

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
April 19, 2022**

1. CALL TO ORDER AND ROLL CALL

Tim Schaefer, Chair, called the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) meeting to order at 10:36 a.m.

Members Present: Tim Schaefer for Fiona Ma, CPA, State Treasurer
Tony Sertich for Betty T. Yee, State Controller
Gayle Miller for Keely Martin Bosler, Director, Department of Finance
Ken Rider for David Hochschild, Chair, California Energy Commission

Members Absent: Alice Busching Reynolds, President, Public Utilities Commission

Staff Present: Ashley Emery, Program Manager

Quorum: The Chair declared a quorum.

2. MINUTES

Mr. Schaefer asked if there were any questions or comments from the Board concerning the March 15, 2022, meeting minutes. There were none.

Mr. Sertich moved for approval of the minutes, and there was a second by Mr. Rider.

Mr. Schaefer stated there was a motion and a second and asked if there were any questions or comments from the public. There were none. Mr. Schaefer called for a vote, and the minutes were approved.

Gayle Miller, representative for the Director of Finance, joined the meeting at 10:44 a.m. and asked that the minutes be recalled so that her vote could be recorded. She voted in the affirmative.

The item was passed by the following vote:

Tim Schaefer for the State Treasurer	Aye
Tony Sertich for the State Controller	Aye
Gayle Miller for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Alice Busching Reynolds, President, Public Utilities Commission	Absent

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Emery gave a report highlighting CAEATFA activity and news since the March 15, 2022, Board meeting, which included:

- CAEATFA's Executive Director, Derek Chernow, was not in attendance at the Board meeting because he was speaking on a panel for a "Battery Day" conference hosted by the California Energy Commission and the Governor's Office of Business and Economic Development (GoBiz) in Los Angeles. This event brings together both state and federal agencies and leading companies in the development of batteries for electric vehicles and storage to discuss incentives to locate and expand in California.
- CAEATFA's 2021 Annual Report is now complete and online. Ms. Emery thanked CAEATFA staff ("Staff") for compiling all the data and presenting it in a clear and articulate manner.
- The final report and bond audit for the program year ending June 30, 2021, is now complete and posted on-line. The audit was completed by Gilbert Associates. Special thanks to Jennifer Gill, Senior Program Manager at CAEATFA, for her efforts in working with Gilbert.
- In a contract being presented today for Board approval, Electric & Gas Industries Association was selected as the winning proposer for the CHEEF Universal Contractor Manager services (CAEATFA02-21). The total contract term is up to five years, at a total cost (including base plus optional extensions) not to exceed \$2.8 million. The current CHEEF Universal Contractor Manager contract with Frontier (CAEATFA05-18) expires May 28, 2022. Staff appreciates the years of service by Frontier and thanks them for their work in growing the CHEEF contractor base.
- Miriam Joffe-Block presented on the GoGreen Home microloan program on a panel for the National Association of State Energy Officials. Through CAEATFA, California became the first state in the nation to launch an eco-financing microloan program.
- Last week, Kelly Delaney presented the GoGreen Financing programs to CivicWell's Local Energy Resources Network monthly forum.
- Renew Energy Partners has joined the GoGreen Business On-Bill Repayment program. They are the first lender to propose benefits to customers because of the on-bill repayment.
- As of April 1, 2022, all investor-owned utility ("IOU") customers, including those who receive gas service from an IOU but electricity from a Publicly Owned Utility ("POU") or electric co-op, are now able to finance approved electric measures up to \$50,000 through GoGreen Home. This means customers of the Los Angeles Department of Water and Power, the Sacramento Municipal Utility District, and other POUs, who were previously limited in what they could finance through the program, will now be able to use GoGreen Home to invest in impactful upgrades like heat pump HVACs and heat pump water heaters. The expansion is made possible by a partnership with the TECH Clean California Initiative, a statewide decarbonization program funded by California gas corporation ratepayers.

Ms. Emery then concluded her report. Mr. Schaefer asked if there were any questions or comments from the Board.

Mr. Rider thanked Mr. Chernow for presenting at Battery Day and explained the event is designed to draw battery manufacturing to California, which is important for the clean energy future. Mr. Rider also commended the Public Utilities Commission and CAEATFA for the launch of the on-bill financing program, noting that the Governor’s proposed budget includes almost a billion dollars for advancing building decarbonization, and that these types of financing models are key to expanding the decarbonization of buildings.

Mr. Schaefer also congratulated CAEATFA staff on the launch of the on-bill program.

Mr. Schaefer asked if there were any other questions or comments from the Board or the public. There were none.

4. BUSINESS ITEMS

A. REQUEST TO APPROVE AN EXTENSION OF THE 15% PURCHASE REQUIREMENT TIMEFRAME AND THE INITIAL TERM OF THE REGULATORY AGREEMENT, AND TO AMEND RESOLUTION NO. 20-SM013 TO CHANGE THE PARTICIPATING PARTY FROM ZANKER ROAD RESOURCE MANAGEMENT, LTD. TO ZANKER ROAD RESOURCE MANAGEMENT LLC

Presented by Xee Moua, Analyst

Staff introduced Michael Gross, Director of Sustainability, Zanker Road Resource Management LLC.

On March 17, 2020, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for Zanker Road Resources Management, Ltd. (the “Applicant”) to upgrade its existing composting facility located in Gilroy (the “Project”).

The Applicant is requesting to extend the 15% purchase requirement timeframe for a second time by one year, seven months, and 15 days, and to extend the Regulatory Agreement’s initial term by one year, nine months, and 15 days. The Applicant is also requesting to change the participating party on the STE award approval resolution and the Regulatory Agreement from Zanker Road Resources Management, Ltd., to Zanker Road Resources Management, LLC, because the Applicant converted to a limited liability company in December 2021.

According to the Applicant, the COVID-19 pandemic has caused Santa Clara County to fall behind on its California Environmental Quality Act (“CEQA”) process, which is necessary for Project permits and construction. The Applicant provided an updated timeline indicating that Santa Clara County is scheduled to complete the CEQA process by April 2023. The Applicant will apply for its building permits thereafter, with construction starting around October 2023 and concluding in January 2025.

Staff recommends that the Board approve the Applicant’s request to extend the 15% purchase requirement to January 1, 2024, and the initial term of the Regulatory Agreement to

January 1, 2025, to make purchases of up to \$24,395,182 in Qualified Property, anticipated to result in a sales and use tax exclusion amount of \$2,039,437. Staff also recommends that the Board approve the Applicant's request to amend Resolution No. 20-SM013 to change the participating party from Zanker Road Resources Management Ltd. to Zanker Road Resources Management, LLC, in the Regulatory Agreement to reflect the Applicant's name change.

Mr. Gross thanked the Board for considering the Applicant's request and explained the STE award is important for the Applicant being able to complete the Project and improve its facility. Mr. Gross also thanked Staff for their help.

Mr. Schaefer asked if there were any questions or comments from the Board.

Mr. Rider asked how the CEQA process has improved in the county and about the certainty of the Applicant's revised timeline.

Mr. Gross explained that the Applicant's current timeline is based on the county's current CEQA timeline, which could change, but that the Applicant is prepared to begin the Project prior to the CEQA process completion, if necessary. Mr. Gross also described some of the challenges that have extended the CEQA process, including inexperienced CEQA consultants.

Ms. Miller asked for clarification on what it would mean for the Applicant to begin the Project, and Mr. Gross explained that the Applicant would start to make purchases.

Mr. Sertich moved for approval, and there was a second by Ms. Miller.

Mr. Schaefer stated there was a motion and a second and asked if there were any other questions or comments from the Board or the public. There were none. Mr. Schaefer called for a vote.

The item was approved by the following vote:

Tim Schaefer for the State Treasurer	Aye
Tony Sertich for the State Controller	Aye
Gayle Miller for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Alice Busching Reynolds, President, Public Utilities Commission	Absent

B. DISCUSSION AND CONSIDERATION OF CONTRACT WITH ELECTRIC & GAS INDUSTRIES ASSOCIATION FOR UNIVERSAL CONTRACTOR MANAGEMENT SERVICES FOR THE CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING (CHEEF) PROGRAMS IN AN AMOUNT NOT TO EXCEED \$2,800,000

Presented by Jessica Arceo, Analyst

Staff requested approval to enter into a contract with Electric & Gas Industries Association (“EGIA”) as the Universal Contractor Manager for the CHEEF Programs in an amount not to exceed \$1,800,000 during the three-year contract term, plus two optional one-year extensions for up to \$500,000 apiece.

EGIA will provide services including:

- contractor recruitment, enrollment, and training;
- enrolled contractor engagement and support;
- strategic partnership development and engagement;
- project compliance and verification;
- data management, insights and reporting; and
- program design assistance.

On February 28, 2022, Staff advertised a request for proposals, and two proposals were received at the proposal deadline. After reviewing all proposals, CAEATFA’s evaluation team determined that EGIA was the most qualified proposer.

Staff recommends adoption of a resolution authorizing execution of a contract with Electric & Gas Industries Association as the Universal Contractor Manager for the CHEEF Programs in a total amount not to exceed \$2,800,000 over the entire possible five-year contract term.

Mr. Schaefer asked if there were any questions or comments from the Board.

Mr. Sertich thanked Staff for their in-depth process of vetting the proposals. Mr. Rider also thanked Staff.

Ms. Miller moved for approval, and there was a second by Mr. Sertich.

Mr. Schaefer stated there was a motion and a second and asked if there were any other questions or comments from the Board or the public. There were none. Mr. Schaefer called for a vote.

The item was approved by the following vote:

Tim Schaefer for the State Treasurer	Aye
Tony Sertich for the State Controller	Aye
Gayle Miller for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Alice Busching Reynolds, President, Public Utilities Commission	Absent

5. PUBLIC COMMENT

Mr. Schaefer 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 10:59 a.m.

Respectfully submitted,

Ashley Emery
Program Manager