

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

Board Meeting Date: Tuesday, February 18, 2025

***Request to Approve an Extension of the
15% Purchase Requirement Timeframe¹***

**Raven SR S1 LLC
Application No. 23-SM021**

Prepared By: *Joshua Moua, Program Analyst*

SUMMARY

Applicant: Raven SR S1 LLC

Location: Richmond, Contra Costa County

Industry: Renewable Hydrogen Production

Project: New Renewable Hydrogen Production Facility (Alternative Source)

Total Amount Qualified Property Approved: \$29,824,330

Estimated Sales and Use Tax Exclusion Amount at Approval:² – \$2,493,314

Initial Board Approval Date: September 19, 2023

Amount of Time Requested:

- Requesting a one-year extension, until March 19, 2026, for the 15% purchase requirement timeframe (two years and six months from the date of initial CAEATFA Board approval)

¹ All capitalized terms not defined in this document are defined in the Sales and Use Tax Exclusion Program's statutes and regulations.

² This amount is calculated based on the average statewide sales tax rate at the time of initial approval, which was 8.36%.

BACKGROUND

On September 19, 2023, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for Raven SR S1 LLC (the “Applicant”) for the purchase of up to \$29,824,330 in Qualified Property to build a new renewable hydrogen facility located in Richmond (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.³

As of December 2024, Raven SR S1 LLC has used the STE to purchase approximately \$490,000 of Qualified Property (2% of the total Qualified Property approved). The Applicant is requesting to extend the 15% purchase requirement timeframe to accommodate delays with permitting and financing.

THE APPLICANT

Raven SR S1 LLC formed in Delaware in 2022. The Applicant is a renewable fuels company and a joint venture between Raven SR Inc., HYZON Motors and Chevron New Energies with headquarters in Benicia.

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

- Chevron New Energies (50%)
- Raven SR Inc. (30%)
- Hyzon Motors (20%)

The company officers of the Applicant are:

Matthew Murdock, CEO

Raven SR S1 LLC received letters of support from the Mayor of Richmond, Eduardo Martinez and John Gioia, Contra Costa Board Supervisor/BAAQMD Board Member [see Attachment B].

THE PROJECT

The Applicant received an STE award to build a new renewable hydrogen facility located in Richmond. The Richmond facility will produce high purity hydrogen (H₂) gas, which will be sold to retailers and fleets to be used as fuel in fuel cell vehicles. The process does not require fresh water as a portion of the feedstock, and uses half the energy of the electrolysis process, which allows the Applicant to deliver fuel with low to negative carbon intensity. The Applicant states it uses green and food waste from a neighboring landfill as feedstock for its non-combustion thermal chemical reductive process (Steam/CO₂ Reforming) and anticipates producing up to 2400 metric tons per year of renewable hydrogen. According to the Applicant, its diversion of organic waste will help satisfy the State’s goal of 75% reduction in organic waste by 2025 (SB 1383). In addition, the Applicant states it intends to upgrade its current landfill gas electric generators to more efficient systems that produce less emissions.

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

15% PURCHASE REQUIREMENT TIMEFRAME EXTENSION REQUEST

The Applicant has requested that the 15% purchase requirement timeframe be extended from March 19, 2025, to March 19, 2026, in order to accommodate delays with permitting and financing.

STAFF EVALUATION

The 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.⁴

The Applicant states it experienced delays with permitting, which has affected fully securing financing. Specifically, there has been a delay in finalizing the Project's air permit from the Bay Area Air Quality Management District (BAAQMD). The Applicant states the BAAQMD has been significantly understaffed and more thorough with reviewing permits due to a large amount of oil refineries in the Richmond area. The permit is in advanced stages and close to finalization. Additionally, the Applicant states there were a couple of major issues with obtaining capital. First, project costs have gone up since being awarded the STE, leading the Applicant to seek out additional capital. Second, because the Project is a first of a kind facility, the Applicant was unable to raise standard debt financing and had to resort to equity financing. The Applicant expects to secure a first round of funding in February 2025 and a much more significant round of funding by the end of Q1 2025.

Staff has considered that the Applicant is close to securing the necessary air permit, which will allow for construction and equipment fabrication to take place. Staff also considered that financial support has already been arranged for Q1 2025 with majority of purchases to be made in late Q2 2025 and final deliveries scheduled for late Q4 2025 to early Q1 2026.

LEGAL QUESTIONNAIRE

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

CAEATFA FEES

In accordance with STE Program regulations,⁵ the Applicant's request to extend the 15% purchase requirement timeframe qualifies as a modification to the Applicant's Agreement, incurring additional fees. The Applicant has paid the additional fee of \$1,500.

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

⁵ California Code of Regulations Title 4, Division 13, Section 10036(c)(1)(A)

**Agenda Item - Item Number 4.A.3
Resolution No. 23-SM021-02**

ATTACHMENTS

Attachment A: Raven SR S1 LLC's Letter Requesting Waiver (December 11, 2024)

Attachment B: Raven SR S1 LLC's Letters of Support

Attachment C: Raven SR S1 LLC's Staff Summary at the Time of Approval

**RESOLUTION APPROVING AN EXTENSION OF
RAVEN SR S1 LLC'S 15% PURCHASE REQUIREMENT TIMEFRAME
UNDER THE REGULATORY AGREEMENT**

February 18, 2025

WHEREAS, on September 19, 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 \$29,824,330 of Qualified Property for **Raven SR S1 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 to March 19, 2026; and

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

WHEREAS, granting the waiver will allow the Project to proceed and the state to receive the anticipated environmental and economic benefits that justified the initial 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 March 19, 2026.

Section 2. This resolution shall take effect immediately upon its passage.

Attachment A: Raven SR S1 LLC's Letter Requesting Waiver (December 11, 2024)

RAVEN

December 11, 2024

California Alternative Energy and
Advanced Transportation Financing Authority
901 P Street
Sacramento, CA 95814

Subject: Sales Tax Exclusion - Purchase Requirement Time Extension Request for Raven SR S1 LLC (23-SM021)

CAEATFA Board,

Raven SR S1 LLC (Raven) would like to request a time extension for the Purchase Requirement (requirement to purchase or execute purchase orders of at least 15% of the Company's total Qualified Property amount 18 months from Board approval). The details of the time extension request are detailed below.

- The specific amount of time requested:
 - Twelve (12) months from the original Purchase Requirement date of March 19, 2025 (new date March 19, 2026).
- An anticipated schedule for purchasing the remainder of the Qualified Property:
 - Raven expects to close a round of funding (~\$5 million) in February 2025 and secure an additional tranche of project finance (~\$100 million) closing in Q1 2025. Raven anticipates that the project activities accelerate in February 2025. It will take 12 months or so to complete construction, with the bulk of purchases made by June 2025. Final deliveries will take place in the fall and early 2026.
- Rationale for why this specific amount of time is needed:
 - The additional 12 months will allow Raven to finalize the the air permit from the Bay Area Air Quality Management District (BAAQMD) and in turn raise

27 N. Maybell Ave.; Pinedale, WY 82941 www.ravensr.com (307) 367-2860

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capital. The delay in obtaining the permit has had a material impact on Raven's ability to secure financing for the project. The anticipated capital raise will facilitate Raven's purchase of Qualified Property to meet the extended Purchase Requirement date.

- An explanation for why the extension is necessary (i.e. why the 18-month timeframe will not be met):
 - Securing the air permit from the BAAQMD has taken longer than anticipated. Without the air permit in hand, capital markets are unwilling to finance the project. In addition, costs have risen from the initial projections, necessitating an additional capital raise to cover the cost increases. As this is a first of a kind project, Raven is unable to raise standard debt financing to cover Qualified Property costs and therefore we must rely on equity financing which is contingent on project milestones being met (e.g. air permit being secured).

- An explanation of what assurances there are that the new timeline will be met:
 - Raven is very close to securing the air permit and is in high level discussions with BAAQMD to finalize it. Also, we note that other hydrogen projects (electrolysis-based) are stalling, and there is a current shortage of hydrogen in the market and in particular going forward. Raven is now getting renewed attention as a result of this and we anticipate action on the permitting side soon. In parallel, we are completing the Term Sheet for financing, and our current investor is arranging capital to complement this, so we do anticipate financing being available in February 2025.

- Amount of Qualified Property purchased to date;
 - Raven has made \$490,229.85 in Qualified Property purchases as of December 2024.

- Information on whether the scope of the project has changed; and
 - There are no changes on scope of the project.

- Any additional information to support Board approval of a waiver of the Purchase Requirement.
 - See attached

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Please feel free to reach out to me if you have any additional questions related to this time extension request.

Sincerely,



Matt Scanlon
Chief Financial Officer
Raven SR S1 LLC

Attachment B: Raven SR S1 LLC’s Letter of Support

RS2 Energy LLC Mail - Fwd:

<https://mail.google.com/mail/u/0/?ik=d91f8055ca&view=pt&search=al...>



Ryan Ramos <rmanos@rs2energy.com>

Fwd:

Matt Scanlon <matt.scanlon@ravensr.com>
To: Ryan Ramos <rmanos@rs2energy.com>

Fri, Dec 13, 2024 at 3:39 PM

Can we use this?

----- Forwarded message -----

From: **JuliAnne Thomas** <julianne.thomas@ravensr.com>
Date: Fri, Dec 13, 2024 at 4:19 PM
Subject: Fwd:
To: Matt Scanlon <matt.scanlon@ravensr.com>

----- Forwarded message -----

From: **John Gioia** <John.Gioia@bos.cccounty.us>
Date: Fri, Dec 13, 2024 at 5:05 PM
Subject:
To: julianne.thomas@ravensr.com <julianne.thomas@ravensr.com>, John Gioia <John.Gioia@bos.cccounty.us>

TO: California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) Board

Raven SR has been working on its first of a kind waste-to-hydrogen project in Richmond, California for more than two years. Due to the innovative nature of its technology, the company has faced some permitting hurdles (technology not defined in legislation), resulting in implementation delays. The company is now close to completing permitting, and we request that Raven be granted an extension for the Sales and Use Tax Exemption already granted.

John Gioia
Contra Costa County Board of Supervisors
Bay Area Air Quality Management District Board

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Confidentiality Notice

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RS2 Energy LLC Mail - Fwd: Support from the Mayor's office for Rav... <https://mail.google.com/mail/u/0/?ik=d91f8055ca&view=pt&search=al...>



Ryan Ramos <rramos@rs2energy.com>

Fwd: Support from the Mayor's office for Raven Raven

Matt Scanlon <matt.scanlon@ravensr.com> Fri, Dec 20, 2024 at 1:08 PM
To: Ryan Ramos <rramos@rs2energy.com>

Worth submitting?

----- Forwarded message -----
From: **Eduardo Martinez** <Eduardo_Martinez@ci.richmond.ca.us>
Date: Fri, Dec 20, 2024, 1:52 PM
Subject: Support from the Mayor's office for Raven Raven
To: matt.scanlon@ravensr.com <matt.scanlon@ravensr.com>
Cc: Brian White <Brian_White@ci.richmond.ca.us>

TO: California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) Board

Raven SR has been working on its first of a kind waste-to-hydrogen project in Richmond, California for more than two years. Due to the innovative nature of its technology, the company has faced some permitting hurdles (technology not defined in legislation), resulting in implementation delays. The company is now close to completing permitting, and we request that Raven be granted an extension for the Sales and Use Tax Exemption already granted.

Eduardo Martinez

Eduardo Martinez (He/Him)

Mayor, City of Richmond

Email: emartinez@richmondca.gov

Phone: 510.621.1280 | Mobile: 510.619.5500

[Instagram](#) | [Facebook](#)

450 Civic Plaza, Suite 300

Richmond, CA 94804

www.ci.richmond.ca.us/

Attachment C: Raven SR S1 LLC’s Staff Summary at the Time of Approval

The original award staff summary can be found [on the CAEATFA website](#).

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Resolution No. 23-SM021-01

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

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Raven SR S1 LLC
Application No. 23-SM021**

Tuesday, September 19, 2023

Prepared By: *Stefani Wilde, Program Analyst*

SUMMARY

Applicant – Raven SR S1 LLC

Location – Richmond, Contra Costa County

Industry – Renewable Hydrogen Production

Project – New Renewable Hydrogen Production Facility (Alternative Source)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$29,824,330	\$2,493,314

Estimated Net Benefit ³	Dollar Value	Points Earned
Estimated Fiscal Benefits	\$3,942,171	1,581
Estimated Environmental Benefits	\$988,956	397
Additional Benefits	N/A	115
Total	\$4,931,127	2,093
Estimated Quantifiable Net Benefit	\$2,437,813	

Competitive Criteria Score – 135

Staff Recommendation – Approval

¹ All capitalized terms not defined in this document are defined in the STE Program’s statutes and regulations.
² This amount is calculated based on the average statewide sales tax rate of 8.36%.
³ 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).)

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**Agenda Item – 4.A.3
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THE APPLICANT

Raven SR S1 LLC (the “Applicant”) is a Delaware limited liability company that formed in 2022. The Applicant is a renewable fuels company and a joint venture between Raven SR Inc., HYZON Motors and Chevron New Energies with headquarters in Benicia.

<p>The major shareholders (10.0% or greater) of the Applicant are:</p> <ul style="list-style-type: none"> Sublette GTL LLC (49.8%) Matthew Murdock (44.9%) Matthew Scanlon (24.5%) John Scanlon (12.2%) Intellergy Inc. (19.2%) Sublette GTL LLC (65.5%) Richard Noling (22.2%) 	<p>The company officers of the Applicant are:</p> <ul style="list-style-type: none"> Matthew Murdock, CEO Matthew Scanlon, CFO Michael Fatigati, CTO
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THE PROJECT

The Applicant is requesting a sales and use tax exclusion (“STE”) award to build a new renewable hydrogen facility located in Richmond (the “Project”). The Richmond facility will produce high purity hydrogen (H₂) gas, which will be sold to retailers and fleets to be used as fuel in fuel cell vehicles. The process does not require fresh water as a portion of the feedstock, and uses half the energy of the electrolysis process, which allows the Applicant to deliver fuel with low to negative carbon intensity. The Applicant states it uses green and food waste from a neighboring landfill as feedstock for its non-combustion thermal chemical reductive process (Steam/CO₂ Reforming) and anticipates producing up to 2400 metric tons per year of renewable hydrogen. According to the Applicant, its diversion of organic waste will help satisfy the State’s goal of 75% reduction in organic waste by 2025 (SB 1383). In addition, the Applicant states it intends to upgrade its current landfill gas electric generators to more efficient systems that produce less emissions.

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Material Handling System	\$2,869,700
Steam Generation	\$7,741,447
Syngas conditioning and processing	\$3,299,850
Hydrogen conditioning and processing	\$9,203,770
Landfill Gas (LFG) Generator	\$3,635,551
Water treatment	\$726,694
Cooling Tower	\$320,606
Electrical equipment	\$1,184,662
Ancillary Equipment	\$842,050
Total	\$29,824,330

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Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. In accordance with 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 states the production equipment is fully designed, with permitting approval expected in October 2023. Equipment fabrication is ongoing and on-site construction is scheduled to begin in November 2023. Concrete, mechanical, and electrical equipment installation are scheduled for March 2024 through September 2024, with full production startup expected in October 2024.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

According to the Applicant, its CEQA permit was approved in May 2023, with Air Quality permit expected in October, and building and land development permits shortly thereafter. The Applicant states all other permits have been received or are scheduled for application and approval as the Project moves forward.

COMPETITIVE CRITERIA SCORE

The Applicant received 135 Competitive Criteria points as follows:

- 1. Environmental Benefits (100 of 100 points).** The Application has a Project that produces an Alternative Source product, component, or system, and, therefore, 100 points are awarded.
- 2. Unemployment (0 of 50 points).** The Applicant's Project is located in Contra Costa County, which has an average annual unemployment rate of 3.6%.⁴ When compared to the statewide average annual unemployment rate of 4.3%, the Project location earned the Applicant zero points.
- 3. Job Creation (20 of 75 points).** The Applicant anticipates the Project will support a total of 15 production-related jobs at its facility. CAEATFA estimates that approximately 1.91 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 Unemployment rates are based on data available in October 2022.

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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.
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 2,093 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 397 points, which exceeds the 20-point threshold.

- A. **Fiscal Benefits (1,581 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 \$3,942,171, resulting in a Fiscal Benefits score of 1,581.
- B. **Environmental Benefits (397 points)**. The Project is anticipated to result in \$988,956 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 397 points. These benefits derive from producing renewable hydrogen, which offsets the need for use of fossil fuels.
- C. **Additional Benefits (115 points)**. Applicants may earn additional points for their Total Score. The Applicant received 115 additional points.
 1. **Production Jobs (20 of 75 points)**. The Applicant anticipates the Project will support a total of 15 production-related jobs at its facility. CAEATFA estimates that approximately 1.91 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.

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2. **Construction Jobs (20 of 75 points)**. The Applicant anticipates the Project will support a total of 20 construction jobs at its Facility. CAEATFA estimates that approximately 2.27 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.
3. **Unemployment (0 of 50 points)**. The Applicant’s Project is located in Contra Costa County, which has an average annual unemployment rate of 3.6%.⁵ When compared to the statewide average annual unemployment rate of 4.3%, the Project location earned the Applicant zero points.
4. **Research and Development Facilities (25 of 25 points)**. The Applicant has verified that it has a facility located in California that performs research and development functions related to its proprietary technology.
5. **Industry Cluster (25 of 25 points)**. The industry associated with this Application has been identified by California Governor’s Office of Business and Economic Development as part of the Alliance for Renewable Clean Hydrogen Energy Systems in the Los Angeles Basin and Bay Areas of the region of the Project’s location.
6. **Benefits and Fringe Benefits (25 of 25 points)**. The Applicant states it provides medical, health, dental, and vision benefits, bonuses, pension plans, retirement contributions, education reimbursement, and paid leave 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 CAEATFA regulations,⁶ the Applicant has paid CAEATFA an Application Fee of \$10,000 and will pay CAEATFA an Administrative Fee of up to \$119,297.32.

⁵ Unemployment rates are based on data available in October 2022.
⁶ California Code of Regulations Title 4, Division 13, Section 10036

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RECOMMENDATION

Staff recommends the approval of Resolution No. 23-SM021-01 for Raven SR S1 LLC's purchase of qualifying tangible personal property in an amount not to exceed \$29,824,330, anticipated to result in an approximate STE value of \$2,493,314.

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**Agenda Item – 4.A.3
Resolution No. 23-SM021-01**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH RAVEN SR S1 LLC**

September 19, 2023

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Raven SR S1 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 \$29,824,330 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.