

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
January 17, 2023**

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 through June 30, 2023. CAEATFA staff (“Staff”) has also invited participants and members of the public to participate in this meeting via teleconference.

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 10:35 a.m.

Members Present: Fiona Ma, CPA, State Treasurer
David Oppenheim (via teleconference) for Malia M. Cohen,
State Controller
Gayle Miller (via teleconference) for Joe Stephenshaw,
Director, Department of Finance
Ken Rider (via teleconference) for David Hochschild, Chair,
California Energy Commission
Grant Mack (via teleconference) for Alice Reynolds, President,
Public Utilities Commission

Staff Present: Shela Tobias-Daniel, Interim Executive Director

Quorum: The Chair declared a quorum.

2. MINUTES

Ms. Ma asked if there were any questions or comments from the Board concerning the December 13, 2022, meeting minutes. There were none.

Ms. Miller 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. Ma called for a vote.

The item was passed by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
David Oppenheim 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 since the December 13, 2022, Board meeting:

- The Sales and Use Tax Exclusion Program (“STE”) is now accepting applications for the 2023 annual award allocation. This first application window is from January 1 through January 20 . Staff expects to bring those applications for consideration at the June Board meeting. CAEATFA has \$115 million in STE available, including \$15 million targeted for lithium extraction projects.
- Staff and the Treasurer were scheduled to visit West Coast Waste, Co., a biomass processing facility in Fresno that received an STE award in August 2022, on January 13; however, due to weather conditions, the site tour was postponed.
- This week, Ms. Tobias-Daniel will be connecting with the Governor’s Office of Business and Economic Development (“GO-Biz”) to learn more about their efforts surrounding the CHIPS Act, a federally funded act supporting semiconductor research, development, and production.
- The GoGreen Home program has officially enrolled \$50 million in energy efficiency loans. The program has now helped more than 3,300 California households become more energy efficient.
- RIESTER, the new marketing consultant for GoGreen Financing, is preparing to launch a \$1,000,000 marketing campaign in 2023. This is an unprecedented investment in marketing for the GoGreen Financing programs. The RIESTER contract is held by SoCalGas.
- Analysts Stefani Wilde and David Palsha, and Program Manager Xee Moua, have worked tirelessly to bring the 14 STE extension requests before the Board today. CAEATFA hopes to onboard new staff very soon to help review the 2023 STE applications.
- Finally, Ms. Tobias-Daniel wished to recognize the administrative staff, who, along with many other tasks and duties, produce the materials and facilitate CAEATFA’s Board meetings both in room and online.
- Since the last board meeting, Ms. Tobias-Daniel reported there were no actions under her delegated authority.

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

Ms. Ma inquired whether STE would be held back for later application rounds. Ms. Moua clarified that the STE regulations provide that awards are first-come, first served, and that Staff anticipates the STE will be oversubscribed in the first round. Ms. Moua continued that remaining STE, if any, would be available in a subsequent application round tentatively scheduled for September. There are three rounds scheduled if any STE remains.

Mr. Oppenheim commended Staff for onboarding him as a new representative and providing information to assist his participation in today's meeting. Ms. Ma concurred that Staff is highly qualified and competent.

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

4. BUSINESS ITEMS

A. NOTICE TO BOARD OF EXECUTIVE DIRECTOR'S DETERMINATIONS FOR SPECIFIC PARAMETERS UNDER THE SALES AND USE TAX EXCLUSION ("STE") PROGRAM (INFORMATIONAL ITEM)

Presented by Xee Moua, Program Manager

Under the Sales and Use Tax Exclusion ("STE") Program (the "Program") regulations, there are several provisions, which state it is the responsibility of the Executive Director of CAEATFA to determine various parameters for use by the Authority when evaluating applications for the Program.

Program regulations enable the parameters to be updated by the Executive Director when the Executive Director determines that such an adjustment will further advance the goals of the Program, is required by the regulations, or will otherwise improve the accuracy of Application evaluations. Staff, in consultation with its technical advisor, Blue Sky Consulting Group, reviews the parameters on a regular basis.

For the 2023 Program application year, the Executive Director has updated the following parameters:

- 1) the discount rate,
- 2) the current statewide average sales tax rate,
- 3) the current statewide average income tax rate,
- 4) the ratio of state and local government revenues to gross state output,
- 5) the current property tax rate, and

6) the current annual average unemployment rate for states and counties.

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

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

Ms. Tobias-Daniel stated that given the number of action items before the Board today, coupled with the robust staff reports and prior Board member briefings, Staff recommended the format of today’s Board meeting be streamlined, in order to limit the duration of this public gathering, while ensuring opportunity for members of the Board and public to join into the dialogue. Ms. Tobias-Daniel continued that Staff’s recommendation would be for Board members to identify items they wish to hear in detail, and that those items be discussed and voted upon individually. The remaining items would then be open for public comment as a group, and the Board would vote on all of the remaining resolutions together. Ms. Tobias-Daniel stated that Staff was recommending approval of all the items before the Board today.

Ms. Ma requested the Board members indicate any items upon which they would like further discussion. Each Board member indicated they did not require further discussion on items 4.B.1 – 4.B.14.

The following projects were presented to the Board for consideration:

- 1) rPlanet Earth Los Angeles, LLC, Vernon (Los Angeles), No. 16-SM004, Plastic Recycling – Advanced Manufacturing, \$119,800,000 of Qualified Property
- 2) Intuitive Surgical, Inc. and its subsidiary, Intuitive Surgical Operations, Inc., Sunnyvale (Santa Clara), No. 19-SM003, Advanced Robotic Surgical Systems and Tools – Advanced Manufacturing, \$96,875,430 of Qualified Property
- 3) East Valley Water District, Highland (San Bernardino), No. 20-SM003, Biogas Capture and Production – Alternative Source, \$60,328,000 of Qualified Property
- 4) Merced Pipeline LLC, Merced (Merced), No. 20-SM005, Dairy Biogas Production – Alternative Source, \$31,922,542 of Qualified Property
- 5) Five Points Pipeline LLC, Riverdale (Fresno), No. 20-SM006, Dairy Biogas Production – Alternative Source, \$15,017,114 of Qualified Property
- 6) GCE Holdings Acquisitions, LLC and Bakersfield Renewable Fuels, LLC, Bakersfield (Kern), No. 20-SM009, Renewable Diesel – Alternative Source, \$119,617,224 of Qualified Property

- 7) Virgin Orbit, LLC, Long Beach (Los Angeles), No. 20-SM012, Aerospace Manufacturing – Advanced Manufacturing, \$18,001,109 of Qualified Property
- 8) Lockheed Martin Corporation, Palmdale (Los Angeles), No. 20-SM015, Aerospace Manufacturing – Advanced Manufacturing, \$119,617,224 of Qualified Property
- 9) Hat Creek Bioenergy, LLC, Burney (Shasta), No. 20-SM018, Biomass Processing and Fuel Production – Alternative Source, \$12,680,000 of Qualified Property
- 10) Bar 20 Dairy Biogas, LLC, Kerman (Fresno), No. 20-SM020, Dairy Biogas Production – Alternative Source, \$9,573,170 of Qualified Property
- 11) CalBioGas South Tulare LLC, Tulare (Tulare), No. 20-SM022, Dairy Biogas Production – Alternative Source, \$52,471,257 of Qualified Property
- 12) CalBioGas North Visalia LLC, Visalia (Tulare), No. 20-SM023, Dairy Biogas Production – Alternative Source, \$37,529,013 of Qualified Property
- 13) CalBioGas Buttonwillow LLC, Buttonwillow (Kern), No. 20-SM024, Dairy Biogas Production – Alternative Source, \$21,123,032 of Qualified Property
- 14) Intuitive Surgical, Inc. and its subsidiary, Intuitive Surgical Operations, Inc., Sunnyvale (Santa Clara), No. 20-SM027, Advanced Robotic Surgical Systems and Tools – Advanced Manufacturing, \$82,500,000 of Qualified Property

There was a motion by Mr. Oppenheim to approve the items as a group, and a second by Mr. Rider. Ms. Ma asked if there was any public comment.

Ms. Ma noted she had followed the projects with interest, and they are important and interesting projects. She encouraged awardees to continue their work.

There were no further comments, and Ms. Ma asked for a vote. The items number 4.B.1 through 4.B.14 listed above were all passed unanimously by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
David Oppenheim 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

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 comment, or concerns, the meeting was adjourned at 10:49 a.m.

Respectfully submitted,

Shela Tobias-Daniel
Interim Executive Director