

**MINUTES**

**California Alternative Energy and Advanced  
Transportation Financing Authority  
915 Capitol Mall, Room 587  
Sacramento, California  
November 19, 2013**

**1. CALL TO ORDER & ROLL CALL**

Bettina Redway, Chairperson, called the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or Authority) meeting to order at 10:44 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer  
Alan Gordon for John Chiang, State Controller  
Eraina Ortega for Michael Cohen, Director,  
Department of Finance  
Paul Clanon for Michael R. Peevey, President,  
Public Utilities Commission  
Sekita Grant for Robert B. Weisenmiller, Chair,  
California Energy Commission

Staff Present: Saúl Acosta Gómez, Executive Director  
Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum

**2. MINUTES**

Ms. Redway asked if there were any questions or comments concerning the October 15, 2013 meeting minutes. There were none.

Ms. Redway asked if there was a motion.

Mr. Clanon moved for approval of the minutes; upon a second from Mr. Gordon, the minutes were unanimously approved.

**3. EXECUTIVE DIRECTOR'S REPORT**

Mr. Gómez began his report by reminding the Board that at the October Board meeting Staff had provided a summary of the opportunity for CAEATFA to serve as the administrator of the energy efficiency financing pilot programs that the California Public Utility Commission (CPUC) is directing investor owned utilities (IOUs) to implement. As part of that summary, Staff outlined the necessary steps that CAEATFA would need to complete in order to serve as the administrator. One of those steps is to receive legislative budget authority. CAEATFA's

Section 28 letter was submitted on October 29, 2013, and the 30-day period has started for the Joint Legislative Budget Committee (JBLC) to review the request and identify any concerns or questions. By the end of November 2013 CAEATFA should know if the request is approved by the JBLC.

Mr. Gómez then ended his report.

**4. BUSINESS ITEMS**

**A. DISCUSSION AND CONSIDERATION OF APPLICATIONS FOR SB 71 SALES AND USE TAX EXCLUSION**

**1) Crimson Renewable Energy, LP**

Presented by: Noah Proser, Analyst

Staff introduced Harry Simpson, President and CEO of Crimson Renewable Energy, LP.

Crimson Renewable Energy, LP (Crimson) requested approval of a sales and use tax exclusion for \$14,065,000 of qualified property for the expansion of an existing bio-diesel production facility.

Staff recommended approval of Resolution No. 13-SM013 for Crimson's purchase of qualified property in an amount not to exceed \$14,065,000 anticipated to result in an approximate sales and use tax exclusion value of \$1,177,241.

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

Mr. Gordon moved for approval; upon a second from Ms. Ortega, the item was unanimously approved.

**B. DISCUSSION AND CONSIDERATION OF APPLICANT'S REQUEST FOR WAIVER OF TIME REQUIREMENT TO PURCHASE REMAINING QUALIFIED PROPERTY UNDER THE SALES AND USE TAX EXCLUSION PROGRAM**

**2) BioFuels Point Loma, LLC**

Presented by: Noah Proser, Analyst

Staff introduced Kenneth Frisbie, Managing Director of BioFuels Point Loma, LLC.

BioFuels Point Loma, LLC (BioFuels) requested a 9-month waiver of the time requirement to utilize its sales and use tax exclusion awarded in 2010. The extension will allow BioFuels to complete equipment upgrades in order to meet national fire protection requirements.

## Agenda Item 2.

Staff recommended that the Board approve BioFuel's request to extend the initial term of the Agreement to September 15, 2014 as it is in the public interest and advances the purpose of the original award.

Mr. Gordon asked if there is something unique about the Point Loma Waste Water Treatment Plant that makes BioFuel's technology more viable there, compared to other water treatment plants and their adoption of this type of technology.

Mr. Frisbie stated that there wasn't something unique about the site, but other companies have been slow adopters at other water treatment plants.

Mr. Gordon moved for approval and there was a second from Mr. Clanon.

Ms. Redway stated that there was a motion and a second, and asked if there were any comments from the public. There were none. The item was unanimously approved.

### **C. REQUEST FOR CONSIDERATION AND APPROVAL OF MEMORANDUM OF AGREEMENT WITH THE CALIFORNIA PUBLIC UTILITIES COMMISSION TO ACT AS THE CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING (CHEEF) IMPLEMENTING CPUC DECISION 13-09-044**

Presented by: Deana Carrillo, Program Manager II

Staff requested approval to enter into a memorandum of agreement with the California Public Utilities Commission (CPUC), subsequent to CAEATFA's ultimate receipt of legislative budget authority. Under the agreement CAEATFA will execute specific functions identified in the CPUC Decision 13-09-044 as the California Hub for Energy Efficiency Financing, also known as the CHEEF. CHEEF will implement credit enhancements and create an open market place for financial institutions and energy efficiency ratepayers to utilize energy efficiency retrofits in innovative financing structures. The agreement would be through December 31, 2015, and there is no dollar amount associated with the agreement.

Mr. Gordon asked if this program included both commercial and residential energy efficiency retrofits.

Ms. Carrillo stated that the credit enhancements would be available to residential, multi-family and small business sectors. An on-bill repayment option would also be available for these sectors as well as larger businesses.

Ms. Redway asked if there were any questions or comments from the Board members or public. There were none.

Ms. Ortega moved for approval and there was a second from Mr. Gordon. The item was approved with Mr. Clanon abstaining.

**D. REQUEST FOR CONSIDERATION AND APPROVAL OF A CONTRACT IN THE AMOUNT OF \$7 MILLION WITH PACIFIC GAS AND ELECTRIC COMPANY, SAN DIEGO GAS & ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SOUTHERN CALIFORNIA GAS COMPANY RELATING TO ADMINISTRATION OF ENERGY EFFICIENCY FINANCING PILOTS PURSUANT TO CPUC DECISION 13-09-044**

Presented by: Deana Carrillo, Program Manager II

Staff requested Board approval to enter into a \$7 Million contract, subsequent to CAEATFA's receipt of legislative budget authority, with the investor owned utilities for CAEATFA to receive administrative costs for acting as the CHEEF.

Among other things, the contract will set forth the following:

- Provisions governing the administrative costs of serving as the CHEEF, including periodic funding from the IOUs to CAEATFA; funding limits; and reporting from CAEATFA to the IOUs on use of funds among other things. The funding limit of the contract is \$7 million through calendar year 2015—\$5 million for personnel, contracted services, office equipment, etc., and \$2 million for education and outreach efforts.
- Provisions governing the establishment and operation of trust accounts for credit enhancements, including the creation of segregated accounts for each IOU and participating financial institutions, transfer of funds amongst these accounts, and the withdrawal of funds in the event a claim by a financial institution is approved among other things.
- Provisions governing the establishment of CHEEF operational agreements with third parties, including but not limited to contracts for a trustee bank, master servicer and data manager.
- Provisions governing the confidentiality and data protection of borrowers' financial and energy usage information in connection with loans or leases enrolled in any of the pilot programs.
- Provisions governing the interactions of the IOUs with CAEATFA, including identifying Southern California Gas Company as the IOU administrator of this contract with CAEATFA on behalf of the IOUs, among other things.

Mr. Gordon moved for approval and there was a second from Ms. Ortega.

Ms. Redway asked if there were any questions or comments from the Board or public. There were none. The item was approved with Mr. Clanon abstaining.

**5. PUBLIC COMMENT**

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

**6. ADJOURNMENT**

There being no further business, public comments, or concerns, the meeting adjourned at 10:55 a.m.

**Respectfully submitted,**

Saúl Gómez  
Executive Director