



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, September 17, 2024, at 10:30 a.m.

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Paul Bonderson State Office Building  
901 P Street, Room 102  
Sacramento, CA 95814

### PUBLIC PARTICIPATION CALL-IN NUMBER VIA ZOOM

(877) 853-5257, Meeting ID: 987 6693 6958, Passcode: 560284

Interested members of the public may use this number to call in to listen to and/or comment on items before CAEATFA. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation.

#### 1. Call to Order & Roll Call

Khaim Morton, representing the Chair, called the California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA" or the "Authority") meeting to order at 10:34 a.m.

Members Present:

Khaim Morton for Fiona Ma, CPA, State Treasurer (Chair)  
David Oppenheim for Malia M. Cohen, State Controller  
Michele Perrault for Joe Stephenshaw, Director, Department of Finance  
Ken Rider for David Hochschild, Chair, California Energy Commission  
Khalil Johnson for Alice Reynolds, President, Public Utilities Commission

Staff Present: Claudia Quezada, ED.D., Executive Director

Quorum: The Chairperson declared a quorum.

#### 2. Minutes (Action Item)

Mr. Morton asked if there were any questions or comments from the Board concerning the June 16, 2024, meeting minutes. There were none.

Mr. Morton asked if there were any public comments. There were none.

Ms. Perrault moved approval of the minutes; Mr. Oppenheim provided the second. The minutes were approved.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye



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### 3. Executive Director's Report

Presented by Claudia Quezada, Ed.D., Executive Director

Dr. Quezada gave a report on CAEATFA activity since the July 16, 2024, board meeting:

For program updates, Dr. Quezada reported the following:

- The Sales and Use Tax Exclusion ("STE") Program's small, general, and large pools were fully subscribed during the July meeting.
- The STE program will be accepting applications for the \$15 million available in STEs for lithium extraction until October 11<sup>th</sup>. All eligible applications received will be considered at the December 10<sup>th</sup> board meeting.
- The STE Program is exploring the possibility of designating new and emerging industries that will have a significant impact on the State's environment goals and economy to advance the purposes of the program and align with public interest. This review will continue until the end of 2024. If a new industry is selected, it will be presented as an agenda item at the November or December board meeting.

Dr. Quezada stated that a presentation will be given by Kevin Nakano, GoGreen Program Analyst and Traci Hukill, GoGreen Marketing Specialist.

Nakano started the presentation on the in-person event, online marketing and loan enrollment metrics, beginning with the in-person event metrics, accompanied by a visual aid. Mr. Nakano stated that Dr. Quezada and CAEATFA staff ("Staff") have attended many events throughout California to promote CAEATFA's programs, including events to recruit contractors, project developers, and finance companies in the interest of GoGreen financing.

Mr. Nakano explained that from January 2024 to June 2024, the aforementioned parties attended 36 events total, and made presentations or participated in panel discussions at 17 of them. He further explained that they staffed information tables at 10 events. Mr. Nakano reported that an estimated 16,000 people attended these events.

Mr. Nakano also reported that GoGreen staff created a contact database, which includes over 9,000 contacts, and includes new contacts from attended events, GoGreen financing new contractor leads, e-mail list subscribers, and enrolled contractors.

Ms. Hukill then presented the CAEATFA online metrics, which was accompanied by a visual aid. Ms. Hukill stated that there is a contract for a marketing implementor, which is held by SoCalGas, who markets the GoGreen Financing Program through a variety of channels. She listed the four categories of paid media marketing that have been utilized (paid search, display, social, and video) and the number of impressions recorded from each category from January 2024 to June 2024. In total, paid media resulted in 7.8 million impressions during this time. Ms. Hukill clarified that "impressions" refer only to the number of times the marketing assets



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appeared in front of a person and provided the opportunity for them to engage with the ad to learn more information about the program.

Ms. Hukill explained that public relations and earned media resulted in a total of 289 million impressions. Organic social media resulted in a total of 8,584 impressions. All three of these marketing methods combined resulted in a total of 284,945 sessions for the GoGreen financing website. CAEATFA organic social media efforts through LinkedIn resulted in a total of 82,767 Impressions.

Ms. Hukill proceeded to the next visual aid for CAEATFA loan enrollment metrics. She compared the loan enrollment from the last fiscal year (2023 to 2024) with the loan enrollment of the previous fiscal year (2022 to 2023). She explained that standard loans (\$5,000 to \$50,000) which are processed by credit union partners, drive the majority of growth in the GoGreen program. The number of these loans increased by 86%, which resulted in a 96% increase to the total amount of money invested in energy efficiency upgrades.

Ms. Hukill explained that microloans (up to \$5,000) allow people to purchase energy efficient appliances. The Microloan Program was paused for the majority of the fiscal year of 2022-2023 while a new lender was onboarded, resulting in only 71 loans enrolled. She stated that the 854 enrollments in the year 2023 to 2024 was more typical. Ms. Hukill emphasized that the Microloan Program is an important way for the program to reach underserved borrowers of California, including renters and those with low credit scores.

Ms. Hukill continued that the number of financial agreements GoGreen Business enrolled increased to 32 in the 2023-2024 fiscal year from six in the previous fiscal year, for a total increase of 443%. Ms. Hukill explained that this was the intended result of the interest rate buy-down implemented in 2023-2024. She then concluded her report.

Mr. Morton thanked Ms. Hukill for her explanations and asked if there was any data or feedback to explain why the number of standard loans had increased, in the interest of understanding whether the growth is replicable and sustainable. Ms. Hukill stated two primary factors:

1. The number of contractors using the GoGreen Program has continued to grow due to the competitively low interest rates they are able to offer in comparison to the rest of the market.
2. The program's marketing implementor has started very successful advertising projects for the program in the 2023-2024 fiscal year, including the creation of assets, energetic campaigns, and unifying the IOUs into a singular marketing effort.

Ms. Hukill stated that the data tracked for the program's growth does suggest it will continue, and that early indications are the growth for this upcoming fiscal year will be similar to the previous year's.



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Mr. Morton thanked Ms. Hukill and stated that the information is important to determine how to leverage available funds.

Mr. Oppenheim asked if any of the increase in loans could be attributed to the mandate that newly constructed homes must be fitted with solar panels.

Ms. Hukill answered that the GoGreen program is focused on retrofitting, and therefore the mandate would have little impact on the program's growth, outside of possibly contributing to broad awareness of solar energy options.

Mr. Oppenheim stated this answer was very encouraging.

Dr. Quezada further stated that the 2023-2024 fiscal year was the first year that the program used entirely biliterate assets, including information in both English and Spanish, emphasizing the importance of this in California. She added that the fiscal year saw prime conditions for the GoGreen Program.

Mr. Rider commended GoGreen Staff for the program's growth in the last fiscal year, and further stated that there is more room to grow from here, so long as the program is provided adequate resources and funding. He also commended the CAEATFA team for their work.

Dr. Quezada announced that on September 5<sup>th</sup>, the STO and CAEATFA signed off on a \$30,000,000 grant agreement with the California Energy Commission, fulfilling the search for long term funding for GoGreen Financing. This will fund GoGreen until 2029, and through the previously untapped territory of Publicly Owned Utilities ("POUs").

The funds will be deployed in two methods:

1. A portion will be used to continue funding the loan loss reserve that is dedicated to electrification loans and POUs.
2. The second portion will be used to fund interest rate buy downs, reducing interest rates for qualifying applicants and low-income borrowers

Dr. Quezada asked to recognize the good work of the GoGreen Home Team, GoGreen Business Team, Deputy Treasurer Khaim Morton, and Attorney Ted Ballmer. She also gave thanks to CEC Commissioner McAllister, and David Hochschild.

Mr. Rider commended this as an example of State agencies working together for the improvement of California, creating a cleaner, more green-energy friendly state. He explained that the details of the interest rate buy-down funding are still being determined, but that it is designed to provide more accessible loans to lower-income and underprivileged Californians, which will result in further growth of the program. Mr. Rider thanked Staff, stating that showcases what hardworking collaboration can accomplish.

Mr. Morton thanked Mr. Rider, as well as the hardworking staff of these programs.



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Mr. Rider thanked the leadership at the Treasurer's Office.

Dr. Quezada announced that CAEATFA continues to work with IBank and the Coalition Green Capital, as part of the new funding being provided through the Inflation Reduction Act. CAEATFA is estimated to receive \$53,000,000, which is earmarked for 18,000 statewide projects.

Dr. Quezada also welcomed new employees/promotions to the CAEATFA team. These include Domanique Crawford, Office Assistant; Josh McCarty, GoGreen Program Manager; Christopher Castrillo, Associate Governmental Program Analyst; and Oneika Vegathoth, Office Technician. She announced that this now makes CAEATFA the largest of the 17 board commissions and authorities, with 31 staff members.

Dr. Quezada reported that since the last board meeting, no actions were taken under her delegated authority.

Dr. Quezada then concluded her report. Mr. Morton asked if there were any comments or questions from the Board or public. There were none.

## 4. Business Items

### A. Discussion and Consideration of Application for a Sales and Use Tax Exclusion Award

- 1) 5E Boron Americas LLC, Newberry Springs (San Bernardino), No. 24 SM034, Lithium Extraction and Processing – Advanced Manufacturing, \$11,473,423 of Qualified Property

Presented by Katrina Walters-White, Program Analyst

Ms. Walters-White reported that 5E Boron Americas LLC (the "Applicant") is requesting a Sales and Use Tax Exclusion ("STE") award for approximately \$11.4 million in qualified property to build a new lithium chloride and lithium carbonite facility in Newberry Springs in San Bernardino County for recovering and processing lithium.

Due to the challenging climate of the lithium industry, the Applicant is also requesting to extend the 15% purchase requirement timeframe by 18 months and the initial term of the Regulatory Agreement ("Agreement") by three years. The extensions would provide the Applicant with additional time needed to raise capital, as investors currently favor revenue generating businesses, to further understand market pricing, and optimize its technological process.

Staff recommended the approval of Resolution No. 24-SM034-01 for 5E Boron Americas LLC's purchase of qualifying tangible personal property in an amount



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not to exceed \$11,473,423, anticipated to result in an approximate STE value of \$968,357.

Staff recommended that the Board approve the Applicant's request to extend the 15% purchase requirement timeframe by 18 months, for a period of three years, until September 17, 2027, as the Applicant has demonstrated extraordinary circumstances, and it is in the public interest and advances the purposes of the STE Program.

Staff recommended that the Board approve the Applicant's request to extend the initial term of the Agreement by three years, for a period of six years, until September 17, 2030, 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 Mr. Rider.

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were no comments and Mr. Morton called for a vote.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

### **B. Consideration of Applicant's Request to Extend the Initial Term of the Regulatory Agreement of an STE Award**

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

Presented by Katrina Walters-White, Program Analyst

Ms. Walters-White reported that on November 14, 2017, the CAEATFA Board approved a Sales and Use Tax Exclusion for Trademark Brewing, LLC (the "Applicant") for the purchase of up to \$1,854,741 in Qualified Property to develop a facility utilizing an advanced process to produce craft beer. As of July 2024, the Applicant has used its award to purchase approximately \$1.1 million of Qualified Property (60% of the total Qualified Property approved). The Applicant is requesting to extend the initial agreement term by three years, one month, and 17 days from its current expiration date of November 14, 2024, to accommodate its delayed expansion plans.



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Staff recommended that the Board approve the Applicant's request to extend the initial term of the agreement by three years, one month, and seventeen days to December 31, 2027, as it is in the public interest and advances the purposes of the STE Program.

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

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were no comments and Mr. Morton called for a vote.

- 2) Bar 20 Dairy Biogas, LLC, Kerman (Fresno), No. 20 SM020, Dairy Biogas Production – Alternative Source, \$9,573,170 of Qualified Property

Presented by Joshua Moua, Program Analyst

Mr. Moua reported that on March 17, 2020, the CAEATFA Board approved a Sales and Use Tax Exclusion award for Bar 20 Dairy Biogas, LLC (the "Applicant") for the purchase of up to \$9,573,170 in Qualified Property to build a lagoon digester that will produce dairy biogas in Kerman. As of July 2024, the Applicant has used its award to purchase approximately 67% of the total Qualified Property approved. The Applicant is requesting to extend the Agreement's initial term by one year and six months from its current expiration date of September 17, 2024, to accommodate the procurement of additional equipment and piping materials for expansion purposes.

Staff recommended that the Board approve the Applicant's request to extend the initial term of the Agreement by one year and six months to March 17, 2026, as it is in the public interest and advances the purposes of the STE Program.

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

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were no comments and Mr. Morton called for a vote.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye



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- 3) CalBioGas South Tulare LLC, Tulare (Tulare), No. 20 SM022, Dairy Biogas Production – Alternative Source, \$52,471,257 of Qualified Property

Presented by Joshua Moua, Program Analyst

Mr. Moua reported that on March 17, 2020, the CAEATFA Board approved a Sales and Use Tax Exclusion award for CalBioGas South Tulare LLC (the “Applicant”) for the purchase of up to \$52,471,257 in Qualified Property to build new dairy digesters that will produce dairy biogas at a cluster of 15 dairies located in Tulare. As of July 2024, the Applicant has used its award to purchase approximately 55% of the total Qualified Property approved. The Applicant is requesting to extend the Agreement initial term by two years from its current expiration date of September 17, 2024, to accommodate the procurement of supplemental equipment and piping materials for delayed project expansion.

Staff recommended that the Board approve the Applicant’s request to extend the initial term of the Agreement by two years to September 17, 2026, as it is in the public interest and advances the purposes of the STE program.

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

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were no comments and Mr. Morton called for a vote.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

- 4) CalBioGas North Visalia, Visalia (Tulare), No. 20 SM023, Dairy Biogas Production – Alternative Source, \$37,529,013 of Qualified Property

Presented by Joshua Moua, Program Analyst



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Mr. Moua reported that on March 17, 2020, the CAEATFA Board approved a Sales and Use Tax Exclusion award for CalBioGas North Visalia LLC (the "Applicant") for the purchase of up to \$37,529,013 in Qualified Property to build new dairy digesters that will produce dairy biogas at a cluster of 11 dairies located in Visalia. As of July 2024, the Applicant has used its award to purchase approximately 51% of the total Qualified Property approved. Mr. Moua stated that the Applicant is requesting to extend the Agreement initial term by two years from its current expiration date of September 17, 2024, to accommodate the procurement of supplemental equipment and piping materials for project expansion.

Staff recommended that the Board approve the Applicant's request to extend the initial term of the Agreement by two years to September 17, 2026, as it is in the public interest and advances the purposes of the STE Program.

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

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were no comments and Mr. Morton called for a vote.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

- 5) CalBioGas Buttonwillow LLC, Buttonwillow (Kern), No. 20 SM024, Dairy Biogas Production – Alternative Source, \$21,123,032 of Qualified Property

Mr. Moua reported that on March 17, 2020, the CAEATFA Board approved a Sales and Use Tax Exclusion award for CalBioGas Buttonwillow LLC (the "Applicant") for the purchase of up to \$21,123,032 in Qualified Property to build new dairy digesters that will produce dairy biogas at a cluster of six dairies located in Buttonwillow. As of July 2024, the Applicant has used its award to purchase approximately 45% of the total Qualified Property approved. The Applicant is requesting to extend the Agreement initial term by two years from its current expiration date of September 17, 2024, to accommodate the procurement of supplemental equipment and piping materials for delayed project expansion.



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Staff recommended that the Board approve the Applicant's request to extend the initial term of the Agreement by two years to September 17, 2026, as it is in the public interest and advances the purposes of the STE Program.

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

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were no comments and Mr. Morton called for a vote.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

### C. Approval of 2025 Board Meeting Calendar

Presented by Xee Moua, STE Program Manager

Ms. Moua stated that pursuant to the California Code of Regulations Title 4, Article 1, regular meetings of the Authority will be held on the third Tuesday of each month at Sacramento, California unless otherwise ordered by the Authority.

Staff recommended approval of regular meetings of the Authority to be held on the third Tuesday of each month for calendar year 2025, except for the month of December, at which the meeting will be held on the second Tuesday.

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

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were no comments and Mr. Morton called for a vote.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye



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### 5. Public Comment

Mr. Morton asked if there were any comments or questions from the public.

Phillip Herrera asked to comment, and represented Herrera & Company based out of Stockton, California. He stated his firm to be experts at the incentives that are available to GO-Biz, with a focus on the Employment Training Panel ("ETP"), which is primarily received by clients in the industries of science or semi-conductors and declared this to have overlap with the work of CAEATFA.

Mr. Herrera stated that, in the last legislative period, he and his firm led the opposition against a bill which threatened to terminate ETP for advanced manufacturers. He explained that his firm was successful in having the amendment made to keep advanced manufacturers applying for ETP.

Mr. Herrera stated that in his observation, many elected officials had negative impressions of ETP, believing it to be difficult for businesses to work with and apply for, until he informed them otherwise. Mr. Herrera believes that many elected officials may have similar impressions of CAEATFA, especially as it pertains to advanced manufacturing, despite the positive experiences these businesses have had with the program. Mr. Herrera offered the services of his firm in the event of a future bill or discussion towards extending the sunset date of CAEATFA.

Mr. Morton asked if there were any more public comments. There were none.

### 6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:16 a.m.

**Respectfully submitted,**

Lynn Cach, Deputy Executive Director