

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
April 21, 2015**

1. CALL TO ORDER & ROLL CALL

Alan Gordon, Chairperson, called the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or Authority) meeting to order at 10:31 a.m.

Members Present: Alan Gordon for John Chiang, State Treasurer
Anne Baker for Betty T. Yee, State Controller
Eraina Ortega for Michael Cohen, Director,
Department of Finance
Kristen Driskell for Robert B. Weisenmiller, Chair,
California Energy Commission
Michael Picker, President,
Public Utilities Commission

Staff Present: Deana J. Carrillo, Executive Director

Quorum: The Chairperson declared a quorum.

2. MINUTES

Mr. Gordon asked if there were any questions or comments concerning the March 17, 2015, meeting minutes. There were none.

Mr. Gordon asked if there was a motion.

Ms. Baker moved for approval of the minutes; upon a second from Ms. Ortega, the minutes were unanimously approved.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye
Kristen Driskell for the California Energy Commission	Aye
Michael Picker for the Public Utilities Commission	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Carrillo began her report with legislative updates. She noted that the State Treasurer's Office is sponsoring Assembly Bill 1269, authored by Assemblymember Dababneh, which will extend CAEATFA's advanced manufacturing eligibility under the Sales and Use Tax Exclusion Program (STE Program) to the year 2021. CAEATFA is also monitoring Assembly Bill 450, authored by Assemblymember McCarty and recently approved by the Committee of Natural Resources in the Assembly; it would allow cap and trade funds to potentially be used for CAEATFA's Property Assessed Clean Energy Loss Reserve Program.

Ms. Carrillo continued her report with a personnel update. She introduced new Staff member Miriam Joffe-Block who will be working on the California Hub for Energy Efficiency Financing. Ms. Joffe-Block earned her bachelor's degree from the University of Pennsylvania and her MBA from Georgetown. Ms. Joffe-Block served as a director of a hotel workers union for several years before shifting to focus on finance sustainability and job creation at Beneficial State Foundation and Beneficial State Bank where she worked on small business finance and explored energy efficiency products.

Ms. Carrillo concluded her report by stating that she took two actions under the Executive Director's delegated authority. The first is the extension of CAEATFA's technical assistance contract under the STE Program with Blue Sky by one year, making it a three year contract in an amount not to exceed \$650,000. Lastly, Ms. Carrillo executed several bond documents related to the redemption of the SRI International 1985 bond series.

4. BUSINESS ITEMS

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

1. GKN Aerospace Chem-tronics, Inc.
Presented by: James Shimp, Analyst

Staff introduced Jon Sonju, Head of Government Affairs for GKN Aerospace Chem-tronics, Inc., and Jordy Callihan, General Manager for the Santa Ana facility.

Mr. Shimp stated that GKN Aerospace Chem-tronics, Inc. (GKN) is applying for a sales and use tax exclusion to upgrade and expand its existing facility in Santa Ana. Facility improvements will allow the Applicant to begin production of a Titanium Inner Wall structure that will be used in General Electric's Leading Edge Aviation Propulsion engine, which in turn will be used in The Boeing Company's 737 MAX aircraft. The Applicant's Titanium Inner Wall design combines proprietary honeycomb structural design with an advanced alloy, Beta 21S Titanium. The resulting product will allow engines to run at higher temperatures, thus increasing overall performance and fuel efficiency.

Mr. Shimp stated that Staff recommends approval of a resolution for GKN's

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purchase of qualified property not to exceed \$64,376,454 anticipated to result in a sales and use tax exclusion of \$5,420,497.

Mr. Picker moved for approval and there was a second by Ms. Driskell.

Mr. Gordon 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 approved.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye
Kristen Driskell for the California Energy Commission	Aye
Michael Picker for the Public Utilities Commission	Aye

2. California Renewable Power, LLC
Presented by: James Shimp, Analyst

Staff introduced Clarke Pauley, Vice President, Organics and Biogas Division.

Mr. Shimp stated that California Renewable Power, LLC. (California Renewable), a wholly owned subsidiary of CR&R Incorporated, is applying for a sales and use tax exclusion in order to build an anaerobic digestion facility at its parent company's transfer facility in Perris. The facility will divert an estimated 83,000 tons of organic waste from landfills, which will be used to produce renewable natural gas. The resulting product will be used to fuel CR&R's fleet of waste collection trucks, with excess gas being injected into the Southern California Gas Company's pipeline.

Mr. Shimp stated that Staff recommends approval of a resolution for California Renewable's purchase of qualified property not to exceed \$13,079,755 anticipated to result in a sales and use tax exclusion of \$1,101,315.

Ms. Baker moved for approval and there was a second by Ms. Ortega.

Mr. Gordon 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 approved.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye
Kristen Driskell for the California Energy Commission	Aye
Michael Picker for the Public Utilities Commission	Aye

5. PUBLIC COMMENT

Mr. Gordon 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 10:39 a.m.

Respectfully submitted,

Deana J. Carrillo
Executive Director