



AGENDA ITEM 2 (ACTION ITEM)

Approval of Minutes

From Tuesday, December 9, 2025

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

PUBLIC PARTICIPATION CALL-IN NUMBER VIA TEAMS

(877) 853-5257, Meeting ID: 267 100 516 141, Passcode: Xv6P45cL

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 State Treasurer, called the California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA" or the "Authority") meeting to order at 11:03 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
(via teleconference)

Members Absent: None

Staff Present: Christina Sarron, Executive Director

Quorum: The Chairperson declared a quorum

Board member Khalil Johnson attended the meeting via teleconference. Mr. Morton asked Mr. Johnson whether anyone over the age of 18 was in the room with him. Mr. Johnson replied that there was not.

2. Minutes (Action Item)

Mr. Morton asked the Board members if there were any questions or comments concerning the meeting minutes from the October 21, 2025, board meeting. There were none.

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

Ms. Perrault moved approval of the minutes; Mr. Rider provided the second.



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The minutes were approved.

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's programs and activities for the months of October, November, and early December.

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

- Ms. Sarron reported that STE will be bringing proposed program modifications before the Board for discussion at the January 2026 meeting.
- On October 29, the STE program, in collaboration with the Executive Office, hosted the California Creates – Golden State Manufacturing Forum at CSU Los Angeles. The event featured:
 - Panels on funding, permitting, technical assistance, emerging industries, incubators, and community opportunities.
 - A fireside chat moderated by the Treasurer focused on the economy, tariffs, and manufacturing.
 - Speed networking and success stories from manufacturers.
- Plans are underway to host the next forum in Sacramento.

For Bond Program:

- CAEATFA's contracted auditor, Gilbert CPAs, has begun the audit of the 2024–25 Bond Program accounting outreach activities.



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Ms. Sarron highlighted CAEATFA staff participation in several events:

- October 29: Golden State Manufacturing Forum (Los Angeles, CA)
- November 3–5: BECC Conference (Sacramento, CA)
- November 4: Emerald Cities E-Contractor Academy Graduation (Concord, CA)
- November 7: Quantum California Convening (Berkeley, CA)
- November 12–13: CEDMC Fall Symposium (Oakland, CA)
- November 13: IHACI HVAC Trade Show (Pasadena, CA)
- November 13–14: California Fusion Energy Convening (San Diego, CA)
- November 17: CA Solar and Storage Chapter Events (Bakersfield & Clovis, CA)

Upcoming Events:

- December 8–9: GoGreen Business Specialist Kevin Nakano will attend the Opportunity Finance Network (OFN) West Regional Meeting in San Diego, CA.
- December 9 & 11: GoGreen Marketing Specialist Traci Hukill and Marketing Analyst Dom Crawford will attend CalSSA Regional Chapter Events in Rancho Cordova and Santa Rosa. The CalSSA regional chapter events help address local concerns, foster stronger business-to-business networking and provide a forum to discuss and present on current issues affecting the solar and battery storage industry.

Delegated Authority:

- Ms. Sarron reported that there were no actions taken under her delegated authority since the last board meeting.

Mr. Morton expressed appreciation for the increased outreach efforts and the formation of strong partnerships by CAEATFA staff. Mr. Morton thanked the team for their hard work on the manufacturing forum and acknowledged their creativity in developing the idea and involving him in its execution. Mr. Morton highlighted his enjoyment in moderating a panel with representatives from Karma Automotive, where discussions focused not only on their role as an electric vehicle manufacturer in California but also on broader strategies for building a robust manufacturing ecosystem. This included supporting local vendors and providing workforce training to strengthen the industry beyond their own operations.

Mr. Morton asked the board members if there were any questions or comments regarding the executive report.

Mr. Oppenheim expressed his appreciation for the team's work and emphasized the importance of leveraging public funds to support small, medium, and large businesses, making

California competitive and a leader in innovation. Mr. Oppenheim noted that the program delivers measurable, real-world results through strong guidelines and evaluations.

Mr. Oppenheim highlighted the impact of the current \$100 million funding, stating that he would like to see it increased to \$200 million, and shared an example of a company the program had helped to succeed. Mr. Oppenheim concluded by praising the program and looking forward to its continued success next year.

Mr. Morton asked if there were any public comments regarding the Executive Director's report. There were none.

4. Business Items

A. Discussion and Consideration of Applications for a Sales and Use Tax Exclusion Award

Mr. Morton asked if there were any objections to clustering the six remaining 2025 award consideration items together for a single block vote.

Mr. Oppenheim commented that he supported this.

Mr. Morton asked the board if there were any questions or comments concerning items 4.A.1 through 4.A.6.

Mr. Oppenheim commented that he had no objections with any of the items and that he supports items 4.A.1 through 4.A.6

Mr. Morton asked Program Manager Xee Moua to give a brief summary of the items considered.

4.A.1 through 4.A.6

Ms. Moua mentioned there are six remaining items for the STE program. The annual amount available is \$100 million, and about \$4.9 million remains to be allocated among today's applicants. If all are approved, the final applicant will receive approximately \$60 thousand for 2025, and an additional \$1.9 million from the 2026 allocation.

Mr. Oppenheim confirmed he reviewed staff's scoring and allocation analysis, supports all grantees, and appreciates clarification on the final applicant and carryover rules.

Mr. Morton asked if there were any public comments on any items within 4.A.1 through 4.A.6.

Ms. Jain, Programs Manager in solid waste division, City of Sunnyvale – thanked staff and the Board for the \$2.1 million Sales Tax Exclusion grant, noting it will support a



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retrofit project with matching funds and CalRecycle grant. The upgrades will improve diversion and help the facility become one of the state's high-diversion operations.

Mr. Morton asked if there were any additional public comments; there were none.

Mr. Morton asked for a motion and a second.

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

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

The items were 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

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

Mr. Morton asked the Board members if they had any objections to voting on items 4.B.1 through 4.B.9 as a group, and whether they wished to discuss any individual items. The Board had no objections to voting on the items as a group and did not ask to discuss any individual items.

Mr. Oppenheim commented, as a justification for wanting to approve the items and treat everybody fairly, that over the last year there has been a lot of activity in the federal government including tariffs, a government shutdown, and H.R.1 which created uncertainty and, in some instances, changed rules of programs that the Board administers. That uncertainty, in Mr. Oppenheim's thinking, is reason to concur with Staff's recommendation to group items 4.B.1 through 4.B.9 together.

Mr. Oppenheim acknowledged the unprecedented challenges impacting timelines for items under 4.B. He expressed support for combining the nine related items together to address these difficulties.

Mr. Morton thanked Mr. Oppenheim for his comment and agreed with the sentiment expressed.



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There were no further comments or questions from members of the Board.

4.B.1 through 4.B.9

Mr. Morton asked for public comment regarding items 4.B.1 through 4.B.9.

Salah Uddin, Partner and Co-Founder of Nanoshift LLC (“Nanoshift”), stated that Nanoshift is an advanced semiconductor manufacturing company trying to build out an increased manufacturing capacity in California. The company had tried to target the CHIPS Act, but the CHIPS Act has changed since they had applied for the award and now requires a lot of in-kind investment from California.

Mr. Uddin stated that Nanoshift had almost made it to the end of the California Competes grant program but lost the award because Nanoshift was a much smaller entity than required by the California Competes program. Economic turmoil also set Nanoshift back. However, Nanoshift is recovering now and plans to make a strong and compelling CHIPS Act application late next year. Nanoshift is requesting a two-year extension of both their 15% purchase requirement timeframe and the initial term of the regulatory agreement so that Nanoshift can situate the in-kind matching from other California programs, as well as complete their CHIPS Act application. Mr. Uddin thanked CAEATFA for its support of Nanoshift but explained that Nanoshift needs California’s support from multiple angles to be compelling and competitive.

Mr. Morton thanked Mr. Uddin for his comment and asked if there were any other public comments.

There were no further public comments.

Mr. Ballmer clarified to Mr. Morton that agenda item 4.B.3 had no staff recommendation.

Mr. Rider moved for approval. Mr. Morton clarified that this was a motion to approve the extensions for 4.B.1 – 4.B.9. There was a second by Mr. Oppenheim.

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

The items were passed by the following vote:

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

C. Report from Blue Mountain Electric Company LLC on Status of Project and Consideration of Whether to Terminate, Modify, or Approve a Sales and Use Tax Exclusion Award Pursuant to March 18, 2025, Resolution Approving a Time Extension of the 15% Purchase Requirement Timeframe and Initial Term of the Regulatory Agreement

Presented by Xee Moua, Program Manager

Ms. Moua stated that Blue Mountain Electric Company LLC (the “Applicant”) was originally approved for a sales and use tax exclusion (“STE”) award in the amount of approximately \$17 million in Qualified Property in June 2022 to build a new biomass processing and fuel production facility in Wilseyville. As of November 2025, the Applicant has used the STE award to purchase approximately \$85 thousand in Qualified Property (0.005% of the total approved amount).

In March 2025, the Applicant came before the board requesting a third extension of its 15% purchase requirement and a first extension of its initial term, both until December 31, 2026, due to delays in securing funding. At that time, the CAEATFA Board voted to approve the extension requests on the condition that the Applicant provide an update in writing and report back to the Board in December 2025.

At the time of the reporting, the Board may opt to:

- Re-adopt the existing resolution,
- Modify the extension terms, or
- Deny the extension, which would result in termination of the Regulatory Agreement.

Ms. Moua stated that Gregory Stangl, the CEO of Phoenix Energy, was present to provide the report.

Mr. Stangl stated that he learned on the morning of December 9th from the Forest Service that the Deputy Secretary of Agriculture had approved the project and sent instructions to the California Department of Agriculture to issue the paperwork. In addition to taking out a \$25 million loan, the Applicant had also made a 25% staff reduction, which caused the project to be removed from the REAP program, and then reprocessed as one of the first TPEP loans, formerly called Rural Energy For America. Because of significant effort and support from GO-Biz, CAL FIRE, Department of Resources, California Secretary of Agriculture, California Secretary of Natural Resources, and the Applicant’s congressional allocation, the project has been able to move forward. Mr. Stangl stated they are still waiting on the paperwork from the California Department of Agriculture. Mr. Stangl stated the STE Program has been instrumental to making these projects happen and has allowed the Applicant to bring in \$37 million of their \$42 million from out of state into California. Mr. Stangl concluded by requesting more time from the Board, stating that the Applicant has already spent \$4 million in



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money from CalFIRE, the U.S. Forest Service, Sierra Nevada Conservancy, and Trans Pecos Bank in Texas.

Mr. Morton asked if there were comments or questions from the Board.

Mr. Oppenheim thanked Mr. Stangl for being at the meeting and stated that it is difficult work. Mr. Oppenheim took ownership for intervening in the original recommendation, during the March 2025 Board Meeting, providing a six-month extension. Mr. Oppenheim explained part of the fiduciary duty of the Board members is to watch numbers and asked Mr. Stangl if the current report would open the door for the USDA loan, since the Board was hoping that the Applicant would receive the loan by the first quarter of 2026, and this loan was a key to moving everything forward.

Mr. Stangl stated Mr. Oppenheim was correct and clarified that instead of a USDA REAP loan, it is now receiving a USDA TPEP loan. The Applicant has been sitting on a commitment letter from Trans Pecos bank in Texas and \$12 million in mezzanine debt from American Lending Center for over three years.

Mr. Morton asked if there were any other questions or comments from the Board.

Ms. Perrault asked Mr. Stangl if there was a grant issued from Sierra Nevada Conservancy, and if that has been extended. Mr. Stangl stated that the grant was issued, and in compliance with the grant terms. The Applicant had just received the construction permit yesterday for the water tank for the first purple hydrant that connects to the on-property Calaveras County Water District, who will give the Applicant the effluent from the wastewater treatment plant for fire water and process water. The initial deposit for that tank went out months ago, and the first large check went out today, December 9, 2025.

Ms. Perrault asked if that is part of the qualified STE amount, and Mr. Stangl stated he believed it is because the tank is also used for process water. Ms. Perrault explained that when layering a lot of funds, sometimes it is hard to tell what is qualifying.

Mr. Stangl explained that the project will not use any water from the Mokelumne River to make electricity, since the project will use the effluent from Calaveras County Water District.

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

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

Mr. Ballmer clarified that the motion would be to extend the initial term of the regulatory agreement to December 31, 2026. Mr. Oppenheim stated the conditions stated by the Board's Counsel would be exactly the motion he would make, an extension for a year, concurrent with the previous recommendation. Mr. Oppenheim thanked Mr. Stangl for the good news.



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Mr. Stangl stated that the North Fork Community Power Project is in commissioning currently, and that the Applicant is grateful to CPCFA, CDLAC, and CAEATFA for their support. Mr. Oppenheim reiterated his support for the Applicant.

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

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

The item was passed by the following vote:

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

D. Request to Approve Adding a Participating Party to a Sales and Use Tax Exclusion Award

Presented by Joshua Moua, Staff Services Analyst

Mr. Moua stated that in April 2018, Faraday&Future Inc. (the "Applicant") received an STE award to upgrade its facilities in Compton and Gardena to facilitate the research, design and prototype testing and assembly of the FF91 and to construct a facility in Hanford that will manufacture its vehicles. The Applicant requests to amend its Regulatory Agreement to add FF Manufacturing LLC as a participating party.

The award has been fully utilized; however, the Applicant notes that the qualified purchases associated with the approved Project were made by FF Manufacturing LLC, a sister company and wholly owned subsidiary of the same parent entity.

Mr. Moua stated that staff recommends that the Board approve Faraday&Future Inc.'s request to amend the Regulatory Agreement of Application No. 18-SM008 to add FF Manufacturing LLC as a participating party.

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

Mr. Morton asked if there were public comments.

John Lehn, Director of Government Affairs at Faraday&Future Inc., thanked the Board for considering Faraday&Future Inc.'s request. Mr. Lehn stated that this was an abundance of caution, as the purchasing entity was a fully owned subsidiary of Faraday&Future Inc.'s parent



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organization, and that he fully supports Staff's report, and stands ready to answer any questions the Board may have.

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

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

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

The item was passed by the following vote:

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

5. Public Comment

Mr. Morton asked if there were any public comments unrelated to anything on the agenda. There were none.

6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:50 a.m.

Respectfully submitted,

Christina Sarron, Executive Director