



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma Announces Assistance for Companies Building Bio Fuel Plants

SACRAMENTO – California State Treasurer Fiona Ma announced today that an authority she chairs has approved up to \$1.34 million in sales tax benefits to two separate companies building plants to produce fuel from waste products. One facility is in Escondido, San Diego County, and the other is in Modesto, Stanislaus County.

“By taking action today California is supporting and encouraging innovative companies that are turning waste products into fuel using the latest technologies,” said Treasurer Ma. “These companies are generating and sustaining jobs, helping the environment, and reducing the need for fossil fuel.”

Treasurer Ma chairs the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). The authority awarded up to \$1.27 million in sales tax exclusions to SANCO Services to purchase \$15.2 million of equipment to build a new anaerobic digester at its resource recovery facility in Escondido. It will be the first anaerobic digester in San Diego County.

The digester will convert 93,000 tons of food and organic waste into natural gas, according to the company. The project supports 120 construction jobs.

CAEATFA also approved up to \$73,193 in sales tax benefits to Quantitative BioSciences Inc for the purchase of \$875,511 in equipment to build a biogas plant in Modesto. Quantitative BioSciences plans to work with Fiscalini Dairy to build an algae-based waste treatment plant that will produce biomethane gas to be used in vehicles, generate high protein algae feed for livestock, and remediate water for crop irrigation.

The authority also considered other application. For more information, you can look here: <https://www.treasurer.ca.gov/caeatfa/meeting/2019/20190521/agenda.pdf>

CAEATFA was established to provide an alternative method of financing to reduce greenhouse gas emissions, encourage renewable energy, and create and retain jobs. The sales and use tax exclusion program was created by Senate Bill 71, sponsored by then State Senator Alex Padilla, which was approved by the Legislature in 2010.

It is not a broad or typical tax incentive. To win a tax benefit, each project has to demonstrate that the anticipated fiscal and environmental benefits of the project are greater than the foregone sales tax.

Once approved, applicants have three years to purchase the approved equipment. To date more than 50 percent of the projects have been awarded in areas with unemployment higher than the state average. The program can make up to \$100 million in awards each year. A majority of awards have been under \$1 million.

<https://www.treasurer.ca.gov/caeatfa/ste/index.asp>

Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of more than \$102 billion, approximately \$20 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on over \$100 billion of outstanding debt.

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