

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

Board Meeting Date: Tuesday, December 10, 2024

***Request to Approve an Extension of the 15% Purchase Requirement Timeframe  
and the Initial Term of the Regulatory Agreement<sup>1</sup>***

**Biggs Bioenergy LLC  
Application No. 23-SM024**

Prepared By: *Joshua Moua, Program Analyst*

**SUMMARY**

**Applicant:** Biggs Bioenergy LLC

**Location:** Biggs, Butte County

**Industry:** Biomass Processing and Fuel Production

**Project:** New Biomass Processing and Fuel Production Facility (Alternative Source)

**Total Amount Qualified Property Approved:** \$16,490,000

**Estimated Sales and Use Tax Exclusion Amount at Approval:<sup>2</sup>** – \$1,378,564

**Initial Board Approval Date:** July 18, 2023

**Amount of Time Requested:**

- Requesting a one-year and six-month extension, until July 18, 2026, for the 15% purchase requirement timeframe (three years from the date of initial CAEATFA Board approval)
- Requesting a one-year and six-month extension, until January 18, 2028, for the initial term of the Regulatory Agreement (four years and six months from the date of initial CAEATFA Board approval)

**Staff Recommendation:** Approval

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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 8.36%.

**BACKGROUND**

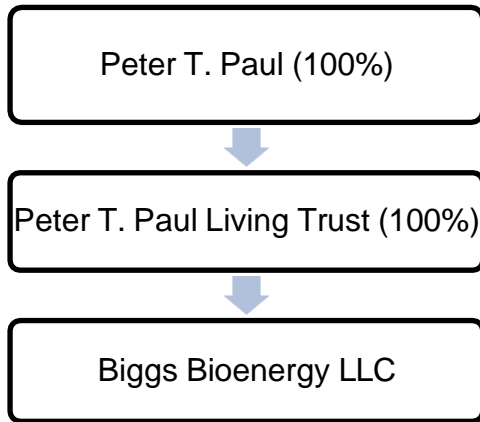
On July 18, 2023, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for Biggs Bioenergy LLC (the “Applicant”) for the purchase of up to \$16,490,000 in Qualified Property to build a new bioenergy facility that will process rice hulls to produce renewable gas located in Biggs (the “Project”). The Regulatory Agreement (“Agreement”) provided the Applicant with 18 months from the date of CAEATFA Board approval to purchase or execute purchase orders for at least 15% of the total Qualified Property amount approved. Also, the Agreement initial term provided the Applicant with three years from the date of CAEATFA Board approval to utilize its STE award.<sup>3</sup>

As of September 2024, Biggs Bioenergy LLC has not made any purchases of Qualified Property. The Applicant is requesting to extend the 15% purchase requirement timeframe to accommodate delays in the project permitting and funding. The Applicant also requests to extend the Agreement’s initial term for the same accommodations.

**THE APPLICANT**

Headquartered in Petaluma, Biggs Bioenergy LLC formed a California limited liability company in 2022.

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



**The company officers of the Applicant are:**

Kristen R Decker, Authorized Signer  
Peter T. Paul, Trustee

**THE PROJECT**

The Applicant received an STE award to build a new bioenergy facility that will process rice hulls to produce renewable gas located in Biggs. The Applicant states the facility will process 40,000 tons of rice hulls per year that would otherwise be disposed of into a renewable gaseous fuel (termed producer gas) using a gasification process. Upon completion, the producer gas will be used to generate electricity, and offset the need for fossil-fuel produced electricity, which will be exported to the Pacific Gas & Electric Company (“PG&E”). Additionally, a portion of the electricity generated will be used to power the facility.

<sup>3</sup> California Code of Regulations Title 4, Division 13, Section 10035(b)(1)

As a byproduct of the gasification process, the Project will also produce biochar. Per the Applicant, biochar can be used as a soil amendment or for filtration media. The Applicant also states biochar can enhance the biological productivity in soil and increase water- and fertilizer- holding capacity, which in turn provides crop nutrition and improves plant growth.

The Applicant anticipates the Qualified Property purchased for the Project will be used to manufacture producer gas; consistent with CAEATFA policy at the time of award, the Qualified Property also includes a portion of the power generation equipment used to power the facility for production purposes. The Project's equipment will consume approximately 17% of the total amount of available energy generated from producer gas combustion; therefore, 17% of the power generation equipment is eligible for a sales and use tax exclusion. However, 83% of the power generation equipment is not included in this Application, as it represents the proportion of available energy in the form of electricity that will be sold to PG&E

**15% PURCHASE REQUIREMENT TIMEFRAME EXTENSION REQUEST**

The Applicant requests that the 15% purchase requirement timeframe be extended from January 18, 2025, to July 18, 2026, in order to accommodate delays on project permitting and funding that prevented equipment purchases.

**AGREEMENT INITIAL TERM EXTENSION REQUEST**

The Applicant requests that the initial term of the Agreement be extended from July 18, 2026 to January 18, 2028, in order to accommodate delays on project permitting and funding that prevented equipment purchases.

**STAFF EVALUATION**

The CAEATFA Board can extend the 15% purchase requirement timeframe upon a finding of extraordinary circumstances and that an extension is in the public interest and advances the purposes of the STE Program.<sup>4</sup>

The CAEATFA Board can extend the initial term of the Agreement upon a finding that an extension is in the public interest and advances the purposes of the STE Program.<sup>5</sup>

According to the Applicant, the Project is facing delays with permitting and the interconnection for the facility, which have then affected construction and equipment procurement. The financial close on the investment cannot move forward until local permitting and interconnection approval by the utility company are completed. The Applicant states PG&E is extensively overloaded, and the interconnection studies are taking longer than usual to complete statewide. The Applicant states it intends to submit the interconnection application early 2025 and expects approval by mid to late 2025. The Project team plans to submit an application for the Conditional Use Permit (CUP) by February 2025, providing Butte County Building Department three to six months for

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<sup>4</sup> California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(A)

<sup>5</sup> California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(B)

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reviews, comments, revisions, approval, and issuance. Pending review for the CUP, the Applicant will prepare other required permits including air and building.

The Applicant estimates the delay to take about 18 months, with the expectation that all permits will be received by mid to late 2025. That will allow financial close and purchases of equipment to take place early 2026. The major equipment will be purchased immediately after financial close and takes about 12 months of lead time before it is ready to be installed at the site, a process that takes an additional six months. Additionally, Staff has considered that the Applicant has hired additional staff including administrative and project engineers to help prepare permit submittals and accounting staff to help with project expense reporting. The time extension requested reflects the expected timeframe that the Company believes it can accomplish all project related tasks as it currently stands.

Based on this information, Staff believes these are extraordinary circumstances, and that extending the 15% purchase requirement timeframe will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program. Staff also believes extending the initial term of the Agreement will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program.

**LEGAL QUESTIONNAIRE**

Staff reviewed the Applicant's Legal Status portion of the extension request. No information was disclosed concerning the financial viability or legal integrity of this Applicant.

**CAEATFA FEES**

In accordance with STE Program regulations,<sup>6</sup> the Applicant's requests to extend the 15% purchase requirement timeframe and the initial term of the Application Agreement constitute a modification to the Applicant's Agreement incurring additional fees. The Applicant has paid the additional fee of \$2,250.

**RECOMMENDATION**

Staff recommends that the Board approve the Applicant's request to extend the 15% purchase requirement timeframe by one year and six months to July 18, 2026, as the Applicant has demonstrated extraordinary circumstances, and it is in the public interest and advances the purposes of the STE Program.

Staff recommends that the Board approve the Applicant's request to extend the initial term of the Agreement by one year and six months, until January 18, 2028, as it is in the public interest and advances the purposes of the STE Program, and the remaining term shall be for a period of 16 years and six months, until January 18, 2040, for providing annual compliance reports

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<sup>6</sup> California Code of Regulations Title 4, Division 13, Section 10036(c)(1)(C)

**ATTACHMENTS**

Attachment A: Biggs Bioenergy LLC's letter requesting waiver (September 16, 2024)  
Attachment B: Biggs Bioenergy LLC's staff summary at the time of approval

**RESOLUTION APPROVING AN EXTENSION OF  
BIGGS BIOENERGY LLC'S 15% PURCHASE REQUIREMENT TIMEFRAME  
AND THE INITIAL TERM UNDER THE REGULATORY AGREEMENT**

**December 10, 2024**

WHEREAS, on July 18, 2023, the California Alternative Energy and Advanced Transportation Financing Authority (the "Authority"), a public instrumentality of the State of California, approved a Sales Tax Exclusion ("STE") in the amount of \$16,490,000 of Qualified Property for **Biggs Bioenergy LLC** (the "Applicant"); and

WHEREAS, within 18 months of approval by the Authority, the Applicant must purchase or execute purchase orders for at least 15% of the total amount of Qualified Property listed in the approval resolution (STE Program regulations Section 10035(b)(1)); and

WHEREAS, upon a finding of extraordinary circumstances and that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that the Applicant must purchase or execute purchase orders for at least 15% of the total amount of Qualified Property within 18 months of Application approval (STE Program regulations Section 10035(b)(1)(A)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase or execute purchase orders for at least 15% of the Qualified Property amount within 18 months due to unexpected delays in the Project timeline, extending the term by one (1) year and six (6) months to July 18, 2026; and

WHEREAS, the Applicant has demonstrated extraordinary circumstances as to why it cannot meet the 18-month 15% purchase requirement timeframe; and

WHEREAS, within three (3) years of approval by the Authority, the Applicant must make all Qualified Property purchases (STE Program regulations Section 10035(b)(1)); and

WHEREAS, upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three (3) years of Application approval (STE Program regulations Section 10035(b)(1)(B)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property within three (3) years, due to unexpected delays in the Project timeline, extending the term by one year and six months to January 18, 2028; and

WHEREAS, granting the waivers will allow the Project to proceed and the state to receive the anticipated environmental and economic benefits that justified the initial

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approval of the Project in accordance with the law, thereby advancing both the public interest and the purposes of the Program.

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

Section 1. The Authority finds these are extraordinary circumstances and that it is in the public interest and advances the purposes of the Program to extend the Applicant's deadline to meet the 15% purchase requirement to July 18, 2026.

Section 2. The Authority finds that it is in the public interest and advances the purposes of the Program to extend the Applicant's initial term of the Regulatory Agreement to January 18, 2028.

Section 3. This resolution shall take effect immediately upon its passage.

**Attachment A: Biggs Bioenergy LLC’s Letter Requesting Waiver  
(September 16, 2024)**



16 September 2024

CAEATFA  
915 Capitol Mall, Room 538  
Sacramento, CA 95814

RE: Amendment to Sales and use Tax Exclusion Program Regulatory Agreement between  
CAEAFAs and Biggs, Bioenergy, LLC (23-SM024)

To Whom It May Concern,

On August 18, 2023, Biggs Bioenergy, LLC received a California Sales and Tax Exclusion for the purchase of up to \$16,490,000.00 in Qualified Property to build a new biomass processing and fuel production facility in Biggs, CA. This facility will convert rice hulls collected from local rice hulling facilities to a gaseous alternative fuel – producer gas – that is used for renewable heat and electricity.

Biggs Bioenergy is requesting an 18-month time extension for the 15% purchase requirement and for the initial term agreement under the Regulatory Agreement. Currently, Biggs Bioenergy is required to purchase or execute purchase orders of at least 15% of the Company’s total Qualified Property by January 18, 2025, per Section 6.A of the Regulatory Agreement and the program’s regulations (“Purchase Requirement”). The project faced some roadblocks on project permitting and funding that prevented the equipment procurement and construction process to start. Per the submitted CAEATFA application, the project team estimated obtaining the Conditional Use Permit by September 2023 and procurement of major equipment by August 2024. Due to the unforeseen delays, Biggs Bioenergy is requesting a time extension of 18-months from the CAEATFA Board for both the 15% purchase requirement and the initial term agreement for this project per program regulation section 10035(b)(1)(B).

The time extension requested reflects the expected timeframe that Biggs Bioenergy can obtain its required permits and efficiently contract, order and schedule payments for their Qualified Property for the project. There is no change to the scope of the project.

Please contact me if there are any questions at (530) 383-8260 or  
matt.summers@westbiofuels.com.

With Best Regards,

Matthew D. Summers, Officer  
Biggs Bioenergy, LLC

CORPORATE OFFICE ADDRESS:  
765 BAYWOOD DR., STE. 340,  
PETALUMA, CA 94954

BIGGS BIOENERGY, LLC

BIOENERGY FACILITY ADDRESS:  
3163 8<sup>TH</sup> ST.  
BIGGS, CA, 95917



**Attachment B: Biggs Bioenergy 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**

*Request to Approve Project for a Sales and Use Tax Exclusion<sup>1</sup>*

**Biggs Bioenergy LLC  
Application No. 23-SM024**

**Tuesday, July 18, 2023**

Prepared By: *Katrina Walters-White, Program Analyst*

**SUMMARY**

**Applicant** – Biggs Bioenergy LLC

**Location** – Biggs, Butte County

**Industry** – Biomass Processing and Fuel Production

**Project** – New Biomass Processing and Fuel Production Facility (Alternative Source)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount <sup>2</sup>
\$16,490,000	\$1,378,564

Estimated Net Benefit <sup>3</sup>	Dollar Value	Points Earned
Estimated Fiscal Benefits	\$1,693,539	1,228
Estimated Environmental Benefits	\$3,298,333	2,393
Additional Benefits	N/A	46
<b>Total</b>	<b>\$4,991,872</b>	<b>3,667</b>
<b>Estimated Quantifiable Net Benefit</b>	<b>\$3,613,308</b>	

**Competitive Criteria Score** – 136

**Staff Recommendation** – Approval

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

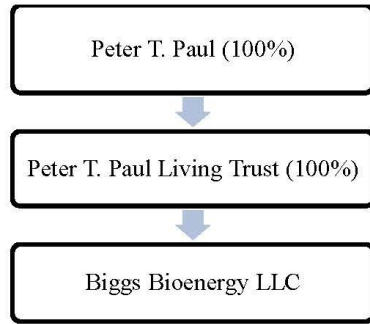
<sup>2</sup> This amount is calculated based on the average statewide sales tax rate of 8.36%.

<sup>3</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).)

**THE APPLICANT**

Biggs Bioenergy LLC (the “Applicant”) is a California limited liability company that formed in 2022 and headquartered in Petaluma. The region surrounding the proposed project location adjacent to the City of Biggs is rich with rice hull biomass from several local rice milling facilities. The rice hulls are a byproduct that has potential use for several applications. The Applicant intends to source the local rice hull as feedstock.

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



The company officers of the Applicant are:

Kristen R Decker, Authorized Signer  
Peter T. Paul, Trustee

**THE PROJECT**

The Applicant is requesting a sales and use tax exclusion (“STE”) award to build a new bioenergy facility that will process rice hulls to produce renewable gas located in Biggs (the “Project”). The Applicant states the facility will process 40,000 tons of rice hulls per year that would otherwise be disposed of into a renewable gaseous fuel (termed producer gas) using a gasification process. Upon completion, the producer gas will be used to generate electricity, and offset the need for fossil-fuel produced electricity, which will be exported to the Pacific Gas & Electric Company (“PG&E”). Additionally, a portion of the electricity generated will be used to power the facility.

As a byproduct of the gasification process, the Project will also produce biochar. Per the Applicant, biochar can be used as a soil amendment or for filtration media. The Applicant also states biochar can enhance the biological productivity in soil and increase water- and fertilizer-holding capacity, which in turn provides crop nutrition and improves plant growth.

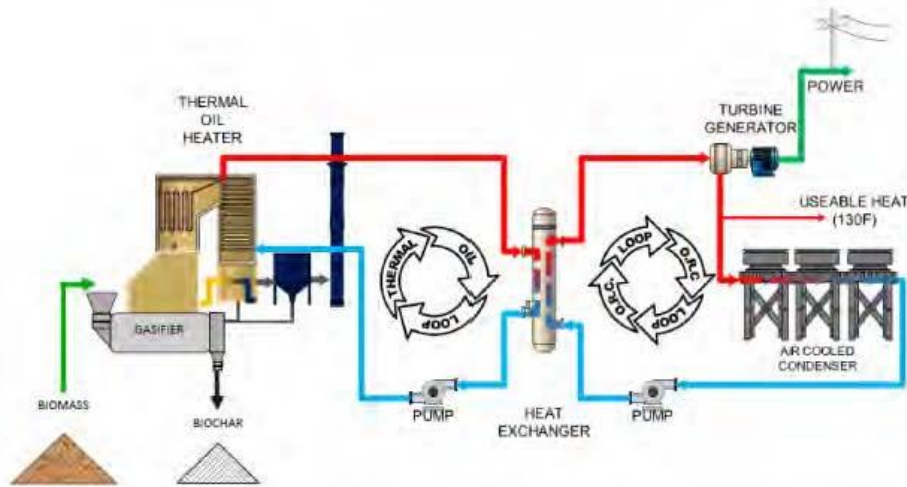
The Applicant anticipates the Qualified Property purchased for the Project will be used to manufacture producer gas; consistent with STE Program regulations,<sup>4</sup> the Qualified Property also includes a portion of the power generation equipment used to power the facility for

<sup>4</sup> California Code of Regulations Title 4, Division 13, Section 10031(x)

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production purposes. The Project’s equipment will consume approximately 17% of the total amount of available energy generated from producer gas combustion; therefore, 17% of the power generation equipment is eligible for a sales and use tax exclusion. However, 83% of the power generation equipment is not included in this Application, as it represents the proportion of available energy in the form of electricity that will be sold to PG&E.



*Figure 1: Biomass Cogeneration Plant Process Flow Diagram*

**ANTICIPATED COSTS OF QUALIFIED PROPERTY**

The anticipated Qualified Property purchases are listed below:

Biomass Unloading, Storage and Conveyance	\$ 3,250,000
Gasifier and Integrated Thermal Oil Heater	\$ 4,520,000
Organic Rankine Cycle Generator	\$ 980,000
Biochar Hopper and Conveyance	\$ 390,000
Flue Gas Cleanup Hardware	\$ 1,560,000
Structures	\$ 1,890,000
Base of Plant Equipment (Electrical, Plumbing, and Insulation)	\$ 3,900,000
<b>Total</b>	<b><u>\$16,490,000</u></b>

*Note: The Qualified Property purchases reported in the Application and shown here in staff’s report are estimated costs. At the termination of 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’s current schedule proposes to begin site construction in April 2024. Following that, the procurement of major equipment and related engineering would begin in August 2024. The process is expected to conclude with a placed-in-service date of June 2026.

**STATUS OF PERMITS/OTHER REQUIRED APPROVALS**

The Applicant is in the process of developing its conditional use permit application, which is expected to be approved by Butte County in September 2023. The Applicant states it is concurrently developing its application for the Interconnection Agreement with PG&E, with a targeted approval date of August 2023. The Applicant plans to apply for a grading permit required to begin construction, which will be required by February 2024. Additionally, an air permit with Butte County Air Pollution Control District will be required by March 2024 and the application for the building permit will be required by April 2024.

**COMPETITIVE CRITERIA SCORE**

The Applicant received 136 Competitive Criteria points as follows:

1. **Environmental Benefits (100 of 100 points)**. The Application has a Project that produces an Alternative Source product and, therefore, 100 points are awarded.
2. **Unemployment (1 of 50 points)**. The Applicant’s Project is located in Butte County, which has an average annual unemployment rate of 4.4%.<sup>5</sup> When compared to the statewide average annual unemployment rate of 4.3%, the Project location earned the Applicant one point.
3. **Job Creation (20 of 75 points)**. The Applicant anticipates the Project will support a total of 10 production-related jobs at its Facility. CAEATFA estimates that approximately 1.18 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 20 points.
4. **California Headquarters (15 of 15 points)**. The Applicant has a California Corporate Headquarters, and, therefore, 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.

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<sup>5</sup> Unemployment rates are based on data available in October 2022.

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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, and, therefore, zero points are awarded.

**PROJECT EVALUATION**

**PROJECT BENEFITS**

The Project received a Total Score of 3,667 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 2,393 points, which exceeds the 20-point threshold.

- A. **Fiscal Benefits (1,228 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 \$1,693,539, resulting in a Fiscal Benefits score of 1,228.
- B. **Environmental Benefits (2,393 points)**. The Project is anticipated to result in \$3,298,333 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 2,393 points. These benefits derive from the production of renewable gas, which offsets the need for the use of fossil methane.
- C. **Additional Benefits (46 points)**. Applicants may earn additional points for their Total Score. The Applicant received 46 additional points.
  1. **Production Jobs (20 of 75 points)**. The Applicant anticipates the Project will support a total of 10 production-related jobs at its Facility. CAEATFA estimates that approximately 1.18 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 20 points.
  2. **Construction Jobs (0 of 75 points)**. The Applicant anticipates the Project will support a total of five construction jobs at its Facility. CAEATFA estimates that approximately 0.66 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.
  3. **Unemployment (1 of 50 points)**. The Applicant's Project is located in Butte County, which has an average annual unemployment rate of 4.4%. When

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compared to the statewide average annual unemployment rate of 4.3%, the Project location earned the Applicant one point.

4. **Benefits and Fringe Benefits (25 of 25 points)**. The Applicant states it provides medical, health, dental and vision benefits, bonuses, retirement contributions, transportation subsidies, education reimbursement, and paid leave benefits to its employees, earning the Applicant 25 points.

**LEGAL QUESTIONNAIRE**

Staff reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of this Applicant.

**CAEATFA FEES**

In accordance with STE Program regulations,<sup>6</sup> the Applicant has paid CAEATFA an Application Fee of \$8,245 and will pay CAEATFA an Administrative Fee of up to \$65,690.

**RECOMMENDATION**

Staff recommends the approval of Resolution No. 23-SM024-01 for Biggs Bioenergy LLC’s purchase of qualifying tangible personal property in an amount not to exceed \$16,490,000 anticipated to result in an approximate STE value of \$1,378,564.

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<sup>6</sup> California Code of Regulations Title 4, Division 13, Section 10036

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**Agenda Item – 4.A.9  
Resolution No. 23-SM024-01**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A  
REGULATORY AGREEMENT WITH BIGGS BIOENERGY LLC**

**July 18, 2023**

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Biggs Bioenergy 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 \$16,490,000 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 the amount of the

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