

**MINUTES**

**California Alternative Energy and Advanced  
Transportation Financing Authority  
901 P Street, Room 102  
Sacramento, California**

**February 20, 2024**

**1. CALL TO ORDER AND ROLL CALL**

Khaim Morton, representing the Chair, called the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) meeting to order at 10:30 a.m.

Members Present: Khaim Morton for Fiona Ma, CPA, State Treasurer (Chair)  
David Oppenheim for Malia M. Cohen, State Controller  
Erica Gonzales for Joe Stephenshaw, Director, Department of Finance  
Ken Rider for David Hochschild, Chair, California Energy Commission  
Khalil Johnson for Alice Reynolds, President, Public Utilities Commission (via teleconference)

Staff Present: Claudia Quezada, Ed.D., Executive Director

Quorum: The Chair declared a quorum.

**2. MINUTES**

Mr. Morton asked if there were any questions or comments from the Board concerning the December 12, 2023, meeting minutes. There were none.

Mr. Oppenheim moved for approval of the minutes, and there was a second by Mr. Rider.

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the public. There were none. Mr. Morton called for a vote.

The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

### 3. EXECUTIVE DIRECTOR'S REPORT

Dr. Quezada gave a report on CAEATFA activity since the February 20, 2024, board meeting:

- Dr. Quezada stated that CAEATFA's special activities for the first quarter will be reported on at the upcoming March 19, 2024, Board meeting.

For program updates, Dr. Quezada reported the following:

- CAEATFA successfully published the Q3 2023 report for the GoGreen Financing Programs. Among the highlights: the GoGreen Home Energy Efficiency Financing Program ("GoGreen Home") lenders enrolled almost 90% more loans in Q3 2023 than in Q3 2022.
- Dr. Quezada stated that during FY 22-23, the Federal Reserve raised interest rates seven times. Nevertheless, GoGreen Home lenders' rates averaged 5.8 points lower than the market, keeping energy efficiency upgrades far more affordable for hundreds of Californians. More information can be found about this progress in the GoGreen Home 22-23 Fiscal Year Data Summary, which was published at the beginning of February. Dr. Quezada stated that this important work requires a talented team of staff members, and Dr. Quezada introduced two new team members who joined the GoGreen Financing Programs team recently: Willy Chen and April Hughes, who joined CAEATFA as office technicians.
- At the December 12, 2023, board meeting, Dr. Quezada shared that the GoGreen Home Program was getting close to reaching the milestone of \$100 million in loans issued to upgrade the energy efficiency of homes in California. Dr. Quezada stated that last Friday, a large number of loans were formally enrolled and recorded, which brought the total over the threshold. As of today, at 9:00 a.m., the GoGreen Financing Programs have leveraged approximately \$16 million to help finance 6,182 energy upgrades, worth \$100,859,240.
  - The majority of borrowers have taken advantage of the extended terms available thanks to the GoGreen Financing loss reserve. The average loan's term length is 110 months, and the average interest rate is 5.1%. CAEATFA staff ("Staff") is working with the State Treasurer's Office communications department and RIESTER, GoGreen Financing's marketing implementer, to publicize this important milestone. Dr. Quezada wished to publicly acknowledge the GoGreen Financing Program staff for their hard work. She asked to recognize GoGreen Home's Manager, Bill Heberger, and Compliance, Data, and Contracts Analyst, Chor Vue, who were present in person at the meeting.
- Dr. Quezada also shared that the required annual audit of CAEATFA's Bond Program is underway. Gilbert CPAs, CAEATFA's contracted auditor, has completed its fieldwork, and the State Controller's Office Financial Transaction Report due January 31 was completed ahead of schedule. Dr. Quezada wished to recognize Jennifer Gill, CAEATFA Senior Manager, Core Programs, for her important work and leadership.

- By the Sales and Use Tax Exclusion Program’s (“STE”) January 19<sup>th</sup> application deadline, CAEATFA received applications for over \$141 million in sales and use tax exclusions, representing over \$1.7 billion in Qualified Property for projects in California communities.
- The STE Program team is now diligently working on STE application reviews, and the competitive ranking for the Board’s consideration. CAEATFA anticipates the program being oversubscribed for some of the program’s eligibility pathway funding pools, but there will be more application rounds after consideration of the competitive applications. Additional application rounds are currently anticipated to open from July 1-19 and September 23-October 11.
- Included under Agenda Item 3 is an informational notice to the Board of the Executive Director’s Determinations for Specific Parameters under the Sales and Use Tax Exclusion Program. The updated parameters were posted to CAEATFA’s STE Application Materials webpage on December 8, 2023, along with the Notice of Application Periods for the 2024 Calendar Year.
- Dr. Quezada wished to thank Stefani Wilde for her four years of service as an STE Analyst with CAEATFA. She also congratulated Ms. Wilde for accepting an offer with the California Energy Commission as their new Energy Commission Specialist I in the Appliance Efficiency Standards Unit. Dr. Quezada stated that it is a bittersweet moment for CAEATFA staff.

Dr. Quezada reported no items had been approved under her delegated authority since the last CAEATFA board meeting.

Dr. Quezada then concluded her report. Mr. Morton asked if there were any comments or questions from the Board.

Mr. Morton thanked Staff for their hard work and stated that he is enthusiastic about things to come.

Mr. Rider stated that the trajectory of the GoGreen Home Program’s loan volume is encouraging, and that leveraging State funding is an important tool to help California reach its climate goals.

There were no further comments.

#### **4. BUSINESS ITEMS**

##### **A. CONSIDERATION OF APPLICANT’S REQUEST TO EXTEND THE INITIAL TERM PURCHASE REQUIREMENT OF THE REGULATORY AGREEMENT OF AN STE AWARD**

Given the number of items for discussion and approval at today’s meeting, Mr. Morton suggested that the format for the remaining items be streamlined in order to limit the duration of this public gathering, and suggested items be moved as a group for voting. Mr. Morton stated that the items should still be presented by Staff individually to ensure the public is fully aware of the items for consideration, and while still ensuring public participation and

comment periods. The Board agreed and decided that it would vote on items 4.A.1 through 4.A.9 after presentation and discussion of those items, unless it was indicated by a Board member that an item should be voted on separately.

- 1) Tandem Diabetes Care, Inc., San Diego (San Diego), No. 20-SM010, Insulin Pumps and Related Products Manufacturing – Advanced Manufacturing, \$60,000,000 of Qualified Property

Presented by Stefan Wilde, Program Analyst

Staff introduced Kirsten Lucera, Representative, Tandem Diabetes Care, Inc., who joined via internet conference line.

Ms. Wilde reported that Tandem Diabetes Care, Inc. (the “Applicant”) was originally approved for an STE Program award in March 2020 for approximately \$60 million in Qualified Property purchases, for an estimated value of \$5 million in sales and use tax exclusion, to upgrade and expand its existing insulin pump and related products manufacturing facility in San Diego.

In August 2021, the Applicant received a one-year extension of the 15% purchase requirement timeframe and a one-year extension of the initial term to accommodate delays related to the COVID-19 pandemic. As of August 2023, the Applicant had used approximately 27% of its award.

The Applicant is now requesting an 18-month extension of the initial term to accommodate delays related to new procurement software, and delayed research and development due to relocation.

Staff recommended approval of Tandem Diabetes Care, Inc.’s request to extend the initial term by 18 months to September 17, 2025.

- 2) Inland Empire Utilities Agency, Chino (San Bernardino), No. 20-SM016, Wastewater and Food Waste Biogas Capture and Production – Alternative Source, \$76,377,224 of Qualified Property

Presented by Katrina Walters-White, Program Analyst

Staff introduced Brian Wilson, Principal Engineer and Project Manager, Inland Empire Utilities Agency, who joined via internet conference line.

Ms. Walters-White reported that Inland Empire Utilities Agency (the “Applicant”) was approved for an STE award in 2016 for the purchase of approximately \$76 million in Qualified Property to expand its existing wastewater and food waste biogas capture and production facility in San Bernardino County (the “Project”). As of December 2023, the Applicant has used its award to purchase approximately \$60.9 million in Qualified Property (80% of the total Qualified Property approved). The Applicant is requesting a one-year, ten-month, and 14-day extension of the Agreement initial term to accommodate prolonged pandemic-related delays that affected the Project’s supply chain timelines.

Staff recommended approval of Inland Empire Utilities Agency’s request to extend the initial term by one year, ten months, and 14 days to January 31, 2026.

- 3) Intuitive Surgical, Inc. and its Subsidiary, Intuitive Surgical Operations, Inc., Sunnyvale (Santa Clara), No. 20-SM027, Advanced Robotic Surgical Systems and Tools – Advanced Manufacturing, \$82,500,000 of Qualified Property

Presented by Katrina Walters-White, Program Analyst

Staff introduced Norberto Amoranto, Senior Manager Sales Tax, Intuitive Surgical, Inc. and its Subsidiary, Intuitive Surgical Operations, Inc., who joined via internet conference line.

Ms. Walters-White reported that Intuitive Surgical, Inc. and its Subsidiary, Intuitive Surgical Operations, Inc. (“Intuitive Surgical” or the “Applicant”) was approved for an STE award in 2020 for the purchase of approximately \$82.5 million in Qualified Property to upgrade and expand its existing advanced surgical systems and tools manufacturing facility in Santa Clara County. As of December 2023, the Applicant has used its award to purchase approximately \$44 million of Qualified Property (53% of the total Qualified Property approved). The Applicant received a one-year extension in January 2023 to accommodate COVID-19 pandemic-related delays.

The Applicant is now requesting a one-year extension of the Agreement initial term to accommodate longer than anticipated contract negotiations.

Staff recommended approval of Intuitive Surgical, Inc. and its Subsidiary, Intuitive Surgical Operations, Inc.’s request to extend the initial term by one year to March 17, 2025.

Mr. Amoranto thanked the Board for its consideration of Intuitive Surgical’s extension request.

- 4) Rocket Lab USA, Inc., Long Beach (Los Angeles), No. 21-SM011, Aerospace Manufacturing – Advanced Manufacturing, \$6,443,921 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced Stephen Ananias, VP of Finance, Rocket Lab USA, Inc.; Brian Nugent, Senior Director, Corporate FP&A, Rocket Lab USA, Inc.; Debby Bower, Tax Director, Rocket Lab USA, Inc.; and Scott Poteracki, Corporate Controller, Rocket Lab USA, Inc., all of whom joined via internet conference line.

Ms. Yu reported that Rocket Lab USA, Inc. (the “Applicant”) was approved for an STE award in March 2021 for the purchase of approximately \$6.4 million in Qualified Property to build a small satellite and reaction wheel manufacturing facility in Long Beach. As of June 2023, the Applicant has used its award to purchase approximately \$1.8 million in Qualified Property (29% of the total Qualified Property approved). The Applicant is

requesting to extend the Agreement initial term by one year, nine months, and 15 days to accommodate delays in the development of its California-based space facilities.

Staff recommended approval of Rocket Lab USA, Inc.’s request to extend the initial term by one year, nine months, and 15 days to December 31, 2025,

- 5) Ameresco Forward RNG, LLC, Manteca (San Joaquin), No. 21-SM020, Landfill Gas to Renewable Natural Gas – Alternative Source, \$26,374,850 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced Emily Jakubiak, Manager, Project Management – LFG Ops, Ameresco Forward RNG, LLC; and Jim Bier, Senior Project Developer – LFG Ops, Ameresco Forward RNG, LLC, both of whom joined via internet conference line.

Ms. Yu reported that Ameresco Forward RNG, LLC (the “Applicant”) was approved for an STE award in March 2021 for the purchase of approximately \$26 million in Qualified Property to build a new LFG (raw landfill gas) to RNG (renewable natural gas) production facility at the Forward Landfill in Manteca, which is owned and operated by Republic Services, a private waste management company. As of June 2023, the Applicant has used its award to purchase approximately \$6 million of Qualified Property (26% of the total Qualified Property approved). The Applicant is requesting to extend the Agreement initial term by one year, three months, and 14 days to accommodate permitting delays.

Staff recommended approval of Ameresco Forward RNG, LLC’s request to extend the initial term by one year, three months, and 14 days to June 30, 2025.

- 6) Applied Medical Resources Corporation and its subsidiary, Applied Manufacturing, LLC, Rancho Santa Margarita (Orange), No. 21-SM025, Medical Device Manufacturing – Advanced Manufacturing, \$150,547,889 of Qualified Property

Presented by Jeannie Yu, Program Analyst

Staff introduced Zoran Falkenstein, Group President, Applied Medical Resources Corporation and its subsidiary, Applied Manufacturing, LLC, who joined via internet conference line.

Ms. Yu reported that Applied Medical Resources Corporation and its subsidiary, Applied Manufacturing, LLC (the “Applicant”) was approved for an STE award in March 2021 for the purchase of approximately \$150 million in Qualified Property to expand and upgrade its existing medical device manufacturing facility located in Rancho Santa Margarita. As of November 2023, the Applicant has used its award to purchase approximately \$125 million in Qualified Property (83% of the total Qualified Property Approved). The Applicant is requesting a one-year extension of the Agreement initial term to accommodate supply chain issues caused by the COVID-19 pandemic.

Staff recommended approval of Applied Medical Resources Corporation and its subsidiary, Applied Manufacturing, LLC’s request to extend the initial term by one year to March 16, 2025.

- 7) Cepheid, Lodi (San Joaquin); Sunnyvale (Santa Clara); Newark (Alameda), No. 21-SM026, Medical Device Manufacturing – Advanced Manufacturing, \$209,750,000 of Qualified Property

Presented by Stefani Wilde, Program Analyst

Staff introduced Keith Mastasci, Representative, Cepheid; and Becky Zhou, Representative, Cepheid, both of whom joined via internet conference line.

Ms. Wilde reported that Cepheid (the “Applicant”) was approved for an STE award in March 2021 for the purchase of approximately \$210 million in Qualified Property, for an estimated sales and use tax exclusion value of \$17.8 million, to upgrade and expand its existing medical device manufacturing facilities located in Lodi, Sunnyvale, and Newark. As of August 2023, the Applicant had used approximately 38% of its award.

The Applicant is requesting an 18-month extension of the initial term to accommodate delays related to the COVID-19 pandemic, which set the Applicant’s project back unexpectedly.

Staff recommended approval of Cepheid’s request to extend the initial term by 18 months to September 16, 2025.

- 8) Pacesetter, Inc., Sylmar (Los Angeles), No. 21-SM027, Medical Device Manufacturing – Advanced Manufacturing, \$34,950,000 of Qualified Property

Presented by Stefani Wilde, Program Analyst

Staff introduced Steven Stallings, Representative, Pacesetter, Inc.; and Jonathan Leigh, Representative, Pacesetter, Inc., both of whom joined via internet conference line.

Ms. Wilde reported that Pacesetter, Inc. (the “Applicant”) was approved for an STE award in March 2021 for the purchase of approximately \$35 million in Qualified Property, for an estimated sales and use tax exclusion value of \$3 million, to upgrade and expand its existing cardiovascular medical device manufacturing facility in Sylmar. As of August 2023, the Applicant had used 23% of its award.

The Applicant is requesting an 18-month extension of the initial term to accommodate purchasing delays related to reallocation of resources from the COVID-19 pandemic.

The Applicant is also requesting to add its parent company, Abbott Laboratories, as a participating party on the STE award. The scope of the project has not changed and is not anticipated to change with the addition of Abbott Laboratories.

Staff recommended approval of Pacesetter, Inc.’s request to extend the initial term by 18 months to September 16, 2024, and to add Abbott Laboratories as a participating party to its STE award.

- 9) Brightmark Vlot RNG LLC, Chowchilla (Madera), No. 21-SM028, Dairy Biogas Production – Alternative Source, \$29,698,976 of Qualified Property

Presented by Katrina Walters-White, Program Analyst

Staff introduced Michael Knous, Senior Project Manager, Brightmark Vlot RNG LLC, who joined via internet conference line.

Ms. Walters-White reported that Brightmark Vlot RNG LLC (the “Applicant”) was approved for an STE award in 2021 for the purchase of approximately \$29.6 million in Qualified Property to build a dairy biogas production facility in Madera County. As of December 2023, the Applicant has used its award to purchase approximately \$25.5 million in Qualified Property (86% of the total Qualified Property approved). The Applicant is requesting a one-year and 15-day extension to accommodate delays related to engineering and permitting.

Staff recommended approval of Brightmark Vlot RNG LLC’s request to extend the initial term by one year and 15 days to March 31, 2025.

Mr. Rider moved for approval of items 4.A.1 through 4.A.9, and there was a second by Mr. Oppenheim.

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the Board or public on items 4.A.1 through 4.A.9.

Mr. Rider commended the businesses under the STE Program asking for extensions, noting that many of these projects were started right at the beginning of, or in some cases, right in the middle of the COVID-19 pandemic, which caused a litany of business delays, supply chain issues, and other challenging conditions. He stated that the amount of spending being done is encouraging, and the fact that these companies are asking for extensions means they are likely to complete their projects. Mr. Morton also commended the STE applicants for their determination and perseverance and stated that STE Program staff are always available to assist applicants in keeping their projects on track.

There were no further comments or questions, and Mr. Morton asked for a vote.

Items 4.A.1 through 4.A.9 were approved by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye



**B. CONSIDERATION OF APPLICANT’S REQUEST TO EXTEND THE 15% PURCHASE REQUIREMENT AND THE INITIAL TERM OF THE REGULATORY AGREEMENT OF AN STE AWARD**

- 1) HZI Lancaster, LLC, Lancaster (Los Angeles), No. 21-SM023, Biogas Capture and Production – Alternative Source, \$27,231,400 of Qualified Property

Presented by Katrina Walters-White, Program Analyst

Staff introduced Lex Heslin, Senior Project Developer, Hitachi Zosen Inova U.S.A. LLC; Michael Clayton, CFO, Enso Infrastructure; and Sophia Racke, Project Manager, Momentum (Consultant), all of whom joined via internet conference line.

Ms. Walters-White reported that HZI Lancaster, LLC (the “Applicant”) was approved for an STE award in 2021 for the purchase of approximately \$27 million in Qualified Property to build a biogas capture and production facility in Los Angeles County (the “Project”). As of December 2023, the Applicant has not made any Qualified Property purchases using its award. The Applicant received an 18-month extension in August 2022 to accommodate delays stemming from a geotechnical survey that caused the facility to be redesigned and reengineered. The Applicant is now requesting a one-year extension of the 15% purchase requirement timeframe and a two-year extension of the Agreement initial term to accommodate prolonged pandemic-related delays that affected the Project’s procurement timelines.

Staff recommended approval of HZI Lancaster, LLC’s request to extend the 15% purchase requirement timeframe of its STE award by one year to March 16, 2025, and the initial term by two years to March 16, 2026, as it is in the public interest and advances the purposes of the STE Program.

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

Mr. Morton stated there was a motion and a second and asked if there were any questions or comments from the Board or public. There were no comments or questions, and Mr. Morton asked for a vote.

The item was approved by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Erica Gonzales for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Khalil Johnson for the Public Utilities Commission	Aye

**5. PUBLIC COMMENT**

Mr. Morton asked if there were any comments or questions from the public. There were none.

**6. ADJOURNMENT**

There being no further business, public comment, or concerns, the meeting was adjourned at 10:56 a.m.

**Respectfully submitted,**

Claudia Quezada, Ed.D.  
Executive Director