

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
901 P Street, Room 102
Sacramento, California**

September 19, 2023

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 (Chair)
David Oppenheim for Malia M. Cohen, State Controller
Ken Rider for David Hochschild, Chair, California Energy
Commission
Khalil Johnson for Alice Reynolds, President, Public Utilities
Commission

Members Absent: Joe Stephenshaw, Director, Department of Finance

Staff Present: Dr. Claudia Quezada, Executive Director

Quorum: The Chair declared a quorum.

2. MINUTES

Chair Ma asked if there were any questions or comments from the Board concerning the July 18, 2023, meeting minutes. There were none.

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

Chair Ma stated there was a motion and a second and asked if there were any questions or comments from the public. There were none. Chair 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
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Dr. Quezada gave a report on CAEATFA activity since the July 18, 2023, Board meeting:

- On August 15, CAEATFA was represented at the NorCal Small Business Development Centers (SBDC) Meeting, which took place in the Secretary of State's auditorium in Sacramento. Attendees heard from Secretary of State Dr. Shirley Webber, State Treasurer Ma, and several small business advocates in State government, including a feature presentation by the GoGreen Financing team, as well as other State Treasurer's Office programs supporting small business.
- On August 16, Dr. Quezada presented at the "Problem Solvers Caucus" lunch, hosted by Treasurer Ma at the Bonderson Building. The topic of the lunch meeting was clean energy and included a second presentation by the California Pollution Control Financing Authority's ("CPCFA") Executive Director, Shela Tobias-Daniel. Of special note, CAEATFA invited representatives from Joby Aviation, a Sales and Use Tax Exclusion ("STE") Program award recipient, as special guest speakers. Joby Aviation designs and manufactures electric vertical takeoff and landing (eVTOL) vehicles.
- On August 23, Dr. Quezada along with Shela Tobias-Daniel represented CAEATFA and CPCFA, respectively, at the Bipartisan Infrastructure Law (BIL) Small Business Contracting Symposium in Rancho Cordova. Small business owners, elected officials, and industry leaders gathered to discuss opportunities arising from the historic transportation infrastructure packages passed in 2021, which total over \$1.4 trillion.
- In the last week of August, Dr. Quezada and Xee Moua, STE Program Manager, joined staff from the California Energy Commission ("CEC") to engage with business leaders in Imperial Valley.
 - Dr. Quezada and Ms. Moua accompanied Commissioner Gallardo and Commissioner McAllister, along with CEC staff and fellows.
 - Dr. Quezada was honored to meet the Mayors and City Managers of the City of Calexico, Brawley, Westmorland, Calipatria, Holtville, and the Imperial Valley Community College's Dean and Associate Dean of Workforce and Economic Development who are currently deploying Career Training programs that will prepare the future workforce of geothermal plant operators and technicians.
 - Following CAEATFA's first Emerging Strategic Industries designation in 2021, an additional \$15 million annually in sales and use tax exclusions under the STE Program is dedicated to supporting lithium extraction through 2024.
 - BHE Renewables, which was approved for an STE award at the July Board meeting, is exploring the feasibility of recovering lithium from geothermal brine.
 - Pending successful completion of its demonstration projects, construction of BHE's first commercial plant could begin as soon as 2024. These new facilities will measure approximately five acres in size, equivalent to about four football fields each.

- On their final day visiting Imperial Valley, Dr. Quezada and Ms. Moua joined the joint public site visit bus tour of BHE Renewables' proposed project sites, and Ms. Moua met with representatives from the company.
- Dr. Quezada and Ms. Moua also had the pleasure of getting an “inside look” at the Lithium Valley Charger Equity Initiative at work, and met with leadership from Comite del Valle, whose motto is “Informed People Build Healthy Communities.” The Comite’s Initiative includes the installation of over \$4 million in EV charging stations throughout Imperial Valley, including Brawley, El Centro, Calipatria, and Calexico.
- On September 13, CAEATFA staff presented information on the GoGreen Financing programs to customers of California Coast Credit Union in a joint webinar with San Diego Gas & Electric.
- On September 15, Dr. Quezada represented CAEATFA at the 2023 Sacramento Hispanic Chamber of Commerce’s sold-out function, “2023 State of Hispanics,” at Folsom Lake College.
 - This important event had its Honorary Co-Chairs Honorable Rosario Rodriguez, Mayor, City of Folsom, and Dr. Art Pimentel, President of Folsom Lake College.
 - Dr. Quezada wished to recognize the Sacramento Hispanic Chamber of Commerce for commissioning critical research, which spotlights the key policy work that is needed to further the organization’s goals, and for bringing together industry efforts, higher education, and government leaders who can make the most impact on this evolving ecosystem.

For program updates, Dr. Quezada shared the following:

- CAEATFA has welcomed its newest participating lender for the GoGreen Home Program.
 - Diablo Valley Federal Credit Union is now available to finance residential energy efficiency upgrades in Central Contra Costa County.
- The Pacific Gas & Electric “Energy Action Guide” now features GoGreen Financing as an option for customers purchasing \$2,500 or more in new energy-efficient appliances. Customers can find more information at [guide.pge.com/resources](https://www.pge.com/resources/guide).
- On August 10, the California Public Utilities Commission adopted a Proposed Decision as part of their Clean Energy Financing Proceeding that will allow CAEATFA to expand the GoGreen Financing programs beyond energy efficiency to include comprehensive clean energy measures.
 - With this decision, advocated by Staff for approximately three years, CAEATFA will begin rulemaking to add measures to include financing for items such as solar and battery storage, solar domestic hot water, electric vehicle charging, and combined heat and power (CHP) to the list of eligible measures for the GoGreen Financing programs.

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- CAEATFA anticipates these new measures will be available in mid-2024.
- The process to rename or create a DBA for CAEATFA is progressing.
 - CAEATFA plans to reach out to a professional firm to help with the renaming and will include an organization-wide focus group with Joe DeAnda as the lead.
- Since the last board meeting, there were no actions under Dr. Quezada's delegated authority.

Dr. Quezada also stated that Staff is excited to present six projects for award consideration under the STE Program. If approved, these awards are anticipated to result in approximately \$14.7 million in sales and use tax exclusion.

Dr. Quezada then concluded her report. Chair Ma asked if there were any questions or comments from the Board.

Chair Ma stated that she is happy to hear about the progress being made toward a name change for the Authority and believes "Clean Technology Financing Authority" or "CTFA" would be suitable. She also stated that the use of a professional firm is probably unnecessary, and the task could be handled by Staff.

Chair Ma also thanked Dr. Quezada and Staff for their outreach efforts and travel to Imperial County. She stated that the State's attention to help increase the lithium production capacity of the area can lead to more economic prosperity for the Lithium Valley. Chair Ma added that it is likewise important to do outreach throughout the state to determine how government can better assist the economic interests of different areas, and she is glad that the team is enthusiastic about undertaking these efforts.

Mr. Oppenheim thanked Dr. Quezada for her presentation, and asked if she could share documents from the 2023 Sacramento Hispanic Chamber of Commerce's function regarding Hispanic workforce and opportunities. Dr. Quezada replied that she would make the documents, including research materials, from the "State of Hispanics" conference available to the Board.

Chair Ma commented that community colleges often have funding in their budgets and extra land on which they can build student housing, and suggested that when visiting such sites, it would be prudent to ask about upcoming student housing projects. Dr. Quezada replied that this question was brought up at the event at Folsom Lake College, and representatives from the college stated that it is a goal for housing to be more available, as they do not want money spent on rent or tuition to be a barrier to attending college.

Mr. Oppenheim stated that it is critical for students to have access to community college but highlighted that it is also important they have a good pathway to transfer to the university level. Dr. Quezada agreed and added that Latinos already make up over 50% of K-12 students, and that the California State University system is made up of about 50% Latinos for freshmen and sophomores, but not 50% of the graduates, so there is still much work to be done.

Chair Ma asked if geothermal is something handled by the GoGreen Financing programs. Dr. Quezada replied that geothermal projects are covered under the STE Program.

Mr. Rider thanked Dr. Quezada for her reporting and her fostering of the partnership between CAEATFA and the California Energy Commission, and observed that it is encouraging to see items related to lithium production and the Lithium Valley come before the Board. He also mentioned the ongoing success of the GoGreen Home Financing Program and its continuing expansion, stating that the program's efforts are critical to the clean energy transition, pointing out that 13 million homes in California can benefit from increased energy efficiency. He stated that direct incentives can only go so far, and the Program's structure allows for longer term and broader change. Mr. Rider agreed with the name change suggestion as well.

Chair Ma asked if CAEATFA was sharing its accomplishments on social media. Dr. Quezada replied that CAEATFA activity is being shared, and stated that a post shared on Friday, September 15, has already been viewed 1,800 times and reposted by other posters tens of times. She added that Authority mentions and mentions of the "Clean Technology Financing Authority" label, as well as green jobs, jobs of the future, and California climate goals have been gaining added attention. Chair Ma thanked Dr. Quezada for sharing the Authority's successes and stated she would also continue to promote the Authority and its programs.

There were no further comments.

4. BUSINESS ITEMS

A. DISCUSSION AND CONSIDERATION OF APPLICATIONS FOR SALES AND USE TAX EXCLUSION AWARD

- 1) Anaergia Technologies, LLC, Marina (Monterey), No. 23-SM042, Biomass Processing and Fuel Production – Alternative Source, \$5,212,500 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced Margaret Laub Niehoff, Project Development Manager, Anaergia Technologies, LLC, who joined the meeting via internet conference line.

Anaergia Technologies, LLC (the "Applicant") is requesting a sales and use tax exclusion award to expand its existing biomass processing and fuel production facility at the Monterey One Water Regional Treatment Plant, a municipal wastewater treatment plant located in Marina. According to the Applicant, the Qualified Property will be used to receive and pre-treat food waste. The integration of the Applicant's proprietary organics polishing system will create a clean slurry to be fed to the facility's existing municipal anaerobic digesters.

Staff recommended the approval of Resolution No. 23-SM042-01 for Anaergia Technologies, LLC's purchase of qualifying tangible person property in an amount not to exceed \$5,212,500, anticipated to result in an approximate sales and use tax exclusion value of \$435,765.

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

Chair 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 no comments, and Chair 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
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

- 2) Vernon Green Hydrogen, LLC, Vernon (Los Angeles), No. 23-SM044, Renewable Hydrogen Production – Alternative Source, \$15,827,466 of Qualified Property

Presented by Xee Moua, Program Manager

Staff introduced Michael Ginsberg, Vice President of Technology, Vernon Green Hydrogen; Tom Feiler, Vice President, Renewables Development, Vernon Green Hydrogen; and Karen White, Director, Business Development and Regulatory, Vernon Green Hydrogen, all of whom joined via internet conference line.

Vernon Green Hydrogen, LLC (the “Applicant”) is requesting a sales and use tax exclusion award to build a new renewable hydrogen production facility in Vernon (the “Project”). According to the Applicant, once the Project is complete, it will be capable of producing four metric tons of compressed green hydrogen per day, which will primarily be used to fuel heavy duty vehicles.

Staff recommended the approval of Resolution No. 23-SM044-01 for Vernon Green Hydrogen, LLC’s purchase of qualifying tangible personal property in an amount not to exceed \$15,827,466, anticipated to result in an approximate sales and use tax exclusion value of \$1,323,176.

Mr. Johnson moved for approval, and there was a second by Mr. Rider.

Chair 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.

Mr. Oppenheim stated that it is encouraging to see hydrogen projects coming before the Board, as developing an additional source of alternative energy is invaluable toward meeting climate goals, again with California at the forefront of progress.

Mr. Johnson asked for clarification regarding the uses and refueling of the heavy-duty vehicles that the Applicant will be utilizing as part of its Project. Karen White, representative for the Applicant, stated that the company intends to employ heavy-duty hydrogen powered trucks from a supplier such as Nikola or Hyzon for its internal operations, and will initially focus its refueling efforts internal to its facilities, with a goal

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to eventually expand refueling to the public/business sector. She added that the Project site is planned to be a large refueling operation capable of supplying hydrogen refueling needs in Los Angeles.

Mr. Johnson asked for an estimate on the Project facility’s hydrogen production capacity. Ms. White replied that the Project site is anticipated to support approximately 10 megawatts, or 4,000 kilograms, of compressed green hydrogen daily, with the possibility of expanding production to double to approximately 20 megawatts daily. She added that if the company planned to produce a greater amount of hydrogen, it would have to find a separate site, which the company is currently in the process of searching for.

Mr. Rider asked for clarification on Vernon Green Hydrogen, LLC’s procurement of renewable electricity, and whether the procurement would be through the Vernon publicly owned utility, or if the company is generating its own power. Ms. White replied that Vernon’s municipal facility will provide a portion of the Project site’s power, and Vernon Green Hydrogen, LLC plans to purchase renewable power from the same region as a Renewable Energy Certificate (REC) trade, because it is not feasible to use local renewable power to physically supply the Project facility, given the density of the nearby urban areas. She added that the power purchased will meet federal and state standards and best practices required to qualify for the Production Tax Credit.

There were no further questions, and Chair 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
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

- 3) Raven SR S1 LLC, Richmond (Contra Costa), No. 23-SM021, Renewable Hydrogen Production – Alternative Source, \$29,824,330 of Qualified Property

Presented by Xee Moua, Program Manager

Staff introduced Matt Scanlon, CFO, Raven SR S1 LLC, who joined via internet conference line.

Raven SR S1 LLC (the “Applicant”) is requesting a sales and use tax exclusion award to build a new renewable hydrogen facility in Richmond. The facility will produce high purity hydrogen gas, which will be sold to retailers and fleets to be used as fuel in fuel cell vehicles.

Staff recommended approval of Resolution No. 23-SM021-01 for Raven SR S1 LLC’s purchase of qualifying tangible personal property in an amount not to exceed \$29,824,330, anticipated to result in an approximate sales and use tax exclusion value of \$2,493,314.

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

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Chair 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. Rider thanked Staff's responsiveness, as he had a number of questions related to the fuel source for Raven SR S1 LLC's project.

There were no further comments, and Chair 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
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

- 4) Pratt & Whitney, a division of RTX Corporation, Carlsbad (San Diego), No. 23-SM036, Jet Engine Parts Manufacturing – Advanced Transportation, \$40,462,000 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced Andy Lazur, Director, CMC Center for Excellence; Jim Lendvay, Associate Director, Business/Finance, CMC Technologies; and Gregory S. Pullman, Consultant, all of whom joined via internet conference line.

Pratt & Whitney, a division of RTX Corporation (the "Applicant"), is requesting a sales and use tax exclusion award to build a new jet engine parts manufacturing facility located in Carlsbad. According to the Applicant, the new 60,000 square-foot facility opened in 2021 is solely dedicated to ceramic matrix composites (CMCs) for aerospace applications. Ceramic matrix composites are a class of material made of ceramic fibers embedded within a ceramic matrix. They are lightweight and can be used to create engine parts that can be two-thirds lighter than traditional metallic parts.

Staff recommended the approval of Resolution No. 23-SM036-01 for Pratt & Whitney, a division of RTX Corporation's purchase of qualifying tangible personal property in an amount not to exceed \$40,462,000, anticipated to result in an approximate sales and use tax exclusion value of \$3,382,623.

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

Chair 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 no comments, and Chair Ma called for a vote.

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The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

- 5) Biofuels San Bernardino BioGas, LLC, Rialto (San Bernardino), No. 23-SM027, Landfill Gas Capture and Production – Alternative Source, \$30,783,686 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced Nick Bauer, Director, RNG Project Development, Biofuels San Bernardino BioGas, LLC; and Jill Pitre, Senior Manager, Biofuels San Bernardino BioGas LLC; both of whom joined via internet conference line.

Biofuels San Bernardino BioGas, LLC (the “Applicant”) is requesting a sales and use tax exclusion award to build a new landfill gas capture and production facility located in Rialto. The Applicant has partnered with the County of San Bernardino to convert landfill gas produced at the Mid-Valley Landfill into renewable natural gas (RNG), which will be sold into the voluntary and vehicle fuel market offsetting the use of traditional fossil fuel sources.

Staff recommended the approval of Resolution No. 23-SM027-01 for Biofuels San Bernardino BioGas, LLC’s purchase of qualifying tangible personal property in an amount not to exceed \$30,783,686, anticipated to result in an approximate sales and use tax exclusion value of \$2,573,516.

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

Chair 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 no comments, and Chair 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
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

- 6) WM Renewable Energy, L.L.C., Simi Valley (Ventura), No. 23-SM002, Landfill Gas Capture and Production – Alternative Source, \$53,807,523 of Qualified Property

Presented by Katrina Walters-White, Program Analyst

Staff introduced Luke Smith, P.E., Senior Project Manager, WM Renewable Energy, LLC; and Leonard Finegold, Senior Director, Indirect Taxes, Waste Management, both of whom joined via internet conference line.

WM Renewable Energy, L.L.C. (the “Applicant”) is requesting a sales and use tax exclusion award to build a new landfill capture and production facility in Simi Valley, Ventura County. The Applicant’s proposed facility will capture the landfill gas and process it into compressed renewable natural gas (“RNG”). Once transformed into RNG, the energy will be injected into the commercial gas distribution pipeline grid. The conversion will displace 100,000 tons of CO2 emissions annually.

Staff recommended the approval of Resolution No. 23-SM002-01 for WM Renewable Energy, L.L.C.’s purchase of qualifying personal property in an amount not to exceed \$53,807,523, anticipated to result in an approximate sales and use tax exclusion value of \$4,498,309.

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

Chair 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 no comments, and Chair 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
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

B. REPORT FROM HELL’S KITCHEN LITHIUMCO 1 LLC ON APPROVED STE PROJECT PURSUANT TO RESOLUTION NO. 23-SM035-01 (INFORMATIONAL ITEM)

Presented by Xee Moua, Program Manager

Staff introduced Eric Thayer, CFO, Hell’s Kitchen LithiumCo 1 LLC; and Rod Colwell, CEO, Hell’s Kitchen LithiumCo 1 LLC, both of whom joined via internet conference line.

On July 18, 2023, the CAEATFA Board approved Resolution No. 23-SM035-01 granting Hell’s Kitchen LithiumCo 1 LLC (the “Applicant”) a sales and use tax exclusion (“STE”) award to build a new lithium extraction facility in Calipatria (the “Project”). At the time of award consideration, the CAEATFA Board requested to hear from all lithium related applicants on project scope and scaling plans given the State’s focus on Lithium Valley and the importance of electrification in the transportation market. At the time the Applicant was

prompted to speak, the Applicant was unavailable. As a result, the CAEATFA Board requested that the Applicant report on its project at the September 19, 2023, Board meeting as an informational item considering the amount of STE granted.

Ms. Moua indicated that in the board members' binders, there are slides pertaining to the Applicant's presentation the board members can view for reference.

Mr. Thayer then made a presentation detailing Hell's Kitchen LithiumCo 1 LLC's project, explaining and elaborating on each of the presentation slides. He started by giving a brief overview of Controlled Thermal Resources Inc., Hell's Kitchen LithiumCo 1 LLC's parent company. He stated that Controlled Thermal Resources Inc. began in Australia, and its current CEO, Rod Colwell, had the vision of developing geothermal renewable power, eventually bringing it to California's Imperial Valley. The company won a lease from the Imperial Irrigation District, which is the site of Hell's Kitchen LithiumCo 1 LLC's current project. He stated the company evolved with the market and began to extract lithium from geothermal brine as the electric vehicle market has been growing, which paired nicely with its expertise in geothermal power production. Mr. Thayer added that Hell's Kitchen LithiumCo 1 LLC has a Power Purchase Agreement ("PPA") with the Imperial Irrigation District for its geothermal power, which typically goes out to the grid, but that some of the power will be used for self-generation for lithium extraction.

Mr. Thayer stated that Hell's Kitchen LithiumCo 1 LLC has a substantial leasehold and resources available to it and estimates that the Project's site will have the capacity to generate 1,100 megawatts of geothermal power and up to 300,000 tons per year of lithium hydroxide.

Hell's Kitchen LithiumCo 1 LLC receives a benefit from the Inflation Reduction Act that was passed last year for the purpose of producing EV battery materials, which, combined with its STE award for the Project, is very helpful toward its lithium production ability. Mr. Thayer added that the company will likely make another request for an STE award in the future for further assistance with its efforts.

Mr. Thayer stated that much of the resources to be produced by the Project are already sold through agreements with large, established companies, and General Motors and Stellantis have announced offtake agreements with Hell's Kitchen LithiumCo 1 LLC. Between the longstanding PPA with the Imperial Irrigation District and new partnerships with private companies, Hell's Kitchen LithiumCo 1 LLC is looking at ways to expand both the breadth and depth of its business partnerships.

Mr. Thayer continued his presentation, stating that Hell's Kitchen LithiumCo 1 LLC plans to eventually have collocated facilities next to its lithium extraction plants where it can develop pre-CAM (cathode active materials), CAM, and anode production capacity with its partners.

Hell's Kitchen LithiumCo 1 LLC has drilled two production wells on the Project site thus far, and has completed an optimization plant that has been in operation for about seven months. Mr. Thayer noted that all of this work has been done in a pre-production phase, so all of the financial assistance it has received has been critical to the Project's success, especially given the scale of the Project.

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Mr. Thayer then gave more detail on Hell's Kitchen LithiumCo 1 LLC's lithium recovery process. He explained that the lithium extraction being done at the Project facility uses a minimal footprint and is a closed-loop system. The hot geothermal brine, the heat from which is used to help power the facility, is put through a cleaning process before having the lithium extracted. The brine is then reinjected back into the ground, making the process more renewable and cleaner than is typical for lithium extraction in the industry, and though some CO2 escapes in the process, it is nearly a fully green process.

Mr. Thayer continued his presentation by explaining some of the effects the Project is expected to have in the community and the area of the Project's facilities. He stated that the Project is anticipated to create 940 permanent positions and will employ just under 500 during construction. He elaborated by stating Hell's Kitchen LithiumCo 1 LLC has the need for a highly skilled and trained workforce, and that the jobs created by the Project will be good paying professional positions, ranging from operations and maintenance all the way up to engineering. This will help to spur economic activity in the Imperial Valley, which has a current unemployment rate of about 16%. Mr. Thayer added that Hell's Kitchen LithiumCo 1 LLC is in the process of partnering with community colleges and universities in the region, hoping to use them as a conduit to bring potential employees to the company. He also stated that the company hopes to expand in the area, and anticipates a ripple effect in the community, with the possibility of about four times the number of total jobs created by the Project reflected in the community due to the increased economic activity.

Mr. Thayer then concluded his presentation.

Chair Ma asked if there were any further comments or questions from the Board or the public.

Mr. Johnson asked about the size of the Project's facilities and operation sites. Mr. Thayer replied that, after executing additional options, the Project site is planned to have a total footprint of around 6,000 acres. He elaborated by stating that initially, the processing facilities will take up about 10 acres, and the wellfields are planned to have a footprint between 50 and 100 acres, depending on the well locations and qualities, which is a fraction of the company's current leasehold in the area. The hope, Mr. Thayer stated, is that the company will be able to use the remaining space it has available for other collocated facilities.

Mr. Johnson asked about the number and specifications of batteries that are projected to be built as a result of Hell's Kitchen LithiumCo 1 LLC's Project. Mr. Thayer replied that he is better versed in the financial aspects of the Project and would defer to someone with more technical knowledge related to the company's operation; he stated he would seek to provide more specific information as soon as possible.

Mr. Oppenheim commented on the high quality of the presentation materials and a mention of Hell's Kitchen LithiumCo 1 LLC's corporate responsibility standards in the presentation materials, adding that accountability and transparency are some of the larger priorities of the State Controller's Office. He asked in what specific ways the company would undertake measuring some of the statistical data related to the Project's impact, including job creation and local economic stimulus. Mr. Oppenheim also asked if Hell's Kitchen LithiumCo 1 LLC could report back to the Board in a year to discuss this progress. Mr. Thayer replied that all of

the environmental, social, and governance (ESG) measures Hell's Kitchen LithiumCo 1 LLC is planning to track will be in its public reporting, and also as part of the Program's semiannual reporting requirement, but that company representatives could make themselves available for future updates to the Board. He mentioned that though the company will track the number of jobs created and statistical information related to the makeup of the workforce hired, it is difficult to measure some of the impact out in the community due to increased economic activity; however, the company does follow standard practices to estimate this impact and has partnered with the Economic Development Corporation in Imperial Valley to assist with these efforts.

Chair Ma mentioned that she was in Hollister the previous weekend and met with the coach of the Hollister High School Robotics and Engineering Club, which was founded about one year ago. The club is now oversubscribed, showing that there is a great interest in jobs related to the science, technology, and engineering fields in the area where the Project is located, and it could be a possible pipeline of workers in the future. She also commented that if the company is looking to expand in California in the geothermal space, there are possible opportunities in Modoc County, which has the highest levels of geothermal reserves in the state. Mr. Thayer stated he would be happy to tour the area with the Treasurer or members of the Board. Chair Ma thanked Mr. Thayer for giving a thorough presentation and stated that Hell's Kitchen LithiumCo 1 LLC's Project is an exciting example of innovative business being done in partnership with the State, and work like this is important to the State's climate goals.

There were no further comments or questions.

5. PUBLIC COMMENT

Chair Ma asked if there were any comments from the public. There were none.

6. ADJOURNMENT

There being no further business, public comment, or concerns, the meeting was adjourned at 11:21 a.m.

Respectfully submitted,

Claudia Quezada, Ed.D.
Executive Director