 11:33 a.m.

Members Present: Rohimah Moly for Bill Lockyer, State Treasurer
Dave O'Toole for John Chiang, State Controller
Pedro Reyes for Ana J. Matosantos, Director, Department of Finance
Paul Clanon for Michael R. Peevey, President,
Public Utilities Commission
Eileen Allen for Robert B. Weisenmiller, Chair,
California Energy Commission

Staff Present: Christine Solich, Executive Director
Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum

Ms. Moly announced to the Board that after the approval of the minutes that Staff would present agenda items 4.A and 4.A.1 and then Ms. Solich would present the Executive Director's report.

2. MINUTES

Ms. Moly asked if there were any questions or comments concerning the June 28, 2011 meeting minutes. There were none.

Ms. Moly asked if there was a motion.

Mr. Clanon moved approval of the minutes. Upon a second, the minutes were approved by the following vote: Rohimah Moly, aye; Pedro Reyes, aye; Eileen Allen, aye; Paul Clannon, aye; and, Dave O'Toole, abstain.

4. BUSINESS ITEMS

A. DISCUSSION AND CONSIDERATION OF APPLICATIONS FOR SB 71 SALES AND USE TAX EXCLUSION (STE)

Presented by: Heather Williams, Analyst

1) SCS Energy

Staff recommended approval of one project as described in Agenda Item 4.A.1 which is valued at \$3,155,300 in anticipated qualified property purchases which is anticipated to result in approximately \$255,579 of STEs over the next three years.

Based on the net benefits methodology embodied in the program regulations and on representation from this applicant, Staff estimated that approximately \$255,579 in STEs will assist in creating environmental benefits valued at approximately \$40,230 and fiscal benefits valued at approximately \$271,233, which results in a net benefit value of \$55,884.

This project is anticipated to create 9 jobs (3 permanent and 6 construction) and CAEATFA Staff calculated that approximately one of these jobs can be attributed to the program, based on the estimation methodology embodied in the regulations.

This is a biogas capture and production project in Fresno County, which treats anaerobic digester gas from a wastewater reclamation facility.

Ms. Moly asked if there were any comments from the Board, or the public. There were none.

Ms. Moly asked if there was a motion.

Mr. Reyes moved approval of the item; upon a second, the item was unanimously approved.

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Solich began her report by welcoming Eileen Allen to the Board.

Ms. Solich continued her report with a legislative update regarding Assembly Bill 1x14 (AB 1x14). The Bill was passed by both the California Assembly and Senate and was on the Governor's desk as of July 15, 2011. The legislation requires CAEAFTA and the California Energy Commission (CEC) to administer a Clean Energy Upgrade Program using up to \$50 million from the funds that were originally appropriated to the Pace Bond Reserve Program (SB 77). These funds are appropriated until January 1, 2015 from the Renewable Resource Trust Fund. This legislation allows CAEATFA to provide financial assistance in the form of loan loss reserves or other credit enhancements as approved by the Board.

Ms. Solich advised that financial assistance would be made available to financial institutions providing loans to finance the installation of distributed generation, renewable energy sources, electric vehicle charging infrastructures and energy or water efficiency improvements on residential and commercial properties. This program is expected to facilitate energy efficiency financing for residential properties in California. These programs were previously put on hold when the Pace Assessment Programs stalled due to concerns at the federal level. Staff will begin the development of emergency regulations upon the

Governor's approval which is expected in the near future.

Ms. Solich then informed the Board that CAEATFA had adopted a new logo. CAEATFA worked with the public relations staff to develop a logo that was representative of CAEATFA's programs. Staff offered different interpretations of the logo but overall felt the logo represented the current and upcoming growth of alternative energy and advanced transportation technologies.

With regard to Agenda Item 3, the pipeline report of SB 71 Program applications, Ms. Solich reported that to date the Board will have authorized \$89.2 million in STEs. This represents 32 projects that will be moving forward in California with \$29.4 million in STEs used to date. The amount of STEs used to date is consistent with the expectations of the SB 71 Program; as stated in the regulations approximately 25% of the STEs approved by the Board would be used in the first year and the remainder exercised within three years. Ms. Solich explained that the 25% is approximate due to the calculation previously based on a 9.1% sales tax rate and recently reduced to 8.1%. Staff will review the pipeline and adjust the figures based on the lower sales tax rate.

Ms. Solich then reported that based on the applications that are currently in the pipeline; CAEATFA will exceed the \$100 million in STEs by the next board meeting. Staff will be preparing a memorandum to notice the Legislature that CAEATFA will exceed awarding \$100 million in STEs in the near future.

Ms. Solich then announced that the next CAEATFA Board meeting will be held on August 29, 2011 instead of August 23, 2011.

Ms. Solich then ended her report and asked if there were any questions.

Mr. Clanon commented that according to the pipeline report, the Board has granted about \$90 million in STEs and in return there has been an approximate return of \$160 million in benefits. He then stated that SB 71 is an extremely good program and he fully supports the CAEATFA logo.

Ms. Moly asked if there were any comments from the Board or public. There were none.

5. PUBLIC COMMENT

Ms. Moly asked if there were any comments from the public. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 11:44 a.m.

Respectfully submitted,

Christine Solich
Executive Director