



AGENDA ITEM 2 (ACTION ITEM)

Approval of Minutes

From Tuesday, March 18, 2025, 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

Fiona Ma, State Treasurer, called the California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA" or the "Authority") meeting to order at 10:33 a.m.

Members Present:

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

Members Absent: None

Staff Present: Christina Sarron, Executive Director

Quorum: The Chairperson declared a quorum

2. Minutes (Action Item)

Ms. Ma asked the Board members if there were any questions or comments concerning the meeting minutes from the February 18, 2025, board meeting. There were none.

Ms. Ma asked if there were any public comments. There were none.

David Oppenheim moved approval of the minutes; Mr. Beltran provided the second.

The minutes were approved.



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The item was passed by the following vote:

Fiona Ma, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Christian Beltran for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

3. Executive Director's Report

Presented by Christina Sarron, Executive Director.

Ms. Sarron gave a report on CAEATFA programs and activities in the month of February.

For Sales and Use Tax Exclusion ("STE") program updates, Ms. Sarron reported the following:

- Staff are continuing to review the applications received in January, process annual reports, and track applicants for possible extensions.

For GoGreen updates, Ms. Sarron reported the following:

- CAEATFA posted an RSP on February 27, for a Technical Advisor to provide analytical and advisory support, assisting with development and implementation, as well as other technical advising related to GoGreen Financing programs. Proposals are due March 20, 2025. The current contract expires April 18, 2025.
- As reported last month, GoGreen Home signed statewide lender, California Coast Capital Credit Union, to the Interest Rate Buy Down ("IRBD") Program. The IRBD formally launched on March 11, 2025.
- California Coast Capital Credit Union has three projects working towards completion, and five more possible upcoming projects.

Ms. Sarron reported that as of March 11, 2025, the EPA cancelled the grant awards for the \$14,000,000,000 National Clean Investment Fund ("NCIF"), and the sibling award of \$6,000,000,000 for the Clean Communities Investment Accelerator. CAEATFA and CPCFA were seeking funding through the NCIF, via iBank. All three of the NCIF awardees have filed lawsuits against Citibank. One of the awardees, Climate United Fund has had a temporary restraining order hearing, but there has been no ruling as of March 19, 2025.

Ms. Sarron outlined some outreach events and conferences attended by CAEATFA Staff:



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- On Tuesday, March 19, 2025, Ms. Sarron will be presenting at the Treasurer's Office: Inside the Vault, Resources for Local Leaders; A webinar regarding the STE program. Local leaders were encouraged to sign up through the CAEATFA website. On Thursday, March 20, 2025, Ms. Sarron will be on a panel for ConNEX: Bridging Ideas and Investment for Clean Energy Matchmaking; A matchmaking event for entrepreneurs.
- Staff hosted a booth and networked at CEC's Electrification Summit.
- Staff attended ACEEE's Hot Water and Hot Air Forum in Portland.

Ms. Sarron reported that under her delegated authority, since the last board meeting, on February 19, CAEATFA entered a pre-approved, optional one-year extension for time only of the technical consultant contract for the STE Program, with BlueSky consulting group. The new contract is set to expire March 14, 2026.

Ms. Ma asked if there were any public comments.

Mr. Rider thanked CAEATFA and STO staff for attending CEC's Electrification Summit, and for the IRBD launch. He commended CAEATFA for quickly addressing the concern of income verification. Ms. Sarron acknowledged California Coast as a committed partner willing to work hard to enhance services.

Ms. Ma asked for clarification on "IRBDs." Mr. Rider stated that they are "Interest Rate Buy Downs," which will potentially provide 0% interest rate loans for people who want to install heat pumps into their home, made possible by the partnership of the GoGreen Program/CAEATFA/STO, CEC, and CPUC.

Ms. Ma discussed with Deputy Morton a need to better promote this program, and believes it has synergy with the California Kids Investment and Development Savings Program ("CalKIDS"), an outreach program for low-income families. Ms. Ma said that it should be included in the STO's Small Business Guide for better visibility. Ms. Sarron agreed.

Ms. Ma asked if there were any additional public comments. There were none.

4. Business Items

A. Consideration of Applicant's Request to Extend the 15% Purchase Requirement and/or the Initial Term of the Regulatory Agreement of a Sales and Use Tax Exclusion Award

Ms. Ma noted that there are eight extension requests being presented to the board.



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Ms. Sarron clarified that there are nine. 4.A.1 through 4.A.8 are only extension requests, while 4.B.1 is an extension request and amendment to add a participating party. Ms. Sarron suggested that the board vote on 4.A.1 through 4.A.8 as a group to streamline the process. Ms. Sarron stated that the Board may pull individual items for discussion and a separate vote, but that otherwise there would be one vote for each grouping.

Ms. Ma asked the board if any member wished to pull out an item to address individually or comment on.

Mr. Oppenheim requested to pull item 4.A.1.

- 1) **Blue Mountain Electric Company LLC, Wilseyville (Calaveras), No. 22-SM001, Biomass Processing and Fuel Production – Alternative Source, \$17,030,696 of Qualified Property**

Presented by Jeannie Yu, Program Analyst

Ms. Yu stated that Blue Mountain Electric Company LLC was originally approved for a Sales and Use Tax Exclusion ("STE") award to develop a 3-MW bioenergy facility in Wilseyville, Calaveras County, that will convert local forest biomass into syngas and biochar using a gasification process. As of January 2025, the applicant has used the STE award to purchase approximately 0.14% of the of the total qualified property approved.

Ms. Yu stated that the applicant is requesting to extend the 15% purchase requirement and the initial term by an additional one year, six months, and ten days to December 31, 2026, to accommodate financial delays. The applicant is in the process of acquiring a USDA loan. As it currently stands with the new federal administration, some USDA loans have been put on hold.

Staff recommended that the Board approve the request to extend the 15% purchase requirement to December 31, 2026, and the initial term of the regulatory agreement to December 31, 2026, to make purchases of up to \$17,030,696 in qualified property, anticipating resulting in an STE amount of \$1,447,609.

Chief Operating Officer, Tom Perry, and Operations Director, Todd Machado of Blue Mountain Electric Company LLC were also available through remote conference to answer any questions.

Mr. Machado reiterated that the company is requesting an extension on their 15% purchase requirement and the initial term on the application. He elaborated

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that company has run into issues due to delays with a USDA backed loan. Mr. Machado stated that they have since worked out a lot of the conditions of the loan and prepare to close on the negotiation sometime around the end of March or beginning of April 2025. Mr. Machado stated that once the loan has been acquired, progress on purchase orders for the equipment and making purchases on the qualified property will be quick.

Mr. Oppenheim stated that the reason he requested the item to be pulled is that it stood out from the other items presented to the board for extension. The other items averaged between 30-80% expended, item 4.A.1 has less than 1% of its purchase requirement expended and is requesting its third extension. Mr. Oppenheim additionally stated that the analysis for the project expressed uncertainty as to whether the USDA loan would be acquired, and a need for an additional \$4,000,000 of investor capital to support the program. Mr. Oppenheim expressed hesitation to approve the extension, due to concerns for the momentum, sustainability, likelihood of successfully funding the program, and notable differences from the other items brought before the board in terms of progress and finances.

Mr. Oppenheim asked for Mr. Machado to elaborate on the project's financing and hurdles in using the STE before he would cast his vote on the item.

Mr. Machado explained that the process of acquiring a Rural Energy for America Program ("REAP") loan from the USDA has been a very lengthy process. Mr. Machado stated that about a year ago, the original conditions for the loan terms included a personal guarantee from the company's CEO, which they have worked with USDA to remove. The condition has since been replaced with a requirement of more money in interest reserve, which the company is currently raising capital for, and is confident in acquiring soon. Mr. Machado reiterated that the process for acquiring the loan from the USDA has been much longer than they would have liked but believes they will finally close on the loan and be able to move forward with construction.

Mr. Machado stated that the project is shovel ready, and some work has already been done using grants to clear the land and finish all permitting. Acquiring the necessary capital to receive the USDA loan is the last step required before the project can move ahead full throttle.

Mr. Oppenheim stated that he would be more comfortable adjusting the extension to six months, and if the company is unable to secure financing during that time, then the company would return before the board to make a final determination.



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Ms. Ma stated that this was reasonable, given the current uncertainty surrounding the federal government.

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

Ms. Ma stated that Blue Mountain Electric Company LLC is working in one of the most fire-threatened regions in the central Sierra, and that the STE Program is important to the state of California. Ms. Ma reiterated that the motion before the board was the approval of a six-month extension, and that Blue Mountain would be expected to report back in terms of its financing at that time, so that the Board could make another determination.

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

Ms. Ma stated there was a motion and a second and called for a vote.

The item was passed by the following vote:

Fiona Ma, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Christian Beltran for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

A.2 – A.8 Consideration of Applicant’s Request to Extend the 15% Purchase Requirement and/or the Initial Term of the Regulatory Agreement of a Sales and Use Tax Exclusion Award for:

- **QuantumScape Battery, Inc.**, San Jose (Santa Clara), No. 22-SM010
- **Aemetis Advanced Fuels Keyes, Inc.**, Ceres (Stanislaus), No. 22-SM023
- **Trojan Battery Company, LLC**, Santa Fe Springs (Los Angeles), No. 22-SM028
- **National Carbon Technologies California, LLC**, Williams (Colusa), No. 22-SM030
- **Califia Farms, LLC**, Bakersfield (Kern), No. 22-SM035
- **CASS, Inc.**, Oakland (Alameda), No. 22-SM038
- **Terray Therapeutics, Inc.**, Monrovia (Los Angeles), No. 22-SM051

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



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Ms. Ma called for a motion and a second.

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

Ms. Ma stated there was a motion and a second and called for a vote.

The item was passed by the following vote:

Fiona Ma, State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Christian Beltran 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 and to Amend the Sales and Use Tax Exclusion Resolution to Add a Participating Party

1) Quidel Corporation and Ortho-Clinical Diagnostics, Inc., Carlsbad and San Diego (San Diego), No. 22-SM036, Medical Diagnostic Test Production – Advanced Manufacturing, \$23,150,000 of Qualified Property

Presented by Joshua Moua, Program Analyst

Mr. Moua stated that in June 2022, the CAEATFA Board approved an STE award for Quidel Corporation to update and expand its existing medical diagnostic test production facility located in Carlsbad and San Diego. As of December 2024, Quidel Corporation has used the STE award to purchase approximately 67% of the total qualified property approved. Quidel Corporation is requesting to extend the initial agreement term by two years to accommodate the merger with Ortho-Clinical Diagnostics Holdings LLC, which required Quidel to redirect its resources towards integrating the two businesses. As a result of the merger, a newly formed entity, Ortho-Clinical Diagnostics, Inc. was established and will partake in project activities.

Mr. Moua stated that staff recommends that the board approve the applicant's request to extend the initial term of the regulatory agreement to June 21, 2027, to make purchases of up to \$23,150,000 in qualified property, resulting in an STE amount of \$1,967,750. Staff also recommended the Board approve the applicant's request to add Ortho-Clinical Diagnostics Inc. as a participating party.

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



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Ms. Ma called for a motion and a second.

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

Ms. Ma stated there was a motion and a second and 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
Christian Beltran for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

5. Public Comment

Ms. Ma asked if there were any comments or questions from the public. There was one.

Phillip Herrera, Managing Partner at Herrera & Company, stated that he is pleased to report that they have secured SB 86, introduced by Senator McNerney and co-authored by Senator Caballero, which proposes to extend CAEATFA indefinitely and would increase the total award amount available from \$100 million to \$300 million. Mr. Herrera expressed unequivocal support for SB 86 on behalf of his clients. He stated that this legislation represents a major step forward in advancing California's climate and economic goals. Mr. Herrera stated that the inclusion of fusion energy technology as an eligible category is particularly encouraging. He stated that fusion energy has the potential to generate unlimited clean power and represents a radical advancement to California's energy landscape, aligning perfectly with a shared vision of a sustainable and prosperous future.

He urged all stakeholders to push for SB 86 to be signed into law. Mr. Herrera cited the unpredictability of California's budget and federal funding as reasons this will not be easy, and encouraged taking action to make certain SB 86 is signed into law.

Mr. Herrera expressed his gratitude to Treasurer Ma, Deputy Treasurer Morton, Connie Chan, Xee Moua, and CAEATFA Staff for their dedicated work in protecting the agency. Mr. Herrera stated that the expansion of CAEATFA under SB 86 will solidify California's leadership in green innovation, attract cutting energy manufacturers in critical industries, and create robust economic opportunities for our communities.

Ms. Ma stated that she has looked through the draft of the annual report submitted to the legislature, which she expects to be posted online by the following week and believes it can be a useful tool in advocating for the bill. She called for support from other agencies and colleagues, expecting a difficult budget year. Ms. Ma emphasized the importance of collective



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support, and showcasing the working success of the program. She stated that she has been visiting companies that have received the STO extension, who said they may not be able to grow or expand. She reiterated that any support will be helpful when testifying for the bill and expressing importance in testimonials from successful applicants and awardees to emphasize the priority of this bill to the legislature, stating that it helps keep high-quality jobs and businesses in California, and incentivizes other companies to come and grow California by competing with other states.

Ms. Ma thanked Mr. Herrera and asked if there were any further public comments. There were none.

6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:00 a.m.

Respectfully submitted,

Christina Sarron, Executive Director