March 24, 2009

Mr. Gregory Schmidt  
Secretary of the Senate  
State Capitol, Room 400  
Sacramento, CA 95814

Mr. E. Dotson Wilson  
Chief Clerk of the Assembly  
State Capitol, Room 3196  
Sacramento, CA 95814

RE: California Alternative Energy & Advanced Transportation Financing Authority  
2008 Annual Report of Activities

Dear Gentlemen:

In accordance with the provisions of Section 26017 of the Public Resources Code, the California Alternative Energy & Advanced Transportation Financing Authority ("Authority") respectfully submits its Annual Report of Activities for the calendar year ending December 31, 2008 (Attachment A). The Authority received one application from the California Department of Transportation ("Caltrans") that was approved at the October 22, 2008 meeting, and several inquiries regarding the Authority's bond issuance capabilities for renewable resource projects. There was a 60 day mandatory review from the Attorney General meaning the earliest the bonds could be sold was December 22, 2008. At the time, there was a 1.35% interest rate charged to Caltrans on the loan that has since been reduced down to 0.0% due to a more favorable bond market currently in March 2009.

Also included for your review are projections of the Authority's need for the coming fiscal year (Exhibit 1), and a report of the Authority's revenues and expenditures for fiscal year 2007-08 (Exhibit 2). Should you have any questions or need additional information, please feel free to contact me at (916) 651-8157.

Sincerely,

Jan McFarland  
Executive Director

Attachment

cc: Bill Lockyer, Chair of the Authority  
Board Members of the Authority  
Mac Taylor, Legislative Analyst  
Diane F. Boyer-Vine, Legislative Counsel Bureau
ATTACHMENT A

California Alternative Energy & Advanced Transportation Financing Authority
2004 Annual Report of Activities to the Legislature

Pursuant to Section 26017 of the Public Resources Code, the Authority reports the following:

(1) A listing of applications received in 2008: The California Department of Transportation ("Caltrans")

(2) A listing of applications accepted for financing in 2008: The California Department of Transportation ("Caltrans")

(3) A specification of bonds sold, interest thereon, and whether bond sales were pursuant to public bid or were negotiated: The bonds approved for sale are Clean Renewable Energy Bonds ("CREBs") that as of March 2009 have a 0.0% interest attached to it. The bonds are pursuant to a negotiation between Caltrans and Banc of America Leasing & Capital.

(4) A specification of the amount of bonds authorized but currently unsold: The amount is $20,000,000 to be sold.

(5) A projection of the Authority's needs and requirements for the coming year (FY 2009-10):

Please see Exhibit 1.

(6) A report of revenues and expenditures for the preceding fiscal year (FY 2007-08):

Please see Exhibit 2.
California Alternative Energy & Advanced Transportation Financing Authority  
2004 Annual Report of Activities to the Legislature  

Exhibit 1  
Revenues and Expenditures, FY 2007-08  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
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<td><strong>Expenditures:</strong></td>
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</tr>
<tr>
<td>1. Salaries and Wages</td>
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</tr>
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<td>2. Staff Benefits</td>
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</tr>
<tr>
<td>3. Operating Expenses and Equipment</td>
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<td>4. Total Expenditures</td>
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### Exhibit 2

**Projected Needs and Requirements for FY 2009-10**

1. Total Salaries and Wages $108,600
2. Staff Benefits $38,502
3. Total Operating Expenses and Equipment $87,068
4. Total Projected Needs and Requirements $234,170
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