

**CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

Board Meeting Date: Tuesday, December 9, 2025

Request to Approve Project for a Sales and Use Tax Exclusion¹

**Noon Energy Inc.
Application No. 25-SM046**

Prepared By: *Jeannie Yu, Program Analyst*

SUMMARY

Applicant: Noon Energy Inc.

Location: Fremont, Alameda County

Industry: Energy Storage

Project: New Energy Storage Manufacturing Facility (Alternative Source)

Project Pool: General²

Value of Qualified Property	Estimated Sales and Use Tax Exclusion (“STE”) Amount³
\$11,518,447	\$976,764

Estimated Net Benefit⁴	Dollar Value	Points Earned⁵
Estimated Fiscal Benefits	\$4,555,214	4,664
Estimated Environmental Benefits	\$4,105,511	4,203
Additional Benefits	N/A	145
Total	\$8,660,725	9,012
Estimated Quantifiable Net Benefit	\$7,683,960	N/A

Competitive Criteria Score: 220

Staff Recommendation: Approval

¹ All capitalized terms not defined in this document are defined in the STE Program statutes and regulations.

² While general pool funding is designated for Projects with an STE amount over \$2 million and up to \$10 million, small sized projects that do not fall within that range may apply and qualify under the general pool if any remains (California Code of Regulations Title 4, Division 13, Section 10032(a)(4)).

³ This amount is calculated based on the average statewide sales tax rate of 8.48%.

⁴ Applications that earn a Total Score of at least 1,000 points and an Environmental Benefits Score of over 20 points may be recommended for approval (California Code of Regulations Title 4, Division 13, Section 10033(c)(6).)

⁵ Dollar values and point values in the staff summary may not add up correctly due to rounding in the Application worksheet.

THE APPLICANT

Noon Energy Inc. (the “Applicant” or “Noon”) formed in Delaware as a corporation in 2018 and is headquartered in Palo Alto, Santa Clara County. The Applicant specializes in producing high density energy storage solutions for customers in the commercial, industrial, and utility sectors.

The major shareholders (10.0% or greater) of the Applicant are:

- SAEV Guernsey Holdings Limited, Mistletoe Singapore Pte. Ltd., Doral Energy-Tech Ventures, & TechEnergy Ventures S.A. (17%)
- Chris Graves (15%)

The corporate officers of the Applicant are:

- Chris Graves, Chief Executive Officer
- Andrew Oh, Chief Operating Officer

THE PROJECT

Noon Energy Inc. requests a sales and use tax exclusion (“STE”) award to build a new energy storage manufacturing facility located in Fremont (the “Project”). The Applicant has developed and is in the process of demonstrating and commercializing a novel energy storage system based on solid oxide electrochemical cells and expects to produce up to 50 megawatts of system output annually. According to the Applicant, its system is designed to be compact, with the complete 300 kilowatt/30 megawatt-hour setup anticipated to fit within a single 40-foot shipping container, which is roughly half the space needed for a comparable lithium-ion battery system with the same energy capacity. Along with the manufacturing facility, Noon plans to establish a remote operation center (ROC) to help manage essential oversight and operational functions.

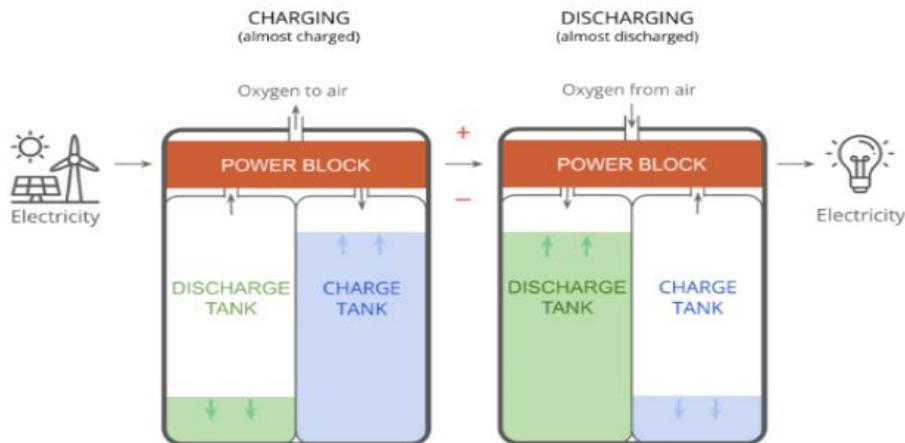


Figure 1: Noon’s long-duration energy storage system

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As illustrated in Figure 1, the system draws electricity from the grid or alternative local sources, such as solar power. The power block of the system electrochemically stores the incoming electricity while releasing oxygen into the atmosphere, thereby filling the charge tank, where electricity is chemically stored for later use. When electricity is needed during discharge, the system reverses the process. That is, oxygen from the air is taken in and used to convert the stored energy into electricity, which is then released for grid or on site use.

Noon’s targeted customer use cases are for sites where customers have existing or seek to install new intermittent renewable energy on site (i.e. solar, wind). The renewable source is intended to serve the onsite load both when it is generating power and when it is not. Without Noon’s system, customers would need to export excess power to the grid during periods of high solar or wind production, and draw power from the grid during periods of low or zero solar or wind production

Anticipated Qualified Property Purchases	Cost
Development Costs / Site Improvements	\$1,444,351
Power and Utility Upgrades	\$270,816
Fire Safety and Permitting Equipment	\$180,544
Line Setup Base Equipment and Tooling	\$1,936,333
Stack Equipment	\$3,241,403
Heat Exchanger Systems	\$425,000
Packaging Equipment	\$150,000
Controls	\$600,000
Cold Balance of Plant	\$900,000
Storage	\$750,000
Process Module	\$1,620,000
Total	<u>\$11,518,447</u>

Note: The Qualified Property purchases reported in the Application and shown here in staff’s report are estimated costs. In accordance with the Regulatory Agreement, a finalized Project equipment list will be prepared detailing the value of the Project equipment actually acquired, and the estimated tax benefit realized pursuant to Revenue and Tax Code Section 6010.8. Variance from the costs shown in the Application and in this report may occur prior to the closing due to increased costs of certain components of the Project over original estimates, and other reasons. In addition, those costs may vary after closing due to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in statute or regulation, or for other reasons.

Timeline

As of July 2025, the Applicant has commenced the procurement of long-lead items essential for the Project's development. In the initial six months, Noon will finalize the site selection for its pilot manufacturing facility and ROC, both anticipated to be located in Fremont. The subsequent period, spanning from months six to 24 will focus on obtaining permits, preparing the site, and procuring and installing equipment. The Applicant aims to complete the final procurement and installation of equipment by July 2028.

Status of Permits/Other Required Approvals

The Applicant expects to obtain the necessary building and electrical permits from the City of Fremont within the first seven months, by June 2026. At this stage, no additional permits will be required.

COMPETITIVE CRITERIA SCORE

The Applicant received 220 Competitive Criteria points as follows:

1. **Environmental Benefits (100 of 100 points)**. The Application has a Project that produces an Alternative Source product, component, or system, and, therefore, 100 points are awarded.
2. **Unemployment (0 of 50 points)**. The Applicant's Project is located in Alameda County, which has an average annual unemployment rate of 4.7%.⁶ When compared to the statewide average annual unemployment rate of 5.3%, the Project location earned the Applicant zero points.
3. **Job Creation (30 of 75 points)**. The Applicant anticipates the Project will support a total of 33 production-related jobs at its Facility. CAEATFA estimates that approximately 1.69 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 30 points.
4. **California Headquarters (15 of 15 points)**. The Applicant maintains its Corporate Headquarters in Palo Alto, California, 15 points are awarded.
5. **Natural Disaster Relief (0 of 50 points)**. The Project is not to rebuild or relocate the Applicant's Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclaimed by the Governor within two years of the time of application, therefore, zero points are awarded.
6. **Eligibility for Manufacturing and Research and Development Equipment Exemption (0 of 50 points)**. The Applicant is eligible to use one or more of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code, therefore, zero points are awarded.
7. **Emerging Strategic Industry (75 of 75 points)**. The Project's industry, energy storage systems, is in an Emerging Strategic Industry, therefore, 75 points are awarded.

⁶ Unemployment rates are based on data available in October 2024.

PROJECT EVALUATION

Project Benefits

The Project received a Total Score of 9,012 points, which exceeds the required 1,000-point threshold, and a total Environmental Benefits Score of 4,203 points, which exceeds the 20-point threshold.

1. **Fiscal Benefits (4,664 points)**. The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's sales and use taxes, personal income taxes paid by the firm's employees, firm taxes on profits, property taxes, and other indirect fiscal benefits of the Applicant. The total fiscal benefits amount to \$4,555,214, resulting in a Fiscal Benefits score of 4,664.
2. **Environmental Benefits (4,203 points)**. The Project is anticipated to result in \$4,105,511 of total pollution benefits over the life of the Project, resulting in an Environmental Benefits Score of 4,203 points.
3. **Additional Benefits (145 points)**. Applicants may earn "Additional Benefits" points in the categories listed below. The Applicant received 145 Additional Benefits points.
 - A. **Production Jobs (30 of 75 points)**. The Applicant anticipates the Project will support a total of 33 production-related jobs at its Facility. CAEATFA estimates that approximately 1.69 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned 30 points.
 - B. **Construction Jobs (0 of 75 points)**. The Applicant anticipates the Project will support a total of one construction job at its Facility. CAEATFA estimates that approximately 0.06 of these jobs will be attributable to a marginal increase in jobs created due to the STE. Based on the amount of STE per estimated number of jobs created, the Applicant earned zero points.
 - C. **Unemployment (0 of 50 points)**. The Applicant's Project is located in Alameda County, which has an average annual unemployment rate of 4.7%. When compared to the statewide average annual unemployment rate of 5.3%, the Project location earned the Applicant zero points.
 - D. **Research and Development Facilities (25 of 25 points)**. The Applicant has verified that it has a facility located in California that performs research and development related to energy storage.
 - E. **Workforce Partnerships (25 of 25 points)**. The Applicant anticipates a partnership with Foothill College and De Anza College's career training center for the purpose of assisting in the training and hiring of potential future workers.

- F. Benefits and Fringe Benefits (25 of 25 points).** The Applicant states it provides medical, health, dental & vision, bonuses, retirement contributions, profit sharing, dependent care & assistance reimbursement, transportation subsidies, education reimbursement and paid leave to its employees, earning the Applicant 25 points.
- G. Emerging Strategic Industry (40 of 40 points).** The Project's industry, energy storage systems, is in an Emerging Strategic Industry, earning the Applicant 40 points.

LEGAL STATUS QUESTIONNAIRE

The Applicant had nothing to report for the questions contained in the Legal Status portion of the Application.

CAEATFA FEES

In accordance with STE Program regulations,⁷ the Applicant paid CAEATFA an Application Fee of \$6,097.74 and will pay CAEATFA an Administrative Fee up to \$46,073.79 should the Applicant be approved for an award.

RECOMMENDATION

Staff recommends the approval of Resolution No. 25-SM046-01 for Noon Energy Inc.'s purchase of qualifying tangible personal property in an amount not to exceed \$11,518,447 anticipated to result in an approximate STE value of \$976,764. The initial term of the Regulatory Agreement will be for a period of three years, until October 21, 2028, and the full term shall be for a period of seven years and six months, until April 21, 2033, for providing annual compliance reports.

⁷ California Code of Regulations Title 4, Division 13, Section 10036

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A REGULATORY AGREEMENT WITH NOON ENERGY INC.

December 9, 2025

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) has received the Application of **Noon Energy Inc.** (the “Applicant”) for financial assistance under the Sales and Use Tax Exclusion Program, as established in Public Resources Code Section 26011.8; and

WHEREAS, the Applicant qualifies as a Participating Party under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8; and

WHEREAS, the Applicant’s qualifying tangible personal property meets the requirements of a Project under Public Resources Code Section 26011.8 and Revenue and Taxation Code Section 6010.8 (the “Project”); and

WHEREAS, after the Authority approves an Application, the Authority enters into a Regulatory Agreement, as described in Authority Regulations Section 10035(a), with the Applicant for the Project; and

WHEREAS, the Applicant has stated the Project has an estimated cost not to exceed \$11,518,447 over a period of three (3) years; and

WHEREAS, the Applicant asserts that this form of financial assistance will enable it to avail itself of the benefits of an exclusion from sales and use taxes relative to the Project pursuant to Revenue and Taxation Code Section 6010.8; and

WHEREAS, the approval of the terms of the Regulatory Agreement and authority for the Executive Director or Chair of the Authority to execute the necessary documents to effectuate the Regulatory Agreement is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Regulatory Agreement includes a Project within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The Regulatory Agreement constitutes financial assistance within the meaning of Public Resources Code Section 26003(a)(6).

Section 3. The Applicant is a participating party within the meaning of Public Resources Code Section 26003(a)(7).

Section 4. The Executive Director or Chair of the Authority (the “Authorized Signatories”) are hereby authorized for and on behalf of the Authority to approve any changes to the Project as the Authorized Signatories deem appropriate, provided that

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the amount of the qualifying tangible personal property to be purchased for the Project may not be increased above the amount approved by the Authority.

Section 5. The proposed form of the Regulatory Agreement between the Applicant and the Authority, as filed with the Authority prior to this public meeting, is hereby approved. For, on behalf and in the name of the Authority, the Authorized Signatories are hereby authorized and directed to execute, acknowledge, and deliver to the Applicant the Regulatory Agreement in substantially the form filed with or approved by the Authority.

The Regulatory Agreement may contain insertions, deletions or changes as the Authorized Signatories executing the Regulatory Agreement may require or approve, including particular information inserted in substantial conformance with the staff summary and in the Application to the Authority. The approval of the Regulatory Agreement will be conclusively evidenced by the execution and delivery of the final Regulatory Agreement.

The Authority understands and agrees that, pursuant to the terms of the Regulatory Agreement, the obligations of the Applicant, under some circumstances, may be carried out or assumed by a successor or assignee entity, or by an affiliate of the Applicant.

Section 6. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including, without limitation, the execution and delivery of any and all documents and certificates they may deem necessary or advisable to consummate the Regulatory Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall ensure that all of the qualifying tangible personal property acquired as part of the Project that is listed in the semi-annual reports provided to the Authority pursuant to the Regulatory Agreement will be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Regulatory Agreement shall only apply to qualifying tangible personal property acquired as part of the Project that the Applicant certifies will be installed, maintained and operated at facilities physically located within the State of California.

Section 9. Neither the adoption by the Authority of this Resolution for the Applicant nor the Regulatory Agreement may be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project and may not be referred to in any application for any required permission or authority to acquire, construct or operate the Project.

Section 10. This Resolution is effective immediately and will remain in full force and effect unless the Regulatory Agreement is not executed within thirty (30) days of the date of this Resolution. The Executive Director may extend the thirty (30) days if necessary.