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 Joe Stephenshaw, Director, Department of Finance
Ken Rider for David Hochschild, Chair, California Energy Commission
Grant Mack for Alice Reynolds, President, Public Utilities Commission

Staff Present: Shela Tobias-Daniel, Interim Executive Director

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, and Ms. Tobias-Daniel attended the meeting in person. Ms. Miller, 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 August 16, 2022, meeting minutes. There were none.

Mr. Sertich moved for approval of the minutes, 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 public. There were none.
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. Tobias-Daniel gave a report on CAEATFA activity and news since the August 16, 2022 Board meeting:

- Kelly Delaney, Traci Hukill, and Davey Ly represented the California Hub for Energy Efficiency Financing (“CHEEF”) at the California Climate and Energy Collaborative Forum in San Diego on September 21st and 22nd.

- This Thursday, Xee Moua, Program Manager, and Ms. Tobias-Daniel will accompany Treasurer Ma on a site tour to Newlight Technologies, Inc., a biotech company producing advanced sustainable materials located in Huntington Beach.

- On September 6th, Governor Newsom signed Assembly Bill 2887 (“AB 2887”), a bill that would increase the Sales and Use Tax Exclusion (“STE”) Program’s statutory award cap from $100 million in tax exclusions to $150 million through 2025. Subsequently, the Governor signed Assembly Bill 209 (“AB 209”), an energy and climate trailer bill allocating $15 million in STE for lithium projects. With both bills amending the same section of CAEATFA’s statute, only the bill that was signed last goes into effect. Therefore, effective immediately, the STE Program may award an additional $15 million in STE for projects that manufacture, refine, extract, process, or recover lithium for calendar years 2022-2024.

  - There is currently one applicant with a lithium-related project on the STE waitlist that would be eligible to receive an award following the enactment of AB 209. Staff posted and announced a new application period on its website for lithium projects, which took place from October 3rd through October 14th. All eligible applications, subject to the availability of STE, are expected to be brought before the Board for consideration at the December Board meeting.

- For CAEATFA Staff updates:

  - Xee Moua was hired into the Core Programs Manager position in September. Ms. Moua brings her years of STE analyst experience and focus on collaboration to help lead the core programs, and the management team welcomes her.

  - Tai Nghiem joined CAEATFA as an analyst for the GoGreen Business program in late August.

  - Kaylee D’Amico Allen brings three years’ experience as a marketing specialist for the CHEEF to her new role as Program Manager for the CHEEF’s GoGreen Business and GoGreen Multifamily programs; and
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- Traci Hukill now leads the CHEEF marketing, education, and outreach as a specialist, after working for several years as a marketing analyst for the CHEEF.
- Other staff updates include a couple of departures: Matthew Jumps, one of CAEATFA’s STE Program analysts, has accepted a new position with the California Energy Commission, and Jessica Arceo, CAEATFA’s contract analyst, is leaving to take on the role of full-time parent. Staff wishes them well, and they will be missed.

- The 2023 tentative Board meeting calendar has been prepared, with meetings set to take place on the third Tuesday of each month, except for the November and December meetings, which are set for the second Tuesday of the month to coincide with the California Pollution Control Financing Authority’s Board meeting calendar. This tentative schedule is included under Agenda Item 3 of the Board materials.

- Ms. Tobias-Daniel stated that under her delegated authority, no actions were taken.

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

Ms. Ma asked for confirmation that the legislature approved an additional $15 million to award for STE projects related to lithium production, and not the $50 million that was expected to be added to the general pool. Ms. Tobias-Daniel confirmed that the Chair was correct in her understanding. Ms. Ma asked that Staff seek to clarify the difference between lithium extraction, which is allowed under CAEATFA’s statute, and mining, which is not. Ms. Tobias-Daniel stated that Staff would work to distinguish the two categories.

Mr. Rider gave accolades to Staff for being ready to award the additional $15 million for lithium projects by the end of the year, given the short timeframe, especially considering the possibility of receiving the $50 million that was anticipated to be approved under AB 2887 did not materialize. Ms. Ma also thanked Staff for their efforts. She also mentioned that she had traveled to Imperial County near the Salton Sea where there are a number of lithium deposits and extraction taking place, and there are companies there that want to participate in the program and receive funding made available by AB 209, but are hesitant to apply given the lack of clarity on the definitions of extraction versus mining.

Ms. Miller stated that she would wonder at the situation of there being an issue with the definition of extraction as opposed to mining, given that the lithium companies in the Lithium Valley area were invited to give input on the legislation before it was finalized. She asked if the issue could be clarified through modifying the regulations. Ms. Tobias-Daniel stated that the definitions would have to be clarified in statute. Ms. Ma elaborated that because of the current language in CAEATFA’s statute, the changes would have to be made through legislation.

Ms. Ma asked if there were any other questions or comments from the Board or the public. There were none.
4. BUSINESS ITEMS

A. CONSIDERATION OF APPLICANT’S REQUEST TO EXTEND THE INITIAL TERM OF THE REGULATORY AGREEMENT OF A SALES AND USE TAX EXCLUSION AWARD (ACTION ITEM)

1) Trademark Brewing, LLC, Long Beach (Los Angeles), No. 17-SM062, Craft Beer Manufacturing Facility – Advanced Manufacturing, $1,854,741 of Qualified Property

Presented by Xee Moua, Program Manager

Staff introduced Sterling Steffen, Co-Founder, Trademark Brewing, LLC.

In 2017, the CAEATFA Board approved an STE award for Trademark Brewing, LLC (“Trademark Brewing” or the “Applicant”) to develop a facility utilizing an advanced process to produce craft beer (the “Project”).

In October 2020, the CAEATFA Board approved the Applicant for a two-year extension of the initial term of the Regulatory Agreement to accommodate significant Project delays due to the COVID-19 pandemic.

The Applicant is requesting a second extension of the Regulatory Agreement initial term for two years to further accommodate the long-term effects of COVID-19. The many iterations of enforced COVID-19 health and safety guidelines did not allow Trademark Brewing to receive consistent business, and thus affected its ability to generate revenue and pursue facility expansion.

The Applicant states that as of August 2022, there has been a substantial increase in sales, and it plans on making all final Project purchases by the end of 2023.

Staff recommended that the Board approve the Applicant’s request to extend the initial term of the Regulatory Agreement to November 14, 2024, to purchase up to $1,854,741 in Qualified Property, anticipated to result in an STE amount of $156,169.

Ms. Ma asked if members of the Board had tried Trademark Brewing’s chocolate stout beer. She stated that it is a special offering that the company is well known for, and usually sells out quickly, and suggested that others try it if they find the opportunity. Ms. Miller replied that she would have to try it at some point in the future.

Ms. Ma also stated that the Trademark Brewing is an exciting company for the Board, because it exemplifies the variety of businesses that can benefit from the Program. She stated that the company’s brewing process is unique in its ability to save water and could be a model for other breweries.

Ms. Ma asked if there were any other questions or comments from the Board or public. There were none, 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

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 10:46 a.m.

Respectfully submitted,

Shela Tobias-Daniel
Interim Executive Director