1. CALL TO ORDER AND ROLL CALL

Fiona Ma, CPA, Chair, called the California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA" or the "Authority") meeting to order at 10:30 a.m.

Members Present: 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
Grant Mack for Alice Reynolds, President, Public Utilities Commission

Staff Present: Jennifer Gill, Senior Manager, Core Programs

Quorum: The Chair declared a quorum.

Due to public health recommendations resulting from the novel coronavirus (COVID-19), and pursuant to Section 20 of Senate Bill 189, enacted June 30, 2022, which adds and repeals Section 11133 of the Government Code, CAEATFA Board members may participate remotely from teleconferencing locations. CAEATFA staff ("Staff") has implemented additional social distancing measures, and participants have been asked to also participate remotely. Ms. Ma, Mr. Sertich, Ms. Miller, and Ms. Gill attended the meeting in person. Mr. Rider and Mr. Mack attended the meeting via internet conference line.

2. MINUTES

Ms. Ma asked if there were any questions or comments from the Board concerning the July 19, 2022, meeting minutes. There were none.

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

Ms. Ma stated there was a motion and a second and asked if there were any questions or comments from the public. There were none. Ms. Miller joined the meeting after the Minutes were presented, and asked that they be recalled so she might be included in the vote. Ms. Ma called for a vote.
The item was passed by the following vote:

- Fiona Ma, CPA, 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
- Grant Mack for the Public Utilities Commission Aye

3. EXECUTIVE DIRECTOR’S REPORT

Ms. Gill reported that Staff continues to appreciate the leadership and support of Interim Executive Director, Shela Tobias-Daniel, as well as her Deputy, Christina Sarron, who have prioritized coming up to speed with and championing CAEATFA business items. Ms. Gill then reported on CAEATFA activity and news since the July 19, 2022 Board meeting:

- The United States Senate and House of Representatives have passed the Inflation Reduction Act, which will provide $27 billion to the Environmental Protection Agency for the Greenhouse Gas Reduction Fund, including $20 billion designated for a non-profit green bank that will indirectly fund public-private investing through the American Green Bank Consortium and not-for-profit financial institutions. President Biden is set to sign the bill into law today.
  - CAEATFA is a member of the Green Bank Consortium and, along with the California Infrastructure and Economic Development Bank (“IBank”), will be exploring opportunities for accessing this federal funding to leverage more private capital toward greenhouse gas reduction.

- If the final application is approved at today’s meeting, the STE Program will have awarded its full $100 million allocation for 2022, as well as the permitted $2 million from the 2023 allocation.

- Currently, 21 applications remain on the STE waiting list, for a total of over $140 million in sales and use tax exclusions. If additional STE becomes available during this calendar year, applications on the waitlist will be reviewed and presented to the CAEATFA Board for approval in the order in which they are ranked based on competitive criteria.
  - Staff is keeping an eye on Assembly Bill 2887, currently before the Senate Appropriations Committee. If passed, the bill would increase the STE Program’s annual award cap to $150 million, which would go into effect immediately.

- In news and updates related to the California Hub for Energy Efficiency Financing (“CHEEF”):
  - The GoGreen Home Energy Financing Program finished fiscal year 2021/22 by facilitating $14.1 million in residential energy upgrades or 793 full-size loans. This represents a 45% increase over the prior fiscal year. Private capital was leveraged at a ratio of $6.42 for every one dollar of credit enhancement contributed.
Lastly, under the delegated authority of the previous Executive Director:

- On June 1, CAEATFA exercised the pre-approved optional one-year contract extension and increased agreement costs by $14,500 for PACE Trustee services with Zions Bancorporation, National Association (CAEATFA02-20). The contract’s new term expiration date is June 30, 2023 and the total cost of the contract increased to $33,700 over a total of three years; and
- On June 8, CAEATFA signed the Interagency Agreement (IA) with the California Pollution Control Financing Authority (CPCFA) for Building Rent, Surcharge, and Central Plant charges (CAEATFA05-21), with a total cost not to exceed $164,470.65 for the term of July 1, 2021 through June 30, 2022.

Ms. Gill then concluded her report. Ms. Ma asked if there were any questions or comments from the Board.

Ms. Ma noted that it would be beneficial to create a press release describing specific categories of measures being financed by loans under the GoGreen Home Energy Financing program.

Ms. Ma 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 (ACTION ITEM)

1) West Coast Waste Co., Inc., Fresno (Fresno), No. 22-SM013, Biomass Processing and Fuel Production – Alternative Source, $72,555,098.32 of Qualified Property

Presented by Xee Moua, Program Analyst

Staff introduced Dennis Balakian, President, West Coast Waste Co., Inc.; David Balakian, Project Executive, West Coast Waste Co., Inc.; and Michael Brown, Project Manager, West Coast Waste Co., Inc.

West Coast Waste Co., Inc. (“West Coast Waste”) is requesting a Sales and Use Tax Exclusion (“STE”) award to build a new compressed renewable natural gas and syngas production facility at its Fresno Renewable Energy Center located in Fresno (the “Project”).

Statute limits CAEATFA to granting up to $100 million in sales and use tax exclusion each calendar year. Per Program regulations, when the amount requested in the final Application considered under the competitive criteria process exceeds the sales and use tax exclusion available to award in the calendar year, the Authority shall award the
remaining sales and use tax exclusion request using STE from the following calendar year’s allocation, up to $2 million. After the June 2022 Board meeting, CAEATFA has approximately $4,167,183 of STE (or $49,025,686.56 in Qualified Property) left to award in 2022. This enables CAEATFA to award West Coast Waste Co., Inc., the final Applicant under the competitive process, the remaining STE allocation, and up to $2 million in STE (or $23,529,411.76 in Qualified Property) from calendar year 2023.

Therefore, Staff recommended the approval of Resolution No. 22-SM013-01 for West Coast Waste Co., Inc.’s purchase of qualifying tangible personal property in an amount not to exceed $49,025,686.56, anticipated to result in an approximate STE value of $4,167,183, effective immediately, and effective January 1, 2023, for the purchase of qualifying tangible personal property in an amount not to exceed $23,529,411.76, anticipated to result in an approximate STE value of $2,000,000, for a total of $72,555,098.32 in Qualified Property for an estimated STE value of $6,167,183.

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

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

Dennis Balakian gave some background on the company, and its business in and around Fresno. He stated that the family business has history in farming, and has been working with the City of Fresno to process green waste for about 20 years. He stated that West Coast Waste is excited to be able bring the Project’s processes to play in the Central Valley, which he described as one of the more polluted areas of the state. Mr. Balakian continued that West Coast Waste hopes the technology used in the Project will catch on and set a trend for other companies to follow. He added that the Project has a great deal of support locally, as well as at the State Capitol. Mr. Balakian thanked the Board for its consideration of this award.

There were no further comments and Ms. Ma called for a vote.

The item was approved by the following vote:

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<tr>
<td>Fiona Ma, CPA, 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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<td>Gayle Miller for the Department of Finance</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. CONSIDERATION OF APPLICANT’S REQUEST TO EXTEND THE 15% PURCHASE REQUIREMENT TIMEFRAME OF AN STE AWARD (ACTION ITEM)

1) MSBG Partners, LLC, Goleta (Santa Barbara), No. 21-SM009, Landfill Gas to Renewable Natural Gas Production – Alternative Source, $11,252,500 of Qualified Property

Presented by Stefani Wilde, Program Analyst

Staff introduced Ryan Rafferty, Junior Project Manager, MSBG Partners, LLC.

MSBG Partners, LLC was approved for an STE award of an estimated $956,000 in March 2021 for the purchase of approximately $11 million in Qualified Property to build a new Landfill Gas to Renewable Natural Gas (“LFG-to-RNG”) production facility in Goleta. MSBG Partners has not used any of its award to date.

MSBG Partners requested a 15-month extension of the 15% purchase requirement, until December 16, 2023, to accommodate delays related to permitting issues, which are the result of two fires at its facility in October of 2021 and May of this year.

Staff recommended approval of MSBG Partners, LLC’s request to extend the 15% purchase requirement by 15 months to December 16, 2023.

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

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

Mr. Rafferty stated that MSBG Partners, LLC expects to reach a financial close in the fourth quarter of 2022. The company believes that a 15-month extension will allow the company to meet the 15% purchase requirement. Ms. Ma asked for clarification on whether the site was a new landfill. Mr. Rafferty stated that it is a new facility and finished development in 2012.

There were no further questions or comments from the Board or the public. Ms. Ma called for a vote.

The item was approved by the following vote:

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<tr>
<td>Fiona Ma, CPA, 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>Gayle Miller for the Department of Finance</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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2) Ameresco Chiquita RNG, LLC, Castaic (Los Angeles), No. 21-SM022, Landfill Gas to Renewable Natural Gas Production – Alternative Source, $27,722,495 of Qualified Property

Presented by Stefani Wilde, Program Analyst

Staff introduced Jeff Stander, Senior Project Developer, Ameresco Chiquita RNG, LLC. Patricia Latimer was online in place of Mr. Stander.

Ameresco Chiquita RNG, LLC was approved for an STE award in March of 2021 for the purchase of approximately $27 million in Qualified Property for an estimated $2.3 million in STE to build a new LFG-to-RNG production facility in Castaic. The company has not used any of its award to date.

Ameresco Chiquita RNG, LLC requested a nine-month extension of the 15% purchase requirement, until June 16, 2023, to accommodate delays related to permitting with Los Angeles County.

Staff recommended approval of Ameresco Chiquita RNG, LLC’s request to extend the 15% purchase requirement by nine months to June 16, 2023.

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

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

The item was approved by the following vote:

- Fiona Ma, CPA, State Treasurer: Aye
- Tony Sertich for the State Controller: Aye
- Gayle Miller for the Department of Finance: Aye
- Ken Rider for the California Energy Commission: Aye
- Grant Mack for the Public Utilities Commission: Aye

3) HZI Lancaster, LLC, Lancaster (Los Angeles), No. 21-SM023, Biogas Capture and Production – Alternative Source, $27,231,400 of Qualified Property

Presented by Matthew Jumps, Program Analyst

Staff introduced Daniel Orozco, Project Manager (Consultant), Build Momentum.

HZI Lancaster, LLC was approved for an STE in March of 2021 to build a new biogas capture and production facility located in Lancaster.

HZI Lancaster requested an 18-month extension of the 15% purchase requirement to accommodate delays stemming from a geotechnical survey that caused the facility to be redesigned and reengineered.
Staff recommended that the Board approve HZI Lancaster, LLC’s request to extend the 15% purchase requirement by 18 months to March 16, 2024.

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

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

Mr. Orozco thanked Mr. Jumps and Ms. Moua for their help in preparing this extension request. He also stated that though the geotechnical survey necessitated a complete reengineering of the Project facility, HZI Lancaster is determined to complete the facility and is committed to the community in which it will operate. Mr. Orozco thanked the Board for their consideration.

There were no further questions or comments and Ms. Ma called for a vote.

The item was approved by the following vote:

- Fiona Ma, CPA, State Treasurer: Aye
- Tony Sertich for the State Controller: Aye
- Gayle Miller for the Department of Finance: Aye
- Ken Rider for the California Energy Commission: Aye
- Grant Mack for the Public Utilities Commission: Aye

C. REQUEST TO APPROVE AMENDMENTS TO THE GOGREEN HOME ENERGY FINANCING PROGRAM (ARTICLE 5 (COMMENCING WITH SECTION 10091.1) OF DIVISION 13 OF TITLE 4 OF THE CALIFORNIA CODE OF REGULATIONS) UNDER THE REGULAR RULEMAKING PROCESS (ACTION ITEM)

Presented by Kelly Delaney, Program Specialist

Staff recommended the Board approve regulations under the regular rulemaking process for the GoGreen Home Energy Financing Program (“GoGreen Home”) as a part of the regular rulemaking process. The proposed Regulations make permanent modifications made through the emergency rulemaking process.

These emergency regulations were first approved by the Board in April 2021 and became effective on May 24th. They were approved by the Board with no modifications for readoption in February 2022 and were readopted with no additional changes in June 2022. The proposed regulations also contain no additional changes.

With these modifications, Staff has been able to implement a number of important improvements to drive program growth. These changes include:

- Adding several new measures and financial product options, such as leases and service agreements, to provide consumers more options when making energy efficiency upgrades.
• Adding a new channel partner role to assist lenders with marketing, deal generation, collecting and submitting information to CAEATFA and facilitate the inclusion of more financing business models.

• Presenting a new “microloan” pathway for loans under $5,000, with streamlined and efficient requirements easing the financing process for lenders and borrowers.

• Setting a framework to further simplify the program by allowing GoGreen Home to utilize non-ratepayer sources of funding for credit enhancements which will allow for more uniform measure eligibility across Investor-Owned Utility (“IOU”) and Publicly Owned Utility (“POU”) territories.
  ○ CAEATFA executed its first memorandum of agreement with an organization providing funding outside of the public purpose program funds in March and has since enrolled 20 loans under this expanded eligibility in POU territories, several of which included heat pump measures.

• Updating the borrower privacy disclosure to accommodate the need to report to new external sources of funding, as well as to clarify the types of information shared to better align with the California Information Practices Act.

Overall, these modifications allow GoGreen Home to be a more user-friendly and effective program for lenders, contractors, and borrowers across California.

In developing these amendments, Staff went through a robust outreach and engagement process. Staff sought input from current and potential lenders, industry experts, the IOUs, and contractors, and held public workshops in March 2021 and January and July 2022. Staff did not receive additional feedback at the latest workshop in July, most likely because so much stakeholder outreach has been done throughout the emergency process and because no new changes were proposed.

Staff started the Certificate of Compliance regular rulemaking process in May 2022 by posting a notice of the action and the reasoning for all proposed changes. Upon Board approval, Staff will submit the finalized package of regulations to the Office of Administrative Law. It is anticipated that the regulations will become effective mid-September.

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

Mr. Sertich stated that he appreciates Staff’s work in navigating the rulemaking process and in preparing these regulations for the Board.

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

Ms. Ma 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. Ms. Ma called for a vote.
The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer       Aye
Tony Sertich for the State Controller  Aye
Gayle Miller for the Department of Finance  Aye
Ken Rider for the California Energy Commission  Aye
Grant Mack for the Public Utilities Commission  Aye

5. PUBLIC COMMENT

Ms. Ma 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 10:53 a.m.

Respectfully submitted,

Shela Tobias-Daniel
Interim Executive Director