



California State Treasurer Fiona Ma, CPA

News Release

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**Contact: [Noah Starr](#)
(916) 653-2995**

Treasurer Ma Announces Sales Tax Exclusions Supporting Domestic Lithium Production, Advanced Transportation and Clean Recycling

SACRAMENTO – State Treasurer Fiona Ma announced the approval of \$20.5 million in sales and use tax exclusions (STE) to three innovative California companies, among them a Lithium Valley geothermal energy producer, the manufacturer of a first-of-its-kind aircraft hybrid electric engine, and a recycler that produces chemical-free metal ingot. The STE awards were approved by the board of the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), chaired by Treasurer Ma.

The three projects are expected to create a total of \$53.6 million in combined fiscal and environmental benefits, support 289 jobs and create 24 new jobs. Economic benefits include generating additional tax revenue; environmental benefits include reducing reliance on fossil fuels, curbing air pollution, and diverting waste from landfills. Two of the projects are in counties with above-average unemployment. One of the projects is among the first recipients of CAEATFA’s Emerging Strategic Industry (ESI) designation, announced in late 2021 to support a domestic lithium supply chain and manufacturing process based on mineral deposits found near California’s Salton Sea.

The awards will allow the companies to invest in the manufacturing equipment they need to launch, upgrade or expand their operations without paying sales tax or use tax on the equipment. In order to qualify, each company had to demonstrate that anticipated fiscal and environmental benefits would exceed the value of the foregone sales tax.

“These projects exemplify the kind of innovation that the Sales and Use Tax program was designed to encourage,” said Treasurer Fiona Ma. “They’re creating jobs and fighting climate change, and they’re doing it right here in California.”

In total the CAEATFA board approved 23 projects, out of a record pool of 52 applicants, to receive \$100 million in STE for the 2022 awards round. \$100 million is the maximum total allowed under current State law.

“This year’s STE recipients come from all over the state and represent a strong cross-section of eligible manufacturing categories,” said CAEATFA Executive Director Derek Chernow. “We are pleased to be able to support real innovation in alternative energy source projects, advanced transportation, recycling and advanced manufacturing — all of which contribute to clean energy and green jobs for the state.”

BHE Renewables, LLC

One of the first projects to qualify as an ESI, BHE Renewables received an estimated \$16 million in sales tax exclusions to build a geothermal steam production facility in Imperial County. The facility will produce geothermal brine that will be converted to steam to generate electricity, with a portion of the brine shipped to a lithium recovery facility to aid in the production of battery-grade lithium. The unemployment rate in Imperial County is more than double that of the state, making it a high unemployment county. [Read the staff summary.](#)

Ampaire, Inc.

Hawthorne-based aviation company Ampaire received \$2.5 million in STE to expand development of a first-of-its-kind nine-seat commercial hybrid electric aircraft for regional transport of passengers and cargo. Ampaire says its powertrain, consisting of a downsized sustainable aviation fuel engine, electric motor, power electronics and high-voltage lithium battery system, will save 50% on fuel use and emissions and 25% in operating costs compared with conventional aircraft. The project is located in Los Angeles County, which has a higher-than-average unemployment rate. [Read the staff summary.](#)

CASS, Inc.

Metals recycler CASS received a \$2 million STE to expand its existing Oakland facility to upgrade equipment and increase production. The new 250,000-square-foot facility will process landfilled metals into aluminum ingot bars for use in the aerospace, automotive and construction industries, among other uses. According to CASS, it is the only manufacturer of metals into 100% chemical-free aluminum because it uses nontoxic argon rather than

hydrochloric acid and other harsh chemicals during a key phase of the recycling process. [Read the staff summary.](#)

CAEATFA was established to provide an alternative method of financing to reduce greenhouse gas emissions, encourage renewable energy, and create and retain jobs. The Sales and Use Tax Exclusion program was created by Senate Bill 71, sponsored by then-State Senator Alex Padilla and approved by the Legislature in 2010.

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Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018, with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in transactions, within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio that has averaged well over \$100 billion during her administration—a significant portion of which is beneficially owned by more than 2,200 local governments in California. She serves as agent of sale for all State bonds and is trustee of billions of dollars of state indebtedness.

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