

# CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

## STAFF REPORT

### APPROVAL OF CLIMATE CATALYST FUND FINANCING PLAN CLEAN ENERGY TRANSMISSION

#### I. Introduction

The California Infrastructure and Economic Development Bank (“IBank”) staff recommends the IBank Board of Directors (the “Board”) adopt Resolution No. 22-23 approving the adoption of the Climate Catalyst Fund Financing Plan – Clean Energy Transmission. IBank is statutorily required to produce Financing Plans for each sector in which the Climate Catalyst Fund will deploy capital, establishing alignment with leading state agencies in those sectors, and articulating project eligibility and evaluation criteria under the Climate Catalyst Fund.

#### II. Background and Discussion

The Climate Catalyst Revolving Loan Fund Act (AB78, statutes of 2020), signed into law by Governor Newsom June 29, 2020, requires that IBank establish a program to provide financial assistance to eligible private and public sponsors of climate infrastructure projects. A previous IBank resolution, No. 22-02, approved the statutorily required Criteria, Priorities and Guidelines for the Selection of Projects Under the Climate Catalyst Revolving Loan Fund Program, which governs the activities of the Climate Catalyst Fund across multiple sectors into the future.

The fiscal year 2022-23 Budget brought new resources to IBank for sustainability and climate change mitigation, including the following:

- \$250 million for transmission line project financings with an initial focus on supporting clean, firm generation from the Lithium Valley/Salton Sea area. \$200 million in 2022-23 and \$50 million in 2023-2024.

This transmission line is identified by the Administration and relevant state agencies as critical to achieving the state’s mid-decade energy reliability goals, as well as delivery on the [Lithium Valley vision](#), and goals for clean energy and climate mitigation more broadly. Transmission finance often lags the development of clean energy resources, and Climate Catalyst Fund is well positioned to play an important gap-filling role in this sector.

Sector-specific Financing Plans, such as the one proposed for Clean Energy Transmission, will indicate to the market where IBank will be active, and how it will align with state policy goals for each sector. Both documents are essential to the transparent and efficient functioning of the Climate Catalyst Fund program.

Climate Catalyst Fund statute also requires that each aligned state agency (termed “consulting agency” per statute) submit a letter, for Board consideration prior to approval of a Financing

Plan, affirming support for the proposed Financing Plan, and highlighting any areas of disagreement. For the purposes of this Financing Plan, the California Energy Commission and California Public Utility Commission are the consulting agencies, and their letters affirming support for the Plan are being offered for Board review. No areas of disagreement are highlighted.

### **III. Conclusion and Recommendation**

IBank staff believes that the document entitled “Climate Catalyst Fund Financing Plan – Clean Energy Transmission” clearly establishes the potential categories and eligibility criteria for financing under the Climate Catalyst Fund, and is consistent with the guidance expressed by the relevant consulting agencies. Therefore, IBank staff recommends the Board approve Resolution No. 22-23.