

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

Board Meeting Date: Tuesday, September 15, 2026

***Review and Competitive Criteria Process for the 2026
Sales and Use Tax Exclusion Program Application Periods¹***

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SUMMARY

CAEATFA is statutorily authorized \$100 million in sales and use tax exclusion (“STE”) per calendar year to award to Recycled Resource Extraction, Advanced Transportation Technology, Alternative Source, and Advanced Manufacturing projects.

Current regulations provide that if the amount requested by the last Applicant considered exceeds the STE available in the calendar year, CAEATFA shall award the remaining STE request using STE from the following calendar year, up to \$2 million.² Accordingly, the CAEATFA Board awarded \$1,898,169 in STE from the 2026 calendar year to the last 2025 Applicant, which resulted in the STE Program being limited to \$98,101,831 in STE for its first application period in 2026.

CAEATFA held its first application period from April 10, 2026 through May 1, 2026, and received 38 Applications requesting approximately \$273.1 million in STE, fully exhausting the Program’s funds for the year. During the initial review, one Application was deemed incomplete, five were withdrawn, and 17 were placed on the waitlist.

Pursuant to the competitive process established in program regulations (see Background and Regulations section below), CAEATFA staff (“Staff”) is presenting 15 of the 38 Applications to the Board for consideration on September 15, 2026. The breakdown of STE awarded for each application is provided in Table 1.

Additionally, because the amount requested in the last Application considered exceeds the STE available in the calendar year, the Authority shall award the remaining STE request using STE from the following calendar year, up to \$2 million in STE (see Heron Power Electronics Company in Table 1). Any remaining Applications are placed on the waiting list.³

Below is further background on the relevant regulatory provisions and details on the process Staff undertook in determining the Competitive Criteria scores and rankings.

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

² California Code of Regulations Title 4, Division 13, Section 10032(a)(6)(A)

³ California Code of Regulations Title 4, Division 13, Section 10032(a)(6)(A)

BACKGROUND AND REGULATIONS

Competitive Criteria

The Applications with the greatest point score are reviewed and presented to the CAEATFA Board. In the event of a tie, Staff will consider the Application representing the smaller STE award first.⁴

The maximum number of points is 415. Below is a breakdown of the seven Competitive Criteria used to score Applications.

Environmental Benefits (100 Points). Applicants with Recycled Resource Extraction Projects or Projects that produce an Advanced Transportation Technology or an Alternative Source product, component, or system (i.e., a Project that has environmental benefits that can be monetized and scored pursuant to the STE Program's regulations)⁵ receive 100 points.

Unemployment (Up to 50 Points). Applicants can receive up to 50 points based on how much greater the local unemployment rate is in comparison to the annual average statewide unemployed rate pursuant to the following formula: $\text{Points} = [(\text{local rate}/\text{state rate}) * 100] - 100$. For example, if the annual average statewide unemployment rate is 5.23%, and the local unemployment rate for the project is 7.5%, the project would earn 43 points as follows: $[(7.5\%/5.23\%) * 100] - 100 = 43$ points.⁶

Job Creation (up to 75 Points). Applicants can also receive up to 75 points based on the amount of the STE per job created as a result of the estimated marginal increase in equipment purchased from the STE.

Points for Job Creation	
1 Job ≤ \$50,000 in STE	= 75 points
\$50,000 in STE < 1 Job ≤ \$100,000 in STE	= 60 points
\$100,000 in STE < 1 Job ≤ \$150,000 in STE	= 55 points
\$150,000 in STE < 1 Job ≤ \$200,000 in STE	= 45 points
\$200,000 in STE < 1 Job ≤ \$300,000 in STE	= 40 points
\$300,000 in STE < 1 Job ≤ \$400,000 in STE	= 35 points
\$400,000 in STE < 1 Job ≤ \$750,000 in STE	= 30 points
\$750,000 in STE < 1 Job ≤ \$1,500,000 in STE	= 20 points
1 Job > \$1,500,000 in STE, or 0 jobs created	= 0 points

For example, if an Applicant requests \$7,000,000 in STE and the project is anticipated to create 10 jobs as a result of the STE, one job created is worth \$700,000 in STE, and, therefore, 30 points would be awarded.⁷

⁴ California Code of Regulations Title 4, Division 13, Section 10032(a)(6)(A)

⁵ California Code of Regulations Title 4, Division 13, Section 10033(c)(4)

⁶ California Code of Regulations Title 4, Division 13, Section 10033(c)(5)(A)

⁷ California Code of Regulations Title 4, Division 13, Section 10033(c)(5)(B)

Natural Disaster Relief (50 Points). An Applicant will receive 50 points if it can demonstrate the project is to relocate or rebuild 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.⁸

California Headquarters (15 Points). Applicants with corporate headquarters located in California receive 15 points.⁹

Ineligibility for the CDTFA Statewide Partial Exemption for Manufacturing and Research & Development (50 Points). Applicants that are not eligible to use any of the exemptions established pursuant to Revenue and Taxation Code Section 6377.1, administered through the California Department of Tax and Fee Administration ("CDTFA") receive 50 points.¹⁰

CAEATFA's Emerging Strategic Industry List (up to 75 Points). An Applicant with a Project on CAEATFA's Emerging Strategic Industry List receives up to 75 points.

This is the Emerging Strategic Industry List as of January 2026.

Product	NAICS
Lithium compounds	325180
Geothermal steam	221330
Batteries for electric vehicles, home and commercial energy storage, or grid scale energy storage ³	335911
Batteries for electric vehicles, home and commercial energy storage, or grid scale energy storage ⁴	335912
Leading-edge, current-generation, or mature-node semiconductors or components used in the semiconductor supply chain ⁵	334413
Semiconductor manufacturing equipment	333242
Medical devices and instrumentation	325413, 334510, 334516, 334517, 339112
Pharmaceuticals and biotechnology products	325412, 325414
Components or subsystems for low or zero-emission maritime propulsion or other energy efficiency related systems	336611

⁸ California Code of Regulations Title 4, Division 13, Section 10032(a)(6)(B)(i)(d)

⁹ California Code of Regulations Title 4, Division 13, Section 10032(a)(6)(B)(i)(e)

¹⁰ California Code of Regulations Title 4, Division 13, Section 10032(a)(6)(B)(i)(f)

Table 1 below provides a breakdown of the STE awarded for each application.

Table 1: STE Awards for 2026		
September 15, 2026 Board Meeting		
Applicant Name	Qualified Property Amount	Estimated STE
Peak Energy Technologies, Inc.	\$41,680,000	\$3,542,800
Robert Bosch Semiconductor LLC	\$176,470,588	\$15,000,000
Agromin-Limoneira LLC	\$4,991,400	\$424,269
Quartz & Silicon Materials Company Ltd	\$176,468,600	\$14,999,831
Pyka Inc.	\$2,901,000	\$246,585
Swift Solar Inc.	\$176,470,000	\$14,999,950
GreenWaste Recovery, LLC and Affiliates	\$93,600,000	\$7,956,000
MP Mine Operations LLC	\$64,000,000	\$5,440,000
Archer Aviation, Inc. & Archer Air LLC	\$176,000,000	\$14,960,000
Diatomic Williams, LLC	\$20,219,300	\$1,718,641
Riverside Bioenergy Facility, LLC	\$7,799,654	\$662,971
Applied Materials, Inc.	\$93,900,000	\$7,981,500
Sanitation Districts of Los Angeles County (LACSD)	\$4,951,513	\$420,879
Yolo RNG LLC	\$55,915,513	\$4,752,832
Heron Power Electronics Company	\$58,771,458.24	\$4,995,574
Partial award from 2027 (not included in total)	(\$21,228,541.76)	(\$1,804,426)
Total¹¹	\$1,154,139,188.24	\$98,101,831
Amount Remaining for 2026	\$0.00	\$0.00

¹¹ Total and remaining Qualified Property and STE values may not calculate correctly due to rounding issues.

2026 APPLICATION WAITLIST

The current waitlist (Table 2 below) includes 17 Applicants that applied for the STE award but were not considered due to their Competitive Criteria ranking. Should additional STE become available during the 2026 calendar year, Staff will review and present Applications from the waitlist to the CAEATFA Board for consideration in the order in which they are ranked based on their Competitive Criteria score. The waitlist expires at midnight on January 1 of the year following the calendar year the list is established¹² (i.e., January 1, 2027), and if an Applicant on the waitlist wishes to be considered for a 2027 STE allocation, it must submit a new Application when CAEATFA begins accepting Applications in 2027.

Table 2: 2026 Application Waitlist		
Applicant	Qualified Property Amount	Estimated STE
Lam Research Corporation & Lam Research International Sdn. Bhd.	\$86,100,000	\$7,318,500
Applied Medical Resources Corporation and Applied Manufacturing, LLC	\$145,546,300	\$12,371,436
Sierra Nevada Cheese Co.	\$5,395,716	\$458,636
Yosemite Clean Energy, LLC	\$176,358,276	\$14,990,453
Infinera Corporation and Nokia of America Corporation	\$90,000,000	\$7,650,000
Grass Valley Bioenergy, LLC	\$18,970,000	\$1,612,450
Kiefer Landfill Generating III, LLC	\$34,375,000	\$2,921,875
QuantumScape Battery, Inc.	\$117,087,268	\$9,952,418
Semtech Photonics Corporation	\$38,500,000	\$3,272,500
Sycamore RNG LLC	\$52,128,173	\$4,430,895
Voyager Technologies, Inc.	\$16,520,800	\$1,404,268
Hadrian Automation, Inc.	\$22,000,000	\$1,870,000
Pacific Scientific Energetic Materials Co (CA) LLC	\$20,080,672	\$1,706,857
Figure AI Inc.	\$174,497,616	\$14,832,297
Bloom Energy Corporation	\$205,073,807	\$17,431,274
Alpenglow Timber LLC	\$14,442,851	\$1,227,642
Ingrasys Technology USA, Inc.	\$176,191,218	\$14,976,254
Total¹³	\$1,393,267,697	\$118,427,754

COMPETITIVE PROCESS AND ALLOCATION OF STE POOLS

Table 3, below, lists the approved Applications ranked based on Competitive Criteria.

¹² California Code of Regulations Title 4, Division 13, Section 10032(a)(6)

¹³ The STE values are based on the average sales tax rate of 8.5%. Total Qualified Property and STE values may not calculate correctly due to rounding issues.

Table 3: Approved Applications, by Competitive Criteria

Applicant	Industry	County	Estimated STE	Total Score	Environmental Benefits	Unemployment	Job Creation	CA HQ	Disaster Relief	Ineligibility for CDTFA Partial Exemption	Emerging Strategic Industry
Peak Energy Technologies, Inc.	Battery Energy Storage Systems	Sacramento	\$3,542,800	230	100	0	40	15	0	0	75
Robert Bosch Semiconductor LLC	Semiconductors	Placer	\$15,000,000	220	100	0	30	15	0	0	75
Agromin-Limoneira LLC	Soil Products	Ventura	\$424,269	205	100	0	40	15	0	50	0
Quartz & Silicon Materials Company Ltd	Silicon Wafers	San Diego	\$14,999,831	205	100	0	30	0	0	0	75
Pyka Inc.	Electric Aircrafts	Alameda	\$246,585	201	100	0	75	15	0	0	11
Swift Solar Inc.	Solar Cells and Modules	Alameda	\$14,999,950	198	100	0	30	15	0	0	53
GreenWaste Recovery, LLC and Affiliates	Compost Products	Santa Clara; Alameda; Sacramento; San Joaquin	\$7,956,000	195	100	0	30	15	0	50	0
MP Mine Operations LLC	Rare Earth Elements	San Bernardino	\$5,440,000	185	100	0	20	15	0	50	0
Archer Aviation, Inc. & Archer Air LLC	Electric Aircrafts	Monterey; Santa Clara	\$14,960,000	183	100	38	30	15	0	0	0
Diatomic Williams, LLC	Syngas	Colusa	\$2,086,954	170	100	50	20	0	0	0	0
Riverside Bioenergy Facility, LLC	Wastewater and Food Waste to Renewable Natural Gas	Riverside	\$662,971	167	100	2	0	15	0	50	0
Applied Materials, Inc.	Semiconductor & Related Components	Santa Clara	\$7,981,500	165	0	0	75	15	0	0	75
Sanitation Districts of Los Angeles County (LACSD)	Wastewater and Food Waste to Renewable Natural Gas	Los Angeles	\$420,879	159	100	4	40	15	0	0	0
Yolo RNG LLC	Landfill Gas to Renewable Natural Gas	Yolo	\$4,871,832	155	100	5	0	0	0	50	0
Heron Power Electronics Company	Electrical Components	Santa Clara	\$6,800,000	150	100	0	35	15	0	0	0