

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
October 21, 2014**

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 10:31 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
Kristen Driskell for Robert B. Weisenmiller, Chair,
California Energy Commission
Paul Clanon for Michael R. Peevey, President,
Public Utilities Commission

Staff Present: Deana J. Carrillo, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Ms. Redway asked if there were any questions or comments concerning the September 16, 2014 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

Ms. Carrillo began her report by providing the Board with personnel updates. CAEATFA hired two new Staff members to help its efforts under the California Hub for Energy Efficiency Financing (CHEEF). Ms. Carrillo first introduced Elizabeth Marsolais, who recently joined CAEATFA from the Delta Stewardship Counsel. She is a former Executive Fellow and graduated from UC Berkeley with a degree in Political Science. Ms. Carrillo then

introduced the second new Staff member, Andrew Enriques. He will be working on lender outreach and training for the CHEEF program. Mr. Enriques previously worked in the private sector and has worked with first mortgage lending and investor relations. Staff is very excited to have Elizabeth and Andrew join the team as CAEATFA launches its new programs. For the last personnel update, Ms. Carrillo thanked Kirshain Ward for her positive impact at CAEATFA. While Ms. Ward's official title is Executive Assistant, she is a "Jill of all trades." She is very much the glue of our organization, pitching in whenever help is needed and providing leadership on special projects. Ms. Ward was recently recognized as the State Treasurer's Office's employee of the month.

Ms. Carrillo continued by informing the Board that CAEATFA is continuing to work on launching the CHEEF and will be issuing Requests for Proposals for the master loan servicer and trustee in the near future, and would be hosting its first lender roundtables for the single family program later this month.

Ms. Carrillo concluded her report by stating that there have been no actions taken under the Executive Director's delegated authority.

4. BUSINESS ITEMS

A. REQUEST TO APPROVE REGULATIONS FOR THE PROPERTY ASSESSED CLEAN ENERGY (PACE) LOSS RESERVE PROGRAM

Presented by: Ashley Bonnett

Ms. Bonnett stated that on September 26, 2014, Governor Brown signed into law AB 2597, which makes some amendments to the PACE Loss Reserve Program statute. Specifically AB 2597 clarifies that PACE financings are not loans and amends the underwriting criteria by which CAEATFA must evaluate Program eligibility. Staff are proposing modifications to the PACE Loss Reserve Program regulations to incorporate the statutory changes made by AB 2597 to ensure the Program's regulations will be in compliance with statute when AB 2597 becomes effective January 1, 2015.

Ms. Redway asked if there were any questions or comments from the Board.

Mr. Clanon asked if this would be included in an existing rulemaking process.

Ms. Bonnett stated that it would be, and stated that the proposed modifications are currently in a 15-day comment period. At the end of the comment period, CAEATFA will submit the Certificate of Compliance with the Office of Administrative Law. The regulations would then go into effect January 1, 2015.

Ms. Carrillo noted that because the PACE Loss Reserve Program is operating under emergency rulemaking authority and the regulations under the regular rulemaking go into effect January 1, 2015, there may be a gap in the emergency rulemaking. To address this, CAEATFA will be extending that emergency rulemaking to fill that gap.

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

Ms. Redway stated there was a motion and a second and asked if there were any other questions or comments from the Board or public. There were none and the item was unanimously approved.

B. DISCUSSION AND CONSIDERATION OF APPLICATIONS FOR SALES AND USE TAX EXCLUSION

- 1) Solexel, Inc.
Presented by: Ashley Bonnett, Analyst

Staff introduced Ryan Brown, Vice President of Finance for Solexel, Inc.

Ms. Bonnett stated that Solexel, Inc. is requesting approval of a sales and use tax exclusion to expand its current pilot-engineering facility located in Milpitas to enable high-volume production of mono-crystalline solar modules.

Ms. Bonnett continued to state that Staff recommended approval of a resolution for Solexel's purchase of qualified property not to exceed \$20,500,000, anticipated to result in a sales and use tax exclusion of \$1,726,100.

Ms. Redway asked if there were any questions or comments from the Board.

Mr. Brown shared a sample of Solexel, Inc.'s product and discussion ensued regarding the manufacture and design of the product, ease of installation, and what separates it from other solar companies' products.

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

Ms. Redway stated there was a motion and a second and asked if there were any other questions or comments from the Board or public. There were none and the item was unanimously approved.

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 10:40 a.m.

Respectfully submitted,

Deana J. Carrillo
Executive Director