Agenda Item – 4.A.11
Resolution No. 26-SM027-01

CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY

Board Meeting Date: Tuesday, September 15, 2026

Request to Approve Project for a Sales and Use Tax Exclusion[1]

Riverside Bioenergy Facility, LLC
Application No. 26-SM027

Prepared By: *Willy Chen, Program Analyst*

SUMMARY

Applicant: Riverside Bioenergy Facility, LLC

Location: Riverside, Riverside County

Industry: Wastewater and Food Waste to Renewable Natural Gas

Project: New Renewable Natural Gas Manufacturing Facility (Alternative Source)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion ("STE") Amount[2]
$7,799,654	$662,971

Estimated Net Benefit[3]	Dollar Value	Points Earned
Estimated Fiscal Benefits	$1,329,922	2,006
Estimated Environmental Benefits	$1,365,602	2,060
Additional Benefits	N/A	57
Total	**$2,695,524**	**4,123**
Estimated Quantifiable Net Benefit	$2,032,554	N/A

Competitive Criteria Score: 167

Staff Recommendation: Approval

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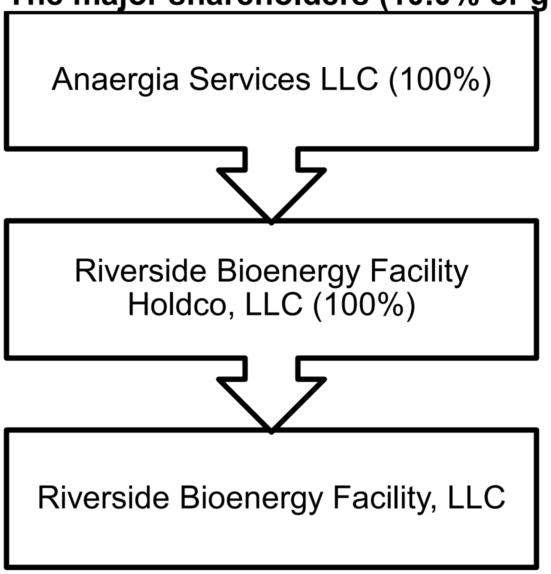
[1] All capitalized terms not defined in this document are defined in the STE Program's statutes and regulations.
[2] This amount is calculated based on the average statewide sales tax rate of 8.5%.
[3] Applications that earn a Total Score of at least 1,000 points and an Environmental Benefits Score of over 20 points may be recommended for approval. (California Code of Regulations Title 4, Division 13, Section 10033(c)(6).)

THE APPLICANT

Riverside Bioenergy Facility, LLC (the “Applicant”), formed in Delaware as a corporation in 2023. The Applicant develops and operates biofuel production facilities using Anaergia’s advanced anaerobic digestion and biogas upgrading technologies. The company produces renewable natural gas derived from the co-digestion of landfill-diverted food waste and wastewater treatment biosolids, supporting statewide SB 1383 organics-diversion requirements and generating carbon-negative renewable energy for utility customers.

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



The company officers of the Applicant are:

- Assaff Onn, Chief Executive Officer
- Hani El-Kaissi, Chief Development Officer
- Greg Wolf, Chief Financial Officer
- Yaniv Scherson, Chief Operations Officer
- Jeremy Metts, Vice President
- John Hutson, Vice President

THE PROJECT

Riverside Bioenergy Facility, LLC requests a sales and use tax exclusion (“STE”) award to build a new wastewater and food waste to renewable natural gas facility located in Riverside (the “Project”). The Project will install and operate advanced systems that enable the conversion of food waste diverted from landfills and municipal wastewater sludge into pipeline-quality biomethane. These systems include technologies used to preprocess organic waste, support co-digestion within existing municipal anaerobic digesters, and upgrade biogas into biomethane suitable for injection into the SoCalGas pipeline under an SB 1440 offtake agreement.

By developing this facility, the City of Riverside will expand its capacity to meet SB 1383 organic-waste diversion requirements, reduce landfill disposal, lower greenhouse-gas emissions, and generate carbon-negative renewable energy using existing wastewater treatment infrastructure. Once operational, the facility will enhance regional organics-processing capabilities and supply renewable natural gas for use within Southern California.

Anticipated Costs of Qualified Property

Anticipated Qualified Property Purchases		Cost
Auxiliary Utilities and Electrical Systems		$901,305
High-Solids Digestion Equipment		$170,574
Process Instrumentation and Controls		$59,629
Tanks and Pressure Vessels		$915,217
Above Ground Process Piping Assemblies		$1,288,119
Biogas Conditioning Equipment		$1,240,912
Biogas Upgrading Equipment		$3,065,642
Other Major Process Equipment		$158,256
	Total	**$7,799,654**

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

Construction began in Q4 2024, with major construction activities planned to start after completion of the Detailed Engineering & Specifications (DES) in Q4 2025. The Project is targeting a commercial operation date (COD) in Q2 2027, with a guaranteed COD in Q4 2027. Following substantial completion, the facility will undergo a six-month ramp-up period to reach full capacity of 130,000 tons/year of organic waste.

Status of Permits/Other Required Approvals

California Environmental Quality Act (CEQA) approval for the Project was completed by the City of Riverside in July 2024. The South Coast Air Quality Management District (AQMD) issued the Air Permit to Construct in November 2025. The Project is exempt from a Solid Waste Facilities Permit due to co-digestion at a publicly owned treatment works. Both the National Pollutant Discharge Elimination System (NPDES) Wastewater Permit and the NPDES Stormwater Permit will be covered under the City of Riverside's existing NPDES permits.

COMPETITIVE CRITERIA SCORE

The Applicant received 167 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 (2 of 50 points).** The Applicant's Project is located in Riverside County, which has an average annual unemployment rate of 5.6%.[4] When compared to the statewide average annual unemployment rate of 5.5%, the Project location earned the Applicant two points.

3. **Job Creation (0 of 75 points).** The Applicant anticipates the Project will support a total of four production-related jobs at its Facility. CAEATFA estimates that none 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.

4. **California Headquarters (15 of 15 points)**. The Applicant maintains its Corporate Headquarters in Carlsbad, California, 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 (50 of 50 points).** The Applicant is not eligible to use one or more of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code, and, therefore, 50 points are awarded.

7. **Emerging Strategic Industry (0 of 75 points).** The Project's industry is not in an Emerging Strategic Industry, as defined by CAEATFA, therefore, zero points are awarded.

PROJECT EVALUATION

Project Benefits

The Project received a Total Score of 4,123 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 2,060 points, which exceeds the 20-point threshold.

1. **Fiscal Benefits (2,006 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

[4] Unemployment rates are based on data available in March 2026.

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 $1,329,922, resulting in a Fiscal Benefits score of 2,006.

2. **Environmental Benefits (2,060 points).** The Project is anticipated to result in $1,365,602 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 2,060 points. These benefits derive from the production of biogas, which offsets the need for the use of fossil methane.

3. **Additional Benefits (57 points).** Applicants may earn "Additional Benefits" points in the categories listed below. The Applicant received 57 Additional Benefits points.

   A. **Production Jobs (0 of 75 points).** The Applicant anticipates the Project will support a total of four production-related jobs at its Facility. CAEATFA estimates that none 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.

   B. **Construction Jobs (30 of 75 points).** The Applicant anticipates the Project will support a total of 15 construction jobs at its Facility. CAEATFA estimates that approximately one 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 30 points.

   C. **Unemployment (2 of 50 points).** The Applicant's Project is located in Riverside County, which has an average annual unemployment rate of 5.6%. When compared to the statewide average annual unemployment rate of 5.5%, the Project location earned the Applicant two points.

   D. **Benefits and Fringe Benefits (25 of 25 points).** The Applicant states it provides medical, health, dental & vision benefits, bonus, retirement contributions, profit sharing, education reimbursement, and paid leave to its employees, earning the Applicant 25 points

LEGAL STATUS QUESTIONNAIRE

The Applicant indicated they had nothing to report for the questions contained in the Legal Status portion of the Application. Staff conducted a broad online search of publicly available sources, including SEC Form 10-K filings and OSHA records, as well as other relevant sources as appropriate, and did not find any matters affecting the financial viability or legal integrity of the Applicant.

CAEATFA FEES

In accordance with STE Program regulations,[5] the Applicant paid CAEATFA an Application Fee of $4,095.66 and will pay CAEATFA a total Administrative Fee of $31,198.62 should the Applicant be approved for an award. Upon execution of the Regulatory Agreement, the Applicant shall pay $15,599.31.

RECOMMENDATION

Staff recommends the approval of Resolution No. 26-SM027-01 for Riverside Bioenergy Facility, LLC's purchase of qualifying tangible personal property in an amount not to exceed $7,799,654 anticipated to result in an approximate STE value of $662,971. The initial term of the Regulatory Agreement will be for a period of five years, until September 15, 2031, and the full term shall be for a period of 12 years, until September 15, 2038, for providing annual compliance reports.

[5] California Code of Regulations Title 4, Division 13, Section 10036

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A REGULATORY AGREEMENT WITH RIVERSIDE BIOENERGY FACILITY, LLC

September 15, 2026

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the "Authority") has received the Application of **Riverside Bioenergy Facility, 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 $7,799,654 over a period of five (5) 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:

<u>Section 1</u>. The Regulatory Agreement includes a Project within the meaning of Public Resources Code Section 26003(a)(8)(B).

<u>Section 2</u>. The Regulatory Agreement constitutes financial assistance within the meaning of Public Resources Code Section 26003(a)(6).

<u>Section 3</u>. 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 that do not affect eligibility, provided that the amount of the 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 for up to an additional thirty (30) days, if necessary.