

**MINUTES**

**California Alternative Energy and Advanced  
Transportation Financing Authority  
801 Capitol Mall, Room 150  
Sacramento, California  
April 18, 2017**

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

Steve Juarez, Chairperson, called the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or the “Authority”) meeting to order at 10:30 a.m.

Members Present: Steve Juarez for John Chiang, State Treasurer  
Anne Baker for Betty T. Yee, State Controller  
Eraina Ortega for Michael Cohen, Director,  
Department of Finance  
Michael Murza for Robert B. Weisenmiller, Chair,  
California Energy Commission  
Grant Mack for Michael Picker, President,  
Public Utilities Commission

Staff Present: Deana Carrillo, Executive Director

Quorum: The Chairperson declared a quorum.

**2. MINUTES**

Mr. Juarez asked if there were any questions or comments concerning the March 21, 2017 meeting minutes. There were none.

Mr. Juarez asked if there was a motion.

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

The item was passed by the following vote:

Steve Juarez for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye
Michael Murza for the California Energy Commission	Aye
Grant Mack for the Public Utilities Commission	Aye

**3. EXECUTIVE DIRECTOR'S REPORT**

Ms. Carrillo began her Executive Director's report by providing updates on various CAEATFA programs. Staff is continuing to review the comments CAEATFA received through stakeholder input on the PACE Loss Reserve Program, in addition to working through policy issues. CAEATFA is monitoring various legislative vehicles related to PACE. At the state level, Senate Bill 242 (Skinner) is anticipated to strengthen standards in the PACE programs' underwriting requirements. At the Federal level, House of Representatives Bill 1958 (Brad/Sherman) and Senate Bill 838 (Cotton) both propose to apply Federal requirements to PACE mortgage lenders.

Ms. Carrillo continued her report with the details of the Sales and Use Tax Exclusion (STE) Program and the allocation of the \$100 million annual cap. Currently the Board has approved 8 projects that plan to move forward with the purchase of \$320 million in equipment, and approximately \$27 million in STE. The three projects considered at today's meeting, if approved, would leave \$63.5 million in STE remaining for the 2017 calendar year. Ms. Carrillo continued by stating that the amount of STE remaining is slightly higher than it would otherwise be because TAP Power, approved at the February Board meeting, is not moving forward with their project due to unforeseen issues. Because this Applicant had not yet executed their Master Regulatory Agreement, their award does not count towards the 2017 STE limit. Ms. Carrillo stated that CAEATFA has over 20 applications submitted and under review; if they were all to move forward, \$26 million in STE would be remaining. However, these figures are only a reflection of the current pipeline of received applications, which are still being evaluated on eligibility and the net benefit evaluation – and some applications may not be brought to the Board for consideration and approval.

Ms. Carrillo reported that CAEATFA staff is monitoring two legislative bills: Senate Bill 659 (Stern) appears to be a bill on the STE program and Assembly Bill (AB) 1547 (Quirk-Silva) which is currently drafted to consolidate CAEATFA, CPCFA and CIDFAC into a new four-member Board. Legislative staff has indicated that AB 1547 is slated to be a two-year bill and is part of the State's evaluation efforts of its economic development entities.

Ms. Carrillo indicated that under her delegated authority, CAEATFA has:

- Developed a purchase order with Energy Futures Group, Inc. (EFG) for technical assistance with pilot programs under the California Hub for Energy Efficiency. The work will be completed within a year, not to exceed the cost of \$249,999. The purchase order was approved by DGS on March 29, 2017.
- Posted a Request for Proposal (RFP) (CAEATFA10-16) for Trustee Services for the Property Assessed Clean Energy ("PACE") Loss Reserve Fund with proposals due May 8, 2017. CAEATFA anticipates entering into a two-year contract with the allowance for a one-year extension, The total contract amount may not exceed \$250,000 for the entire term, including the optional extension.

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- Posted a Request For Proposal (RFP) (CAEATFA08-16) for Contractor Management Services for the Residential Energy Efficiency Loan (REEL) Assistance Program, a CHEEF pilot program, with proposals due May 15, 2017. CAEATFA anticipates entering into a two-year contract with the allowance for a one-year extension. The total contract amount may not exceed \$900,000.00 for the entire term, including the optional extension.
- Routed an Interagency Agreement (IA) (CAEATFA09-16) to the California Pollution Control Financing Authority (CPCFA) for reimbursement of Building Rent and Central Plant Expenses. Since the two Authorities moved to the second floor of 801 Capitol Mall, Building Rent and Central Plant charges for CAEATFA and CPCFA have been combined into one invoice from DGS to CPCFA for the first half of the fiscal year. CAEATFA's portion of these charges is \$60,147.56, which will be reimbursed to CPCFA within 30 days of execution of the IA.

Ms. Carrillo then concluded her report.

#### 4. BUSINESS ITEMS

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

###### 1. Best Express Foods, Inc.

Presented by Alejandro Ruiz, Program Manager

Staff introduced Joe Hurwich, CFO of Best Express Foods, Inc.

Mr. Ruiz reported that Best Express Foods Inc was requesting a Sales and Use Tax Exclusion for the purchase of \$3.5 million in equipment to automate a fig bar production process. The current process requires that employees manually handle the product at each stage of the process. Employees must move the product from the end of the oven line, remove it from the pans, and place the product onto cooling racks for one hour before finally packaging the product. The Applicant has stated that the proposed Project will automate each of these steps by utilizing high-precision baking machinery specifically designed for Best Express Foods, Inc's fig bar production process, resulting in a more efficient process that reduces scrap waste and drastically reduces potential food contamination issues.

The Applicant will also be saving in excess of 550,000 kilowatt hours per year through the acquisition of energy efficient equipment, such as freezers, that exceed Title 24 requirements.

Staff recommends approval of Resolution No. 17-SM009 for Best Express Foods Inc.'s purchase of Qualified Property in an amount not to exceed \$3,502,976 anticipated to result in an approximate Sales and Use Tax Exclusion value of \$294,951.

## Agenda Item 2.

Ms. Ortega asked how this process might affect employment and Mr. Hurwich indicated that Best Express Foods, Inc. would be re-training staff and adding a second shift to provide additional job opportunities.

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

Mr. Juarez 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:

Steve Juarez for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye
Michael Murza for the California Energy Commission	Aye
Grant Mack for the Public Utilities Commission	Aye

### 2. ChargePoint, Inc.

Presented by Ellen Hildebrand, Analyst

Staff introduced John Schott, Grant Operations Manager for Chargepoint, Inc.

Ms. Hildebrand reported that ChargePoint, Inc. applied to the Sales and Use Tax Exclusion Program as an Advanced Manufacturing Applicant and is requesting a Sales and Use Tax Exclusion for the purchase of \$1,660,000 in Qualified Property to build a new electric vehicle charging station manufacturing facility in Campbell, California. The facility will manufacture the ChargePoint Express and Express Plus DC Fast Charging Platforms, which can deliver up to 400 kilowatts to an electric vehicle, which the Applicant represents can charge a vehicle in 15-30 minutes. The manufacturing process will also make use of a regenerative load, which allows the energy that runs through the station to be stored and re-used in the manufacturing of the next unit, an 80% energy savings over the current manufacturing process.

Staff recommends approval of a resolution for ChargePoint's purchase of no more than \$1,660,000 in Qualified Property, anticipated to result in a Sales and Use Tax Exclusion of \$139,772.

Mr. Schott indicated that Chargepoint, Inc. has approximately 34,000 charging stations, with about 17,000 in California.

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

Mr. Juarez 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.

## Agenda Item 2.

The item was passed by the following vote:

Steve Juarez for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye
Michael Murza for the California Energy Commission	Aye
Grant Mack for the Public Utilities Commission	Aye

### 3. CALAMCO NH3 LLC

Presented by Ellen Hildebrand, Analyst

Staff introduced Robert C. Brown, President and CEO of CALAMCO NH3 LLC

Ms. Hildebrand reported that CALAMCO NH3 LLC applied to the STE Program as an Advanced Manufacturing Applicant and is requesting a Sales and Use Tax Exclusion for the purchase of \$107,607,827 in Qualified Property to build an advanced ammonia fertilizer manufacturing facility in Taft, California. The Project will use a new cutting edge fertilizer production process to manufacture ammonia fertilizer for CALAMCO, a California-based agricultural cooperative made up of over a thousand growers. The facility will use new technology developed by Grannus LLC, which partially oxidizes natural gas for the manufacture of synthetic gas that is used to produce ammonia as well as a salable food grade carbon dioxide byproduct. The Applicant represents that the use of this technology will allow the plant to have a near-zero emission profile, a ten percent reduction in energy consumption, and a 90 percent reduction in water use relative to the industry standard.

Staff recommends approval of a resolution for CALAMCO NH3's purchase of no more than \$107,607,827 in Qualified Property anticipated to result in a Sales and Use Tax Exclusion of \$9,060,579.

Mr. Brown stated that currently CALAMCO NH3 LLC receives its raw material from Trinidad and that by moving energy efficient production to California, there will be increased productivity and the product would be more competitive.

Mr. Murza read a statement on behalf of the California Energy Commission indicating support for energy projects like this one which take place in under-developed and low-income areas of the state. Mr. Mack inquired where the nitrogen for the fertilizer would be originating and Mr. Brown indicated that the nitrogen would come from natural gas.

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

Mr. Juarez 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.

**Agenda Item 2.**

The item was passed by the following vote:

Steve Juarez for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye
Michael Murza for the California Energy Commission	Aye
Grant Mack for the Public Utilities Commission	Aye

**5. PUBLIC COMMENT**

Mr. Juarez asked if there were any comments from the public and there were none.

**6. ADJOURNMENT**

There being no further business, public comments, or concerns, the meeting adjourned at 10:48 a.m.

**Respectfully submitted,**

Deana J. Carrillo  
Executive Director