



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

**2013 ANNUAL REPORT TO THE
CALIFORNIA STATE LEGISLATURE**

March 2014

About CAEATFA:

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) was established to advance the state's goals of reducing greenhouse gas emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality employment opportunities, and lessening the state's dependence on fossil fuels. To support these goals, CAEATFA provides alternative methods of financing to promote the establishment of facilities that use alternative methods and sources of energy, and facilities needed for the development and commercialization of advanced transportation technologies. CAEATFA has developed and administered various programs, including:

- Bond Program to provide low-cost bond financing for eligible projects, which have most recently included Qualified Energy Conservation Bonds (QECBs) and Clean Renewable Energy Bonds (CREBs). As the primary energy bond conduit issuer for the State of California, CAEATFA continues to work with stakeholders on developing innovative approaches to financing gaps.
- Sales and Use Tax Exclusion Program to provide a sales and use tax exclusion on equipment and machinery used in an advanced manufacturing process or for the “design, manufacture, production or assembly” of advanced transportation technologies or alternative source products, components or systems. Zero Emission Vehicle (ZEV) Program to provide advanced transportation projects financial assistance in the form of a sales and use tax exclusion for the purchase of manufacturing equipment.
- California Ethanol Producers Incentive Program (CEPIP), on behalf of the California Energy Commission, may provide operators of existing ethanol production plants in California with temporary financial assistance during difficult economic conditions.
- The Property Assessed Clean Energy (PACE) Bond Reserve Program to provide credit enhancements to local jurisdictions financing the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently affixed on residential and commercial property through the use of a voluntary contractual assessment.
- The Clean Energy Upgrade Financing Program (CEUFP) to provide credit enhancements to financial institutions financing energy efficiency and renewable energy improvements on residential properties.
- The Property Assessed Clean Energy (PACE) Loss Reserve Program to support residential PACE programs by addressing concerns raised by the Federal Housing Finance Agency (FHFA) regarding risk to federal mortgage enterprises from PACE loans. The PACE Loss Reserve Program will reimburse first mortgage lenders for specified losses resulting from a PACE lien on a property during foreclosure or forced sale to collect unpaid property taxes.

The CAEATFA Board consists of:

Bill Lockyer, Chair
State Treasurer

John Chiang
State Controller

Michael Cohen
Director, Department of Finance

Robert B. Weisenmiller
Chair, California Energy Commission

Michael R. Peevey
President, California Public Utilities Commission

Overview of 2013 Annual Report

In accordance with the provisions of Section 26017 of the Public Resources Code, the California Alternative Energy and Advanced Transportation Financing Authority (“Authority” or “CAEATFA”) respectfully submits its Annual Report on program activities for the calendar year ending December 31, 2013.

This Annual Report contains information on the Authority’s revenues and expenditures for fiscal year 2012-13, and projections of the Authority’s need for the coming fiscal year. The report also includes an overview of activity under CAEATFA’s Bond Program, Sales and Use Tax Exclusion Program, and previous Zero Emissions Vehicle Program.

In addition, pursuant to Public Resources Code Section 26081, this report contains a summary of CAEATFA’s activities related to the Property Assessed Clean Energy (PACE) Bond Reserve Program (SB 99, Pavley, 2010), the Clean Energy Upgrade Financing Program (ABx1 14, Skinner, 2011), and the PACE Loss Reserve Program (SB 96, Committee on Budget and Fiscal Review, 2013).

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REPORT OF AUTHORITY'S FINANCES

This report of the Authority's finances is submitted pursuant to Public Resources Code Section 26017.

1. REVENUES AND EXPENDITURES – FY 2012-13

The Authority's total revenues for fiscal year 2012-13 were \$785,689.40 and the total expenditures were \$1,079,000.

TABLE 1: REVENUES AND EXPENDITURES – FY 2012-13	
Total Revenues:	\$ 785,689.40
Expenditures:¹	
Salaries and Wages	\$502,000
Staff Benefits	\$171,000
Operating Expenses and Equipment	\$406,000
<u>Total Expenditures</u>	<u>\$1,079,000</u>

2. PROJECTED NEEDS AND REQUIREMENTS – FY 2013-14; FY 2014-15

The Authority anticipates it has the financial needs and requirements identified in Table 2 for the 2013-14 and 2014-15 fiscal years. Budget projections for the 2014-15 fiscal year are increased to reflect an existing budget request for staffing and administration of the statewide energy efficiency financing pilot programs, a collaboration with the California Public Utilities Commission. Information on the pilot programs is available in the Looking Forward section of this report.

TABLE 2: PROJECTED NEEDS AND REQUIREMENTS – FY 2013-14; FY 2014-15²		
	FY 13-14	FY 14-15
Total Salaries and Wages	\$727,000	\$1,111,000
Staff Benefits	\$276,000	\$422,000
Total Operating Expenses and Equipment	\$1,492,000	\$3,968,000
Reimbursements	\$48,000	\$3,248,000
<u>Total Projected Needs and Requirements</u>	<u>\$2,543,000</u>	<u>\$8,749,000</u>

¹ The values in this section are as reported in the Governor's Proposed Budget for the 2014-15 fiscal year, available online at: <http://www.ebudget.ca.gov/2014-15/pdf/GovernorsBudget/0010/0971.pdf>.

² The values in this table are as reported in the Governor's Proposed Budget for the 2014-15 fiscal year, available online at: <http://www.ebudget.ca.gov/2014-15/pdf/GovernorsBudget/0010/0971.pdf>.

BOND FINANCING ACTIVITIES

PROGRAM SUMMARY

CAEATFA has served as the State’s primary energy bond issuer since its inception in the 1980’s. As a conduit bond issuer, CAEATFA works with both public and private entities in issuing over \$212 million in bond financing for 26 projects over its lifetime. The projects help to meet federal and state energy goals, and have included solar, hydro electric, geothermal, biomass and cogeneration projects. A list of CAEATFA’s outstanding bonds can be found in Table 3.

Most recently, CAEATFA successfully issued Qualified Energy Conservation Bonds to assist in the financing of a public utility’s one megawatt (MW) solar project in San Diego (2010), and Clean Renewable Energy Bonds on behalf of the California Department of Transportation to install solar on approximately 70 of its properties across the state anticipated to save taxpayers \$52.5 million in energy costs.

The financial assistance and incentives that CAEATFA can provide as a conduit bond issuer is authorized by Federal statute and programs; there are no active federal tax benefits provided through bond financing at this time. CAEATFA did not have any bond activity in 2013.

CAEATFA continues to collaborate with stakeholders to discuss innovative approaches to meet the financing gaps for renewable energy and energy efficiency projects.

OUTSTANDING BONDS

The Authority has four (4) outstanding bond issues, amounting to a combined total of \$71,015,142 in bond debt.

TABLE 3: OUTSTANDING BONDS					
Closing Date	Bond Short Name	Bond Type	Final Maturity	Amount of Issue	Outstanding Debt
10/01/1993	Arroyo Energy Project Series 1993A and B	CFRB ³	10/01/2020	\$55,000,000	\$50,660,000
10/31/1995	SRI International Project Series 1985 Reissue	CFRB	12/01/2020	\$4,475,000	\$1,150,000
06/10/2009	Caltrans Projects Series 2009	CREB ⁴	12/15/2023	\$20,000,000	\$13,333,333
11/18/2010	Fallbrook Public Utility District Solar Project Series	QECP ⁵	11/18/2027	\$7,227,000	\$5,871,809
	<u>TOTAL</u>			<u>\$86,702,000</u>	<u>\$71,015,142</u>

³ Cogeneration Facility Revenue Bonds

⁴ Clean Renewable Energy Bond

⁵ Qualified Energy Conservation Bond

SALES AND USE TAX EXCLUSION PROGRAM

PROGRAM SUMMARY

LEGISLATIVE BACKGROUND

In March 2010, Senate Bill 71 (Padilla, Chapter 10, Statutes of 2010) directed CAEATFA to implement the Sales and Use Tax Exclusion Program (“STE Program”). The legislation authorized CAEATFA to approve eligible projects for a sales and use tax exclusion (“STE”) on equipment and machinery (“Qualified Property”) used for the “design, manufacture, production, or assembly” of either advanced transportation technologies or alternative energy source products, components or systems, as defined. The purpose of this program is twofold: to promote the creation of California-based manufacturing jobs that will stimulate the California economy and to incentivize the manufacturing of green technologies that will help reduce greenhouse gases, as well as reductions in air and water pollution or energy consumption.

CAEATFA launched the STE Program in the fourth quarter of 2010; the CAEATFA Board approved the first eight applications for the program at its November 2010 meeting.

Inclusion of Advanced Manufacturing Projects

In September 2012, Senate Bill 1128 (Padilla, Chapter 677, Statutes of 2012) expanded the STE Program to include advanced manufacturing projects. The legislation also placed an annual limit of \$100 million in sales and use tax exclusion awards for each calendar year. The Authority modified its regulations to accommodate the statutory changes, and began accepting applications for advanced manufacturing projects in October 2013. The CAEATFA Board approved its first two advanced manufacturing projects at its December 2013 meeting.

PROGRAM DESIGN

Under the STE Program’s statute, all applications are evaluated to determine the extent to which the anticipated benefits to the State from a project exceed the projected cost of the avoided sales and use tax. Specifically, through the net benefits test established in the STE Program’s regulations, applicants are evaluated based on criteria designed to measure the fiscal and environmental benefits of their projects. The methodology used to evaluate these benefits differs based on the project type. The evaluation of advanced manufacturing projects focuses on the benefits resulting from the manufacturing process used to create a product, whereas evaluation of alternative source and advanced transportation projects focuses on the benefits resulting from the end-product being manufactured. See Section 3 of the Report of 2013 Activities on page 9 for a more specific description of the project evaluation methodologies.

Sales and Use Tax Exclusion Program

HISTORICAL PROGRAM ACTIVITY

Alternative Source and Advanced Transportation

From the program's inception through December 31, 2013, CAEATFA approved a total of 60 alternative source or advanced transportation project applications, of which 48 are still active and 12 are not moving forward. The 48 active applications were approved for a total of \$1.63 billion in anticipated qualified property purchases, and were estimated to result in approximately \$137.4 million in sales and use tax exclusions at the time of application submittal. These projects are located across 16 counties, and are estimated to result in the creation of 8,164 jobs. Under the program's evaluation process, 689 of these jobs are attributable to the STE Program. The projects are anticipated to produce an estimated \$79.2 million in environmental benefits and \$185.4 million in fiscal benefits, resulting in approximately \$127.2 million in net benefits to the state.

Advanced Manufacturing

CAEATFA has approved two advanced manufacturing project applications to date. The two applications were approved for a total of \$451.4 million in anticipated qualified property purchases, and were estimated to result in approximately \$37.8 million in sales and use tax exclusions at the time of application submittal. These projects are located in two counties, and are estimated to result in the creation of 662 jobs. Under the program's evaluation process, 85 of these jobs are attributable to the STE Program. The projects are anticipated to produce an estimated \$51.9 million in fiscal benefits.

Detailed information on projects approved under the STE Program since its inception can be found in Appendix A.

REPORT OF 2013 ACTIVITIES

1. APPLICATIONS RECEIVED

Alternative Source and Advanced Transportation

CAEATFA received 11 new applications for alternative source or advanced transportation projects in the 2013 calendar year. The projects have a combined value of approximately \$491.2 million in anticipated qualified property purchases, and were estimated to result in over \$41 million in sales and use tax exclusions at the time of application submittal.⁶ Table 4 below shows the alternative source and advanced transportation applications received in 2013.

⁶ The estimated sales and use tax exclusion ("STE") amount is based on the average statewide sales tax average of 8.37 percent.

Sales and Use Tax Exclusion Program

TABLE 4: STE APPLICATIONS RECEIVED IN 2013⁷ ALT. SOURCE AND ADV. TRANSPORTATION

	Date Received	Applicant Name	Project Location	Use of Proceeds	Qualified Property Amount	Estimated STE Amount at time of Application	Status
1	2/12/2013	E.J. Harrison & Sons Rentals, Inc.	Oxnard (Ventura County)	Biogas capture and production	\$1,212,095	\$98,301	Approved
2	2/15/2013	Vitriflex Inc.	Milpitas and San Jose (Santa Clara County)	Thin film barrier component for solar modules	\$16,630,000	\$1,391,931	Approved
3	2/28/2013	Mendota Bioenergy, LLC	Five Points (Fresno County)	Biomass processing and fuel production	\$2,133,477	\$173,025	Pending
4	4/12/2013	ABEC Bidart-Old River, LLC	Bakersfield (Kern County)	Biogas capture and production	\$8,545,746	\$715,279	Approved
5	5/17/2013	OTAY Landfill Gas, LLC	Chula Vista (San Diego County)	Biogas capture and production	\$536,171	\$44,878	Withdrawn
6	6/20/2013	North State Rendering Co., Inc.	Oroville (Butte County)	Biomass processing and fuel production	\$7,937,324	\$615,641	Approved
7	6/27/2013	Central Valley Ag Power, LLC	Oakdale (Stanislaus County)	Biomass processing and fuel production	\$3,885,513	\$315,115	Approved
8	8/16/2013	Blue Line Transfer, Inc.	South San Francisco (San Mateo County)	Biomass processing and fuel production	\$4,976,469	\$416,530	Approved
9	9/19/2013	Crimson Renewable Energy, LP	Bakersfield (Kern County)	Biomass processing and fuel production	\$14,065,000	\$1,177,241	Approved
10	10/18/2013	Tesla Motors, Inc.	Fremont (Alameda County), Palo Alto (Santa Clara County), and Hawthorne (Los Angeles County)	Electric vehicle manufacturing	\$415,000,000	\$34,735,500	Approved
11	10/23/2013	Enovix Corporation	Fremont (Alameda County)	Advanced materials - lithium ion battery production	\$16,234,215	\$1,358,804	Approved at the February 18, 2014, CAEATFA Board Meeting
				TOTAL	\$491,156,010	\$41,042,245	

Advanced Manufacturing

CAEATFA received two new applications for advanced manufacturing projects. The projects have a combined value of approximately \$528.6 million in anticipated qualified property purchases, and were estimated to result in over \$44.2 million in sales and use tax exclusions (“STE”) at the time of application submittal.⁸ Table 5 below shows the advanced manufacturing applications received in 2013.

⁷ This table does not include the application for Clean World that was submitted in 2012, but approved by the CAEATFA Board at its January 2013 meeting. Data related to the CleanWorld application is included in the sections of the report that refer to 2013 approved STE applications.

⁸ The estimated sales and use tax exclusion (STE) amount is based on the average statewide sales tax average of 8.37 percent.

Sales and Use Tax Exclusion Program

TABLE 5: STE APPLICATIONS RECEIVED IN 2013 ADV. MANUFACTURING							
	Date Received	Applicant Name	Project Location	Use of Proceeds	Qualified Property Amount	Estimated STE Amount at time of Application	Status
1	9/18/2013	California Ethanol & Power, Imperial Valley 1, LLC	Brawley (Imperial County)	Industrial Biotechnology	\$522,065,102	\$43,696,849	Approved
2	10/15/2013	Boxer Industries	Redwood City (San Mateo County)	Advanced Materials	\$6,553,000	\$548,486	Approved
				<u>TOTAL</u>	<u>\$528,618,102</u>	<u>\$44,245,335</u>	

2. APPLICATIONS APPROVED⁹

Alternative Source and Advanced Transportation

The Authority approved 10 alternative source or advanced transportation projects for a total dollar amount of \$476,430,887 in qualified property purchases. At the time of application submittal, the projects were estimated to result in \$39,877,265 of sales and use tax exclusions over the next three years.

The projects span a range of industries, including biogas, biodiesel, biomass, electric vehicle manufacturing, and solar photovoltaic component manufacturing.

Advanced Manufacturing

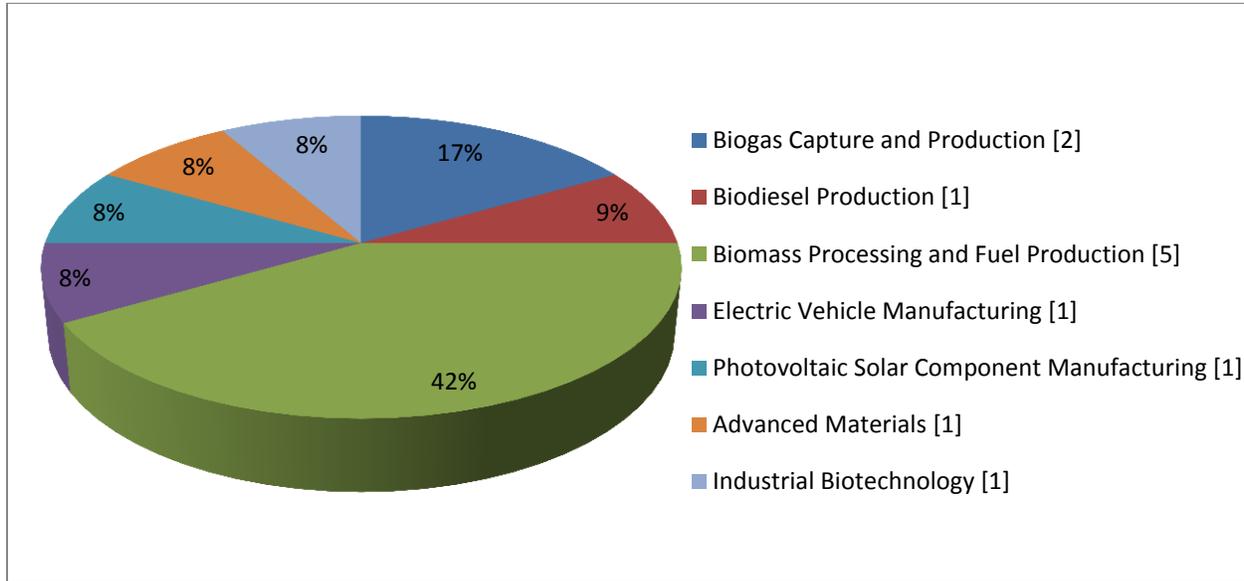
The Authority approved two advanced manufacturing projects for a total of \$528,618,102 in qualified property purchases. The projects are anticipated to result in \$44,245,335 of sales and use tax exclusions over the next three years.

Figure 1 shows the total number of STE projects approved in 2013, by project type.

⁹ For the purposes of this section, the data includes an application from Clean World that was submitted in 2012, but approved by the CAEATFA Board at its January 2013 meeting.

Sales and Use Tax Exclusion Program

FIGURE 1: 2013 STE APPROVED PROJECTS, BY TYPE



3. PROJECT LOCATIONS AND ANTICIPATED BENEFITS¹⁰

Alternative Source and Advanced Transportation

The 2013 approved alternative source and advanced transportation projects are located in nine different counties throughout California.¹¹ Table 6 below displays project information by county. It is expected that these projects will provide economic benefits to the state and local jurisdictions in the form of corporate taxes, personal income taxes, sales and property tax revenues, increased employment, and additional economic activity created by the manufacturing facilities and purchases from related suppliers.

Based on the net benefits methodology embodied in the Program regulations and on representation from these applicants, the Authority estimates the 10 alternative source or advanced transportation applicants approved in 2013 will produce estimated combined environmental benefits valued at approximately \$7.2 million and fiscal benefits valued at approximately \$61.1 million. Together, these environmental and fiscal benefits will result in approximately \$28.4 million in total estimated net benefits.

¹⁰ For the purposes of this section, an application from Enovix Corporation is considered approved. This application was submitted in 2013, but was not approved until February 2014.

¹¹ For the purposes of this section, the Tesla Motors, Inc., project benefits are combined and included in Alameda County. The project is located in Alameda, Santa Clara, and Los Angeles counties.

Sales and Use Tax Exclusion Program

TABLE 6: STE APPROVED PROJECTS BY COUNTY IN 2013 ALT. SOURCE AND ADV. TRANSPORTATION

County ¹²	Number	Percentage of Total 2013 Projects (%)	Amount of Anticipated Qualified Property Purchases	Projected STE Amount ¹³	Estimated Environmental Benefit Value	Estimated Fiscal Benefit Value	Estimated Net Benefit Value	Total Jobs	Total Jobs Attributed to the STE
Alameda	1	10%	\$415,000,000	\$34,735,500	\$4,847,406	\$54,306,869	\$24,418,775	2,050	115
Butte	1	10%	\$7,355,324	\$615,641	\$305,075	\$422,917	\$112,351	12	2
Kern	2	20%	\$20,319,045	\$1,700,704	\$487,919	\$3,260,937	\$2,048,152	66	4
San Diego	1	10%	\$1,905,343	\$159,477	\$103,496	\$786,032	\$730,051	32	2
San Mateo	1	10%	\$4,976,469	\$416,530	\$43,980	\$423,841	\$51,291	20	3
Santa Clara	1	10%	\$16,330,000	\$1,366,821	\$1,256,397	\$886,066	\$775,642	47	4
Stanislaus	1	10%	\$3,481,313	\$291,386	\$38,218	\$394,801	\$141,634	23	2
Ventura	1	10%	\$1,212,095	\$101,452	\$19,311	\$108,487	\$26,345	6	1
Yolo	1	10%	\$5,851,298	\$489,754	\$106,588	\$506,088	\$122,923	24	3
TOTAL	10	100%	\$476,430,887	\$39,877,265	\$7,208,390	\$61,096,038	\$28,427,164	2,280	136

Advanced Manufacturing

The 2013 approved advanced manufacturing projects are located in two California counties. It is expected that these projects will provide economic benefits to the state and local jurisdictions in the form of corporate taxes, personal income taxes, sales and property tax revenues, increased employment, and additional economic activity created by the manufacturing facilities and purchases from related suppliers.

Based on the net benefits methodology embodied in the Program regulations and on representation from these applicants, the Authority estimates the two advanced manufacturing applicants approved in 2013 will produce estimated combined fiscal benefits valued at approximately \$51.9 million. See Table 7 for a breakdown of the various project benefits by county.

TABLE 7: STE APPROVED PROJECTS BY COUNTY IN 2013 ADV. MANUFACTURING

County ¹⁴	Number	Percentage of Total 2013 Projects (%)	Amount of Anticipated Qualified Property Purchases	Projected STE Amount ¹⁵	Estimated Fiscal Benefit Value	Total Jobs	Total Jobs Attributed to the STE
Imperial	1	50%	\$444,811,275	\$37,230,704	\$51,344,220	650	84
San Mateo	1	50%	\$6,553,000	\$548,486	\$539,522	12	1
TOTAL	2	100%	\$451,364,275	\$37,779,190	\$51,883,742	662	85

Figure 2 shows a geographical representation of all projects approved under the STE program to date.

¹² Several applicants have multiple project sites under their application. For purposes of this table, the data was combined under one county.

¹³ The estimated sales and tax exclusion (STE) amount is based on the average statewide sales tax of 8.37 percent.

¹⁴ Several applicants have multiple project sites under their application. For purposes of this table, the data was combined under one county.

¹⁵ The estimated sales and tax exclusion (STE) amount is based on the average statewide sales tax of 8.37 percent.

Sales and Use Tax Exclusion Program

FIGURE 2: STE APPROVED PROJECTS, BY COUNTY



Evaluation Methodology

Alternative Source and Advanced Transportation

For alternative source and advanced transportation projects, CAEATFA staff evaluates the fiscal and environmental results that stem directly from the sales and use tax exclusion. Only the marginal additional production (and resulting fiscal and environmental benefits) associated with the sales and use tax exclusion are included for purposes of evaluating applications. The marginal additional production directly from the sales and use tax exclusion is determined based on an estimated increase in equipment purchases resulting from the sales and use tax exclusion. That is, because the sales and use tax exclusion in effect lowers the cost of purchasing capital equipment, applicants are assumed to purchase more such equipment than would be the case in the absence of the sales and use tax exclusion.

The net present value of the total *fiscal benefits* over the lifetime of the qualified property is derived from the applicant's projected sale taxes, personal income taxes paid by the applicant's

Sales and Use Tax Exclusion Program

employees, corporation taxes on profits, property taxes and other indirect fiscal benefits of the applicant.

The *environmental benefits* include estimates of the dollar value of greenhouse gas reductions and reduction on dependence of fossil fuels. The environmental benefits are also derived from the capacity of manufactured products to generate electricity from alternative sources, thereby reducing the need for traditionally generated electricity.

Advanced Manufacturing

For advanced manufacturing projects, the fiscal benefits are scored using the methods described above, however, the environmental benefits are scored in a different manner due to the nature of the advanced manufacturing projects. Specifically, for alternative source or advanced transportation applicants, the products themselves produce environmental benefits, whereas the products produced by an advanced manufacturing process need not yield any such benefits. Instead, for advanced manufacturing applicants environmental benefits will generally stem from the improvements to the manufacturing process itself.

As a result, the environmental benefits for advanced manufacturing projects are not monetized in the application scoring process as they are with alternative source and advanced transportation projects. Instead, points are given for specific environmental process improvements, such as reductions in energy and water consumption, solid and hazardous waste, and air and other pollutants.

4. QUALIFIED PROPERTY CONVEYED AND RECONVEYED

The conveyance/reconveyance of qualified property is a legal transaction that takes place between the applicant and CAEATFA that provides the formal structure under which an applicant may use the sales and use tax exclusion. As mentioned above, Senate Bill 1128 (Padilla, Chapter 677, Statutes of 2012) made several substantive statutory changes to the STE Program, one of which was to eliminate the conveyance/reconveyance requirement. As such, applicants approved after December 17, 2013 are no longer required to submit conveyance/reconveyance transactions in order to participate in the STE Program.

Since inception of the program up to December 31, 2013, CAEATFA has approved a total of 62 applications of which 50 are still active. The 50 active applications have been approved for \$2.1 billion in anticipated qualified property purchases. In 2013, 12 of these projects purchased approximately \$927.8 million in qualified property, resulting in approximately \$77.7 million in sales and use tax exclusions. Table 8 shows the total amount of qualified property that each approved applicant has purchased and conveyed to date.

Sales and Use Tax Exclusion Program

TABLE 8: STE TRANSACTIONS BY APPLICANT IN 2013

Approved Applicant		Total Amount of Qualified Property Approved	2013 Qualified Property Conveyed	2013 Estimated STE ¹⁶	Cumulative Total of Qualified Property Conveyed	Cumulative Total of Estimated STE
1	ABEC Bidart-Old River, LLC	\$6,254,045	\$3,554,355	\$297,499	\$3,554,355	\$297,499
2	ABEC Bidart-Stockdale	\$1,131,584	\$157,965	\$12,795	\$1,118,794	\$90,622
3	ABEC New Hope, LLC	\$2,633,359	\$1,004,735	\$84,096	\$1,004,735	\$84,096
4	Alta Devices	\$40,485,000	\$297,000	\$24,859	\$13,653,538	\$1,108,616
5	Ameresco Butte County	\$1,085,554	\$219,628	\$18,383	\$759,410	\$62,105
6	Ameresco Forward	\$2,227,596	\$799,056	\$66,881	\$1,447,556	\$119,409
7	Ameresco Johnson Canyon	\$766,293	\$240,410	\$20,122	\$658,910	\$54,021
8	Ameresco San Joaquin	\$1,723,486	\$730,238	\$61,121	\$1,378,738	\$113,649
9	Ameresco Vasco Road	\$1,828,204	\$744,831	\$62,342	\$1,358,331	\$112,036
10	Bloom Energy	\$37,447,693	\$10,374,558	\$868,351	\$20,910,390	\$1,763,500
11	California Institute of Technology	\$13,400,000	\$4,536,524	\$379,690	\$9,111,244	\$761,933
12	John Galt Biogas	\$1,025,769	\$352,900	\$29,538	\$352,900	\$29,538
13	Leyden	\$1,306,525	\$504,968	\$42,266	\$1,213,373	\$99,647
14	Nanosolar	\$140,187,900	\$3,915,344	\$327,714	\$53,035,063	\$4,306,412
15	North Star	\$4,115,500	\$3,735,172	\$312,634	\$4,203,973	\$350,607
16	NuvoSun	\$20,000,000	\$3,406,456	\$285,120	\$12,682,921	\$1,122,546
17	Oberon	\$13,500,000	\$568,196	\$47,558	\$568,196	\$47,558
18	Reflexite Soitec	\$24,500,000	\$16,601,406	\$1,389,538	\$24,200,004	\$2,005,024
19	Soitec	\$104,381,342	\$21,540,098	\$1,802,906	\$90,047,265	\$7,351,987
20	Solaria	\$7,800,000	\$1,447,000	\$121,114	\$4,474,135	\$379,792
21	Soraa	\$57,002,457	\$14,865,379	\$1,244,232	14,865,379	\$1,244,232
22	Zero Waste Energy (2011)	\$17,156,875	\$10,741,784	\$899,087	\$11,273,784	\$942,179
23	Zero Waste Energy (2012)	\$1,187,000	\$1,126,587	\$94,295	\$1,126,587	\$94,295
<u>TOTAL</u>			<u>\$101,464,391</u>	<u>\$8,492,143</u>	<u>\$272,999,581</u>	<u>\$22,541,303</u>

¹⁶ The estimated sales and tax exclusion (STE) amount is based on the average statewide sales tax average of 8.37 percent.

ZERO EMISSIONS VEHICLE PROGRAM

PROGRAM SUMMARY

Under its pre-existing statute prior to the enactment of Senate Bill 71 (Padilla, Chapter 10, Statutes of 2010), CAEATFA had the authority to provide sales and use tax exclusions (“STE”) for the purchase of advanced transportation manufacturing equipment.¹⁷ At that time, stakeholders and policymakers expressed strong interest in encouraging zero emission vehicle manufacturing in California, to assist the State in greenhouse gas reductions, green jobs, economic expansion and reduce the state’s dependence on foreign oil. In June 2008, the Authority directed staff to process and evaluate applications associated with zero emission vehicle manufacturing projects for purposes of a sales and use tax exclusion. In October 2009 this policy direction permitted Tesla Motors, Inc. (“Tesla”) to be evaluated and approved for a sales and use tax exclusion for an amount not to exceed \$320 million.

Tesla develops and manufactures both high-performance all-electric powertrain components for automotive applications and fully-electric automobiles. This project included the equipment and tooling required for the production of Tesla’s Model S sedan, expanded Roadster production, and powertrain components it manufactures for Daimler AG and the Tesla Roadster.

REPORT OF 2013 ACTIVITIES

As of December 31, 2013, Tesla completed this project and had purchased \$320 million in qualified property, with a total estimated sales and use tax exclusion amount of \$26.6 million. Table 9 summarizes the project’s information.

TABLE 9: 2013 ZERO EMISSIONS VEHICLE PROGRAM STE TRANSACTIONS					
Applicant Name	2013 Qualified Property Purchase	2013 Estimated STE¹⁸	Total Qualified Property Conveyed	Total Estimated STE	Qualified Property Purchase Balance
	\$77,697,174	\$6,503,253.46	\$320,000,000	\$26,600,262.80	\$0

FIGURE 3: TESLA MODEL S



¹⁷ California Revenue and Taxation Code Section 6010.8.

¹⁸ The estimated STE amount is based on the statewide sales tax average of 9.1 percent through June 2011, changed to 8.1 percent in July 2011, and 8.37 percent beginning in January 2013.

PROPERTY ASSESSED CLEAN ENERGY (PACE) BOND RESERVE PROGRAM

PROGRAM SUMMARY

LEGISLATIVE BACKGROUND

Senate Bill 77 (Pavley, Chapter 15, Statutes of 2009) authorized CAEATFA to establish a Property Assessed Clean Energy (“PACE”) Bond Reserve Program. PACE allows local jurisdictions to finance renewable energy installations, energy or water efficiency retrofits, or electric vehicle charging infrastructure by issuing bonds that are repaid by participating property owners through their property tax assessments. The legislation specified that projects are limited to residential projects of three units or fewer, or on commercial projects that cost less than \$25,000. The PACE Bond Reserve was intended to assist local jurisdictions with PACE financing districts by providing a reserve for their PACE bond equal to 10 percent of each bond’s initial principal amount.

CHALLENGES WITH PACE FINANCING

On July 6, 2010, the Federal Housing Finance Agency (“FHFA”) issued a pronouncement that PACE programs “present significant safety and soundness concerns” and violated standard mortgage provisions since PACE tax liens have priority over any other loan or mortgage. The concerns expressed by FHFA caused the majority of the residential PACE programs throughout the country to be placed on hold, including many of the existing residential PACE programs in California.

CAEATFA is currently attempting to address FHFA’s concerns by developing a PACE Loss Reserve Program, discussed below, authorized by Senate Bill 96 (Committee on Budget and Fiscal Review, Chapter 356, Statutes of 2013). However, until these issues can be resolved, development of the PACE Bond Reserve Program has been put on hold and remains inactive. Information on the status of the account initially established for the PACE Bond Reserve Program is available on page 14 under the Clean Energy Upgrade Financing Program section of this report.

CLEAN ENERGY UPGRADE FINANCING PROGRAM (CEUFP)

PROGRAM SUMMARY

LEGISLATIVE BACKGROUND

Assembly Bill of the First Extraordinary Session 14 (ABX1 14, Skinner, Chapter 9, Statutes of 2011) authorized CAEATFA to administer a Clean Energy Upgrade Financing Program (“CEUFP” or the “Program”) using \$25 million from funds previously appropriated to the PACE Bond Reserve Program described above.¹⁹ The Program is intended to increase access to capital and lower financing costs for energy efficiency retrofits and renewable energy installations. Funding for the Program was made available through January 1, 2015.

Pursuant to Public Resources Code Section 26081, Table 10 provides a status of the account for the Clean Energy Upgrade Financing Program. CAEATFA transferred an initial \$5 million to its trustee bank to launch the program. As of December 31, 2013, \$313,347 in loss reserve contributions had been encumbered on behalf of lenders for their enrolled loans. To date, no lender has filed a claim for reimbursement from its loss reserve account. As such, the table below shows that no expenditures have been made for financial assistance.



TABLE 10: STATUS OF CEUFP FUNDS

Cost	FY 09/10	FY 10/11	FY 11/12	FY 12/13	Total Expenditures	Remaining Funds ²⁰
Administrative	\$2,928	\$26,666	\$155,380	\$183,101	\$368,075 ²¹	\$181,924
Financial Assistance	\$0	\$0	\$5,000,000	\$0	\$5,000,000	\$24,450,000

PROGRAM DESIGN

The Program offers a credit enhancement, in the form of a loan loss reserve, to help leverage private capital and improve financing terms (e.g. lower interest rates and extend loan terms) for energy

¹⁹ Because PACE Bond Reserve funds were reappropriated for use in the Clean Energy Upgrade Financing Program, Table 10 reports the status of the account that relates to both programs.

²⁰ The status of the funds reported in this table reflects the amounts as of June 30, 2013. The table does not include the impact of expenditures to date in the current fiscal year (2013-2014).

²¹ Numbers may not sum to total due to rounding.

Clean Energy Upgrade Financing Program

efficiency and renewable energy loans. Eligible loans must be made on residential properties of three units or fewer, and must equal less than 10 percent of the value of the property.

For each loan enrolled in the program, CAEATFA provides a contribution to a loss reserve account for the associated lender. The Program is designed with a tiered structure for loss reserve contributions. This assists lenders by providing a high loss reserve contribution, equal to 15 percent of the enrolled loan value, early in the process as they are beginning to build their loss reserve account. The loss reserve contribution decreases to 10 percent of the enrolled loan value as the lender enrolls more loans in the Program.

If a borrower defaults on an enrolled loan, resulting in that loan being charged-off, the lender may recover up to 100% of the outstanding principal amount of the loan from its loss reserve account for the Program. CAEATFA's regulations for the Program include a specific process for lenders to use when claiming reimbursement for a charged-off loan, and to reimburse the Authority if loan proceeds are ever recovered.

REPORT ON 2013 PROGRAM ACTIVITY

Currently, four lenders are enrolled in the Program: Sacramento Municipal Utility District (SMUD), SAFE Credit Union, Matadors Community Credit Union, and Provident Credit Union.

Lenders reported that participation in the Program has allowed them to modify their lending terms in various ways, including:

- Lowering the required FICO credit score criteria;
- Increasing maximum loan amounts
- Extending loan terms; and
- Lowering interest rates

Since the first loan enrollments in December 2012, CAEATFA has enrolled 205 energy efficiency retrofit loans across 11 counties in the Program.²² Participating lenders have enrolled loans for borrowers with FICO credit scores ranging from 665 to 818, with a median FICO score of 779. Loan amounts have ranged from \$4,000 to \$49,358, with a median value of \$13,300. The majority of enrolled loans have a 10-year term; however, participating lenders have enrolled loans with terms ranging from 5 to 15 years.²³ Lenders estimate that their borrowers save, on average, \$3,663 in financing costs and 24% in annual energy savings (in kilowatt-hours).²⁴

CAEATFA adopted the federal standard for job retention and creation estimates, which assumes that \$92,000 of government spending creates one job. Using this methodology, the Program has facilitated the creation of approximately 31 jobs.

²² Two of the 205 loans were enrolled in the 2012 calendar year. The remaining 203 loans were enrolled in the 2013 calendar year. Loans were enrolled in the following counties: Alameda, Contra Costa, Los Angeles, Marin, Placer, Sacramento, San Francisco, San Luis Obispo, Santa Clara, Shasta, and Ventura.

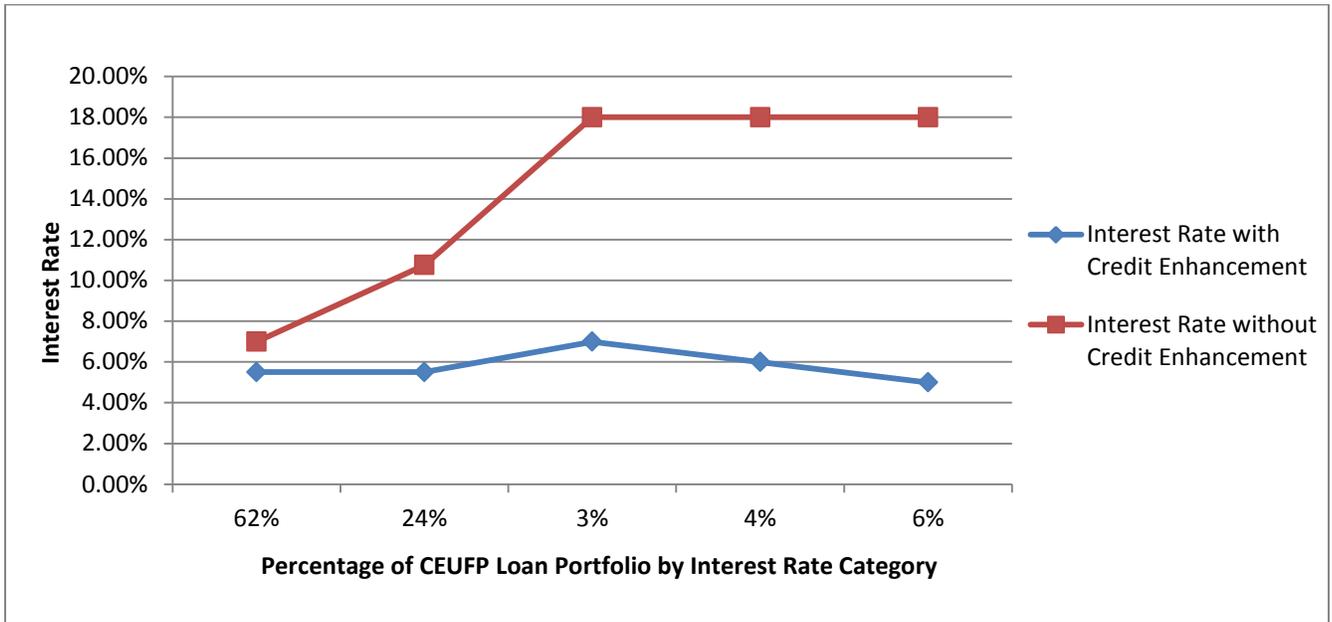
²³ The loan loss reserve covers loans for 10 years; loans with longer terms will not have access to the loss reserve after that period.

²⁴ The energy saving values provided in this report are estimates reported by contractors that participate in the program, and their evaluation tools vary. For some projects, energy savings were estimated using the Energy Pro software, while others used methodologies provided by the borrower's utility company.

Clean Energy Upgrade Financing Program

Figure 4 shows the range of interest rates that lenders have reported they would offer without credit enhancements compared to the range of interest rates offered for loans that are enrolled in the Program and receive credit enhancements. Overall, the loan loss reserve helps lower interest rates for energy efficiency project loans from a reported range of 6.99-18.00% without credit enhancements to 4.99-6.99% with credit enhancements.

FIGURE 4: CEUFP INTEREST RATES, WITH AND WITHOUT CREDIT ENHANCEMENTS



PROPERTY ASSESSED CLEAN ENERGY (PACE) LOSS RESERVE PROGRAM

PROGRAM SUMMARY

LEGISLATIVE BACKGROUND

As discussed above, the Federal Housing Finance Agency (“FHFA”) raised concerns regarding the potential impact of residential PACE financing on federal mortgage enterprises in 2010. In response, many PACE programs in California put their residential operations on hold. Senate Bill 96 (Committee on Budget and Fiscal Review, Chapter 356, Statutes of 2013) authorized CAEATFA to develop and administer a PACE risk mitigation program, the PACE Loss Reserve Program, to address FHFA’s financial concerns and help residential PACE financing expand in California. The legislation allocated \$10 million to the program to provide financial assistance.²⁵

PROGRAM DESIGN

The PACE Loss Reserve will be used to make mortgage lenders whole for any direct losses incurred due to the existence of a PACE lien on a property during a foreclosure or forced sale. The goal of the Program is to put first mortgage lenders in the same position they would be in without the PACE loan on the property. The Loss Reserve will cover the following losses:

1. The portion of property taxes attributable to a PACE lien paid by a mortgage lender in possession of a property due to foreclosure; or,
2. Any losses to the mortgage lender up to the amount of the PACE assessment in a forced sale for unpaid taxes or special assessments.

NEXT STEPS

CAEATFA, in consultation with stakeholders, has determined that a loss reserve structure would help address FHFA’s concerns about the potential impact of PACE liens on mortgages held by Fannie Mae and Freddie Mac. CAEATFA anticipates undergoing the emergency rulemaking process to develop the PACE Loss Reserve Program regulations, and expects the program will launch within the first quarter of 2014.

Staff will continue to monitor California’s existing residential PACE programs to ensure that CAEATFA’s program structure and requirements support program participation.

REPORT ON 2013 ACTIVITY

No program activity data is available for the PACE Loss Reserve Program at this time since it is still in the development stages. CAEATFA will report on program activity in its next Annual Report to the Legislature for the 2014 calendar year.

²⁵ The legislation also authorized \$810,000 to cover administrative costs for the program.

LOOKING FORWARD

LAUNCHING THE PACE LOSS RESERVE PROGRAM

As noted in a previous section of this report, CAEATFA is currently developing a PACE Loss Reserve Program to address FHFA's concerns and mitigate risk for mortgage lenders making loans for residential properties with PACE liens.

Senate Bill 96 (Committee on Budget and Fiscal Review, Chapter 356, Statutes of 2013) allocates \$10 million to the PACE Loss Reserve. Residential PACE program administrators can access these funds to make mortgage lenders whole for any direct losses incurred due to the existence of a PACE lien on a property during a foreclosure or forced sale.

Prior to the submission of this report, CAEATFA conducted a public workshop in early 2014 to solicit public feedback on its draft regulations for the PACE Loss Reserve Program. Staff incorporated stakeholder input in its emergency regulations before submitting them to the Office of Administrative Law for approval. The regulations were enacted on March 11, 2014.

Staff will continue to stay informed of developments in California's existing residential PACE programs to ensure that CAEATFA's program structure and requirements support program participation.

MONITORING DEVELOPMENTS IN STATE SALES AND USE TAX EXEMPTIONS

Pursuant to Assembly Bill 93 (Committee on Budget, Chapter 69, Statutes of 2013), the Board of Equalization ("BOE") is developing a state sales and use tax exemption program for manufacturers. The BOE program will cover a wide array of industries, and will allow manufacturers an exemption from the state portion of the sales and use tax on equipment purchased for manufacturing processes. Manufacturers will be able to utilize this exemption beginning July 1, 2014.

CAEATFA staff will monitor the development of this program. Staff intends to examine the BOE program to identify how CAEATFA's STE Program can best complement BOE's activities and support continued development in alternative source products, advanced transportation, and advanced manufacturing industries.

INCREASING ACCESS TO ENERGY EFFICIENCY FINANCING

In California Public Utilities Commission ("CPUC") Decision 13-09-044, the CPUC directed the investor-owned utilities ("IOUs") to implement several pilot programs that assess the effectiveness of various approaches to financing energy efficiency projects across the residential and commercial sectors. These pilots will offer credit enhancements and on-bill repayment options that help to serve two main purposes. First, these new financing pathways will provide an alternative or supplement to the traditional rebate and incentive programs, and may encourage people who would not have otherwise installed energy efficiency measures to undertake such projects. Second, the pilots are expected to offer additional security to third-party lenders, which may encourage increased lender participation in energy efficiency financing.

Looking Forward

The CPUC requested that CAEATFA serve as the central administrator of the pilot programs, the California Hub for Energy Efficiency Financing (“CHEEF”). CAEATFA is currently seeking legislative expenditure and reimbursement authority for the funds necessary to carryout the CHEEF functions in the 2014-15 fiscal year. CAEATFA looks forward to assisting the CPUC in implementing these innovative pilot programs upon receiving legislative budget approval. More information on the pilot programs is available online at www.cpuc.ca.gov.

**APPENDIX A: SALES AND USE TAX EXCLUSION
APPLICATIONS APPROVED TO DATE**

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

TABLE A.1: STE ALT. SOURCE AND ADV. TRANSPORTATION PROJECTS – APPROVED, ACTIVE														
Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
1	10-SM002	11/17/2010	ABEC Bidart Stockdale, LLC	Bakersfield	Kern	Biogas Capture & Production	\$1,131,584	\$102,974	\$90,622	\$228,808	\$73,809	\$199,643	26	3
2	10-SM004	11/17/2010	First Solar, Inc.	Santa Clara	Santa Clara	Solar Photovoltaic Manufacturing	\$37,700,000	\$3,430,700	\$3,409,567	\$1,668,971	\$1,971,559	\$209,831	174	17
3	10-SM007	11/17/2010	The Solaria Corporation	Fremont	Alameda	Solar Photovoltaic Manufacturing	\$7,800,000	\$709,800	\$258,678	\$834,403	\$1,564,665	\$1,689,268	180	17
4	10-SM009	11/17/2010	Nanosolar Inc.	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$140,187,900	\$12,757,099	\$4,306,412	\$10,527,415	\$6,992,728	\$4,763,045	410	36
5	10-SM013	11/17/2010	NuvoSun Incorporated	Milpitas	Santa Clara	Solar Photovoltaic Manufacturing	\$20,000,000	\$1,820,000	\$1,122,546	\$2,137,232	\$2,594,509	\$2,911,741	160	18
6	10-SM015	11/17/2010	Bloom Energy Corporation	Sunnyvale	Santa Clara	Solid Oxide Fuel Cell Systems Manufacturing	\$37,447,693	\$3,407,740	\$1,763,500	\$562,054	\$11,144,189	\$8,298,503	1,004	83
7	10-SM020	12/15/2010	Ameresco Butte County LLC	Paradise	Butte	Landfill Gas Capture and Production	\$1,085,554	\$98,785	\$62,105	\$71,701	\$185,955	\$158,870	12	1
8	10-SM022	12/15/2010	Ameresco Forward LLC	Manteca	San Joaquin	Landfill Gas Capture and Production	\$2,227,596	\$202,711	\$119,409	\$37,823	\$277,169	\$112,281	11	1
9	10-SM023	12/15/2010	Ameresco Johnson Canyon LLC	Gonzales	Monterey	Landfill Gas Capture and Production	\$766,293	\$69,733	\$54,021	\$33,124	\$168,912	\$132,303	12	1
10	10-SM024	12/15/2010	Ameresco San Joaquin LLC	Linden	San Joaquin	Landfill Gas Capture and Production	\$1,723,486	\$156,837	\$113,649	\$99,894	\$419,234	\$362,292	12	1
11	10-SM025	12/15/2010	Ameresco Vasco Road LLC	Livermore	Alameda	Landfill Gas Capture and Production	\$1,828,204	\$166,367	\$112,036	\$66,258	\$333,415	\$233,306	11	1
12	10-SM026	12/15/2010	BioFuels Point Loma, LLC	San Diego	San Diego	Wastewater Treatment Biogas Capture and Production	\$6,236,024	\$567,478	\$379,304	\$120,126	\$509,292	\$61,939	25	3
13	10-SM027	12/15/2010	Alta Devices, Inc.	Sunnyvale	Santa Clara	Solar Photovoltaic Manufacturing	\$40,845,000	\$3,716,895	\$1,108,616	\$561,404	\$5,025,666	\$1,870,175	322	37
14	10-SM028	12/15/2010	California Institute of Technology	Pasadena	Los Angeles	Research & Development of Solar Fuel Generator Systems	\$13,400,000	\$1,219,400	\$761,933	\$0	\$702,662	-\$516,738	133	15
15	10-SM012	12/15/2010	SunPower Corporation	Milpitas	Santa Clara	Solar Photovoltaic Manufacturing	\$8,000,000	\$728,000	\$704,816	\$903,595	\$1,877,730	\$2,053,325	94	11
16	11-SM001	1/25/2011	Leyden Energy, Inc.	Fremont	Alameda	Lithium Ion Battery Manufacturing	\$1,306,525	\$118,894	\$99,647	\$21,400	\$944,754	\$847,260	26	2
17	11-SM002	1/25/2011	MiaSolé	Sunnyvale	Santa Clara	Solar Photovoltaic Manufacturing	\$26,092,000	\$2,374,372	\$881,599	\$3,246,664	\$1,363,913	\$2,236,206	56	3
18	11-SM003	1/25/2011	Alameda-Contra Costa Transit District	Emeryville	Alameda	Demonstration Hydrogen Fuel Production	\$5,387,950	\$490,303	\$362,320	\$16,040	\$274,173	-\$200,090	6	1
19	10-SM010	12/15/2010 2/22/2011	Simbol, Inc.	Calipatria, Niland, Brawley	Imperial	Lithium and Battery Material Manufacturing	\$42,484,174	\$3,866,060	\$164,278	\$558,363	\$9,552,414	\$6,244,717	212	23
20	11-SM006	3/22/2011	Mt. Poso Cogeneration Company, LLC	Bakersfield	Kern	Biomass Processing and Fuel Production	\$14,374,000	\$1,308,034	\$1,164,294	\$197,027	\$3,470,273	\$2,359,266	97	11

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
21	11-SM005	6/28/2011	Recology East Bay	Oakland	Alameda	Biomass Processing and Fuel Production	\$3,703,090	\$336,981	\$0	\$111,243	\$506,852	\$281,113	46	5
22	11-SM009	6/28/2011	DTE Stockton, LLC	Stockton	San Joaquin	Biomass Processing and Fuel Production	\$10,120,000	\$920,920	\$702,184	\$2,221,793	\$4,297,636	\$5,598,509	62	7
23	11-SM010	7/26/2011	SCS Energy	Fresno	Fresno	Biogas Capture & Production	\$3,155,300	\$255,579	\$247,020	\$40,230	\$271,233	\$55,884	9	1
24	11-SM012	8/23/2011	CE Obsidian Energy, LLC	Imperial	Imperial	Geothermal Brine Extraction	\$174,453,978	\$14,130,772	\$0	\$7,487,143	\$11,697,269	\$5,053,640	381	39
25	11-SM014	8/23/2011	SoloPower Inc.	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$8,411,240	\$681,310	\$494,484	\$419,024	\$575,484	\$313,197	40	1
26	11-SM019	11/15/2011	Zero Waste Energy Development Company, LLC	San Jose	Santa Clara	Biogas Capture & Production	\$17,156,875	\$1,389,707	\$910,783	\$1,355,423	\$2,233,575	\$2,199,291	174	17
27	11-SM016	12/13/2011	Tesla Motors, Inc.	Fremont; Hawthorne; Palo Alto; Menlo Park	Alameda; Los Angeles; Santa Clara; San Mateo	Electric Vehicle Manufacturing	\$292,000,000	\$23,652,000	\$2,055,885	\$2,386,636	\$35,023,610	\$13,758,246	1,237	108
28	12-SM001	2/21/2012	Soraa, Inc.	Fremont	Alameda	Energy Efficient LED Lighting Manufacturing	\$57,002,457	\$4,617,199	\$1,244,232	\$30,775,968	\$2,368,664	\$28,527,434	180	14
29	12-SM003	3/20/2012	Stion Corporation	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$6,417,810	\$519,843	\$490,542	\$277,896	\$253,546	\$11,600	28	3
30	12-SM006	5/15/2012	John Galt Biogas Inc.	Galt	Sacramento	Biogas Capture & Production	\$1,025,769	\$83,087	\$29,538	\$112,933	\$128,931	\$158,777	19	2
31	12-SM004	5/15/2012	Soitec Solar Industries LLC	San Diego	San Diego	Concentrated Photovoltaic Manufacturing	\$104,381,342	\$8,454,889	\$7,351,987	\$3,706,841	\$10,302,813	\$5,554,765	399	44
32	12-SM007	5/15/2012	Reflexite Soitec Optical Technology LLC	San Diego	San Diego	Concentrated Photovoltaic Manufacturing	\$24,500,000	\$1,984,500	\$2,005,024	\$357,750	\$1,704,725	\$77,975	114	8
33	12-SM008	6/19/2012	North Star Biofuels LLC	Watsonville	Santa Cruz	Biodiesel Production	\$4,115,500	\$343,866	\$343,202	\$84,522	\$2,616,810	\$2,367,976	30	1
34	12-SM010	10/16/2012	Electric Vehicles International, LLC	Stockton	San Joaquin	Electric Vehicle Manufacturing	\$5,744,962	\$465,342	\$256,836	\$83,283	\$906,571	\$524,512	114	8
35	12-SM011	10/16/2012	Clean World Partners LLC	Sacramento	Sacramento	Biomass Processing and Fuel Production	\$11,796,759	\$955,537	\$0	\$204,651	\$977,083	\$226,196	24	3
36	12-SM009	10/16/2012	ABEC New Hope LLC	Galt	Sacramento	Biogas Capture & Production	\$2,633,359	\$213,302	\$84,096	\$41,150	\$208,573	\$36,421	22	3
37	12-SM012	11/13/2012	Zero Waste Energy, LLC	Marina	Monterey	Biogas Capture & Production	\$1,187,000	\$96,147	\$94,295	\$18,139	\$95,062	\$17,054	5	1
38	12-SM013	11/13/2012	Oberon Fuels, Inc.	Brawley	Imperial	Biogas Capture & Bio DME Production	\$13,500,000	\$1,093,500	\$47,558	\$423,866	\$679,196	\$9,561	17	3
39	13-SM001	1/15/2013	CleanWorld	Davis	Yolo	Biomass Processing and Fuel Production	\$5,851,298	\$489,754	\$0	\$106,588	\$506,088	\$122,923	24	3
40	13-SM002	3/19/2013	Buster Biofuels, LLC	Escondido	San Diego	Biodiesel Production	\$1,905,343	\$159,477	\$0	\$103,496	\$786,032	\$730,051	32	2
41	13-SM004	4/16/2013	EJ Harrison and Sons Rentals, Inc.	Oxnard	Ventura	Biogas Capture & Production	\$1,212,095	\$101,452	\$0	\$19,311	\$108,487	\$26,345	6	1

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
42	13-SM005	4/16/2013	Vitriflex, Inc.	Milpitas	Santa Clara	Photovoltaic Solar Component Manufacturing	\$16,330,000	\$1,366,821	\$0	\$1,256,397	\$886,066	\$775,642	47	4
43	13-SM007	6/18/2013	ABEC Bidart-Old River, LLC	Bakersfield	Kern	Biomass Capture & Production	\$6,254,045	\$523,464	\$297,499	\$351,613	\$523,038	\$351,188	28	2
44	13-SM009	8/20/2013	North State Rendering Co Inc.	Oroville	Butte	Biomass Processing and Fuel Production Facility	\$7,355,324	\$615,641	\$0	\$305,075	\$422,917	\$112,351	12	2
45	13-SM010	9/17/2013	Central Valley Ag Power, LLC	Oakdale	Stanislaus	Biomass Processing and Fuel Production Facility	\$3,481,313	\$291,386	\$0	\$38,218	\$394,801	\$141,634	23	2
46	13-SM011	10/15/2013	Blue Line Transfer, Inc.	S. San Francisco	San Mateo	Biomass Processing and Fuel Production Facility	\$4,976,469	\$416,530	\$0	\$43,980	\$423,841	\$51,291	20	3
47	13-SM013	11/19/2013	Crimson Renewable Energy, LP	Bakersfield	Kern	Biomass Processing and Fuel Production Facility	\$14,065,000	\$1,177,241	\$0	\$136,306	\$2,737,899	\$1,696,964	38	2
48	13-SM015	12/17/2013	Tesla Motors, Inc.	Fremont, Palo Alto, Hawthorne	Alameda, Santa Clara, Los Angeles	Electric Vehicle Manufacturing	\$415,000,000	\$34,735,500	\$0	\$4,847,406	\$54,306,869	\$24,418,775	2,050	115
TOTAL:						\$1,627,760,311	\$137,383,930	\$33,694,518	\$79,209,183	\$185,390,692	\$127,226,458	8,164	689	

TABLE A.2: STE ADV. MANUFACTURING PROJECTS – APPROVED, ACTIVE

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²
1	13-SM012	12/17/2013	CE&P Imperial Valley 1, LLC	Brawley	Imperial	Industrial Biotechnology	\$444,811,275	\$37,230,704	\$0		\$51,344,220	650	84
2	13-SM014	12/17/2013	Boxer Industries, Inc.	Redwood City	San Mateo	Advanced Materials	\$6,553,000	\$548,486	\$0		\$539,522	12	1
TOTAL:						\$451,364,275	\$37,779,190			\$51,883,742	662	85	

TABLE A.3: STE ALT. SOURCE AND ADV. TRANSPORTATION PROJECTS – APPROVED, INACTIVE

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
1	10-SM003	11/17/2010	ABEC Bidart Old River, LLC	Bakersfield	Kern	Biogas Capture & Production	\$4,738,000	\$431,158	\$0	\$3,080,806	\$438,844	\$3,088,491	50	6
2	10-SM005	11/17/2010	Gallo Cattle Company	Atwater	Merced	Biogas Capture & Production	\$1,245,000	\$113,295	\$0	\$791,959	\$130,374	\$809,038	30	3
3	10-SM006	11/17/2010	Solyndra LLC	Fremont	Alameda	Solar Photovoltaic Manufacturing	\$381,776,000	\$34,741,616	\$25,127,322	\$22,202,363	\$20,765,274	\$8,226,021	2,084	225
4	10-SM011	11/17/2010	Stion Corporation	San Jose	Santa Clara	Solar Photovoltaic Manufacturing	\$105,473,402	\$9,598,080	\$0	\$3,512,324	\$6,207,404	\$121,648	493	47

Appendix A: Sales and Use Tax Exclusion Applications Approved to Date

Application Number	Date of Board Consideration	Applicant Name	City	County	Use of Proceeds	QP Amount	STE Amount (Anticipated) ¹	STE Used to Date ¹	Estimated Environmental Benefit ²	Estimated Fiscal Benefit ²	Estimated Net Benefit ²	Expected Total Jobs	Expected Total Jobs from STE ²	
5	10-SM014	11/17/2010	Calisolar Inc.	Sunnyvale	Santa Clara	Solar Photovoltaic Manufacturing	\$39,000,000	\$3,549,000	\$0	\$1,971,609	\$1,975,797	\$398,407	273	13
6	10-SM016	12/15/2010	Quantum Fuel Systems Technologies Worldwide, Inc.	Irvine	Orange	Solar Photovoltaic Manufacturing	\$8,945,858	\$814,073	\$0	\$508,282	\$5,895,571	\$5,589,780	94	11
7	10-SM018	12/15/2010	Green Vehicles, Inc.	Salinas	Monterey	Electric Vehicle Manufacturing	\$3,708,050	\$337,433	\$0	\$65,608	\$3,018,494	\$2,746,669	126	14
8	10-SM019	12/15/2010	Soliant Energy, Inc.	Monrovia	Los Angeles	Solar Photovoltaic Manufacturing	\$9,966,500	\$906,952	\$0	\$1,142,989	\$1,709,894	\$1,945,932	38	5
9	10-SM021	12/15/2010	SCE Crazy Horse LLC	Salinas	Monterey	Landfill Gas Capture and Production	\$1,558,460	\$141,820	\$0	\$103,093	\$432,228	\$393,501	12	1
10	11-SM007	5/18/2011	Amonix, Inc.	Seal Beach	Orange	Solar Photovoltaic Manufacturing	\$2,278,900	\$207,380	\$0	\$244,895	\$557,789	\$595,304	153	2
11	11-SM015	8/23/2011	Amonix, Inc	Seal Beach; Milpitas	Orange; Santa Clara	Solar Photovoltaic Manufacturing	\$7,879,667	\$638,253	\$0	\$740,148	\$2,884,021	\$2,985,916	200	12
12	10-SM001	11/17/2010	Bowerman Power LFG, LLC	Irvine	Orange	Landfill Gas Capture & Production	\$9,240,000	\$840,840	\$0	\$398,492	\$1,008,052	\$565,704	30	3
TOTAL OF INACTIVE APPROVED APPLICATIONS						\$575,809,837	\$52,319,898	\$25,127,322	\$34,762,568	\$45,023,742	\$27,466,411	3,583	342	