

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

***2022 Sales and Use Tax Exclusion Program Applications***

**Tuesday, December 13, 2022**

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**SUMMARY**

Statute limits CAEATFA's Sales and Use Tax Exclusion (STE) Program to awarding \$100 million in STE each calendar year. By January 7, 2022, the first application deadline for the 2022 STE Program calendar year, CAEATFA received 52 applications requesting over \$300 million in STE. On June 21, 2022, pursuant to the competitive process and pools of STE established in program regulations, the CAEATFA Board awarded \$94,714,243 in STE (\$1,114,285,215.52 in Qualified Property) to 23 Applicants. That, in addition to the last approved 2021 application that received \$1,118,573 in STE (\$13,159,686.16 in Qualified Property) from the 2022 allocation<sup>1</sup> leaves \$4,167,183 in STE (49,025,686.56 in Qualified Property) for Applicants on the waitlist (see [Agenda Item 3 from the June 2022 Board meeting](#) for application rankings and the competitive process details). On August 16, 2022, the CAEATFA Board awarded the remaining \$4,167,183 in STE from the 2022 allocation and \$2 million in STE from the 2023 allocation<sup>2</sup> to the first Applicant (based on its competitive criteria score) on the waitlist, concluding Application considerations for the year.

However, subsequently, on September 6, 2022, AB 209<sup>3</sup> was enacted, authorizing CAEATFA to award an additional \$15 million in STE for calendar years 2022 through 2024 for projects that manufacture, refine, extract, process, or recover lithium. CAEATFA opened an application period for the additional allocation from October 3, 2022, through October 14, 2022, to receive new applications that would be reviewed and considered along with potential eligible applications on the waitlist. At the end of the application period, CAEATFA did not receive any new applications. Eligible applications from the waitlist included one applicant that will be considered at CAEATFA's December 13, 2022 Board meeting. Because there was not an oversubscription of the \$15 million in STE, a competitive process was not required.

Assuming the one lithium application considered at the December Board meeting is approved, CAEATFA will have awarded its entire 2022 allocation of \$115 million in STE.

Tables 1–5 below provide a breakdown of the allocation of each pool of STE.

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<sup>1</sup> California Code of Regulations Title 4, Division 13, Section 10032(a)(7)(A)- When the amount requested in the Application exceeds the STE available in the calendar year, the Authority shall award the remaining STE request using STE from the following calendar year, up to \$2 million in STE.

<sup>2</sup> California Code of Regulations Title 4, Division 13, Section 10032(a)(7)(A)

<sup>3</sup> As amended pursuant to Section 21 of Chapter 251 of the Statutes of 2022 (AB 209, Energy and climate change (2021- 2022) chaptered on September 6, 2022, Section 26011.8(h)(2) of the Public Resources Code is effective immediately.

<b>Table 1: \$20M Set-Aside for Projects Under \$2M</b>		
<b>June Applicant</b>	<b>QP Amount</b>	<b>Estimated STE*</b>
BHE Renewables, LLC and its subsidiaries Magma Power Company, BHER Minerals, LLC, and CE Generation, LLC	\$21,434,530.00	\$1,821,935
Mitra Future Technologies, Inc.	\$5,484,877.00	\$466,215
Heraeus Precious Metals North America LLC	\$15,900,000.00	\$1,351,500
Swift Solar, Inc.	\$8,490,000.00	\$721,650
Blue Mountain Electric Company	\$17,030,696.00	\$1,447,609
California Safe Soil, LLC	\$23,089,719.00	\$1,962,626
Aemetis Advanced Fuels Keyes, Inc.	\$22,703,169.00	\$1,929,769
Touchstone Pistachio Company, LLC	\$23,400,000.00	\$1,989,000
Quidel Corporation	\$23,150,000.00	\$1,967,750
Lam Research Corporation	\$23,500,000.00	\$1,997,500
Califia Farms, LLC	\$23,500,000.00	\$1,997,500
Terray Therapeutics, Inc.	\$16,417,363.00	\$1,395,476
Best Express Foods, Inc.	\$6,795,730.00	\$577,637
Paradigm Packaging West, LLC	\$8,354,110.00	\$710,099
Award From Small-Project Set-Aside	\$4,398,033.65	\$373,833
Award from General Pool of STE	\$3,956,076.35	\$336,266
<b>Total</b>	<b>\$235,294,117.65</b>	<b>\$20,000,000</b>
<b>Remaining from \$20M Small-Project Set-Aside</b>	<b>\$0</b>	<b>\$0</b>

Table 2: General Pool of STE		
June Applicant	QP Amount	Estimated STE*
<b>Partial Award from 2021</b>		
Enovix Corporation	\$13,159,686.16	\$1,118,573
<b>Small-Project Split Award</b>		
Paradigm Packaging West, LLC	\$3,956,076.35	\$336,266
<b>General Pool 2022 Applications</b>		
BHE Renewables, LLC and its subsidiaries Magma Power Company and CE Generation, LLC	\$96,212,528.82	\$8,178,065
Ampaire Inc.	\$29,889,143.00	\$2,540,577
Trojan Battery Company, LLC	\$36,566,109.00	\$3,108,119
Archer Aviation, Inc.	\$44,360,877.00	\$3,770,675
National Carbon Technologies California, LLC	\$117,647,058.82	\$10,000,000
Phillips 66 Company	\$117,647,058.82	\$10,000,000
CASS, Inc.	\$23,750,000.00	\$2,018,750
QuantumScape Corporation	\$114,844,599.00	\$9,761,791
Sugar Valley Energy, LLC	\$117,647,058.82	\$10,000,000
<b>August Applicant</b>	<b>QP Amount</b>	<b>Estimated STE*</b>
West Coast Waste Co., Inc.	\$72,555,098.32	\$6,167,183
Award from General Pool of STE	\$49,025,686.56	\$4,167,183
Award from 2023 up to \$2 million in STE	\$23,529,411.76	\$2,000,000
<b>Total</b>	<b>\$764,705,882.35</b>	<b>\$65,000,000</b>
<b>Remaining in General Pool</b>	<b>\$0</b>	<b>\$0</b>

Table 3: \$15M for Large Projects		
June Applicant	QP Amount	Estimated STE*
BHE Renewables, LLC and its subsidiaries Magma Power Company and CE Generation, LLC	\$92,209,761.18	\$7,837,830
National Carbon Technologies California, LLC	\$6,072,941.18	\$516,200
Phillips 66 Company	\$78,187,885.88	\$6,645,970
<b>Total</b>	<b>\$176,470,588.24</b>	<b>\$15,000,000</b>
<b>Remaining in Large Project Pool</b>	<b>\$0</b>	<b>\$0</b>

Table 4: \$15M for Lithium Projects		
December Applicant	QP Amount	Estimated STE*
EnergySource Minerals LLC	\$176,470,588.24	\$15,000,000
<b>Total</b>	<b>\$176,470,588.24</b>	<b>\$15,000,000</b>
<b>Remaining in Lithium Project Pool</b>	<b>\$0</b>	<b>\$0</b>

<b>Table 5: Total Awards in 2022</b>		
	<b>QP Amount</b>	<b>Estimated STE*</b>
Small-Project Awards	\$235,294,117.65	\$20,000,000
General Pool Awards	\$764,705,882.35	\$65,000,000
Large-Project Awards	\$176,470,588.24	\$15,000,000
Lithium Project Awards	\$176,470,588.24	\$15,000,000
<b>Total Awarded</b>	<b>\$1,352,941,186.47</b>	<b>\$115,000,000</b>

\* Estimated STE amounts may not total correctly due to rounding.

## **2022 APPLICATION WAITLIST**

Table 6 consists of applications that are currently on the waitlist. CAEATFA does not anticipate receiving any additional STEs for the year. The waitlist will expire at the end of the 2022 calendar year, and if an applicant on the waitlist wishes to be considered for a 2023 STE award, it must submit a new application when CAEATFA begins accepting applications for 2023.

<b>Table 6: 2022 Application Waitlist**</b>			
	<b>Applicant</b>	<b>Qualified Property Amount</b>	<b>Estimated STE*</b>
1.	Bloom Energy Corp.	\$53,831,894	\$4,575,711
2.	Relativity Space, Inc.	\$171,213,378	\$14,553,137
3.	Tesoro Refining & Marketing Company, LLC	\$131,680,092	\$11,192,808
4.	PreZero US Services, LLC	\$50,196,200	\$4,266,677
5.	Element Resources Inc.	\$64,140,400	\$5,451,934
6.	Space Exploration Technologies Corp	\$235,294,116	\$20,000,000
7.	Cepheid	\$72,800,000	\$6,188,000
8.	Genentech, Inc.	\$125,441,001	\$10,662,485
9.	Intuitive Surgical, Inc. and its Subsidiary, Intuitive Surgical Operations, Inc.	\$23,400,000	\$1,989,000
10.	Siemens Mobility Inc.	\$25,147,815	\$2,137,564
11.	Halo Industries	\$17,000,000	\$1,445,000
12.	Senti Biosciences, Inc.	\$23,121,795	\$1,965,353
13.	Impossible Foods Inc	\$51,502,506	\$4,377,713
14.	Hadco Metal Trading Co., LLC	\$2,100,000	\$178,500
15.	Instil Bio, Inc., and its wholly owned subsidiary, Complex Therapeutics, LLC	\$75,180,219	\$6,390,319
16.	Rocket Lab USA, Inc.	\$23,972,000	\$2,037,620
17.	Abbott Cardiovascular Systems, Inc.	\$23,475,000	\$1,995,375
18.	Applied Materials, Inc.	\$235,294,118	\$20,000,000
19.	Varda Space Industries, Inc.	\$50,850,000	\$4,322,250
20.	FreeWire Technologies, Inc.	\$2,184,000	\$185,640
	<b>Total</b>	<b>\$1,457,824,534</b>	<b>\$123,915,085</b>

\* Estimated STE amounts may not total correctly due to rounding.

\*\* Eligibility and application information, including Qualified Property amounts, have not yet been fully verified by staff.