



AGENDA ITEM 2 (ACTION ITEM)

Approval of Minutes

From Tuesday, December 10, 2024, at 10:30 a.m.

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Paul Bonderson State Office Building
901 P Street, Room 102
Sacramento, CA 95814

PUBLIC PARTICIPATION CALL-IN NUMBER VIA ZOOM

(877) 853-5257, Meeting ID: 987 6693 6958, Passcode: 560284

Interested members of the public may use this number to call in to listen to and/or comment on items before CAEATFA. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation.

1. Call to Order & Roll Call

Khaim Morton, Deputy Treasurer, called the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) meeting to order at 10:34 a.m.

Members Present:

Khaim Morton for Fiona Ma, CPA, State Treasurer (Chair)
David Oppenheim for Malia M. Cohen, State Controller
Michele Perrault for Joe Stephenshaw, Director of Finance
Ken Rider for David Hochschild, Chair, California Energy Commission
Khalil Johnson for Alice Reynolds, President, Public Utilities Commission

Staff Present: Christina Sarron, Executive Director

Quorum: The Chairperson declared a quorum

2. Minutes (Action Item)

Mr. Morton asked the Board members if there were any questions or comments concerning the meeting minutes from the October 15, 2024, board meeting. There were none.

Mr. Morton asked if there were any public comments. There were none.

Mr. Oppenheim moved approval of the minutes; Mr. Rider provided the second.

The minutes were approved.



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The item was passed by the following vote:

Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault 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

Presented by Christina Sarron, Executive Director.

Ms. Sarron gave a report on CAEATFA achievements throughout the year of 2024 and what is coming for the programs in 2025.

For Sales and Use Tax Exclusion ("STE") program updates, Ms. Sarron reported the following:

- In 2024 awards, as allowed per regulations, CAEATFA awarded \$2 million in non-specific STE to a 2023 application, and the remaining \$98 million of the non-specific STE in the first application round. There was no lithium-specific STE awarded in the first round.
- During the second round of applications, CAEATFA awarded \$968,357 of the lithium-specific STE, which left approximately \$14 million in lithium-specific STE.
- During the third application round from September 23, 2024, through October 25, 2024, no applications were received.
- The lithium-specific STE pool was authorized for calendar years 2022, 2023, and 2024. This means that 2024 is the last year for lithium-specific funding and we will begin 2025 with \$100 million in non-specific STE.
- For the 2025 award year, barring any unforeseen circumstances, we will be posting the 2025 STE application on Friday, December 13, 2024, with a first-round final due date of January 30, 2025. This will provide more than six weeks to respond. Also, for 2025, Xee Moua, STE Program Manager, will be hosting an application workshop on January 9, 2025.

There were two updates to the STE Application:

- The Application Parameters document now includes updated values for the Discount Rate, Statewide Average Sales Tax Rate, Statewide Average Income Tax Rate, Ratio of State and Local Government Revenues to Gross State Output, Applicable Local Property Tax Rate, and the Annual Average Unemployment Rate for the State and Counties.
- Under Ms. Sarron's delegated authority the Emerging Strategic Industries List has expanded the parameter of the lithium-battery NAICS codes, two covering



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semiconductors and a third for research and development of NanoTech. Industries on the Emerging Strategic Industries List will receive 40 points in the application's primary scoring and an additional 75 points in the competitive application process, if applicable.

Ms. Sarron continued with items for the future of the STE program:

- CAEATFA staff ("Staff") has requested that their STE consultant, Blue Sky Consulting Group, conduct an updated STE performance assessment. Staff expects the completed report by the end of January and plans to publish the report shortly thereafter. The last STE program assessment was in 2018 and it is available on the CAEATFA website.
- Staff is working with the internal STO legislative office and multiple stakeholders to assist in obtaining reauthorization as the STE program's authorization expires on December 31, 2025.

Ms. Sarron moved to discuss the GoGreen Financing Program ("GoGreen") achievements for 2024:

- GoGreen received \$30 million in funding from CEC to provide coverage in public utility territories. GoGreen Home will use the money to expand its existing loan loss reserve program and fund an interest rate buydown program in low income and disadvantaged communities.
- A recent PUC decision brought the ability for GoGreen to begin offering clean energy measures, such as solar and battery for both GoGreen Home and Business.
- In July 2024 GoGreen Home launched an online Contractor portal to streamline the process of enrolling projects.
- GoGreen Business and GoGreen Home teams have both added two new lenders each.

Ms. Sarron stated that the GoGreen Business team is currently completing the process to update its regulations for permanent action to allow for the inclusion of new energy measures, adjustments to the loan loss reserve calculation for GoGreen Multifamily, and extending the claim period to accommodate for clean energy loans.

Ms. Sarron stated that GoGreen financing continues to work with its partner agencies, IBank and CPCFA, to finalizing an agreement to bring \$53 million in federal funding from the National Clean Investment Fund to expand the GoGreen Financing programs.

Ms. Sarron stated that the GoGreen program has reviewed the Governor's October executive order N-5-24 asking CEC and the PUC to examine ratepayer-funded programs and will look for approaches that will allow GoGreen the opportunity and flexibility to accept funding from a variety of sources.



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Ms. Sarron outlined the outreach efforts since the last board meeting on October 15, 2024:

- Met with:
 - ✓ San Diego Economic Development Corporation on the STE Program.
 - ✓ GO-Biz California Jobs First on the economic blueprint.
 - ✓ BayWa to discuss partnering with their lender portal and contractor network.
- Attended:
 - ✓ ConNEX
 - ✓ Opportunity Finance Network conference.
 - ✓ SoCal Gas Food Service Equipment Forum to Promote GoGreen Business to local food service providers.
 - ✓ REACH Inland Empire conference to promote GoGreen.
 - ✓ California Energy and Demand Management Council fall meeting.
 - ✓ North Bay Contractors Forum.
- Presented at:
 - ✓ The Lithium Valley workshop hosted by the CEC.
 - ✓ SMUD Education course: Financing Electrification, Efficiency and Renewables for business.

Ms. Sarron reported that since the last board meeting, under her delegated authority, CAEATFA has entered a contract with Gilbert CPAs for Financial Audit Services for the CAEATFA Bond Program (CAEATFA02-24), for \$42,400 over the entire contract term of three years. The audits will be for fiscal years 2023/24, 2024/25, and 2025/26.

Ms. Sarron then concluded her report. Mr. Morton stated that he looks forward to seeing the STE performance report and that the Emerging Strategic Industries list change gives the program the ability to further outreach and allows CHIPS funding to reach more manufacturers. He expressed how impressed he is to see that the \$53 million of inflation reduction act funds is being utilized for the GoGreen program. Mr. Morton then stated that he how CAEATFA is helping businesses understand that these funding sources are possible.

Mr. Oppenheim then stated that CAEATFA has done an amazing job as an authority. Mr. Oppenheim stated that increasing the list of potential industries is so important to California's continued economic dominance and that the State continues to expand its lead by giving businesses the opportunity to create their industries and further their synergies within California. Mr. Oppenheim stated that he appreciates how CAEATFA seeks partnerships, not only within the business, but within our communities. Mr. Oppenheim stated that the way CAEATFA seeks additional funding sources is an example of a program that is not just letting



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the program run, but is a great example of an authority, and that he has the utmost privilege to sit on the CAEATFA Board.

Ms. Perrault echoed Mr. Oppenheim's words and stated that she appreciates the leadership. Ms. Perrault then asked whether in the last three years, the lithium pool of \$15 million had ever been fully utilized. Staff responded by stating this is the only year it was not fully utilized and that every business in the lithium space that would like an STE, has received an STE.

Mr. Rider stated that CAEATFA is a great example of multiple agencies working together. Mr. Rider appreciated how Ms. Sarron went over the statistics in the ED report because the end of the year is the right time to let the programs shine.

Mr. Morton asked if there were any public comments. There were none.

4. Business Items

A. Consideration of Applicant's Request to Extend the 15% Purchase Requirement and/or the Initial Term of the Regulatory Agreement of a Sales and Use Tax Exclusion Award

4.A.1 through 4.A.10

Ms. Sarron stated that due to the number of action items that were going before the Board, Staff recommends streamlining the format by having the Board vote items 4.A.1-4.A.10 as a group and 4.B.1-4.B.3 as a group. Ms. Sarron stated that the Board may pull individual items for discussion and a separate vote, but that otherwise there would be one vote for each grouping. Ms. Sarron stated that this format would still allow for full public participation and cut down on repetitive information.

Ms. Sarron stated that items 4.A.1 through 4.A.10 are requesting an extension to the 18-month 15% purchase requirement and/or an extension to the three-year initial term, and the requestors have all cited similar challenges including permitting, obtaining capital, and project redesigns due to increased costs. Ms. Sarron also stated items 4.B.1 through 4.B.3 all have the same parent company, BHE Renewables, LLC ("BHE"), however in addition to requesting an extension to the 15% purchase requirement and the initial term of the regulatory agreement, BHE is requesting to add in partner or subordinate companies due to shifts in project parameters.

Mr. Morton asked if there were any questions from the Board before proceeding.

Mr. Oppenheim stated he supports Ms. Sarron's voting recommendation.

Mr. Morton asked if there were any comments or questions from members of the Board on items 4.A.1 – 4.A.10. There were none.



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Mr. Morton asked if there were any comments or questions from the public on items 4.A.1 – 4.A.10. There were none.

Ms. Perrault moved for approval, and there was a second by Mr. Oppenheim.

Mr. Morton stated there was a motion and a second and called 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
Michele Perrault 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/or the Initial Term of the Regulatory and to Amend the Participating Party of a Sales and Use Tax Exclusion Award

4.B.1 through 4.B.3

Ms. Sarron again stated that items 4.B.1 through 4.B.3 all have the same parent company, BHE Renewables, LLC (“BHE”), however in addition to requesting an extension to the 15% purchase requirement and the initial term of the regulatory agreement, BHE is requesting to add in partner or subordinate companies due to shifts in project parameters.

Mr. Morton asked if there were any comments or questions from members of the Board on items 4.B.1 – 4.B.3. There were none.

Mr. Morton asked if there were any comments or questions from the public on items 4.B.1 – 4.B.3.

Jon Trujillo, the General Manager of geothermal development from BHE, thanked the Board for consideration on BHE’s request because the request helps to provide clean energy to the state of California and spurs job creation in Imperial County. Mr. Trujillo said this is helpful because Imperial County struggles with high unemployment rates.

Seeing and hearing no more comments, Mr. Morton called for a vote.

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

Mr. Morton stated there was a motion and a second and called for a vote.



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Khaim Morton for the State Treasurer	Aye
David Oppenheim for the State Controller	Aye
Michele Perrault 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 regarding any item not on the agenda. There were none.

6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 10:55 a.m.

Respectfully submitted,

Christina Sarron, Executive Director