December 13, 2019

You are invited to review and respond to this Request for Proposal (RFP) Number CAEATFA01-19. The California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or “the Authority”), a public instrumentality of the State of California, seeks to retain a qualified firm (“Contractor”) to provide technical consulting services in connection with modifications to a sales and use tax exclusion (STE) program under Public Resources Code Section 26011.8, which was recently amended by AB 176 (Cervantes, Chapter 672, Statutes of 2019) and extended by AB 1583 (Eggman, Chapter 690, Statutes of 2019). Interested firms are invited to submit proposals in response to this RFP. In submitting your proposal, you must comply with these instructions.

Proposals for these services must comply with the instructions included in the RFP. The RFP includes the Sample Standard Agreement the selected firm will be expected to execute. The agreement that will be entered into with the State of California (“State”) will include by reference the General Terms and Conditions and Contractor Certification Clauses which may be viewed and downloaded online at:


The General Terms and Conditions and all Exhibits that are a part of the Sample Standard Agreement are not negotiable. By submitting a proposal, your firm agrees to the terms and conditions stated in this RFP.

In the opinion of CAEATFA, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Jessica Arceo
California Alternative Energy and Advanced Transportation Financing Authority
915 Capitol Mall, Room 538
Sacramento, CA 95814
(916) 651-5101
caeatfa@treasurer.ca.gov

Questions regarding this RFP must be submitted in writing no later than December 20, 2019 at 12:00 p.m. (noon) PST. Responses to the questions will subsequently be posted within several days on the Department of General Services (“DGS”) website and the CAEATFA website.

Please note that no verbal information provided will be binding upon the State unless such information is issued in writing as an official addendum.
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A. PURPOSE AND DESCRIPTION OF SERVICES

1. Introduction

The California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA" or "the Authority") is authorized to provide a sales and use tax exclusion (STE) for eligible manufacturing projects, as defined. The STE employs provisions of the Revenue and Taxation Code\(^1\) to deem specified purchases related to these projects as not being subject to state and local sales and use taxes. The first STE was granted to an electric vehicle manufacturer in 2009. Shortly thereafter, SB 71 (Padilla, Chapter 10, Statutes of 2010) specified that the STE applied to projects that involve purchases of equipment used for the design, manufacture, production, or assembly of Advanced Transportation technologies\(^2\) or Alternative Source products, components, or systems,\(^3\) as defined. In 2012, SB 1128 (Padilla, Chapter 677, Statutes of 2012) diversified the STE Program by adding projects that qualified as Advanced Manufacturing ("Advanced Manufacturing") as a third category of eligible projects, as defined. SB 1128 also placed a $100 million cap on the amount of the STE that may be awarded in a calendar year. In 2015, AB 199 (Eggman, Chapter 768, Statutes of 2015) further expanded the scope of the Sales and Use Tax Exclusion Program ("STE Program") to include manufacturing projects that process or utilize recycled feedstock, not in a manner that constitutes disposal ("recycled feedstock").

Prior to allocating the STE, CAEATFA is required to evaluate each individual project application based on several factors related to the fiscal and environmental benefits of the project. For example, when evaluating an application, CAEATFA must consider the extent to which the project will create new, permanent jobs in California and the extent to which the project results in a reduction of greenhouse gases and other pollutants.\(^4\) AB 176, which was signed into law on October 9, 2019, also requires CAEATFA to consider the extent to which the project will result in the loss of permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees proposed to be hired or not retained.\(^5\) CAEATFA may also apply any other criteria it deems appropriate in accordance with the program. Applicants are required to demonstrate a net benefit to the state. The application process includes a statutorily required "net benefits test" in which the fiscal and environmental benefits of the proposed project are quantified to ensure that the State receives a benefit greater than the cost of the STE.\(^6\) Project applications are evaluated on a first-come, first-serve basis until CAEATFA receives applications requesting STE in excess of the statutory cap, at which time applications submitted for that particular Board meeting are considered in the order in which they are ranked based on competitive criteria.

CAEATFA is currently undergoing the emergency rulemaking process to adopt changes to the Program to address 2019’s oversubscription by the month of July and incorporate lessons learned, including potentially lowering the annual per-applicant cap from $20 million in STE to $10 million and revising the competitive criteria by which applicants are ranked when the Program is oversubscribed. CAEATFA will also seek to incorporate the application evaluation criteria requirements as amended by AB 176 during the regular rulemaking process in 2020.

This Request for Proposals ("RFP") seeks proposals from which to select a qualified firm ("Contractor") to enter into an agreement ("Agreement" or "Contract") to: provide technical assistance to the Authority by continuing to evaluate, and develop modifications to, the STE Program as necessary; assist in reviewing applications; and assist in the quantification and evaluation of the public benefits of these projects.

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\(^1\) Section 6010.8 of the Revenue and Taxation Code
\(^2\) Public Resources Code Section 26003(a)(2)
\(^3\) Public Resources Code Section 26003(a)(2)(A)
\(^4\) Public Resources Code Section 26011.8(d)(3)-(4)
\(^5\) Public Resources Code Section 26011.8(d)(3)
\(^6\) Public Resources Code Section 26011.8(d)(2)
More specifically, services under the Contract may include: technical assistance with determining appropriate evaluation methods and any needed modifications to the existing STE Program and regulations; development of policies and procedures; providing staff training; assisting with functions associated with program development (workshops and outreach) including evaluation of alternatives and development of program structure, data analysis, and regulation development and modifications as needed; assistance with program implementation, development of appropriate procedures and training tools, review of applications; assistance with building application evaluation materials and structures necessary to effectively administer the STE Program; and providing recommendations and reports as needed.

The selection of the Contractor will be based not only on proposed fees, but also on demonstrated evidence that the selected firm will provide a reasonable level of competent and responsive service to the Authority in all subject areas described in the Scope of Work, and will meet the Minimum Qualifications. The firm must be free from actual conflicts of interest not only at the time of selection, but throughout the term of the contract as well. The firm must be immediately available to assume services.

All proposals submitted in response to this RFP must explain the experience and qualifications of the firm which demonstrate the firm’s ability to provide these services. Failure to provide all of the requested information or deviation from the required format may result in disqualification. CAEATFA reserves the right to reject any or all proposals.

CAEATFA anticipates entering into a five-year Contract with the allowance for a one-year extension. The total Contract amount may not exceed $800,000.00 (Eight Hundred Thousand Dollars and zero cents) over the entire term of the agreement including all optional extensions.

CAEATFA is currently working toward identifying the appropriate internal resources to further develop and implement changes to the STE Program. CAEATFA anticipates a more frequent need for Contractor’s assistance in the beginning of the Contract term as internal staff develops technical knowledge, with Contractor workload tapering off after the modifications have been developed and staff have been adequately trained. Due to the fluidity of the workload contemplated by this RFP and shifts in CAEATFA’s staffing level, the Contract, timelines, and deliverables will be further managed through a task order process. This process is described in more detail in Section A, Item 4.d., and in Attachment 6: Sample Task Order.

Attached as Section F is a proposed sample Agreement that will be the result of this RFP. It includes the STD 213 Standard Agreement and other standard provisions to which the Contractor will be bound.

2. CAEATFA Background and Overview

CAEATFA, a public instrumentality, was created in 1980 to assist specified entities by providing credit enhancements, access to low-cost financing through private activity tax-exempt bonds and loans, and other forms of financial assistance.

CAEATFA staff takes direction from its Board in deciding which projects to assist. The Board consists of five members: the State Treasurer, who serves as chairperson of the Authority; the State Controller; the Director of the Department of Finance; the Chairperson of the Chairperson of the California Energy Commission (“CEC”); and the President of the California Public Utilities Commission (“CPUC”). The enabling legislation is contained in the California Alternative Energy and Advanced Transportation Financing Authority Act, Division 16 (commencing with Section 26000) of the California Public Resources Code.

3. The Sales and Use Tax Exclusion (STE) Program

The Authority’s statutory authority to provide STEs to specified manufacturers was formalized in SB 71, which was signed into law as an urgency statute by Governor Arnold Schwarzenegger on March 24, 2010. The bill established the Advanced Transportation (“AT”) and Alternative Source
(*AS*) Manufacturing Sales and Use Tax Exclusion Program to promote the creation of California-based manufacturing, California-based jobs, and the reduction of greenhouse gases, air and water pollution, or energy consumption.\(^7\) The program explicitly applied to entities that design, manufacture, produce or assemble Advanced Transportation Technologies or Alternative Source products, components, or systems. The program was implemented in late 2010 and was referred to as the SB 71 Program.

SB 1128 expanded CAEATFA’s authority by adding Advanced Manufacturing (*“AM”*), as defined,\(^8\) as a third category of projects eligible for financial assistance under the SB 71 Program and added a maximum allocation of STE of $100 million that CAEATFA may award in any calendar year.\(^9\) AB 199, signed by Governor Jerry Brown on October 11, 2015, added a fourth category of projects eligible under the STE Program: projects which process or utilize recycled feedstock and do not process or utilize recycled feedstock in a manner that constitutes disposal (*“Recycling”*). The CAEATFA Board approved the first round of AT and AS applicants at its November 2010 meeting, the first round of AM applicants at its November 2013 meeting, and the first round of Recycling applicants at its October 2016 meeting.

Under the STE Program statute, all applications are evaluated to determine the extent to which the anticipated benefits to the State from the project exceed the projected 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 and quantify the fiscal and environmental benefits of their projects to the State.

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 directly from the STE is determined based on an estimated increase in equipment purchases resulting from the STE. That is, because the STE 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 STE.

The net present value of the total fiscal benefits over the lifetime of the qualified property is derived from the applicant’s projected sales 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 of dependence on 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.

In 2016, CAEATFA made a number of administrative changes through the regulatory process to improve the effectiveness of the Program. Demand for the Program increased significantly in 2015 and 2016, resulting in Program oversubscription in both years. Updated regulations addressed the issue of program oversubscription through multiple mechanisms. For the first time, applications were capped at $20 million of STE per project, but if any of the $100 million STE remains at the end of the year, applicants that wish to exceed the cap can apply for additional STE. The STE Program also developed a ranking system based on competitive criteria for when the Program is oversubscribed. These criteria include: (1) unemployment rate in the county of the facility; (2) presence of corporate headquarters in California; (3) status as a small business; and (4) status as a new applicant.

In 2019 the Program became oversubscribed for the July Board meeting, which was the first time the Program was oversubscribed before the end of the calendar year. CAEATFA is currently undergoing the emergency rulemaking process to adopt changes to address the oversubscription and incorporate lessons learned. Proposed modifications include lowering the annual per-applicant cap from $20 million in STE to $10 million and revising the competitive criteria by which applicants are ranked.

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\(^{7}\) Public Resources Code Section 26011.8(a)

\(^{8}\) Public Resources Code Section 26003(a)(1)(A)

\(^{9}\) Public Resources Code Section 26001.8(h)
when the Program is oversubscribed to more strategically invest the STE awards to help strengthen policy goals.

Additionally, CAEATFA will also seek to incorporate the application evaluation criteria requirements as amended by AB 176 during the regular rulemaking process in 2020. AB 176 requires CAEATFA to consider the extent to which the project will result in the loss of permanent, full time jobs in California, including the average and minimum wage for each classification of full-time employees proposed to be hired or not retained.

Current Program Status

As of November 1, 2019, CAEATFA has approved 222 applications under the STE Program, 173 of which are currently active or complete. Together, these 173 projects are approved to purchase approximately $7.2 billion in Qualified Property, and represent a total of approximately $601 million in STE at the time of application submittal. These projects are estimated to bring the State approximately $68 million in environmental benefits, and $1 billion in fiscal benefits. The STE Program has provided financial assistance for private and public entities in the fields of: industrial biotechnology, advanced materials, biopharmaceuticals, lithium ion battery production, integrated computational materials, electric vehicle manufacturing, solar photovoltaic manufacturing, landfill gas capture and production, materials recovery facilities, biogas capture and production (dairies and waste water treatment plants), renewable hydrogen fuel production, organics recycling, electric vehicle battery manufacturing, biomass processing and fuel production, and others.

AB 1583 recently extended the sunset date of the Program from January 1, 2021 to January 1, 2026.

More information about the STE Program, its structure and the projects it has assisted can be found on CAEATFA’s website at http://www.treasurer.ca.gov/caeatfa/ste/index.asp.

Anticipated Program Activity

CAEATFA anticipates fully awarding 2020 STE funds and likely continuing to fully award STE funds in 2021. The following table shows the number of applications received and approved per year in the STE Program. The upward trend in applications received is likely to continue.

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications Received</th>
<th>Applications Approved</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>31</td>
<td>26</td>
</tr>
<tr>
<td>2011</td>
<td>15</td>
<td>13</td>
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<td>43</td>
</tr>
<tr>
<td>2018</td>
<td>40</td>
<td>34</td>
</tr>
<tr>
<td>2019</td>
<td>37</td>
<td>21</td>
</tr>
</tbody>
</table>
4. **Scope of Work**

Under the general direction of CAEATFA’s Executive Director or designee, the Scope of Work under the Contract will include assistance, advice, and activities related to the STE Program, including program development, implementation, and administration. Services will be concentrated in providing technical assistance specific to program development, including: updating program regulations, analyzing program data and trends, the review of applications to the STE Program, and assisting with reporting requirements as required by CAEATFA’s authorizing statute.

The required services will vary depending on the project type, as well as stage of regulatory development and/or implementation. Services to be provided will include the items below, and will be adjusted according to the appropriate stage of program development.

a. **Program Implementation:**

i. Assist in the review and analysis of alternative source, advanced transportation, advanced manufacturing, and recycling applications as needed.

ii. Review, propose, and implement adjustments to application evaluation methods and the net benefits test, as well as other evaluation criteria, as needed to enhance program effectiveness.

iii. Assist with the identification of data variables and the development of data collection methods to assess whether approved project performance (economic and environmental benefits and industry standards) is consistent with expectations of applications evaluated and approved by the Board.

iv. Assist in compliance with reporting requirements and requests for analysis and information from the Authority. This may include requests from legislative bodies, stakeholders, and others.

v. Assist and advise CAEATFA staff in evaluating prior, current, or proposed projects and applications.

vi. Review, propose, and implement adjustments to application evaluation criteria in response to AB 176, which requires CAEATFA to consider the extent to which the project will result in the loss of permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees purpose to be hired or not retained.
vii. Draft revisions to program regulations and assist with regulation process in response to any future legislation, or as needed.

viii. Work with stakeholders and industry experts as required to assist in the application process and expand CAEATFA’s knowledge base.

ix. Provide training for CAEATFA staff on various aspects of economic, environmental, and industry issues and analysis.

x. Participate in briefings for legislative staff and others as identified by CAEATFA.

xi. Provide technical assistance on economic, environmental and industry evaluation.

xii. Advise on outstanding policy issues and make recommendations on changes that may be necessary to enhance the effectiveness of the program.

xiii. Assist with the development of appropriate procedures and staff training materials.

xiv. Provide additional related services that may be required.

b. As Needed. The selected Contractor may be asked to assist with other related tasks as needed, if mutually agreed to by and between CAEATFA and the selected Contractor.

c. Reports to the Authority. The selected Contractor may be asked to report to the Authority on a regular basis. This may include:

i. Regular progress reports via email or written correspondence in Word format. The timeframe for these reports may vary as needed (weekly, bi-weekly, monthly, quarterly) as mutually agreed to between CAEATFA and Contractor.

ii. Regular conference calls with CAEATFA staff to discuss said progress reports. The timeframe of these conference calls can vary as needed, between the office hours of 8:00 am - 5:00 pm, as mutually agreed to by and between CAEATFA and Contractor.


i. A task order is a contracting term that is broadly used by an entity that wishes to enter into contracts to acquire services when the exact quantities of future deliveries are not known at the time of contract award. A task order will identify a “not-to-exceed” amount of compensation for specific types of services over a period of time. The selected Contractor will submit invoices (as described in Exhibit B of the Sample Contract) toward a specific task order. If needed, a task order may be amended as services or costs change, or new task orders can be created to incorporate additional specific services.

ii. All deliverables will be consistent with the Scope of Work described in this RFP; however, as noted above, services will vary depending on the STE Program’s stage in the development and implementation of regulations, CAEATFA’s fluctuating staffing level, and the number of applications received. Specific deliverables, responsibilities, and timetables will be established by and between CAEATFA and the Contractor via task order. All task orders shall be made a part of the Contract. For evaluation purposes, proposals in response to this RFP must include a work plan for the Sample Task Order: Assistance Evaluating Applications, Revising Regulations, and Modifying Evaluation Criteria for the STE Program.

iii. The selected Contractor will develop a work plan for each task order. For example, the Sample Task order, “Assistance Evaluating Applications, Revising Regulations, and Modifying Evaluation Criteria for the STE Program,” will require an authorized work plan for program early implementation within the broader scope of work for the STE Program, over a period of time, for a “not-to-exceed” cost. A work plan will include:
(a) Task order name and number and a description of services to be provided.

(b) Name(s) of individuals(s) who will work on the task order, their titles/classifications and billing rates to be charged per hour, and anticipated hours to be spent on each portion of the project. The hourly rates and compensation schedules used in a task order will be as described in the awarded proposer’s Cost Proposal (Section C, Item 3), and indicated in the Rate Schedules provided by the proposer.

(c) Estimated reimbursable expenses: a “not-to-exceed” price for the defined work, and elements deemed necessary by the Contractor and the Executive Director, Staff Services Manager II, or Staff Services Manager I.

(d) Deliverable items required during or at completion of the task order work assignment.

(e) Anticipated schedule for completion of deliverables and overall task order.

iv. The selected Contractor will submit invoices as described in Exhibit B of the Sample Contract (attached) toward each approved, discrete task order. As needed, further task orders can be created to incorporate additional specific services.

5. Term of Agreement

The term of the Agreement will be for a five-year period beginning March 15, 2020 with the option for CAEATFA to extend for one additional year and may not exceed $800,000.00 over the entire term of the agreement including all optional extensions. The effective date is either the proposed award date (Section C, Item 1), or the date of approval of the Agreement by DGS, whichever is later. No work shall commence until the effective date.

B. MINIMUM QUALIFICATIONS FOR PROPOSERS

In preparing your proposal, please provide your firm’s responses to the following requirements in the order listed in this RFP. Failure to meet the minimum qualifications will cause your proposal to be considered unresponsive and the proposal will be disqualified.

The firm must have, at a minimum, the following qualifications and experience:

1. Proposer and any subcontractor identified in the proposal must be qualified to do business in the State of California. Proposer must submit all required Attachments (1-16) with its proposal demonstrating compliance with this requirement.

2. An office established in the State of California.

3. Must have been in operation for a minimum of two (2) years providing the types of services required under the Contract.

4. Firm must not be a publicly traded corporation or subsidiary thereof that is incorporated offshore, even if the United States is the principal market for the public trading of the corporation’s stock.

5. Firm must be free from conflicts of interest, not only at the time of selection, but throughout the term of the Contract (“Contract” or “Agreement”) as well.

6. Firm must be immediately available to provide the services that will be set forth in the Contract.
C. PROPOSAL REQUIREMENTS AND INFORMATION

1. Key Action Dates

Prospective proposers are hereby advised of the following estimated schedule. Dates are subject to change due to administrative processing. Offerors must adhere to the RFP response submission due date and time.

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
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<tbody>
<tr>
<td>December 13, 2019</td>
<td>RFP Advertisement – California State Contracts Register (“CSCR”). RFP available to prospective proposers.</td>
</tr>
<tr>
<td>December 20, 2019</td>
<td>Written questions must be received by CAEATFA by 12:00 noon. Responses will be posted within a couple of days on the CSCR and CAEATFA websites.</td>
</tr>
<tr>
<td>January 6, 2020</td>
<td>Proposals are due and must be received by CAEATFA at 915 Capitol Mall, Room 538, Sacramento, CA 95814, or Hand Delivered to 801 Capitol Mall, 2nd Floor, Sacramento, CA 95814 by 12:00 p.m. PST.</td>
</tr>
<tr>
<td>January 21, 2020</td>
<td>CAEATFA Board Meeting</td>
</tr>
<tr>
<td>January 22, 2020</td>
<td>Notice of Intent to Award</td>
</tr>
<tr>
<td>March 15, 2020</td>
<td>Proposed Award Date (or upon approval of Agreement by DGS)</td>
</tr>
</tbody>
</table>

2. Content and Format of Proposals

This RFP, the evaluation of proposals and award of any resultant Contract will be governed generally by the rules of this section and applicable State policy. The Bidder Instructions (https://www.documents.dgs.ca.gov/dgs/FMC/GS/PD/DGSPD%20451.pdf) provide general information for potential proposers describing how to provide a responsive proposal.

Proposals must be organized in the format shown below and contain all of the information listed:

a. **Table of Contents.**

b. **Executive Summary.**
   i. **Conflicts of Interest.** Firms must disclose any business relationships which may be construed to be potential conflicts of interest. CAEATFA may request interviews of firms for the purpose of clarifying any situations that could be construed to be a conflict of interest, and has the sole and exclusive authority to disqualify a firm if CAEATFA determines a conflict exists.
   ii. **Legal Actions.** Describe any and all instances within the past 24 months of your firm’s or any of its principals’ involvement in any litigation, arbitration, disciplinary or other official actions arising from the firm’s business.

c. **Firm Qualifications, Experience and References.** CAEATFA expects to have a close working relationship with the selected firm as evidenced by the Scope of Work listed above, and requires the demonstration of a high degree of experience, training and proficiency in the conduct of the
various functions performed. The firm should have a background in technical consulting services, practices and requirements. In addition, CAEATFA expects that the selected firm will comply with current program implementation standards and trends and will maintain appropriate expertise at the firm’s own expense.

This section is intended to provide an opportunity for the firm to demonstrate its qualifications. Information provided will be used in the evaluation process as outlined in Section C, Item 6.

i. **Qualifications of the Firm.** The Contractor must demonstrate a high degree of experience, training, and proficiency in the various functions to be performed under the Scope of Work. In addition, CAEATFA expects that the Contractor will be up-to-date with the most recent environmental and economic analyses as well as best practices and trends, and must maintain appropriate expertise and technology at the firm’s own expense.

ii. **Experience as Contractor.** Discuss the overall experience of your firm that demonstrates your ability to successfully complete the Scope of Work (Section A, Item 4) and meet the Minimum Qualifications (Section B). Experience should include recent consulting services provided to state entities and others with similar projects.

Provide a detailed list of all consulting services by client or transaction for the past three years. This list can be included in this section of the proposal (Experience as Contractor) or at the end of the proposal. Indicate if the technical consulting service provided was transaction-specific or for a contracted period. Include locations of the firms’ office as well as the name, title and telephone number of the contact for each firm.

iii. **References.** Submit a list of at least three references (clients) to which the firm has provided similar contract services within the past five (5) years, and contact numbers for each (Attachment 4).

d. **Personnel Experience and Qualifications.** Identify the personnel who will be providing the services required by the proposal, including years and type of experience for each person. Experience should include number of years at current firm as well as all prior service. Experience in technical consulting should be detailed, including technical consulting for State governmental agencies, or service as a technical consultant to a State agency, as well as private industry experience.

i. **Key Personnel.** Complete Attachment 3 regarding the key personnel (include partners and associates) who will be directly involved in providing the services required under the contemplated Contract. Provide a brief description of the background and experience of each individual, both at current firm and all prior service. Identify the role of each staff member who will serve in the Contract, his/her title, and the percentage of the total firm effort that will be provided by that individual.

ii. **Resumes.** Provide detailed resumes for individuals who will be directly involved in providing the services under the Agreement, including any proposed subcontractor firms and their employees.

The firm must ensure that the quality and availability of its personnel assigned to this Contract, including staff of subcontractors (if any), will be maintained over the term of the Agreement. Any changes in assigned personnel are at the discretion of the firm, provided that the qualifications and experience of any replacements are substantially the same or better than the original personnel. Contractor shall not substitute, replace or reassign Key Personnel without the prior approval of the State.

e. **Cost Proposal Format and Requirements.** The anticipated Contract for technical consulting services will be for a five-year period with a possible one-year option to renew, using a monthly invoice procedure to compensate the firm based on actual hours and expenses as allowed under approved task orders. Services to CAEATFA would be on an as-needed basis, depending upon
the volume of applications received, level of program assistance required, and any other requirements determined by CAEATFA. CAEATFA reserves the right to cap fees paid on individual transactions and/or task orders.

The cost proposal must identify lead personnel and billing rates as well as anticipated miscellaneous expenses. For evaluation purposes, the sample cost proposal must include the proposer's budget, work plan and work schedule for the Sample Task Order: Assistance Evaluating Applications, Revising Regulations, and Modifying Evaluation Criteria for the STE Program, to include anticipated employee hours for both professional and administrative support services; and reflect the cost for preparation of reports, analysis, manuals and other printed materials, anticipated travel, and other direct cost expenses. Use the Sample Cost Proposal Worksheet (Attachment 5) and Sample Task Order (Attachment 6) as a guide in preparing your cost proposal. Proposals submitted with a fee schedule not in compliance with these requirements will be rejected.

f. Required Attachments. For the proposal to be considered responsive, all required Attachments (1-16) must be completed and included with the proposal by the dates and times shown in Key Action Dates (Section C, Item 1).

3. Work Plan and Work Schedule Requirements

The Contractor shall perform services designated by the Authority in specific task orders to assist CAEATFA on an "as needed" basis, comprising a wide variety of tasks throughout the Contract term. See Specific Contract Deliverables and Payment Method for Services (Section A, Item 4.d.) and Sample Task Order (Sample Contract, Exhibit B).

4. Submission of Proposals

a. Proposals should provide straightforward and concise descriptions of the proposing firm’s ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal.

b. All proposals must be submitted under sealed cover and sent to CAEATFA by the date and time shown in Key Action Dates (Section C, Item 1). Proposals received after this date and time will not be considered.

c. A minimum of one (1) unbound original and three (3) bound or unbound copies of the proposal must be submitted. All responses to this RFP must be submitted in hard copy and electronic copy (on USB flash drive) and received by CAEATFA no later than 12:00 p.m. PST on January 6, 2020. Emailed or faxed submissions will not be accepted.

d. The original proposal must be marked "ORIGINAL COPY." All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.

e. The proposal envelopes must be plainly marked with the RFP number and title, the firm name and address, and must be marked with "DO NOT OPEN," as shown in the following example:
f. If the proposal is made under a fictitious name or business title, the actual legal name of the firm must be provided.

g. Proposals not submitted under sealed cover and marked as indicated may be rejected.

h. All proposals must include the documents identified in Attachment 1, Required Attachment Check List. Proposals not including the required attachments shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.

i. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.

j. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CAEATFA may reject any or all proposals and may waive any immaterial deviation in a proposal. CAEATFA’s waiver of an immaterial deviation shall in no way modify the proposal document nor excuse the proposer from full compliance with all requirements if awarded the Contract.

k. Costs for developing proposals and in anticipation of award of the Agreement are entirely the responsibility of the proposer and shall not be charged to CAEATFA or the State of California.

l. An individual who is authorized to bind the proposing firm contractually shall sign the Proposal/Proposer Certification Sheet (Attachment 2). The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.

m. A proposing firm may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key
Action Dates. The submission of a new proposal must comply with requirements of this section. Proposal modifications offered in any other manner, oral or written, will not be considered.

n. A proposer may withdraw its proposal by submitting a written withdrawal request, signed by the proposer or an authorized agent, to CAEATFA at the address identified in Item 3.e. above. A proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause after the proposal submission deadline.

o. CAEATFA may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received an RFP package.

p. CAEATFA reserves the right to reject all proposals. The agency is not required to award an agreement.

q. Before submitting a response to this solicitation, proposers should review such response, correct all errors and confirm compliance with the RFP requirements.

r. Where applicable, proposers should carefully examine work sites and specifications. No additions or increases to the Contract amount will be made due to a lack of careful examination of work sites and specifications.

s. More than one proposal from an individual, firm, partnership, corporation or association, under the same or different names, will not be considered.

t. The State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter-proposal and will be rejected. The State’s General Terms and Conditions (GTC 04/2017) are not negotiable.

u. No oral understanding or agreement shall be binding upon either party.

v. Conflict of Interest: The proposer/Contractor needs to be aware of the provisions regarding current or former state employees. If a Contractor has any questions on the status of any person rendering services or involved with the Contract, CAEATFA must be contacted immediately for clarification. (See Attachment 8, Contractor Certification Clauses (CCC 04/2017)).

5. Evaluation Process

a. Each proposal will be date- and time-stamped as it is received; additionally, it will be verified that each proposal arrives properly sealed. Late proposals will not be accepted. Proposals shall remain confidential until the review process begins. At the time of proposal opening, each proposal shall be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.

b. CAEATFA staff shall evaluate each proposal to determine how responsive the firm is to the specific requirements contained in this RFP. Each proposal will be examined for the presence of required information as specified in the submission requirements of this RFP. The submission requirements are mandatory and failure to fully comply may be deemed grounds for automatic rejection.

c. It is the proposing firm’s responsibility to provide sufficient information in the proposal to permit CAEATFA staff to make an accurate assessment of the firm’s ability to provide the services needed.

d. If during the evaluation process CAEATFA staff is unable to assure itself of the proposing firm’s ability to perform under the Contract (if Contract is awarded), CAEATFA staff has the option of requesting from the firm any information deemed necessary to determine the firm’s qualifications. The firm shall be notified if such information is required, and shall be permitted five working days to submit the requested information.
e. If the information submitted by the proposing firm is insufficient to satisfy CAEATFA staff as to the firm’s suitability, CAEATFA staff may ask for additional information or reject the statement. The Authority’s determination of the firm’s qualifications shall be final.

f. Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the proposer, may be rejected.

g. CAEATFA shall evaluate only those proposals from firms meeting the Minimum Qualifications for Proposers as defined in Section B as well as the Proposal Requirements in Section C.

h. Award, if made, will be to the highest-scored responsive proposal.

i. The proposals that meet the Minimum Qualifications for Proposers in Section B and the Proposal Requirements in Section C will be evaluated and scored according to the criteria indicated below. A minimum of 85 points must be achieved to be considered responsive (a responsive proposal is one which meets or exceeds the requirements stated in this RFP). The selection will be made by an evaluation committee of CAEATFA on the basis of the following weighted factors (maximum points available for each criterion are noted).

<table>
<thead>
<tr>
<th>Rating/Scoring Criteria</th>
<th>Maximum Possible Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Qualifications of the Firm. CAEATFA will evaluate the firm’s overall experience as detailed in Firm Qualifications, Experience and References (Section C, Item 2.c.) for demonstration of its ability to successfully complete the Scope of Work as described in Section A.</td>
<td>30 Points</td>
</tr>
<tr>
<td>ii. Experience as Contractor. CAEATFA will evaluate the firm’s experience as a contractor to state or other government entities for demonstration of the firm’s expertise specific to programs substantially similar to the STE Program.</td>
<td>20 Points</td>
</tr>
<tr>
<td>iii. Qualifications of Key Personnel. CAEATFA will evaluate the individuals to be assigned to the Contract on the basis of background and experience in related work, including experience with alternative manufacturing technology and similar types of programs.</td>
<td>15 Points</td>
</tr>
<tr>
<td>iv. Fee Schedule (Cost). CAEATFA will evaluate the actual fees proposed, including the reasonableness of rates, estimated cost detail and effectiveness (given value of services to be obtained), and cost effectiveness (given the experience and qualifications of firm and its personnel). Pursuant to Section C, Item 3 of this RFP, for evaluation purposes, the cost proposal should include a work plan and work schedule for the Sample Task Order: AB 199 Recycled Feedstock STE Program Development and Early Implementation.</td>
<td>35 Points</td>
</tr>
</tbody>
</table>

Maximum Total Possible Points 100 Points

j. Cost Proposal Scoring. The lowest-cost proposal is awarded the maximum cost points (35 points). Other proposals are awarded cost points based on the following calculation:

\[
(Lowest 	ext{ Proposer's Cost}/Other 	ext{ Proposer's Cost}) = (\text{factor})
\]

Cost points for other Proposer = (factor) x maximum cost points
EXAMPLE: A maximum of 35 points is available

Lowest Proposer’s Cost Proposal = $600,000
Other Proposer’s Cost Proposal = $800,000

\[
\text{(Lowest cost proposal / other cost proposal)} = \frac{600,000}{800,000} = .75
\]

\[
\text{(Cost points awarded to other proposal)} = .75 \times 35 = 26.5 \text{ points}
\]

k. As part of its final evaluation process, CAEATFA may request oral presentations. If this option is exercised, CAEATFA shall provide the firms with at least a 72-hour notice. Presenters from the firm(s) must include the personnel who shall have primary responsibility for the services under the Contract.

CAEATFA reserves the right to:

- Request an interview with, and additional information from firms prior to final selection.
- Select the Contractor that, in CAEATFA’s judgment, shall best meet the needs of CAEATFA, regardless of differences in estimated costs between firms.
- Consider information about a proposing Contractor in addition to the information submitted in the proposal or interview.

6. Award and Protest

a. Notice of the proposed award(s) shall be posted in a public place in the office of CAEATFA, 915 Capitol Mall, Sacramento, CA 95814 and on the following Internet site for five (5) working days prior to awarding the Contract(s): http://www.treasurer.ca.gov/CAEATFA.

b. If any proposing firm, prior to the award of the Contract(s), files a protest with CAEATFA and the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor, West Sacramento, CA 95605, on the grounds that the (protesting) firm would have been awarded a Contract had CAEATFA correctly applied the evaluation standard in the RFP, or had CAEATFA followed the evaluation and scoring methods in the RFP, the Contract(s) shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that the firm submit any protest by certified or registered mail.

c. Within five (5) days after filing the initial protest, the protesting firm shall file with the Department of General Services, Office of Legal Services and CAEATFA a full and complete written statement specifying the grounds for the protest. It is suggested that the firm submit this complete written statement by certified or registered mail.

7. Disposition of Proposals

a. Upon proposal opening, all documents submitted in response to this RFP will become the property of CAEATFA and the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. The State cannot prevent the disclosure of public documents. However, the contents of all proposals, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a proposer’s proposal shall be held in the strictest confidence until the letter of Intent to Award Contract is posted.

8. Agreement Execution and Performance

a. Performance shall start not later than fifteen (15) days after the express date set by CAEATFA and the selected Contractor, after all approvals have been obtained and the Agreement is fully executed. Should the Contractor fail to commence work at the agreed-upon time, CAEATFA, upon five (5) days’ written notice to the Contractor, reserves the right to terminate the Agreement. In addition, the Contractor shall be liable to CAEATFA for the
difference between the Contractor’s proposal price and the actual cost of performing work by another contractor.

b. All performance under the Agreement shall be completed on or before the termination date of the Agreement.

D. PREFERENCE PROGRAMS


A five percent (5%) preference will be applied to certified small business firms submitting proposals. To obtain the preference, firms must be certified as a small business at the time the proposal is submitted. The firm MUST include an updated copy of its Small Business Certificate to obtain the preference. The 5% preference is issued only for computation purposes to arrive at the successful firms and does not alter the amounts of the actual proposals. Once each proposal has been scored, if the highest responsible firm is not a certified small business or microbusiness, 5% of the highest scoring proposal is added to the total “earned” points for each proposal submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring proposal.

Questions regarding the small business certification or preference approval should be directed to the Office of Small Business & DVBE Services (“OSDS”) at (916) 375-4940 or can be found at the website listed above.


A five percent (5%) proposal preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the proposal response must include a list of the small business(es) with which the firm commits to subcontract in an amount of at least 25% of the net proposal price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the Contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the proposal response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied; and 5) the dollar amount or percentage of the net proposal price (as specified in the solicitation) per subcontractor.

Firms claiming the 5% preference must commit to subcontract at least 25% of the net proposal price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. on the proposal due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

The preference to a non-small business firm that commits to small business or microbusiness subcontractor participation of 25% of its net proposal price shall be 5% of the highest responsive, responsible firm’s total score. A non-small business, which qualifies for this preference, may not take an award away from a certified small business.

3. Disabled Veteran Business Enterprise (DVBE) Incentive Program – OPTIONAL

Mandatory California Disabled Veteran Business Enterprise (DVBE) Program Participation has been waived for this proposal.
This solicitation provides an incentive for DVBE participation. The Department of General Services (“DGS”) established a DVBE incentive pursuant to Senate Bill 115, Chaptered October 3, 2005 and the military and Veterans Code section 999.5(a). The regulations apply to all competitive solicitations for public works, services, goods, and information technology goods and services posted or released after October 9, 2007. The DVBE incentive is required in solicitations that include DVBE program requirements and may be offered in other competitive solicitations. Department of General Services’ policy implements this program by rewarding prime proposers for increased DVBE participation: the more DVBE participation, the greater the incentive. This incentive program helps State agencies to meet their annual DVBE participation goals.

Attachment 14 outlines the DVBE Incentive Program. Proposers seeking the DVBE incentive must submit a completed DVBE Declarations form (STD. 843) that demonstrates DVBE participation and qualification for a DVBE incentive, with proposal submittal. All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign the form(s). The DVBE Incentive participation is optional and at the discretion of the proposing firm.

NOTE: For this solicitation, the Incentive application is based on the High Score Method and shall not exceed five percent (5%) of the total score (see table in Attachment 14).

4. Target Area Contract Preference Act (TACPA)

The Target Area Contract Preference Act (TACPA) economic stimulus preference program was established to stimulate business investment in distressed areas of the state and create job opportunities for Californians for improving the economic vitality of their communities. TACPA is regulated by Government Code Sections 4530-4535.3 and California Code of Regulations 1896.30-1896.40. Any vendor whose bid is over $100,000 may apply for Target Area Contract Preference Act (TACPA) preference. TACPA provides 5 to 9 percent preferences for a California business that is located in the qualified zone.

Proposers wishing to take advantage of the TACPA preference will need to review the following website and submit the appropriate response with the proposal:
(https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-a-Target-Area-Contract-Preference)

E. REQUIRED ATTACHMENTS

For the proposal to be considered responsive, all required attachments listed on Attachment 1 must be completed and included with the proposal by the dates and times shown in Key Action Dates (Section C, Item 1).
ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

A complete proposal or proposal package will consist of the items identified below. Complete this checklist to confirm the items in your proposal. Place a check mark or “X” next to each item that you are submitting to the State. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package also.

<table>
<thead>
<tr>
<th>Attachment #</th>
<th>Attachment Name/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>_____</td>
<td>Attachment 1 – Required Attachment Check List</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 2 – Proposal/Proposer Certification Sheet</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 3 – Key Personnel and Experience</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 4 – Proposer References</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 5 – Cost Proposal Worksheet</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 6 – Sample Task Order</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 7 – Payee Data Record (STD 204)</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 8 – Contractor Certification Clauses (CCC 04/2017)</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 9 – Evidence of Qualification to do Business in the State of California</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 10 – Darfur Contracting Act</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 11 – California Civil Rights Laws Certification</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 12 – Small Business or Microbusiness Preference (if applicable)</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 13 – Non-Small Business Preference (if applicable)</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 14 – California Disabled Veteran Business Enterprise (DVBE) Program Participation Instructions</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 15 – Target Area Contract Preference Act (TACPA) (if applicable)</td>
</tr>
<tr>
<td>_____</td>
<td>Attachment 16 – Bidder Declaration (GSPD–05–105)*</td>
</tr>
</tbody>
</table>

*All Proposals must contain a completed Bidder Declaration.
ATTACHMENT 2

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

Do not return the RFP nor the "Sample Agreement" at the end of this RFP.

A. Place all required attachments behind this certification sheet.

B. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

An Unsigned Proposal/Proposer Certification Sheet May Be Cause For Rejection

<table>
<thead>
<tr>
<th>1. Company Name</th>
<th>2. Telephone Number ( )</th>
<th>2a. Fax Number ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Address</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indicate your organization type:


Indicate the applicable employee and/or corporation number:


9. Indicate applicable license and/or certification information:

10. Proposer’s Name (Print) 11. Title

12. Signature 13. Date

14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:
   
a. California Small Business Yes ☐ No ☐
   b. Disabled Veteran Business Enterprise Yes ☐ No ☐

If yes, enter certification number: If yes, enter your service code below:

NOTE: Proof of Certification is required to be included if either of the above items is checked “Yes” and will be verified.

Date application was submitted to OSBCR, if an application is pending:
**Completion Instructions for Proposal/Proposer Certification Sheet**

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

<table>
<thead>
<tr>
<th>Item Numbers</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2, 2a, 3</td>
<td>Must be completed. These items are self-explanatory.</td>
</tr>
<tr>
<td>4</td>
<td>Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.</td>
</tr>
<tr>
<td>5</td>
<td>Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.</td>
</tr>
<tr>
<td>6</td>
<td>Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.</td>
</tr>
<tr>
<td>7</td>
<td>Enter your federal employee tax identification number.</td>
</tr>
<tr>
<td>8</td>
<td>Enter your corporation number assigned by the California Secretary of State’s Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.</td>
</tr>
<tr>
<td>9</td>
<td>Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.</td>
</tr>
<tr>
<td>10, 11, 12, 13</td>
<td>Must be completed. These items are self-explanatory.</td>
</tr>
<tr>
<td>14</td>
<td>If certified as a California Small Business, place a check in the &quot;yes&quot; box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the &quot;Yes&quot; box and enter your service code on the line. If you are not certified to one or both, place a check in the &quot;No&quot; box. If your certification is pending, enter the date your application was submitted to OSBCR.</td>
</tr>
</tbody>
</table>
# ATTACHMENT 3

## KEY PERSONNEL & EXPERIENCE

<table>
<thead>
<tr>
<th>Name of Firm:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify Key personnel (include partners, associates, etc.) who will be directly involved in providing the services.</td>
<td></td>
</tr>
<tr>
<td>Name:</td>
<td>Percent of Effort %</td>
</tr>
<tr>
<td>Title:</td>
<td>Office Location:</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>Email:</td>
</tr>
<tr>
<td>Role:</td>
<td></td>
</tr>
<tr>
<td>Experience:</td>
<td></td>
</tr>
</tbody>
</table>
Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract. If three references cannot be provided, please explain why on an attached sheet of paper.

<table>
<thead>
<tr>
<th>REFERENCE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Firm</td>
</tr>
<tr>
<td>Street Address</td>
</tr>
<tr>
<td>Contact Person</td>
</tr>
<tr>
<td>Dates of Service</td>
</tr>
<tr>
<td>Telephone Number</td>
</tr>
<tr>
<td>Value or Cost of Service</td>
</tr>
<tr>
<td>Brief Description of Service Provided</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REFERENCE 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Firm</td>
</tr>
<tr>
<td>Street Address</td>
</tr>
<tr>
<td>Contact Person</td>
</tr>
<tr>
<td>Dates of Service</td>
</tr>
<tr>
<td>Telephone Number</td>
</tr>
<tr>
<td>Value or Cost of Service</td>
</tr>
<tr>
<td>Brief Description of Service Provided</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REFERENCE 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Firm</td>
</tr>
<tr>
<td>Street Address</td>
</tr>
<tr>
<td>Contact Person</td>
</tr>
<tr>
<td>Dates of Service</td>
</tr>
<tr>
<td>Telephone Number</td>
</tr>
<tr>
<td>Value or Cost of Service</td>
</tr>
<tr>
<td>Brief Description of Service Provided</td>
</tr>
</tbody>
</table>
ATTACHMENT 5

COST PROPOSAL WORKSHEET

Responsive proposals must include the firm’s proposed hourly rates and miscellaneous expenses expected to be incurred for this Contract as shown in the sample table format provided below:

<table>
<thead>
<tr>
<th>Staff Title</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director/Partner</td>
<td></td>
</tr>
<tr>
<td>Associate Director/Partner</td>
<td></td>
</tr>
<tr>
<td>Senior Manager</td>
<td></td>
</tr>
<tr>
<td>Analyst</td>
<td></td>
</tr>
<tr>
<td>Assistant</td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous Expenses</strong></td>
<td><strong>Description:</strong></td>
</tr>
</tbody>
</table>

Option to Renew. In addition, please provide the hourly fees for professional and support services for the one-year option to renew. The total Contract amount may not exceed $800,000.00 (Eight Hundred Thousand Dollars) for the Contract term (includes optional one-year extension).

Travel Costs. Maximum hours billable for travel to CAEATFA may not exceed two hours, unless prior approval is obtained. Travel, transportation and per diem expenses shall not exceed the rates payable to State employees. The firm shall submit detailed monthly invoices to CAEATFA for review and approval.

Anticipated Miscellaneous Expenses. Authorized miscellaneous expenses will be limited to $50.00 per transaction, including but not limited to postage, mailing, courier, printing/reproduction costs, etc. unless prior approval is obtained. Please provide basis of estimate for these costs. CAEATFA will not reimburse the printing or copying of electronically received/delivered documents for a firm’s in-house use. Miscellaneous expenses must be itemized and receipts must be attached to invoice.
ATTACHMENT 6

SAMPLE TASK ORDER

[CAEATFA Letterhead]

[Date]

[Contractor Contact Name and Address]

Re: Contract #CAEATFA01-19 Task Order #SAMPLE: Assistance Evaluating Applications, Revising Regulations, and Modifying Evaluation Criteria for the STE Program

Dear [Contact Name]:

Thank you for serving as a consultant to the California Alternative Energy and Advanced Transportation Financing Authority (“Authority” or “CAEATFA”) pursuant to Agreement No. CAEATFA01-19 (the “Contract”) dated [Contract Date], between CAEATFA and [Contractor Firm].

Your role as a consultant to the California Alternative Energy and Advanced Transportation Financing Authority (“Authority” or “CAEATFA”) pursuant to Agreement No. CAEATFA01-19 (the “Contract”), will include, but not be limited to: assistance with application review; modifications and development of program structure and regulations; and advisory services regarding CAEATFA’s existing STE Program.

Your services under this task order will include the provision of technical environmental, economic, and industry-specific expertise to:

- Review twenty (20) alternative source, advanced transportation, advanced manufacturing, and/or recycling applications;
- Review, propose, and implement adjustments to application evaluation methods and the net benefits test, as well as other evaluation criteria, as needed, to enhance program effectiveness;
- Assist with the identification of data variables and the development of data collection methods to assess whether approved project performance (economic and environmental benefits and industry standards) is consistent with expectations of applications evaluated and approved by the Board;
- Assist, advise, and evaluate prior, current, or proposed projects and applications;
- Review, propose, and implement adjustments to application evaluation criteria in response to AB 176, which requires CAEATFA to consider the extent to which the project will result in the loss of permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees purposed to be hired or not retained;
- Participate in internal and external meetings, public workshops, board member briefings, and board meetings on an as-needed basis for the purpose of discussing proposed modifications to program evaluation methods and environmental benefits evaluation methodologies; and
- Draft revisions to program regulations and assist with regulations process, as needed.

Some of the services described above will be required on an as-needed basis, and may be requested by CAEATFA staff in writing via email during the term of this task order. For the purposes of such requests, the following individuals can represent the two entities:

CAEATFA
Deana Carrillo, Executive Director
Jennifer Gill, Operations Manager
Ashley Emery, Program Manager
[Consultant]
________________________, Partner [or similar title]
________________________, Partner [or similar title]

Please submit a work plan for CAEATFA’s review and approval, including any assumptions, a budget, a timeline, a list of deliverables (e.g., 1. Application Review, 2. Development of Application Evaluation Methods and Criteria, 3. Identification of Data Variables and Development of Data Collection Methods, etc.), the names of all individuals who will work on the project, and estimated reimbursable expenses. Upon CAEATFA’s review and approval of your work plan, it will be incorporated into the final task order for invoicing purposes.

In addition, as outlined in the Contract, all travel must be approved by the Executive Director in advance and will be reimbursed at state travel rates. For the purposes of this task order, CAEATFA approves [name of Contractor principal]’s travel to all public workshops and board meetings specific to the emergency or regular rulemaking process.

The fees for your services indicated above will not exceed $45,000.00 for the period from March 1, 2017 through August 31, 2017 (six months). If in the future it appears that you may need to increase the budget for this task, you must contact us to negotiate any amendments.

We look forward to working with you. Upon CAEATFA’s review and approval of your work plan, it will be incorporated into this task order for invoicing purposes.

If you have any questions regarding this matter, please don’t hesitate to contact me or Ashley Emery of my staff.

Sincerely,

Deana J. Carrillo  
Executive Director

* * *

Agreed to this __________ day of ______________, 20___

By: [Contractor Firm]

__________________________________________
Signature

__________________________________________
Printed Name, Title
SAMPLE TASK ORDER

[Proposer Letterhead]

TASK ORDER NO. SAMPLE WORK PLAN

List of Deliverables (to be completed by Proposer)

1.
2.
3.
4.
5.
6.
(etc.)
### Anticipated Hours

Deliverables will be achieved according to the following anticipated staff work:

<table>
<thead>
<tr>
<th>Deliverable #</th>
<th>Task</th>
<th>Personnel Level</th>
<th>Hourly Rate</th>
<th>Anticipated # of Hours</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Deliverable #</th>
<th>Task</th>
<th>Personnel Level</th>
<th>Hourly Rate</th>
<th>Anticipated # of Hours</th>
</tr>
</thead>
</table>

### Names and Titles of Key Personnel

The following individuals will participate in the project tasks identified in the Work Plan:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Level</th>
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<tbody>
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<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Level</th>
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</tbody>
</table>
### Budget
(including estimated reimbursable expenses)

<table>
<thead>
<tr>
<th>Personnel Title and Level</th>
<th>Total Hours</th>
<th>Hourly Rate</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
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</table>

Sub-Total Personnel Work Cost: $_____

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel ( billed at current State rates)</td>
<td></td>
</tr>
<tr>
<td>Misc. ( billed at actual cost)</td>
<td></td>
</tr>
</tbody>
</table>

Sub-Total Expenses: $_____

Estimated Project Total: $_____

### CAEATFA’s Approval of Work Plan

By: ____________________________ Date: ____________________

[Printed Name]
[Title]
ATTACHMENT 7

PAYEE DATA RECORD (STD. 204)

Contractor must provide a taxpayer identification number (TIN) that has been assigned by the Federal Government. The TIN is entered on the Payee Data Record (Std. 204) and retained in our accounting department.

Click here to access the Payee Data Record (Std. 204) form:

http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf
CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<table>
<thead>
<tr>
<th>Contractor/Proposer Firm Name (Printed)</th>
<th>Federal ID Number</th>
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<tr>
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</table>

By (Authorized Signature)

<table>
<thead>
<tr>
<th>Printed Name and Title of Person Signing</th>
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Date Executed

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<tr>
<th>Executed in the County of</th>
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CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

   a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

   b. Establish a Drug-Free Awareness Program to inform employees about:

      1) the dangers of drug abuse in the workplace;
      2) the person's or organization's policy of maintaining a drug-free workplace;
      3) any available counseling, rehabilitation and employee assistance programs; and,
      4) penalties that may be imposed upon employees for drug abuse violations.

   c. Every employee who works on the proposed Agreement will:

      1) receive a copy of the company's drug-free workplace policy statement; and,
      2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)
3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:
   a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.
   b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.
6. **RESOLUTION**: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. **AIR OR WATER POLLUTION VIOLATION**: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. **PAYEE DATA RECORD FORM STD. 204**: This form must be completed by all contractors that are not another state agency or other governmental entity.
ATTACHMENT 9

EVIDENCE OF QUALIFICATION TO DO BUSINESS IN THE STATE OF CALIFORNIA

Proposer and any subcontractor identified in the proposal must be qualified to do business in the State of California. Proposer must submit evidence demonstrating compliance with this requirement with its proposal. Include a copy of the proposer’s evidence of qualification as Attachment 9.
ATTACHMENT 10

DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a “scrutinized” company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

<table>
<thead>
<tr>
<th>Company/Vendor Name (Printed)</th>
<th>Federal ID Number</th>
</tr>
</thead>
</table>

**Printed Name and Title of Person Initialing (for Options 1 or 2)**

1. _____ We do not currently have, and have not had within the previous three years, business activities or other operations outside of the United States. **OR**

2. _____ We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our proposal. **OR**

3. _____ We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, + certification below but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

**CERTIFICATION for Paragraph # 3.**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer to the clause listed above in Paragraph # 3. This certification is made under the laws of the State of California.

<table>
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<tr>
<th>By (Authorized Signature)</th>
<th>Printed Name and Title of Person Signing</th>
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**Date Executed** | **Executed in the County and State of**
ATTACHMENT 11

CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION

Pursuant to Public Contract Code section 2010, if a proposer executes or renews a contract over $100,000 on or after January 1, 2017, the proposer hereby certifies compliance with the following:

1. CALIFORNIA CIVIL RIGHTS LAWS: For contracts over $100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and

2. EMPLOYER DISCRIMINATORY POLICIES: For contracts over $100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<table>
<thead>
<tr>
<th>Proposer Firm Name (Printed)</th>
<th>Federal ID Number</th>
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<tbody>
<tr>
<td>By (Authorized Signature)</td>
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<td>Printed Name and Title of Person Signing</td>
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Date Executed

Executed in the County and State of
ATTACHMENT 12

SMALL BUSINESS OR MICROBUSINESS PREFERENCE

(If Applicable)


A five percent (5%) preference will be applied to certified small business firms submitting proposals. To obtain the preference, firms must be certified as a small business at the time the proposal is submitted. The firm MUST include an updated copy of its Small Business Certificate to obtain the preference. The 5% preference is issued only for computation purposes to arrive at the successful firms and does not alter the amounts of the actual proposals. Once each proposal has been scored, if the highest responsible firm is not a certified small business or microbusiness, 5% of the highest scoring proposal is added to the total “earned” points for each proposal submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring proposal.

Questions regarding the small business certification or preference approval should be directed to the Office of Small Business & DVBE Services (“OSDS”) at (916) 375-4940 or can be found at the website listed above.
ATTACHMENT 13

NON-SMALL BUSINESS PREFERENCE

(If Applicable)


A five percent (5%) proposal preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the proposal response must include a list of the small business(es) with which the firm commits to subcontract in an amount of at least 25% of the net proposal price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the Contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the proposal response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied; and 5) the dollar amount or percentage of the net proposal price (as specified in the solicitation) per subcontractor.

Firms claiming the 5% preference must commit to subcontract at least 25% of the net proposal price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. on the proposal due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

The preference to a non-small business firm that commits to small business or microbusiness subcontractor participation of 25% of its net proposal price shall be 5% of the highest responsive, responsible firm’s total score. A non-small business, which qualifies for this preference, may not take an award away from a certified small business.
ATTACHMENT 14

CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)
PROGRAM PARTICIPATION INSTRUCTIONS

DVBE PARTICIPATION REQUIREMENT. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC) section 10115 et seq., Military and Veterans Code (MVC) section 999 et seq., and California Code of Regulations (CCR), title 2, section 1896.60 et seq. This solicitation DOES NOT include a minimum DVBE participation requirement. DVBE participation is NOT required in the proposal. However, a DVBE incentive will be applied as provided below.

DVBE INCENTIVE. The State will apply a DVBE incentive for responsive proposals (herein “proposal” or “proposals”) from responsible proposers that propose DVBE participation. The DVBE incentive will vary in relation to the percentage of confirmed DVBE participation. The following percentages shall apply.

<table>
<thead>
<tr>
<th>Confirmed DVBE Participation of</th>
<th>DVBE Incentive</th>
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<tbody>
<tr>
<td>5% and above</td>
<td>5%</td>
</tr>
<tr>
<td>4% to 4.99% inclusive</td>
<td>4%</td>
</tr>
<tr>
<td>3% to 3.99% inclusive</td>
<td>3%</td>
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<tr>
<td>2% to 2.99% inclusive</td>
<td>2%</td>
</tr>
<tr>
<td>1% to 1.99% inclusive</td>
<td>1%</td>
</tr>
</tbody>
</table>

As applicable: (1) Awards based on low price – The DVBE incentive is applied by reducing the proposal price by the amount of DVBE incentive as computed from the lowest responsive proposal price submitted by a responsible bidder. The DVBE incentive is for evaluation purposes only. Application of the DVBE incentive shall not displace an award to a small business with a non-small business.

(2) Awards based on high score – The DVBE incentive is a percentage of the total possible available points, not including points for socioeconomic incentives or preferences. The DVBE incentive points are included in the sum of non-cost points. The DVBE incentive points cannot be used to achieve any applicable minimum point requirements.

DVBE PARTICIPATION COMMITMENT. Proposers seeking the DVBE incentive must submit a completed Disabled Veteran Business Enterprise Declaration, STD. 843, which demonstrates DVBE participation and qualification for a DVBE incentive. All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign the form(s) which may be obtained through the following link: https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/pd_843.pdf.

The completed form should be included with the submitted proposal.

DVBE participation information submitted by the intended awardee will be verified by the State. If evidence of an alleged violation is found during the verification process, the State or the Department of General Services, Office of Small Business and DVBE Services (OSDS) shall initiate an investigation in accordance with PCC section 10115 et seq., MVC section 999 et seq., and CCR, title 2, section 1896.60 et seq. Contractors found to be in violation of certain provisions may be subject to loss of certification, contract termination, and/or other penalties.

Only State of California OSDS certified DVBEs that perform a commercially useful function relevant to this solicitation may be used for the DVBE incentive and to comply with the DVBE Participation Goal Program. Please see MVC section 999(b) and CCR, title 2, section 1896.62(l) regarding the performance of a commercially useful function. Proposers are to verify each DVBE subcontractor’s certification with OSDS to ensure DVBE eligibility. Proposers cannot demonstrate DVBE incentive eligibility and DVBE Participation Goal Program compliance by performing a good faith effort.

At the State’s option prior to contract award, proposers may be required to submit additional written clarifying information. Failure to submit the requested written information as specified may be grounds for proposal rejection.
**RESOURCES AND INFORMATION***

<table>
<thead>
<tr>
<th>U.S. Department of Labor:</th>
<th>FOR:</th>
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<tbody>
<tr>
<td>System for Award Management Formerly Central Contractor Registration on-line database</td>
<td>Service-Disabled Veteran-Owned Businesses in California</td>
</tr>
<tr>
<td><a href="https://www.dol.gov/general/business-ccr">https://www.dol.gov/general/business-ccr</a></td>
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<tr>
<th>Local Organizations:</th>
<th>FOR:</th>
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</thead>
<tbody>
<tr>
<td>DVBE local contacts</td>
<td>List of Potential DVBE Subcontractors</td>
</tr>
<tr>
<td><a href="http://www.pd.dgs.ca.gov/smbus">www.pd.dgs.ca.gov/smbus</a></td>
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<tr>
<th>Department of General Services, Procurement Division (DGS-PD) eProcurement:</th>
<th>FOR:</th>
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<tbody>
<tr>
<td>Website: <a href="https://caleprocure.ca.gov/pages/index.aspx">https://caleprocure.ca.gov/pages/index.aspx</a></td>
<td>SB/DVBE Search, CSCR Advertisements, Training Modules</td>
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<tr>
<td>Phone: (916) 375-2000</td>
<td></td>
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<tr>
<td>Email: <a href="mailto:eprocure@dgs.ca.gov">eprocure@dgs.ca.gov</a></td>
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<tr>
<th>DGS-PD Office of Small Business and DVBE Services (OSDS):</th>
<th>FOR:</th>
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<tbody>
<tr>
<td>707 Third Street, Room 1-400, West Sacramento, CA 95605</td>
<td>Directory of OSDS Certified DVBEs, Certification Applications, Certification Information, Certification Status, Concerns, General DVBE Program Information, DVBE Business Utilization Plan, SB/DVBE Advocates, Lists of Trade and Focus Publications</td>
</tr>
<tr>
<td>Website: <a href="http://www.pd.dgs.ca.gov/smbus">www.pd.dgs.ca.gov/smbus</a></td>
<td></td>
</tr>
<tr>
<td>OSDS Receptionist: (916) 375-4940</td>
<td></td>
</tr>
<tr>
<td>PD Receptionist: (800) 559-5529</td>
<td></td>
</tr>
<tr>
<td>Fax: (916) 375-4950</td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:osdchelp@dgs.ca.gov">osdchelp@dgs.ca.gov</a></td>
<td></td>
</tr>
</tbody>
</table>

**Commerciably Useful Function Definition**

Military and Veterans Code section 999(b)
California Code of Regulations, title 2, section 1896.62(l)

*Contact information and available resources may be subject to change by the respective administration, department, division, or office. DVBEs must be certified by OSDS.*
ATTACHMENT 15

TARGET AREA CONTRACT PREFERENCE ACT (TACPA)

(If Applicable)

The Target Area Contract Preference Act (TACPA) economic stimulus preference program was established to stimulate business investment in distressed areas of the state and create job opportunities for Californians for improving the economic vitality of their communities. TACPA is regulated by Government Code Sections 4530-4535.3 and California Code of Regulations 1896.30-1896.40. Any vendor whose bid is over $100,000 may apply for Target Area Contract Preference Act (TACPA) preference. TACPA provides 5 to 9 percent preferences for a California business that is located in the qualified zone.

Proposers wishing to take advantage of the TACPA preference will need to review the following website and submit the appropriate response with the proposal: (https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-a-Target-Area-Contract-Preference)
ATTACHMENT 16

BIDDER DECLARATION

Submission of the completed Bidder Declaration (GSPD 05-105) is mandatory for all submissions. In the Bidder Declaration (GSPD 05-105) suppliers are required to identify they are a DVBE and to identify any DVBE subcontractors, their proposed contract function, and the corresponding percentage of participation.

Click here to access the Bidder Declaration (GSPD 05-105) form:

https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/gspd05-105.pdf
STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)

CONTRACTOR NAME
(To be determined)

2. The term of this Agreement is:

START DATE
March 15, 2020 (or upon DGS approval, whichever is later)

THROUGH END DATE
March 14, 2025 (plus optional one-year extension)

3. The maximum amount of this Agreement is:

$800,000.00 (Eight hundred thousand dollars and zero cents)

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

<table>
<thead>
<tr>
<th>EXHIBITS</th>
<th>TITLE</th>
<th>PAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit A</td>
<td>Scope of Work</td>
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</tr>
<tr>
<td>Exhibit A, Attachment 1</td>
<td>AB 176</td>
<td>6</td>
</tr>
<tr>
<td>Exhibit A, Attachment 2</td>
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<td>38</td>
</tr>
<tr>
<td>Exhibit A, Attachment 3a</td>
<td>STE Program Application Part A</td>
<td>13</td>
</tr>
<tr>
<td>Exhibit A, Attachment 3b</td>
<td>STE Program Application Part B</td>
<td>18</td>
</tr>
<tr>
<td>Exhibit A, Attachment 4</td>
<td>STE Program Proposed Modified Regulations</td>
<td>39</td>
</tr>
<tr>
<td>Exhibit B</td>
<td>Budget Detail and Payment Provisions</td>
<td>3</td>
</tr>
<tr>
<td>Exhibit C *</td>
<td>General Terms and Conditions - GTC 04-2017</td>
<td>1</td>
</tr>
<tr>
<td>Exhibit D</td>
<td>Special Terms and Conditions (attached hereto as part of this agreement)</td>
<td>7</td>
</tr>
<tr>
<td>Exhibit D, Attachment 1</td>
<td>Key Personnel Resumes</td>
<td></td>
</tr>
<tr>
<td>Exhibit E</td>
<td>Additional Provisions</td>
<td>1</td>
</tr>
</tbody>
</table>

RFP #CAEATFA01-19 and Contractor’s response thereto are hereby incorporated by reference and made a part of this Agreement

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
(To be determined)

CONTRACTOR BUSINESS ADDRESS

CITY

STATE

ZIP

PRINTED NAME OF PERSON SIGNING

TITLE

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED
<table>
<thead>
<tr>
<th><strong>STATE OF CALIFORNIA</strong></th>
</tr>
</thead>
</table>

**CONTRACTING AGENCY NAME**
California Alternative Energy and Advanced Transportation Financing Authority

<table>
<thead>
<tr>
<th><strong>CONTRACTING AGENCY ADDRESS</strong></th>
<th><strong>CITY</strong></th>
<th><strong>STATE</strong></th>
<th><strong>ZIP</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>915 Capitol Mall</td>
<td>Sacramento</td>
<td>CA</td>
<td>95814</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>PRINTED NAME OF PERSON SIGNING</strong></th>
<th><strong>TITLE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deana J. Carrillo</td>
<td>Executive Director</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CONTRACTING AGENCY AUTHORIZED SIGNATURE</strong></th>
<th><strong>DATE SIGNED</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL</strong></th>
<th><strong>EXEMPTION (If Applicable)</strong></th>
</tr>
</thead>
</table>
EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. Scope of Work

Under the general direction of CAEATFA’s Executive Director or designee, the Scope of Work under the Contract will include assistance, advice, and activities related to the STE Program, including program development, implementation, and administration. Services will be concentrated in providing technical assistance specific to program development, including: updating program regulations, analyzing program data and trends, the review of applications to the STE Program, and assisting with reporting requirements as required by CAEATFA’s authorizing statute.

The required services will vary depending on the project type, as well as stage of regulatory development and/or implementation. Services to be provided will include the items below, and will be adjusted according to the appropriate stage of program development.

a. Program Implementation:
   i. Assist in the review and analysis of alternative source, advanced transportation, advanced manufacturing, and recycling applications as needed.
   ii. Review, propose, and implement adjustments to application evaluation methods and the net benefits test, as well as other evaluation criteria, as needed to enhance program effectiveness.
   iii. Assist with the identification of data variables and the development of data collection methods to assess whether approved project performance (economic and environmental benefits and industry standards) is consistent with expectations of applications evaluated and approved by the Board.
   iv. Assist in compliance with reporting requirements and requests for analysis and information from the Authority. This may include requests from legislative bodies, stakeholders, and others.
   v. Assist and advise CAEATFA staff in evaluating prior, current, or proposed projects and applications.
   vi. Review, propose, and implement adjustments to application evaluation criteria in response to AB 176, which requires CAEATFA to consider the extent to which the project will result in the loss of permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees purposed to be hired or not retained.
   vii. Draft revisions to program regulations and assist with regulation process in response to any future legislation, or as needed.
   viii. Work with stakeholders and industry experts as required to assist in the application process and expand CAEATFA’s knowledge base.
   ix. Provide training for CAEATFA staff on various aspects of economic, environmental, and industry issues and analysis.
   x. Participate in briefings for legislative staff and others as identified by CAEATFA.
   xi. Provide technical assistance on economic, environmental and industry evaluation.
   xii. Advise on outstanding policy issues and make recommendations on changes that may be necessary to enhance the effectiveness of the program.
   xiii. Assist with the development of appropriate procedures and staff training materials.
   xiv. Provide additional related services that may be required.
b. **As Needed.** The selected Contractor may be asked to assist with other related tasks as needed, if mutually agreed to by and between CAEATFA and the selected Contractor.

c. **Reports to the Authority.** The selected Contractor may be asked to report to the Authority on a regular basis. This may include:

   i. Regular progress reports via email or written correspondence in Word format. The timeframe for these reports may vary as needed (weekly, bi-weekly, monthly, quarterly) as mutually agreed to between CAEATFA and Contractor.

   ii. Regular conference calls with CAEATFA staff to discuss said progress reports. The timeframe of these conference calls can vary as needed, between the office hours of 8:00 am - 5:00 pm, as mutually agreed to by and between CAEATFA and Contractor.

d. **Specific Contract Deliverables and Payment Method for Services.**

   i. A task order is a contracting term that is broadly used by an entity that wishes to enter into contracts to acquire services when the exact quantities of future deliveries are not known at the time of contract award. A task order will identify a “not-to-exceed” amount of compensation for specific types of services over a period of time. The selected Contractor will submit invoices (as described in Exhibit B of the Sample Contract) toward a specific task order. If needed, a task order may be amended as services or costs change, or new task orders can be created to incorporate additional specific services.

   ii. All deliverables will be consistent with the Scope of Work described in this RFP; however, as noted above, services will vary depending on the STE Program's stage in the development and implementation of regulations, CAEATFA’s fluctuating staffing level, and the number of applications received. Specific deliverables, responsibilities, and timetables will be established by and between CAEATFA and the Contractor via task order. All task orders shall be made a part of the Contract. For evaluation purposes, proposals in response to this RFP must include a work plan for the Sample Task Order: Assistance Evaluating Applications, Revising Regulations, and Modifying Evaluation Criteria for the STE Program.

   iii. The selected Contractor will develop a work plan for each task order. For example, the Sample Task order, "Assistance Evaluating Applications, Revising Regulations, and Modifying Evaluation Criteria for the STE Program," will require an authorized work plan for program early implementation within the broader scope of work for the STE Program, over a period of time, for a "not-to-exceed" cost. A work plan will include:

      (a) Task order name and number and a description of services to be provided.

      (b) Name(s) of individuals(s) who will work on the task order, their titles/classifications and billing rates to be charged per hour, and anticipated hours to be spent on each portion of the project. The hourly rates and compensation schedules used in a task order will be as described in the awarded proposer’s Cost Proposal (Section C, Item 3), and indicated in the Rate Schedules provided by the proposer.

      (c) Estimated reimbursable expenses: a “not-to-exceed” price for the defined work, and elements deemed necessary by the Contractor and the Executive Director, Staff Services Manager II, or Staff Services Manager I.
EXHIBIT A
(Standard Agreement)

(d) Deliverable items required during or at completion of the task order work assignment.

(e) Anticipated schedule for completion of deliverables and overall task order.

iv. The selected Contractor will submit invoices as described in Exhibit B of the Sample Contract (attached) toward each approved, discrete task order. As needed, further task orders can be created to incorporate additional specific services.

2. Term of Agreement

The term of the Agreement will be for a five-year period beginning March 15, 2020 with the option for CAEATFA to extend for one additional year and may not exceed $800,000.00 over the entire term of the agreement including all optional extensions. The effective date is either the proposed award date (Section C, Item 1), or the date of approval of the Agreement by DGS, whichever is later. No work shall commence until the effective date.

3. Project Representatives

<table>
<thead>
<tr>
<th>State Agency: California Alternative Energy And Advanced Transportation Financing Authority (CAEATFA)</th>
<th>Contractor: To Be Determined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Deana J. Carrillo, Executive Director</td>
<td>Name:</td>
</tr>
<tr>
<td>Address: 915 Capitol Mall, Sacramento, CA 95814</td>
<td>Address:</td>
</tr>
<tr>
<td>Phone: (916) 653-8157</td>
<td>Phone:</td>
</tr>
<tr>
<td>Fax: (916) 589-2855</td>
<td>Fax:</td>
</tr>
<tr>
<td>Email: <a href="mailto:dcarrillo@treasurer.ca.gov">dcarrillo@treasurer.ca.gov</a></td>
<td>Email:</td>
</tr>
</tbody>
</table>

Direct all inquiries to:

<table>
<thead>
<tr>
<th>State Agency: California Alternative Energy And Advanced Transportation Financing Authority (CAEATFA)</th>
<th>Contractor: To Be Determined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section/Unit: CAEATFA</td>
<td>Section/Unit:</td>
</tr>
<tr>
<td>Attention: Jessica Arceo</td>
<td>Attention:</td>
</tr>
<tr>
<td>Address: 915 Capitol Mall, Sacramento, CA 95814</td>
<td>Address:</td>
</tr>
<tr>
<td>Phone: (916) 651-5101</td>
<td>Phone:</td>
</tr>
<tr>
<td>Fax: (916) 589-2855</td>
<td>Fax:</td>
</tr>
<tr>
<td>Email: <a href="mailto:jarceo@treasurer.ca.gov">jarceo@treasurer.ca.gov</a></td>
<td>Email:</td>
</tr>
</tbody>
</table>
Assembly Bill No. 176

CHAPTER 672

An act to amend Section 26011.8 of the Public Resources Code, relating to alternative energy, to take effect immediately, tax levy.

[ Approved by Governor  October 09, 2019. Filed with Secretary of State  October 09, 2019. ]

LEGISLATIVE COUNSEL’S DIGEST


The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act authorizes, until January 1, 2021, the authority to provide financial assistance in the form of a sales and use tax exclusion for projects, as defined, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from exceeding $100,000,000 for each calendar year. The act requires the authority to evaluate a project application based on specified criteria, including, among others, the extent to which the project will create new, permanent jobs in the state.

This bill instead would require the authority to evaluate a project application for the extent to which the project will create new, or result in the loss of, permanent, full-time jobs in the state, as specified.

This bill would incorporate additional changes to Section 26011.8 of the Public Resources Code proposed by AB 1583 to be operative only if this bill and AB 1583 are enacted and this bill is enacted last.

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature.

This bill would take effect immediately as a tax levy.

DIGEST KEY
Vote: 2/3   Appropriation: no   Fiscal Committee: yes   Local Program: no

BILL TEXT
THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.
Section 26011.8 of the Public Resources Code is amended to read:

26011.8.
(a) The purpose of this section is to promote the creation of California-based manufacturing, California-based jobs, advanced manufacturing, the reduction of greenhouse gases, or reductions in air and water pollution or energy consumption. In furtherance of this purpose, the authority may approve a project for financial assistance in the form of the sales and use tax exclusion established in Section 6010.8 of the Revenue and Taxation Code.

(b) For purposes of this section, the following terms have the following meanings:

(1) “Project” means tangible personal property if at least 50 percent of its use is either to process recycled feedstock that is intended to be reused in the production of another product or using recycled feedstock in the production of another product or soil amendment, or tangible personal property that is used in the state for the design, manufacture, production, or assembly of advanced manufacturing, advanced transportation technologies, or alternative source products, components, or systems, as defined in Section 26003. “Project” does not include tangible personal property that processes or uses recycled feedstock in a manner that would constitute disposal as defined in subdivision (b) of Section 40192.

(2) “Recycled feedstock” means materials that would otherwise be destined for disposal, having completed their intended end use and product lifecycle.

(3) “Soil amendments” may include “compost,” as defined in Section 14525 of the Food and Agricultural Code, “fertilizing material,” as defined in Section 14533 of the Food and Agricultural Code, “gypsum” or “phosphatic sulfate gypsum,” as those terms are defined in Section 14537 of the Food and Agricultural Code, or a substance distributed for the purpose of promoting plant growth or improving the quality of crops by conditioning soils through physical means.

(c) The authority shall publish notice of the availability of project applications and deadlines for submission of project applications to the authority.

(d) The authority shall evaluate a project application based on all of the following criteria:

(1) The extent to which the project develops manufacturing facilities, or purchases equipment for manufacturing facilities, located in California.

(2) The extent to which the anticipated benefit to the state from the project equals or exceeds the projected benefit to the participating party from the sales and use tax exclusion.

(3) The extent to which the project will create new, or result in the loss of, permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees proposed to be hired or not retained.

(4) To the extent feasible, the extent to which the project, or the product produced by the project, results in a reduction of greenhouse gases, a reduction in air or water pollution, an increase in energy efficiency, or a reduction in energy consumption, beyond what is required by federal or state law or regulation.

(5) The extent of unemployment in the area in which the project is proposed to be located.

(6) Any other factors the authority deems appropriate in accordance with this section.
(e) At a duly noticed public hearing, the authority shall approve, by resolution, project applications for financial assistance.

(f) Notwithstanding subdivision (j), and without regard to the actual date of any transaction between a participating party and the authority, any project approved by the authority by resolution for the sales and use tax exclusion pursuant to Section 6010.8 of the Revenue and Taxation Code before March 24, 2010, shall not be subject to this section.

(g) The Legislative Analyst’s Office shall report to the Joint Legislative Budget Committee on the effectiveness of this program, on or before January 1, 2019, by evaluating factors, including, but not limited to, the following:

(1) The number of jobs created by the program in California.

(2) The number of businesses that have remained in California or relocated to California as a result of this program.

(3) The amount of state and local revenue and economic activity generated by the program.

(4) The types of advanced manufacturing, as defined in paragraph (1) of subdivision (a) of Section 26003, utilized.

(5) The amount of reduction in greenhouse gases, air pollution, water pollution, or energy consumption.

(h) The exclusions granted pursuant to Section 6010.8 of the Revenue and Taxation Code for projects approved by the authority pursuant to this section shall not exceed one hundred million dollars ($100,000,000) for each calendar year.

(i) (1) The authority shall study the efficacy and cost benefit of the sales and use tax exemption as it relates to advanced manufacturing projects. The study shall include the number of jobs created, the costs of each job, and the annual salary of each job. The study shall also consider a dynamic analysis of the economic output to the state that would occur without the sales and use tax exemption. Before January 1, 2017, the authority shall submit to the Legislature, consistent with Section 9795 of the Government Code, the result of the study.

(2) Before January 1, 2015, the authority shall, consistent with Section 9795 of the Government Code, submit to the Legislature an interim report on the efficacy of the program conducted pursuant to this section. The study shall include recommendations on program changes that would increase the program’s efficacy in creating permanent and temporary jobs, and whether eligibility for the program should be extended or narrowed to other manufacturing types. The authority may work with the Legislative Analyst’s Office in preparing the report and its recommendations.

(j) This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2021, deletes or extends that date. The sale or purchase of tangible personal property of a project approved before January 1, 2021, shall continue to be excluded from sales and use taxes pursuant to Section 6010.8 of the Revenue and Taxation Code for the period of time set forth in the authority’s resolution approving the project pursuant to this section.

SEC. 1.5.
Section 26011.8 of the Public Resources Code is amended to read:
26011.8.

(a) The purpose of this section is to promote the creation of California-based manufacturing, California-based jobs, advanced manufacturing, the reduction of greenhouse gases, or reductions in air and water pollution or energy consumption. In furtherance of this purpose, the authority may approve a project for financial assistance in the form of the sales and use tax exclusion established in Section 6010.8 of the Revenue and Taxation Code.

(b) For purposes of this section, the following terms have the following meanings:

(1) “Project” means tangible personal property if at least 50 percent of its use is either to process recycled feedstock that is intended to be reused in the production of another product or using recycled feedstock in the production of another product or soil amendment, or tangible personal property that is used in the state for the design, manufacture, production, or assembly of advanced manufacturing, advanced transportation technologies, or alternative source products, components, or systems, as defined in Section 26003. “Project” does not include tangible personal property that processes or uses recycled feedstock in a manner that would constitute disposal as defined in subdivision (b) of Section 40192.

(2) “Recycled feedstock” means materials that would otherwise be destined for disposal, having completed their intended end use and product lifecycle.

(3) “Soil amendments” may include “compost,” as defined in Section 14525 of the Food and Agricultural Code, “fertilizing material,” as defined in Section 14533 of the Food and Agricultural Code, “gypsum” or “phosphatic sulfate gypsum,” as those terms are defined in Section 14537 of the Food and Agricultural Code, or a substance distributed for the purpose of promoting plant growth or improving the quality of crops by conditioning soils through physical means.

(c) The authority shall publish notice of the availability of project applications and deadlines for submission of project applications to the authority.

(d) The authority shall evaluate a project application based on all of the following criteria:

(1) The extent to which the project develops manufacturing facilities, or purchases equipment for manufacturing facilities, located in California.

(2) The extent to which the anticipated benefit to the state from the project equals or exceeds the projected benefit to the participating party from the sales and use tax exclusion.

(3) The extent to which the project will create new, or result in the loss of, permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees proposed to be hired or not retained.

(4) To the extent feasible, the extent to which the project, or the product produced by the project, results in a reduction of greenhouse gases, a reduction in air or water pollution, an increase in energy efficiency, or a reduction in energy consumption, beyond what is required by federal or state law or regulation.

(5) The extent of unemployment in the area in which the project is proposed to be located.

(6) Any other factors the authority deems appropriate in accordance with this section.
(e) At a duly noticed public hearing, the authority shall approve, by resolution, project applications for financial assistance.

(f) Notwithstanding subdivision (j), and without regard to the actual date of any transaction between a participating party and the authority, any project approved by the authority by resolution for the sales and use tax exclusion pursuant to Section 6010.8 of the Revenue and Taxation Code before March 24, 2010, shall not be subject to this section.

(g) The Legislative Analyst’s Office shall report to the Joint Legislative Budget Committee on the effectiveness of this program, on or before January 1, 2019, by evaluating factors, including, but not limited to, the following:

1. The number of jobs created by the program in California.
2. The number of businesses that have remained in California or relocated to California as a result of this program.
3. The amount of state and local revenue and economic activity generated by the program.
4. The types of advanced manufacturing, as defined in paragraph (1) of subdivision (a) of Section 26003, utilized.
5. The amount of reduction in greenhouse gases, air pollution, water pollution, or energy consumption.

(h) The exclusions granted pursuant to Section 6010.8 of the Revenue and Taxation Code for projects approved by the authority pursuant to this section shall not exceed one hundred million dollars ($100,000,000) for each calendar year.

(i) (1) The authority shall study the efficacy and cost benefit of the sales and use tax exemption as it relates to advanced manufacturing projects. The study shall include the number of jobs created, the costs of each job, and the annual salary of each job. The study shall also consider a dynamic analysis of the economic output to the state that would occur without the sales and use tax exemption. Before January 1, 2017, the authority shall submit to the Legislature, consistent with Section 9795 of the Government Code, the result of the study.

2. Before January 1, 2015, the authority shall, consistent with Section 9795 of the Government Code, submit to the Legislature an interim report on the efficacy of the program conducted pursuant to this section. The study shall include recommendations on program changes that would increase the program’s efficacy in creating permanent and temporary jobs, and whether eligibility for the program should be extended or narrowed to other manufacturing types. The authority may work with the Legislative Analyst’s Office in preparing the report and its recommendations.

(j) This section shall remain in effect only until January 1, 2026, and as of that date is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2026, deletes or extends that date. The sale or purchase of tangible personal property of a project approved before January 1, 2026, shall continue to be excluded from sales and use taxes pursuant to Section 6010.8 of the Revenue and Taxation Code for the period of time set forth in the authority’s resolution approving the project pursuant to this section.

SEC. 2.
Section 1.5 of this bill incorporates amendments to Section 26011.8 of the Public Resources Code proposed by both this bill and Assembly Bill 1583. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2020, but this bill becomes operative first, (2) each bill amends Section 26011.8 of the Public Resources Code, and (3) this bill is enacted after Assembly Bill 1583, in which case Section 26011.8 of the Public Resources Code, as amended by Section 1 of this bill, shall remain operative only until the operative date of Assembly Bill 1583, at which time Section 1.5 of this bill shall become operative.

SEC. 3.
This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.
TEXT OF REGULATIONS
CALIFORNIA CODE OF REGULATIONS
Title 4. Business Regulations
Division 13. California Alternative Energy and Advanced Transportation Financing Authority

Article 2. MANUFACTURING SALES AND USE TAX EXCLUSION PROGRAM

§ 10030. Purpose and Scope.

These regulations establish procedures for granting sales and use tax exclusions to qualifying Applicants pursuant to Section 26011.8 of the Public Resources Code, which authorizes the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to award such sales and use tax exclusions.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10031. Definitions.

(a) “Administrative Fee” means the fee payable following approval of an Application at the time of submitting the semi-annual report to CAEATFA.

(b) “Advanced Manufacturing” is defined as stated in Section 26003(a) of the Public Resources Code.

(c) “Advanced Transportation Technology” or “Advanced Transportation Technologies” is defined as stated in Section 26003(a) of the Public Resources Code.

(d) “Alternative Sources” is defined as stated in Sections 26003(a) of the Public Resources Code.

(e) “Applicant(s)” means a Participating Party submitting an Application.

(f) “Application” means a completed formal request for sales and use tax exclusion as specified in Section 10032.

(g) “Application Fee” means the fee payable at the time of Application for a sales and use tax exclusion.

(h) “Authority” means the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 of the Public Resources Code (commencing with Section 26000).

(i) “Biofuel” includes “Biodiesel,” a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, and “Biogas,” the raw gaseous mixture
comprised primarily of methane and carbon dioxide and derived from the anaerobic decomposition of organic matter in a landfill, lagoon, or constructed reactor (digester).

(j) “California Supplier” means a business entity that manufactures, assembles, or produces its product or service in the state of California.

(k) “Competitive Criteria” means a set of Project or Applicant characteristics, as determined in Section 10032(a)(7)(B), which are measurable at the time of application.

(l) “Corporate Headquarters” means the location that is the primary center of direction, control and coordination for the company.

(m) “Emerging Strategic Industry” means an innovative industry, technology or product that may be identified by the Executive Director as having a potentially significant impact on the State's environmental goals or economy, the advancement of which are in the public interest, and which advance the purposes of the Program. The Executive Director may from time to time develop or add to a list of Emerging Strategic Industries which will be identified by North American Industry Classification System (NAICS) code (or its equivalent) or by description of the product or manufacturing process. The list of these industries will be publicly posted on the Authority's website.

(n) “Estimated Useful Lifespan” means the length of time the Qualified Property or Advanced Transportation Technology or Alternative Source product, component, or system can reasonably be expected to last in a productive capacity, as identified in the Application or the Regulatory Agreement.

(o) “Executive Director” means the executive director of CAEATFA.

(p) “Facility” or “Facilities” means a design, manufacturing, production, or assembly facility that includes or will include tangible personal property utilized for the design, manufacture, production, or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems. Facilities involving more than one location may be combined in a single Application, provided the locations are part of a single process. Where facilities at multiple locations are performing the same or substantially similar operations they will require separate Applications.

(q) “Financial Assistance” means the granting of a sales and use tax exclusion by the Authority pursuant to Section 26011.8(a) of the Public Resources Code.

(r) “Green Component” means the component or system within Advanced Transportation Technologies or Alternative Source products, components, or systems that is primarily responsible for or required to enable the increase in energy efficiency, Alternative Source generation, or pollution reduction.

(s) “Industry Cluster” means a concentration of interrelated businesses or industries in a region that, by virtue of being located in proximity, act to increase productivity or economic growth in
that region. For purposes of receiving points as part of an Application, Industry Clusters must be recognized by a California state or local government entity, regional economic development authority, or association of governments as an industry cluster, strategic cluster, or competitive cluster of the region within which the Applicant's Project resides.

(t) “Participating Party” is defined as stated in Section 26003(a)(7)(A) of the Public Resources Code.

(u) “Program” means the sales and use tax exclusion program created pursuant to Public Resources Code Section 26011.8.

(v) “Project” is defined as stated in Section 26003(a)(8)(B) of the Public Resources Code. Project does not include machinery or equipment that utilizes or is designed to utilize an Alternative Source.

(w) “Qualified Product” means an Advanced Transportation Technology or Alternative Source product, component or system or a product produced with an Advanced Manufacturing Process.

(x) “Qualified Property” means the tangible personal property identified in the Application or Regulatory Agreement to be purchased for use in the Facility if at least 50 percent of its use is either to process Recycled feedstock that is intended to be reused in the production of another product or using Recycled feedstock in the production of another product or Soil amendment; or tangible personal property that is used in the state for the design, manufacture, production, or assembly of Advanced Transportation Technologies, or Alternative Source products, components, or systems or utilized in an Advanced Manufacturing process. Qualified Property must be used for the purpose stated in the Application for a period equal to the longer of (a) one year or (b) one-half of the Estimated Useful Lifespan of the Qualified Property. The total value of Qualified Property necessary for the operation of the Facility and located on the same site as the Facility, but not directly used for the design, manufacture, production or assembly of advanced transportation technologies or alternative source products, components or systems shall not exceed one percent (1%) of the total value of all Qualified Property purchased by the Applicant.

(y) “Recognized Energy Efficiency Standard” is a statutory, regulatory, or voluntary set of minimum energy efficiency standards for one or more products, product components, or categories of products or product components, as designated by the Executive Director. The Executive Director may designate a standard as a Recognized Energy Efficiency Standard if it (a) has been adopted and currently maintained by a government agency, trade group, or nonprofit organization, (b) has clearly defined test methods, (c) contains product energy consumption ratings based on independent certification and testing, and (d) the energy consumption of products that meet the standards is significantly below the consumption of comparable products.

(z) “Recycled feedstock” is defined as stated in Section 26011.8(b)(2) of the Public Resources Code.
(aa) “Recycled Resource Extraction Project” is a project that converts Recycled feedstock into materials that are used in subsequent manufacturing processes.

(ab) “Regulatory Agreement” means the agreement specified in Section 10035.

(ac) “Soil amendments” is defined as stated in Section 26011.8(b)(3) of the Public Resources Code.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10032. Application Requirements.

(a) Timing of Application submissions.

(1) Except as otherwise provided by the Authority pursuant to subparagraph (3) below, Applications may be submitted for consideration at any time. Applications will be presented at the first meeting at which Applications will be considered occurring at least 60 calendar days after the receipt of the Complete Application, except as noted in paragraphs (3), (8), and (9) below.

(2) Applications must be submitted via e-mail to CAEATFA@treasurer.ca.gov as well as in person or via regular mail or commercial delivery service. CAEATFA must receive the original paper Application within five (5) business days of submission of the electronic version of the Application.

(3) The Authority may limit the number of meetings each year at which Applications will be considered.

(4) Except as provided in subparagraph (A) below, Applications shall be capped at $20 million of sales and use tax exclusions (STEs) per Applicant, per calendar year, based on the average statewide sales tax rate at time of Application. For any Applicant which has a parent company with an ownership interest greater than 50%, the $20 million cap also applies to the Applicant’s parent company and the parent company’s subsidiaries or affiliates.

(A) If STE will be available at the last Authority board meeting of the calendar year, the Authority may provide additional STE to Applicants that qualified for additional STE but were capped at $20 million of STE. Applicants wishing to exceed the $20 million cap shall bring a revised Project Application or a new Application before the Authority for consideration in December of the same calendar year in which the original Application was approved. The revised or new Application shall include updated information requested in Section 10032 and will be evaluated pursuant to Section 10033. The Authority will announce end of the year availability no later than 28 days prior to the December Authority meeting.
i. The amount of additional STE available to each Applicant shall be determined by the Executive Director, and shall be the amount of the Applicant’s approved award, plus an amount calculated by taking the unawarded STE for that calendar year and dividing it evenly between all Applicants that wish to exceed the $20 million Project cap, but not to exceed the requested STE for any Applicant. Applicants seeking additional STE beyond the Project cap shall not be eligible to receive STE from the subsequent calendar year pursuant to the provisions of Section 10032(a)(7)(A).

(5) To the extent that total sales and use tax exclusions awarded during the calendar year reach $100 million (the statutory cap), no additional Applications will be reviewed during that calendar year. Applications that are received but not awarded due to the statutory cap will be placed on a waiting list. To the extent that additional STEs become available during the calendar year, Applications on the waiting list will be reviewed and presented to the CAEATFA Board for approval in the order in which they are ranked, based on Competitive Criteria. Applications that are on the waiting list but are not evaluated by staff due to the statutory cap will be considered in the subsequent calendar year.

(6) Complete Applications will be reviewed in the order in which they are received, except as noted in paragraph (7) below.

(A) The order in which they are received will be determined by the time and date stamp of the electronic submission of the Application via e-mail.

(7) In the event that Applications received by CAEATFA represent STEs in excess of the statutory cap for that calendar year, the order in which the Applications shall be considered by the Authority will be based on a ranking of Competitive Criteria of all Projects moving forward before the board within the same month, as established in subparagraphs (A) and (B) below.

(A) Each criterion that the Application meets shall be worth between one and five points. The Projects with the greatest point score will be reviewed and presented to the CAEATFA Board. In the event of a tie, the Application representing the smaller STE award will move forward to consideration before the Authority. If the STE amounts are identical, the Application that was received by CAEATFA first shall be heard first. When the amount requested in the Application exceeds the STE available in the calendar year, the Authority shall award the remaining STE request using STE from the following calendar year. Any remaining Applications shall be placed on the waiting list.

(B) Competitive Criteria.

(i) If the Project is located in a county with an unemployment rate greater than 110% of the statewide average, the Project shall receive points based on the ratio of the local
unemployment rate (Local Rate) to the Highest Unemployment Rate In the State (HUIS), pursuant to the following equation:

\[ 1 + ((\text{Local Rate} / \text{HUIS}) * 4) \]

a. If a Project receives points for the unemployment rate of the proposed Project location and, after approval by the Authority, the Applicant changes its intended location to a county with a lower unemployment rate, such that the ranking of the Applicants would have been affected, the award shall be rescinded and automatically awarded to the next awardee in line.

b. If an award is rescinded due to changes in the proposed Project location, the Applicant may submit a revised Application with an updated Project location.

c. The local unemployment rate means the rate within the county in which the Facility is located as reported by the California Employment Development Department. The highest unemployment rate in the state is unemployment rate for the county with the highest countywide rate reported. The most current annual average unemployment rate information available at the time of the Application submission shall be used.

(ii) If the Applicant has its Corporate Headquarters located in California, the Project shall receive one point, provided that:

a. if the Applicant has a parent company with an ownership interest greater than 50%, the parent company must also have its Corporate Headquarters in California.

(iii) If the Applicant is classified as small businesses under U.S. Small Business Administration guidelines (Title 13 of the Code of Federal Regulations) and has fewer than 500 employees, the Project shall receive one point, provided that:

a. if the Applicant has a parent company with an ownership interest greater than 50%, the parent company must also be classified as small business under U.S. Small Business Administration guidelines (Title 13 of the Code of Federal Regulations) and have fewer than 500 employees.

(iv) If the Applicant has not previously been approved for an award by the Authority, the Project shall receive five points, provided that:

a. If the Applicant has a parent company with an ownership interest greater than 50%, neither the parent company, nor its subsidiaries or affiliates may have been previously approved for an award by the Authority.

(v) If the Applicant can demonstrate the Project is to relocate or rebuild the Applicant’s Facility due to a fire, flood, storm, or earthquake identified in a state of emergency
proclamation made by the California State Governor within two years of the time of application, the Project shall receive five points.

(8) Upon a recommendation of the Executive Director, the Authority may consider an Application at a meeting occurring less than 60 calendar days after the receipt of the complete Application.

(9) The Authority may, upon a finding that it is in the public interest and advances the purposes of the Program, at any time announce that it is not accepting further Applications.

(b) Application. Applicants shall submit to the Authority the information required by this section.

(1) Applications not meeting all requirements shall be considered incomplete. An Applicant shall be notified by the Authority should its Application be deemed incomplete and may correct any deficiency and resubmit the Application. Resubmitted Applications will be reviewed for completeness and, if complete, will be further reviewed by staff and presented to the Authority pursuant to the regular review and evaluation process and timeline.

(2) Determination of completeness, compliance with all requirements, and the scoring of the Application shall be based entirely on the documents contained in the Application as of the date on which the Application was submitted. Any additional documents pertaining to the requirements or scoring categories that the Applicant chooses to submit shall be accepted after the Application-filing date only with the understanding that, for purposes of calculating the 60 calendar days to determine the earliest meeting at which the Application will be heard and the date on which a complete application is deemed to have been received, the date the additional documentation is received shall be the date of receipt of the Application. In the event the Authority asks an Applicant for additional information or requests clarification or correction of errors, Applicants shall be given up to three (3) business days from the date of receipt of staff notification to submit said documents to complete the Application. A timely response shall not cause a redetermination of the date of receipt. The Authority may request additional clarifying information from third party sources, such as local government entities, other state agencies, or subject matter experts. To the extent that third party information is received that contradicts or otherwise calls into question information provided in the Application or otherwise may result in a reduction in the score that an Application would receive, the Applicant will be notified and will be given three (3) business days to respond to the third party information received.

(3) An Application may not be changed, nor may any additional information with respect to scoring be submitted subsequent to the Application filing date, except as noted above.

(4) Applications not submitted with the Application Fee will be considered incomplete, unless an Application is a resubmission pursuant to Section 10032(a)(5).
(5) To be considered complete, a paper copy of the filled-out Application and any supporting documentation, including original signatures as required on part A of the Application form, must be received at the Authority's Sacramento office.

(c) Documentation. The following documentation relevant to the proposed Facility is required to be submitted with all Applications:

(1) Applicant Certification. A signed statement certifying the responsibility of the Applicant to:

(A) provide Application-related documentation to the Authority upon request;

(B) be familiar with and comply with Program statutes and regulations;

(C) hold the Authority and its employees and consultants harmless from any and all issues arising from the Applicant's participation in the Program;

(D) agree to comply with and remain in compliance with all applicable laws and regulations during the term of the Regulatory Agreement;

(E) acknowledge that the Authority has recommended the Applicant seek tax advice;

(F) acknowledge that the Application will be evaluated according to Authority regulations;

(G) acknowledge that continued compliance with Program requirements, including ongoing reporting requirements and any costs associated with such requirements for the term of the Regulatory Agreement, is the responsibility of the Applicant;

(H) acknowledge that information submitted to the Authority may be subject to disclosure pursuant to the Public Records Act (Government Code Section 6250, et seq.);

(I) agree to enter with the Authority into a Regulatory Agreement if the Application is approved; and,

(J) acknowledge, under penalty of perjury, that all information provided to the Authority is true and correct, and that the Applicant has an affirmative duty to notify the Authority of any material changes to the information submitted in the Application during the Application process and the term of the Regulatory Agreement.

(2) Legal Information. Applicants shall complete the Legal Status Questionnaire (as revised on October 1, 2010).

(3) Designated Contacts. The Application must identify designated contacts who can respond to questions from the Authority or provide additional information if requested. If the designated contacts are not directly employed by Applicant, the Application must
include appropriate documentation signifying the contact's authority to represent and act on behalf of the Applicant with respect to the Application.

(4) Applicant and Facility Information. Applicants are responsible for providing all requested information, which shall include:

(A) Applicant Information.

(i) Name, phone number, email address, mailing address, and taxpayer identification number of Applicant,

(ii) Applicant organization type (e.g., corporation, LLC, partnership, etc.),

(iii) Name, phone number, email address, and mailing address of a primary and secondary contact person

(iv) Contacts' titles or relationships to Applicant,

(v) The name(s) of the owners of the Applicant's business entity.

   a. If the Applicant is a corporation, include the names of the officers of the corporation, major shareholders (10.0% or greater), and date and place of incorporation.

   b. If the Applicant is a sole proprietorship, include the name of the proprietor and the date and place of establishment.

   c. If the Applicant is another type of legal entity, identify the name(s) of the owners and each owner's share of ownership (the totals of the reported shares of ownership should equal 100%).

   d. For all types of business entities, other than publicly traded corporations, private equity firms or sole proprietorships, that are owned by another business entity with an ownership share greater than or equal to 10 percent, identify any individuals or businesses with an ownership share in the parent entity of 10 percent or more.

(vi) Brief description of the Applicant's business, including product(s) produced, facility locations, years in business, and any unique technological or environmental characteristics of the business or products.

(B) Facility Information.

(i) Brief description of Facility and product(s) to be produced, including the following:

   a. Physical location of the Facility.
b. A description of the Facility, including the design, manufacturing, or assembly process to be employed, the product to be produced, and the intended or likely customers.

c. Identification of the Advanced Transportation Technology or Alternative Source product, component or system to be produced, the Advanced Manufacturing process to be utilized, or the type of Recycled Resource Extraction Project. In the case of a Facility producing property or products that, after further manufacture, will become the Green Component of an Advanced Transportation Technology or Alternative Source product or system, the Applicant must describe both the property or product produced by the Facility and the Green Component of the Advanced Transportation Technology or Alternative Source product or system for which the product produced will be used.

d. Current Facility status and a schedule indicating the estimated Facility construction start date through the placed-in-service date for the Qualified Property identified in the Application, including the expected date of any needed permits.

e. Description of the sources of financing necessary for Facility completion, including the provision of financial assistance from any local governments for the project.

f. Total value of the capital stock used to produce the product, including the anticipated Qualified Property purchases. The value is not the cost of the capital stock, but the depreciated value of the capital stock excluding buildings and land.

g. Projected average number of employees at the Facility, measured in full time equivalents, assuming Qualified Property is utilized.

h. Projected number of employees employed for purposes of constructing the Facility or installing Qualified Property, measured in full time equivalents.

i. For Alternative Source Projects producing Biofuels, the fraction of Biofuel produced that is used to offset external fuel purchases.

j. Taxability of end of supply chain product for purposes of generating sales taxes.

(C) Qualified Property Information. Completed provisional Qualified Property list to include the following information for each piece of property to be subject to the sales and use tax exclusion. Good faith estimates are acceptable if specific property characteristics are not available at the time of Application. Individual items of Qualified Property can be grouped together provided that the individual items are reasonably related, such as items that will be used together to produce a particular sub-component or perform a discrete function in the manufacturing process.
(i) Brief description of Qualified Property to be purchased and its use in the manufacturing, production, assembly, or design process.

(ii) Estimated cost of the Qualified Property to be purchased.

(iii) Average Estimated Useful Lifespan of the Qualified Property, weighted by cost.

(iv) Estimated percent of time Qualified Property will be (a) used to make Advanced Transportation Technologies or Alternative Source products, components, or systems, (b) utilized in an Advanced Manufacturing process, or (c) utilized in a Recycled Resource Extraction Project.

(D) Product information (all information must relate solely to the Facility or product to be produced with Qualified Property if the Applicant produces other goods or services):

(i) Brief description and name of the product to be produced with Qualified Property and within California.

(ii) Estimated average annual number of Qualified Products produced or amount of recycled material to be produced.

(iii) Estimated per unit sales price.

(iv) Estimated per unit production-related purchases from suppliers, assuming Qualified Property is utilized or installed.

(v) Estimated percent of production costs from California Suppliers.

(vi) Estimated per unit labor costs, assuming Qualified Property is utilized or installed.

(vii) For Alternative Source and Advanced Transportation Projects, the Estimated Useful Lifespan of product, component, or system.

(viii) Estimated percent of total Qualified Products to be sold in California.

(ix) For Alternative Source or Advanced Transportation Projects, statement as to whether the technology, product, component, or system is a subcomponent of a Qualified Product or an end-of-supply-chain product.

(x) For Alternative Source or Advanced Transportation Projects, total value of the end-of-supply-chain Green Component.

(xi) Estimated percent of total end of supply chain product sales in California.
(E) Environmental Benefit Information.

(i) For Facilities producing the Green Component of Alternative Source products, components or systems:
   a. Annual energy generation capacity or energy content per unit.
   b. Lbs. of CO2 (or equivalent) emitted per MWh or equivalent.
   c. Lbs. of SO2 emitted per MWh or equivalent.
   d. Lbs. of NOx emitted per MWh or equivalent.
   e. Amount of other pollutants emitted per MWh or equivalent.
   f. Pollution cost of other pollutants emitted per MWh or equivalent.

(ii) For Facilities producing the Green Component of Alternative Source energy efficiency products, components or systems:
   a. Type and units of energy conserved.
   c. Annual baseline system consumption of energy per unit.
   d. Annual improved system consumption of energy per unit.

(iii) For Facilities producing the Green Component of Advanced Transportation Technology products, components, or systems:
   a. Annual baseline system consumption of energy per unit.
   b. Annual improved system consumption of energy per unit.
   c. Annual consumption of any offsetting energy required to achieve improved system performance.

(iv) For Facilities producing the Green Component of Alternative Source or Advanced Transportation Technology products, components, or systems that do not fall within the above categories of products, the Applicant shall explain and quantify the following:
   a. Description of environmental benefits.
   b. Annual value of environmental benefits associated with use of the product.
c. Annual pollution cost of any off-setting energy use or other pollutants emitted.

(v) For Advanced Manufacturing Facilities:

a. Description of environmental benefits.

b. Estimated reduction in energy or water use; solid waste, hazardous waste, or air pollution emissions.

c. Description of any environmental sustainability plans.

(vi) For Recycled Resource Extraction Projects:

a. Description of environmental benefits.

b. Marginal increase in total amount of material recycled due to the sales and use tax exclusion.

(F) Optional Supplemental Information. The following information may be submitted with an Application. Submission of this information may increase an Applicant's score, as specified in Section 10033, however, the Authority will not use this information to adjust an Applicant's score if an Applicant's score, based on the required information listed above, exceeds the established points threshold.

(i) Applicants claiming any additional significant environmental benefits associated with use of their product beyond those associated with reduced energy consumption or increased Alternative Source energy generation may provide a description of these benefits, including the amount of pollution avoided and a quantification of the impact of the pollution reduction in dollars if possible.

(ii) For Advanced Manufacturing Applicants only, Other Facility Information:

a. Applicants with facilities located in California that perform research and development functions related to the product or production process at the Facility that is the subject of the Application may submit information establishing the location of the research and development facility and the connection between the research and development and the Facility, submission of which may increase an Applicant's score.

b. Applicants that have partnerships with educational institutions either for the purpose of training the workers at the Facility or for purposes of assisting in the training of potential future workers may submit information documenting this partnership, submission of which may increase an Applicant's score.

c. Applicants in Industry Clusters, as defined, may submit information establishing this fact, submission of which may increase an Applicant's score.
(iv) Additional documentation only for Applicants claiming that without the exclusion the proposed Facility will not be sited in California. Determination of Facility benefits, as further delineated in Section 10033, may be increased for Facilities that would not locate production Facilities in California absent the grant of the sales and use tax exclusion. For Applicants claiming that Facility location or expansion decisions are dependent upon receipt of the sales and use tax exclusion, Applications must provide evidence to support the claim. Such evidence may include the following:

a. Internal financial analysis demonstrating the extent of an advantage for a non-California site.

b. Location consultant report demonstrating the extent of an advantage for a non-California site.

c. Other internal or external analyses demonstrating that, absent the grant of the sales and use tax exclusion, the proposed Facility will not proceed at the California site.

(G) Calculations and assumptions relied upon by the Applicant. For any calculation performed by or assumption relied upon by the Applicant in completing the Application, the Applicant must provide an explanation of the basis for the value resulting from the calculation or reasonableness of the assumption relied upon. Applicants may be asked to provide additional supporting information, including business plans, pro forma financial statements or other comparable documents used for the purpose of soliciting investors to verify responses contained in the Application. Applications that do not adequately document any calculations or assumptions relied upon will be considered incomplete.

(5) Application materials and supporting documentation in excess of thirty pages will not be considered or reviewed except to the extent that documentation in excess of this page limit is provided in response to a direct request for additional information from the Authority.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10033. Eligibility Requirements and Application Evaluation.

(a) Staff summary and recommendation. Following receipt of a complete Application, Authority staff will review each Application and prepare a summary and recommendation to the Authority. The summary and recommendation will include a calculation of the benefits of the Facility and an assessment of whether the proposed Facility meets the eligibility requirements.

(b) Eligibility. To be eligible for the sales and use tax exclusion, a Facility must:
(1) Include the purchase of tangible personal property otherwise subject to sales and use tax used substantially (a) for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems, (b) for the design, manufacture, production or assembly of a component of the Green Component of an Advanced Transportation Technology or Alternative Source product, component or system, (c) as part of an Advanced Manufacturing process, or (d) where at least 50.0 percent of the use of the Qualified Property is to process Recycled feedstock. (A) For this purpose, “used substantially” shall mean that the Qualified Property must be used for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems; as part of an Advanced Manufacturing process; or to process Recycled feedstock more than 50.0 percent of the time.

(2) Produce benefits to the State of California, as determined by the Authority subject to the criteria and evaluation process identified herein.

(c) Evaluation. Applications shall be scored according to the benefits provided to the state by the marginal increase in Qualified Property purchases resulting from the sales and use tax exclusion. Applicants must demonstrate that the benefits of the marginal increase in Qualified Property purchases exceed the cost to the state of the sales and use tax exclusion. Benefits can be a combination of fiscal, environmental and other benefits, as specified. Each Application will be evaluated based on these elements as specified below.

(1) Fiscal Benefits

(A) The estimated percent increase in capital investment (PICI) resulting from sales and use tax exclusion. The increase in capital investment will be calculated based on the factor share of capital (ω), the price elasticity of demand for output (η), the elasticity of substitution between capital and labor (σ), and the change in user cost from the sales tax exclusion (equal to the current statewide average sales tax rate or STR) according to the following formula:

\[ \text{PICI} = (\sigma - \sigma \times \omega + \omega \times \eta) \times \text{STR} \]

(i) The factor share of capital (ω) is calculated for each Applicant depending on the capital stock's contribution to the firm's value-added output. To calculate the factor share of capital, Applicant-provided information about estimated annual sales value (Sales), production-related purchases from suppliers (Supplies), labor costs (Labor), the value of the capital stock (VCS), and determinations made by the Executive Director based on the relevant research literature and consultation with outside experts of the cost of employee benefits (EB) and the cost of capital ($CAP) are used in the following formula:

\[ \omega = \text{Equipment Capital as Percent of Total Capital} \times \text{Capital Share of Output} \]
a. Equipment Capital as Percent of Total Capital is the ratio of the Estimated Annual Payment for Capital Stock (CAP) to Total Capital. CAP is the lesser of: 1) the estimated amount the applicant would have to pay for the capital stock (VCS) with interest ($CAP) over the weighted average life span (WALS) of the Qualified Property, or 2) Total Capital, which is calculated pursuant to the following formula:

\[
\text{Total Capital} = \text{Sales} - \text{Supplies} - (\text{Labor} + \text{EB})
\]

Notwithstanding the above, if the resulting value is less than the value of CAP, then Total Capital shall be equal to CAP.

b. Capital Share of Output is the ratio of capital to output calculated pursuant to the following formula:

\[
\text{Capital Share of Output} = 1 - \frac{(\text{Labor} + \text{EB})}{(\text{Sales} - \text{Supplies})}
\]

Notwithstanding the above, if the resulting value is less than zero, then the capital share of output shall be calculated pursuant to the following formula:

\[
\text{Capital Share of Output} = \frac{\text{Total Capital}}{\text{Total Capital} + \text{Labor}}
\]

(ii) The price elasticity of demand for output (η) and the elasticity of substitution between capital and labor (σ) are determined by the Executive Director based on the relevant research literature and consultation with outside experts.

(iii) The change in user cost is the same as the sales tax rate (STR) as determined by the Executive Director based on information collected by the California State Board of Equalization.

(iv) Where the Applicant can demonstrate that the Facility would have been located outside of California absent the sales and use tax exclusion, the Executive Director will adjust the PICI to reflect this fact.

(B) The estimated marginal increase in Qualified Property (MIQP) purchases resulting from sales and use tax exclusion. The increase in purchases will be calculated using Applicant-provided information on the total value of the Qualified Property (VQP) and the estimated percent increase in capital investment (PICI). The MIQP will be calculated pursuant to the following formula:

\[
\text{MIQP} = \frac{VQP}{(1+\text{PICI})*\text{PICI}}
\]

(C) The estimated marginal increase in sales (MIS) resulting from sales and use tax exclusion. The increase in sales will be calculated by multiplying MIQP times the ratio of the estimated annual units of production times the average per unit sales price to the value of the capital stock (VCS) used to produce the product, pursuant to the following formula:
MIS = MIQP * (Estimated Annual Sales Value / VCS)

(i) The present value of the MIS (PVMIS) will be calculated based on the weighted average life span (WALS) of the Qualified Property as provided by the Applicant and a discount rate determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies and approved by the Authority.

(D) The estimated annual marginal increase in units (MIU) resulting from sales and use tax exclusion. The increase will be calculated using the marginal increase in sales (MIS) and Applicant-provided data on the sales price per unit ($Unit), pursuant to the following formula:

\[ MIU = \frac{MIS}{\$\text{Unit}} \]

(E) The estimated annual increase in employee wages (AIEW) will be calculated based on Applicant-provided information about the per unit labor costs and the per unit price, pursuant to the following formula:

\[ AIEW = (\text{MIU}) \times \text{average per unit labor cost} \]

(F) The estimated marginal increase in state economic output (MISO) resulting from the sales and use tax exclusion. The MISO will be calculated using the MIS, the AIEW resulting from the marginal increase in sales, the marginal increase in in-state supplier purchases (MISP) and a multiplier effect (Multiplier) to be determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies, pursuant to the following formulas:

\[ \text{MISP} = \text{MIU} \times \text{percent of production costs from California suppliers} \times \text{Per unit production-related purchases from suppliers} \]
\[ \text{MISO} = (\text{MISP} \times \text{Multiplier} + \text{AIEW} \times \text{Multiplier} - \text{AIEW}) \]

(i) The present value of the MISO (PVMISO) will be calculated based on the WALS of the Qualified Property as provided by the Applicant and a discount rate determined by the Executive Director.

(G) The estimated extent of increased tax revenues, or total fiscal benefits (TFB), that will accrue to the state and local governments over the WALS resulting from the PVMIS and PVMISO. TFB is the sum of the increased direct fiscal benefits (DFB) and the indirect fiscal benefits (IFB).

\[ \text{TFB} = \text{DFB} + \text{IFB} \]
(i) The DFB are the sum of the increases in sales taxes (IST), personal income taxes (IPIT), corporate or other income taxes paid by the company on its profits (ICIT) and property taxes (IPT) that result from the company's MIS.

\[ DFB = IST + IPIT + ICIT + IPT \]

a. The IST is calculated using MIS, Applicant-provided data on the percent of sales in California (POSCA), and the current statewide average sales tax rate (STR) as determined by the Executive Director based on information collected by the California State Board of Equalization, and the percent value added (VA), pursuant to the following formula:

\[ IST = POSCA \times PVMIS \times VA \times STR \]

If the Applicant produces Biofuel and utilizes a fraction of that Biofuel for purposes of operating the Facility and produces an end-of-supply-chain product that does not generate sales tax revenue, the IST will be reduced based on the fraction of the Applicant’s Biofuel production that will offset external fuel purchases.

b. The IPIT is calculated using the present value of the AIEW and the average state income tax rate (SIR) as determined by the Executive Director by using the most recent two-year average of personal income tax rates published by the California Franchise Tax Board, pursuant to the following formula:

\[ IPIT = \text{Present Value (AIEW)} \times SIR \]

i. The present value is based on the WALS of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

c. The ICIT paid by the company on its profits is the present value of the estimated annual tax liability that is attributable to the Qualified Property.

i. The ICIT is calculated using an estimate of annual tax liability (ATL) as determined by the Executive Director based on information collected by the California Franchise Tax Board, Applicant-provided data on estimated annual tax liability, or other sources as determined by the Executive Director; the value of the capital stock (VCS) used to produce the product; and the MIQP pursuant to the following formula:

\[ ICIT = \text{Present Value (ATL} \times \text{MIQP/VCS) } \]

ii. The present value is based on the WALS of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.
d. The increase in property taxes (IPT) is the present value of the annual property taxes paid on the MIQP.

i. The annual property tax amount is calculated using MIQP and the current property tax rate (PTR) as determined by the Executive Director based on information collected by the California State Board of Equalization, pursuant to the following formula:

\[ \text{IPT} = \text{Present Value} (\text{MIQP} \times \text{PTR}) \]

ii. The present value is based on the WALS of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

(ii) The indirect fiscal benefits (IFB) result from increased state and local revenues resulting from increased economic activity caused by additional purchases from in-state suppliers and increased employee wages resulting from the MIQP.

a. The increase in revenues is calculated using PVMISO and the ratio of state and local government revenues to gross state output (GRSO) as determined by the Executive Director using the sum of the latest two-year average of actual state general fund revenues from the California Department of Finance, the latest two-year average of actual aggregate city and county revenues excluding intergovernmental transfers and service charges from the cities annual report and the counties annual report from the California State Controller's Office, divided by the latest two-year average of gross state product from U.S. Department of Commerce's Bureau of Economic Analysis, pursuant to the following formula:

\[ \text{IFB} = \text{PVMISO} \times \text{GRSO} \]

(2) The value of the sales and use tax exclusion. For each Application, the total cost of the sales and use tax exclusion will be calculated by multiplying the value of the Qualified Property (VQP) as reported by the Applicant times the STR.

(3) Environmental Benefits.

(A) The allocated share (AS) is the estimated percent of the pollution benefit from the Green Component of the Advanced Transportation Technology or Alternative Source product, component, or system that can be attributed to the Applicant's use of the Qualified Property. The AS is calculated using Applicant-provided data on the percent of time (POT) that the Qualified Property will be used to make the Advanced Transportation Technology or Alternative Source product, component or system and the fractional component contribution (FCC) of the Applicant's product to the Green Component of the end-of-supply-chain product. FCC will be calculated by multiplying the percent value added (VA)
per unit times the sales price per unit ($Unit) and then dividing by the total value of the end-of-supply-chain product for Facilities producing end products or systems or by the total value of the Green Component of the end-of-supply-chain product for Facilities producing subcomponents (End $) as provided by the Applicant. The AS will be calculated pursuant to the following formulas:

\[
FCC = \frac{VA \times $Unit}{End \$}
\]

and

\[
AS = POT \times FCC
\]

Notwithstanding the above, the FCC and the AS both have a maximum value of 1.

(B) For Facilities producing the Green Component of Alternative Source or Advanced Transportation Technology products, excluding Biofuels, the estimated impact of pollution from a gallon of gasoline equivalent (GGE) or a MWh of electricity or equivalent. GGE refers to the number of gallons of a fuel that has the equivalent amount of energy to one gallon of gasoline.

(i) The dollar value of pollution costs associated with a GGE ($GGE) is calculated based on the percent of sales in California (POSCA) as provided by the Applicant and the pollution cost per unit of volatile organic compounds (VOCs), nitrous oxide (NOx), and carbon dioxide or carbon dioxide equivalent (CO2) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies, pursuant to the following formula:

\[
$GGE = \text{Pollution cost of CO2 per GGE} + (\text{POSCA} \times (\text{pollution cost of VOC per GGE} + \text{pollution cost of NOx per GGE}))
\]

(ii) The dollar value pollution costs associated with a MWh of electricity generation ($MWh) is calculated based on the POSCA as provided by the Applicant and the pollution cost per unit of CO2, nitrous oxide, and sulfur dioxide released from a MWh of electricity production in California (CA) and the rest of the United States (US) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies, pursuant to the following formula:

\[
$MWh = (\text{POSCA} \times (\text{pollution cost of CA CO2 per MWh} + \text{pollution cost of CA NOx per MWh} + \text{pollution cost of CA SO2 per MWh})) + ((1-\text{POSCA}) \times \text{pollution cost of US CO2 per MWh})
\]

(iii) The dollar value per pound of any other offsetting energy pollutants ($OP) shall be determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies.
a. Any non-greenhouse gas emissions benefits will be weighted according the POSCA.

(C) The total pollution benefit (TPB) will be calculated based on the marginal increase in product sales due to the sales and use tax exclusion in the following areas:

(i) Net change in use of electricity generated from alternative sources (increased use of alternative sources). The total pollution benefit (TPB) resulting from the net change in electricity generated from alternative sources is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated using information on the annual net electricity generation per unit (MWhG), the annual emissions per MWh of offsetting pollutants (OP) as provided by the Applicant, and estimates of the pollution cost in dollars of avoided MWh ($SMWh) and the pollution cost in dollars of any offsetting energy pollutants ($SOP) as determined by the Executive Director, pursuant to the following formula:

\[
LPB = \text{Present Value} (\text{SMWh} \times \text{MWhG}) - (\text{OP} \times \text{SOP})
\]

i. The present value is based on the estimated useful lifespan of the product (ULOP) as provided by the Applicant and the discount rate determined by the Executive Director.

b. The TPB is then calculated pursuant to the following formula:

\[
TPB = \text{Present Value} (LPB \times \text{AS} \times \text{MIU})
\]

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(ii) Net change in fossil fuel consumption resulting from increased use of Alternative Source fuels. The TPB resulting from the net change in consumption of fossil fuels is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated based on the dollar value of pollution avoided per unit calculated as the number of GGEs per unit (GGEA) times the dollar value of pollution avoided per GGE ($GGE) less the dollar value of offsetting pollution cost for any fuel or electricity required to produce a unit (OFF) of Alternative Source fuel ($GGE or $MWh or dollar value of pollution cost per unit for other pollutants), as determined by the Executive Director, pursuant to the following formula:

\[
LPB = (\text{GGEA} \times \text{GGE}) - (\text{OFF} \times \text{GGE}) - (\text{OFF} \times \text{MWh}) - \text{dollar value of other pollution costs/perm unit}
\]
b. For Biofuels, the LPB is determined based on the net annual pollution benefit per unit (NAPB) as calculated by the Executive Director based on information from the California Air Resources Board or other state agencies, expert analysis, relevant research literature, and applicant provided information with respect to the net change in greenhouse gas emissions resulting from production and use of the alternative source product and the dollar value of pollution costs avoided by use of Biofuels as calculated based on the pollution cost per unit of carbon dioxide or carbon dioxide equivalent ($CO2) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies multiplied by the NAPB pursuant to the following formula.

\[ LPB = NAPB \times \text{GO2} \]

\[ TPB = \text{Present Value} \times (LPB \times AS \times MIU) \]

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(iii) Net change in use of energy generated or produced from current sources (energy efficiency). The TPB resulting from the net change in the use of energy generated or produced from current sources is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated using the annual net improvement in system consumption per unit (NI) as provided by the Applicant and estimates of the dollar value of pollution avoided per MWh ($MWh), per GGE ($GGE), or per MMBTU ($MMBTU), respectively, as determined by the Executive Director, pursuant to the following formula:

\[ LPB = \text{Present Value} \times (NI \times \text{MWh}) \]

or

\[ LPB = \text{Present Value} \times (NI \times \text{GGE}) \]

or

\[ LPB = \text{Present Value} \times (NI \times \text{MMBTU}) \]

i. The present value is based on the ULOP as provided by the Applicant and the discount rate determined by the Executive Director.
ii. The net improvement in system consumption is calculated as the difference between baseline system consumption and improved system consumption where the baseline system consumption is equal to the maximum energy consumption amount that would allow the product to qualify for the applicable Recognized Energy Efficiency Standard. If more than one Recognized Energy Efficiency Standard applies to a product, the more stringent standard will be used for purposes of setting the baseline system consumption. The improved system consumption is the energy consumption of the Applicant's product under circumstances and conditions substantially similar to those used for purposes of setting the baseline system consumption value.

b. The TPB is then calculated pursuant to the following formula:

\[ TPB = \text{Present Value} \times (\text{LPB} \times \text{AS} \times \text{MIU}) \]

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(iv) Net change in consumption of fossil fuels due to increased use of Advanced Transportation Technologies. The TPB resulting from the net change in consumption of fossil fuels is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated by using the annual net improvement in system consumption per unit (NI) and the annual consumption of offsetting energy (OFF) as provided by the Applicant and estimates of the dollar value of pollution avoided per GGE ($GGE) and the dollar value of pollution emitted as a result of the offsetting energy consumption ($MWh) as determined by the Executive Director, pursuant to the following formula:

\[ \text{LPB} = \text{Present Value} \times ((\text{SGGE} \times \text{NI}) - (\text{OFF} \times \text{MWh})) \]

i. The present value is based on the ULOP as provided by the Applicant and the discount rate determined by the Executive Director.

b. The TPB is then calculated pursuant to the following formula

\[ TPB = \text{Present Value} \times (\text{LPB} \times \text{AS} \times \text{MIU}) \]

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(v) Other environmental benefits. Any other environmental benefits asserted by the Applicant shall be evaluated by the Executive Director based on verification of Applicant-provided information regarding the methodology for calculating such
benefits and shall be added to the appropriate Total Pollution Benefit (TPB) amount determined pursuant to these regulations.

(D) For Advanced Manufacturing Applications, the environmental benefits score is calculated based on the per unit reduction in energy use, waste generation, water use, or emissions of air pollutants, or other environmental benefits as follows:

(i) Applicants may receive points for the following:

a. Applicants with an environmental sustainability plan that describes the Applicant's plans to reduce energy use or water use and reduce solid waste, hazardous waste, or air pollutant emissions at the Facility will receive 20 points.

b. Applicants with Facilities that reduce energy use by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

c. Applicants with Facilities that reduce water use by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

d. Applicants with Facilities that reduce solid waste by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

e. Applicants with Facilities that reduce hazardous waste by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

f. Applicants with Facilities that reduce air pollutant emissions by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

g. Applicants with Facilities that reduce emissions of other pollutants by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

(E) For Recycled Resource Extraction Projects, the environmental benefits score will be calculated based on the estimated greenhouse gas reduction due to increased use of recycled materials as follows.
(i) The estimated change in amount recycled (CAR) will be calculated as follows.

a. Annual production costs (APC) will be calculated as the sum of annual labor costs, production-related purchase costs, and the CAP.

b. The present value of production costs (PVPC) will be calculated based on APC, the WALS of the Qualified Property as provided by the Applicant, and a discount rate determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies.

\[ PVPC = \text{Present Value}(APC) \]

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

c. The percentage change in production costs (PCPC) due to the sales and use tax exclusion will be calculated from the value of the sales and use tax exclusion (exclusion amount, or EA) and the present value of production costs (PVPC) using the following formula:

\[ PCPC = \frac{EA}{PVPC} \]

d. The percent increase in recycling (PIR) is the estimated increase in the amount of material recycled due to the sales and use tax exclusion. The PIR is calculated from the PCPC, the price elasticity of supply (SE) for the recycled material, and the price elasticity of demand (DE) for the recycled material using the following formula:

\[ PIR = PCPC \times \frac{SE \times DE}{SE + DE} \]

i. The SE and DE will be determined by the Executive Director based on the relevant research literature or consultation with outside experts.

e. The CAR is calculated based on the PIR and the projected average annual amount of recycled material sold or shipped (ARM), as provided by the Applicant as follows:

\[ CAR = PIR \times (1 - PIR) \times ARM \]

(ii) The greenhouse gas benefit (GGB) for each unit of material recycled will be determined by the Executive Director based on the relevant research literature, consultation with outside experts, information from other state agencies, or the Federal Environmental Protection Agency Waste Reduction Model (WARM). Where the California Air Resources Board (CARB) has made modifications or developed an alternative to the WARM model, the CARB measurements will be used.
(iii) The dollar value of pollution costs associated with emission of a unit of CO2 ($CO2) will be determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies.

(iv) The TPB will be determined based on the present value of the GGB and $CO2 as follows:

\[ TPB = \text{Present Value}(GGB \times $CO2) \]

a. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(4) Calculation of points. Points for fiscal benefits will be calculated by dividing total fiscal benefits (TFB) by the value of the sales and use tax exclusion and multiplying the result by 1,000. Points for environmental benefits for Advanced Transportation, Alternative Source, and Recycled Resource Extraction Applications will be calculated by dividing total pollution benefits (TPB) by the value of the sales and use tax exclusion and multiplying the result by 1,000. Points for environmental benefits (TPB points) for Advanced Manufacturing Applicants will be equal to the sum of the environmental benefits points awarded based on the categories listed in Section 10033(c)(2)(D).

(5) Additional points. Additional points shall be awarded as follows:

(A) Unemployment score. An Applicant may earn up to 50 points for creating jobs in high unemployment areas.

(i) The unemployment rate for the area means the rate within the county in which the Facility is located as reported by the California Employment Development Department. The most current annual average unemployment rate information available at the time of the Application submission shall be used.

(ii) Points are based on how much greater the local unemployment rate is in comparison to the annual average statewide unemployment rate, pursuant to the following formula:

\[ \text{Points} = \left( \frac{\text{Local Rate}}{\text{State Rate}} \right) \times 100 - 100 \]

a. Non-integer points (e.g., 20.4) will be rounded to the nearest whole integer for scoring purposes.

(B) New jobs score. An Applicant may earn up to 75 points for creating new jobs.

(i) The Executive Director will calculate the amount of the sales and use tax exclusion per job created by the Applicant as a result of the MIQP. The number of jobs created by the Applicant as a result of the MIQP will be calculated by multiplying the total number
of full time equivalent jobs associated with the production of the Applicant's product times the ratio of the MIQP to the VCS. Points will be awarded as follows:

a. Less than or equal to $50,000 in sales and use tax exclusion per job - 75 points.

b. Less than or equal to $100,000 in sales and use tax exclusion per job but greater than $50,000 per job - 60 points.

c. Less than or equal to $150,000 in sales and use tax exclusion per job but greater than $100,000 per job - 55 points.

d. Less than or equal to $200,000 in sales and use tax exclusion per job but greater than $150,000 per job - 45 points.

e. Less than or equal to $300,000 in sales and use tax exclusion per job but greater than $200,000 per job - 40 points.

f. Less than or equal to $400,000 in sales and use tax exclusion per job but greater than $300,000 per job - 35 points.

g. Less than or equal to $750,000 in sales and use tax exclusion per job but greater than $400,000 per job - 30 points.

h. Less than or equal to $1,500,000 in sales and use tax exclusion per job but greater than $750,000 per job - 20 points.

i. Greater than $1,500,000 in sales and use tax exclusion per job - 0 points.

(C) Construction or installation jobs score. An Applicant may earn up to 75 points for creating construction or installation related jobs.

(i) The Executive Director will calculate the amount of the sales and use tax exclusion per annual full time equivalent construction or installation job created by the Applicant as a result of the MIQP. The number of annual full time equivalent construction or installation jobs created by the Applicant as a result of the MIQP will be calculated by multiplying the total number of annual full time equivalent construction or installation jobs associated with construction of the Applicant's Facility or the installation of the Applicant's equipment times the ratio of the MIQP to the VCS. Points will be awarded as follows:

a. Less than or equal to $50,000 in sales and use tax exclusion per job - 75 points.

b. Less than or equal to $100,000 in sales and use tax exclusion per job but greater than $50,000 per job - 60 points.
c. Less than or equal to $150,000 in sales and use tax exclusion per job but greater than $100,000 per job - 55 points.

d. Less than or equal to $200,000 in sales and use tax exclusion per job but greater than $150,000 per job - 45 points.

e. Less than or equal to $300,000 in sales and use tax exclusion per job but greater than $200,000 per job - 40 points.

f. Less than or equal to $400,000 in sales and use tax exclusion per job but greater than $300,000 per job - 35 points.

g. Less than or equal to $750,000 in sales and use tax exclusion per job but greater than $400,000 per job - 30 points.

h. Less than or equal to $1,500,000 in sales and use tax exclusion per job but greater than $750,000 per job - 20 points.

i. Greater than $1,500,000 in sales and use tax exclusion per job - 0 points.

(D) Emerging Strategic Industry score. An Applicant may earn up to 40 points if the Applicant's industry is in an Emerging Strategic Industry as defined in Section 10031(j). The Executive Director will determine if an Applicant's industry is an Emerging Strategic Industry and award points to those Applicants that qualify.

(E) For Advanced Manufacturing Applicants only, Other Facility Characteristics

(i) An Application may be awarded points for the following other facility characteristics:

a. Applicants with facilities in California that perform research and development functions related to the product or production process at the Facility that is the subject of this application will receive 25 points.

b. Applicants with partnerships with educational institutions either for the purpose of training the workers at the Facility or for purposes of assisting in the training of potential future workers will receive 25 points.

c. Applicants in Industry Clusters, as defined, will receive 25 points.

(G) Out-of-state environmental benefits score. An Application may be awarded points for non-greenhouse gas environmental benefits attributable to Advanced Transportation Technologies or Alternative Source products, components, or systems sold outside of California, pursuant to the following:
(i) The Executive Director will calculate the value of the non-greenhouse gas environmental benefits resulting from the marginal increase in out-of-state product sales due to the sales and use tax exclusion, pursuant to the following equations:

a. The dollar value of an out-of-state non-greenhouse gas benefit from a GGE ($OSG) pursuant to the following formula:

$$OSG = (1 - POSCA) \times (\text{pollution cost of VOC per GGE} + \text{pollution cost of NOx per GGE})$$

b. The dollar value of an out-of-state non-greenhouse gas benefit from a MWh ($OSM) is calculated pursuant to the following formula:

$$OSM = (1 - POSCA) \times (\text{pollution cost of US NOx per MWh} + \text{pollution cost of US SO2 per MWh})$$

c. The dollar value per unit of any other offsetting pollutants ($OP$) be weighted by the POSCA and incorporated by the Executive Director into the calculation of the out-of-state environmental benefits score.

d. The total value of out-of-state non-greenhouse gas pollution benefits (TOB) due to electricity generated from alternative sources (increased use of alternative sources excluding Biofuels) is calculated pursuant to the following formula:

$$LPB = \text{Present Value} \left((NI \times OSM) - (OP \times OP)\right)$$

and

$$TOB = \text{Present Value} (LPB \times AS \times MIU)$$

e. The total value of out-of-state non-greenhouse gas pollution benefits (TOB) to electricity generated from non-alternative sources or fossil fuels burned (conservation) is calculated pursuant to the following formula:

$$LPB = \text{Present Value} (NI \times OSM)$$

or

$$LPB = \text{Present Value} (NI \times OSG)$$

and

$$TOB = \text{Present Value} (LPB \times AS \times MIU)$$
f. The total value of out-of-state non-greenhouse gas benefits (TOB) due to increased use of advanced transportation technologies is calculated pursuant to the following formula:

\[
\text{LPB} = \text{Present Value} \left( (\text{NI} \times \text{OSG}) - (\text{OFF} \times \text{OSM}) \right)
\]

and

\[
\text{TOB} = \text{Present Value} \left( \text{LPB} \times \text{AS} \times \text{MIU} \right)
\]

(ii) The Authority will then calculate the ratio of the total value of out-of-state non-greenhouse gas benefits (TOB) to the value of the sales and use tax exclusion and the result will be multiplied times 1000 and divided in half to determine the Applicant's point total, pursuant to the following formula:

\[
\text{Points} = \left( \frac{\text{TOB}}{\text{Sales and Use Tax Exclusion}} \times 1000 \right) / 2
\]

a. Non-integer point totals will be rounded to the nearest whole integer for scoring. A maximum of 40 points may be awarded for out-of-state pollution benefits.

(6) Total Score. The total number of additional points not to exceed 200 determined pursuant to Section 10033(c)(5) shall be added to the number of points determined pursuant to Section 10033(c)(4). The result of this sum is the Applicant's total score. Complete Applications receiving both a total score greater than or equal to the threshold value of 1,000 and a TPB score greater than 20 may be recommended for a sales and use tax exclusion. Notwithstanding the foregoing, where a project receives a score less than these thresholds, the Executive Director may recommend it to the board for approval upon a statement articulating specific reasons why the approval is in the public interest and advances the purposes of the Program.

(7) Upon a recommendation from the Executive Director that it is in the public interest and advances the purposes of the Program, the Authority may adjust any of the threshold values set forth in Section 10033(c)(6).

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10034. Approval of Applications by the Authority.

(a) Applications may be considered at meetings in accordance with the schedule established by the Authority pursuant to Section 10032. The Authority will evaluate Applications based on the eligibility requirements contained in Section 10033 and the summary and recommendation prepared by the Authority staff.
(b) For each Application, the Authority will determine whether the Application meets the eligibility requirements and will produce benefits for the State of California.

(c) Applicants that do not receive a recommendation for approval from the Authority staff will be notified in writing of the staff recommendation prior to the board meeting in which the Application will be considered. Applicants that do not receive a favorable recommendation from the staff may appeal the staff recommendation to the Authority. Applicants wishing to appeal the staff recommendation must notify the Authority of their intent to appeal the decision within five (5) business days of receipt of the notice containing the staff recommendation. No Applicant may appeal the evaluation of another Applicant's Application.

(d) Rejected Applications. Applicants whose Applications are not approved by the Authority will be notified in writing following the Authority's board meeting in which the determination was made.

(e) Approved Applications. For each approved Application, the Authority will pass a resolution including the following findings:

1. The Applicant to be a Participating Party (Pub. Res. Code Sec. 26003(a)(7)).
2. The equipment proposed for the sales and use tax exclusion to be a “project” (Pub. Res. Code Sec. 26003(a)(8)(B)).

(f) Applicants with Applications that are approved by the Authority will be notified in writing following the Authority's board meeting at which the determination was made. The dollar value of the Qualified Property approved by the Authority will be stated in the letter.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10035. Regulatory Agreement and Compliance.

(a) Regulatory Agreement. All recipients of sales and use tax exclusions are required to execute a Regulatory Agreement as a condition to the Authority's making a finding and awarding a sales and use tax exclusion.

1. This agreement, to be entered into between the Applicant and the Authority's Executive Director, will require the Applicant to comply with the requirements set forth in these
regulations. This agreement must be signed by a representative of the Applicant's company authorized to enter into contracts on behalf of that company and returned to CAEATFA within 30 calendar days from the acceptance date shown on the notification provided pursuant to Section 10034(f).

(2) The Regulatory Agreement will commence upon execution and will continue in force for a period equal to the longer of (a) three years or (b) one-half of the Estimated Useful Lifespan of the longest lived item of Qualified Property identified in the Application.

(3) The Regulatory Agreement shall include but not be limited to the following:

(A) A requirement that the Applicant indemnify and hold harmless CAEATFA from claims connected with: 1) the Project, 2) transactions associated with the Project, 3) any violation of law connected with the Project, and 4) any dispute or ruling regarding the ultimate taxability of the sale or use of the Qualified Property.

(B) A requirement that the Qualified Property be installed, maintained and operated within the State of California, except as provided by this section.

(C) The Executive Director may approve a request to relocate Qualified Property outside of California in an amount up to fifteen percent (15%) of the dollar volume of Qualified Property included on all semi-annual reports to the Authority as of the date of the request. The amount of Qualified Property relocated shall be cumulative and the amount requested will be added to any previously approved request and compared to the dollar volume of Qualified Property included on all semi-annual reports to determine compliance with the fifteen percent (15%) limitation. The Executive Director shall approve a request pursuant to this section upon a finding that the relocation is part of an improvement, upgrade or increase in the economic efficiency of the Project and that approval of the requested relocation is likely to continue or increase the anticipated net benefits of the Project. Any denial of a request pursuant to this section may be reviewed by the Authority.

(D) Requests for relocation of Qualified Property in excess of the fifteen percent (15%) requirement set forth in (a)(3)(C) may be approved by the Authority based on a recommendation from the Executive Director and upon a finding that the relocation is part of an improvement, upgrade or increase in the economic efficiency of the Project and that approval of the requested relocation is likely to continue or increase the anticipated net benefits of the Project.

(E) Any amount of Qualified Property may be relocated outside of California upon a voluntary payment by the Applicant in an amount calculated by multiplying the original purchase price of the Qualified Property to be relocated by the average statewide sales tax rate at the time of the proposed relocation.

(F) A requirement that the Applicant file a semi-annual report. This report will identify purchases of Qualified Property, if any, made during the preceding two calendar quarters.
(i) Each semi-annual report shall include information about the Qualified Property purchased, including the acquisition date; vendor city, county, and country; cost; address where the Qualified Property will be located or installed; a description and explanation of the purpose of the Qualified Property; and any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(ii) The semi-annual report covering the first two calendar quarters of the year shall be submitted to the Authority on or before July 31; the semi-annual report covering the last two calendar quarters of the year shall be submitted to the Authority on or before January 31 of the immediately following calendar year.

(b) Compliance. Applicants are responsible for compliance with all applicable Program regulations, including the following:

(1) Exercise of sales and use tax exclusion. Except as noted in subparagraph (A) below, within one year of approval by the Authority, the Applicant must make purchases of Qualified Property totaling not less than fifteen percent (15.0%) of the total amount listed in the approval resolution; all purchases of Qualified Property must be made within three years of Application approval. Regulatory Agreements for Facilities not meeting these requirements will be subject to termination, and no further purchases will be excluded from the imposition of the sales and use tax.

(A) Upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three years of Application approval.

(2) Obligation to inform the Authority. During the term of the Regulatory Agreement, Applicants must inform the Authority if the Qualified Property is moved out of the State of California or of any change in the ownership of the Qualified Property, including the name, ownership percentage, and mailing address of the new owners.

(A) Any transfer of Qualified Property ownership prior to the expiration of the Regulatory Agreement shall be evidenced by a written agreement between the parties to the transfer. Such sale or transfer may require Applicant to repay the amount of the sales and use tax exclusion if the new owner of the Qualified Property does not enter into a Regulatory Agreement with the Authority within 30 calendar days of the close of the transaction in which the owner acquires title to the Qualified Property.

(3) Certification letter and compliance report. During the term of the Regulatory Agreement, Applicants must submit an annual certification and compliance report. The certification letter must document that the Qualified Property was used for the purposes specified in the Application for the entire period since the signing of the Regulatory Agreement as required by these regulations. The certification letter and compliance report must be submitted to the Authority by January 31 with information reported for the previous calendar year. The annual compliance report shall contain:
(A) total payroll;

(B) number of full time equivalent permanent jobs at the Applicant's Facility;

(C) number of full time equivalent construction or installation jobs created as a result of the Qualified Property purchases;

(D) total annual product sales (in dollars) including the fraction in California;

(E) total number of units sold including the fraction in California;

(F) anticipated corporate or personal income tax related to the Facility for the preceding calendar year; if the Facility makes multiple products, include information relating to the tax liability associated with the production of Qualified Products;

(G) the amount spent on supplier purchases for Qualified Products, including the fraction of such purchases from California Suppliers;

(H) the total amount of Qualified Property purchased as of the date specified in the compliance report;

(I) a narrative description of the project status and consistency with the timeline contained in the Application, anticipated purchase dates of any additional items of Qualified Property, and an explanation of any material changes to the product or manufacturing process implemented since the approval of the Application;

(J) a statement indicating the fraction of the time that the Qualified Property has been used to make Qualified Products; and

(K) any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(4) Retention of records. Applicants must retain records necessary to document information provided in the annual compliance reports and certification letters for at least five (5) years following the date of the latest certification letter or compliance report required.

(5) False Information. Upon a finding that information supplied by an Applicant, or any person acting on behalf of an Applicant, is false or no longer true, and the Applicant has not notified the Authority in writing, the Authority may, after written notice to the Applicant, rescind the approval resolution, in addition to other remedies.

(6) Rescission. Following a finding that an Applicant has provided false information pursuant to paragraph (5) or has otherwise violated the Regulatory Agreement, the Authority may, after written notice to the Applicant, terminate or rescind the approval resolution, in addition to other remedies. Applicants may request an opportunity to be heard
in front of the Authority to contest rescission. Any such request must be made in writing to the Authority and postmarked no later than fifteen (15) calendar days following the mailing of written notice from the Authority. Upon a final decision by the Authority, the approval resolution shall be rescinded, and notice of the rescission may be provided to the Board of Equalization.

(7) Reporting. The Authority may from time to time publish the actual total value of the Qualified Property purchased within each city or county in California. If the Executive Director determines that publishing such information could cause the price paid by an Applicant to a supplier for a Qualified Property purchase or the identity of that supplier to become known, then the information from multiple cities or counties will be aggregated so as to protect the confidentiality of this information.

(8) Suspension. If the Applicant violates statute, regulations, or the terms of the Regulatory Agreement, the Executive Director may suspend the Regulatory Agreement until the Executive Director certifies that the Applicant is once again in compliance. Purchases made during this suspension will not be excluded from the imposition of sales and use tax.

(c) Recovery of Financial Assistance. The Regulatory Agreement shall contain a provision under which the Authority may seek recovery of the Financial Assistance provided plus interest at a rate to be reasonably determined by the Authority and specified in the Regulatory Agreement. The Authority may seek recovery of the Financial Assistance actually utilized in cases in which the Applicant: (1) does not meet the substantial use requirements identified in Section 10033(b)(1)(A) or (2) removes the Qualified Property purchased from the State of California prior to the shorter of (a) the expiration of the term of the Regulatory Agreement or (b) three years, except in compliance with section 10035(b)(1)(F).

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10036. Fees.

(a) Application Fee.

(1) Except as provided in paragraph (5) below, every Applicant shall be required to pay an Application Fee.

(2) The Application Fee shall be equal to .0005 (one twentieth of one percent) of the total amount of Qualified Property identified in the Application as originally submitted. If, during the Application process, the Applicant reduces the amount of Qualified Property listed in the Application as submitted, the Applicant will not be entitled to a refund of the excess Application Fees paid. If the Applicant makes a request to CAEATFA to increase the amount of Qualified Property listed in a revised or amended Application, CAEATFA will require additional Application Fees to be submitted. The minimum Application Fee shall be $250 and shall not exceed $10,000.
(3) This fee shall be paid in a check payable to the Authority, and shall be submitted with the Application.

(4) This fee is not refundable, except in the event an Application is not reviewed by staff due to oversubscription of the $100 million annual program cap.

(5) If the Applicant can demonstrate the Project is to relocate or rebuild the Applicant’s Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application, the Executive Director shall waive the Application Fee.

(b) Administrative Fee.

(1) The Authority shall charge an Administrative Fee to cover the costs associated with the Program, including the costs of compliance monitoring.

(2) The total Administrative Fee amount shall be .004 (four tenths of one percent) of the total amount of the Qualified Property purchased.

(3) In no case shall the total Administrative Fee be less than $15,000 nor more than $350,000.

(4) $15,000 of the total Administrative Fee shall be due upon the execution of the Regulatory Agreement between the Applicant and the Authority.

(5) The balance of an Applicant's Administrative Fee shall be payable semi-annually on July 31 and January 31 each year following Application approval until such time as the total amount of the Administrative Fee due has been paid. The amount of the Administrative Fee due during each period shall be based on the Qualified Property purchase amounts during the immediately preceding six-month period (from January 1 through June 30 and July 1 through December 31, respectively) such that the fee due is proportional to the total amount of the Administrative Fee remaining after the initial $15,000.

(A) Each semi-annual Fee payment shall include information about the Qualified Property purchased, including the acquisition date; vendor city, county, and country; cost; address where the Qualified Property will be located or installed; a description and explanation of the purpose of the Qualified Property; and any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(B) The Applicant will submit a “final statement” when the total amount of Qualified Property purchases equals the total amount of exclusion granted or when the Applicant no longer wishes to exercise the sales and use tax exclusion granted and signifies that the Applicant's purchases are no longer subject to the sales and use tax exclusion. Pursuant to Section 10036 a determination will be made of the total amount of Qualified Property
purchased, and the corresponding amount of the total Administrative Fee due. If any remaining Administrative Fee is due, the Fee shall be submitted together with the final statement. In the event that an Applicant has overpaid Administrative Fees, the overpayment will be paid to the Applicant within thirty (30) days of submission of the final statement.

(6) The initial $15,000 paid by the Applicant at the time of executing the Regulatory Agreement will be credited to the Applicant's total Administrative Fee upon a determination of total amount of Qualified Property actually purchased.

(7) The Administrative Fee shall be paid in checks payable to the Authority.

(8) The Administrative Fee is not refundable, except as indicated in section (5)(B) above.

c) Other fees

(1) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that must be approved by the Authority shall pay an additional administrative fee of $500.

(2) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that requires a revised application to be considered by the Authority shall pay .00005 (one two hundredth of one percent) of the total amount of Qualified Property identified in the Authority resolution approved by the board.

(A) In no case shall this fee be less than $500 nor more than $2,000.

(3) This fee shall be paid in checks payable to the Authority.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10037. Trade Secrets and Confidential Information.

(a) If elements of an Application or any other materials submitted to the Authority contain information the Applicant considers to be trade secrets, confidential, privileged or otherwise exempt from disclosure under the Public Records Act (California Government Code Section 6250, et seq.), the Applicant shall assert a claim of exemption at the time of submission by identifying in an accompanying letter each of the items to be restricted. The asserted claim shall indicate the specific information within the Application or other materials submitted to the Authority to which the claim is made. Upon receipt of a Public Records Act request for documents that may include information the Applicant has identified as trade secret, confidential, privileged or otherwise exempt from disclosure, the Authority shall provide notice to the Applicant and provide the Applicant with three (3) business days to provide the
Authority with an explanation as to why the information is not subject to disclosure pursuant to the Public Records Act. The Authority shall consider a claim of exemption and the basis for it, but retains the authority to make the final determination as to what information will be released under the Public Records Act. Applicants will be notified by the Authority prior to release of any such information.

Note: Authority: Section 26011.8, Public Resources Code. Reference: 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.
California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)

Sales and Use Tax Exclusion Program

Application Part A

Submission Date: ________________________________

Requested Approval Date: ________________________________

(Approximate date you wish your project to go before the Authority Members for approval)

Legal Name of Applicant: ________________________________

Estimated Cost of Qualified Property\(^1\): ________________________________

If Available, Would You Like to Be Considered for Additional Allocations?\(^2\): 

Yes _______  No _______

If yes, what would your total Qualified Property request be?: ________________________________

Facility Name(s) and Address(es): ________________________________

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<tr>
<th>Application #:</th>
<th>Date Received:</th>
<th>Fees Received:</th>
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\(^1\) In accordance with Regulations Section 10032(a)(4), individual projects are limited to $20 million of STE. As such, the estimated cost of Qualified Property shall not exceed $239,234,449.

\(^2\) If unallocated STE will be available at the last Authority board meeting of the calendar year, the Authority may provide additional STE to Projects that qualified for additional STE but were capped at $20 million of STE. For additional details, see Regulations Section 10032(a)(4)(A).
Introduction

The Sales and Use Tax Exclusion Program (the “Program”) excludes from sales and use taxes purchases of Qualified Property used in an Advanced Manufacturing process or used to manufacture Alternative Source products or Advanced Transportation Technologies. Eligible manufacturers planning to construct a new manufacturing facility in California or expand or upgrade an existing manufacturing facility in California may apply to CAEATFA for a sales and use tax exclusion (STE) award, and if approved, purchases of Qualified Property for the Project are not subject to state and local sales and use tax.

Applications are accepted on a rolling basis and may be considered at the first board meeting at least 60 days after the completed application is submitted. The CAEATFA Board meets at regularly scheduled monthly meetings. Potential applicants seeking to be considered in a particular month should consult the board meeting schedule and associated deadlines.

CAEATFA staff review each application for completeness and reasonableness of assumptions and make a recommendation to the Board. The Board then considers and votes whether to approve an application.

Submission of Application

- All Application documents (see Application Documents Checklist) must be submitted electronically via e-mail to CAEATFA@treasurer.ca.gov at least sixty (60) calendar days before the board meeting at which you wish to be considered. Deadlines may be found online at: http://www.treasurer.ca.gov/caeatfa/meeting_schedule.asp.
- The original signed Application documents and the Application Fee must be received at the CAEATFA office within five (5) business days of submission of the electronic version of the Application (see Application Documents Checklist). CAEATFA staff will not begin the review process until a complete Application package, including the Application Fee, is received.
- If you do not have information for one or more required items, please state in your Application why and when you expect to submit those items. In the event the Authority asks an Applicant for additional information or requests clarification of errors, the Applicant shall be given up to three (3) business days from the date of receipt of notification to provide the additional formation without extending the Application review period.
• If your Application is not complete, CAEATFA's review may be postponed until the additional information has been provided.

• Additional information may be obtained on the California Alternative Energy and Advanced Transportation Financing Authority web site at: http://www.treasurer.ca.gov/caeatfa or by calling (916) 651-8157.

**Applicant Responsibilities**

- The Applicant must meet the relevant requirements of Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8.

- The Applicant must review the California Alternative Energy and Advanced Transportation Financing Authority Act (Division 16 of the Public Resources Code, Section 26000 et seq.) and Title 4, Division 13 of the California Code of Regulations.

- A senior company official with primary responsibility for financing the Project must certify, to the best of his or her knowledge, that the Application contains no false or incorrect information and that the Application, including all exhibits and attachments, is truly descriptive and representative of the Project.

- The Applicant has a continuing duty to inform CAEATFA when any information in the Application or supplemental material is no longer accurate and immediately supply CAEATFA with updated information.

- The Applicant must provide an updated Legal Status Questionnaire for any action requiring CAEATFA Board approval.

**Program Fees**

The Program’s fee schedule is established in California Code of Regulations Title 4, Division 13, Section 10036. **All fees shall be paid in the form of checks payable to CAEATFA.** A fee calculator can be found on the [CAEATFA website](http://www.treasurer.ca.gov/caeatfa).

- **Application Fee**: The Applicant must pay an Application Fee upon submission of the Application.
  - The Application Fee is equal to 0.0005 (0.05%) of the total amount of Qualified Property identified in the Application as originally submitted. If during the Application process, the Applicant reduces the amount of Qualified Property listed in the Application as submitted, the Applicant will not be entitled to a refund of the excess Application Fees paid. If the Applicant makes a request to increase the amount of Qualified Property listed in a revised or amended Application, CAEATFA will require additional Application Fees to be submitted.
  - The Application Fee shall be a minimum of $250 and shall not exceed $10,000.
  - The Application Fee is non-refundable.
  - Applicants reapplying under Section 10032(a)(4) do not have to pay a second Application Fee.

- **Administrative Fee**: The Authority shall charge approved Applicants an Administrative Fee to cover the costs associated with the Program, including costs of compliance monitoring.
  - The Administrative Fee amount shall be calculated as follows:
    - The total Administrative Fee amount shall be .004 (0.4%) of the total amount of Qualified Property actually purchased during the term of the award.
    - The total Administrative Fee shall be a minimum of $15,000 and shall not exceed $350,000.
  - The $15,000 minimum Administrative Fee is due upon the execution of the Regulatory Agreement and shall be credited towards the back-end of the total Administrative Fee due.
  - The Applicant’s Administrative Fee shall be payable at the time of each semi-annual report submission in an amount equal to .004 of the Qualified Property purchase amount for that semi-annual reporting period until the total Administrative Fee is paid.
If an Applicant overpays the total Administrative Fee amount (typically when the Applicant does not use the full Qualified Property amount approved), the Applicant will be refunded the excess Administrative Fees paid.

The total Administrative Fee is not refundable.

Example Administrative Fee Scenario:
- Qualified Property Amount Approved: $14,500,000.00
- Estimated Total Administrative Fee Due: $58,000.00
- Actual Amount of Qualified Property Purchased: $14,300,000.00
- Actual Total Administrative Fee Due: $57,200.00
- Total Administrative Fee Paid: $58,000.00
- Refund Due: $800.00

Other Fees: The Authority shall charge additional fees to cover the costs associated with other Applicant requests.
- An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that must be approved by the Authority shall pay an additional administrative fee of $500.
- An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that requires a revised application to be considered by the Authority shall pay .00005 (one two hundredth of one percent) of the total amount of Qualified Property identified in the Authority resolution approved by the board.
- In no case shall this fee be less than $500 nor more than $2,000. The balance of an Applicant’s Administrative Fee shall be payable at the time of each semi-annual report calculated on that semi-annual report’s Qualified Property purchase amount.

Definitions
The following is a list of terms frequently referred to in this Application. Please refer to Section 10031, Title 4, California Code of Regulations for additional terms and definitions.

1. Advanced Manufacturing
   (A) “Advanced manufacturing” means manufacturing processes that improve existing or create entirely new materials, products, and processes through the use of science, engineering, or information technologies, high-

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3 All defined terms have the meaning set forth in the California Code of Regulations, Title 4, Division 13.
precision tools and methods, a high-performance workforce, and innovative business or organizational models utilizing any of the following technology areas:

(i) Microelectronics and nanoelectronics, including semiconductors.
(ii) Advanced materials.
(iii) Integrated computational materials engineering.
(iv) Nanotechnology.
(v) Additive manufacturing.
(vi) Industrial biotechnology.

(B) “Advanced manufacturing” includes any of the following:

(i) Systems that result from substantive advancement, whether incremental or breakthrough, beyond the current industry standard, in the production of materials and products. These advancements include improvements in manufacturing processes and systems that are often referred to as “smart” or “intelligent” manufacturing systems, which integrate computational predictability and operational efficiency.

(ii) (I) Sustainable manufacturing systems and manufacturing technologies that minimize the use of resources while maintaining or improving cost and performance.

(II) Sustainable manufacturing systems and manufacturing technologies do not include those required to be undertaken pursuant to state or federal law or regulations, air district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents.

2. Advanced Transportation Technology

(A) “Advanced transportation technologies” means emerging commercially competitive transportation-related technologies identified by the authority as capable of creating long-term, high value-added jobs for Californians while enhancing the state’s commitment to energy conservation, pollution and greenhouse gas emissions reduction, and transportation efficiency.

(B) “Advanced transportation technologies” does not include those projects required to be undertaken pursuant to state or federal law or regulations, air district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents. The State Air Resources Board shall advise the authority regarding projects that are excluded pursuant to this subparagraph.

3. Alternative Sources

(A) “Alternative sources” means devices or technologies used for a renewable electrical generation facility, as defined in paragraph (1) of subdivision (a) of Section 25741, a combined heat and power system, as defined in Section 2840.2 of the Public Utilities Code, distributed generation and energy storage technologies eligible under the self-generation incentive program pursuant to Section 379.6 of the Public Utilities Code, as determined by the Public Utilities Commission, or a facility designed for the production of renewable fuels, the efficient use of which reduce the use of fossil or nuclear fuels, and energy efficiency devices or technologies that reduce the need for new electric generation and reduce emissions of toxic and criteria pollutants and greenhouse gases.

(B) “Alternative sources” does not include a hydroelectric facility that does not meet state laws pertaining to the control, appropriation, use, and distribution of water, including, but not limited to, the obtaining of applicable licenses and permits.
4. **Recycled feedstock**

“Recycled feedstock” means materials that would otherwise be destined for disposal, having completed their intended end use and product lifecycle.

To qualify as Recycled feedstock, the tangible personal property purchased for the project must be used at least 50% of the time to process Recycled feedstock that is intended to be reused in the production of another product or using recycled feedstock in the production of another product or soil amendment.

Soil amendments may include "compost," as defined in Section 14525 of the Food and Agricultural Code, "fertilizing material," as defined in Section 14533 of the Food and Agricultural Code, "gypsum" or "phosphatic sulfate gypsum," as those terms are defined in Section 14537 of the Food and Agricultural Code, or a substance distributed for the purpose of promoting plant growth or improving the quality of crops by conditioning soils through physical means.

5. **Facility**

“Facility” or “Facilities” means a design, manufacturing, production, or assembly facility that includes or will include tangible personal property utilized for the design, manufacture, production, or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems. Facilities involving more than one location may be combined in a single Application, provided the locations are part of a single process. Where facilities at multiple locations are performing the same or substantially similar operations they will require separate Applications.

6. **Project**

“Project” means tangible personal property that is utilized in the state for the design, manufacture, production, or assembly of advanced manufacturing, advanced transportation technologies, or alternative source products, components, or systems.

7. **Qualified Property**

“Qualified Property” means the tangible personal property identified in the Application or Regulatory Agreement to be utilized in an Advanced Manufacturing process or necessary for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems to be purchased for use in the Facility.

Generally, Qualified Property includes manufacturing machinery and equipment, including components parts and repair and replacement parts with an estimated useful lifespan of over one year, as well as information technology used to operate or control the machinery and equipment. Qualified purchases may also include tangible personal property required for infrastructure improvements to the manufacturing facility, such as foundation, reinforcement, piping, and fire safety.
Application Documents Checklist

This checklist is provided to ensure that a complete Application package is filed with CAEATFA. Please place a check next to each document included with this Application submission.

Electronic Submission

- Copy of Application Part A, including Legal Status Questionnaire and Trade Secrets and Confidential Information (if applicable)
- Copy of the Project Narrative
- Application Part B Worksheet (in Excel format)

Hard Copy Submission

- Original signed Application Part A, including Legal Status Questionnaire and Trade Secrets and Confidential Information (if applicable)
- One (1) copy of the Project Narrative
- One (1) copy of Application Part B Worksheet
- Application Fee made payable to CAEATFA

Project Narrative

Each Applicant is required to submit a Project narrative with all of the following information:

A. Applicant Description. Provide a description of the Applicant’s business including:
   1. Product(s) produced;
   2. Facility location(s);
   3. Years in business; and
   4. Any unique technological or environmental characteristics of the business or products.

B. Project Description.

Advanced Transportation Technology and Alternative Source Applicants:

Provide a description of the Advanced Transportation Technology or Alternative Source product, component, or system to be produced.

Advanced Manufacturing Applicants:

Provide a detailed explanation of how the Project meets the statutory definition of Advanced Manufacturing set out in Public Resources Code Section 26003(a)(1) and the eligibility requirements established by Program regulations, by providing an explanation of the all of the following:

1. How the manufacturing process improves existing or creates entirely new materials, products, and processes through the use of:
   a. Science, engineering, or information technologies; and
   b. High-precisions tools and methods; and

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4 In the case of a Facility producing property or products that, after further manufacture, will become the Green Component of an Advanced Transportation Technology or Alternative Source product or system, the Applicant must describe both the property or product produced by the Facility and the Green Component of the Advanced Transportation Technology or Alternative Source product or system for which the product produced will be used.
c. A high performance workforce, and
d. Innovative business or organizational models.

2. How the manufacturing process uses one or more of the following technology areas:
   a. Micro- and nanoelectronics, including semiconductors.
   b. Advanced materials.
   c. Integrated computational materials engineering.
   d. Nanotechnology.
   e. Additive manufacturing.
   f. Industrial biotechnology.

3. How the manufacturing system results in a substantive advancement, whether incremental or breakthrough, beyond the current industry standard, in the production of materials and products. (These advancements include improvements in manufacturing processes and systems that are often referred to as “smart” or “intelligent” manufacturing systems, which integrate computational predictability and operational efficiency.)

4. How the proposed Project is a sustainable manufacturing system that minimizes the use of resources while maintaining or improving cost and performance. (See “Environmental Benefits Information” tab in Application Part B.)

Please note that the Project Description for Advanced Manufacturing Applicants must directly address items 1–4 above and explicitly explain how the manufacturing process meets the requirements of 1.a–1.d and uses at least one of the technology areas listed in item 2.

Recycled feedstock Applicants:
Provide a description of how the Project meets the statutory definition of Recycled feedstock set out in Public Resources Code Section 26011.8(b)(2), which defines Recycled feedstock as materials that would otherwise be destined for disposal, having completed their intended end use and product lifecycle. Identify the Recycled feedstock that is processed, and the product or soil amendment produced utilizing a Recycled feedstock, if applicable.

C. Facility Status/Timeline: Provide a description of the current Facility status and a schedule indicating the estimated Facility construction start date through the placed-in-service date for the Qualified Property identified in the Application. Additional facility milestones can be included, as well.

D. Required Permits/Timeline: Provide a description of the needed permits and their current status, including expected dates permits will be received.

E. Financing Sources/Timeline: Provide a description of the status of funding sources and additional financing necessary for Facility completion. Include information for any sources of government financings, including the provision of financial assistance from any local governments for the Project.
We, the undersigned, hereby submit an Application to the California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA" or the "Authority") for the purpose of securing a sales and use tax exclusion as described herein and have reviewed the CAEATFA Act and submit this Application in compliance with the Act and the implementing regulations.

We agree it is our responsibility to provide one copy of a complete Application that bears original signatures and one duplicate copy of the Application (along with e-mailing an electronic version to the email address indicated on the cover sheet), accompanied by one check payable to the CAEATFA in the amount per the Application Fee calculation indicated in the regulations. We understand that thorough and complete answers and accurate data and information are required. We understand that if additional space is required, each additional page will be clearly labeled.

We understand that CAEATFA may verify the information provided, analyze materials submitted, and request Application-related documentation as well as conduct its own investigation to evaluate the Application. We understand that we have a continuing duty to inform CAEATFA when any information in the Application or supplemental materials is no longer accurate and will immediately supply CAEATFA with updated information.

We have read and understand all Public Resource Code sections relevant to the CAEATFA Sales and Use Tax Exclusion Program. We acknowledge that CAEATFA suggests that we seek advice from legal counsel on matters related to taxation. We acknowledge that all materials and requirements are subject to change by enactment of State legislation.

We agree that if this Application for sales and use tax exclusion is approved by the Authority, the Applicant will enter into a Regulatory Agreement with the Authority. In carrying out the development and operation of the proposed Project, we agree to comply with and will remain in compliance with all applicable State laws and will abide by all CAEATFA Program and regulatory requirements during the term of the Regulatory Agreement. We acknowledge that continued compliance with Program requirements, including ongoing reporting requirements and any costs associated with such requirements for the term of the Regulatory Agreement, is the responsibility of the Applicant.

We understand that at the time of the Authority’s approval of the Application, additional fees may be owed to CAEATFA. We represent that we have read the Program regulations regarding fees and all other Program requirements.

We agree to hold the Authority and its members, officers, agents, and employees harmless from any and all matters arising out of or related to our participation in the sales and use tax exclusion Program, including any action that ultimately results in the required payment of sales and use tax.

We acknowledge that the granting of a sales and use tax exclusion shall not be used by us as evidence of the opinion of, or approval by the Authority or any of its members, officers, agents or employees as to the financial or technical feasibility of the Project or Facility nor of the capabilities of the Applicant, any of its officers, members, agents or employees to finance, construct and operate the Project.

We declare under penalty of perjury that the information contained in the Application, exhibits, and attachments is true and correct to the best of the undersigned’s knowledge and belief. We understand that misrepresentation may result in the rescission of the Authority’s approval of the Application, and other actions, which the Authority is authorized to take. We understand that any further or supplemental information or documentation required to be provided shall be accompanied by a declaration under penalty of perjury that the
supplemental information or documentation is true and correct to the best of the Applicant’s knowledge and belief.

We acknowledge that any materials provided to CAEATFA may be considered public records subject to disclosure pursuant to the California Public Records Act (Government Code Sections 6250, et seq.).

______________________________
Signature of Applicant's Senior Official

______________________________
Print Name

______________________________
Title

______________________________
Date
Attachment A: Legal Status Questionnaire

Legal Applicant Name: ________________________________

1. Financial Viability

Disclose any legal or regulatory action or investigation that may have a material impact on the financial viability of the project or the Applicant. The disclosure should be limited to actions or investigations in which the Applicant or the Applicant’s parent, subsidiary, or affiliate involved in the management, operation, or development of the project has been named a party.

Response: ______________________________________
______________________________________________________________________________________________
______________________________________________________________________________________________
______________________________________________________________________________________________
______________________________________________________________________________________________

2. Fraud, Corruption, or Serious Harm

Disclose any legal or regulatory action or investigation involving fraud or corruption, or health and safety where there are allegations of serious harm to employees, the public, or the environment. The disclosure should be limited to actions or investigations in which the Applicant or the Applicant’s current board member (except for volunteer board members of non-profit entities), partner, limited liability corporation member, senior officer, or senior management personnel has been named a defendant within the past ten years.

Response: ______________________________________
______________________________________________________________________________________________
______________________________________________________________________________________________
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______________________________________________________________________________________________

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome. For a publicly-traded company, the relevant sections of the company’s 10K, 8K, and 10Q most recently filed with the Securities and Exchange Commission may be attached in response to question #1. With respect to a response for question #2, previous 10K, 8K, and 10Q filings of the company may be attached if applicable.
I/We attest that we have provided full disclosure as indicated in response to the items #1 and #2 above.

__________________________________________  ______________________
Signature of Principal, CEO, or Lead Administrator          Date

_____________________________________________________
Print or Type Name

__________________________________________  ______________________
Signature of President or Chair of Governing Board          Date

_____________________________________________________
Print or Type Name
Attachment B: Trade Secrets and Confidential Information

If elements of this Application (Part A and Part B) contain information the Applicant considers to be trade secret, confidential, privileged or otherwise exempt from disclosure under the Public Records Act (California Government Code Section 6250, et seq.), the Applicant shall assert a claim of exemption at the time of Application by identifying in an accompanying letter each of the items to be restricted.

The asserted claim shall indicate the specific information within the Application to which the claim is made (e.g., Box C4 of Part B, etc.). Upon receipt of a Public Records Act request for documents that may include information the Applicant has identified as trade secret, the Authority shall provide notice to the Applicant and provide the Applicant with three business days to provide the Authority with an explanation as to why the information is not subject to disclosure pursuant to the Public Records Act. The Authority shall consider the claim and the basis for it, but retains the authority to make the final determination as to what information will be released under the Public Records Act. Applicants will be notified by the Authority prior to release of any such information.

If the Applicant chooses to assert such a claim, attach the claim to the Application.
Instructions:

There are three steps to completing the Application Part B spreadsheet:

Step 1. Complete the "Applicant Information" tab.
Step 2. Complete the "Qualified Property List" tab.
Step 3. Complete the one tab pertaining to the relevant Project type:
   BioFuels
   Alternative Energy
   Energy Efficiency
   Advanced Transportation
   Advanced Manufacturing
   Recycling
   Other Application Types

PLEASE BE SURE TO READ ALL INSTRUCTIONS AND PROMPTS.

Applicants may be asked to provide additional supporting information, if not already included in the application package, including business plans, pro forma financial statements or other comparable documents used for the purpose of soliciting investors to verify responses contained in the Application. All Applicant provided values may be subject to verification.

Scoring:

This Application Part B Excel spreadsheet will use the information provided to perform a net benefits test, comparing the amount of the exclusion with the anticipated fiscal and environmental benefits of the Project. If the Project passes the net benefits test, then the application may be recommended for approval, assuming all other eligibility criteria are met.

Per Program regulations, in order to pass the net benefits test:
   ● Applicants must receive a total score of at least 1000 points.
   ● All Applicant types must receive an environmental benefits score of over 20 points.

The "Scoring" tab of this spreadsheet shows the calculations and tentative scores for the application. However, these calculations and assumptions are provided for informational purposes and do not necessarily reflect the actual calculations and assumptions that the Authority will use to evaluate and score an individual application.
### Applicant Information

**Instructions:** Please enter the information requested in the white boxes below or select from the choices in the blue drop-down list. If you have any additional comments or explanations, please place them in the optional comment box at the end of this Section.

<table>
<thead>
<tr>
<th>A1</th>
<th>Applicant Legal Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2</td>
<td>Applicant Legal Entity Type. Select from List</td>
</tr>
<tr>
<td>A3</td>
<td>Application Type. Select from dropdown list below. (Click here to read a description of each type)</td>
</tr>
<tr>
<td>A4</td>
<td>Place of Incorporation or Establishment</td>
</tr>
<tr>
<td>A5</td>
<td>Applicant's Tax Payer ID Number</td>
</tr>
<tr>
<td>A6</td>
<td>Date of Incorporation or Establishment</td>
</tr>
<tr>
<td>A7</td>
<td>Applicant's Street Address</td>
</tr>
<tr>
<td>A8</td>
<td>Applicant's City</td>
</tr>
<tr>
<td>A9</td>
<td>Applicant's State</td>
</tr>
<tr>
<td>A10</td>
<td>Applicant's Zip Code</td>
</tr>
<tr>
<td>A11</td>
<td>Primary Contact Person</td>
</tr>
<tr>
<td>A12</td>
<td>Primary Contact's Title or Relationship to Applicant</td>
</tr>
<tr>
<td>A13</td>
<td>Primary Contact's Email Address</td>
</tr>
<tr>
<td>A14</td>
<td>Primary Contact's Phone Number</td>
</tr>
<tr>
<td>A15</td>
<td>Primary Contact's Mailing Address (Street)</td>
</tr>
<tr>
<td>A16</td>
<td>Primary Contact's City, State, and Zipcode</td>
</tr>
<tr>
<td>A17</td>
<td>Secondary Contact Person</td>
</tr>
<tr>
<td>A18</td>
<td>Secondary Contact's Title or Relationship to Applicant</td>
</tr>
<tr>
<td>A19</td>
<td>Secondary Contact's Email Address</td>
</tr>
<tr>
<td>A20</td>
<td>Secondary Contact's Phone Number</td>
</tr>
<tr>
<td>A21</td>
<td>Secondary Contact's Mailing Address (Street)</td>
</tr>
<tr>
<td>A22</td>
<td>Secondary Contact's City, State, and Zipcode</td>
</tr>
</tbody>
</table>

#### Company Ownership Information:
List each owner of the Applicant and each owner's share of ownership. If the Applicant is a corporation, list the names of the corporate officers and major shareholders (10% or greater).

#### Parent Company Ownership:
If a parent company owns 10 percent or more of the company, provide a list of each entity with an ownership interest of 10 percent or greater in the parent company (unless Applicant is a publicly traded corporation, private equity firm, or sole proprietorship).

### Primary Facility

<table>
<thead>
<tr>
<th>B1</th>
<th>Street Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>Facility City and County. Select from List</td>
</tr>
<tr>
<td>B3</td>
<td>Facility Zip Code</td>
</tr>
</tbody>
</table>

### Secondary Facility (if any)

<table>
<thead>
<tr>
<th>B4</th>
<th>Street Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>B5</td>
<td>Facility City and County. Select from List</td>
</tr>
<tr>
<td>B6</td>
<td>Facility Zip Code</td>
</tr>
</tbody>
</table>

**Optional:** Add any comments here.

### Descriptions of Application Types:

**BioFuels**
Select this option for Facilities that produce fuels made from renewable resources, such as captured methane from dairies or landfills.

**Alternative Energy**
Select for Facilities that produce products capable of generating energy by utilizing an alternative source, such as wind or the sun. Examples include wind turbines and solar panels.

**Energy Efficiency**
Select this option for Facilities that produce products that conserve energy, such as more efficient light bulbs or appliances.

**Advanced Transportation**
Select for Facilities that produce Advanced Transportation products such as electric vehicles.

**Advanced Manufacturing**
Select this option for advanced manufacturing Facilities that do not produce Alternative Source or Advanced Transportation products.

**Recycling**
Select this option for Facilities that process recycled materials such as materials recovery facilities, composters, or specialty recyclers such as steel or scrap metal recyclers.

**Other Application Types**
Select this option for any other type of Alternative Source or Advanced Transportation product.

[Click Here to Return to Question A3]
Qualified Property List

<table>
<thead>
<tr>
<th>Qualified Property</th>
<th>Purpose</th>
<th>Facility Location</th>
<th>Cost</th>
<th>Estimated Useful Lifespan (in years)</th>
<th>Percent of time used for Qualified Product</th>
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<tbody>
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</tbody>
</table>
### Step 1

**Instructions:** Please enter the information requested in the white boxes below or select from the choices in the blue drop-down list. When requested, please explain calculations and assumptions used. If actual values are not known, good faith estimates are acceptable. All Applicant-provided values may be subject to verification.

#### Facility Information

<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Value of capital stock used to produce Qualified Products. Enter the total value of all equipment and tangible personal property used to produce the output listed in Box D2 below. This should equal the value of the anticipated Qualified Property purchased plus any existing capital stock. Do not include the value of land and structures. Value should be in current dollars inclusive of depreciation. Explain values and assumptions (with calculations if relevant) used to arrive at the value in C1 above.</td>
</tr>
<tr>
<td>C2</td>
<td>Projected average number of employees (FTE) at Facility, assuming Qualified Property is utilized. Enter the estimated average number of employees employed each year to produce the output listed in Box D2 below, averaged over the Estimated Useful Lifespan of the Qualified Property (see Qualified_Property_List). This information is used to calculate the value added by the Applicant. If actual values are not known, good faith estimates are acceptable. Explain values and assumptions (with calculations if relevant) used to arrive at the value in C2 above.</td>
</tr>
<tr>
<td>C3</td>
<td>Property. Explain values and assumptions (with calculations if relevant) used to arrive at the value in C3 above.</td>
</tr>
</tbody>
</table>

#### Product Information

<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1.1</td>
<td>Type of BioFuel produced (Select from list)</td>
</tr>
<tr>
<td>D1.2</td>
<td>Unit of Energy Produced (Select from list)</td>
</tr>
<tr>
<td>D2</td>
<td>Projected average annual number of Qualified Products to be sold or shipped (number of units). Enter total estimated average annual facility production that will be sold or shipped, assuming Qualified Property is utilized. Entry should reflect average annual sales over Estimated Useful Lifespan of the Qualified Property (e.g. should reflect any ramp up period and not just peak production). Note: units must match energy type selected in D1.2 above. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D2 above.</td>
</tr>
<tr>
<td>D3</td>
<td>Per unit production-related purchases from suppliers, assuming Qualified Property is utilized/installed, in dollars. Include cost of materials, parts, containers, packaging, energy consumed, and products bought and sold without further processing. If multiple products are produced, enter the average across all Qualified Products. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D3 above.</td>
</tr>
<tr>
<td>D4</td>
<td>Estimated percent of production costs from California suppliers. Estimate the fraction of the total production-related costs (from Box D3) from California suppliers. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D4 above.</td>
</tr>
<tr>
<td>D5</td>
<td>Projected per unit labor costs, assuming Qualified Property is utilized. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D5 above.</td>
</tr>
<tr>
<td>D6</td>
<td>Estimated percent of total product sales in California. Enter the estimated percent of total sales to California customers. Value should be calculated over the Estimated Useful Lifespan of the Qualified Property. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D6 above.</td>
</tr>
<tr>
<td>D7</td>
<td>Does the end-of-supply-chain product generate sales tax when purchased by the end user? (Select from list)</td>
</tr>
</tbody>
</table>

### Step 2

**Instructions:** Please enter the information requested in the white boxes below or select from the choices in the blue drop-down list. When requested, please explain calculations and assumptions used. If actual values are not known, good faith estimates are acceptable. All Applicant-provided values may be subject to verification.

#### Facility Information

<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Value of capital stock used to produce Qualified Products. Enter the total value of all equipment and tangible personal property used to produce the output listed in Box D2 below. This should equal the value of the anticipated Qualified Property purchased plus any existing capital stock. Do not include the value of land and structures. Value should be in current dollars inclusive of depreciation. If the total value of capital stock does not equal the total Qualified Property amount, provide a description of the additional assets included in the calculation, as well as their values. Explain values and assumptions (with calculations if relevant) used to arrive at the value in C1 above.</td>
</tr>
<tr>
<td>C2</td>
<td>Projected average number of employees (FTE) at Facility, assuming Qualified Property is utilized. Enter the estimated average number of employees employed each year to produce the output listed in Box D2 below, averaged over the Estimated Useful Lifespan of the Qualified Property (see Qualified_Property_List). Part-time employees should be counted as a fraction of a full time employee. Do not include construction related FTEs. Explain values and assumptions (with calculations if relevant) used to arrive at the value in C2 above.</td>
</tr>
<tr>
<td>C3</td>
<td>Projected number of employees (FTE) employed for purposes of constructing facility or installing Qualified Property. Enter number of construction-related jobs used to build the production facility or install equipment. Do not include jobs associated with the ongoing production of the Qualified Product(s). Value should be in annual full time equivalents (FTE). Part-time employees should be counted as a fraction of a full time employee. Construction FTEs need not be directly employed by the Applicant; include all construction jobs used to build the Project. Explain values and assumptions (with calculations if relevant) used to arrive at the value in C3 above.</td>
</tr>
</tbody>
</table>

#### Product Information

<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1.1</td>
<td>Brief description/name of product to be produced with Qualified Property. Please provide a brief (&lt;25 words) description of the product to be made with the Qualified Property.</td>
</tr>
<tr>
<td>D1.2</td>
<td>Type of BioFuel produced (Select from list)</td>
</tr>
<tr>
<td>D2</td>
<td>Projected average annual number of Qualified Products to be sold or shipped (number of units). Enter total estimated average annual facility production that will be sold or shipped, assuming Qualified Property is utilized. Entry should reflect average annual sales over Estimated Useful Lifespan of the Qualified Property (e.g. should reflect any ramp up period and not just peak production). Note: units must match energy type selected in D1.2 above. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D2 above.</td>
</tr>
<tr>
<td>D3</td>
<td>Projected per unit sales price in dollars. Enter the average sales price of the product/component you are producing. If multiple products are produced, enter the average across all Qualified Products. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D3 above.</td>
</tr>
<tr>
<td>D4</td>
<td>Per unit production-related purchases from suppliers, assuming Qualified Property is utilized/installed, in dollars. Include cost of materials, parts, containers, packaging, energy consumed, and products bought and sold without further processing. If multiple products are produced, enter the average across all products here. Also include the value of anticipated Qualified Property purchases plus any existing capital stock. Do not include the value of land and structures. Value should be in current dollars inclusive of depreciation. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D4 above.</td>
</tr>
<tr>
<td>D5</td>
<td>Estimated percent of production costs from California suppliers. Estimate the fraction of the total production-related costs (from Box D3) from California suppliers. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D5 above.</td>
</tr>
<tr>
<td>D6</td>
<td>Projected per unit labor costs, assuming Qualified Property is utilized. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D6 above.</td>
</tr>
<tr>
<td>D7</td>
<td>Estimated percent of total product sales in California. Enter the estimated percent of total sales to California customers. Value should be calculated over the Estimated Useful Lifespan of the Qualified Property. Explain values and assumptions (with calculations if relevant) used to arrive at the value in D7 above.</td>
</tr>
<tr>
<td>D8</td>
<td>Estimated percent of the BioFuel produced that is used in the production process and offsets external fuel purchases.</td>
</tr>
<tr>
<td>D9</td>
<td>Does the end-of-supply-chain product generate sales tax when purchased by the end user? (Select from list)</td>
</tr>
</tbody>
</table>

### Step 3

**Instructions:** Please enter the information requested in the white boxes below or select from the choices in the blue drop-down list. When requested, please explain calculations and assumptions used. If actual values are not known, good faith estimates are acceptable. All Applicant-provided values may be subject to verification.
### C. Facility Information

| C1 | Value of capital stock used to produce Qualified Products. Enter the total value of all equipment and tangible personal property used to produce the output listed in Box D2 below. This should equal the value of anticipated Qualified Property purchases plus any existing capital stock. Do not include the value of land and structures. Value should be in current dollars inclusive of depreciation. If the total value of capital stock does not equal the total Qualified Property amount, provide a description of the additional assets included in the calculation, as well as their values. |
| C2 | Projected average number of employees (FTE) at Facility, assuming Qualified Property is utilized. Enter the estimated average number of employees employed each year to produce the output listed in Box D2 below, averaged over the Estimated Useful Lifespan of the Qualified Property (see Qualified_Property_List), taking into account any ramp up periods. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction related FTEs. Explain the values and assumptions (with calculations if relevant) used to arrive at the value in C2 above. |
| C3 | Projected number of employees (FTE) employed for purposes of constructing facility or installing Qualified Property. Enter number of construction-related jobs used to build the production facility or install equipment. Do not include jobs associated with the on-going production of the Qualified Property(s). Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Construction FTEs need not be directly employed by the Applicant; include all construction jobs used to build the Project. Explain the values and assumptions (with calculations if relevant) used to arrive at the value in C3 above. |

### D. Product Information

| D1 | Brief description/name of product to be produced with Qualified Property. Please provide a brief (<25 words) description of the product to be made with the Qualified Property. |
| D2 | Projected average annual number of Qualified Products to be sold or shipped (number of units). Enter total estimated average annual facility production that will be sold or shipped, assuming Qualified Property is utilized. Entry should reflect average annual sales over Estimated Useful Lifespan of the Qualified Property (i.e. should reflect any ramp up period and not just peak production). If units of multiple sizes or capacities are produced, enter the average value here or a standardized value (e.g. 1 watt of generation capacity for a solar panel). Note that units must be consistent throughout Sections D and E. Define the unit used and explain the assumptions (with calculations if relevant) used to arrive at the value in D2 above. |
| D3 | Projected per unit sales price in dollars. Enter the average sales price of the product/component you are producing. If multiple products are produced, enter the average across all Qualified Products. Explain the values and assumptions (with calculations if relevant) used to arrive at the value in D3 above. |
| D4 | Per unit production-related purchases from suppliers, assuming Qualified Property is utilized/installed, in dollars. Include cost of materials, parts, containers, packaging, energy consumed, and products bought and sold without further processing. If multiple products are produced, enter the average across all products here. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property. This information is used to calculate the value added by the Applicant. |
### Alternative Energy Projects

#### D. Financial Impact

<table>
<thead>
<tr>
<th></th>
<th>Explain the values and assumptions (with calculations if relevant) used to arrive at the value in D4 above.</th>
</tr>
</thead>
<tbody>
<tr>
<td>D5</td>
<td><strong>Estimated percent of production costs from California suppliers.</strong> Estimate the fraction of the total production-related costs (from Box D4) from California suppliers. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property.</td>
</tr>
<tr>
<td></td>
<td>Explain the values and assumptions (with calculations if relevant) used to arrive at the value in D5 above.</td>
</tr>
<tr>
<td>D6</td>
<td><strong>Projected per unit labor costs, assuming Qualified Property is utilized.</strong> Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property.</td>
</tr>
<tr>
<td></td>
<td>Explain the values and assumptions (with calculations if relevant) used to arrive at the value in D6 above.</td>
</tr>
<tr>
<td>D7</td>
<td><strong>Estimated percent of total product sales in California.</strong> Enter the estimated percent of total sales to California customers. Value should be calculated over the Estimated Useful Lifespan of the Qualified Property.</td>
</tr>
<tr>
<td></td>
<td>Explain the values and assumptions (with calculations if relevant) used to arrive at the value in D7 above.</td>
</tr>
<tr>
<td>D8</td>
<td><strong>Expected useful life of product, in years.</strong> Enter the number of years that the product is expected to last.</td>
</tr>
<tr>
<td>D9</td>
<td><strong>Is the product a sub-component of a Qualified Product?</strong> For example, if the product produced with the Qualified Property is a battery pack for an electric car drive train, enter &quot;Yes&quot; here. If the product is an end of supply chain product enter &quot;No&quot; here. (Note that cells in the rows below are intentionally shaded when &quot;No&quot; is selected in the box at right.)</td>
</tr>
<tr>
<td>D10</td>
<td><strong>What is the total value of the efficiency or energy generation component of the end of supply chain product?</strong> For example, if the product is a battery pack for an electric car, enter the value of the electric drive train here and the value of the battery pack in box D3 above.</td>
</tr>
<tr>
<td></td>
<td>Explain the values and assumptions (with calculations if relevant) used to arrive at the value in D10 above.</td>
</tr>
<tr>
<td>D11</td>
<td><strong>Estimated percent of total end of supply chain product sales in California?</strong> Enter the estimated percent of the end product's total sales to California customers. Value should be calculated over the Estimated Useful Lifespan of the Qualified Property.</td>
</tr>
<tr>
<td></td>
<td>Explain the values and assumptions (with calculations if relevant) used to arrive at the value in D11 above.</td>
</tr>
</tbody>
</table>

#### E. Environmental Impact

<table>
<thead>
<tr>
<th></th>
<th>Explain the values and assumptions (with calculations if relevant) used.</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td><strong>Unit of Energy Produced</strong></td>
</tr>
<tr>
<td>E2</td>
<td><strong>Annual expected energy generation capacity per unit.</strong> Enter the projected annual energy generation capacity of the Alternative Source product, per unit. Explain any calculations or assumptions used in the box below or attach a separate document.</td>
</tr>
<tr>
<td></td>
<td>Explain the calculations and assumptions used.</td>
</tr>
<tr>
<td>E3</td>
<td><strong>Does the product require consumption of fuel or energy to achieve the generation output listed above in E2?</strong> For technologies such as fuel cells, which require consumption of fuel or energy to achieve the generation output listed above, select “Yes.” For products that result in an accelerated release of CO2 (or equivalent) relative to what would occur without the product (such as electricity generated by burning wood), also select “Yes.”</td>
</tr>
<tr>
<td></td>
<td>SELECT FROM DROPDOWN</td>
</tr>
<tr>
<td>E4</td>
<td><strong>Pounds of CO2 emitted per unit of energy produced.</strong> State the calculated lbs of CO2 emitted per unit of energy produced. Note that this is use-phase emissions only, and does not include emissions associated with production or disposal. For products that result in the accelerated release of CO2 (or equivalent) relative to what would occur without the product (such as electricity generated by burning wood), enter the net increase relative to what otherwise would occur.</td>
</tr>
</tbody>
</table>
For products that accelerate the release, explain the calculations and assumptions used.

### E5
**Pounds of SO2 emitted per unit of energy produced.**
State the calculated lbs of SO2 emitted per unit. Note that this is use-phase emissions only, and does not include emissions associated with production or disposal. For products that result in the accelerated release of SO2 relative to what would occur without the product (such as electricity generated by burning wood), enter the net increase relative to what otherwise would occur.

For products that accelerate the release, explain the calculations and assumptions used.

### E6
**Pounds of NOx emitted per unit.**
State the calculated lbs of NOx emitted per unit. Note that this is use-phase emissions only, and does not include emissions associated with production or disposal. For products that result in the accelerated release of NOx relative to what would occur without the product (such as electricity generated by burning wood), enter the net increase relative to what otherwise would occur.

For products that accelerate the release, explain the calculations and assumptions used.

### E7
**Pounds of Other pollutants emitted per unit of energy produced (please specify).** State the calculated lbs of other pollutants emitted per unit in California. Note that this is use-phase emissions only, and does not include emissions associated with production or disposal. For products that result in the accelerated release of other pollutants relative to what would occur without the product (such as electricity generated by burning wood), enter the net increase relative to what otherwise would occur.

For products that accelerate the release, explain the calculations and assumptions used.

### E8
**Cost in dollars per pound for Other pollutants emitted per unit (please specify).** Provide the cost in dollars per pound for the other pollutants identified in Box E8.

For products that accelerate the release, explain the calculations and assumptions used.

### F. Optional Supplemental Information

**F0** Does the product produce additional environmental benefits **that are unrelated** to the generation of additional electricity, production of additional alternative source fuels, reduction in energy use, or increase in efficiency? SELECT FROM DROPDOWN

**F1** Additional environmental benefit description. Enter a narrative description of the additional environmental benefits from product use that are **unrelated** to the generation of additional electricity, production of additional alternative source fuels, reduction in energy use, or increase in efficiency.

**F2** Amount of pollution avoided per unit. State the amount of pollution avoided in standard mass or volume metrics for the pollution type.

**F3** Value of environmental benefits (pollution avoided) per unit. Enter the **annual** value of the pollution avoided (in dollars).

**F4** Explain calculations and assumptions.

**F5** Does the product produce additional environmental benefits that are unrelated to the generation of additional electricity, production of additional alternative source fuels, reduction in energy use, or increase in efficiency? SELECT FROM DROPDOWN

**F6** Additional environmental benefit description. Enter a narrative description of the additional environmental benefits from product use that are unrelated to the generation of additional electricity, production of additional alternative source fuels, reduction in energy use, or increase in efficiency.

**F7** Amount of pollution avoided per unit. State the amount of pollution avoided in standard mass or volume metrics for the pollution type.

**F8** Value of environmental benefits (pollution avoided) per unit. Enter the annual value of the pollution avoided (in dollars).

**F9** Explain calculations and assumptions.
Energy Efficiency

Step 2

- Please enter the information requested in the white boxes below or select from the choices in the blue drop-down list. When requested, please explain the values and assumptions (with calculations if relevant) used to arrive at the value.

E. Environmental Impact

D. Product Information

SELECT FROM DROPDOWN

CAEATFA01-19

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Exhibit A, Attachment 3b
### Value of environmental benefits (pollution avoided) per unit

Enter the annual value of the pollution avoided (in dollars).

**Explain calculations and assumptions.**
Instructions:

F. Optional Supplemental Information

E. Environmental Impact

D.10

D.9

D.8

D.7

D.6

D.5

D.4

D.3

D.2

D.1

C.2

C.1

B.0

A.0

No

Yes

Advanced Transportation

Projected per unit sales price in dollars

Projected number of employees (FTE) employed for purposes of constructing facility or installing Qualified Property. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction‐related jobs used to build the production facility or install equipment. Do not include jobs associated with the ongoing operation of the Qualified Property(s). Value should be in annual full time equivalents (FTE) and part-time employees should be counted as a fraction of a full time employee. Construction FTEs need not be directly employed by the Applicant; include all construction jobs used to build the Project.

Impacted useful life of product(s) to be produced with Qualified Property. Please provide a brief (<25 words) description of the product to be made with the Qualified Property.

Estimated percent of production costs from California suppliers. If the product is an end of supply chain product (e.g., solar panel), enter “Yes” here. If the product is an end of supply chain product enter “No” here. (Note that cells in this row must sum to 1.)

Annual basin system consumption (GGE/yr) per unit.

Annual system consumption (GGE/yr) per unit.

Annual emissions intensity of electricity consumption (metric tons CO2e/GGE).

Final calculations and assumptions used.

E.

D.

C.

B.

A.

Projected number of employees (FTE) employed for purposes of constructing facility or installing Qualified Property. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction‐related jobs used to build the production facility or install equipment. Do not include jobs associated with the on‐going operation of the Qualified Property(s). Value should be in annual full time equivalents (FTE) and part-time employees should be counted as a fraction of a full time employee. Construction FTEs need not be directly employed by the Applicant; include all construction jobs used to build the Project.

Impact of useful life of product(s) to be produced with Qualified Property. Please provide a brief (<25 words) description of the product to be made with the Qualified Property.

What is the total value of the efficiency or energy generation component of the end of supply chain product? For example, for a solar panel, the system is a system that produces electricity, not the solar panel itself. Enter the total expected value (in dollars) of the efficiency or energy generation component of the end of supply chain product. For example, a solar panel. Enter the total expected value (in dollars) of additional electricity produced by a solar panel. For example, a solar panel.

Expected useful life of product, in years. Enter the number of years that the product is expected to last.

Annual consumption of offsetting energy per unit (in MWh) per unit.

For products that will improve fuel efficiency, state the likely annual fuel consumption of baseline system WITH efficiency technology (e.g., a gasoline vehicle). Enter the annual fuel consumption (in GGE/yr) per unit.

Final calculations and assumptions used.

Annual emissions intensity of electricity consumption (metric tons CO2e/GGE).

Final calculations and assumptions used.

Initial calculations and assumptions used.

Final calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.

Initial calculations and assumptions used.
C. Facility Information

Explain the values and assumptions (with calculations if relevant) used to arrive at the value in C2 above.

Define the unit used and explain the values and assumptions (with calculations if relevant) used to arrive at the value in C3 above.

Projected number of employees (FTE) employed for purposes of constructing, building, or installing Qualified Property.

Include total per unit salary costs. Do not include hourly wages, fringe benefits, or other non-salary costs. Salary should reflect average gross wage and benefits (e.g., 1 FTE for generation capacity for a single special solar panel on a rooftop).

Before calculating the emissions, please note that units must be consistent with those used in your calculations. Please note the types(s) and extent of energy that is reduced and the source of the baseline (e.g. prior performance, industry standard, etc.).

If your production process results in a percent change in water use, explain your calculations. Please note the types(s) and extent of water that is reduced and the source of the baseline (e.g. prior performance, industry standard, etc.).

If your production process results in a percent change in solid waste, explain your calculations. Please note the types(s) and extent of waste that is reduced and the source of the baseline (e.g. prior performance, industry standard, etc.).

If your production process results in a percent change in hazardous waste, explain your calculations. Please note the types(s) and extent of hazardous waste that is reduced and the source of the baseline (e.g. prior performance, industry standard, etc.).

Does your manufacturing process result in environmental benefits? If yes, please provide a brief description of the environmental benefits and the source of the baseline (e.g. prior performance, industry standard, etc.).

Project number of environmental benefits resulting from use of Qualified Property.

If yes, please provide a brief description of the environmental benefits and the source of the baseline (e.g. prior performance, industry standard, etc.).

Project average annual number of Qualified Products to be sold or shipped (number of units).

Include total per unit production‐related purchases from suppliers, assuming Qualified Property is utilized/installed, in dollars.

Projected average number of employees (FTE) employed for purposes of constructing, building, or installing Qualified Property.

Include total per unit salary costs. Do not include hourly wages, fringe benefits, or other non-salary costs. Salary should reflect average gross wage and benefits (e.g., 1 FTE for generation capacity for a single special solar panel on a rooftop).

Include total per unit production‐related purchases from suppliers, assuming Qualified Property is utilized/installed, in dollars.

If your manufaturing process results in environmental benefits, enter the number of construction-related jobs used to build the production facility or install equipment. Do not include the value of land and structures. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a year's work (a half time employee counts as 0.5 FTE).
If your production process results in a percent change in other pollutants, explain your calculations. Please note the types(s) and extent of pollution that is consistent with the source of the baseline (e.g., prior performance, industry standard, etc.).

Research and Development Facilities:
Does your company have a facility located in California that performs research and development functions related to the product or production process at the facility that is the subject of this application?

Workforce Partnerships:
Does the Facility have partnerships with educational institutions with the purpose of training the workers at the Facility, or the purpose of assisting in the training of potential future workers?

Industry Cluster:
Has the industry associated with this Application been identified by a California state or local government entity or regional economic development authority as an industry cluster, strategic cluster, or competitive cluster of the region within which the Applicant's project resides?

Please identify the industry and the entity that has identified this industry as an Industry Cluster.
Please enter the information requested in the white boxes below or select from the drop down list. When required, please provide calculations and assumptions used. If actual values are not known, good faith estimates are acceptable. All Applicant-provided values may be subject to verification.

**C. Facility Information**

- **D1**
  - Brief description/name of recycled material to be produced with Qualified Property.

- **D2**
  - Projected average number of employees (FTE) at Facility, assuming Qualified Property is utilized. Enter the estimated average number of employees employed to produce the output outlined in Box D3 (above), averaged over the Estimated Useful Lifespan of the Qualified Property (see Qualified Property List). For new or expansion projects, the applicant should include any new employees. Value should be reported to nearest full number. (FTEs) includes part-time employees. (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

- **D3**
  - Projected per unit labor costs, assuming Qualified Property is utilized. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. Entry should reflect average value over Estimated Useful Lifespan of Qualified Property.

- **D4**
  - Projected average per unit sales price in dollars. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. If multiple products are produced, enter the average sales price per unit of all products. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

- **D5**
  - Projected average per unit sales price in dollars. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. If multiple products are produced, enter the average sales price per unit of all products. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

- **D6**
  - Projected average per unit sales price in dollars. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. If multiple products are produced, enter the average sales price per unit of all products. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

- **D7**
  - Projected average per unit sales price in dollars. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. If multiple products are produced, enter the average sales price per unit of all products. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

- **D8**
  - Projected average per unit sales price in dollars. Include total per unit salary costs. Do not include payroll taxes, fringe benefits, or other non-salary costs. If multiple products are produced, enter the average sales price per unit of all products. Value should be in annual full time equivalents (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

**D. Product Information**

- **D9**
  - Estimated percent of total sales to California customers. Value should be calculated over the Estimated Useful Lifespan of the Qualified Property. (FTEs) include part-time employees. Do not include construction FTEs.

- **D10**
  - Projected number of employees (FTE) from California suppliers. (FTEs) include part-time employees. Do not include construction FTEs.

- **D11**
  - Projected average number of employees (FTE) employed to produce the output outlined in Box D2 (above), averaged over the Estimated Useful Lifespan of the Qualified Property (see Qualified Property List). For new or expansion projects, the applicant should include any new employees. Value should be reported to nearest full number. (FTEs) includes part-time employees. (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

- **D12**
  - Projected average number of employees (FTE) employed to produce the output outlined in Box D2 (above), averaged over the Estimated Useful Lifespan of the Qualified Property (see Qualified Property List). For new or expansion projects, the applicant should include any new employees. Value should be reported to nearest full number. (FTEs) includes part-time employees. (FTE); part-time employees should be counted as a fraction of a full time employee. Do not include construction FTEs.

**Navigation**

- [Click Here to Return to Qualified Property List](#)
- [Click Here to Return to Applicant Information](#)
- [Click Here to Return to Recycling Applicants Only](#)
### Facility Information

| 1. | Value of capital stock used to produce Qualified Products | Enter the total value of all purchased equipment and tangible personal property and real property not included in the natural resource element of the project. This should include the total of Capital Property shown in Box D1 and D4. Do not include the value of real property which is leased to the Applicant. The value of events which are not for the production of electricity, energy, or water should also be included. Value should be in current dollars, inclusive of depreciation. |
| 2. | Value of capital stock not included in the previous section (Box D1) | Enter the total value of all purchased equipment and tangible personal property and real property not included in the natural resource element of the project. This should include the total of Capital Property shown in Box D1 and D4. Do not include the value of real property which is leased to the Applicant. The value of events which are not for the production of electricity, energy, or water should also be included. Value should be in current dollars, inclusive of depreciation. |

### Product Information

| 3. | Projected average annual number of employees (FTE) employed for purposes of constructing facility or installing Qualified Property. | Enter the estimated number of employees (FTE) employed for purposes of constructing facility or installing Qualified Property. Do not include construction related employees. Value should be in current dollars, inclusive of depreciation. |
| 4. | Fringe benefits or other non-salary costs | Enter total estimated average annual fringe benefits, or other non-salary costs. Value should be in current dollars, inclusive of depreciation. |
| 5. | Value of environmental benefits (pollution avoided) per unit | Enter the annual dollar value of any off-setting environmental pollution costs. Value should be in current dollars, inclusive of depreciation. |
| 6. | Total number of employee (FTE) equivalent to any requirements for the operation of the project. | Enter the estimated number of employees (FTE) equivalent to any requirements for the operation of the project. Do not include construction related employees. Value should be in current dollars, inclusive of depreciation. |
| 7. | Value of equipment | Enter the total value of all purchased equipment and tangible personal property and real property not included in the natural resource element of the project. This should include the total of Capital Property shown in Box D1 and D4. Do not include the value of real property which is leased to the Applicant. The value of events which are not for the production of electricity, energy, or water should also be included. Value should be in current dollars, inclusive of depreciation. |

### Optional Supplemental Information

| 8. | Description of environmental benefits. | Enter a narrative description of the environmental benefits to be used. Value should be in current dollars, inclusive of depreciation. |

### Instructions

Please enter the information requested in the white boxes below or select from the choices in the blue drop-down list. When requested, please explain calculations and assumptions used. If actual values are not known, good faith estimates are acceptable. All Applicant-provided values may be subject to verification.

- Step 1: [Click Here to Return to Instructions]
- Step 2: [Click Here to Return to Qualified Property List]
- Step 3: [Click Here to Return to Qualified Property List]
## Economic Benefit Calculation

<table>
<thead>
<tr>
<th>Input Values/Calculations</th>
<th>Acronym</th>
<th>Assumptions</th>
<th>Acronym</th>
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<tbody>
<tr>
<td>Output (Value-added)</td>
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<td></td>
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<tr>
<td>Annual Labor</td>
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<td>Capital Share of Output</td>
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<td>Annual implied payment for capital stock used for production</td>
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<tr>
<td>Implied total annual capital (total - labor)</td>
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<tr>
<td>Equipment capital as % of Total capital (max = 100% )</td>
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<tr>
<td>Weighted applicant factor share of capital</td>
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<tr>
<td>Value of the Qualified Property</td>
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<td>Marginal increase in qualified property</td>
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<td>Marginal increase % of total capital</td>
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<td>Marginal increase in sales</td>
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<td>Marginal increase in units</td>
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<td>Marginal increase in in-state supplier purchases</td>
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<td>Annual multiplier increase in statewide output</td>
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<tr>
<td>Weighted average capital life span( years)</td>
<td>#DIV/0!</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present Value of Marginal Sales</td>
<td>#DIV/0!</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present Value of Multiplier Output</td>
<td>#DIV/0!</td>
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</tbody>
</table>

## Fiscal Benefit Calculation

<table>
<thead>
<tr>
<th>Input Values/Calculations</th>
<th>POSCA</th>
<th>Assumptions</th>
<th>PTR</th>
<th>GRSO</th>
<th>ATL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Sales in California</td>
<td>0%</td>
<td>Average state income tax rate</td>
<td>5.46%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Added %</td>
<td>#DIV/0!</td>
<td>Property tax rate</td>
<td>0.05%</td>
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<td></td>
</tr>
<tr>
<td>Labor as % of Total Sales</td>
<td>#DIV/0!</td>
<td>Total State and Local Revenues/GSP</td>
<td>6.24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased taxable CA sales</td>
<td>#DIV/0!</td>
<td>Tax rate on LLCs</td>
<td>9.30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased employee wages</td>
<td>#DIV/0!</td>
<td>Effective Average Tax Rate on California Gross Profit (C Corporations)</td>
<td>2.27%</td>
<td></td>
<td></td>
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<tr>
<td>Increased AV (equip)</td>
<td>#DIV/0!</td>
<td>Estimated Annual California Corporation or Income Tax Liability</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales taxes</td>
<td>#DIV/0!</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal income taxes</td>
<td>#DIV/0!</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm taxes on profits</td>
<td>#DIV/0!</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>#DIV/0!</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Sub-total Direct Fiscal Benefit</td>
<td>#DIV/0!</td>
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<td></td>
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<tr>
<td>Indirect Fiscal Benefit</td>
<td>#DIV/0!</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Fiscal Benefit</td>
<td>#DIV/0!</td>
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</table>
# Environmental Benefit Calculation

<table>
<thead>
<tr>
<th>Input Values/Calculations</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales price (per unit) $0.00</td>
<td>$ Value of avoided GGE (All CO2 + CA non-CO2) $0.10 $GGE</td>
</tr>
<tr>
<td>Percent of end product sold in California 0%</td>
<td>$ Cost of MWh (All CO2 + CA non-CO2) $5.57 $MWh</td>
</tr>
<tr>
<td>Total price of end supply chain product $0.00</td>
<td>$ Value of avoided MMBtu (All CO2) $0.59 $MMBtu</td>
</tr>
<tr>
<td>Product Type BioFuels</td>
<td>$ pollution cost of pound of CO2 $0.01</td>
</tr>
<tr>
<td>Pollutant Type</td>
<td>$ pollution cost of pound of SO2 $0.72</td>
</tr>
<tr>
<td>Pollutant Cost of pound of NOx $0.14</td>
<td>$ pollution cost of pound of NOx $0.14</td>
</tr>
<tr>
<td>Discount Rate for Environmental Benefits 0.0275</td>
<td></td>
</tr>
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</table>

## Product Type

<table>
<thead>
<tr>
<th>BioFuels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Annual Pollution benefit (GHG emissions in Grams per MJ) #N/A</td>
</tr>
<tr>
<td>Pounds of GHG equivalent benefit per MJ #N/A</td>
</tr>
<tr>
<td>Net Benefit in dollars per year per MJ #N/A</td>
</tr>
<tr>
<td>Net benefit in dollars per unit #N/A</td>
</tr>
<tr>
<td>Allocated Share #N/A</td>
</tr>
<tr>
<td>Net improvement/unit #N/A</td>
</tr>
<tr>
<td>Annual Pollution Benefit/unit #N/A</td>
</tr>
<tr>
<td>Lifetime pollution benefit/unit #N/A</td>
</tr>
<tr>
<td>Allocated Share #N/A</td>
</tr>
<tr>
<td>Annual Pollution Cost/unit #N/A</td>
</tr>
<tr>
<td>Pounds of CO2 emitted per unit of energy produced. #N/A</td>
</tr>
<tr>
<td>Pounds of SO2 emitted per unit of energy produced. #N/A</td>
</tr>
<tr>
<td>Pounds of NOx emitted per unit. #N/A</td>
</tr>
<tr>
<td>Pounds of Other pollutants emitted per unit of energy produced (please enter in pound per unit) #N/A</td>
</tr>
<tr>
<td>Cost in dollars per pound for other pollutants emitted per unit (please enter in dollars per pound) #N/A</td>
</tr>
<tr>
<td>Annual Pollution Cost/unit #N/A</td>
</tr>
<tr>
<td>Net pollution benefit/unit #N/A</td>
</tr>
<tr>
<td>Lifetime pollution benefit/unit #N/A</td>
</tr>
<tr>
<td>Allocated Share #N/A</td>
</tr>
<tr>
<td>Alternative_Energy-Total Pollution Benefit (life of facility) #DIV/0!</td>
</tr>
</tbody>
</table>

## Energy Efficiency

<table>
<thead>
<tr>
<th>Energy type</th>
<th>ELECT FROM DROPDOWN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net improvement/unit 0.00</td>
<td>Net improvement/unit 0.00</td>
</tr>
<tr>
<td>Annual Pollusion Benefit/MWh #N/A</td>
<td>Annual Pollusion Benefit/MWh #N/A</td>
</tr>
<tr>
<td>Lifetime pollution benefit/MWh #N/A</td>
<td>Lifetime pollution benefit/MWh #N/A</td>
</tr>
<tr>
<td>Allocated Share #N/A</td>
<td>Allocated Share #N/A</td>
</tr>
<tr>
<td>Energy_Efficiency-Total Pollution Benefit (life of facility) #DIV/0!</td>
<td>Energy_Efficiency-Total Pollution Benefit (life of facility) #DIV/0!</td>
</tr>
</tbody>
</table>

## Advanced Transportation

| Annual baseline system consumption 0.00 | Annual Pollusion Benefit/unit $0.00 |
| Annual Pollusion Benefit/unit $0.00 | Annual Pollusion Benefit/unit $0.00 |
| Net annual pollution benefit/unit $0.00 | Lifetime pollution benefit/unit $0.00 |
| Allocated Share $0.00 | Allocated Share $0.00 |
| Advanced_Transportation-Total Pollution Benefit (life of facility) #DIV/0! | Advanced_Transportation-Total Pollution Benefit (life of facility) #DIV/0! |

## Recycling

<table>
<thead>
<tr>
<th>Recycle Type</th>
<th>ELECT FROM DROPDOWN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply elasticity (SE) #N/A</td>
<td>Demand elasticity (DE) #N/A</td>
</tr>
<tr>
<td>Capital Cost/ton/year #DIV/0!</td>
<td>Change in tons recycled #DIV/0!</td>
</tr>
<tr>
<td>Percentage Change in production cost #DIV/0!</td>
<td>MT CO2e/short ton recycled #N/A</td>
</tr>
<tr>
<td>PCPC</td>
<td>PIR</td>
</tr>
<tr>
<td>Change in tons recycled #DIV/0!</td>
<td>MT CO2e/short ton recycled #N/A</td>
</tr>
<tr>
<td>Total CO2 Benefit #N/A</td>
<td>Allocated Share $0.00</td>
</tr>
<tr>
<td>Recycling-Total Pollution Benefit (life of facility) #DIV/0!</td>
<td>Recycling-Total Pollution Benefit (life of facility) #DIV/0!</td>
</tr>
</tbody>
</table>

## Other Application Types

<table>
<thead>
<tr>
<th>Other Application Type</th>
<th>Allocated Share $0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual savings per unit $0.00</td>
<td>Annual costs per unit $0.00</td>
</tr>
<tr>
<td>Net pollution benefit/unit $0.00</td>
<td>Net pollution benefit/unit $0.00</td>
</tr>
</tbody>
</table>
## Project Scoring Worksheet

This section contains scoring calculations based on the Applicant provided information and the assumptions contained in the yellow shaded boxes. All calculations and resulting scores are for the Applicants information only, and do not represent the actual score an Application will receive.

<table>
<thead>
<tr>
<th>Lifetime pollution benefit/unit</th>
<th>$0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated Share</td>
<td></td>
</tr>
<tr>
<td>Other Application Type</td>
<td></td>
</tr>
<tr>
<td>Total Pollution Benefit (life of facility)</td>
<td></td>
</tr>
<tr>
<td>Net Environmental Benefit</td>
<td></td>
</tr>
</tbody>
</table>

### Advanced Manufacturing Environmental Benefits Score

| Environmental Sustainability Plan | - |
| Energy consumption | - |
| Water use | - |
| Solid waste | - |
| Hazardous waste | - |
| Air Pollutants | - |
| Other Pollutants | - |
| Total Environmental Benefit | - |

### Section G.i. Supplemental Score

| Annual dollar impact of pollution avoided | $0 |
| Lifetime pollution benefit | $0 |
| Allocated Share | 
| Additional Pollution Benefit (life of facility) | 

## Net Benefits and Final Score

| Fiscal Benefits (TFB) | 
| Environmental Benefits (TPB) | 
| Total Cost | $0 |
| Net Benefits | 

Net Benefits Score | 

| Points | 
| #DIV/0! | 
| #DIV/0! | 
| #DIV/0! |
### Project Scoring Worksheet

This section contains scoring calculations based on the Applicant provided information and the assumptions contained in the yellow shaded boxes. All calculations and resulting scores are for the Applicants information only, and do not represent the actual score an Application will receive.

#### Other Scoring Factors

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
<th>Explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unemployment</strong></td>
<td>0</td>
<td>Facility Unemployment Rate 0.00%</td>
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<tr>
<td></td>
<td></td>
<td>Unemployment Score 0</td>
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<tr>
<td><strong>New Jobs</strong></td>
<td></td>
<td>Total facility FTEs 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marginal additional jobs #DIV/0!</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sales tax exclusion/job N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Jobs Score 0</td>
</tr>
<tr>
<td><strong>Construction Jobs</strong></td>
<td></td>
<td>Total construction FTEs 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marginal additional jobs #DIV/0!</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sales tax exclusion/job N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construction Jobs Score 0</td>
</tr>
<tr>
<td><strong>Emerging Strategic Industry</strong></td>
<td>0</td>
<td>Emerging Green Industry Score 0</td>
</tr>
<tr>
<td><strong>Non-CA Environmental Benefits</strong></td>
<td></td>
<td>Annual out of state pollution benefit/unit $0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual out of state pollution cost/unit $0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lifetime Net out of state pollution benefit/unit $0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total out of state pollution benefit (life of facility) #DIV/0!</td>
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<tr>
<td><strong>Non-CA Environmental Benefits Score</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Additional Facility Information</strong></td>
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<td>Workforce Partnership 0</td>
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<td></td>
<td></td>
<td>Industry Cluster 0</td>
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<tr>
<td></td>
<td></td>
<td>Additional Facility Information Score 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-total other factors #DIV/0!</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Additional Points #DIV/0!</td>
</tr>
<tr>
<td><strong>Final Score</strong></td>
<td>#DIV/0!</td>
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</tr>
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#### Assumptions

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
<th>Explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Unemployment Rate</strong></td>
<td>5.1%</td>
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<tr>
<td><strong>New Jobs Points</strong></td>
<td></td>
<td>Max</td>
</tr>
<tr>
<td></td>
<td></td>
<td>min</td>
</tr>
<tr>
<td></td>
<td></td>
<td>points</td>
</tr>
<tr>
<td></td>
<td>$1,500,000</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>$750,000</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>$400,000</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>$200,000</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>$100,000</td>
<td>50</td>
</tr>
<tr>
<td><strong>Construction Jobs Points</strong></td>
<td></td>
<td>Max</td>
</tr>
<tr>
<td></td>
<td></td>
<td>min</td>
</tr>
<tr>
<td></td>
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<td>points</td>
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<tr>
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<td>$1,500,000</td>
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#### Additional Tables

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<tr>
<th>Category</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-total other factors</strong></td>
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</tr>
<tr>
<td><strong>Total Additional Points</strong></td>
<td>#DIV/0!</td>
<td></td>
</tr>
<tr>
<td><strong>Final Score</strong></td>
<td>#DIV/0!</td>
<td></td>
</tr>
</tbody>
</table>

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Title 4. Business Regulations
Division 13. California Alternative Energy and Advanced Transportation Financing Authority

Article 2. MANUFACTURING SALES AND USE TAX EXCLUSION PROGRAM

§ 10031. Definitions.

(a) “Administrative Fee” means the fee payable following approval of an Application upon the execution of the Regulatory Agreement between the Applicant and the Authority and at the time of submitting the semi-annual report to CAEATFA.

(b) “Advanced Manufacturing” is defined as stated in Section 26003(a) of the Public Resources Code.

(c) “Advanced Transportation Technology” or “Advanced Transportation Technologies” is defined as stated in Section 26003(a) of the Public Resources Code.

(d) “Alternative Sources” is defined as stated in Sections 26003(a) of the Public Resources Code.

(e) “Applicant(s)” means a Participating Party submitting an Application.

(f) “Application” means a completed formal request for sales and use tax exclusion as specified in Section 10032.

(g) “Application Fee” means the fee payable at the time of Application for a sales and use tax exclusion.

(h) “Authority” means the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 of the Public Resources Code (commencing with Section 26000).

(i) “Biofuel” includes “Biodiesel,” a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, and “Biogas,” the raw gaseous mixture comprised primarily of methane and carbon dioxide and derived from the anaerobic decomposition of organic matter in a landfill, lagoon, or constructed reactor (digester).

(j) “California Supplier” means a business entity that manufactures, assembles, or produces its product or service in the state of California.

(k) “Competitive Criteria” means a set of Project or Applicant characteristics, as determined in Section 10032(a)(7)(B), which are measurable at the time of application.
(l) “Corporate Headquarters” means the location that is the primary center of direction, control and coordination for the company.

(m) “Emerging Strategic Industry” means an innovative industry, technology or product that may be identified by the Executive Director as having a potentially significant impact on the State's environmental goals or economy, the advancement of which are in the public interest, and which advance the purposes of the Program. The Executive Director may from time to time develop or add to a list of Emerging Strategic Industries which will be identified by North American Industry Classification System (NAICS) code (or its equivalent) or by description of the product or manufacturing process. The list of these industries will be publicly posted on the Authority's website.

(n) “Estimated Useful Lifespan” means the length of time the Qualified Property or Advanced Transportation Technology or Alternative Source product, component, or system can reasonably be expected to last in a productive capacity, as identified in the Application or the Regulatory Agreement.

(o) “Executive Director” means the executive director of CAEATFA.

(p) “Facility” or “Facilities” means a design, manufacturing, production, or assembly facility that includes or will include tangible personal property utilized for the design, manufacture, production, or assembly of Advanced Manufacturing, Advanced Transportation Technologies or Alternative Source products, components, or systems, or a facility that includes or will include tangible personal property that at least 50 percent of its use is either to process Recycled feedstock that is intended to be reused in the production of another product or using Recycled feedstock in the production of another product or soil amendment. Facilities involving more than one location may be combined in a single Application, provided the locations are part of a single process. Where facilities at multiple locations are performing the same or substantially similar operations they will require separate Applications.

(q) “Financial Assistance” means the granting of a sales and use tax exclusion by the Authority pursuant to Section 26011.8(a) of the Public Resources Code.

(r) “Green Component” means the component or system within Advanced Transportation Technologies or Alternative Source products, components, or systems that is primarily responsible for or required to enable the increase in energy efficiency, Alternative Source generation, or pollution reduction.

(s) “Industry Cluster” means a concentration of interrelated businesses or industries in a region that, by virtue of being located in proximity, act to increase productivity or economic growth in that region. For purposes of receiving points as part of an Application, Industry Clusters must be recognized by a California state or local government entity, regional economic development authority, or association of governments as an industry cluster, strategic cluster, or competitive cluster of the region within which the Applicant's Project resides.
(t) “Participating Party” is defined as stated in Section 26003(a)(7)(A) of the Public Resources Code.

(u) “Program” means the sales and use tax exclusion program created pursuant to Public Resources Code Section 26011.8.

(v) “Project” is defined as stated in Section 26003(a)(8)(B) of the Public Resources Code. Project does not include machinery or equipment that utilizes or is designed to utilize an Alternative Source.

(w) “Qualified Product” means an Advanced Transportation Technology or Alternative Source product, component or system, or a product produced with an Advanced Manufacturing Process, or a product made by processing Recycled feedstock or utilizing Recycled feedstock.

(x) “Qualified Property” means the tangible personal property identified in the Application or Regulatory Agreement to be purchased for use in the Facility if at least 50 percent of its use is either to process Recycled feedstock that is intended to be reused in the production of another product or using Recycled feedstock in the production of another product or Soil amendment; or tangible personal property that is used in the state for the design, manufacture, production, or assembly of Advanced Transportation Technologies, or Alternative Source products, components, or systems or utilized in an Advanced Manufacturing process. Qualified Property must be used for the purpose stated in the Application for a period equal to the longer of (a) one year or (b) one-half of the Estimated Useful Lifespan of the Qualified Property. The total value of Qualified Property necessary for the operation of the Facility and located on the same site as the Facility, but not directly used for the design, manufacture, production or assembly of advanced transportation technologies or alternative source products, components or systems shall not exceed one percent (1%) of the total value of all Qualified Property purchased by the Applicant.

(y) “Recognized Energy Efficiency Standard” is a statutory, regulatory, or voluntary set of minimum energy efficiency standards for one or more products, product components, or categories of products or product components, as designated by the Executive Director. The Executive Director may designate a standard as a Recognized Energy Efficiency Standard if it (a) has been adopted and currently maintained by a government agency, trade group, or nonprofit organization, (b) has clearly defined test methods, (c) contains product energy consumption ratings based on independent certification and testing, and (d) the energy consumption of products that meet the standards is significantly below the consumption of comparable products.

(z) “Recycled feedstock” is defined as stated in Section 26011.8(b)(2) of the Public Resources Code.

(aa) “Recycled Resource Extraction Project” is a project that converts Recycled feedstock into materials that are used in subsequent manufacturing processes.

(ab) “Regulatory Agreement” means the agreement specified in Section 10035.
Soil amendments" is defined as stated in Section 26011.8(b)(3) of the Public Resources Code.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10032. Application Requirements.

(a) Timing of Application submissions.

(1) Except as otherwise provided by the Authority pursuant to subparagraphs (3) and (9) below, Applications may be submitted for consideration at any time. Applications will be presented at the first meeting at which Applications will be considered occurring at least 60 calendar days after the receipt of the Complete Application, except as noted in paragraphs (3), (8), and (9) below.

(2) Applications must be submitted via e-mail to CAEATFA@treasurer.ca.gov as well as in person or via regular mail or commercial delivery service. CAEATFA must receive the original paper Application within five (5) business days of submission of the electronic version of the Application.

(3) The Authority may limit the number of meetings each year at which Applications will be considered.

(4) Except as provided in subparagraph (A) below, Applications shall be capped at $20 million of sales and use tax exclusions (STEs) per Applicant, per calendar year, based on the average statewide sales tax rate at time of Application. For any Applicant which has a parent company with an ownership interest greater than 50%, the $20 million cap also applies to the Applicant’s parent company and the parent company’s subsidiaries or affiliates.

(A) If STE will be available at the last Authority board meeting of the calendar year, the Authority may provide additional STE to Applicants that qualified for additional STE but were capped at $20 million of STE. Applicants wishing to exceed the $20 million cap shall bring a revised Project Application or a new Application before the Authority for consideration in December of the same calendar year in which the original Application was approved. The revised or new Application shall include updated information requested in Section 10032 and will be evaluated pursuant to Section 10033. The Authority Executive Director will announce end of the year availability no later than 28 days prior to the December Authority meeting.

(i) The amount of additional STE available to each Applicant seeking an STE award above the $10 million cap shall be determined as follows: by the Executive Director, and shall be the amount of the Applicant’s approved award, plus an amount calculated by taking the unawarded STE for that calendar year and dividing it evenly between all Applicants that wish to exceed the $20 million Project cap, but not to exceed the
requested STE for any Applicant. For each Applicant seeking additional STE above the $10 million cap, an additional award score shall be calculated pursuant to the following formula:

The additional award score will be the sum of the following:

100 points for Applicants with Total Pollution Benefits (TPB) points greater than zero as calculated pursuant to Section 10033(c)(4)

The Unemployment Score as calculated pursuant to Section 10033(c)(5)(A)

The New Jobs Score as calculated pursuant to Section 10033(c)(5)(B)

50 points for Applicants that can demonstrate the Project is to relocate or rebuild the Applicant’s Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application

15 points for Applicants with a California Corporate Headquarters as defined in Section 10031(l)

The proportionate share of total points awarded for all Applicants seeking an additional award shall be calculated by dividing the Applicant’s additional award score by the sum of the scores for all Applicants seeking an additional award. The additional award for each Applicant shall be calculated by multiplying each Applicant’s proportionate share of points by the total unawarded STE.

In the event that an Applicant’s additional award exceeds the requested STE amount for that Applicant, the excess STE above the amount requested shall be reallocated to the remaining Applicants based on the remaining Applicants’ proportionate share of total points.

Applicants seeking additional STE beyond the Project cap shall not be eligible to receive STE from the subsequent calendar year pursuant to the provisions of Section 10032(a)(7)(A).

(5) To the extent that total sales and use tax exclusions awarded during the calendar year reach $100 million (the statutory cap), no additional Applications will be reviewed during that calendar year. Applications that are received but not awarded due to the statutory cap will be placed on a waiting list. To the extent that additional STEs become available during the calendar year, Applications on the waiting list will be reviewed and presented to the CAEATFA Board for approval in the order in which they are ranked, based on Competitive Criteria. Applications that are on the waiting list but are not evaluated by staff due to the statutory cap will be considered in the subsequent calendar year.
(6) Complete Applications will be reviewed in the order in which they are received, except as noted in paragraph (7) below.

(A) The order in which they are received will be determined by the time and date stamp of the electronic submission of the Application via e-mail.

(7) In the event that Applications received by CAEATFA by the deadline for a particular Board meeting represent STEs in excess of the statutory cap for that calendar year, the order in which the Applications submitted for that particular Board meeting shall be considered by the Authority will be based on a ranking of Competitive Criteria of all Projects moving forward before the board within the same month, as established in subparagraphs (A) and (B) below.

(A) Each criterion that the Application meets shall be worth between one and five points. The Projects with the greatest point score will be reviewed and presented to the CAEATFA Board. In the event of a tie, the Application representing the smaller STE award will move forward to consideration before the Authority. If the STE amounts are identical, the Application that was received by CAEATFA first shall be heard first. When the amount requested in the Application exceeds the STE available in the calendar year, the Authority shall award the remaining STE request using STE from the following calendar year. Any remaining Applications shall be placed on the waiting list.

(B) Competitive Criteria.

(i) If the Project is located in a county with an unemployment rate greater than 110% of the statewide average, the Project shall receive points based on the ratio of the local unemployment rate (Local Rate) to the Highest Unemployment Rate In the State (HUIS), pursuant to the following equation:

\[ 1 + ((\text{Local Rate} / \text{HUIS}) \times 4) \]

a. If a Project receives points for the unemployment rate of the proposed Project location and, after approval by the Authority, the Applicant changes its intended location to a county with a lower unemployment rate, such that the ranking of the Applicants would have been affected, the award shall be rescinded and automatically awarded to the next awardee in line.

b. If an award is rescinded due to changes in the proposed Project location, the Applicant may submit a revised Application with an updated Project location.

c. The local unemployment rate means the rate within the county in which the Facility is located as reported by the California Employment Development Department. The highest unemployment rate in the state is unemployment rate for the county with the highest countywide rate reported. The most current annual average unemployment rate information available at the time of the Application submission shall be used.
(ii) If the Applicant has its Corporate Headquarters located in California, the Project shall receive one point, provided that:

a. if the Applicant has a parent company with an ownership interest greater than 50%, the parent company must also have its Corporate Headquarters in California.

(iii) If the Applicant is classified as small businesses under U.S. Small Business Administration guidelines (Title 13 of the Code of Federal Regulations) and has fewer than 500 employees, the Project shall receive one point, provided that:

a. if the Applicant has a parent company with an ownership interest greater than 50%, the parent company must also be classified as small business under U.S. Small Business Administration guidelines (Title 13 of the Code of Federal Regulations) and have fewer than 500 employees.

(iv) If the Applicant has not previously been approved for an award by the Authority, the Project shall receive five points, provided that:

a. If the Applicant has a parent company with an ownership interest greater than 50%, neither the parent company, nor its subsidiaries or affiliates may have been previously approved for an award by the Authority.

(v) If the Applicant can demonstrate the Project is to relocate or rebuild the Applicant’s Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two year of the time of application, the Project shall receive five points.

(i) The competitive criteria score will be the sum of the following:

100 points for Applicants with Total Pollution Benefits (TPB) points greater than zero as calculated pursuant to Section 10033(c)(4)

The Unemployment Score as calculated pursuant to Section 10033(c)(5)(A)

The New Jobs Score as calculated pursuant to Section 10033(c)(5)(B)

50 points for Applicants that can demonstrate the Project is to relocate or rebuild the Applicant’s Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application

15 points for Applicants with a Corporate Headquarters, as defined in Section 10031(l), located in California
(8) Upon a recommendation of the Executive Director, the Authority may consider an Application at a meeting occurring less than 60 calendar days after the receipt of the complete Application.

(9) The Authority may, upon a finding that it is in the public interest and advances the purposes of the Program, at any time announce that it is not accepting further Applications.

(b) Application. Applicants shall submit to the Authority the information required by this section.

(1) Applications not meeting all requirements shall be considered incomplete. An Applicant shall be notified by the Authority should its Application be deemed incomplete and may correct any deficiency and resubmit the Application. Resubmitted Applications will be reviewed for completeness and, if complete, will be further reviewed by staff and presented to the Authority pursuant to the regular review and evaluation process and timeline.

(2) Determination of completeness, compliance with all requirements, and the scoring of the Application shall be based entirely on the documents contained in the Application as of the date on which the Application was submitted. Any additional documents pertaining to the requirements or scoring categories that the Applicant chooses to submit shall be accepted after the Application-filing date only with the understanding that, for purposes of calculating the 60 calendar days to determine the earliest meeting at which the Application will be heard and the date on which a complete application is deemed to have been received, the date the additional documentation is received shall be the date of receipt of the Application. In the event the Authority asks an Applicant for additional information or requests clarification or correction of errors, Applicants shall be given up to three (3) business days from the date of receipt of staff notification to submit said documents to complete the Application. A timely response shall not cause a redetermination of the date of receipt. The Authority may request additional clarifying information from third party sources, such as local government entities, other state agencies, or subject matter experts. To the extent that third party information is received that contradicts or otherwise calls into question information provided in the Application or otherwise may result in a reduction in the score that an Application would receive, the Applicant will be notified and will be given three (3) business days to respond to the third party information received.

(3) An Application may not be changed, nor may any additional information with respect to scoring be submitted subsequent to the Application filing date, except as noted above.

(4) Applications not submitted with the Application Fee will be considered incomplete if the Application Fee is not received within five (5) business days of submission of the Application, unless an Application is a resubmission pursuant to Section 10032(a)(54)(A).

(5) To be considered complete, a paper copy of the filled-out Application and any supporting documentation, including original signatures as required on part A of the Application form, must be received at the Authority's Sacramento office.
(c) Documentation. The following documentation relevant to the proposed Facility is required to be submitted with all Applications:

(1) Applicant Certification. A signed statement certifying the responsibility of the Applicant to:

(A) provide Application-related documentation to the Authority upon request;

(B) be familiar with and comply with Program statutes and regulations;

(C) hold the Authority and its employees and consultants harmless from any and all issues arising from the Applicant's participation in the Program;

(D) agree to comply with and remain in compliance with all applicable laws and regulations during the term of the Regulatory Agreement;

(E) acknowledge that the Authority has recommended the Applicant seek tax advice;

(F) acknowledge that the Application will be evaluated according to Authority regulations;

(G) acknowledge that continued compliance with Program requirements, including ongoing reporting requirements and any costs associated with such requirements for the term of the Regulatory Agreement, is the responsibility of the Applicant;

(H) acknowledge that information submitted to the Authority may be subject to disclosure pursuant to the Public Records Act (Government Code Section 6250, et seq.);

(I) agree to enter with the Authority into a Regulatory Agreement if the Application is approved; and,

(J) acknowledge, under penalty of perjury, that all information provided to the Authority is true and correct, and that the Applicant has an affirmative duty to notify the Authority of any material changes to the information submitted in the Application during the Application process and the term of the Regulatory Agreement.

(2) Legal Information. Applicants shall complete the Legal Status Questionnaire (as revised on October 1, 2010August 14, 2018).

(3) Designated Contacts. The Application must identify designated contacts who can respond to questions from the Authority or provide additional information if requested. If the designated contacts are not directly employed by Applicant, the Application must include appropriate documentation signifying the contact's authority to represent and act on behalf of the Applicant with respect to the Application.

(4) Applicant and Facility Information. Applicants are responsible for providing all requested information, which shall include:
(A) Applicant Information.

(i) Name, phone number, email address, mailing address, and taxpayer identification number of Applicant,

(ii) Applicant organization type (e.g., corporation, LLC, partnership, etc.),

(iii) Name, phone number, email address, and mailing address of a primary and secondary contact person

(iv) Contacts' titles or relationships to Applicant,

(v) The name(s) of the owners of the Applicant's business entity.
   
   a. If the Applicant is a corporation, include the names of the officers of the corporation, major shareholders (10.0% or greater), and date and place of incorporation.

   b. If the Applicant is a sole proprietorship, include the name of the proprietor and the date and place of establishment.

   c. If the Applicant is another type of legal entity, identify the name(s) of the owners and each owner's share of ownership (the totals of the reported shares of ownership should equal 100%).

   d. For all types of business entities, other than publicly traded corporations, private equity firms or sole proprietorships, that are owned by another business entity with an ownership share greater than or equal to 10 percent, identify any individuals or businesses with an ownership share in the parent entity of 10 percent or more.

(vi) Brief description of the Applicant's business, including product(s) produced, facility locations, years in business, and any unique technological or environmental characteristics of the business or products.

(vii) Address of the Applicant’s Corporate Headquarters as defined in Section 10031(l).

(viii) If applicable, documentation demonstrating the Project is to relocate or rebuild the Applicant’s Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application.

(B) Facility Information.

(i) Brief description of Facility and product(s) to be produced, including the following:
a. Physical location of the Facility.

b. A description of the Facility, including the design, manufacturing, or assembly process to be employed, the product to be produced, and the intended or likely customers.

c. Identification of the Advanced Transportation Technology or Alternative Source product, component or system to be produced, the Advanced Manufacturing process to be utilized, or the type of Recycled Resource Extraction Project. In the case of a Facility producing property or products that, after further manufacture, will become the Green Component of an Advanced Transportation Technology or Alternative Source product or system, the Applicant must describe both the property or product produced by the Facility and the Green Component of the Advanced Transportation Technology or Alternative Source product or system for which the product produced will be used.

d. Current Facility status and a schedule indicating the estimated Facility construction start date through the placed-in-service date for the Qualified Property identified in the Application, including the expected date of any needed permits.

e. Description of the sources of financing necessary for Facility completion, including the provision of financial assistance from any local governments for the project.

f. Total value of the capital stock used to produce the product, including the anticipated Qualified Property purchases. The value is not the cost of the capital stock, but the depreciated value of the capital stock excluding buildings and land.

g. Projected average number of employees at the Facility, measured in full time equivalents, assuming Qualified Property is utilized.

h. Projected number of employees employed for purposes of constructing the Facility or installing Qualified Property, measured in full time equivalents.

i. For Alternative Source Projects producing Biofuels, the fraction of Biofuel produced that is used to offset external fuel purchases.

j. Taxability of end of supply chain product for purposes of generating sales taxes.

(C) Qualified Property Information. Completed provisional Qualified Property list to include the following information for each piece of property to be subject to the sales and use tax exclusion. Good faith estimates are acceptable if specific property characteristics are not available at the time of Application. Individual items of Qualified Property can be grouped together provided that the individual items are reasonably related, such as items
that will be used together to produce a particular sub-component or perform a discrete function in the manufacturing process.

(i) Brief description of Qualified Property to be purchased and its use in the manufacturing, production, assembly, or design process.

(ii) Estimated cost of the Qualified Property to be purchased.

(iii) Average Estimated Useful Lifespan of the Qualified Property, weighted by cost.

(iv) Estimated percent of time Qualified Property will be (a) used to make Advanced Transportation Technologies or Alternative Source products, components, or systems, (b) utilized in an Advanced Manufacturing process, or (c) utilized in a Recycled Resource Extraction Project.

(D) Product information (all information must relate solely to the Facility or product to be produced with Qualified Property if the Applicant produces other goods or services):

(i) Brief description and name of the product to be produced with Qualified Property and within California.

(ii) Estimated average annual number of Qualified Products produced or amount of recycled material to be produced.

(iii) Estimated per unit sales price.

(iv) Estimated per unit production-related purchases from suppliers, assuming Qualified Property is utilized or installed.

(v) Estimated percent of production costs from California Suppliers.

(vi) Estimated per unit labor costs, assuming Qualified Property is utilized or installed.

(vii) For Alternative Source and Advanced Transportation Projects, the Estimated Useful Lifespan of product, component, or system.

(viii) Estimated percent of total Qualified Products to be sold in California.

(ix) For Alternative Source or Advanced Transportation Projects, statement as to whether the technology, product, component, or system is a subcomponent of a Qualified Product or an end-of-supply-chain product.

(x) For Alternative Source or Advanced Transportation Projects, total value of the end-of-supply-chain Green Component.
(xi) Estimated percent of total end of supply chain product sales in California.

(E) Environmental Benefit Information.

(i) For Facilities producing the Green Component of Alternative Source products, components or systems:

a. Annual energy generation capacity or energy content per unit.

b. Lbs. of CO2 (or equivalent) emitted per MWh or equivalent.

c. Lbs. of SO2 emitted per MWh or equivalent.

d. Lbs. of NOx emitted per MWh or equivalent.

e. Amount of other pollutants emitted per MWh or equivalent.

f. Pollution cost of other pollutants emitted per MWh or equivalent.

(ii) For Facilities producing the Green Component of Alternative Source energy efficiency products, components or systems:

a. Type and units of energy conserved.


c. Annual baseline system consumption of energy per unit.

d. Annual improved system consumption of energy per unit.

(iii) For Facilities producing the Green Component of Advanced Transportation Technology products, components, or systems:

a. Annual baseline system consumption of energy per unit.

b. Annual improved system consumption of energy per unit.

c. Annual consumption of any offsetting energy required to achieve improved system performance.

(iv) For Facilities producing the Green Component of Alternative Source or Advanced Transportation Technology products, components, or systems that do not fall within the above categories of products, the Applicant shall explain and quantify the following:

a. Description of environmental benefits.
b. Annual value of environmental benefits associated with use of the product.

c. Annual pollution cost of any off-setting energy use or other pollutants emitted.

(v) For Advanced Manufacturing Facilities:

a. Description of environmental benefits.

b. Estimated reduction in energy or water use; solid waste, hazardous waste, or air pollution emissions.

c. Description of any environmental sustainability plans.

(vi) For Recycled Resource Extraction Projects:

a. Description of environmental benefits.

b. Marginal increase in total amount of material recycled due to the sales and use tax exclusion.

(F) Optional Supplemental Information. The following information may be submitted with an Application. Submission of this information may increase an Applicant's score, as specified in Section 10033, however, the Authority will not use this information to adjust an Applicant's score if an Applicant's score, based on the required information listed above, exceeds the established points threshold.

(i) Applicants claiming any additional significant environmental benefits associated with use of their product beyond those associated with reduced energy consumption or increased Alternative Source energy generation may provide a description of these benefits, including the amount of pollution avoided and a quantification of the impact of the pollution reduction in dollars if possible.

(ii) For Advanced Manufacturing Applicants only, Other Facility Information:

a. Applicants with facilities located in California that perform research and development functions related to the product or production process at the Facility that is the subject of the Application may submit information establishing the location of the research and development facility and the connection between the research and development and the Facility, submission of which may increase an Applicant's score.

b. Applicants that have partnerships with educational institutions either for the purpose of training the workers at the Facility or for purposes of assisting in the training of potential future workers, including workers from disadvantaged communities including women, racial minorities, formerly incarcerated, and
veterans, may submit information documenting this partnership, submission of which may increase an Applicant's score.

c. Applicants in Industry Clusters, as defined, may submit information establishing this fact, submission of which may increase an Applicant's score.

(iviii) Additional documentation only for Applicants claiming that without the exclusion the proposed Facility will not be sited in California. Determination of Facility benefits, as further delineated in Section 10033, may be increased for Facilities that would not locate production Facilities in California absent the grant of the sales and use tax exclusion. For Applicants claiming that Facility location or expansion decisions are dependent upon receipt of the sales and use tax exclusion, Applications must provide evidence to support the claim. Such evidence may include the following:

a. Internal financial analysis demonstrating the extent of an advantage for a non-California site.

b. Location consultant report demonstrating the extent of an advantage for a non-California site.

c. Other internal or external analyses demonstrating that, absent the grant of the sales and use tax exclusion, the proposed Facility will not proceed at the California site.

(G) Calculations and assumptions relied upon by the Applicant. For any calculation performed by or assumption relied upon by the Applicant in completing the Application, the Applicant must provide an explanation of the basis for the value resulting from the calculation or reasonableness of the assumption relied upon. Applicants may be asked to provide additional supporting information, including business plans, pro forma financial statements or other comparable documents used for the purpose of soliciting investors to verify responses contained in the Application. Applications that do not adequately document any calculations or assumptions relied upon will be considered incomplete.

(5) Application materials and supporting documentation in excess of thirty pages will not be considered or reviewed except to the extent that documentation in excess of this page limit is provided in response to a direct request for additional information from the Authority.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10033. Eligibility Requirements and Application Evaluation.

(a) Staff summary and recommendation. Following receipt of a complete Application, Authority staff will review each Application and prepare a summary and recommendation to the Authority. The summary and recommendation will include a calculation of the benefits of the Facility and an assessment of whether the proposed Facility meets the eligibility requirements.
(b) Eligibility. To be eligible for the sales and use tax exclusion, a Facility must:

1. **Include** the purchase of tangible personal property otherwise subject to sales and use tax used substantially (a) for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems, (b) for the design, manufacture, production or assembly of a component of the Green Component of an Advanced Transportation Technology or Alternative Source product, component or system, (c) as part of an Advanced Manufacturing process, or (d) where at least 50.0 percent of the use of the Qualified Property is to process Recycled feedstock.

   (A) For this purpose, “used substantially” shall mean that the Qualified Property must be used for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems; as part of an Advanced Manufacturing process; or to process Recycled feedstock more than 50.0 percent of the time.

2. **Produce** benefits to the State of California, as determined by the Authority subject to the criteria and evaluation process identified herein.

3. The Applicant must not have disclosed as part of its Legal Status Questionnaire a finding of guilty of a willful violation by the Occupational Safety and Health Administration or a case under the Occupational Safety and Health Administration’s Severe Violator Enforcement Program.

(c) Evaluation. Applications shall be scored according to the benefits provided to the state by the marginal increase in Qualified Property purchases resulting from the sales and use tax exclusion. Applicants must demonstrate that the benefits of the marginal increase in Qualified Property purchases exceed the cost to the state of the sales and use tax exclusion. Benefits can be a combination of fiscal, environmental and other benefits, as specified. Each Application will be evaluated based on these elements as specified below.

1. **Fiscal Benefits**

   (A) The estimated percent increase in capital investment (PICI) resulting from sales and use tax exclusion. The increase in capital investment will be calculated based on the factor share of capital (ω), the price elasticity of demand for output (η), the elasticity of substitution between capital and labor (σ), and the change in user cost from the sales tax exclusion (equal to the current statewide average sales tax rate or STR) according to the following formula:

   \[ \text{PICI} = (\sigma - \sigma \ast \omega + \omega \ast \eta) \ast \text{STR} \]

   (i) The factor share of capital (ω) is calculated for each Applicant depending on the capital stock's contribution to the firm's value-added output. To calculate the factor
share of capital, Applicant-provided information about estimated annual sales value (Sales), production-related purchases from suppliers (Supplies), labor costs (Labor), the value of the capital stock (VCS), and determinations made by the Executive Director based on the relevant research literature and consultation with outside experts of the cost of employee benefits (EB) and the cost of capital (\$CAP) are used in the following formula:

$$\omega = \text{Equipment Capital as Percent of Total Capital} \times \text{Capital Share of Output}$$

a. Equipment Capital as Percent of Total Capital is the ratio of the Estimated Annual Payment for Capital Stock (CAP) to Total Capital. CAP is the lesser of: 1) the estimated amount the applicant would have to pay for the capital stock (VCS) with interest (\$CAP) over the weighted average life span (WALS) of the Qualified Property, or 2) Total Capital, which is calculated pursuant to the following formula:

$$\text{Total Capital} = \text{Sales} - \text{Supplies} - (\text{Labor} + \text{EB})$$

Notwithstanding the above, if the resulting value is less than the value of CAP, then Total Capital shall be equal to CAP.

b. Capital Share of Output is the ratio of capital to output calculated pursuant to the following formula:

$$\text{Capital Share of Output} = 1 - \frac{(\text{Labor} + \text{EB})}{(\text{Sales} - \text{Supplies})}$$

Notwithstanding the above, if the resulting value is less than zero, then the capital share of output shall be calculated pursuant to the following formula:

$$\text{Capital Share of Output} = \frac{\text{Total Capital}}{\text{Total Capital} + \text{Labor}}$$

(ii) The price elasticity of demand for output (\(\eta\)) and the elasticity of substitution between capital and labor (\(\sigma\)) are determined by the Executive Director based on the relevant research literature and consultation with outside experts.

(iii) The change in user cost is the same as the sales tax rate (STR) as determined by the Executive Director based on information collected by the California State Board of Equalization.

(iv) Where the Applicant can demonstrate that the Facility would have been located outside of California absent the sales and use tax exclusion, the Executive Director will adjust the PICI to reflect this fact.

(B) The estimated marginal increase in Qualified Property (MIQP) purchases resulting from sales and use tax exclusion. The increase in purchases will be calculated using Applicant-provided information on the total value of the Qualified Property (VQP) and the
estimated percent increase in capital investment (PICI). The MIQP will be calculated pursuant to the following formula:

$$\text{MIQP} = \frac{\text{VQP}}{(1+\text{PICI}) \times \text{PICI}}$$

(C) The estimated marginal increase in sales (MIS) resulting from sales and use tax exclusion. The increase in sales will be calculated by multiplying MIQP times the ratio of the estimated annual units of production times the average per unit sales price to the value of the capital stock (VCS) used to produce the product, pursuant to the following formula:

$$\text{MIS} = \text{MIQP} \times \frac{\text{Estimated Annual Sales Value}}{\text{VCS}}$$

(i) The present value of the MIS (PVMIS) will be calculated based on the weighted average life span (WALS) of the Qualified Property as provided by the Applicant and a discount rate determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies and approved by the Authority.

(D) The estimated annual marginal increase in units (MIU) resulting from sales and use tax exclusion. The increase will be calculated using the marginal increase in sales (MIS) and Applicant-provided data on the sales price per unit ($Unit), pursuant to the following formula:

$$\text{MIU} = \frac{\text{MIS}}{\text{$Unit}}$$

(E) The estimated annual increase in employee wages (AIEW) will be calculated based on Applicant-provided information about the per unit labor costs and the per unit price, pursuant to the following formula:

$$\text{AIEW} = \text{MIU} \times \text{average per unit labor cost}$$

(F) The estimated marginal increase in state economic output (MISO) resulting from the sales and use tax exclusion. The MISO will be calculated using the MIS, the AIEW resulting from the marginal increase in sales, the marginal increase in in-state supplier purchases (MISP) and a multiplier effect (Multiplier) to be determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies, pursuant to the following formulas:

$$\text{MISP} = \text{MIU} \times \text{percent of production costs from California suppliers} \times \text{Per unit production-related purchases from suppliers}$$

$$\text{MISO} = (\text{MISP} \times \text{Multiplier} + \text{AIEW} \times \text{Multiplier} - \text{AIEW})$$

(i) The present value of the MISO (PVMISO) will be calculated based on the WALS of the Qualified Property as provided by the Applicant and a discount rate determined by the Executive Director.
(G) The estimated extent of increased tax revenues, or total fiscal benefits (TFB), that will accrue to the state and local governments over the WALS resulting from the PVMIS and PVMISO. TFB is the sum of the increased direct fiscal benefits (DFB) and the indirect fiscal benefits (IFB).

\[ TFB = DFB + IFB \]

(i) The DFB are the sum of the increases in sales taxes (IST), personal income taxes (IPIT), corporate or other income taxes paid by the company on its profits (ICIT) and property taxes (IPT) that result from the company's MIS.

\[ DFB = IST + IPIT + ICIT + IPT \]

a. The IST is calculated using MIS, Applicant-provided data on the percent of sales in California (POSCA), and the current statewide average sales tax rate (STR) as determined by the Executive Director based on information collected by the California State Board of Equalization, and the percent value added (VA), pursuant to the following formula:

\[ IST = POSCA \times PVMIS \times VA \times STR \]

If the Applicant produces Biofuel and utilizes a fraction of that Biofuel for purposes of operating the Facility and produces an end-of-supply-chain product that does not generate sales tax revenue, the IST will be reduced based on the fraction of the Applicant’s Biofuel production that will offset external fuel purchases.

b. The IPIT is calculated using the present value of the AIEW and the average state income tax rate (SIR) as determined by the Executive Director by using the most recent two-year average of personal income tax rates published by the California Franchise Tax Board, pursuant to the following formula:

\[ IPIT = \text{Present Value (AIEW)} \times SIR \]

i. The present value is based on the WALS of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

c. The ICIT paid by the company on its profits is the present value of the estimated annual tax liability that is attributable to the Qualified Property.

i. The ICIT is calculated using an estimate of annual tax liability (ATL) as determined by the Executive Director based on information collected by the California Franchise Tax Board, Applicant-provided data on estimated annual tax liability, or other sources as determined by the Executive Director; the value
of the capital stock (VCS) used to produce the product; and the MIQP pursuant to the following formula:

\[ ICIT = \text{Present Value} \left( \frac{ATL \times \text{MIQP}}{VCS} \right) \]

ii. The present value is based on the WALS of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

d. The increase in property taxes (IPT) is the present value of the annual property taxes paid on the MIQP.

i. The annual property tax amount is calculated using MIQP and the current property tax rate (PTR) as determined by the Executive Director based on information collected by the California State Board of Equalization, pursuant to the following formula:

\[ IPT = \text{Present Value} \left( \frac{MIQP \times \text{PTR}}{} \right) \]

ii. The present value is based on the WALS of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

(ii) The indirect fiscal benefits (IFB) result from increased state and local revenues resulting from increased economic activity caused by additional purchases from in-state suppliers and increased employee wages resulting from the MIQP.

a. The increase in revenues is calculated using PVMISO and the ratio of state and local government revenues to gross state output (GRSO) as determined by the Executive Director using the sum of the latest two-year average of actual state general fund revenues from the California Department of Finance, the latest two-year average of actual aggregate city and county revenues excluding intergovernmental transfers and service charges from the cities annual report and the counties annual report from the California State Controller's Office, divided by the latest two-year average of gross state product from U.S. Department of Commerce's Bureau of Economic Analysis, pursuant to the following formula:

\[ IFB = \text{PVMISO} \times \text{GRSO} \]

(2) The value of the sales and use tax exclusion. For each Application, the total cost of the sales and use tax exclusion will be calculated by multiplying the value of the Qualified Property (VQP) as reported by the Applicant times the STR.

(3) Environmental Benefits.
(A) The allocated share (AS) is the estimated percent of the pollution benefit from the Green Component of the Advanced Transportation Technology or Alternative Source product, component, or system that can be attributed to the Applicant's use of the Qualified Property. The AS is calculated using Applicant-provided data on the percent of time (POT) that the Qualified Property will be used to make the Advanced Transportation Technology or Alternative Source product, component or system and the fractional component contribution (FCC) of the Applicant's product to the Green Component of the end-of-supply-chain product. FCC will be calculated by multiplying the percent value added (VA) per unit times the sales price per unit ($Unit) and then dividing by the total value of the end-of-supply-chain product for Facilities producing end products or systems or by the total value of the Green Component of the end-of-supply-chain product for Facilities producing subcomponents (End $) as provided by the Applicant. The AS will be calculated pursuant to the following formulas:

\[
FCC = \frac{VA \times $Unit}{End \$}
\]

and

\[
AS = POT \times FCC
\]

Notwithstanding the above, the FCC and the AS both have a maximum value of 1.

(B) For Facilities producing the Green Component of Alternative Source or Advanced Transportation Technology products, excluding Biofuels, the estimated impact of pollution from a gallon of gasoline equivalent (GGE) or a MWh of electricity or equivalent. GGE refers to the number of gallons of a fuel that has the equivalent amount of energy to one gallon of gasoline.

(i) The dollar value of pollution costs associated with a GGE ($GGE) is calculated based on the percent of sales in California (POSCA) as provided by the Applicant and the pollution cost per unit of volatile organic compounds (VOCs), nitrous oxide (NOx), and carbon dioxide or carbon dioxide equivalent (CO2) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies, pursuant to the following formula:

\[
$GGE = \text{Pollution cost of CO2 per GGE} + (\text{POSCA} \times (\text{pollution cost of VOC per GGE} + \text{pollution cost of NOx per GGE}))
\]

(ii) The dollar value pollution costs associated with a MWh of electricity generation (SMWh) is calculated based on the POSCA as provided by the Applicant and the pollution cost per unit of CO2, nitrous oxide, and sulfur dioxide released from a MWh of electricity production in California (CA) and the rest of the United States (US) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies, pursuant to the following formula:
$MWh = (POSCA * (pollution cost of CA CO2 per MWh + pollution cost of CA NOx per MWh + pollution cost of CA SO2 per MWh)) + ((1-POSCA) * pollution cost of US CO2 per MWh)

(iii) The dollar value per pound of any other offsetting energy pollutants ($OP) shall be determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies.

a. Any non-greenhouse gas emissions benefits will be weighted according the POSCA.

(C) The total pollution benefit (TPB) will be calculated based on the marginal increase in product sales due to the sales and use tax exclusion in the following areas:

(i) Net change in use of electricity generated from alternative sources (increased use of alternative sources). The total pollution benefit (TPB) resulting from the net change in electricity generated from alternative sources is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated using information on the annual net electricity generation per unit (MWhG), the annual emissions per MWh of offsetting pollutants (OP) as provided by the Applicant, and estimates of the pollution cost in dollars of avoided MWh ($MWh) and the pollution cost in dollars of any offsetting energy pollutants ($OP) as determined by the Executive Director, pursuant to the following formula:

\[ LPB = \text{Present Value (}$MWh \times MWhG\text{)} - (OP \times SOP) \]

i. The present value is based on the estimated useful lifespan of the product (ULOP) as provided by the Applicant and the discount rate determined by the Executive Director.

b. The TPB is then calculated pursuant to the following formula:

\[ TPB = \text{Present Value (}$LPB \times AS \times MIU\text{)} \]

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(ii) Net change in fossil fuel consumption resulting from increased use of Alternative Source fuels. The TPB resulting from the net change in consumption of fossil fuels is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated based on the dollar value of pollution avoided per unit calculated as the number of GGEs per unit (GGEA) times the dollar value of
pollution avoided per GGE ($GGE) less the dollar value of offsetting pollution cost for any fuel or electricity required to produce a unit (OFF) of Alternative Source fuel ($GGE or $MWh or dollar value of pollution cost per unit for other pollutants), as determined by the Executive Director, pursuant to the following formula:

$$LPB = (GGEA \times \$GGE) - (OFF/\times \$GGE) - (OFF \times \$MWh) - \text{dollar value of other pollution costs/ per unit}$$

b. For Biofuels, the LPB is determined based on the net annual pollution benefit per unit (NAPB) as calculated by the Executive Director based on information from the California Air Resources Board or other state agencies, expert analysis, relevant research literature, and applicant provided information with respect to the net change in greenhouse gas emissions resulting from production and use of the alternative source product and the dollar value of pollution costs avoided by use of Biofuels as calculated based on the pollution cost per unit of carbon dioxide or carbon dioxide equivalent ($CO2) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies multiplied by the NAPB pursuant to the following formula.

$$LPB = NAPB \times \$CO2$$

c. The TPB is then calculated pursuant to the following formula:

$$TPB = \text{Present Value} \ (LPB \times AS \times MIU)$$

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(iii) Net change in use of energy generated or produced from current sources (energy efficiency). The TPB resulting from the net change in the use of energy generated or produced from current sources is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated using the annual net improvement in system consumption per unit (NI) as provided by the Applicant and estimates of the dollar value of pollution avoided per MWh ($MWh), per GGE ($GGE), or per MMBTU ($MMBTU), respectively, as determined by the Executive Director, pursuant to the following formula:

$$LPB = \text{Present Value} \ (NI \times \$MWh)$$

or

$$LPB = \text{Present Value} \ (NI \times \$GGE)$$
LPB = Present Value (NI * $MMBTU)

i. The present value is based on the ULOP as provided by the Applicant and the discount rate determined by the Executive Director.

ii. The net improvement in system consumption is calculated as the difference between baseline system consumption and improved system consumption where the baseline system consumption is equal to the maximum energy consumption amount that would allow the product to qualify for the applicable Recognized Energy Efficiency Standard. If more than one Recognized Energy Efficiency Standard applies to a product, the more stringent standard will be used for purposes of setting the baseline system consumption. The improved system consumption is the energy consumption of the Applicant's product under circumstances and conditions substantially similar to those used for purposes of setting the baseline system consumption value.

b. The TPB is then calculated pursuant to the following formula:

TPB = Present Value (LPB * AS * MIU)

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(iv) Net change in consumption of fossil fuels due to increased use of Advanced Transportation Technologies. The TPB resulting from the net change in consumption of fossil fuels is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated by using the annual net improvement in system consumption per unit (NI) and the annual consumption of offsetting energy (OFF) as provided by the Applicant and estimates of the dollar value of pollution avoided per GGE ($GGE) and the dollar value of pollution emitted as a result of the offsetting energy consumption ($MWh) as determined by the Executive Director, pursuant to the following formula:

\[ LPB = \text{Present Value} \left( \frac{\text{NI} \times $GGE}{\text{OFF} \times $MWh} \right) \]

i. The present value is based on the ULOP as provided by the Applicant and the discount rate determined by the Executive Director.

b. The TPB is then calculated pursuant to the following formula
TPB = Present Value (LPB * AS * MIU)

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(v) Other environmental benefits. Any other environmental benefits asserted by the Applicant shall be evaluated by the Executive Director based on verification of Applicant-provided information regarding the methodology for calculating such benefits and shall be added to the appropriate Total Pollution Benefit (TPB) amount determined pursuant to these regulations.

(D) For Advanced Manufacturing Applications, the environmental benefits score is calculated based on the per unit reduction in energy use, waste generation, water use, or emissions of air pollutants, or other environmental benefits as follows:

(i) Applicants may receive points for the following:

a. Applicants with an environmental sustainability plan that describes the Applicant's plans to reduce energy use or water use and reduce solid waste, hazardous waste, or air pollutant emissions at the Facility will receive 20 points.

b. Applicants with Facilities that reduce energy use by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

c. Applicants with Facilities that reduce water use by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

d. Applicants with Facilities that reduce solid waste by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

e. Applicants with Facilities that reduce hazardous waste by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

f. Applicants with Facilities that reduce air pollutant emissions by at least five percent relative to the baseline identified in the Application will receive five
points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

g. Applicants with Facilities that reduce emissions of other pollutants by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

(E) For Recycled Resource Extraction Projects, the environmental benefits score will be calculated based on the estimated greenhouse gas reduction due to increased use of recycled materials as follows.

(i) The estimated change in amount recycled (CAR) will be calculated as follows.

a. Annual production costs (APC) will be calculated as the sum of annual labor costs, production-related purchase costs, and the CAP.

b. The present value of production costs (PVPC) will be calculated based on APC, the WALS of the Qualified Property as provided by the Applicant, and a discount rate determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies.

   \[ PVPC = \text{Present Value(APC)} \]

   i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

c. The percentage change in production costs (PCPC) due to the sales and use tax exclusion will be calculated from the value of the sales and use tax exclusion (exclusion amount, or EA) and the present value of production costs (PVPC) using the following formula:

   \[ PCPC = \frac{EA}{PVPC} \]

d. The percent increase in recycling (PIR) is the estimated increase in the amount of material recycled due to the sales and use tax exclusion. The PIR is calculated from the PCPC, the price elasticity of supply (SE) for the recycled material, and the price elasticity of demand (DE) for the recycled material using the following formula:

   \[ PIR = \frac{PCPC \times (SE \times DE)}{(SE + DE)} \]

   i. The SE and DE will be determined by the Executive Director based on the relevant research literature or consultation with outside experts.
e. The CAR is calculated based on the PIR and the projected average annual amount of recycled material sold or shipped (ARM), as provided by the Applicant as follows:

\[ \text{CAR} = \text{PIR} \times (1 - \text{PIR}) \times \text{ARM} \]

(ii) The greenhouse gas benefit (GGB) for each unit of material recycled will be determined by the Executive Director based on the relevant research literature, consultation with outside experts, information from other state agencies, or the Federal Environmental Protection Agency Waste Reduction Model (WARM). Where the California Air Resources Board (CARB) has made modifications or developed an alternative to the WARM model, the CARB measurements will be used.

(iii) The dollar value of pollution costs associated with emission of a unit of CO2 ($CO2) will be determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies.

(iv) The TPB will be determined based on the present value of the GGB and $CO2 as follows:

\[ \text{TPB} = \text{Present Value}(\text{GGB} \times \text{$CO2}) \]

a. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(4) Calculation of points. Points for fiscal benefits will be calculated by dividing total fiscal benefits (TFB) by the value of the sales and use tax exclusion and multiplying the result by 1,000. Points for environmental benefits for Advanced Transportation, Alternative Source, and Recycled Resource Extraction Applications will be calculated by dividing total pollution benefits (TPB) by the value of the sales and use tax exclusion and multiplying the result by 1,000. Points for environmental benefits (TPB points) for Advanced Manufacturing Applicants will be equal to the sum of the environmental benefits points awarded based on the categories listed in Section 10033(c)(23)(D).

(5) Additional points. Additional points shall be awarded as follows:

(A) Unemployment score. An Applicant may earn up to 50 points for creating jobs in high unemployment areas.

(i) The unemployment rate for the area means the rate within the county in which the Facility is located as reported by the California Employment Development Department. The most current annual average unemployment rate information available at the time of the Application submission shall be used.
(ii) Points are based on how much greater the local unemployment rate is in comparison to the annual average statewide unemployment rate, pursuant to the following formula:

\[
\text{Points} = \left( \frac{\text{Local Rate}}{\text{State Rate}} \right) \times 100 - 100
\]

a. Non-integer points (e.g., 20.4) will be rounded to the nearest whole integer for scoring purposes.

(B) New jobs score. An Applicant may earn up to 75 points for creating new jobs.

(i) The Executive Director will calculate the amount of the sales and use tax exclusion per job created by the Applicant as a result of the MIQP. The number of jobs created by the Applicant as a result of the MIQP will be calculated by multiplying the total number of full time equivalent jobs associated with the production of the Applicant's product times the ratio of the MIQP to the VCS. Points will be awarded as follows:

a. Less than or equal to $50,000 in sales and use tax exclusion per job - 75 points.

b. Less than or equal to $100,000 in sales and use tax exclusion per job but greater than $50,000 per job - 60 points.

c. Less than or equal to $150,000 in sales and use tax exclusion per job but greater than $100,000 per job - 55 points.

d. Less than or equal to $200,000 in sales and use tax exclusion per job but greater than $150,000 per job - 45 points.

e. Less than or equal to $300,000 in sales and use tax exclusion per job but greater than $200,000 per job - 40 points.

f. Less than or equal to $400,000 in sales and use tax exclusion per job but greater than $300,000 per job - 35 points.

g. Less than or equal to $750,000 in sales and use tax exclusion per job but greater than $400,000 per job - 30 points.

h. Less than or equal to $1,500,000 in sales and use tax exclusion per job but greater than $750,000 per job - 20 points.

i. Greater than $1,500,000 in sales and use tax exclusion per job - 0 points.

(C) Construction or installation jobs score. An Applicant may earn up to 75 points for creating construction or installation related jobs.
(i) The Executive Director will calculate the amount of the sales and use tax exclusion per annual full time equivalent construction or installation job created by the Applicant as a result of the MIQP. The number of annual full time equivalent construction or installation jobs created by the Applicant as a result of the MIQP will be calculated by multiplying the total number of annual full time equivalent construction or installation jobs associated with construction of the Applicant's Facility or the installation of the Applicant's equipment times the ratio of the MIQP to the VCS. Points will be awarded as follows:

a. Less than or equal to $50,000 in sales and use tax exclusion per job - 75 points.

b. Less than or equal to $100,000 in sales and use tax exclusion per job but greater than $50,000 per job - 60 points.

c. Less than or equal to $150,000 in sales and use tax exclusion per job but greater than $100,000 per job - 55 points.

d. Less than or equal to $200,000 in sales and use tax exclusion per job but greater than $150,000 per job - 45 points.

e. Less than or equal to $300,000 in sales and use tax exclusion per job but greater than $200,000 per job - 40 points.

f. Less than or equal to $400,000 in sales and use tax exclusion per job but greater than $300,000 per job - 35 points.

g. Less than or equal to $750,000 in sales and use tax exclusion per job but greater than $400,000 per job - 30 points.

h. Less than or equal to $1,500,000 in sales and use tax exclusion per job but greater than $750,000 per job - 20 points.

i. Greater than $1,500,000 in sales and use tax exclusion per job - 0 points.

(D) Emerging Strategic Industry score. An Applicant may earn up to 40 points if the Applicant's industry is in an Emerging Strategic Industry as defined in Section 10031 jm. The Executive Director will determine if an Applicant's industry is an Emerging Strategic Industry and award points to those Applicants that qualify.

(E) For Advanced Manufacturing Applicants only, Other Facility Characteristics.

(i) An Application may be awarded points for the following other facility characteristics:
a. Applicants with facilities in California that perform research and development functions related to the product or production process at the Facility that is the subject of this application will receive 25 points.

b. Applicants with partnerships with educational institutions either for the purpose of training the workers at the Facility or for purposes of assisting in the training of potential future workers, including workers from disadvantaged communities including women, racial minorities, formerly incarcerated, and veterans, will receive 25 points.

c. Applicants in Industry Clusters, as defined, will receive 25 points.

(G)(F) Out-of-state environmental benefits score. An Application may be awarded points for non-greenhouse gas environmental benefits attributable to Advanced Transportation Technologies or Alternative Source products, components, or systems sold outside of California, pursuant to the following:

(i) The Executive Director will calculate the value of the non-greenhouse gas environmental benefits resulting from the marginal increase in out-of-state product sales due to the sales and use tax exclusion, pursuant to the following equations:

a. The dollar value of an out-of-state non-greenhouse gas benefit from a GGE ($OSG) pursuant to the following formula:

\[ \$OSG = (1 - POSCA) \times (\text{pollution cost of VOC per GGE} + \text{pollution cost of NOx per GGE}) \]

b. The dollar value of an out-of-state non-greenhouse gas benefit from a MWh ($OSM) is calculated pursuant to the following formula:

\[ \$OSM = (1 - POSCA) \times (\text{pollution cost of US NOx per MWh} + \text{pollution cost of US SO2 per MWh}) \]

c. The dollar value per unit of any other offsetting pollutants ($OP) be weighted by the POSCA and incorporated by the Executive Director into the calculation of the out-of-state environmental benefits score.

d. The total value of out-of-state non-greenhouse gas pollution benefits (TOB) due to electricity generated from alternative sources (increased use of alternative sources excluding Biofuels) is calculated pursuant to the following formula:

\[ \text{LPB} = \text{Present Value } (\text{NI} \times \$OSM) - (\text{OP} \times \$OP) \]

and

\[ \text{TOB} = \text{Present Value } (\text{LPB} \times \text{AS} \times \text{MIU}) \]
e. The total value of out-of-state non-greenhouse gas pollution benefits (TOB) to electricity generated from non-alternative sources or fossil fuels burned (conservation) is calculated pursuant to the following formula:

\[
\text{LPB} = \text{Present Value} \left( \text{NI} \times \$\text{OSM} \right)
\]

or

\[
\text{LPB} = \text{Present Value} \left( \text{NI} \times \$\text{OSG} \right)
\]

and

\[
\text{TOB} = \text{Present Value} \left( \text{LPB} \times \text{AS} \times \text{MIU} \right)
\]

f. The total value of out-of-state non-greenhouse gas benefits (TOB) due to increased use of advanced transportation technologies is calculated pursuant to the following formula:

\[
\text{LPB} = \text{Present Value} \left( \left( \text{NI} \times \$\text{OSG} \right) - \left( \text{OFF} \times \$\text{OSM} \right) \right)
\]

and

\[
\text{TOB} = \text{Present Value} \left( \text{LPB} \times \text{AS} \times \text{MIU} \right)
\]

(ii) The Authority will then calculate the ratio of the total value of out-of-state non-greenhouse gas benefits (TOB) to the value of the sales and use tax exclusion and the result will be multiplied times 1000 and divided in half to determine the Applicant's point total, pursuant to the following formula:

\[
\text{Points} = \left( \frac{\text{TOB}}{\text{Sales and Use Tax Exclusion}} \right) \times 1000 \div 2
\]

a. Non-integer point totals will be rounded to the nearest whole integer for scoring. A maximum of 40 points may be awarded for out-of-state pollution benefits.

(6) Total Score. The total number of additional points not to exceed 200 determined pursuant to Section 10033(c)(5) shall be added to the number of points determined pursuant to Section 10033(c)(4). The result of this sum is the Applicant's total score. Complete Applications receiving both a total score greater than or equal to the threshold value of 1,000 and a TPB score greater than 20 may be recommended for a sales and use tax exclusion. Notwithstanding the foregoing, where a project receives a score less than these thresholds, the Executive Director may recommend it to the board for approval upon a statement articulating specific reasons why the approval is in the public interest and advances the purposes of the Program.
(7) Upon a recommendation from the Executive Director that it is in the public interest and advances the purposes of the Program, the Authority may adjust any of the threshold values set forth in Section 10033(c)(6).

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10034. Approval of Applications by the Authority.

(a) Applications may be considered at meetings in accordance with the schedule established by the Authority pursuant to Section 10032. The Authority will evaluate Applications based on the eligibility requirements contained in Section 10033 and the summary and recommendation prepared by the Authority staff.

(b) For each Application, the Authority will determine whether the Application meets the eligibility requirements and will produce benefits for the State of California.

(c) Applicants that do not receive a recommendation for approval from the Authority staff will be notified in writing of the staff recommendation prior to the board meeting in which the Application will be considered. Applicants that do not receive a favorable recommendation from the staff may appeal the staff recommendation to the Authority. Applicants wishing to appeal the staff recommendation must notify the Authority of their intent to appeal the decision within five (5) business days of receipt of the notice containing the staff recommendation. No Applicant may appeal the evaluation of another Applicant's Application.

(d) Rejected Applications. Applicants whose Applications are not approved by the Authority will be notified in writing following the Authority's board meeting in which the determination was made.

(e) Approved Applications. For each approved Application, the Authority will pass a resolution including the following findings:

   (1) The Applicant to be a Participating Party (Pub. Res. Code Sec. 26003(a)(7)).

   (2) The equipment proposed for the sales and use tax exclusion to be a “project” (Pub. Res. Code Sec. 26003(a)(8)(B)26011.8(b)(1)).

(f) Applicants with Applications that are approved by the Authority will be notified in writing following the Authority's board meeting at which the determination was made. The dollar value of the Qualified Property approved by the Authority will be stated in the letter.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.
§ 10035. Regulatory Agreement and Compliance.

(a) Regulatory Agreement. All recipients of sales and use tax exclusions are required to execute a Regulatory Agreement as a condition to the Authority's making a finding and awarding a sales and use tax exclusion.

(1) This agreement, to be entered into between the Applicant and the Authority's Executive Director, will require the Applicant to comply with the requirements set forth in these regulations. This agreement must be signed by a representative of the Applicant's company authorized to enter into contracts on behalf of that company and returned to CAEATFA within 30 calendar days from the acceptance date shown on the notification provided pursuant to Section 10034(f).

(2) The Regulatory Agreement will commence upon execution and will continue in force for a period equal to the longer of (a) three years or (b) one-half of the Estimated Useful Lifespan of the longest lived item of Qualified Property identified in the Application.

(3) The Regulatory Agreement shall include but not be limited to the following:

(A) A requirement that the Applicant indemnify and hold harmless CAEATFA from claims connected with: 1) the Project, 2) transactions associated with the Project, 3) any violation of law connected with the Project, and 4) any dispute or ruling regarding the ultimate taxability of the sale or use of the Qualified Property.

(B) A requirement that the Qualified Property be installed, maintained and operated within the State of California, except as provided by this section.

(C) The Executive Director may approve a request to relocate Qualified Property outside of California in an amount up to fifteen percent (15%) of the dollar volume of Qualified Property included on all semi-annual reports to the Authority as of the date of the request. The amount of Qualified Property relocated shall be cumulative and the amount requested will be added to any previously approved request and compared to the dollar volume of Qualified Property included on all semi-annual reports to determine compliance with the fifteen percent (15%) limitation. The Executive Director shall approve a request pursuant to this section upon a finding that the relocation is part of an improvement, upgrade or increase in the economic efficiency of the Project and that approval of the requested relocation is likely to continue or increase the anticipated net benefits of the Project. Any denial of a request pursuant to this section may be reviewed by the Authority.

(D) Requests for relocation of Qualified Property in excess of the fifteen percent (15%) requirement set forth in (a)(3)(C) may be approved by the Authority based on a recommendation from the Executive Director and upon a finding that the relocation is part of an improvement, upgrade or increase in the economic efficiency of the Project and that
approval of the requested relocation is likely to continue or increase the anticipated net benefits of the Project.

(E) Any amount of Qualified Property may be relocated outside of California upon a voluntary payment by the Applicant in an amount calculated by multiplying the original purchase price of the Qualified Property to be relocated by the average statewide sales tax rate at the time of the proposed relocation.

(F) A requirement that the Applicant file a semi-annual report. This report will identify purchases of Qualified Property, if any, made during the preceding two calendar quarters.

   (i) Each semi-annual report shall include information about the Qualified Property purchased, including the acquisition date; vendor city, county, and country; cost; address where the Qualified Property will be located or installed; a description and explanation of the purpose of the Qualified Property; and any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

   (ii) The semi-annual report covering the first two calendar quarters of the year shall be submitted to the Authority on or before July 31; the semi-annual report covering the last two calendar quarters of the year shall be submitted to the Authority on or before January 31 of the immediately following calendar year.

(b) Compliance. Applicants are responsible for compliance with all applicable Program regulations, including the following:

   (1) Exercise of sales and use tax exclusion. Except as noted in subparagraph (A) below, within one year eighteen (18) months of approval by the Authority, the Applicant must make purchases or have executed purchase orders of Qualified Property totaling not less than fifteen percent (15.0%) of the total amount listed in the approval resolution. Except as noted in subparagraph (B) below, all purchases of Qualified Property must be made within three years of Application approval. Regulatory Agreements for Facilities not meeting these requirements will be subject to termination, and no further purchases will be excluded from the imposition of the sales and use tax.

   (A) Upon a finding of extraordinary circumstances and that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that the Applicant make purchases or have executed purchase orders of Qualified Property totaling not less than fifteen percent (15.0%) of the total amount of Qualified Property listed in the approval resolution within eighteen (18) months of Application approval. Extraordinary circumstances may include, but are not limited to, unforeseen permitting delays, but do not include a current lack of funding.

   (A)(B) Upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three years of Application approval.
(2) Obligation to inform the Authority. During the term of the Regulatory Agreement, Applicants must inform the Authority if the Qualified Property is moved out of the State of California or of any change in the ownership of the Qualified Property, including the name, ownership percentage, and mailing address of the new owners.

   (A) Any transfer of Qualified Property ownership prior to the expiration of the Regulatory Agreement shall be evidenced by a written agreement between the parties to the transfer. Such sale or transfer may require Applicant to repay the amount of the sales and use tax exclusion if the new owner of the Qualified Property does not enter into a Regulatory Agreement with the Authority within 30 calendar days of the close of the transaction in which the owner acquires title to the Qualified Property.

(3) Certification letter and compliance report. During the term of the Regulatory Agreement, Applicants must submit an annual certification and compliance report. The certification letter must document that the Qualified Property was used for the purposes specified in the Application for the entire period since the signing of the Regulatory Agreement as required by these regulations. The certification letter and compliance report must be submitted to the Authority by January 31 with information reported for the previous calendar year. The annual compliance report shall contain:

   (A) total payroll;

   (B) number of full time equivalent permanent jobs at the Applicant's Facility;

   (C) number of full time equivalent construction or installation jobs created as a result of the Qualified Property purchases;

   (D) total annual product sales (in dollars) including the fraction in California;

   (E) total number of units sold including the fraction in California;

   (F) anticipated corporate or personal income tax related to the Facility for the preceding calendar year; if the Facility makes multiple products, include information relating to the tax liability associated with the production of Qualified Products;

   (G) the amount spent on supplier purchases for Qualified Products, including the fraction of such purchases from California Suppliers;

   (H) the total amount of Qualified Property purchased as of the date specified in the compliance report;

   (I) a narrative description of the project status and consistency with the timeline contained in the Application, anticipated purchase dates of any additional items of Qualified Property, and an explanation of any material changes to the product or manufacturing process implemented since the approval of the Application;
(J) a statement indicating the fraction of the time that the Qualified Property has been used to make Qualified Products; and

(K) any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(4) Retention of records. Applicants must retain records necessary to document information provided in the annual compliance reports and certification letters for at least five (5) years following the date of the latest certification letter or compliance report required.

(5) False Information. Upon a finding that information supplied by an Applicant, or any person acting on behalf of an Applicant, is false or no longer true, and the Applicant has not notified the Authority in writing, the Authority may, after written notice to the Applicant, rescind the approval resolution, in addition to other remedies.

(6) Rescission. Following a finding that an Applicant has provided false information pursuant to paragraph (5) or has otherwise violated the Regulatory Agreement, the Authority may, after written notice to the Applicant, terminate or rescind the approval resolution, in addition to other remedies. Applicants may request an opportunity to be heard in front of the Authority to contest rescission. Any such request must be made in writing to the Authority and postmarked no later than fifteen (15) calendar days following the mailing of written notice from the Authority. Upon a final decision by the Authority, the approval resolution shall be rescinded, and notice of the rescission may be provided to the Board of Equalization.

(7) Reporting. The Authority may from time to time publish the actual total value of the Qualified Property purchased within each city or county in California. If the Executive Director determines that publishing such information could cause the price paid by an Applicant to a supplier for a Qualified Property purchase or the identity of that supplier to become known, then the information from multiple cities or counties will be aggregated so as to protect the confidentiality of this information.

(8) Suspension. If the Applicant violates statute, regulations, or the terms of the Regulatory Agreement, the Executive Director may suspend the Regulatory Agreement until the Executive Director certifies that the Applicant is once again in compliance. Purchases made during this suspension will not be excluded from the imposition of sales and use tax.

(c) Recovery of Financial Assistance. The Regulatory Agreement shall contain a provision under which the Authority may seek recovery of the Financial Assistance provided plus interest at a rate to be reasonably determined by the Authority and specified in the Regulatory Agreement. The Authority may seek recovery of the Financial Assistance actually utilized in cases in which the Applicant: (1) does not meet the substantial use requirements identified in Section 10033(b)(1)(A) or (2) removes the Qualified Property purchased from the State of California prior to the shorter of (a) the expiration of the term of the Regulatory Agreement or (b) three years, except in compliance with section 10035(b)(1)(F).
§ 10036. Fees.

(a) Application Fee.

(1) Except as provided in paragraph (5) below, every Applicant shall be required to pay an Application Fee.

(2) The Application Fee shall be equal to .0005 (one twentieth of one percent) of the total amount of Qualified Property identified in the Application as originally submitted. If, during the Application process, the Applicant reduces the amount of Qualified Property listed in the Application as submitted, the Applicant will not be entitled to a refund of the excess Application Fees paid. If the Applicant makes a request to CAEATFA to increase the amount of Qualified Property listed in a revised or amended Application, CAEATFA will require additional Application Fees to be submitted. The minimum Application Fee shall be $250 and shall not exceed $10,000.

(3) This fee shall be paid in a check payable to the Authority, and shall be submitted with the Application received by CAEATFA within five (5) business days of the Application submission.

(4) This fee is not refundable, except in the event an Application is not reviewed by staff due to oversubscription of the $100 million annual program cap.

(5) If the Applicant can demonstrate the Project is to relocate or rebuild the Applicant’s Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application, the Executive Director shall waive the Application Fee.

(b) Administrative Fee.

(1) The Authority shall charge an Administrative Fee to cover the costs associated with the Program, including the costs of compliance monitoring.

(2) The total Administrative Fee amount shall be .004 (four tenths of one percent) of the total amount of the Qualified Property purchased.

(3) In no case shall the total Administrative Fee be less than $15,000 nor more than $350,000.

(4) $15,000 of the total Administrative Fee shall be due upon the execution of the Regulatory Agreement between the Applicant and the Authority.
(5) The balance of an Applicant's Administrative Fee shall be payable semi-annually on July 31 and January 31 each year following Application approval until such time as the total amount of the Administrative Fee due has been paid. The amount of the Administrative Fee due during each period shall be based on the Qualified Property purchase amounts during the immediately preceding six-month period (from January 1 through June 30 and July 1 through December 31, respectively) such that the fee due is proportional to the total amount of the Administrative Fee remaining after the initial $15,000 until the total Administrative Fee has been paid.

(A) Each semi-annual Fee payment shall include information about the Qualified Property purchased, including the acquisition date; vendor city, county, and country; cost; address where the Qualified Property will be located or installed; a description and explanation of the purpose of the Qualified Property; and any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(B) The Applicant will submit a “final statement” when the total amount of Qualified Property purchases equals the total amount of exclusion granted or when the Applicant no longer wishes to exercise the sales and use tax exclusion granted and signifies that the Applicant's purchases are no longer subject to the sales and use tax exclusion. Pursuant to Section 10036 a determination will be made of the total amount of Qualified Property purchased, and the corresponding amount of the total Administrative Fee due. If any remaining Administrative Fee is due, the Fee shall be submitted together with the final statement. In the event that an Applicant has overpaid Administrative Fees, the overpayment will be paid to the Applicant within thirty (30) days of submission of the final statement.

(6) The initial $15,000 paid by the Applicant at the time of executing the Regulatory Agreement will be credited to the Applicant's total Administrative Fee upon a determination of total amount of Qualified Property actually purchased.

(7) The Administrative Fee shall be paid in checks payable to the Authority.

(8) The Administrative Fee is not refundable, except as indicated in section (5)(B) above.

c) Other fees

(1) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that must be approved by the Authority shall pay an additional administrative fee of $500.

(2) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that requires a revised application to be considered by the Authority shall pay .00005 (one two hundredth of one percent) of the total amount of Qualified Property identified in the Authority resolution approved by the board.

(A) In no case shall this fee be less than $500 nor more than $2,000.
(3) This fee shall be paid in checks payable to the Authority.

Note: Authority cited: Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.
BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

For services satisfactorily rendered, and upon receipt and approval of invoices in consideration of the services described in Exhibit A, Scope of Work, CAEATFA agrees to pay the Contractor for actual expenditures incurred in accordance with the rates specified below and attached hereto as Contractor’s Cost Proposal, which is made a part of this Agreement.

<table>
<thead>
<tr>
<th>Staff Name</th>
<th>Title</th>
<th>Hourly Rate</th>
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a. Task Orders: The Contractor shall perform services designated by CAEATFA under specific Task Order work assignments, as mutually agreed upon in writing by CAEATFA and the Contractor. Upon CAEATFA’s written request of the Contractor for specific task deliverables to be completed by a due date, the Contractor shall provide the Executive Director with a detailed work plan, to include: a description of the activities to be performed and hours proposed by task and by individual; a proposed schedule for task completion, including any deliverable items required during or at completion of the task order work assignment; and estimated reimbursable expenses. Payment for specific Task Order assignments shall not exceed the amount of the Task Order and must be approved in writing in advance by the Executive Director.

b. The Contractor will submit invoices for review and approval (as described in the Sample Billing provided on page 3 below) that clearly identify the Task Order associated with each line item. The Contractor shall work with CAEATFA in an ongoing manner to ensure that monthly invoicing conforms to contract terms and is conducive to accurate contract accounting and reporting.

c. Invoices shall be provided to CAEATFA on a monthly basis in arrears, shall include Agreement Number CAEATFA01-19, the specific dates (month, day and year) covered by the invoice, and be addressed as follows:

Deana J. Carrillo, Executive Director  
California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)  
915 Capitol Mall, Room 538  
Sacramento, California 95814

Invoices shall be sent via email to caeatfa@sto.ca.gov with copies to CAEATFA personnel as instructed at the commencement of the Contract.
EXHIBIT B  
(Standard Agreement)

Itemized billings must include the following:

i. Project name, Agreement Number, Task Order number, name(s) of individual(s) who performed work, services provided, and dates and hours worked at the approved rates.

ii. Itemized reimbursable expenses, along with receipts.

iii. Sufficient detail regarding the activity engaged in or the services provided includes, at a minimum:
   - For preparation of documents, a brief description of the document prepared;
   - For attendance, or preparation for attendance, at a meeting, hearing, or other event, a brief description of the purpose of the meeting, hearing or event;
   - For telephone conversations, the name of the party/ies to the conversation and a brief description of the subject matter discussed;
   - For strategy conferences, the name of the parties participating in the strategy conference and a brief description of the subject matter discussed; and for research, a brief description of the issues researched.

d. All travel must be pre-approved by the Executive Director. Travel, transportation and per diem expenses shall not exceed the rates payable to State employees.

e. The maximum amount of compensation to Contractor under this Agreement shall not exceed $800,000.00 for the entire term of this Agreement including all optional extensions.

f. Progress payments are permitted for work completed under this Agreement. Ten percent (10%) of the invoiced amount may be withheld pending final completion of each task and acceptance by CAEATFA, upon which CAEATFA will disburse the remaining 10% held back and owing to the Contractor.

2. Budget Contingency Clause

   a. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

   b. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

   Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.
EXHIBIT B
(Standard Agreement)

SAMPLE BILLING
(Contractor Firm’s Letterhead)

Invoice No. __________
Invoice Date: __________

Deana J. Carrillo, Executive Director
California Alternative Energy and Advanced Transportation
Financing Authority (CAEATFA)
915 Capitol Mall
Sacramento, California 95814

Agreement No.: CAEATFA01-19

<table>
<thead>
<tr>
<th>Task Order Number and Services Provided</th>
<th>Key Personnel Name and Title/Classification</th>
<th>Hours</th>
<th>Amount/Hour</th>
<th>Cost</th>
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Total Hours: __________  TOTAL COST: __________
Exhibit C to this Agreement, the General Terms and Conditions (GTC 04/2017), is hereby incorporated by reference and made part of this Agreement as if attached hereto. The General Terms and Conditions may be viewed and downloaded at https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language.
EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. **Excise Tax**

   The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. **Settlement of Disputes**

   In the event of a dispute, Contractor shall file a "Notice of Dispute" with a Deputy Treasurer of the State Treasurer’s Office within ten (10) days of discovery of the problem. Within ten (10) days, the Deputy Treasurer shall meet with the representatives of Contractor and the State identified in Section 3 of Exhibit A for purposes of resolving the dispute. The decision of the Deputy Treasurer shall be final.

   In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of any bid proposal.

3. **Evaluation of Contractor**

   Pursuant to Public Contract Code sections 10367 and 10369 within sixty (60) days after the completion of this Agreement, the State shall complete a written evaluation of Contractor's performance under this Agreement. If this Agreement is a contract for consultant services and if Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services (DGS), Office of Legal Services, and to the Contractor within fifteen (15) working days of the completion of the evaluation in accordance with Public Contract Code section 10371.

4. **No Agency Liability**

   The Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. **Potential Subcontractors**

   Nothing contained in this Agreement or otherwise, shall create any contractual relationship between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of the State to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

6. **Force Majeure**

   Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending
party. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

7. **Waivers**

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8. **Incorporation of Amendments to Applicable Laws**

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

9. **Confidentiality**

All financial, statistical, personal, technical and other data and information relating to the operations of the State which are designated confidential by the State and become available to Contractor shall be protected by Contractor from unauthorized use and disclosure.

10. **Titles/Section Headings**

Titles and headings are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

11. **Choice of Law**

Notwithstanding Paragraph 14 of Exhibit C (General Terms and Conditions), this Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws' provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder, including any action to compel arbitration or to enforce any award or judgment rendered thereby, shall be brought in state court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

12. **Notices**

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, Contractor and the State have designated in Section 3 of Exhibit A specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or by mail three (3) days after the date of mailing, unless by express mail then upon the date of confirmed receipt, to the representatives named in Section 3 of Exhibit A.

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.
13. Permits and Licenses

Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county laws, rules or regulations affecting services under this Agreement. Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

14. Books and Records

Contractor shall keep accurate books and records connected with the performance of this Agreement for a period of at least three (3) years. Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location and shall be available for inspection and copying by the State and its representatives at any time.

15. Key Personnel

a. A resume for each member of Contractor’s staff who will exercise a significant administrative, policy, or consulting role under this Agreement is attached to this Agreement as Attachment 1 to Exhibit D. These members of Contractor’s staff shall be hereafter referred to (both individually and collectively) as “Key Personnel.”

b. Contractor shall not substitute, replace or reassign Key Personnel without the prior approval of the State.

c. This Agreement may be terminated immediately, in the sole discretion of the State and upon written notice from the State to Contractor, because of any change in or departure of any of the Key Personnel.

16. Changes in Control, Organization or Key Personnel

Contractor shall promptly, and in any case within five (5) days, notify the State in writing: (i) if any of Contractor’s representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in Contractor’s staff who exercises a significant administrative, policy, or consulting role under this Agreement, including without limitation any Key Personnel; (iii) of any change in the majority ownership, control, or business structure of Contractor; or (iv) of any other material change in Contractor’s business, partnership or corporate organization. All written notices from Contractor under this provision shall contain sufficient information to permit the State to evaluate the changes within Contractor’s staff or organization under the same criteria as was used by the State in its award of this Agreement to Contractor.

17. Insurance Requirements

Contractor warrants that it carries adequate liability, worker’s compensation and other necessary insurance and shall maintain such insurance at levels acceptable to the State in full force and effect during the term of this Agreement. Contractor agrees to furnish satisfactory evidence of this insurance coverage to the State upon request.

18. Subcontractors

a. Contractor shall perform the work contemplated by this Agreement with resources available within its own organization except for subcontracted work identified in this Agreement or other attachment incorporated hereto. No other portion of the work pertinent to this Agreement shall be subcontracted
EXHIBIT D
(Standard Agreement)

without written authorization by the State. The subcontractor must be mutually agreed upon in advance by both parties.

b. Contractor shall require that any subcontractor agree to be bound by all provisions of this Agreement, as applicable.

19. Notice of Proceedings

Contractor shall promptly notify the State in writing of any investigation, examination or other proceeding involving Contractor, including any Key Personnel, commenced by any regulatory agency, which proceeding is not conducted in the ordinary course of Contractor’s business.

20. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

21. Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and the State contained therein, shall be binding upon the parties and their successors, assigns and legal representatives.

22. Publicity

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by the State.

23. Services or Procurement Resulting from Agreement

Neither Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that Contractor provides under this Agreement.

24. Agreement Does Not Violate Law

Contractor represents and warrants that neither the execution of this Agreement nor the acts contemplated hereby nor compliance by Contractor with any provisions hereof will:

a. Violate any provision of the charter documents of Contractor;

b. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or

c. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of Contractor.
EXHIBIT D  
(Standard Agreement)

25. Power and Authority

Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by Contractor and no other proceeding on the part of Contractor is necessary to authorize this Agreement. Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.

26. Signature Authorization

The person signing this Agreement warrants that he/she is an agent of Contractor and is duly authorized to enter into this Agreement on behalf of Contractor.

27. Entire Agreement; Order of Precedence

a. This Agreement, including documents that have been incorporated in this Agreement by reference, contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement.

b. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including exhibits and attachments; (iii) the Request for Proposal (RFP) if any; (iv) Contractor’s response to the RFP if any; and (v) any other provisions, terms, or materials incorporated herein.

28. Termination at Option of the State

In addition to the provisions of Paragraph 7 of Exhibit C (General Terms and Conditions), this Agreement may be terminated in whole or in part at any time upon 30 calendar days’ written notice by the State, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise. In the event the State terminates all or a portion of this Agreement for any reason, it is understood that the State will provide payment to Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum amount of this Agreement.

29. Termination for Insolvency

Contractor shall notify the State immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State may terminate this Agreement and all further rights and obligations immediately.

30. Completion

In the event of termination for default, the State reserves the right to take over and complete the work by contract or other means. In such case, Contractor will be liable to the State for any additional cost incurred by the State to complete the work whether reimbursed or not.
EXHIBIT D
(Standard Agreement)

31. Effect of Termination

All duties and obligations of the State and Contractor shall cease upon termination of this Agreement, except that:

a. Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination; and

b. Contractor shall provide for the return of all records of the State to the State or its designee and shall cooperate fully to effect an orderly transfer of services.

32. Termination for Expatriation

Contractor shall notify the State immediately in writing in the event that Contractor or its parent files any notice with the Securities and Exchange Commission that Contractor intends to reincorporate offshore. In the event of such notice, the State may terminate this Agreement and all further rights and obligations immediately by giving five (5) days’ notice in writing in the manner specified herein.

33. Compliance With Political Reform Act

Contractor acknowledges that the State is subject to the provisions of the Political Reform Act (Government Code section 81000 et seq. and all regulations adopted thereunder, including, but not limited to, California Code of Regulations, title 2, section 18700 et. seq.) and Contractor shall comply promptly with any requirement thereunder. If required by law, Contractor shall require its personnel, including without limitation, its Key Personnel all later substitutions therefore, to file Statements of Economic Interests in compliance with the Conflict of Interest Code for the Office of the State Treasurer and the various boards, authorities, commissions, and committees chaired by the State Treasurer (California Code of Regulations, title 2, section 1897). All such reports shall be filed simultaneously with the State.

34. Darfur Contracting Act

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code section 10475 et seq.) The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with “scrutinized” companies that do business in the African nation of Sudan of which the Darfur region is a part, for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a).)

Therefore, Public Contract Code section 10478(a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a “scrutinized” company when it submits a bid or proposal to a State agency. A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from DGS according to the criteria set forth in Public Contract Code section 10477(b).
35. Labor Neutrality Policy

CAEATFA recognizes the value of labor organizing and encourages the entities with which it contracts to demonstrate that they also value this principle by encouraging management neutrality in labor organizing activities.

To remain "neutral" means not to take any action or make any statement that will directly or indirectly state or imply any support for or opposition to the selection by the Contractor's employees of a collective bargaining agent, or preference or opposition to any particular union as a bargaining agent. Nothing in this section obligates or prohibits the Contractor from entering into private neutrality, labor peace or other lawful agreements with a labor organization seeking to represent or who currently represents the Contractor's employees.
EXHIBIT D, ATTACHMENT 1
(Standard Agreement)

KEY PERSONNEL RESUMES
ADDITIONAL PROVISIONS

1. **Progress Payments**

   Progress payments are permitted for work completed under this Agreement. Ten percent (10%) of the invoiced amount may be withheld pending final completion of each task. Any funds withheld with regard to a particular task shall be paid upon completion of that task.

2. **Conflict of Interest; No Profit**

   A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.

   B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.