

**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***

**Oberon Fuels, Inc.
Application No. 24-SM006**

Prepared By: *Jeannie Yu, Program Analyst*

SUMMARY

Applicant: Oberon Fuels, Inc.

Location: Imperial, Imperial County

Industry: Renewable Hydrogen

Project: Expansion of a Renewable Hydrogen Production Facility (Alternative Source)

Total Amount of Qualified Property Approved: \$5,728,000

Estimated Sales and Use Tax Exclusion Amount at Approval:² \$483,443

Total Amount of Qualified Property Purchased to Date: \$0

Initial Board Approval Date: July 16, 2024

Amount of Time Requested:

- Requesting a two-year extension, until January 16, 2028, for the 15% purchase requirement timeframe (three years and six months from the date of initial CAEATFA Board approval)
- Requesting a two-year extension, until July 16, 2029, for the initial term of the Regulatory Agreement (five 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”) award for Oberon Fuels, Inc. (the “Applicant”) for the purchase of up to \$5,728,000 in Qualified Property to expand an existing plant located in Imperial to include the production of renewable hydrogen (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 June 30, 2025, Oberon Fuels, Inc. has not used the STE to purchase any Qualified Property. The Applicant is requesting to extend the 15% purchase requirement timeframe to accommodate procurement and financing delays. The Applicant is also requesting to extend the Agreement’s initial term for the same accommodation.

THE APPLICANT

Oberon Fuels, Inc. is a Delaware Corporation that was formed in 2010. It is headquartered in San Diego and produces renewable dimethyl ether (DME).

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

- Rebecca Boudreaux (11.8%)
- Suburban Propane L.P. (38.44%)
- Senterfitt Holdings (38.44%)

The corporate officers of the Applicant are:

- Rebecca Boudreaux, Chief Executive Officer
- Elliot Anise-Hicks, Chief Technology Officer
- Ann Anthony, Chief Financial Officer
- Derick Winkel, Chief Operating Officer

Previous Award:

On November 13, 2012, the CAEATFA Board granted the Applicant an STE award for the purchase of up to \$13,500,000 in Qualified Property for an estimated STE value of \$1,093,500 for biogas capture and renewable DME production. As of May 2014, the Applicant has reported approximately \$4.5 million in Qualified Property purchases (33% of the total Qualified Property amount approved) and completed this project.

THE PROJECT

The Applicant received an STE award to expand an existing plant located in Imperial to include the production of renewable hydrogen. The Applicant states DME can be made from upgrading biomethane from various organic waste streams. According to the Applicant, it will install a reformer to produce 1,000 kg of hydrogen per day from renewable DME, which is itself produced from renewable waste methanol from the pulp and paper industry.

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

The Applicant shares that it currently produces renewable DME that is blended into propane fuel for use in forklifts. The Applicant is expanding DME production so that the DME-to-hydrogen process will be based on new renewable DME production. According to the Applicant, an advantage of DME is that it can be transported using existing infrastructure for transporting propane, which has similar properties to DME. The DME can then be converted to renewable hydrogen at the hydrogen fueling station, eliminating the need for specialized hydrogen transportation infrastructure.

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, 2028, in order to accommodate procurement and financing delays.

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, 2029, in order to accommodate procurement and financing delays.

STAFF EVALUATION

The CAEATFA 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 states there has been a delay in product procurement due to performance issues with the initial fabricators, who failed to fulfill the contracted scope within the established budget. This unforeseen situation has forced the Applicant to reassess their procurement approach and seek for replacement vendors. While certain major equipment assemblies that were largely completed prior to the termination of the contract have been received and are in the Applicant's possession, the remaining fabrication work will need to be carried out by new vendors.

According to the Applicant, the major equipment assets that have already been procured are valued at \$4 million and were not included in its STE application as it was not aware that equipment purchased before the approval of the STE award could be reimbursed if not functionally utilized. The Applicant states that the investor who funded the \$4 million equipment ceased the funding of all renewable investments at the end of 2024. Currently, the Applicant is actively conducting a competitive procurement process to identify and secure contracts with qualified vendors capable of completing the remaining work, which involves finalizing bid evaluations, validating technical compatibility, and assessing vendor capacity.

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)

In addition, the Applicant anticipates launching a new investment opportunity with a well-known bank at the end of Q1 2026 and is seeking new investors through an ongoing fundraising process that is expected to run through 2026. The Applicant indicates that securing funding for hydrogen projects has been difficult, however the recent passage of the One Big Beautiful Bill Act (H.R.1) in July 2025 has provided greater industry policy clarity. The Applicant states Section 45V of the bill, which provides a tax credit for the construction of facilities producing qualified clean hydrogen before the end of 2027, has led to a resurgence of investor interest and engagement with new potential financing partners has resumed.

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 STATUS 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,⁶ 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 two years until January 16, 2028, 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 two years, until July 16, 2029, 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 seven years, until July 16, 2031, for providing annual compliance reports.⁷

ATTACHMENTS

Attachment A: Oberon Fuels, Inc.'s Letter Requesting Waiver (August 28, 2025)
Attachment B: Oberon Fuels, Inc.'s Staff Summary at the Time of Approval

⁶ California Code of Regulations Title 4, Division 13, Section 10036(c)(1)(C)

⁷ California Code of Regulations Title 4, Division 13, Section 10035(a)(2)

**RESOLUTION APPROVING AN EXTENSION OF
OBERON FUELS, INC.'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 \$5,728,000 of Qualified Property for **Oberon Fuels, Inc.** (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 two (2) years to January 16, 2028; 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 two (2) years to July 16, 2029; and

WHEREAS, granting the waivers will allow the Project to proceed and the state to receive the anticipated environmental and economic benefits that justified the initial

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Resolution No. 24-SM006-02

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, 2028.

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, 2029.

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

Attachment A: Oberon Fuels, Inc.'s Letter Requesting Waiver (August 28, 2025)

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845 15th ST, SUITE 103 #49216, SAN DIEGO, CA 92101
619.255.9361 WWW.OBERONFUELS.COM

August 28, 2025

California Alternative Energy and Advanced Transportation Financing Authority (CAETFA)
Post Office Box 942809
Sacramento, CA 94209-0001

RE: Request for Extension of Purchase Requirement (Application No. 24-SM006)

Dear CAETFA Board Members,

Oberon Fuels is respectfully requesting a 24-month extension to the initial 18-month Purchase Requirement for our participation in the Sales and Use Tax Exclusion (STE) Program, as provided pursuant to Section 10035(b)(1) for extraordinary circumstances and in the public interest. In addition, we are requesting a corresponding 24-month extension of the Agreement Initial Term under Section 5.A of the Regulatory Agreement, currently set to expire on July 16, 2027, to ensure sufficient time for full procurement of all Qualified Property. This request comes in light of the extraordinary circumstances described further below.

Vendor Performance

Progress towards equipment procurement and therefore the Purchase Requirement was unexpectedly impacted due to performance issues with the original fabricators, who were unable to complete the contracted scope within the agreed budget. This outcome required us to reassess our procurement approach to protect project integrity, cost efficiency, and the investment supported through the STE Program. These vendor issues ultimately rendered continuation under the existing contract infeasible. The original vendors have since been released from contract as a result.

While certain major equipment assemblies substantially completed at the time of contract termination have been delivered to our project site and are in our possession, the remaining fabrication scope must be completed by replacement vendors. This transition is essential to preserve project quality, control costs, and meet the required technical specifications.

Oberon is actively conducting a competitive procurement process to identify and contract with qualified vendors capable of completing the outstanding work. This includes finalizing bid evaluations, validating technical compatibility, and ensuring vendor capacity. We are committed to establishing firm delivery milestones upon contract execution to ensure compliance with the extended term. While the revised procurement schedule is still in development, we will promptly provide it upon its availability, in addition to milestone updates as the project progresses.

Project Fundraising

Currently no new investors have been formally finalized. Existing investors remain committed, and the fundraising process remains ongoing in what has been a challenging time for renewable energy projects, particularly hydrogen. However, with the recent passage on July 4, 2025, of the One Big Beautiful Bill Act (H.R.1) providing policy clarity, investor interest is re-emerging and engagement with new potential financing partners has resumed.

Basis for Timeframe Requested

The requested 24-month extension reflects the time required to complete the ongoing fundraising process, which is expected to take several months well into 2026, and subsequently execute purchase orders for remaining Qualified Property. Upon financing close, additional time will be necessary to purchase equipment, take delivery, and complete installation. This estimate is based on realistic project development timelines to provide ample time to ensure the new term will be met.

Agenda Item – 4.B.5 Resolution No. 24-SM006-02

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Other Challenges

No additional challenges have arisen outside of vendor replacement and fundraising timelines. Both challenges are being actively managed and are the only material issues affecting the current schedule.

Project Scope and Progress

The project scope remains unchanged. Oberon's fundraising process continues with strong investor engagement and Oberon continues to evaluate vendors and a completion plan for execution upon the close of financing. Several key equipment assemblies have been delivered on-site, and the relevant permitting body has been regularly apprised of project status to ensure continued compliance with permitting conditions and to support prompt inspection and commissioning upon equipment completion.

Approval of the proposed extensions will provide the necessary time and certainty to complete vendor transition and execute purchase orders for remaining Qualified Property upon financing close. The proposed timeframe extension will safeguard the program's investment and advance California's emissions reduction and sustainability objectives through innovative technology while supporting clean fuel production and resultant jobs in the State of California.

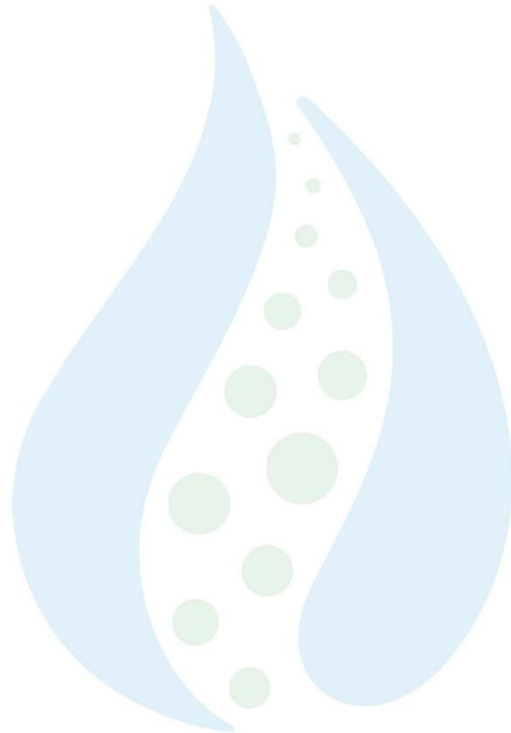
Thank you for your consideration of our request. We would be pleased to answer any questions the Board may have regarding Oberon Fuels or our project.

Respectfully,

Signed by:

9A320744D89430
Ann Anthony
CFO

Cc: Jeannie Yu (Jeannie.Yu@treasurer.ca.gov)



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APPENDIX A. SUPPORTING INFORMATION FOR EXTENSION REQUEST

Evidence of Progress and Substantially Complete Equipment Assemblies

- Several major equipment assemblies, substantially complete at the time of original fabricator contract termination, have been delivered to the project site and are securely stored.
- Detailed engineering and design work for the facility is complete, allowing immediate progression to procurement and installation once replacement vendors are under contract.
- Site preparation and permitting for the equipment installation have been completed, ensuring the project is ready for the next phase.



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PRESSURE SWING ADSORPTION (PSA) UNIT



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REACTOR AND CATWALK



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MOTOR CONTROL CENTER (MCC) BUILDING



Attachment B: Oberon Fuels, Inc.’s Staff Summary at the Time of Approval

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

Agenda Item – 4.A.10
Resolution No. 24-SM006-01

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

Request to Approve Project for a Sales and Use Tax Exclusion¹

Oberon Fuels, Inc.
Application No. 24-SM006

Tuesday, July 16, 2024

Prepared By: *Joel Schwartz, Technical Consultant, Blue Sky Consulting Group*

SUMMARY

Applicant – Oberon Fuels, Inc.

Location – Imperial, Imperial County

Industry – Renewable Hydrogen

Project – Expansion of a Renewable Hydrogen Production Facility (Alternative Source)

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount ²
\$5,728,000	\$483,443

Estimated Net Benefit ³	Dollar Value	Points Earned
Estimated Fiscal Benefits	\$824,769	1,706
Estimated Environmental Benefits	\$47,641	99
Additional Benefits	N/A	155
Total	\$872,410	1,960
Estimated Quantifiable Net Benefit	\$388,697	

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.5
Resolution No. 24-SM006-02

Agenda Item – 4.A.10
Resolution No. 24-SM006-01

THE APPLICANT

Oberon Fuels, Inc. (the “Applicant”) is a Delaware Corporation that formed in 2010. It is headquartered in San Diego and produces renewable dimethyl ether (DME).

On November 13, 2012, the CAEATFA Board granted the Applicant an STE award for the purchase of up to \$13,500,000 in Qualified Property for an estimated STE value of \$1,093,500 for biogas capture and renewable DME production. As of May 2014, the Applicant has reported \$ 4,510,779.81 in Qualified Property purchases (33% of the total Qualified Property amount approved) and completed this project.

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

Rebecca Boudreaux (11.6%)
Suburban Propane L.P. (38.44%)
Senterfitt Holdings (38.44%)

The corporate officers of the Applicant are:

Rebecca Boudreaux, CEO
Elliot Anise-Hicks, CTO
Ann Anthony, CFO
Derick Winkel, COO

THE PROJECT

The Applicant is requesting a sales and use tax exclusion (“STE”) award to expand an existing plant located in Imperial to include the production of renewable hydrogen (the “Project”). The Applicant states DME can be made from upgrading biomethane from various organic waste streams. According to the Applicant, it will install a reformer to produce 1,000 kg of hydrogen per day from renewable DME, which is itself produced from renewable waste methanol from the pulp and paper industry.

The Applicant shares that it currently produces renewable DME that is blended into propane fuel for use in forklifts. The Applicant is expanding DME production so that the DME-to-hydrogen process will be based on new renewable DME production. According to the Applicant, an advantage of DME is that it can be transported using existing infrastructure for transporting propane, which has similar properties to DME. The DME can then be converted to renewable hydrogen at the hydrogen fueling station, eliminating the need for specialized hydrogen transportation infrastructure.

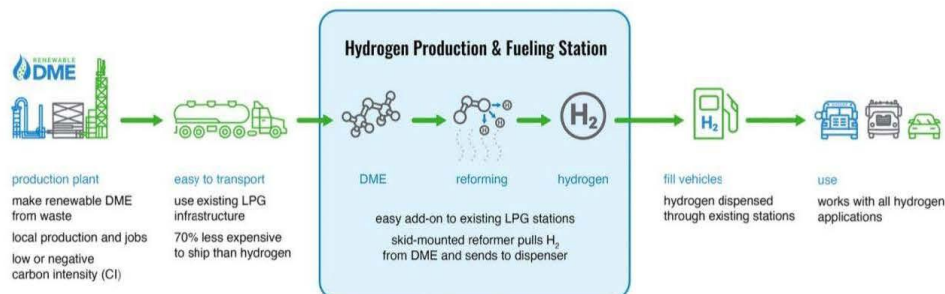


Figure 1: Conversion of DME to Renewable Hydrogen

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Steam Reforming Reactor	\$5,138,000
Building to House Electrical Controls for Reformer	\$590,000
Total	<u>\$5,728,000</u>

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 has provided the following projected timeline for Project operation:

- Permitting: June 2023 – March 2024
- Site construction start date: March 2024
- Site construction end date: May 2024
- Equipment installation: January 2025
- Begin operations: January 2025

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

The Applicant states the grading, air, and building permits have been approved.

**Agenda Item – 4.B.5
Resolution No. 24-SM006-02**

**Agenda Item – 4.A.10
Resolution No. 24-SM006-01**

COMPETITIVE CRITERIA SCORE

The Applicant received 165 Competitive Criteria points as follows:

1. **Environmental Benefits (100 of 100 points)**. The Application has a Project that produces an Alternative Source product, and, therefore, 100 points are awarded.
2. **Unemployment (50 of 50 points)**. The Applicant's Project is located in Imperial County, which has an average annual unemployment rate of 16.9%.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 one production-related jobs at its Facility. CAEATFA estimates that approximately 0.13 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)**. 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 1,960 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 99 points, which exceeds the 20-point threshold.

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

Agenda Item – 4.B.5
Resolution No. 24-SM006-02

Agenda Item – 4.A.10
Resolution No. 24-SM006-01

- A. **Fiscal Benefits (1,706 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 \$824,769, resulting in a Fiscal Benefits score of 1,706.
- B. **Environmental Benefits (99 points)**. The Project is anticipated to result in \$47,641 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 99 points. These benefits derive from producing renewable hydrogen, which displaces the need for use of fossil fuels.
- C. **Additional Benefits (155 points)**. Applicants may earn additional points for their Total Score. The Applicant received 155 additional points.
1. **Production Jobs (0 of 75 points)**. The Applicant anticipates the Project will support a total of one production-related jobs at its Facility. CAEATFA estimates that approximately 0.13 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 (30 of 75 points)**. The Applicant anticipates the Project will support a total of eight construction jobs at its Facility. CAEATFA estimates that approximately 0.96 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.
 3. **Unemployment (50 of 50 points)**. The Applicant's Project is located in Imperial County, which has an average annual unemployment rate of 16.9%. When compared to the statewide average annual unemployment rate of 4.6%, the Project location earned the Applicant 50 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 converting DME to hydrogen.
 5. **Industry Cluster (25 of 25 points)**. The industry associated with this Application has been identified by the Governor's Office of Business and Economic Development as an industry cluster 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, retirement contributions and paid leave to its employees, earning the Applicant 25 points.

**Agenda Item – 4.B.5
Resolution No. 24-SM006-02**

**Agenda Item – 4.A.10
Resolution No. 24-SM006-01**

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 \$2,864 and will pay CAEATFA an Administrative Fee of up to \$22,912.

RECOMMENDATION

Staff recommends the approval of Resolution No. 24-SM006-01 for Oberon Fuels, Inc.'s purchase of qualifying tangible personal property in an amount not to exceed \$5,728,000, anticipated to result in an approximate STE value of \$483,443.

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

**Agenda Item – 4.B.5
Resolution No. 24-SM006-02**

**Agenda Item – 4.A.10
Resolution No. 24-SM006-01**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
REGULATORY AGREEMENT WITH OBERON FUELS, INC.**

July 16, 2024

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Oberon Fuels, Inc.** (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 \$5,728,000 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

Agenda Item – 4.B.5
Resolution No. 24-SM006-02

Agenda Item – 4.A.10
Resolution No. 24-SM006-01

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.