

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

Board Meeting Date: Tuesday, March 17, 2026

***Request to Approve Adding a Participating Party<sup>1</sup>  
to a Sales and Use Tax Exclusion Award***

**Fiscalini Alpha, LLC, Yields Development, Inc.  
Application No. 25-SM038**

Prepared By: *Willy Chen, Program Analyst*

**SUMMARY**

**Initial Applicant:** Fiscalini Alpha, LLC

**Participating Party Being Added:** Yields Development, Inc.

**Location:** Modesto, Stanislaus County

**Industry:** Dairy Biogas

**Project:** New Dairy Biogas Production Facility (Alternative Source)

**Total Amount of Qualified Property Approved:** \$5,004,900

**Estimated Sales and Use Tax Exclusion Amount at Approval:<sup>2</sup>** \$424,416

**Total Amount of Qualified Property Purchased to Date:** \$0

**Initial Board Approval Date:** December 9, 2025

**Staff Recommendation:** Approval to add Yields Development, Inc. as a participating party.

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<sup>1</sup> All capitalized terms not defined in this document are defined in the Sales and Use Tax Exclusion Program's statutes and regulations.

<sup>2</sup> This amount is calculated based on the average statewide sales tax rate at the time of initial approval, which was 8.48%.

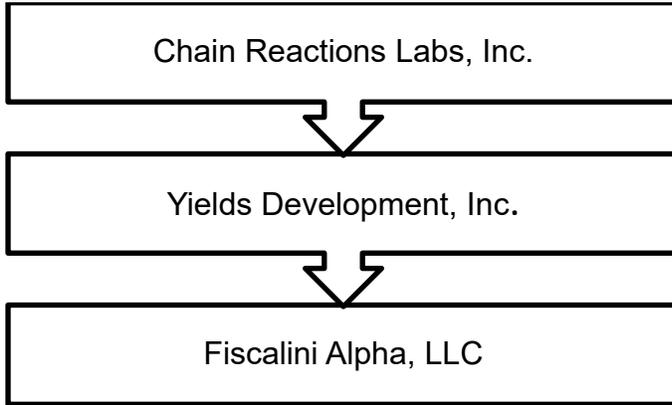
**REQUEST**

On January 15, 2026, Fiscalini Alpha, LLC submitted a request to add Yields Development, Inc. as a participating party to Application No. 25-SM038, which was approved by the CAEATFA Board on December 9, 2025.

**THE APPLICANT**

Fiscalini Alpha, LLC (“Fiscalini”) was formed in 2021 as a Delaware limited liability company and is headquartered in Modesto. Fiscalini is a wholly owned subsidiary of Yields Development, Inc. and is focused on implementing carbon-negative renewable natural gas (RNG) projects for the transportation sector, with a primary operational focus in Modesto.

Yields Development, Inc. (“Yields”), formed in 2023 as a Wyoming corporation and headquartered in Ripon, serves as the parent company of Fiscalini Alpha. Yields oversees the renewable natural gas division of Chain Reaction Labs, Inc., providing strategic direction and support for RNG initiatives across California’s Central Valley.



**The company officer of Fiscalini Alpha, LLC and Yields Development, Inc. is:**

- Jeffrey Welch, Chief Executive Officer.

**THE PROJECT**

Fiscalini received a sales and use tax exclusion (“STE”) award to build a dairy biogas capture and production facility located in Modesto (the “Project”). The Project will upgrade an existing anaerobic digestion system that captures methane from dairy manure and converts it into RNG, a clean transportation fuel. Fiscalini states the Project involves utilizing a continuously stirred tank reactor digester, which unlike standard covered lagoon digesters, achieves a higher methane yield. The improvements will enhance the system’s efficiency, reliability, and environmental performance, while reducing water use and minimizing waste. The RNG produced will be used as a low-carbon fuel for heavy-duty vehicles, either dispensed on-site or delivered to nearby fueling stations.

**STAFF EVALUATION**

Statute limits the use of CAEATFA’s sales and use tax exclusion to any “participating party” (Revenue and Taxation Code Section 6010.8). Public Resources Code Section 26003(a)(7)(B) defines “participating party” as an entity that seeks financial assistance pursuant to Section 26011.8, which establishes the Sales and Use Tax Exclusion Program. Section 3 of the approval resolution provides that the Applicant is a “participating party” within the meaning of Public Resources Code Section 26003(a)(7).

Yields, the parent company of Fiscalini, is being added as a participating party to facilitate procurement of equipment for the approved renewable natural gas project described in the Project section above.

Amending the Regulatory Agreement to add Yields as a participating party will allow the proposed Project to continue and the state to receive the estimated benefits of the original Project.

**LEGAL STATUS QUESTIONNAIRE**

Staff reviewed the Applicant’s Legal Status portion of the request, and no information was disclosed concerning the financial viability or legal integrity of the Applicant.

**CAEATFA FEES**

In accordance with STE Program regulations,<sup>3</sup> the Applicant has paid an additional fee of \$500 because adding a participating party qualifies as a modification to the Applicant’s Regulatory Agreement.

**RECOMMENDATION**

Staff recommends that the Board approve Fiscalini Alpha, LLC’s request to amend the Regulatory Agreement of Application No. 25-SM038 to add Yields Development, Inc. as a participating party.

**Attachments**

Attachment A: Fiscalini Alpha, LLC’s Letter Requesting Amendment to Regulatory Agreement (January 15, 2026)

Attachment B: Fiscalini Alpha, LLC’s Staff Summary at the Time of Approval

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<sup>3</sup> California Code of Regulations Title 4, Division 13, Section 10036

**RESOLUTION ADDING YIELDS DEVELOPMENT, INC.  
AS A PARTICIPATING PARTY**

March 17, 2026

WHEREAS, on December 9, 2025 the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”), a public instrumentality of the State of California, approved Application No. 25-SM038 granting a sales and use tax exclusion award for **Fiscalini Alpha, LLC** (the “Applicant”) for the purchase of up to \$5,004,900 of Qualified Property to build a dairy biogas capture and production facility located in Modesto (the “Project”); and

WHEREAS, Yields Development, Inc. has the authority and responsibility to complete a portion of the Project as described in the Application; and

WHEREAS, the Applicant requests the Authority to amend the Regulatory Agreement by adding Yields Development, Inc. as a participating party to Application No. 25-SM038.

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. Application No. 25-SM038 with a Regulatory Agreement dated January 8, 2026, is amended to add Yields Development, Inc. as a participating party.

Section 2. This resolution shall take effect immediately upon its passage.

**Attachment A: Fiscalini Alpha, LLC’s Letter Requesting an Amendment to the  
Regulatory Agreement (January 15, 2026)**



January 15, 2026

Jeffrey Welch  
Fiscalini Alpha, LLC  
(206) 412-4253  
jeff@yields.dev

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)  
Attn: STE Program  
901 P Street, Suite 142  
Sacramento, CA 95814

**Re: Fiscalini Alpha, LLC – Request for Modification to Regulatory Agreement (Addition of Participating Party)**

Dear CAEATFA Staff,

Fiscalini Alpha, LLC (the “Company”) submits this formal request for a modification to the Company’s Regulatory Agreement to add a participating party, Yields Development, Inc., consistent with CAEATFA program requirements.

As background, the CAEATFA Board approved the Company for a Sales and Use Tax Exclusion on December 9, 2025, for the purchase of up to \$5,004,900 in Qualified Property. The Company now requests CAEATFA’s approval of the above-referenced modification.

The Company respectfully requests that CAEATFA present this item for consideration at the March 17, 2026 CAEATFA Board Meeting.

Fiscalini Alpha, LLC is a wholly owned subsidiary of Yields Development, Inc. As a result, certain equipment purchases associated with the approved STE project may be executed by either Fiscalini Alpha or Yields, depending on procurement structure, vendor requirements, and transaction timing. Adding Yields Development, Inc. as a participating party will ensure the Regulatory Agreement accurately reflects the corporate relationship and purchasing realities of the project and will allow the Company to complete eligible acquisitions in a compliant and efficient manner without disrupting implementation of the approved Qualified Property purchases.

In support of this request, and in accordance with CAEATFA’s submission requirements, the Company is providing the following materials with this letter:

**Agenda Item – 4.B.1  
Resolution No. 25-SM038-02**



1. Updated Legal Status Questionnaire; and
2. Updated Company ownership information.

The Company will remit the required \$500 administrative fee within five (5) business days of submitting this request, and will follow the wire transfer instructions provided by CAEATFA upon request or after submission.

Please let us know if CAEATFA requires any additional information, documentation, or revisions to facilitate timely processing of this request for the March 17, 2026 Board Meeting. Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey Welch".

Jeffrey Welch

President and Chief Executive Officer

Fiscalini Alpha, LLC

(206)412-4253

jeff@yields.dev

**Attachment B: Fiscalini Alpha, LLC’s Staff Summary at the Time of Approval**

The original award staff summary can be found on the CAEATFA website.

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

Board Meeting Date: Tuesday, December 9, 2025

***Request to Approve Project for a Sales and Use Tax Exclusion<sup>4</sup>***

**Fiscalini Alpha, LLC  
Application No. 25-SM038**

Prepared By: *Willy Chen, Program Analyst*

**SUMMARY**

**Applicant:** Fiscalini Alpha, LLC

**Location:** Modesto, Stanislaus County

**Industry:** Dairy Biogas

**Project:** New Dairy Biogas Production Facility (Alternative Source)

**Project Pool:** General<sup>5</sup>

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount <sup>6</sup>
\$5,004,900	\$424,416

Estimated Net Benefit <sup>7</sup>	Dollar Value	Points Earned <sup>8</sup>
Estimated Fiscal Benefits	\$1,129,660	2,662
Estimated Environmental Benefits	\$106,839	252
Additional Benefits	N/A	152

<sup>1</sup>All capitalized terms not defined in this document are in the STE Program statutes and regulations.

<sup>5</sup> While general pool funding is designated for Projects with an STE amount over \$2 million and up to \$10 million, small sized projects that do not fall within that range may apply and qualify under the general pool if any remains (California Code of Regulations Title 4, Division 13, Section 10032(a)(4)).

<sup>6</sup> This amount is calculated based on the average statewide sales tax rate of 8.48%.

<sup>7</sup> Applications that earn a Total Score of at least 1,000 points and an Environmental Benefits Score of over 20 points may be recommended for approval (California Code of Regulations Title 4, Division 13, Section 10033(c)(6)).

<sup>8</sup> Dollar values and point values in the staff summary may not add up correctly due to rounding in the Application worksheet.

<b>Total</b>	<b>\$1,236,499</b>	<b>3,065</b>
<b>Estimated Quantifiable Net Benefit</b>	\$812,083	N/A

**Competitive Criteria Score:** 147

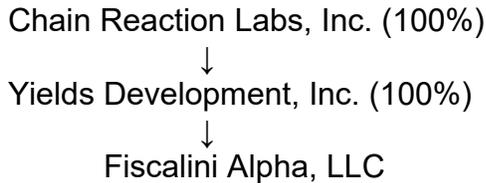
**Staff Recommendation:** Approval

**THE APPLICANT**

Fiscalini Alpha, LLC (the “Applicant”) formed in Delaware as a limited liability company. in 2021. The Applicant is a wholly owned subsidiary of Yields Development, Inc., the renewable natural gas (RNG) division of Chain Reaction Labs, Inc. The company is headquartered in Modesto and focused on developing innovative, carbon-negative RNG solutions for the transportation sector.

The Applicant received a conditional commitment for a \$6.25 million loan under the USDA-guaranteed loan program in July 2025. Under this program, a Conditional Commitment must be issued before the bank financing can close. The Applicant is currently in the process of finalizing the loan, which is expected to close in January 2026.

**The major shareholders (10.0% or greater) of the Applicant are:**



**The company officer of the Applicant is:**

- Jeffrey Welch, Chief Executive Officer.

**THE PROJECT**

Fiscalini Alpha, LLC requests a sales and use tax exclusion (“STE”) award to build a dairy biogas capture and production facility located in Modesto (the “Project”). The Project will upgrade an existing anaerobic digestion system that captures methane from dairy manure and converts it into RNG, a clean transportation fuel. The Applicant states the Project involves utilizing a continuously stirred tank reactor digester, which unlike standard covered lagoon digesters, achieves a higher methane yield. The improvements will enhance the system’s efficiency, reliability, and environmental performance, while reducing water use and minimizing waste. The RNG produced will be used as a low-carbon fuel for heavy-duty vehicles, either dispensed on-site or delivered to nearby fueling stations.

**Anticipated Costs of Qualified Property**

Anticipated Qualified Property Purchases	Cost
Agitators/Mixers	\$182,500
Boilers	\$135,500
Program Logic Control	\$265,000
Controls & Instrumentation	\$104,000
Covers	\$304,000
Concrete Tank Liners	\$245,000
Instrument Air	\$26,500
Pumps	\$37,400
Alley Scrapers	\$550,000
Emergency Safety Equipment	\$245,000
RNG Booster Compressor	\$675,000
Control System	\$217,000
Biogas Cooling /H2S Removal	\$145,500
Compression System	\$275,500
CO2 Membrane System	\$1,380,000
Gas Measurement Instrumentation	\$217,000
<b>Total</b>	<b><u>\$5,004,900</u></b>

*Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. In accordance with the Regulatory Agreement, a finalized Project equipment list will be prepared detailing the value of the Project equipment actually acquired, and the estimated tax benefit realized pursuant to Revenue and Tax Code Section 6010.8. Variance from the costs shown in the Application and in this report may occur prior to the closing due to increased costs of certain components of the Project over original estimates, and other reasons. In addition, those costs may vary after closing due to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in statute or regulation, or for other reasons.*

**Timeline**

The Applicant states that the facility is fully permitted, with all major engineering and design work completed. Key contracts—including feedstock supply, lease agreements, operations and maintenance—have been executed. The Project is construction-ready and approaching financial close to initiate procurement and build-out.

The estimated project timeline is as follows:

- February 2026 – Expected procurement completion
- May 2026 – Expected construction completion
- June 2026 – Commissioning begins
- July 2026 – Qualified Property placed in service
- August 2026 – Commercial operations begin

**Status of Permits/Other Required Approvals**

All major permits required for construction and operation of the facility have been secured.

## **COMPETITIVE CRITERIA SCORE**

The Applicant received 147 Competitive Criteria points as follows:

1. **Environmental Benefits (100 of 100 points)**. The Application has a Project that produces an Alternative Source product, component, or system, and, therefore, 100 points are awarded.
2. **Unemployment (32 of 50 points)**. The Applicant's Project Facility is located in Stanislaus County, which has an average annual unemployment rate of 7.0%.<sup>9</sup> When compared to the statewide average annual unemployment rate of 5.3%, the Project location earned the Applicant 32 points.
3. **Job Creation (0 of 75 points)**. The Applicant anticipates the Project will support a total of three production-related jobs at its Facility. CAEATFA estimates that approximately 0.27 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned zero points.
4. **California Headquarters (15 of 15 points)**. The Applicant maintains its Corporate Headquarters in Modesto, California, 15 points are awarded.
5. **Natural Disaster Relief (0 of 50 points)**. The Project is not to rebuild or relocate the Applicant's Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclaimed by the Governor within two years of the time of application, and, therefore, zero points are awarded.
6. **Eligibility for Manufacturing and Research and Development Equipment Exemption (0 of 50 points)**. The Applicant is eligible to use one or more of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code, and, therefore, zero points are awarded.
7. **Emerging Strategic Industry (0 of 75 points)**. The Project's industry is not in an Emerging Strategic Industry, as defined by CAEATFA, therefore, zero points are awarded.

## **PROJECT EVALUATION**

### **Project Benefits**

The Project received a Total Score of 3,065 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 252 points, which exceeds the 20-point threshold.

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<sup>9</sup> Unemployment rates are based on data available in October 2024.

**Agenda Item – 4.B.1**  
**Resolution No. 25-SM038-02**

- A. Fiscal Benefits (2,662 points).** The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant’s sales and use taxes, personal income taxes paid by the firm’s employees, firm taxes on profits, property taxes, and other indirect fiscal benefits of the Applicant. The total fiscal benefits amount to \$1,129,660, resulting in a Fiscal Benefits score of 2,662.
- B. Environmental Benefits (252 points).** The Project is anticipated to result in \$106,839 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 252 points. These benefits derive from the production of dairy biogas, which offsets the need for use of fossil methane.
- C. Additional Benefits (152 points).** Applicants may earn “Additional Benefits” points in the categories listed below. The Applicant received 152 Additional Benefits points.
- 1. Production Jobs (0 of 75 points).** The Applicant anticipates the Project will support a total of three production-related jobs at its Facility. CAEATFA estimates that approximately 0.27 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned zero points.
  - 2. Construction Jobs (45 of 75 points).** The Applicant anticipates the Project will support a total of 30 construction jobs at its Facility. CAEATFA estimates that approximately 2.76 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 45 points.
  - 3. Unemployment (32 of 50 points).** The Applicant’s Project is located in Stanislaus County, which has an average annual unemployment rate of 7.0%. When compared to the statewide average annual unemployment rate of 5.3%, the Project location earned the Applicant 32 points.
  - 4. Research and Development Facilities (25 of 25 points).** The Applicant has verified that it has a facility located in California that performs research and development functions related to the production of renewable natural gas.
  - 5. Industry Cluster (25 of 25 points).** The industry associated with this Application has been identified by San Joaquin Valley Regional Industry Clusters Initiative (RICI)—launched by the Office of Community and Economic Development (OCED) at Fresno State— as an industry cluster of the region of the Project’s location.
  - 6. Benefits and Fringe Benefits (25 of 25 points).** The Applicant states it provides medical, health, dental & vision benefits, bonuses, retirement contributions, profit sharing, education reimbursement, employee discounts, gym subsidies and paid leave to its employees, earning the Applicant 25 points.

**LEGAL STATUS QUESTIONNAIRE**

The Applicant had nothing to report for the questions contained in the Legal Status portion of the Application.

**CAEATFA FEES**

In accordance with STE Program regulations,<sup>10</sup> the Applicant paid CAEATFA an Application Fee of \$2,502.45 and will pay CAEATFA an Administrative Fee of up to \$20,019.60 should the Applicant be approved for an award.

**RECOMMENDATION**

Staff recommends the approval of Resolution No. 25-SM038-01 for Fiscalini Alpha, LLC's purchase of qualifying tangible personal property in an amount not to exceed \$5,004,900 anticipated to result in an approximate STE value of \$424,416. The initial term of the Regulatory Agreement will be for a period of three years, until December 9, 2028, and the full term shall be for a period of 10 years, until December 9, 2035, for providing annual compliance reports.

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<sup>10</sup> California Code of Regulations Title 4, Division 13, Section 10036

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A REGULATORY  
AGREEMENT WITH FISCALINI ALPHA, LLC**

**December 9, 2025**

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Fiscalini Alpha, LLC** (the “Applicant”) for financial assistance under the Sales and Use Tax Exclusion Program, as established in Public Resources Code Section 26011.8; and

WHEREAS, the Applicant qualifies as a Participating Party under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8; and

WHEREAS, the Applicant’s qualifying tangible personal property meets the requirements of a Project under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8 (the “Project”); and

WHEREAS, after the Authority approves an Application, the Authority enters into a Regulatory Agreement, as described in Authority Regulations Section 10035(a), with the Applicant for the Project; and

WHEREAS, the Applicant has stated the Project has an estimated cost not to exceed \$5,004,900 over a period of three (3) years; and

WHEREAS, the Applicant asserts that this form of financial assistance will enable it to avail itself of the benefits of an exclusion from sales and use taxes relative to the Project pursuant to Revenue and Taxation Code Section 6010.8; and

WHEREAS, the approval of the terms of the Regulatory Agreement and authority for the Executive Director or Chair of the Authority to execute the necessary documents to effectuate the Regulatory Agreement is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Regulatory Agreement includes a Project within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The Regulatory Agreement constitutes financial assistance within the meaning of Public Resources Code Section 26003(a)(6).

Section 3. The Applicant is a participating party within the meaning of Public Resources Code Section 26003(a)(7).

Section 4. The Executive Director or Chair of the Authority (the “Authorized Signatories”) are hereby authorized for and on behalf of the Authority to approve any changes to the Project as the Authorized Signatories deem appropriate, provided that

**Agenda Item – 4.B.1**  
**Resolution No. 25-SM038-02**

the amount of the qualifying tangible personal property to be purchased for the Project may not be increased above the amount approved by the Authority.

Section 5. The proposed form of the Regulatory Agreement between the Applicant and the Authority, as filed with the Authority prior to this public meeting, is hereby approved. For, on behalf and in the name of the Authority, the Authorized Signatories are hereby authorized and directed to execute, acknowledge, and deliver to the Applicant the Regulatory Agreement in substantially the form filed with or approved by the Authority.

The Regulatory Agreement may contain insertions, deletions or changes as the Authorized Signatories executing the Regulatory Agreement may require or approve, including particular information inserted in substantial conformance with the staff summary and in the Application to the Authority. The approval of the Regulatory Agreement will be conclusively evidenced by the execution and delivery of the final Regulatory Agreement.

The Authority understands and agrees that, pursuant to the terms of the Regulatory Agreement, the obligations of the Applicant, under some circumstances, may be carried out or assumed by a successor or assignee entity, or by an affiliate of the Applicant.

Section 6. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including, without limitation, the execution and delivery of any and all documents and certificates they may deem necessary or advisable to consummate the Regulatory Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall ensure that all of the qualifying tangible personal property acquired as part of the Project that is listed in the semi-annual reports provided to the Authority pursuant to the Regulatory Agreement will be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Regulatory Agreement shall only apply to qualifying tangible personal property acquired as part of the Project that the Applicant certifies will be installed, maintained and operated at facilities physically located within the State of California.

Section 9. Neither the adoption by the Authority of this Resolution for the Applicant nor the Regulatory Agreement may be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project and may not be referred to in any application for any required permission or authority to acquire, construct or operate the Project.

Section 10. This Resolution is effective immediately and will remain in full force and effect unless the Regulatory Agreement is not executed within thirty (30) days of

**Agenda Item – 4.B.1**  
**Resolution No. 25-SM038-02**

the date of this Resolution. The Executive Director may extend the thirty (30) days if necessary.