

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

Board Meeting Date: Tuesday, December 9, 2025

***Review and Competitive Criteria Process for the 2025
Sales and Use Tax Exclusion Program Application Periods¹***

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SUMMARY

For the 2025 calendar year, CAEATFA is statutorily authorized \$100 million in sales and use tax exclusion (“STE”) to award to Recycled Resource Extraction, Advanced Transportation Technology, Alternative Source, and Advanced Manufacturing projects.

CAEATFA held its first application period from December 13, 2024 through January 30, 2025, and received 36 Applications requesting approximately \$94.6 million in STE. Four Applications were withdrawn during the preliminary review period and one additional Application withdrew just prior to the Board meeting. Of the remaining 31 Applications, 23 applied under the small pool, five under the general pool, and three under the general and large pools. The small pool was the only pool that was oversubscribed. After a final review, the total requested amount of STE increased to \$95.1 million, leaving \$4.9 million in STE in the general pool for the second round of Applications. Pursuant to the competitive process and pools of STE established in program regulations (see Background and Regulations section below), CAEATFA staff (“Staff”) presented the 31 Applications for Board consideration on June 17, 2025, all of which were approved.

CAEATFA held its second application period from June 27, 2025 through July 11, 2025, accepting only small and general sized Applications. During this period, CAEATFA received 12 Applications requesting approximately \$17.2 million in STE. Because the total amount requested exceeds the remaining \$4.9 million of STE, Staff evaluated the Applications using the Program’s competitive process. During the preliminary review period, two Applications were withdrawn. After a more in-depth review to compute the Applicants’ Competitive Criteria scores, two additional Applications were withdrawn and two were placed on the waitlist. Staff is presenting six of the 12 Applications at this Board meeting for consideration. If approved, the remaining STE allocation for the year will be fully exhausted.

Table 1 below shows the total amount of Qualified Property and estimated STE amounts being requested from the Program’s 2025 annual allocation. The breakdown of each project pool is presented in Tables 3 through 5 below.

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

Table 1: Total Amount Considered Per Board Meeting		
Meeting Date	Qualified Property Amount	Estimated STE²
Amount Awarded on June 17, 2025	\$1,120,984,042.00	\$95,059,447
Amount Expected to be Awarded on December 9, 2025	\$58,261,241.02	\$4,940,553
Total	\$1,179,245,283.02	\$100,000,000

2025 APPLICATION WAITLIST

The current waitlist includes two Applicants that applied for the second application round but were not considered due to their Competitive Criteria ranking. Should additional STE become available during the 2025 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 established³ (i.e., January 1, 2026), and if an Applicant on the waitlist wishes to be considered for a 2026 STE allocation, it must submit a new Application when CAEATFA begins accepting Applications in 2026.

Table 2: 2025 Application Waitlist		
Applicant	Qualified Property Amount	Estimated STE
Kairos AeroTechnologies Inc.	\$4,030,000	\$341,744
We Think Global Inc.	\$5,000,000	\$424,000
Total⁴	\$9,030,000.00	\$765,744

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

² The sales and use tax exclusion amount is based on the average sales tax rate of 8.48%.

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

⁴ Total and remaining Qualified Property and STE values may not calculate correctly due to rounding issues.

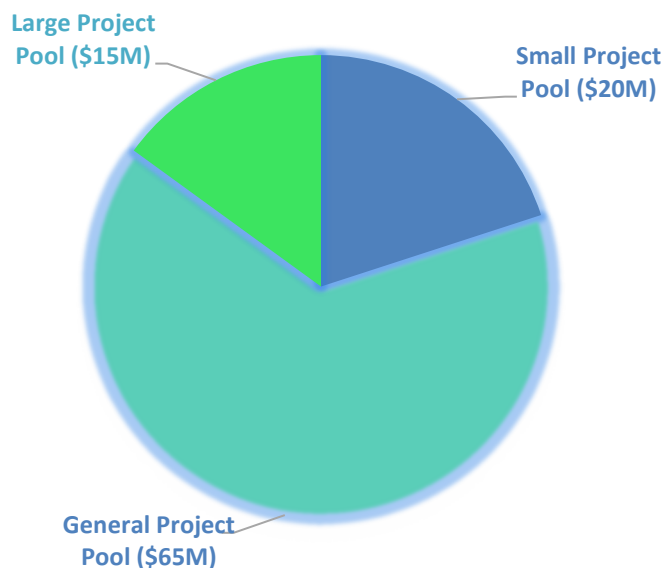
BACKGROUND AND REGULATIONS

Per-Applicant Cap, Pools of STE, and Order of Consideration

As mentioned, statute currently limits CAEATFA to \$100 million in STE each calendar year.⁵ Due to the popularity of the STE Program, Staff implemented regulations that protect STE availability for smaller projects and ensure access to STE awards for Applicants with larger projects. Specifically, the small project pool of \$20 million in STE is available to award to Applicants requesting \$2 million or less in STE (“Small Project Pool”) through September of each year;⁶ and for Applicants with larger projects exceeding the \$10 million per-applicant STE cap, an additional \$15 million in STE is available to award (also subject to a \$10 million cap, meaning the max an Applicant could request is \$20 million in STE) in the first Application period of the calendar year (“Large Project Pool”).⁷

In the event the Small Project Pool is fully allocated in the first round (as it was), Applicants requesting \$2 million or less in STE may apply in subsequent rounds, if any STE is available, but will be competing alongside general pool Applicants. During the subsequent rounds, Applicants will be limited to either the \$10 million cap or the remaining STE, whichever is less.

Figure 1: Allocation of the Annual \$100M in STE



⁵ Public Resources Code Section 26011.8(h)

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

⁷ California Code of Regulations Title 4, Division 13, Section 10032(a)(5)(B)

Small Project Pool \$20M in STE	General Pool \$65M in STE	Large Project Pool \$15M in STE
<ul style="list-style-type: none"> •Set-aside for applicants requesting \$2M or less in STE •Available through Sept •Considered first at each Board meeting 	<ul style="list-style-type: none"> •General pool •Applicants capped at \$10M 	<ul style="list-style-type: none"> •To award on top of \$10M cap from general pool •For larger projects (may request up to \$10M more) •Available only in the first application round

CAEATFA bases the review and consideration of Applications on a ranking of Competitive Criteria,⁸ and that Small Project Pool Applications must be considered before general pool Applications.⁹

If the amount requested in the last Application considered in the Small Project Pool exceeds the STE available from the pool, CAEATFA shall award the remaining STE request from the general pool, if any remains. Any Applicant requesting \$2 million or less in STE that is not awarded from the Small Project Pool is considered for an award from the general pool, if any remains.¹⁰

If the amount requested in the last Application requesting STE from the \$15 million Large Project Pool exceeds the STE available from that pool, the Applicant shall only receive the amount remaining from the \$15 million in STE set-aside. If any of the \$15 million is not awarded, the remaining STE will be made available to award to all Applicants (Table 5 shows the amount remaining in the Large Project Pool after the first Application round).¹¹

Additionally, if 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 Kirby Canyon RNG LLC in Table 4). Any remaining Applications are placed on the waiting list.¹²

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.¹³

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

⁸ California Code of Regulations Title 4, Division 13, Section 10032(a)(7)

⁹ California Code of Regulations Title 4, Division 13, Section 10032(a)(4)

¹⁰ California Code of Regulations Title 4, Division 13, Section 10032(a)(4)

¹¹ California Code of Regulations Title 4, Division 13, Section 10032(a)(5)(B)

¹² California Code of Regulations Title 4, Division 13, Section 10032(a)(7)(A)

¹³ California Code of Regulations Title 4, Division 13, Section 10032(a)(7)(A)

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)¹⁴ 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: Points = [(local rate/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.¹⁵

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.¹⁶

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.¹⁷

California Headquarters (15 Points). Applicants with corporate headquarters located in California receive 15 points.¹⁸

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

¹⁴ California Code of Regulations Title 4, Division 13, Section 10033(c)(4)

¹⁵ California Code of Regulations Title 4, Division 13, Section 10033(c)(5)(A)

¹⁶ California Code of Regulations Title 4, Division 13, Section 10033(c)(5)(B)

¹⁷ California Code of Regulations Title 4, Division 13, Section 10032(a)(8)(B)(i)(d)

¹⁸ California Code of Regulations Title 4, Division 13, Section 10032(a)(8)(B)(i)(e)

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through the California Department of Tax and Fee Administration (“CDTFA”) receive 50 points.¹⁹

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

This is the Emerging Strategic Industry List as of January 2025.

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
Research and Development in NanoTech	541713

¹⁹ California Code of Regulations Title 4, Division 13, Section 10032(a)(8)(B)(i)(f)

Tables 3 through 5 below provide a breakdown of the allocation per pool of STE.

Table 3		
Small Project Pool Awards (\$20M available)		
(\$2M of STE or under & only available through September)		
June 17, 2025 Board Meeting		
Applicant Name	Qualified Property Amount	Estimated STE
Rivian LLC	\$4,872,625.00	\$413,199
Rincell Corporation	\$13,209,100.00	\$1,120,132
Nitricity, Inc. and Nitricity Delhi, LLC	\$8,700,000.00	\$737,760
Sierra View Dairy Biogas LLC	\$2,131,486.00	\$180,750
Antonio Brasil Dairy Biogas LLC	\$2,595,033.00	\$220,059
Black Diamond Dairy Biogas LLC	\$3,238,839.00	\$274,654
ZO Motors North America LLC	\$3,395,000.00	\$287,896
Tandem PV, Inc.	\$17,500,000.00	\$1,484,000
Force Energy Corporation	\$10,510,900.00	\$891,324
HieFo Corporation	\$13,500,000.00	\$1,144,800
Trojan Battery Company, LLC	\$16,500,000.00	\$1,399,200
6-X Dairy Biogas LLC	\$6,402,766.00	\$542,955
SANCO Services, L.P.	\$13,613,115.00	\$1,154,392
Applied Materials, Inc. (25-SM033)	\$23,535,000.00	\$1,995,768
AEM Americas Inc.	\$4,498,100.00	\$381,439
Heirloom Carbon Technologies, Inc.	\$9,827,600.00	\$833,380
Intuitive Surgical, Inc. and Intuitive Surgical Operations, Inc.	\$23,500,000.00	\$1,992,800
Best Express Foods, Inc.	\$8,631,614.00	\$731,961
Vast Space, LLC	\$8,200,000.00	\$695,360
Fuse Energy Technologies Corp	\$1,040,162.00	\$88,206
All Weather Architectural Aluminum Inc.	\$14,700,000.00	\$1,246,560
Mango Materials, Inc.	\$23,065,760.00	\$1,955,976
Prose Beauty Inc. ²⁰	\$2,681,956.60	\$227,430
Total²¹	\$235,849,056.60	\$20,000,000
Amount Remaining for December 9, 2025	\$0.00	\$0.00

²⁰ Pursuant to California Code of Regulations Title 4, Division 13, Section 10032(a)(4), if approved, Prose Beauty, Inc. will receive a partial award from general pool to be made whole as the Small Project Pool was oversubscribed.

²¹ Total and remaining Qualified Property and STE values may not calculate correctly due to rounding issues.

Table 4		
General Project Pool Awards (up to \$10M in STE per Applicant)		
June 17, 2025 Board Meeting		
Applicant Name	Qualified Property Amount	Estimated STE
Robert Bosch Semiconductor LLC	\$117,924,528.30	\$10,000,000
Joby Aero, Inc.	\$100,623,218.00	\$8,532,849
Archer Aviation, Inc. and Archer Air LLC	\$60,000,000.00	\$5,088,000
AggrePlex of Modesto LLC	\$26,522,315.00	\$2,249,092
Applied Materials, Inc. (25-SM032)	\$117,924,528.30	\$10,000,000
Lam Research Corporation	\$117,924,528.30	\$10,000,000
Infinera Corporation	\$46,000,000.00	\$3,900,800
Figure AI Inc.	\$117,771,409.00	\$9,987,015
Award to Small Project Pool Applications from General Pool²³		
Prose Beauty Inc.	\$6,218,043.40	\$527,290
Figure AI Inc.	\$117,771,409.00	\$9,987,015
Subtotal	\$710,908,570.30	\$60,285,047
Amount Remaining for December 9, 2025	\$55,600,863.67	\$4,714,953
Large Project Pool Amount Remaining for December 9, 2025 (See Table 6)	\$2,660,377.35	\$225,600
Total Amount Remaining from All Pools for December 9, 2025	\$58,261,241.02	\$4,940,553
December 9, 2025 Board Meeting		
Applicant Name	Qualified Property	Estimated
City of Sunnyvale	\$25,136,330.00	\$2,131,561
Kirby Canyon RNG LLC	\$665,930.02	\$56,471
Partial award from 2026 (not included in total) ²⁴	(\$22,384,069.98)	(\$1,898,169)
Award to Small Project Pool Applications from General Pool		
Noon Energy	\$11,518,447.00	\$976,764
Fiscalini Alpha, LLC	\$5,004,900.00	\$424,416
American Fruits and Flavors, LLC	\$4,931,400.00	\$418,183
Sierra Institute for Community and Environment	\$11,004,234.00	\$933,159
Subtotal	\$58,261,241.02	\$4,940,553
Total	\$769,169,811.32	\$65,225,600
Amount Remaining	\$0.00	\$0.00

²³ Refer to footnote 10.

²⁴ Refer to footnote 12.

Table 5		
Large Project Pool Awards (\$15M available) (up to \$10M additional STE per Project – Available First Round ONLY)		
June 17, 2025 Board Meeting		
Applicant Name	Qualified Property Amount	Estimated STE
Robert Bosch Semiconductor LLC	\$117,075,471.70	\$9,928,000
Applied Materials, Inc. (25-SM032)	\$38,075,471.70	\$3,228,800
Lam Research Corp	\$19,075,471.70	\$1,617,600
Total	\$174,226,415.10	\$14,774,400
Amount Remaining for December 9, 2025	\$2,660,377.35	\$225,600

Table 6		
Total Project Pool Awards for 2025		
STE Project Pool	Qualified Property Amount	Estimated STE
Small Project Pool Total	\$235,849,056.60	\$20,000,000
General Project Pool Total	\$769,169,811.32	\$65,225,600
Large Project Pool Total	\$174,226,415.10	\$14,774,400
Total	\$1,179,245,283.02	\$100,000,000

COMPETITIVE PROCESS AND ALLOCATION OF STE POOLS

Tables 7 through 9 on the following pages list the approved Applications ranked based on Competitive Criteria.

Table 7: Small Project Pool 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
June 17, 2025											
Rivian LLC	Lithium-Ion Batteries	Sacramento	\$413,199	235	100	0	45	15	0	0	75
Rincell Corporation	Lithium-Ion Batteries	Sacramento	\$1,120,132	235	100	0	45	15	0	0	75
Nitricity, Inc. and Nitricity Delhi, LLC	Fertilizer	Merced	\$737,760	195	100	50	30	15	0	0	0
Sierra View Dairy Biogas LLC	Dairy Biogas	Tulare	\$180,750	185	100	50	20	15	0	0	0
Antonio Brasil Dairy Biogas LLC	Dairy Biogas	Merced	\$220,059	185	100	50	20	15	0	0	0
Black Diamond Dairy Biogas LLC	Dairy Biogas	Fresno	\$274,654	185	100	50	20	15	0	0	0
ZO Motors North America LLC	Electric Vehicles	San Bernardino	\$287,896	175	100	0	60	15	0	0	0
Tandem PV, Inc.	Solar Photovoltaic	Alameda	\$1,484,000	155	100	0	40	15	0	0	0
Force Energy Corporation	Alternative Source	Tuolumne	\$891,324	153	100	3	35	15	0	0	0
HieFo Corporation	Semiconductor	Los Angeles	\$1,144,800	149	0	4	55	15	0	0	75
Trojan Battery Company, LLC	Batteries	Los Angeles	\$1,399,200	149	0	4	55	15	0	0	75
6-X Dairy Biogas LLC	Dairy Biogas	Stanislaus	\$542,955	147	100	32	0	15	0	0	0
SANCO Services, L.P.	Biogas Capture	San Diego	\$1,154,392	135	100	0	20	15	0	0	0
Applied Materials, Inc. (25-SM033)	Display Tools and Components	Santa Clara	\$1,995,768	130	0	0	40	15	0	0	75
AEM Americas Inc.	Ceramic Substrate Heaters & Thermal Subsystems	San Diego	\$381,439	120	0	0	45	0	0	0	75

Table 7 *(continued): Small Project Pool 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
June 17, 2025											
Heirloom Carbon Technologies, Inc.	Sequestered Carbon	San Joaquin	\$833,380	102	0	27	60	15	0	0	0
Intuitive Surgical, Inc. and Intuitive Surgical Operations, Inc.	Robotic Surgical Systems and Tools	Santa Clara	\$1,992,800	90	0	0	75	15	0	0	0
Best Express Foods, Inc.	Food	San Joaquin	\$731,961	87	0	27	45	15	0	0	0
Vast Space, LLC	Space Station Modules	Los Angeles	\$695,360	79	0	4	60	15	0	0	0
Fuse Energy Technologies Corp	Power Modules	Alameda	\$88,206	75	0	0	60	15	0	0	0
All Weather Architectural Aluminum Inc.	Windows and Doors	Solano	\$1,246,560	70	0	0	55	15	0	0	0
Mango Materials, Inc.	Biopolymer Pellets	Solano	\$1,955,976	45	0	0	30	15	0	0	0
Prose Beauty Inc.	Beauty Products	Los Angeles	\$754,720	44	0	4	40	0	0	0	0

Table 8: General Project Pool Applications, by Competitive Criteria

Applicant	Industry	County	Estimated STE	Total Score	Environmental Benefits	Unemployment	Job Creation	CA HQ	Disaster Relief	Eligibility for Partial Exemption	Emerging Strategic Industry
June 17, 2025											
Robert Bosch Semiconductor LLC	Semiconductor	Placer	\$10,000,000	220	100	0	30	15	0	0	75
Joby Aero, Inc.	Electric Aircraft	Monterey; San Mateo	\$8,532,849	215	100	40	60	15	0	0	0
Archer Aviation, Inc. and Archer Air LLC	Electric Aircraft	Monterey	\$5,088,000	190	100	40	35	15	0	0	0
AggrePlex of Modesto LLC	Glass Recycling	Stanislaus	\$2,249,092	152	100	31	20	0	0	0	0
Applied Materials, Inc. (25-SM032)	Semiconductor	Santa Clara	\$10,000,000	150	0	0	60	15	0	0	75
Lam Research Corporation	Semiconductor Fabrication Equipment	Alameda	\$10,000,000	145	0	0	55	15	0	0	75
Infinera Corporation	Semiconductor	Santa Clara	\$3,900,800	145	0	0	55	15	0	0	75
Figure AI Inc.	Humanoid Robots	Santa Clara	\$9,987,015	45	0	0	30	15	0	0	0
December 9, 2025											
Noon Energy Inc.	Energy Storage	Alameda	\$976,764	220	100	0	30	15	0	0	75
Fiscalini Alpha, LLC	Dairy Biogas	Stanislaus	\$1,034,177	147	100	32	0	15	0	0	0
City of Sunnyvale	Mixed Recycling	Santa Clara	\$424,416	143	100	0	-22	15	0	50	0
American Fruits and Flavors, LLC	Wastewater & Food Waste to Biogas	Los Angeles	\$2,131,561	139	100	4	20	15	0	0	0
Sierra Institute for Community and Environment	Cross Laminated Timber	Plumas	\$418,183	101	0	46	40	15	0	0	0
Kirby Canyon RNG LLC	Landfill Gas to Renewable Natural Gas	Santa Clara	\$933,159	100	100	0	0	0	0	0	0

Table 9: Large Project Pool Applications, by Competitive Criteria											
Applicant	Industry	County	Estimated STE	Total Score	Environmental Benefits	Unemployment	Job Creation	CA HQ	Disaster Relief	Eligibility for Partial Exemption	Emerging Strategic Industry
June 17, 2025											
Robert Bosch Semiconductor LLC	Semiconductor	Placer	\$9,928,000	220	100	0	30	15	0	0	75
Applied Materials, Inc. (25-SM032)	Semiconductor	Santa Clara	\$3,228,800	150	0	0	60	15	0	0	75
Lam Research Corporation	Semiconductor Fabrication Equipment	Alameda	\$1,617,600	145	0	0	55	15	0	0	75