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California Competes

Committee Meeting

Thursday, April 30, 2026, 1:00 p.m.

CalEPA Headquarters Building
Coastal Hearing Room
1001 I Street, Sacramento, CA 95814

*And the California Competes Tax Credit (CCTC) Committee
Meeting was live streamed for public viewing on [Zoom](#).*

MEMBERS:

Dee Dee Myers, *Chair*
Director
*Governor's Office of
Business and Economic
Development*

Fiona Ma
State Treasurer

Joe Stephenshaw, *Director*
Department of Finance

Todd Walters, *Appointee of
the Senate Committee on
Rules*

Madeline Janis, *Appointee of
the Speaker of the Assembly*

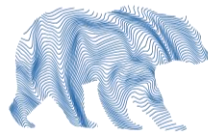
MINUTES

OPEN SESSION

A. Call to Order and Roll Call

Chair Dee Dee Myers called the meeting of the California Competes Tax Credit Committee (Committee) to order at 1:05pm.

Members Present: Chair Myers, Patrick Henning (representing the State Treasurer), Michele Perrault (representing the Department of Finance), Todd Walters (representing the Senate Committee on Rules), and Madeline Janis (representing the Speaker of the Assembly).



B. Approval of Minutes from November 12, 2025, Committee Meeting

Chair Myers asked if there were any questions from the Committee or public comments on Agenda Item B regarding the minutes from the November 12, 2025, meeting. Deputy Director Dosick confirmed there were no public comments.

Action Moved/Seconded: Members Henning/Janis

Yes: Members Walters, Janis, Henning, Perrault, Myers

No: None

C. Deputy Director's Report

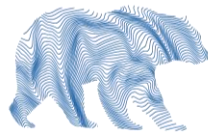
Agenda Overview - Agreements with 17 Businesses, Total Tax Credits \$220,991,667

Deputy Director Dosick reminded members of the public that if they want to make a public comment, then they may fill out one of the public comment cards located at the entrance of the room. All members of the public making comments were asked to provide their full name, and organization (if applicable), and agenda item for which you have comments. Names and organizations are optional and for identification purposes only, so we may introduce them when the Chair asks if there are any public comments for the current agenda item. Public commenters were requested to limit their comments to no more than 3 minutes.

The Governor's Office of Business and Economic Development (GO-Biz) recommended 17 tax credit awards totaling just over \$220.9 million. Mr. Dosick noted that this round includes a significant number of California manufacturers, aligning with the "strengthen" and "accelerate" sectors in the State's Economic Blueprint. He encouraged everyone present and watching online to access this blueprint, which was released by Governor Newsom just over a year ago. Mr. Dosick stated that each of the businesses recommended for the award certified in its application and clearly demonstrated that this credit will be a significant factor in their decision or ability to commit to new full-time job creation in California.

Mr. Dosick expressed his appreciation for the CalCompetes team for their outstanding analysis and customer service.

D. Discussion and Approval of California Competes Tax Credit Agreements



Total Recommended Tax Credits: **\$220,825,000**
Total Recommended Tax Credits after Adjusting for S-Corporation Law¹: **\$220,991,667**

Chair Myers proposed removing Agenda Item D-2, D-3, D-5, and D-6 from consent for additional discussion, and requested a separate vote on Item D-1. Chair Myers asked if there were any questions or comments from the Committee or members of the public on any items not pulled for further discussion under Agenda Item D. Deputy Director Dosick confirmed that there were no public comments. Chair Myers called for a motion to approve Agenda Item D except for Items D-1, D-2, D-3, D-5, and D-6.

Action Moved/Seconded: Members Henning/Walters
Yes: Members Walters, Janis, Henning, Perrault, Myers
No: None

E. Discussion and Approval of Recommendations for California Competes Tax Credit Recapture

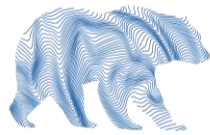
Total Tax Credits Recommended to be Recaptured: **\$34,931,202**
Total Tax Credits Recommended to be Recaptured after Adjusting for S-Corporation Law²: **\$34,931,202**

Chair Myers asked if there were any questions or comments from the Committee or members of the public on any items under Agenda Item E. Deputy Director Dosick confirmed that there were no public comments. Chair Myers called for a motion to approve Agenda Item E.

Action Moved/Seconded: Members Henning/Janis
Yes: Members Walters, Janis, Henning, Perrault, Myers
No: None

¹ One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).

² One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



F. Discussion and Approval of Recommendations for Modified California Competes Tax Credit Recapture

Total Recommended Tax Credits to be Recaptured:	\$935,000
Total Recommended Tax Credits to be Recaptured after Adjusting for S-Corporation Law³:	\$935,000

Chair Myers asked if there were any questions or comments from the Committee or members of the public on any items under Agenda Item F. Deputy Director Dosick confirmed that there were no public comments. Chair Myers called for a motion to approve Agenda Item F.

Action Moved/Seconded: Members Henning/Janis

Yes: Members Walters, Janis, Henning, Perrault, Myers

No: None

D-1 Mach Industries, Inc.

Chair Myers asked if there were any questions or comments about Item D-1. Deputy Director Dosick confirmed that there were no public comments.

Action Moved/Seconded: Members Perrault/Walters

Yes: Members Walters, Perrault, Myers

No: Member Janis

Abstain: Member Henning

D-2. Heron Power Electronics Company

At the request of Chair Myers, Deputy Director Dosick elaborated on Agenda Item D-2. He described the company and the proposed tax credit Agreement to the Committee. Heron Power Electronics Company (Heron Power) is an electrical grid equipment manufacturer. Its product, the Heron Link, is a power electronics unit that is a replacement for older, bulky, and largely mechanical electrical grid equipment such as transformers and inverters. The Heron Link makes power flows more efficient and affordable. It can be used in renewable energy production like solar power and energy storage as well as for power delivery to data centers.

³ One-third of the California Competes Tax Credit may be utilized by an S-Corporation to offset the tax on net income at the S-Corporation level (R&TC §23803(a)(1)). The remaining two-thirds is disregarded and may not be used as a carryover for the S-Corporation (R&TC §23803(a)(2)(A)). However, the full amount of the California Competes Tax Credit is also passed through to the S-Corporation's shareholders (R&TC §23803(a)(2)(F)).



In exchange for a \$26,375,000 tax credit, Heron Power is proposing to create 601 new, full-time jobs and make over \$140 million in investments.

Heron Power indicated in its application that it is evaluating locations to build a manufacturing facility for the Heron Link. In addition to Morgan Hill, it is also evaluating sites in Oklahoma, Arizona, and Texas. Each alternative location offers lower operational costs, tax savings, and incentives. Heron stated that the combination of lower structural costs and cash incentives generate a significant gap with California. Heron affirmed that the credit amount is proportionate to other state incentive offerings, and that it prefers to establish this manufacturing facility here – and will do so if awarded this credit.

Mr. Dosick introduced Madison Freeman, Heron's Senior Policy and Business Development Manager, who was available to answer the Committee's questions.

Member Henning asked what kinds of products Heron Power manufactures.

Ms. Freeman stated that the company is building major connection points on the grid using products that are more efficient and cost effective, particularly at delivering power from renewable energy storage projects. Heron Power is developing solutions that replace traditional transformers and inverters that connect large energy projects to the grid. It converts electricity more efficiently and reduces electricity losses by about half.

Member Janis asked if Heron is ready to begin manufacturing.

Ms. Freeman stated that solid-state technology has been around for a long time. Power electronics have been scaling up in terms of the voltage class of energy they can meet. Over the last few years, semiconductor advances have enabled the ability to manufacture power electronics at grid scale rather than just smaller devices or electric vehicles. She stated that they feel now is the right time for this technology to be scaling up. They have demonstrated large scale use of its power cells at its Scotts Valley headquarters.

Ms. Janis asked what the current employees do. Ms. Freeman stated that they currently have about 70 employees who are primarily focused on research and development, quality, safety, and reliability testing, and customer success workers who interact with the initial pilot users.



Ms. Janis asked who the customers would be for this product. Ms. Freeman replied that these will be large energy project developers. Some examples are Intersect Power and Clearway, who are large solar storage developers here in California. Heron has about a dozen customers.

Ms. Janis asked if they were utility scale at this point. Ms. Freeman stated that it is utility scale, in that, that term is often used to describe a project that will be connected to a utility. Utilities could be our customers if they own their own generation. Heron has spoken to many utilities around the country that may be customers while there may be other utilities, like PG&E, that may connect our projects.

Ms. Janis asked if they already have the land use permits in place for this factory. Ms. Freeman replied that they have not submitted for extensive permits for this facility because they are still negotiating a lease which is partially contingent on the CalCompetes decision.

Ms. Janis asked if Heron plans to seek a CEQA exemption. Ms. Freeman replied that they are using an existing facility and not substantially remastering its purpose, so they do not expect to need a CEQA permit.

Ms. Janis asked how they plan to hire people. Ms. Freeman explained that they are planning to hire 375 people at the facility, at minimum, but they expect to exceed that number. To meet that goal, Heron Power wants to ensure that it is pulling from people who are excited about living in their local community. They are planning to develop local and regionally-based hiring programs. To ensure high retention, the company has been talking with local government officials, such as in Morgan Hill. Once a location decision is made, Heron plans to move forward with local workforce development groups as well as hiring through recruitment partners across the region.

Ms. Janis asked if they are open to partnering with local community or labor organizations. Ms. Freeman stated that they would love to. Community engagement is important. Heron is based in Santa Cruz County. It has been engaged with the local Santa Cruz work organizations and has sent crews to local universities, including UC Santa Cruz and UC Berkeley for career and networking events. She affirmed that Heron would love to work with labor organizations. She stated that they anticipate whether or not Heron Power is directly engaged with a unionized workforce that will be working closely with IBEW because many projects that use the Heron Link will likely be using unionized labor. Heron Power wants them as an organization to be familiar with what we are building.



Chair Myers asked Ms. Freeman to discuss why it plans to locate in Morgan Hill and Scotts Valley as opposed to some of the other locations interested in luring them away from California. Ms. Freeman stated the company wanted to conduct a wide search for its facility location. The other 3 states do offer compelling cost profiles, but it was really looking to hire top talent. That means both highly experienced and skilled engineers as well as highly experienced manufacturing plant managers. It also wanted to have a large workforce that had worked at similar plants in the past. Because this is a new technology, Heron can have a flywheel of innovation between the R&D team in Santa Cruz County and the manufacturing facility to ensure that scaling is occurring rapidly.

Heron Power looked across California but ended up focusing on San Jose region for a mixture of labor, logistics, and major transportation corridors. The company is based and founded in California and sees a lot of alignment between its values and what the state of California offers, both in terms of renewable energy and the future of electrification as well as the value of innovation. This application was meant to make the economics work and to ensure the product can be cost-competitive.

Member Walters asked if Heron Power has a relationship with data centers. Ms. Freeman affirmed that it does. She stated that its product connects low voltage, direct current (DC) power produced from solar or batteries that are often consumed by large direct current loads like electric vehicle charging or data centers, to the medium voltage, alternating current grid. Heron sees its opportunity in solar and storage, but the product is bi-directional so it could also go to these large DC loads. The biggest story in energy right now is the data center load growth.

Heron Power has worked with several data center companies on architecture to fit its solid-state transformer. The reason that is important is because the data center load challenge is not only load demand, but that demand can also create challenges for frequency and voltage across the grid. One of the benefits of the solid-state transformer and the power electronics in our product is that instead of a mechanical, traditional device, The Heron Link is software-controlled and can build in fault protections. Heron Power can be a good citizen for the grid and create load growth that reduces the cost of power and reduces the need for investment in infrastructure.



Chair Myers asked if they envision a market outside of the United States. Ms. Freeman stated that they believe so. There are some other spaces that are facing the same pinch as the U.S., with increasing renewable generation that can present challenges to grid stability if not managed properly. Big load growth through things like data centers and aging infrastructure at the same time is the nexus of where its technology is the most valuable versus incumbent technologies. Other potential markets outside of the U.S. are Europe and Australia, both places that have been implementing increasing regulations to bring on more grid-forming behavior with these inverter-based resources. Those are places Heron Power could go.

Ultimately, this facility at full capacity would fulfill about 50% of U.S. projects today. Heron Power expects that demand to grow, so that will likely be a smaller percentage over time. That is about 10-15% of demand globally, outside of China. She stated that they think there will be a lot of opportunities to export from here.

Ms. Janis stated that it was nice to have a woman speaking for a technology company. She assumes that part of Heron's hiring process will include looking for employees that are not typically represented in manufacturing. Ms. Freeman replied yes. Engineering and manufacturing historically have not been the most diverse. Heron Power wants to make sure that its workforce continues to represent the communities that it is drawing from.

Chair Myers asked if there were any questions or comments about Item D-2. Deputy Director Dosick confirmed that there were no public comments.

Action Moved/Seconded: Members Henning/Janis

Yes: Members Walters, Janis, Henning, Perrault, Myers

No: None

D-3. Samsung Semiconductor, Inc.

At the request of Chair Myers, Deputy Director Dosick elaborated on Agenda Item D-3. He described the company and the proposed tax credit Agreement to the Committee. Samsung Semiconductor, Inc. (SSI) is a semiconductor component developer. In exchange for a \$25,000,000 tax credit, SSI is proposing to create 400 new, full-time jobs and make \$79,500,000 million in investments. Samsung was previously awarded two tax credit agreements in 2014 and 2015 respectively. It achieved all of the milestones from its first agreement and 4 of the 5 years of its second agreement. While Samsung did not earn all of



the credit from its second agreement, subsequent to the end of the 5-year term, it exceeded all of its previous commitments. The net increase of 400 jobs proposed in this project is above and beyond the proposed growth from its previous agreements.

SSI indicated that it is currently undergoing an internal site selection process and is considering locating this expansion at its existing facility in Korea, where similar research and development activities are performed. The company indicated that expanding in California would result a cost differential of approximately \$35 million. SSI stated that while lower overall construction, labor, and operating costs in Korea make it a financially attractive alternative, California offers strategic advantages, including access to a highly skilled engineering talent pool and proximity to customers. SSI stated that the California Competes Tax Credit would sufficiently offset the cost differential and support its ability to expand its R&D operations in California.

Mr. Dosick introduced Michael Walters, Senior Vice President of Human Resources; Melissa Myers, Senior Director for Workplace Solutions; and Ricardo Samaniego, Senior Director and Head of Tax, who were available to answer the Committee's questions.

Member Janis stated that she was in support of this credit. She asked about the demographic makeup of the current 1,500 employees, both in terms of gender and race. Mr. Walters stated that there are challenges in some industries. Samsung is representative of the semiconductor industry, in that, it is predominantly male and Asian, which is somewhat reflective of the higher education and population from which it recruits.

Ms. Janis asked what percentage of employees are being brought over from Korea and what percentage are being hired from California. Mr. Walters stated that the vast majority of its population is local. They do have about 150 employees who are on a rotational assignment from headquarters who have very specific technical knowledge and who liaise between the commercial operations in California and the headquarters in Korea.

Chair Myers asked if their R&D is primarily located in Korea. Mr. Walters responded that yes, it was. Here, in San Jose, about 60-65% of the workforce are engineers and R&D.

Ms. Janis asked if Samsung is committed to hiring all 400 employees that will be hired with this credit from California. Mr. Walters replied that yes, the 400 will be predominantly in the Bay Area.

Ms. Janis asked Mr. Dosick if there was anything in the agreement that will help determine that. Mr. Dosick replied that based on the regulations, employees only count if they are full-time employees in California who receive a W-2. Regarding those workers who rotate back



and forth between here and Korea, they would not count toward those milestones when they are not working in California.

Ms. Janis asked about its diversity and hiring practices. She noted that certain parts of the Silicon Valley skew wealthy and would like to see less-advantaged people have an opportunity for good jobs. Mr. Walters stated that there are some challenges because the work that they do tends to require a highly skilled workforce. Over 60% of its population have advanced degrees. In the engineering space that percentage rises to 77%. Its outreach includes hiring experienced talent within the industry as well as some university hiring. California's education system is wonderful, with two flagship universities in Stanford and Berkeley located in the Bay Area. This is where Samsung can conduct outreach to help skew younger and more diverse candidate pools. He stated that they also recruit and relocate candidates from University of Texas, Georgia Tech, and Purdue, which all have strong engineering programs.

Chair Myers asked if they recruit from the California State University systems. Mr. Walters stated that they do, including San Jose State.

Chair Myers noted that there are 23 fine Cal State campuses around the state. She encouraged Samsung to keep looking there as well.

Ms. Janis asked about the workers that will earn the lower salaries. Mr. Walters stated that due to the nature of the work, its demographic does skew toward more experienced workers. Those workers at the earlier stage of their career represent a smaller group. Those will be support positions within the commercial operations and staff functions.

Ms. Janis asked what kind of Visa's are used for the workers that come from Korea. Mr. Walters replied that most of them are on L Visas.

Ms. Janis asked what the company is doing to address the problems with "forever," or Per- and polyfluoroalkyl substances (PFAS) chemicals. Mr. Walters stated that the panelists represent the commercial headquarters and R&D in the U.S., which is more on the electrical side and not the chemical side. There are no PFAS chemicals.

Ms. Janis asked if they have any knowledge about the broader company's practices such as testing wastewater or destruction technologies to eliminate PFAS. Mr. Walters stated that while he has limited visibility into that side of the business, he knows that as Samsung has expanded into large fabrication facilities, it is working with environmental regulators to ensure water supply is not contaminated.



Ms. Janis asked if they monitor emissions. Ms. Myers stated that part of her scope includes facilities. All of Samsung's energy at its California facility is sourced from renewables. Samsung tracks and monitors its greenhouse gas and has that certified by a third party.

Ms. Janis asked if they do that in Texas as well. Ms. Myers stated that she does not know the details, as that is a separate division, but they do use a 3rd party verifier as well.

Ms. Janis mentioned that she had asked Deputy Director Dosick to provide the companies receiving CHIPS funds with a letter. She asked if Samsung is open to having any partnerships with community or labor organizations. Mr. Walters stated that they would welcome discussions.

Ms. Janis asked if Samsung was interested in hearing about the assistance these organizations can provide in terms of hiring, training, and finding people that can help Samsung meet its goals. Mr. Walters replied in the affirmative.

Member Henning stated that he was glad that Ms. Janis mentioned the CHIPS Act. He stated that he was proud that Governor Newsom helped blunt some of the disruption to those credits.

Chair Myers asked if there were any questions or comments about Item D-3. Deputy Director Dosick confirmed that there were no public comments.

Action Moved/Seconded: Members Henning/Walters

Yes: Members Walters, Janis, Henning, Perrault, Myers

No: None

D-5 MP Materials Corp.

At the request of Chair Myers, Deputy Director Dosick elaborated on Agenda Item D-5. He described the company and the proposed tax credit Agreement to the Committee. MP Materials Corp. (MP Materials) is a rare earth mineral mine, recycler, and magnet manufacturer. In exchange for a \$18,500,000 tax credit, MP Materials is proposing to create 119 new, full-time jobs and make \$120 million in investments. MP Materials was previously awarded a \$14,790,000 California Competes Tax Credit on November 4, 2021, in exchange for its commitment to create 203 new full-time jobs. The net increase of 119 jobs proposed in this project is above and beyond the proposed growth from its first agreement. MP Materials met or exceeded all of the milestones from its previous agreement.



MP Materials indicated in its application that it intends to construct a commercial facility to recover rare-earth materials from "end-of-life" electronic products. It stated that it is evaluating potential locations for the facility, taking into account proximity to existing refining, magnet-production infrastructure, and other operational factors. By co-locating at the existing mine in Mountain Pass, California, it would create a dual system that blends recycled and raw materials, reducing cost fluctuations that can be solely dependent on the raw material prices. MP Materials is also considering Northlake, Texas as a co-location, where its large-scale magnet manufacturing plant is under construction in partnership with the federal government. MP Materials has committed to implementing this project in California if awarded the credit.

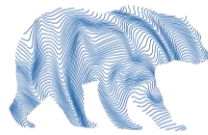
Mr. Dosick introduced Matt Sloustcher, MP's Executive Vice President of Corporate Affairs and Chief Communications Officer who were available to answer the Committee's questions.

Member Janis stated that she was glad to hear that the company's first credit went well. She asked what kind of minerals are mined, and what kind will be recycled. Mr. Sloustcher stated that the only rare earths mine in the U.S. and in the Western Hemisphere is located in Mountain Pass, California. MP Materials mines a mineral called bastnasite. Inside that mineral are 15 rare earth elements that are important to all kinds of advanced technologies. In this project we are taking end of life magnets that contain rare earth elements and processing them back into their constituent elemental form to make them back into magnets again to be put into millions of Apple devices.

Ms. Janis asked about the types of products for which the magnets will be used. Mr. Sloustcher stated that rare earth magnets were discovered in the U.S. Air Force Research Laboratory in 1966. They are the world's most power dense and efficient permanent magnet; meaning they resist demagnetization. Every single electric motor and generator; anything that converts energy into motion or motion into energy, depends on a motor or a generator. If it is a high-power device or a miniature device, it almost always is a rare earth magnet. Examples are wind turbines, electric vehicle motors, phones, and handheld power tools.

The big, exciting growth for the application is in robotics. A humanoid robot has more magnets than an electric car. The biggest application for these today is consumer electronics and robots, but in a decade, I think it will be in robotics.

Ms. Janis asked if MP Materials is working with Boston Dynamics. Mr. Sloustcher stated that it does not have direct relationships with robotics manufacturers today but that will likely come. MP Materials' direct relationships currently are with auto-makers and consumer electronics companies.



Ms. Janis asked if that is to whom MP is selling its products. Mr. Sloustcher stated that Apple is a foundational customer for this project. Apple is one of the largest and most sophisticated consumer of rare earth magnets because they have been putting them in their devices for a long time. Apple made a commitment to have 100% recycled materials in their rare earth magnets by a certain date.

Ms. Janis asked how they pull the magnets apart. Mr. Sloustcher stated that feedstock is already extracted upon delivery to MP Materials.

Ms. Janis asked what kind of employees will make the lower wage. Mr. Sloustcher stated that those are a mix of maintenance, operator, and technical jobs predominantly, and some engineering positions.

Ms. Janis asked who would make the \$58,000. Mr. Sloustcher stated that equipment operators will make that wage, though he anticipates their wages to be a bit higher than that.

Ms. Janis asked if the company has any partnerships with community or labor groups. Mr. Sloustcher stated that it is important that the organization reflects the communities in which it operates. Mountain Pass, California is a unique location. There is not a community nearby. The closest California community is a town called Baker, with about 500 residents. Baker is 36 miles from Mountain Pass. He described how the company formed a relationship with the superintendent of the Baker Valley Unified School District, who wanted opportunities for its twelve CTE students. MP Materials brought those students to tour the facility, introduced them to employees who came from that town, and hired a few of the students straight out of high school. Although MP Materials is located in a rural part of the state, it does what it can to reach out to the community.

Ms. Janis asked where do the employees live. Mr. Sloustcher stated that the majority of the employees live in Las Vegas and more reside in the California high desert. Because its wages are strong, it actually attracts some employees from Northern Arizona and Southern Utah, who come in for 3 to 4 day shifts.

Ms. Janis asked if CalCompetes gives credit for out-of-state employees. Mr. Dosick replied that if the workers receive a California W-2, then they count for the purposes of California Competes.

Ms. Janis asked if MP Materials has a relationship with a union. Mr. Sloustcher stated that it does not.



Ms. Janis asked about MP's methods to ensure it does not pollute the water or air. Mr. Sloustcher stated that the company is proud to operate in California. Historically, this industry has a largely deserved, bad reputation based on practices primarily from overseas. He stated that MP Materials is the gold standard, globally, for how this type of work can be done responsibly. The Mountain Pass facility is a zero liquid discharge site, which is incredibly rare for any type of refinery processing facility. He added that in addition to the environmental side, with regard to health and safety, MP Materials has a very good track record. It has had no major environmental or health and safety incidents.

Chair Myers asked where do magnets come from if they do not come from MP Materials. Mr. Sloustcher stated that 98% of magnets are made in China. Mountain Pass, where it now operates, led global rare earths production from the 1960's to the 1980's. Then, for a variety of reasons, the industry was offshored. These magnets had many applications such as sensors, lights, and polishing agents, but it turns out that magnets are very important to renewable energy, electric motion, and automation. He noted that this is a huge national security issue, as there is not a single major U.S. defense platform that does not depend on rare earth magnets in one way, shape, or form.

Chair Myers stated that it is good to know that we are re-shoring some of our supply chain and thanked MP Materials for its contribution to that end. She asked if there were any questions or comments about Item D-5. Deputy Director Dosick confirmed that there were no public comments.

Action Moved/Seconded: Members Henning/Walters

Yes: Members Walters, Janis, Henning, Perrault, Myers

No: None

D-6 Harbinger Motors, Inc.

At the request of Chair Myers, Deputy Director Dosick elaborated on Agenda Item D-6. He described the company and the proposed tax credit Agreement to the Committee. Harbinger Motors, Inc. (Harbinger) is a startup battery, motor, and medium-duty truck chassis manufacturer. It offers fully electric and plug-in hybrid models, and its chassis can be used by its customers for delivery vans, RVs, and shuttle buses. In exchange for a \$17 million tax credit, Harbinger is proposing to create 343 new, full-time jobs and make \$140,178,547 in investments.



Harbinger wants to establish a battery manufacturing facility for its vehicles and is evaluating options in California and the Midwest. Harbinger currently has a small vehicle chassis pilot manufacturing line in California and intends to establish a higher-volume facility in the Midwest. Harbinger indicated that all of its chassis “uplifters,” or companies that build truck, RV, or other vehicle bodies (i.e., its customers), are located in Indiana or Michigan; and, its battery cell supplier is located in Kansas. Harbinger stated that without the credit, it would be forced to consider establishing the battery manufacturing facility in a Midwest state which offer lower operational costs, incentives, and more efficient supply chain alignment resulting in lower shipping costs. However, if awarded a California Competes Tax Credit, Harbinger is willing to commit to establishing the battery manufacturing facility in California, retaining 22 existing jobs, creating 343 new jobs, and making \$140.2 million in investments in California.

He introduced Charity Allen, Harbinger’s General Counsel, and Mitchell Bognar, Manager of Strategy, who were available to answer the Committee’s questions.

Ms. Allen stated that the company was founded to accelerate the electrification of commercial transportation by designing and building electric vehicle chassis that are more efficient, durable, and cost effective than internal combustion platforms. Harbinger manufactures and designs its battery packs, electric motors, hybrid powertrains, autonomous trucking software, and truck chassis out of its headquarters in Garden Grove, California. Harbinger is the only company globally manufacturing its own battery packs and its motors in-house, which allows it to achieve price parity with diesel trucks.

The project represents a significant investment in expanding its California footprint. She stated that Harbinger is proposing expansion of the headquarters, including the buildout of high-volume, semi-automated manufacturing lines. The company began production in 2025 at low volumes and is now scaling rapidly to meet the demand for its battery packs in commercial vehicles, storage, and defense products. This project will include hiring 265 advanced manufacturing jobs.

Member Janis asked if the company could explain what a chassis is. Mr. Bognar stated that the chassis can be described as all of the pieces that allow the vehicle to move. This includes the motor, the wheels, and the rails on which the vehicle sits. Everything else is called the “upfit,” or the “body.”

Ms. Janis asked if Harbinger sells to final vehicle assemblers. Mr. Bognar stated yes, that is correct.



Ms. Janis asked if they already had customers lined up. Mr. Bognar replied yes. Harbinger has a variety of customers in delivery fleets as well as secondary manufacturers who put the body on top of the chassis.

Ms. Janis asked if the customers are California-based manufacturers. Mr. Bognar stated that they are not. They are located in the Midwest; firms such as Morgan Olson, Utilimaster, Wabash, and Thor Industries.

Ms. Janis asked if the vehicles could deliver to ports. Mr. Bognar replied that that is not the immediate focus. Harbinger's vehicles are more last-mile and middle-mile delivery vehicles.

Ms. Janis asked if they were like Amazon trucks. Mr. Bognar replied yes, though the company is not currently working with Amazon. He noted that Harbinger has a partnership with FedEx. Ms. Allen stated that these are medium-duty vehicles that can be built out to be whatever the customer wants them to be.

Ms. Janis asked what the current employees do. Ms. Allen stated that it currently has 357 full-time employees which are customer operation, engineers, administrative, manufacturing operations, supply chain engineers, and sales.

Ms. Janis asked if any manufacturing employees will be hired given that this is a semi-automated factory. Mr. Bodnar stated that 265 of the 340 jobs that are expected to be hired are manufacturing workers. Some will be direct labor, and some will be managerial. He stated that in their case, "semi-automated" refers to the fact that some of the quality control processes will be automated.

Ms. Janis asked where Harbinger would be recruiting its workforce. Mr. Bognar stated that it hopes that its workforce reflects its community. Orange County is a surprisingly diverse community. Harbinger is working to partner with local communities and local colleges to fill the pipeline.

Ms. Janis asked if Harbinger partners with any community or labor groups. Ms. Allen stated that it works with some trade schools. Harbinger does not have an official apprenticeship program but it does have an extensive internship program with a number of universities nearby.

Ms. Janis asked which workers would earn the lower salaries. Mr. Bodnar stated that these will be early-career manufacturing workers.



Ms. Janis asked if they would be building a new facility. Mr. Bodnar replied no, they will be building this in the existing facility in Garden Grove.

Chair Myers asked if the company is venturing into the potential electrification of RVs. Mr. Bodnar stated that yes, they are developing a plug-in hybrid platform that can be used for an RV.

Chair Myers asked how its approach allows it to compete with diesel. Mr. Bodnar stated that thesis of the company was that if it can vertically integrate very heavily, rather than buying entire battery packs and entire motors, costs can decrease because multiple margins from multiple suppliers are eliminated. In doing so, Harbinger can decrease the costs of its major components and that is how it achieves price parity with diesel.

Chair Myers asked if there were any questions or comments about Item D-6. Deputy Director Dosick confirmed that there were no public comments.

Action Moved/Seconded: Members Henning/Walters

Yes: Members Walters, Janis, Henning, Perrault, Myers

No: None

G. Public Comment

Chair Myers asked if there were any public comments regarding items not on the agenda. Deputy Director Dosick confirmed there were no public comments received.

H. Adjournment

Chair Myers adjourned the meeting at 2:10pm.