

April 2025

California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) (“Kate-Fuh”)

State Treasurer’s Office

ZEV Role: CAEATFA supports the economic development of the ZEV market by targeting assistance upstream at the manufacturing level through its Sales & Use Tax Exclusion (STE) Program for manufacturers. The STE Program awards directly to ZEV manufacturers and to manufacturers in the ZEV supply chain (e.g.: lithium batteries, EV drivetrains, renewable hydrogen, semiconductors, etc.).

In addition, CAEATFA administers the GoGreen Financing residential, small businesses, and multifamily credit support program for customers seeking to implement energy efficiency solutions. GoGreen Financing qualified projects include EV charging stations supporting the ZEV market infrastructure.

Equity Focus: Facilitating the accessibility of ZEV in all communities, the STE program works as part of the “capital stack” to incentivize ZEV and ZEV supply chain manufacturers to move to and/or expand in California. Increasing ZEV manufacturing in California increases the ZEV supply and provides purchase power through job creation.

2024 Highlights

- Awarded \$17.2 million in STE to three ZEV manufacturers.
- Awarded \$15 million in STE to a lithium battery material producer and \$968 thousand in STE to support lithium recovery and processing.
- Awarded \$12.5 million in STE to Renewable Hydrogen manufacturers.
- Awarded \$20 million in STE to a geothermal brine and steam production manufacturer.

ZEV Market Development Objectives

1. **Increase ZEV manufacturing in California** – Strengthen the STE Program’s visibility and use.
 - a. **Key Collaborators:** State Treasurer’s Office, CEC, GO-Biz, SCO, PUC, Local and Regional Government.
 - b. **2024 Key Results & Actions:**
 - i. Awarded approximately \$45.7 million in STE to ZEV and ZEV supply chain manufacturers.
 - ii. Amended the Emerging Strategic Industries (ESI) list to include semiconductor manufacturing equipment, R&D for nanotechnology, and broadened support for batteries and energy storage.
 - iii. Hosted an STE application workshop available for rewatch.

2025 Target Key Results:

- The STE program is currently set to expire on January 1, 2026, we are actively working to obtain reauthorization of the STE program through SB 86, authored by Senators McNerney and Caballero.
- Continue to work with our partner agencies to expand outreach to ZEV manufacturing participants.
- Continue Lithium Valley collaboration efforts with the California Energy Commission and Imperial County.