

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
901 P Street, Room 102
Sacramento, California
May 16, 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
Erica Gonzales (via teleconference) for Joe Stephenshaw,
Director, Department of Finance
David Hochschild, Chair, California Energy Commission (via
teleconference)
Kerry Fleisher (via teleconference) for Alice Reynolds,
President, Public Utilities Commission

Staff Present: Shela Tobias-Daniel, Interim Executive Director
Dr. Claudia Quezada, 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 March 21, 2023, meeting minutes. There were none.

Mr. Hochschild moved for approval of the minutes, and there was a second by Mr. Oppenheim.

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
Erica Gonzales for the Director of Finance	Aye
David Hochschild for the California Energy Commission	Aye
Kerry Fleisher for the Public Utilities Commission	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Tobias-Daniel gave a report on CAEATFA activity since the March 21, 2023, Board meeting:

- In personnel updates: CAEATFA recently hired two new analysts under the California Hub for Energy Efficiency Financing (“CHEEF”) – Kevin Nakano and Candace Dorn, who were brought on board in April. Kevin joins CAEATFA from the DMV, and Candace from California State University, Sacramento.
- The GoGreen Home program welcomed its newest lender in March, the National Energy Improvement Fund (“NEIF”). NEIF brings the program a streamlined consumer- and contractor-friendly platform with the capacity to support high-volume loan activity. Staff hopes to bring NEIF online in July.
- Also in March, GoGreen Home marketplace microloans resumed under the Eco Financing brand on the SoCalGas Marketplace and launched on the Southern California Edison Marketplace. Eco Financing offers utility customers instant point-of-purchase approval for energy-efficient appliances. Microloan activity paused in June 2022 while platform provider Enervee onboarded a new lender, Lewis & Clark Bank.
- The GoGreen Financing marketing implementer, Riester, launched an Interest Rate Buydown promotion for the GoGreen Business Program on April 17th. Using funds from the marketing budget, and with guidance from CAEATFA, Riester is providing finance companies up to \$10,000 per project to buy down interest rates to as little as 0%. The promotion, which ends June 30 and will renew on July 1, is designed to spur energy upgrades among small- to medium-sized businesses.

Ms. Tobias Daniel also elaborated that research has indicated that financing mechanisms such as Interest Rate Buy Down have proven useful and successful in making opportunities for energy upgrades accessible in underserved communities as well. Staff is excited to see the expansion of this aspect of the program.

- The newest GoGreen Home Energy Savings Report will be published this week on the CAEATFA website. The report shows strong growth in gas savings in 2022 compared with 2021 due to an increase in decarbonization projects, mainly heat pump technologies. The report also shows a 22% increase in carbon emissions reductions per dollar of private capital loaned through the program.

- The Sales and Use Tax Exclusion (“STE”) Program anticipates presenting just under 30 applications for consideration at the Board meeting tentatively scheduled for June 20. If all applications are awarded, CAEATFA anticipates there will be approximately \$7.2 million in sales and use tax exclusion left to award for the year. The \$7.2 million consists of \$2.2 million for the small project pool and \$5 million for the lithium pool.
- CAEATFA will be posting a Request for Proposals (RFP) in the coming weeks for a trustee bank to hold the PACE Loss Reserve. The current contract expires June 30 and is held by Zions Bank.
- Since the last board meeting, under her delegated authority, Ms. Tobias-Daniel reported that CAEATFA exercised the second pre-approved optional one-year and additional \$1 million extension for Master Servicing with Concord Servicing Corporation (CAEATFA01-20). The contract’s new expiration date is July 31, 2024. This extension updates the total cost of the contract to \$5.5 million over a total of five years and was signed on May 4, 2023.
- Finally, Ms. Tobias-Daniel stated that as part of her last report as Interim Executive Director, it was her pleasure to announce the Treasurer’s appointment of Dr. Claudia Quezada as the Executive Director for CAEATFA.

Included in the business items for today for the Board’s consideration and approval are a resolution to confirm the Treasurer’s appointment of Dr. Claudia Quezada as Executive Director (item #4.A), and subsequently, a resolution to authorize the Executive Director to execute contracts and interagency agreements (item #4.B).

Ms. Tobias-Daniel then gave some background on Dr. Claudia Quezada. Dr. Quezada joins CAEATFA from California State University, East Bay, where she served as a Director of Strategic Initiatives. She received a bachelor's degree in business administration and international relations from California State University, Chico. She holds a master’s degree in public administration and policy analysis, and doctorate in leadership from California State University, East Bay. Dr. Quezada is also a Cornell Certified Diversity Professional.

Dr. Quezada brings over 15 years of government and board experience to the State Treasurer’s Office, having worked with multiple chambers of commerce, elected officials, cities, counties, and municipalities in support of workforce diversity, college and career readiness, economic recovery, financial literacy, green projects, and the environment.

Dr. Quezada was previously manager of the workforce diversity office at the Lawrence Berkeley National Laboratory and worked as a scholar intern at the Center for Strategic and International Studies in Washington, D.C.

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

Dr. Quezada thanked the Board and Ms. Tobias-Daniel and gave some additional background on her experience prior to being brought onboard at CAEATFA, stating that as a third-generation

public servant, she will take pride in faithfully and successfully serving as CAEATFA's Executive Director.

Ms. Ma thanked Ms. Tobias-Daniel for stepping into the role of Interim Executive Director and for her willingness and dedication to meet CAEATFA's mission and program needs.

The members of the Board also congratulated and welcomed Dr. Quezada.

There were no further comments.

4. BUSINESS ITEMS

A. APPROVAL OF THE APPOINTMENT OF THE EXECUTIVE DIRECTOR

Presented by Shela Tobias-Daniel, Interim Executive Director

The California Alternative Energy and Advanced Transportation Financing Authority appoints the Executive Director and designates him or her such power as is necessary to conduct the business of the Authority.

The State Treasurer, who serves as Chair of the Authority, has recommended the appointment of Dr. Claudia Quezada to serve as Executive Director of CAEATFA.

Staff recommended that the Board approve a Resolution to Appoint Dr. Claudia Quezada as the Executive Director of CAEATFA. This Resolution will remain in effect until the Authority revokes it.

Mr. Oppenheim moved for approval, and there was a second by Mr. Hochschild.

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

The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Director of Finance	Aye
David Hochschild for the California Energy Commission	Aye
Kerry Fleisher for the Public Utilities Commission	Aye

B. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACTS AND INTERAGENCY AGREEMENTS IN AN AMOUNT NOT TO EXCEED \$300,000

Presented by Shela Tobias-Daniel, Interim Executive Director

The California Alternative Energy and Advanced Transportation Financing Authority is authorized by statute to enter into contracts and interagency agreements. For contracts and interagency agreements at or below a certain dollar amount, the Authority has historically

delegated this authorization to the Executive Director and in the Executive Director's absence, the Deputy Executive Director, to enter into contracts on behalf of the Authority. This item requests updated delegation authority for the newly appointed Executive Director to execute contracts and interagency agreements for amounts up to \$300,000.

With the approval of the appointment of Executive Director Dr. Claudia Quezada, it is necessary to provide Dr. Quezada, without specific individual Authority approval, with the authorization to: (1) execute certain contracts and interagency agreements and external contracts, up to an amount of \$300,000, (2) amend contracts and interagency agreements that only extend the term of the contract up to an amount of \$300,000, (3) provide technical amendments that do not involve the encumbrance of Authority funds, and (4) amend contracts involving expenditures as long as the total amount of the contract over its full term does not exceed \$300,000.

The blanket authorization amount of \$300,000 does not represent an increase in the Authority's current delegated authorization level.

As part of the Executive Director's report, the Executive Director of the Authority will report to the Authority Board any contracts for amounts of \$10,000 up to \$300,000 that the Executive Director has executed.

Staff recommended the approval of a Resolution to authorize Executive Director Dr. Claudia Quezada to execute certain contracts and interagency agreements and certain amendments to contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$300,000. This Resolution will remain in effect until the Authority revokes this Resolution or approves a superseding resolution.

Mr. Hochschild moved for approval, and there was a second by Ms. Gonzales.

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

Mr. Hochschild asked why, given that the Authority to execute contracts and interagency agreements for the same amount was already in place for previous Executive Directors, that this item needed to be brought before the Board. Ms. Ma replied that this resolution is specific to the new appointment of the Executive Director, and that it allows for more transparency than existed several years ago, in that though the Executive Director will have the authority to execute contracts between not to exceed \$300,000, that for contracts in amounts between \$10,000 and \$300,000, the Executive Director will report to the Board in her Executive Director's report at the Board meetings.

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

The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Director of Finance	Aye
David Hochschild for the California Energy Commission	Aye
Kerry Fleisher for the Public Utilities Commission	Aye

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

- 1) Circular Polymers LLC, Lincoln (Placer), No. 17-SM049, Advanced Carpet Recycling and Manufacturing – Advanced Manufacturing, \$7,548,500 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced David Bender, CEO, Circular Polymers, LLC; Andrew Sheils, Corporate Development Manager, Circular Polymers, LLC; and Macey Lummus, Commercial Manager, Circular Polymers, LLC, all of whom joined via internet conference line.

Circular Polymers LLC (the “Applicant”) was approved for a Sales and Use Tax Exclusion (“STE”) award in June 2017 to add additional recycling units to a pre-existing carpet recycling operation in Lincoln (the “Project”). The Applicant is requesting to extend the Agreement initial term for a second time by three years to accommodate the lingering effects of the COVID-19 pandemic and to secure additional funding for the Project.

Staff recommended that the Board approve Circular Polymers LLC’s request to extend the initial term of the Agreement to June 20, 2026, to make purchases of up to \$7,548,500 in Qualified Property, anticipated to result in an STE amount of \$635,584 as it is in the public interest and advances the purposes of the STE Program.

Mr. Oppenheim moved for approval, and there was a second by Ms. Gonzales.

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.

Ms. Ma asked for some background on the Project. Mr. Bender stated that Circular Polymers, LLC has grown from 30,000 to over 150,000 square feet and is responsible for the recycling of most of the carpet in Northern California, and the company continues to grow. He stated that the COVID-19 pandemic delayed the company’s progress toward Project completion. He stated that the company has been able to spend \$4.3 million of the \$7.5 million originally approved, and the extension today would enable the purchase of the remaining \$3.2 million. He also stated that Circular Polymers, LLC was recently acquired by Ascend Performance Materials Operations, LLC, a global leader of resin manufacturing in the automotive, e-mobility, and industrial spaces. Mr. Bender went on to state that Circular Polymers, LLC has been working closely with Pacific Gas & Electric

Company (PG&E) to increase the power to its facility, but given other priorities in the state, this has also been delayed for the time being.

Ms. Ma stated she has been active in working with the garbage and recycling space, and would be interested in touring Circular Polymers, LLC's facility. Mr. Oppenheim also expressed interest in touring the facility. Mr. Bender stated he would welcome any members of the Board to take a tour.

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

The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Department of Finance	Aye
David Hochschild for the California Energy Commission	Aye
Kerry Fleisher for the Public Utilities Commission	Aye

- 2) Sanitation Districts of Los Angeles County, Whittier (Los Angeles), No. 17-SM052, Biomass Processing and Fuel Production – Alternative Source, \$27,722,495 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced John Deguzman, Senior Engineer, Sanitation Districts of Los Angeles County, who joined via internet conference line.

Sanitation Districts of Los Angeles County ("LACSD" or the "Applicant") was approved for a Sales and Use Tax Exclusion ("STE") award in July 2017 to build an integrated food waste pre-processing and anaerobic digesting system at its Puente Hills Materials Recovery Facility in Whittier, and the Joint Water Pollution Control Plant ("JWPCP") in Carson, which will divert food waste from landfills and convert it to renewable natural gas (the "Project"). The Applicant is requesting to extend the Agreement initial term for a third time by two years to accommodate the additional time needed to expand its JWPCP CNG Station, and for the design, permitting, and construction of its JWPCP Biogas Conditioning Skid 2.

Staff recommended that the Board approve the Applicant's request to extend the initial term of the Agreement to July 18, 2025, to make purchases of up to \$11,928,310 in Qualified Property, anticipated to result in an STE amount of \$1,004,364 as it is in the public interest and advances the purposes of the STE Program.

Mr. Hochschild moved for approval, and there was a second by Mr. Oppenheim.

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

Ms. Ma asked if the representative from the company could give a little more background on the Project, and specifically regarding how the company processes and sources its waste products for treatment and production. Mr. Deguzman stated that LACSD is a week away from approval on the expansion of its biogas conditioning system project, which will take gas from co-digestion of food waste. The Project will require design, permitting, and construction, for which the company is requesting an additional two years to make the 21% remainder of the Qualified Property purchases left of its original award.

Mr. Deguzman then described the Project and facility operations in greater detail, stating that LACSD contracts with slurry haulers throughout Los Angeles County and accepts waste at its wastewater treatment plant in the City of Carson at the JWPCP. At the facility, food waste is co-digested with existing wastewater from the facility; from there, the company digests and produces renewable natural gas (“RNG”) through its biogas conditioning system, which is the subject of the awarded Project. With the RNG, Mr. Deguzman explained LACSD utilizes its compressed natural gas station to either use the gas for vehicle use at the station or to inject the RNG into a Southern California Gas Company pipeline for pipeline use of RNG.

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

The item was approved by the following vote:

Fiona Ma, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Director of Finance	Aye
David Hochschild for the California Energy Commission	Aye
Kerry Fleisher for the Public Utilities Commission	Aye

D. CONSIDERATION OF APPLICANT’S REQUEST TO EXTEND THE INITIAL TERM AND 15% PURCHASE REQUIREMENT OF THE REGULATORY AGREEMENT OF A SALES AND USE TAX EXCLUSION AWARD

- 1) Ameresco Chiquita RNG, LLC, Castaic (Los Angeles), No. 21-SM022, Landfill Gas to Renewable Natural Gas – Alternative Source, \$27,722,495 of Qualified Property

Presented by Katrina Walters-White, Program Analyst

Staff introduced Patricia Latimer, Manager of Proposals, Ameresco Chiquita RNG, LLC, who joined via internet conference line.

Ameresco Chiquita RNG, LLC (the “Applicant”) was approved for a Sales and Use Tax Exclusion (“STE”) award in March 2021 to build a new landfill gas (“LFG”) to renewable natural gas (“RNG”) production facility located at the Chiquita Canyon Landfill site (the “Project”). The Applicant is requesting to extend the 15% purchase requirement timeframe for a second time by one year to accommodate additional delays with the permitting process. The Applicant is also requesting to extend the Agreement’s initial term by two years for the same accommodations and to allow time for the Project to be constructed.

Staff recommended that the Board approve the Applicant's request to extend the 15% purchase requirement timeframe to June 16, 2024, as the Applicant has demonstrated extraordinary circumstances, and it is the public interest and advances the purposes of the STE Program.

Staff also recommended that the Board approve the Applicant's request to extend the initial term of the Agreement to March 16, 2026, to make purchases of up to \$27,722,495 in Qualified Property, anticipated to result in an STE amount of \$2,356,412 as it is in the public interest and advances the purposes of the STE Program.

Mr. Hochschild moved for approval, and there was a second by Ms. Gonzales.

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.

Ms. Ma asked the representative from the company to provide some more information regarding the Project. Ms. Latimer stated that she is involved in the administration of the company more than with the technical aspects of the Project, but that the company is mainly involved with renewable generation, using waste product to produce renewable fuels, and that permitting delays were the primary reason an extension to the Project timeline was necessary.

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

The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Department of Finance	Aye
David Hochschild for the California Energy Commission	Aye
Kerry Fleisher for the Public Utilities Commission	Aye

Mr. Hochschild commented that he again wished to give his congratulations to Dr. Quezada for her appointment as Executive Director, and that with the change to Authority leadership, it might make sense to consider renaming the Authority in the near future to better capture the Authority's purpose in a more succinct way, suggesting that a name such as the Advanced Energy Financing Authority could better describe the Authority's mission. Ms. Ma agreed that this would be something she would like to soon pursue. Ms. Ma suggested that the California Pollution Control Financing Authority (CPCFA) could use a name update as well.

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 11:11 a.m.

Respectfully submitted,

Claudia Quezada, Ed.D.
Executive Director