

## II. Program Participation Requirements

### A. Overview

The California Capital Access Program (CalCAP) is administered by the California Pollution Control Financing Authority (CPCFA). The California Capital Access Program Electric Vehicle Charging Station (CalCAP/EVCS) Financing Program encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. The CalCAP/EVCS Financing Program is a Loan Loss Reserve (LLR) Program with a Borrower Rebate component that may provide up to 100% coverage on certain loan defaults. The funding for this program is provided by the California Energy Commission. Loan proceeds must be utilized toward the design, acquisition and/ or installation of Electric Vehicle Charging Stations (EVCS) at small business locations or Multi-Unit Dwellings (MUDs) in California.

CalCAP EVCS Financing Program	
<b>Business and Loan Requirements</b>  ☞ Full text of CalCAP Regulations can be found in Chapter IX.	<ul style="list-style-type: none"><li>▪ Maximum amount enrolled is \$500,000 per borrower</li><li>▪ Business must contain 1,000 or fewer employees, and it must not be dominant in its field of operation.</li><li>▪ Majority of business conducted in California<sup>1</sup></li><li>• The EVCS supply equipment must meet the minimum technical requirements set by the Energy Commission as follows:<ul style="list-style-type: none"><li>➤ <b>Direct current fast chargers shall utilize:</b> Either the CHAdeMO standard, or SAE combination standard, or a combination of both; <u>and</u> an open standard protocol for purposes of network interoperability.</li><li>➤ <b>Level 2 charging equipment shall utilize:</b> The SAE J1772 standard; <u>and</u> an open standard protocol for purposes of network interoperability.</li></ul></li><li>☞ Open standard protocol is waived for medium- and heavy-duty EVCS supply equipment</li></ul>
<b>Authorized Loan Types or Uses</b>  ☞ Full text of CalCAP Regulations can be found in Chapter IX.	<ul style="list-style-type: none"><li>▪ The design and development of EVCS in locations accessible to either the Borrower's employees, tenants if in a MUD, or the public generally</li><li>▪ The acquisition of EVCS supply equipment, electric panel or grid improvements, materials and supplies (including conduit and construction materials), signage, and hardware and software necessary and allocable for fully operational charging station(s)</li><li>▪ Labor necessary and allocable to install fully operational charging station(s)</li><li>▪ The costs for operating, servicing and maintaining the EVCS during the term of the loan, if the Borrower's primary business is not EVCS installation, operation or manufacturing</li></ul>

<sup>1</sup> 51% or more of the total revenues or total jobs of the business activity must be created or retained in California

## **B. CalCAP/EVCS Financing Program**

The CalCAP/EVCS Financing Program offers lenders a mechanism to provide loans to small businesses that may not otherwise be able to obtain a loan under conventional underwriting. With CalCAP, lenders are able to cover portions of loans that exceed the risk threshold normally set for business loans.



Loans may be used for Electric Vehicle Charging Station supply equipment, design, development, installation, operation, and maintenance during the term of the loan. Most companies, corporations, partnerships, firms, or other entities engaged in operations within California and which together with their affiliates have 1,000 or fewer employees are eligible borrowers under CalCAP, with few exceptions noted below.



The use of loan proceeds is limited to that which is **directly related** to the operation or installation of one or more Electric Vehicle Charging Station(s) at an eligible place of business. Prohibited business types include, but are not limited to, massage parlors, hot tub facilities, racetracks, facilities primarily used for gambling or to facilitate gambling, liquor stores, bars, stores whose principal business is the sale of firearms or tobacco products, escort services, nudist camps, adult entertainment facilities, gun clubs, shooting ranges or galleries. Individuals and public entities do not qualify as Borrowers for this program.



Refer to CalCAP Regulations 8070, 8072 and 8078.3 as appended in Chapter X for full disclosure of eligible and ineligible uses of loan proceeds and business types.

Flexibility	Restrictions
<ul style="list-style-type: none"> <li>• Lenders set all the terms and conditions of the loan and decide which loans to enroll into the CalCAP/EVCS Financing Program.</li> <li>• Loans can be short- or long-term, have fixed or variable rates, be secured or unsecured and bear any type of amortization schedule.</li> <li>• Lenders may enroll all or a portion of a loan.</li> <li>• CPCFA will deposit a contribution equal to 20% of the enrolled amount or 30% if EVCS are installed in a Multi-Unit Dwelling or Disadvantaged Community into the LLR account for each loan enrolled in the Program. CPCFA may authorize payment from the LLR account to reimburse the lender for: <ul style="list-style-type: none"> <li>- <b>Outstanding Principal</b></li> <li>- <b>Accrued and Unpaid Interest</b></li> <li>- <b>Reasonable Out-of-Pocket Expenses</b></li> </ul> </li> <li>• The Borrower <u>may</u> qualify for a Rebate equal to 50% of the LLR contribution for the loan. If the Borrower qualifies, funds will be withdrawn from the LLR account to pay the Borrower Rebate; if the Borrower does <u>not</u> qualify, funds will remain in the LLR account to compensate the lender in the event of a loan default. <ul style="list-style-type: none"> <li>☞ Refer to CalCAP Regulations 8078.</li> </ul> </li> </ul> <p>LLR accounts may be lender-held or Trustee held</p>	<ul style="list-style-type: none"> <li>• \$500,000 maximum enrollment amount per borrower at any given time regardless of which Participating Financial Institution disbursed the previous loan(s).</li> <li>• Loans may be covered by CalCAP for a maximum of 48 months from the date of first disbursement.</li> <li>• The charging station(s) must be installed within California and must be accessible to either the Borrower's employees, tenants if in a MUD, or the public generally.</li> <li>• Level I EVCS are ineligible for enrollment in the CalCAP EVCS Financing Program.</li> <li>• The borrower's business must be in one of the industries listed in the North American Industry Classification System (NAICS) codes list. <ul style="list-style-type: none"> <li>☞ NAICS: <a href="http://www.census.gov/eos/www/naics/">http://www.census.gov/eos/www/naics/</a> The small business must be classified as a small business under U.S. Small Business Administration guidelines (Title 13 of the Code of Federal Regulations) and have 1,000 or fewer employees.</li> <li>☞ U.S. Small Business Administration Guidelines: <a href="https://www.sba.gov/">https://www.sba.gov/</a></li> </ul> </li> <li>• Qualified loans do not include any loan or portion thereof to the extent the same loan or portion thereof has been, is being, or will be enrolled in any other government program substantially similar to the Program.</li> <li>• The Lender must submit a completed EVCS Financing Program Borrower Rebate Request to CPCFA within 90 calendar days of the Borrower Rebate eligibility date (the date of loan repayment <u>or</u> the beginning of month 49) whether the Borrower does or does not qualify.</li> <li>• The Lender must notify the Borrower of rebate ineligibility, if applicable.</li> </ul>