

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

Board Meeting Date: Tuesday, December 9, 2025

***Request to Approve an Extension of the
15% Purchase Requirement Timeframe and the Initial Term
of the Regulatory Agreement¹***

**Toro Energy of California AA, LLC
Application No. 24-SM004**

Prepared By: *Jeannie Yu, Program Analyst*

SUMMARY

Applicant: Toro Energy of California AA, LLC

Location: Fresno, Fresno County

Industry: Landfill Gas Capture to Renewable Natural Gas

Project: New Landfill Gas Capture and Renewable Natural Gas Production Facility
(Alternative Source)

Total Amount of Qualified Property Approved: \$48,500,000

Estimated Sales and Use Tax Exclusion Amount at Approval:² \$4,093,400

Total Amount of Qualified Property Purchased to Date: \$640,000 (0.01%)

Initial Board Approval Date: July 16, 2024

Amount of Time Requested:

- Requesting a one-year extension, until January 16, 2027, for the 15% purchase requirement timeframe (two years and six months from the date of initial CAEATFA Board approval)
- Requesting a one-year extension, until July 16, 2028, for the initial term of the Regulatory Agreement (four years from the date of initial CAEATFA Board approval)

Staff Recommendation: 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 8.44%.

BACKGROUND

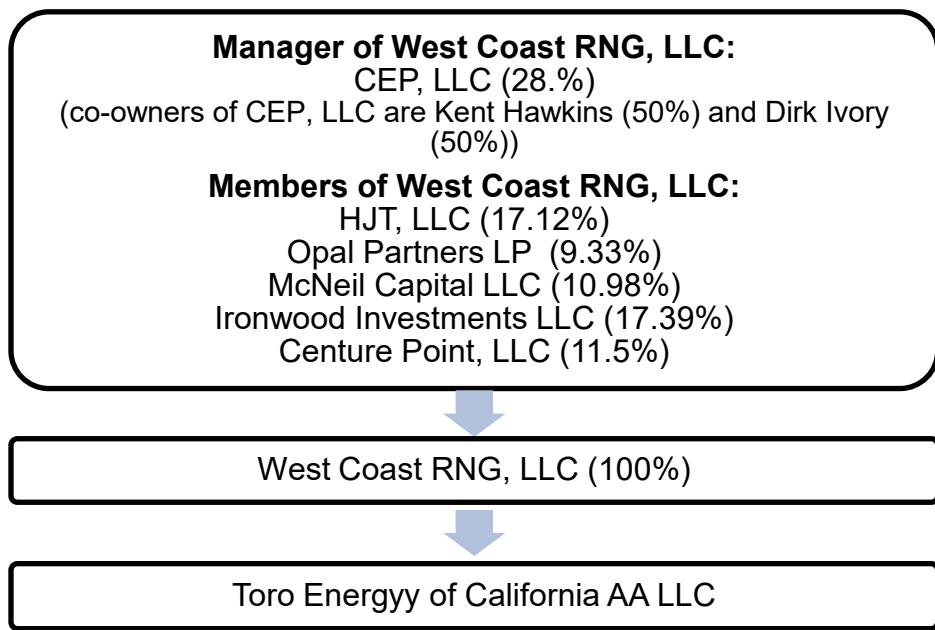
On July 16, 2024, the CAEATFA Board approved a sales and use tax exclusion (“STE”) for Toro Energy of California AA, LLC (the “Applicant” or “Toro”) for the purchase of up to \$48,500,000 in Qualified Property to build a new landfill gas capture (LFG) and production facility located in Fresno (the “Project”). 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. Also, the Agreement initial term provided the Applicant with three years from the date of CAEATFA Board approval to utilize its STE award.³

As of August 2025, Toro Energy of California AA, LLC has used the STE to purchase approximately \$640,000 of Qualified Property. The Applicant is requesting to extend the 15% purchase requirement timeframe to accommodate project modifications aimed at achieving a greater capacity than originally planned. The Applicant is also requesting to extend the Agreement’s initial term for the same accommodation.

THE APPLICANT

Toro Energy of California AA, LLC is a Texas limited liability company that formed in 2015. The Applicant manufactures renewable natural gas for use in the transportation sector to displace diesel usage at its facility, the American Avenue Landfill.

The ownership structure of the Applicant is as follows:



The company officers of the Applicant are:

- Kent Hawkins, President
- Jake Terada, Chief Financial Officer

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

THE PROJECT

Toro received an STE award to build a new LFG and production facility located in Fresno. According to the Applicant, the Project will be located at the American Avenue Landfill site owned and operated by the County of Fresno. The Project entails designing, permitting, constructing, and operating a new LFG conditioning system. The landfill is currently flaring over 2 million cubic feet of gas per day (1,800 scfm) equal to approximately 400,000 marketable MMBtu per year. The landfill is at approximately 50% of its permitted trash in place capacity with LFG production expected to increase 50%-100%. At the time of approval, the Project will reduce the need to flare, supporting the production of more than 3 million diesel gallons equivalent (DGE) of RNG per year at full capacity. With a change in production capacity, the Applicant will be able to produce 3.6 million DGE of RNG per year when the Project is completed. The RNG will be sold to compressed natural gas (CNG) stations connected to the natural gas pipeline utility grid system and dispensed into heavy duty vehicles. According to the Applicant, most RNG consumed in California is being imported. As such, the Project will reduce California's reliability on imported products and the Applicant's product is expected to have a low carbon fuel standard carbon intensity rating of at least half when compared to the average imported LFG.

15% PURCHASE REQUIREMENT TIMEFRAME EXTENSION REQUEST

The Applicant has requested that the 15% purchase requirement timeframe be extended from January 16, 2026 to January 16, 2027, in order to accommodate project modifications to increase production capacity.

AGREEMENT INITIAL TERM EXTENSION REQUEST

The Applicant has requested that the initial term of the Agreement be extended from July 16, 2027 to July 16, 2028, in order to accommodate project modifications to increase production capacity.

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 CAEATFA Board can extend the initial term of the Agreement upon a finding that an extension is in the public interest and advances the purposes of the STE Program.⁵

The Applicant reported that the County of Fresno completed its gas collection system in 2024, with Toro's engineers collaborating closely with the County to appropriately size the Project for the expected gas volumes. This collaboration resulted in a 30% increase in gas volume, exceeding the Applicant's initial expectations by 20%. Due to the unexpected increase in gas volumes, the Applicant was required to re-engineer the Project to accommodate these additional gas volumes.

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

⁵ California Code of Regulations Title 4, Division 13, Section 10035(b)(1)(B)

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The Applicant anticipates that the project modifications will take around four months to complete. An application for the air permit modification has already been submitted, with expectations for the new permit to be issued by November 2025. Additionally, the Conditional Use Permit has been amended to accommodate larger equipment and is scheduled to be approved in January 2026. The Applicant is also collaborating closely with the American Landfill staff to prepare the site for construction. Furthermore, the Engineering, Procurement, and Construction (EPC) contract has been finalized with the contractors, and the site plan has been completed and submitted to the County. There have been no changes in investors or the scope of the Project, and the Applicant plans to initiate procurement in the second quarter of 2026. The additional time will ensure the Applicant can overcome any other unforeseen obstacle.

Based on this information, Staff believes these are extraordinary circumstances, and that extending the 15% purchase requirement timeframe will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program. Staff also believes extending the initial term of the Agreement will allow for the Project to be completed, and is, therefore, in the public interest and advances the purposes of the STE Program.

LEGAL QUESTIONNAIRE

Staff 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, the Applicant's request to extend the 15% purchase requirement timeframe and the initial term qualifies as a modification to the Applicant's Agreement, incurring additional fees. The Applicant has paid the additional fee of \$2,250.

RECOMMENDATION

Staff recommends that the Board approve the Applicant's request to extend the 15% purchase requirement timeframe by one year, until January 16, 2027, as the Applicant has demonstrated extraordinary circumstances, and it is in the public interest and advances the purposes of the STE Program.

Staff recommends that the Board approve the Applicant's request to extend the initial term of the Agreement by one year, until July 16, 2028, as it is in the public interest and advances the purposes of the STE Program, and the full term shall be for a period of 16 years until July 16, 2040, for providing annual compliance reports.⁶

ATTACHMENTS

Attachment A: Toro Energy of California AA, LLC's Letter Requesting Waiver
(October 15, 2025)

Attachment B: Toro Energy of California AA, LLC's Staff Summary at the Time of Approval

⁶ California Code of Regulations Title 4, Division 13, Section 10035(a)(2)

**RESOLUTION APPROVING AN EXTENSION OF
TORO ENERGY OF CALIFORNIA AA, LLC'S 15% PURCHASE REQUIREMENT
TIMEFRAME AND THE INITIAL TERM UNDER THE REGULATORY AGREEMENT**

December 9, 2025

WHEREAS, on July 16, 2024, 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 \$48,500,000 of Qualified Property for **Toro Energy of California AA, 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 January 16, 2027; and

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

WHEREAS, within three (3) years of approval by the Authority, the Applicant must make all Qualified Property purchases (STE Program regulations Section 10035(b)(1)); and

WHEREAS, upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three (3) years of Application approval (STE Program regulations Section 10035(b)(1)(B)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property within three (3) years, due to unexpected delays in the Project timeline, extending the term by one (1) year to July 16, 2028; 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 January 16, 2027.

Section 2. The Authority finds that it is in the public interest and advances the purposes of the Program to extend the Applicant's initial term of the Regulatory Agreement to July 16, 2028.

Section 3. This resolution shall take effect immediately upon its passage.

**Attachment A: Toro Energy of California AA, LLC's Letter Requesting Waiver
(October 15, 2025)**

**TORO ENERGY OF CALIFORNIA
AA, LLC**
2151 Michelson Drive, Suite 164
Irvine, CA 92612

To: Jeannie Yu
From: Toro Energy of California AA, LLC
C/O Kent Hawkins, Managing Partner, President

Jeannie, per your request, please except this request to extend Toro Energy of California AA, LLC
Sales and Use Tax Exclusion.

Our Ask:

We would ask for a 12 month extension of the 15% purchase requirement and the initial term if possible, as we have modified the project scope with the County of Fresno, to except additional gas volumes. Although this was not anticipated, the project has become larger, thus providing additional renewable gas to help offset diesel in California. We have current permits approved in hand. We have started the process to modify these permits to accommodate the additional gas volumes.

Our Challenge:

The County of Fresno has just completed additional Gas collections system in 2024 as required by the State of Calif. During this period, our engineers worked closely with the County to size the project appropriately for anticipated gas volumes. Once completed, they had their 3rd party consultants do a 90 day gas study for new volumes. It turns out they were able to increase their volumes by over 30%. We had anticipated only 10%. This is what caused us to pause, and have to re-engineer the project to accept these volumes. Again, all go news for the overall project, while we are working through these changes. We anticipate this taking approx. 4 months to get through this process, so we can then finalize our final permits to accept these volumes. We are in process in obtaining our updated permits for these changes.

Overcome Obstacle

We have overcome our main obstacles by upsizing our equipment via new engineering, submitting our revised plans to the Air Board, and to the County of Fresno, so we may proceed toward a financial close with our partners, and to move forward on the project and start ordering equipment

We do anticipate purchasing a minimum of 15% of our equipment during this extension period, as we need to order our long lead items, including our generation equipment. We are currently modifying the

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plans to accommodate the gas, as per contract with the County of Fresno, which in turn has increased our costs a bit. Although we are asking for 12 months, we anticipate ordering our equipment sooner.

Spent to Date:

We have spent to date over \$600,000 to date, including predevelopment costs for planning, engineering, and site plan prep. We have also spent \$110,000 on an on-site pad for one of our larger pieces of equipment. This was completed in December 2024.

Purchase Lead Dates: We have to purchase our equipment by spring/summer of 2026, as this is our long lead item for the project.

Status of Permits to modify the project: We have applied for our air permit modification. The Air board has accepted our application. We expect our new permit to be issued in November of this year. We have also amended our CUP application and are on the September agenda for approval.

Increased Costs to accommodate additional gas volumes

Our scope for larger equipment to accommodate more gas volumes has increased by approx. 30-35% or approx. \$15-20M dollars. This increases are all qualified costs as provide previous in our original budget. Our current investors has approved all our of changes to date and are standing by to purchase our equipment once we obtain our final permits on modified permits.

Timeline of Project and purchase of Equipment

- Updated permit approvals June-December 2025 Air Permit, CUP amendment
- Finalize final engineering based on updated approvals Aug-Nov
- Submit Plans for approval to County Nov-Feb 2026 60% engineering drawings
- Start purchasing equipment for project March-June 2026

Investors Our investors have not changed. They are also engaged with us on Pre Engineering documents, and helping us with our EPC contracts.

Project Progress to Date Yes, we have made significant progress with our EPC Contractor and starting our 30% drawings, working on the EPC contract, finalized our site plan and submitted to county, resubmitted our air permit for final approval, and reengineered the project to except the additional gas from county.

Thank You for your consideration in our request.



Kent Hawkins, Managing Partner

Toro Energy of California, AA,, LLC

Date: *10-15-25*

**Agenda Item – 4.B.4
Resolution No. 24-SM004-02**

**Attachment B: Toro Energy of California AA, LLC's Staff Summary
at the Time of Approval**

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

**Agenda Item – 4.A.24
Resolution No. 24-SM004-01**

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

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Toro Energy of California AA, LLC
Application No. 24-SM004**

Tuesday, July 16, 2024

Prepared By: *Katrina Walters-White, Program Analyst & Jeannie Yu, Program Analyst*

SUMMARY

Applicant – Toro Energy of California AA, LLC

Location – Fresno, Fresno County

Industry – Landfill Gas Capture to Renewable Natural Gas

Project – New Landfill Gas Capture and Renewable Natural Gas Production Facility
(Alternative Source)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$48,500,000	\$4,093,400

Estimated Net Benefit ³	Dollar Value	Points Earned
Estimated Fiscal Benefits	\$8,341,678	2,038
Estimated Environmental Benefits	\$2,965,647	724
Additional Benefits	N/A	115
Total	\$11,307,325	2,877
Estimated Quantifiable Net Benefit	\$7,213,925	

Competitive Criteria Score – 165

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 8.44%.

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).)

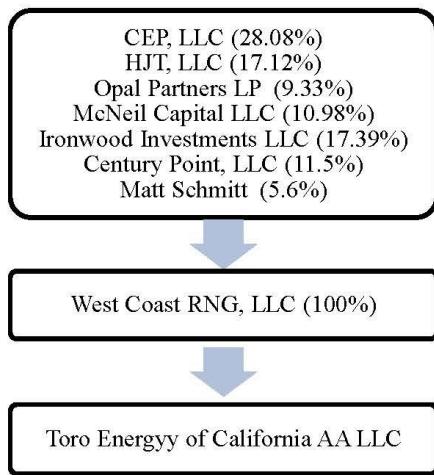
**Agenda Item – 4.B.4
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**Agenda Item – 4.A.24
Resolution No. 24-SM004-01**

THE APPLICANT

Toro Energy of California AA, LLC (the “Applicant”) is a Texas limited liability company that formed in 2015. The Applicant manufactures renewable natural gas for use in the transportation sector to displace diesel usage at its facility, the American Avenue Landfill.

The ownership structure of the Applicant is as follows:



The company officers of the Applicant are:

Kent Hawkins, CEO & President
Jake Terada, Vice President

THE PROJECT

The Applicant is requesting a sales and use tax exclusion (“STE”) award to build a new landfill gas capture (LFG) and production facility located in Fresno (the “Project”). According to the Applicant, the Project will be located at the American Avenue Landfill site owned and operated by the County of Fresno. The Project entails designing, permitting, constructing, and operating a new LFG conditioning system. The landfill is currently flaring over 2 million cubic feet of gas per day (1,800 scfm) equal to approximately 400,000 marketable MMBtu per year. The landfill is at approximately 50% of its permitted trash in place capacity with LFG production expected to increase 50%-100%. The Project will reduce the need to flare supporting the production of more than 3 million diesel gallons equivalent (DGE) of RNG per year at full capacity. The RNG will be sold to compressed natural gas (CNG) stations connected to the natural gas pipeline utility grid system and dispensed into heavy duty vehicles. According to the Applicant, most RNG consumed in California is being imported. As such, the Project will reduce California’s reliability on imported products and the Applicant’s product is expected to have a low carbon fuel standard carbon intensity rating of at least half when compared to the average imported LFG.

**Agenda Item – 4.B.4
Resolution No. 24-SM004-02**

**Agenda Item – 4.A.24
Resolution No. 24-SM004-01**

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Guild 2 Stage Process Equipment	\$14,000,000
Flair Equipment	\$2,500,000
Site Electrical and Piping, Connecting Equipment, and Site Work	\$13,000,000
Project Compressors	\$12,000,000
Pipeline Material for Gas Pipeline Lateral	\$4,000,000
Point of Receipt Equipment	\$3,000,000
Total	\$48,500,000

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

Procurement of the Qualified Property is expected to begin as of early as August/September 2024, with an expected installation of mid-year 2025. The installation of the Qualified Property is estimated to take approximately eight months and to be completed in Q4 of 2025. The Applicant will have a start-up time frame of 90 days post installation to ensure the equipment is working to PG&E specifications.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

According to the Applicant, it has received a conditional use permit and the CEQA approvals from the County of Fresno in April 2024. The Applicant expects to receive its air permit by September 2024, with the grading permit to follow in Q1 of 2025.

COMPETITIVE CRITERIA SCORE

The Applicant received 165 Competitive Criteria points as follows:

- 1. Environmental Benefits (100 of 100 points).** The Applicant has a Project that produces an Alternative Source product, component, or system], and, therefore, 100 points are awarded.

**Agenda Item – 4.B.4
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2. **Unemployment (50 of 50 points)**. The Applicant's Project is located in Fresno County, which has an average annual unemployment rate of 7.2%.⁴ When compared to the statewide average annual unemployment rate of 4.6%, the Project location earned the Applicant 50 points.
3. **Job Creation (0 of 75 points)**. The Applicant anticipates the Project will support a total of 10 production-related jobs at its Facility. CAEATFA estimates that approximately 1.64 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 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 2,877 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 724 points, which exceeds the 20-point threshold.

- A. **Fiscal Benefits (2,038 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 \$8,341,678, resulting in a Fiscal Benefits score of 2,038.
- B. **Environmental Benefits (724 points)**. The Project is anticipated to result in \$2,965,647 of total pollution benefits over the life of the Project, resulting in an

⁴ Unemployment rates are based on data available in December 2023.

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Environmental Benefits Score of 724 points. These benefits derive from the production of biogas, which offsets the need for the use of fossil methane.

C. Additional Benefits (115 points). Applicants may earn additional points for their Total Score. The Applicant received 115 additional points.

1. **Production Jobs (0 of 75 points).** The Applicant anticipates the Project will support a total of 10 production-related jobs at its Facility. CAEATFA estimates that approximately 1.64 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.
2. **Construction Jobs (40 of 75 points).** The Applicant anticipates the Project will support a total of 125 construction jobs at its Facility. CAEATFA estimates that approximately 20.44 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 40 points.
3. **Unemployment (50 of 50 points).** The Applicant's Project is located in Fresno County, which has an average annual unemployment rate of 7.2%. When compared to the statewide average annual unemployment rate of 4.6%, the Project location earned the Applicant 50 points.
4. **Benefits and Fringe Benefits (25 of 25 points).** The Applicant states it provides medical and health benefits, bonuses, profit sharing, dependent care & assistance reimbursement, transportation subsidies, 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 STE Program regulations,⁵ the Applicant has paid CAEATFA an Application Fee of \$10,000 and will pay CAEATFA an Administrative Fee up to \$194,000.

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

**Agenda Item – 4.B.4
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**Agenda Item – 4.A.24
Resolution No. 24-SM004-01**

RECOMMENDATION

Staff recommends the approval of Resolution No. 24-SM004-01 for Toro Energy of California AA, LLC's purchase of qualifying tangible personal property in an amount not to exceed \$48,500,000, anticipated to result in an approximate STE value of \$4,093,400.

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**Agenda Item – 4.A.24
Resolution No. 24-SM004-01**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH TORO ENERGY OF CALIFORNIA AA, LLC**

July 16, 2024

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Toro Energy of California AA, 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 \$48,500,000 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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Resolution No. 24-SM004-01**

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.