MINUTES
California Alternative Energy and Advanced Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
June 21, 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 10:33 a.m.

Members Present: Tim Schaefer for Fiona Ma, CPA, State Treasurer
Tony Sertich for Betty T. Yee, State Controller
Ken Rider for David Hochschild, Chair, California Energy Commission
Grant Mack for Alice Busching Reynolds, President, Public Utilities Commission

Members Absent: Keely Martin Bosler, Director, Department of Finance

Staff Present: Derek Chernow, Executive Director

Quorum: The Chair declared a quorum.

2. MINUTES
Mr. Schaefer asked if there were any questions or comments from the Board concerning the May 17, 2022, meeting minutes. There were none.

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

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. Rider joined the meeting at 10:36 a.m. Mr. Schaefer called for a vote, and the minutes were approved.

The item was passed by the following vote:

Tim Schaefer for the State Treasurer Aye
Tony Sertich for the State Controller Aye
Ken Rider for the California Energy Commission Aye
Grant Mack for the Public Utilities Commission Aye
3. EXECUTIVE DIRECTOR’S REPORT

Mr. Chernow gave a report highlighting CAEATFA activity and news since the May 17, 2022, Board meeting, which included:

- Mr. Chernow began with sincere gratitude to the Governor and Legislature for the newly authorized Budget. CAEATFA received authority for seven new positions, including five in the California Hub for Energy Efficiency Financing ("CHEEF") programs and two for the Sales & Use Tax Exclusion ("STE") Program.

- Mr. Chernow was honored to speak at a Heat Pump Manufacturer Forum this month. CAEATFA joined the Governor’s Office, Governor’s Office of Business and Economic Development (GO-Biz), and California Energy Commission ("CEC") to discuss the opportunities and urgency for developing California-based manufacturing of building decarbonization technologies to support a rapidly growing market, supported by a suite of complementary state policies and programs.

- A number of CAEATFA staff ("Staff") attended the American Council for an Energy-Efficient Economy (ACEEE) conference. CAEATFA’s Kaylee D’Amico presented on a panel discussing Energy Efficiency Financing Programs.

- Last month, Kaylee also presented on the GoGreen Financing programs at a Disadvantaged Communities Advisory Group (DACAG) meeting on the California Public Utilities Commission ("CPUC”) Clean Energy Financing Proceeding.

- Last month, Miriam Joffe-Block presented the GoGreen Home program to a Southern California Public Power Authority ("SCPPA”) working group.

- And last week, Kelly Delaney presented to the Northern California Power Agency ("NCPA”) on the GoGreen Home program. Mr. Chernow expressed thanks to Mr. Rider for putting Staff in touch with both NCPA and SCPPA as CAEATFA looks to expand the reach of the program to publicly-owned utilities.

- After a slower period for the GoGreen Business Program due to COVID, Staff enrolled seven new loans/projects in the last month. These include a brewery, a dairy, light manufacturing, and retail pet supply.

- Staff is pleased to announce that as of July 1, RIESTER will be the new Marketing Implementer for the CHEEF. RIESTER is an award-winning public relations and marketing company with an office in Los Angeles. The contract will be for three years with the possibility of a two-year extension. The marketing implementor contract is with Southern California Gas Company, so it will not come before the Board for approval, but Staff did want to share this news with the Board as it takes its marketing and outreach efforts to the next level.

- Given the number of action items before the Board today, Staff is recommending the format of today’s Board meeting be streamlined, while still ensuring public participation and comment periods, in order to limit the duration of this public gathering. Staff is recommending approval of all the items before the Board today.
Mr. Chernow then concluded his report. Mr. Schaefer asked if there were any questions or comments from the Board.

Mr. Rider thanked Mr. Chernow for his participation in the Heat Pump Manufacturer Forum. He also gave thanks to Staff and all the agencies (CEC, CPUC, and State Treasurer’s Office) working together to do this important work.

Mr. Sertich also wished to voice his gratitude for Staff’s continued efforts. Mr. Mack added his accolades, and also thanked Mr. Chernow for his participation at the Heat Pump Manufacturer Forum. Mr. Schaefer thanked Staff for their work as well.

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

4. BUSINESS ITEMS

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

Mr. Schaefer stated that, given the large number of action items for the Board’s consideration, for items 4.A.1 through 4.A.23, Applications for Sales and Use Tax Exclusions, a standard voting protocol to expedite the process and ensure ample opportunity for members of the Board and public to participate is sensible.

Mr. Schaefer asked the Board members to indicate any items they would like to discuss. He continued that if items are not pulled for discussion, the Board will vote on the items collectively, as a group. Mr. Schaefer then announced the items in order of the agenda. The Board did not request discussion on any of the items 4.A.1 through 4.A.23.

Mr. Sertich moved for approval, and there was a second by Mr. Mack, for the items listed below:

1) BHE Renewables, LLC, and its subsidiaries Magma Power Company, BHER Minerals, LLC, and CE Generation, LLC, Calipatria (Imperial), No. 22-SM020, Lithium Recovery and Processing – Advanced Transportation, $21,434,530 of Qualified Property

2) Mitra Future Technologies, Inc., Mountain View (Santa Clara), No. 22-SM027, Iron-Based Cathode Production – Advanced Transportation, $5,484,877 of Qualified Property

3) Heraeus Precious Metals North America LLC, Santa Fe Springs (Los Angeles), No. 22-SM026, Precious Metals Recycling – Advanced Manufacturing, $15,900,000 of Qualified Property

4) Swift Solar, Inc., San Carlos (San Mateo), No. 22-SM021, Solar Photovoltaic Manufacturing – Advanced Manufacturing, $8,490,000 of Qualified Property
5) Blue Mountain Electric Company LLC, Wilseyville (Calaveras), No. 22-SM001, Biomass Processing and Fuel Production – Alternative Source, $17,030,696 of Qualified Property

6) California Safe Soil, LLC, McClellan (Sacramento), No. 22-SM029, Mixed Organics Recycling – Recycled Resource Extraction, $23,089,719 of Qualified Property

7) Aemetis Advanced Fuels Keyes, Inc., Ceres (Stanislaus), No. 22-SM023, Ethanol Production – Alternative Source, $22,703,169 of Qualified Property

8) Touchstone Pistachio Company, LLC, Terra Bella (Tulare), No. 22-SM039, Pistachio Processing and Production – Advanced Manufacturing, $23,400,000 of Qualified Property

9) Quidel Corporation, Carlsbad and San Diego (San Diego), No. 22-SM036, Medical Diagnostic Test Production – Advanced Manufacturing, $23,150,000 of Qualified Property

10) Lam Research Corporation, Fremont and Livermore (Alameda), No. 22-SM041, Semiconductor Fabrication Equipment Manufacturing – Advanced Manufacturing, $23,500,000 of Qualified Property

11) Califia Farms, LLC, Bakersfield (Kern), No. 22-SM035, Plant-Based Dairy Free Beverage Manufacturing – Advanced Manufacturing, $23,500,000 of Qualified Property

12) Terray Therapeutics, Inc., Monrovia (Los Angeles), No. 22-SM051, Biopharmaceutical Engineering – Advanced Manufacturing, $16,417,363 of Qualified Property

13) Best Express Foods, Inc., Stockton (San Joaquin), No. 22-SM003, Advanced Food Production – Advanced Manufacturing, $6,795,730 of Qualified Property

14) Paradigm Packaging West, LLC, Rancho Cucamonga (San Bernardino), No. 22-SM006, Medical Device and Component Manufacturing – Advanced Manufacturing, $8,354,110 of Qualified Property

15) BHE Renewables, LLC and its subsidiaries Magma Power Company and CE Generation, LLC, Calipatria (Imperial), No. 22-SM019, Geothermal Steam Production – Alternative Source, $188,422,290 of Qualified Property

16) Ampaire, Inc., Hawthorne (Los Angeles) and Camarillo (Ventura), No. 22-SM032, Aircraft Hybrid Electric Powertrain Production – Advanced Transportation, $29,889,143 of Qualified Property

17) Trojan Battery Company, LLC, Santa Fe Springs (Los Angeles), No. 22-SM028, Lithium-ion Battery Manufacturing – Advanced Manufacturing, $36,566,109 of Qualified Property
Agenda Item 2.

18) Archer Aviation, Inc., Palo Alto (Santa Clara), No. 22-SM044, Electric Vertical Takeoff and Landing Aircraft Production – Advanced Transportation, $44,360,877 of Qualified Property

19) National Carbon Technologies California, LLC, Williams (Colusa), No. 22-SM030, Biocarbon Pellets Production – Alternative Source, $123,720,000 of Qualified Property

20) Phillips 66 Company, Rodeo (Contra Costa), No. 22-SM031, Renewable Diesel Production – Alternative Source, $195,834,944.70 of Qualified Property

21) CASS, Inc., Oakland (Alameda), No. 22-SM038, Mixed Metals Recycling – Recycled Resource Extraction, $23,750,000 of Qualified Property

22) QuantumScape Battery, Inc., San Jose (Santa Clara), No. 22-SM010, Lithium Battery Cell Manufacturing – Advanced Manufacturing, $114,844,599 of Qualified Property

23) Sugar Valley Energy, LLC, Brawley (Imperial), No. 22-SM014, Biomass Processing and Fuel Production – Advanced Manufacturing, $117,647,058.82 of Qualified Property

Mr. Schaefer stated there was a motion and a second and asked if there were any questions or comments from the Board or the public.

Jon Trujillo, Geothermal Development Director at BHE Renewables, LLC (“BHE”), thanked the Board for consideration, and Staff for assistance with the application process. He added that the STE Program award will help BHE to add jobs in the clean energy sector and is important to the economy of the Imperial Valley.

Joe Hurwich, Chief Financial Officer at Best Express Foods, Inc. (“BEF”), thanked the Board and Staff for the assistance given. BEF was granted STE Program awards several times in recent years. Mr. Hurwich also stated that previous awards allowed Best Express Foods to upgrade its production lines with the installation of automated equipment to replace older, less efficient equipment, and described some history of the company’s products that the STE Program helped to bring to fruition.

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

Items 4.A.1 through 4.A.23, listed above, were approved by the following vote:

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<th>Supporter</th>
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<tr>
<td>Tim Schaefer for the State Treasurer</td>
<td>Aye</td>
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<tr>
<td>Tony Sertich for the State Controller</td>
<td>Aye</td>
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<tr>
<td>Ken Rider for the California Energy Commission</td>
<td>Aye</td>
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<tr>
<td>Grant Mack for the Public Utilities Commission</td>
<td>Aye</td>
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B. **RESOLUTION OF THE CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY APPROVING MODIFICATIONS TO REGULATIONS AND OTHER RELATED ACTIONS TO IMPLEMENT THE COMMERCIAL ENERGY EFFICIENCY FINANCING PROGRAM (ACTION ITEM)**

Presented by Miriam Joffe-Block, Senior Manager, CHEEF Programs

Staff recommended the Board approve regulations under the regular rulemaking process for the Commercial Energy Efficiency Financing Program (“GoGreen Business”), making the regulations permanent after a second readoption of the emergency regulations, with some minor changes.

These emergency regulations were first approved by the Board on July 19, 2021, and were readopted once in January and again in April of this year. The proposed regulations are largely unchanged from the previous drafts approved by the Board, with a few small modifications.

The changes made to regulations last July were largely related to implementing a method of on-bill repayment (OBR), through which small business customers will be able to make payments on their financing agreement through their utility bill. Other changes being readopted include a streamlined set of program requirements for microloans of $10,000 or less and new energy-saving measures in areas such as refrigeration, heating and cooling, and agricultural measures for greenhouse growing.

In addition to these changes already approved by the Board, Staff has continued working to make the program align with industry needs and standards. For example, based on stakeholder input, Staff removed the motor vehicle insurance requirement on certain types of lenders as this requirement is outmoded. Other changes were noted in the staff summary.

With the Board’s approval, these regulations will be adopted into the California Code of Regulations in July.

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

Mr. Mack asked if there are further regulations pending approval from the CHEEF. Ms. Joffe-Block replied that Staff received notice that the second readopt of the GoGreen Home program was approved by the Office of Administrative Law yesterday, and the certificate of completion package will be brought before the Board for approval in August.

Ms. Joffe-Block added that the current item for the GoGreen Business regulations is the last item for this program until the regulations can be revisited again in the fall, pending CPUC approval of the expansion the CHEEF Staff has proposed as part of the Track 2 Working Group’s clean energy financing proceeding.

Mr. Sertich moved for approval, and there was a second by Mr. Mack.
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
- Ken Rider for the California Energy Commission Aye
- Grant Mack for the Public Utilities Commission Aye

Mr. Schaefer complimented Staff for their hard work in the public transparency and regulatory process, which prepares the way for excellent programs.

5. PUBLIC COMMENT

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

Mr. Sertich thanked Staff for their work, especially on the STE process. Mr. Rider added his appreciation for the new process and the inclusion of the Lithium Valley Emerging Strategic Industry. He added that he has seen the number of applications increase in his time as a Board representative and has been impressed by Staff’s expert handling of the process through its changes. Mr. Mack also praised Staff for their work toward the STE applications’ approval.

Mr. Mack asked if additional funding had been included in the budget. Mr. Chernow stated that the outcome of the final state budget has yet to be determined. Mr. Schaefer expressed that the kinds of items brought before the Board today reflect the State’s entrepreneurial spirit, and represent the values that have made California into the kind of place so many want to live.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 11:04 a.m.

Respectfully submitted,

Jennifer Gill
Senior Manager, Core Programs