

RESOLUTION NO. 22-12

**RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK ADOPTING A CLIMATE
CATALYST FINANCING PLAN**

WHEREAS, the California Infrastructure and Economic Development Bank (“IBank”) is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the “IBank Act”), for the purpose of providing financial assistance to eligible projects in the State of California through a variety of financing mechanisms;

WHEREAS, effective June 29, 2020, Article 6.7 of the IBank Act (California Government Code Sections 63048.91 through 63048.100) was added to the IBank Act establishing the Climate Catalyst Revolving Loan Fund and the Climate Catalyst Revolving Loan Fund Program for the purpose of providing financial assistance for eligible projects (a “Climate Catalyst Project”) intended to further California’s climate goals, activities that reduce climate risk, and the implementation of low-carbon technology and infrastructure;

WHEREAS, Government Code Section 63048.93 requires that the IBank Board of Directors (the “Board”) adopt a Climate Catalyst Financing Plan (a “Financing Plan”);

WHEREAS, Government Code Section 63048.92 defines a Financing Plan as a report “identifying potential categories and eligibility criteria of Climate Catalyst Projects that may receive financial assistance under this article;”

WHEREAS, a proposed Financing Plan is attached hereto as Exhibit A;

WHEREAS, Government Code Section 63048.93 further requires that the Financing Plan be based on IBank’s communication with certain “Consulting Agencies” and that the Consulting Agencies submit a letter to the Board discussing areas of support and disagreement for the Financing Plan under consideration;

WHEREAS, pursuant to Government Code Section 63048.93, the relevant Consulting Agency for purposes of the Financing Plan attached hereto as Exhibit A is the California Department of Food and Agriculture (“CDFA”) and IBank has met and conferred with CDFAs as required under Government Code Section 63048.93; and

WHEREAS, attached hereto as Exhibit B is a letter from CDFAs satisfying the requirements of Government Code Section 63048.93.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The Board hereby finds that the above recitals are true and correct.

Section 2. All actions heretofore taken by the officers and employees of IBank with respect to the subject matter of this Resolution are hereby approved, confirmed and ratified.

Section 3. The Board hereby approves and adopts the Financing Plan attached hereto as Exhibit A.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on July 27, 2022, by the following vote:

NOES:

ABSENT:

ABSTAIN:

By _____
Scott Wu, Executive Director

Attest:

By _____
Stefan Spich
Secretary of the Board of Directors

Exhibit A

Climate Catalyst Financing Plan

[See Attached]

Climate Catalyst Fund

Financing Plan July 27, 2022: Climate-Smart Agriculture

In administering the Climate Catalyst Revolving Loan Fund (the "Fund") and the Climate Catalyst Revolving Loan Fund Program (the "Program"), per the requirements of Government Code Section 63048.92, IBank must prepare a Climate Catalyst Financing Plan (the "Financing Plan") that identifies "potential categories and eligibility criteria of climate catalyst projects that may receive financial assistance" under the Program.

This document serves as the Financing Plan for the Fund and Program, covering the category of Climate Catalyst Projects ("Projects") advancing the state policy priority for climate-smart agriculture technologies and practices.

Government Code Section 63048.93(d) requires that IBank engage with specific "consulting agencies" in formulating these financing plans:

"(1) Beginning in the 2021–2022 fiscal year, the bank shall meet and confer with the consulting agencies concerning the specific categories of climate catalyst project corresponding to each agency as provided in subdivision (f). Thereafter, the bank board shall adopt, by majority vote of the bank board, a climate catalyst financing plan. Prior to the bank board meeting in which the bank board will first consider adoption of the financing plan, each consulting agency shall submit a letter to the bank board discussing any areas of support and any areas of disagreement with the financing plan under consideration.

(2) Following bank board approval, the climate catalyst financing plan shall be posted on the bank's internet website."

Government Code Section 63048.93(f) identifies as a consulting agency:

(2) The Department of Food and Agriculture for climate catalyst projects that relate to agricultural improvements that enhance the climate or lessen impacts to the climate resulting from in-force agricultural practices. Eligible climate catalyst project categories include, but are not limited to, all of the following:

(A) Onfarm and food processing renewable energy, including both electricity and fuels, and bioenergy, to be used or distributed onsite.

- (B) Energy, water, and materials efficiency.
- (C) Methane reduction projects, utilizing best practice approaches consistent with state policy goals, excluding dairy digesters and biogas unless used or distributed onsite.
- (D) Energy storage or microgrids.
- (E) Equipment replacement.

Government Code Section 63048.93(f)(2) provides five broad Project categories and includes a number of specific examples of Projects that fit within those categories. However, by its own terms, the list of specific Project categories within Government Code Section 63048.93(f)(2) is not exhaustive. To determine the potential range of allowable Projects, as directed under Government Code Section 63049.93(f)(1), IBank has consulted with the California Department of Food and Agriculture (“CDFA”). Following this consultation, IBank staff has determined that no further categorical additions are necessary at this time.

In establishing this Financing Plan, IBank also clarifies the process whereby it will address any potential Project categories that are eligible for financial assistance under the broad categories set forth in Government Code Section 63048.93(f)(2), but are not specifically enumerated therein or otherwise addressed in this Financing Plan:

- IBank may further consult with CDFA for climate smart agriculture projects that seek financing from the Catalyst Fund that are not enumerated specifically under the terms of Government Code 63048.93 and/or included in the relevant Financing Plan (an “Unenumerated Project”), but otherwise meet the underwriting criteria established by IBank.
- Upon presentation to the Board of a potential Unenumerated Project, IBank will provide to the Board CDFA’s analyses of such Unenumerated Project’s eligibility for financing under Government Code Section 63048.93(f)(2).

EXHIBIT B

Letter from California Natural Resources Agency
Regarding Climate Catalyst Financing Plan

[See Attached]



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

July 14, 2022

To the Infrastructure Bank Board:

This letter affirms the support of the California Department of Food and Agriculture for the Climate Catalyst Financing Plan as prepared by the California Infrastructure and Economic Development Bank (IBank). California's climate crisis is growing more extreme by the year, and producers are on the front lines experiencing these extreme impacts and adapting to climate change. One of the major hurdles to achieving climate resilience is the lack of access to capital for the diversity of California's agricultural community.

The Climate Catalyst Fund can play a critical role in building businesses that can spur further innovation and advances in the field of climate-smart agriculture, thereby helping to meet our state's climate goals and supporting a resilient food system in California. The Climate Catalyst Fund will open opportunities for a wide array of needed businesses which will help address the already present impacts of climate change in agriculture.

Yours truly,

Karen Ross
Secretary

