

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

December 11, 2019

Appeal to Forfeiture of Deposit
(Agenda Item No. 8)

ACTION:

CPCFA is requesting that the CDLAC Board approve waiving the forfeiture of deposit for the North Fork Energy project.

DISCUSSION:

The North Fork Energy project (18-025) was awarded tax-exempt bond allocation of \$9,305,000 on December 12, 2018 with a bond issuance deadline of March, 12, 2019. The project requested the first extension on January 29, 2019 due to problems connecting to the PG&E grid due to PG&E's bankruptcy. The waiver of forfeiture was granted at that point and the deadline was moved to June 10, 2019. The project requested another extension on May 17, 2019 and the deadline was moved to September 10, 2019. A third extension request was received on August 28, 2019 moving the deadline to December 31, 2019. The request mentions the reason for the extension as investor uncertainty given PG&E's bankruptcy. While the bankruptcy of PG&E was beyond the Sponsor's control, staff believes investor reaction to the bankruptcy is something that could have been foreseen by the project Sponsor and was therefore not presented, by staff, as a recommendation for waiver of forfeiture to the Committee.

RECOMMENDATION:

Based on the information received regarding the extensions to bond issuance on this project, CDLAC staff is recommending that CPCFA forfeit the performance deposit for the North Fork Energy project.

Prepared by Evan Kass