

**State of California  
Office of Administrative Law**

In re:  
California Alternative Energy and Advanced  
Transportation Financing Au

Regulatory Action:

Title 04, California Code of Regulations

Adopt sections: 10091.4, 10091.16  
Amend sections: 10091.1, 10091.2, 10091.3,  
10091.4 [renumbered as  
10091.5], 10091.5  
[renumbered as 10091.6],  
10091.6 [renumbered as  
10091.7], 10091.8, 10091.9,  
10091.10, 10091.11,  
10091.12, 10091.13,  
10091.14, 10091.15  
Repeal sections: 10091.7

NOTICE OF APPROVAL OF EMERGENCY  
REGULATORY ACTION

Government Code Sections 11346.1 and  
11349.6

OAL Matter Number: 2022-0610-01

OAL Matter Type: Emergency Readopt (EE)

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This emergency rulemaking action by the California Alternative Energy and Advanced Transportation Financing Authority readopts regulations regarding the GoGreen Home Energy Financing program.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 6/22/2022 and will expire on 9/21/2022. The Certificate of Compliance for this action is due no later than 9/20/2022.

Date: June 20, 2022



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Amy R. Gowan  
Senior Attorney

For: Kenneth J. Pogue  
Director

Original: Derek Chernow, Executive  
Director

Copy: Kelly Delaney

# EMERGENCY

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2022-0610-01EE</b>	EMERGENCY NUMBER
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**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

**JUN 20 2022**

Received at 2:09 pm

For use by Office of Administrative Law (OAL) only	
NOTICE	REGULATIONS
<p>OFFICE OF ADMIN. LAW 2022 JUN 10 PM3:54</p>	

AGENCY WITH RULEMAKING AUTHORITY

California Alternative Energy and Advanced Transportation Financing Authority

AGENCY FILE NUMBER (If any)

**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b>	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE	

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) GoGreen Home Energy Financing Program	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2021-0513-01E, 2022-0307-01EE
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT 10091.4, 10091.16
	AMEND (see attachment)
	REPEAL 10091.7
TITLE(S) 4	

3. TYPE OF FILING		
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input checked="" type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____
		<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
		<input type="checkbox"/> Print Only

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input checked="" type="checkbox"/> Effective other (Specify) <b>6/22/2022</b>

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____			

7. CONTACT PERSON Kelly Delaney	TELEPHONE NUMBER (916) 651-5581	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) kelly.delaney@treasurer.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE Derek Chernow Digitally signed by Derek Chernow Date: 2022.06.02 13:12:48 -0700	DATE 6/2/2022
TYPED NAME AND TITLE OF SIGNATORY Derek Chernow, Executive Director	

For use by Office of Administrative Law (OAL) only

**ENDORSED APPROVED****JUN 20 2022**

Office of Administrative Law

**ATTACHMENT TO FORM 400**

California Alternative Energy and Advanced Transportation Financing Authority  
Article 5, Division 13, Title 4

**Sections to be Amended**

10091.1, 10091.2, 10091.3, 10091.4 [renumbered as 10091.5], 10091.5 [renumbered as 10091.6],  
10091.6 [renumbered as 10091.7], 10091.8, 10091.9, 10091.10, 10091.11, 10091.12, 10091.13, 10091.15

^  
10091.14 per agency  
request  
are

**CALIFORNIA CODE OF REGULATIONS**  
**Title 4. Business Regulations**  
**Division 13. California Alternative Energy and Advanced Transportation**  
**Financing Authority**

**Article 5. GoGreen Home Energy Financing Program**

**EFFECTIVE MARCH 23, 2022**

**Table of Contents**

§10091.1. Definitions.....	2
§10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate.....	6
§10091.3. Additional Requirements for Finance Lenders.....	9
§10091.4. Channel Partner.....	12
§10091.5. Loan Eligibility and Minimum Underwriting Criteria.....	13
§10091.6. Contractor Qualification and Management.....	15
§10091.7. Establishment and Funding of Loss Reserve Accounts.....	18
§10091.8. Loan Enrollment.....	19
§10091.9. Claims.....	24
§10091.10. Project Requirements.....	26
§10091.11. Reporting.....	31
§10091.12. Sale of Enrolled Loans.....	32
§10091.13. Termination and Withdrawal.....	35
§10091.14. Reports of Regulatory Agencies.....	36
§10091.15. California Hub for Energy Efficiency Financing Privacy Rights Disclosure.....	37
§10091.16. Conditional Eligibility Expansion.....	38

**§10091.1. Definitions.**

- (a) “Authority” means the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code or its agent.
- (b) “Bill Impact Estimate” means an estimate of the anticipated energy cost savings that are expected to result from the installation of Eligible Energy Efficiency Measures, which is provided by the Participating Contractor, Participating Financial Institution (PFI), or Participating Finance Lender (PFL) to the Borrower prior to work being performed on the Eligible Property.
- (c) “Borrower” means an individual or individuals who receive(s) an Eligible Loan from a PFI or PFL for the purpose of making Eligible Improvements to no more than four units of an Eligible Property.
- (d) “California Hub for Energy Efficiency Financing Disclosure” or “CHEEF Disclosure” means the disclosure described in Section 10091.15.
- (e) “CHEEF Loan Identifier” or “CHEEF Loan ID” means an identification number associated with a Borrower and/or Eligible Loan created by the Authority and provided to the PFI or PFL at the time of enrollment of an Eligible Loan in the Program. The CHEEF Loan ID will be used to identify the corresponding Eligible Loan in all subsequent correspondence between the PFI, PFL, PCP or Successor Servicer and the Authority.
- (f) “Claim-Eligible Principal Amount” means the principal amount of an Enrolled Loan that qualifies for reimbursement in the event of a charge-off, pursuant to Section 10091.5(f) and which may be less than the Total Loan Principal Amount.
- (g) “Commission” or “CPUC” means the California Public Utilities Commission.
- (h) “Community Choice Aggregator” or “CCA” has the same meaning as defined in Section 331.1 of the Public Utilities Code.
- (i) “Credit-Challenged Borrower” means a Borrower with no credit score or a credit score of 640 and below.
- (j) “Credit-Challenged Program” means the optional program in which an Eligible Financial Institution or Eligible Finance Lender can be approved, per the application process described in Section 10091.2(d), to receive higher Loss Reserve Contributions described in Section 10091.7(b)(1)(B) for Credit-Challenged Borrowers.
- (k) “CSLB” means the California Contractors State License Board.
- (l) “Eligible Channel Partner” or “ECP” means a potential co-applicant with the EFI or EFL engaged in marketing, outreach, assisting borrowers with loan applications and/or the submission of loans to the Program. It does not perform underwriting, execute loan

documents, or perform servicing activities after loans are funded. The Eligible Channel Partner must meet the requirements described in Section 10091.4 and must be a signatory to the PFI's or PFL's Program application.

- (m) "Eligible Contractor" means a contractor or contractor company with an active license with the Contractors State License Board to do the work they perform and who has not had disciplinary action taken against their CSLB license within the previous 12 months.
- (n) "Eligible Energy Efficiency Measures" or "EEEMs" means energy efficiency measures eligible for financing under the Program, as established in Section 10091.10. The list of EEEMs will be accessible from the Authority's website. A measure that is eligible for an IOU, REN or CCA energy efficiency or demand response program and is not on the EEEMs list is eligible for financing.
- (o) "EEEMs ID" means the unique identification number associated with an individual EEEM as assigned by the Authority.
- (p) "EEEMs Measure Name" means the name associated with a particular EEEM as assigned by the Authority.
- (q) "Eligible Finance Lender" or "EFL" means a finance company that meets the requirements specified in Section 10091.2 and Section 10091.3.
- (r) "Eligible Financial Institution" or "EFI" means any insured depository institution, insured credit union, or Community Development Financial Institution, as those terms are each defined in Section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. Sec. 4701 et seq.).
- (s) "Eligible Improvements" means improvements made to Eligible Properties.
  - (1) Eligible Improvements may include:
    - (A) The installation of EEEMs that correspond to gas where an IOU delivers gas to the Eligible Property and that correspond to electricity where an IOU delivers electricity to the Eligible Property. This includes alterations and improvements that are legally or practically required to complete the installation of the EEEMs.
    - (B) Additional related home improvements to the Eligible Property. Equipment included on the EEEMs list as described in Section 10091.10(j) but not meeting the requirements of the EEEMs list may not be included.
    - (C) Capitalized interest from a refinancing pursuant to Section 10091.5(c)(1).
  - (2) Eligible Improvements do not include solar photovoltaic, solar thermal electric generation or other distributed generation or renewable energy systems.

- (t) “Eligible Loan” means a loan, retail installment contract or lease/service agreement made by a Participating Financial Institution or Participating Finance Lender to a Borrower to finance Eligible Improvements on an Eligible Property as described in Section 10091.5.
- (u) “Eligible Property” means a residential property in California. Eligible Property includes any of the following:
  - (1) Owned, rented or leased property. For a rented or leased property, EEEMs not eligible for self-installation require the owner’s written consent to have the Eligible Improvements installed.
  - (2) Building types, including, but not limited to, single-family detached homes, townhomes, condominiums and apartment buildings.
  - (3) Manufactured and mobile homes if the manufactured or mobile home is anchored to a permanent, site-built foundation constructed of durable material, including, but not limited to, concrete, mortared masonry, and wood.
- (v) “Enrolled Loan” means an Eligible Loan approved by the Authority for enrollment in the Program pursuant to Section 10091.8.
- (w) “Executive Director” means the Executive Director of the Authority or their designee.
- (x) “Investor-Owned Utility” or “IOU” means Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, or Southern California Gas Company.
- (y) “Loss Reserve Account” means an account established and maintained by the Trustee at the Authority’s direction for the benefit of a Participating Financial Institution, Participating Finance Lender or Successor Servicer to hold the Loss Reserve Contribution for Enrolled Loans.
- (z) “Loss Reserve Contribution” means the financial assistance provided to the Loss Reserve Account for the benefit of a PFI or PFL for each Eligible Loan enrolled in the Program as described in Section 10091.8 or for the benefit of a Successor Servicer for each Enrolled Loan purchased pursuant to Section 10091.12.
- (aa) “Low-to-Moderate Income” or “LMI” means either:
  - (1) Borrower’s household income is at or below the current annual income limits as determined by the California Department of Housing and Community Development according to county and family size and adopted in Section 6932 of Division 1 of Title 25 of the California Code of Regulations. PFIs and PFLs may assume households are comprised of four persons but must include spousal income, if applicable, in income calculations.
  - (2) Area Median Income of the census tract of the property address does not exceed 120% of the Area Median Income for the Borrower’s Metropolitan Area, County or the State.

- (bb) "Microloan" means an Eligible Loan with a Total Loan Principal Amount of \$5,000 or less.
- (cc) "Participating Channel Partner" or "PCP" means an Eligible Channel Partner that has been approved by the Executive Director to participate in the Program.
- (dd) "Participating Contractor" means an Eligible Contractor that has been approved to participate in the Program by the Authority pursuant to Section 10091.6.
- (ee) "Participating Finance Lender" or "PFL" means an Eligible Finance Lender, including their Participating Channel Partner, if applicable, that has been approved by the Executive Director to participate in the Program.
- (ff) "Participating Financial Institution" or "PFI" means an Eligible Financial Institution, including their Participating Channel Partner, if applicable, that has been approved by the Executive Director to participate in the Program.
- (gg) "PFI, PFL or Successor Servicer's Program Participation ID" or "Program Participation ID" is an identification number for the participating financial lender or institution, assigned by the Authority, when the PFI or PFL is approved to participate in the Program.
- (hh) "Program" means the GoGreen Home Energy Financing described in these regulations and previously referred to as the Residential Energy Efficiency Loan Assistance Program. The Program may be referred to publicly as "GoGreen Home".
- (ii) "Program Holding Accounts" means accounts established and maintained by the Trustee at the Authority's direction to hold funds allocated by funders of the Program for the Loss Reserve Contributions in separate accounts.
- (jj) "Program Identifier" or "Program ID" means a number assigned by the Authority or its agents that represents a Program administered by the Authority. The Program ID will be used to track in which Program(s) a particular loan is enrolled.
- (kk) "Regional Energy Network" or "REN" means a Regional Energy Network authorized by the CPUC.
- (ll) "Self-Installer" means a Borrower who installs any Eligible Improvement that may be self-installed pursuant to Section 10091.10(b).
- (mm) "Successor Servicer" means an Eligible Financial Institution or Eligible Finance Lender approved by the Authority pursuant to Section 10091.12 to service Enrolled Loans sold by a PFI or PFL.
- (nn) "Title 20" means the Appliance Efficiency Regulations described in Article 4 (commencing with Section 1601) of Chapter 4 of Division 2 of Title 20 of the California Code of Regulations, as applicable to the Eligible Improvements.



- (oo) "Title 24" means the Building Standards Code of Title 24 of the California Code of Regulations, as applicable to the Eligible Improvements.
- (pp) "Total Loan Principal Amount" means the total principal of an Enrolled Loan, which is not necessarily the same as the Claim-Eligible Principal Amount. The Total Loan Principal Amount does not include charges for ongoing service and/or maintenance and does not include any interest payments or ongoing finance charges.
- (qq) "Trustee" means the bank or trust company chosen by the Authority to hold or administer some or all of the Program Holding Accounts and Loss Reserve Accounts.

Authority: Section 26009, Public Resources Code  
 Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
 and 26040, Public Resources Code

**§10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate.**

- (a) An Eligible Financial Institution (EFI) or Eligible Finance Lender (EFL) seeking to become a Participating Financial Institution (PFI) or Participating Finance Lender (PFL) in the Program shall submit an enrollment application to the Authority that includes the information in this section in a form to be specified by the Authority.
- (b) General Application and Contact Information: The EFI or EFL must provide the following:
  - (1) Name and address of the EFI or EFL.
  - (2) Name, business address, business telephone number, email address, and title of contact person.
  - (3) Name, business address, business telephone number, email address, and title of all loan officers or staff who are authorized to provide and certify data and submit loan, retail installment contract, or lease/service agreement enrollments to the Authority under the Program.
  - (4) Type of finance company, denoting insured depository institution, insured credit union, Community Development Financial Institution, Financial Development Corporation, California Finance Lender or other.
  - (5) A list of the counties in California where its product may be available, or an indication that the product may be available statewide.
  - (6) Names of the regulatory agency and the insuring agency to which the EFI or EFL is accountable and license number(s), if applicable.
- (c) Channel Partner: The EFI or EFL must provide the name of the Eligible Channel Partner co-applicant, if applicable.
- (d) Proposed Product(s): The EFI or EFL must provide a description of proposed loan program including:

- (1) A detailed description of its loan or lease/service agreement program(s) to finance Eligible Improvements, including, but not limited to, anticipated loan product details, such as collateral required (if any), maximum and minimum loan amounts, interest rates (fixed or variable and for each term and credit tier), loan terms, fees and eligibility for renters and manufactured homes.
  - (2) A description of underwriting criteria, including any minimum credit score requirements, maximum total debt-to-income ratio, bankruptcy limitations and other disqualifying criteria.
  - (3) Sample transaction documentation.
  - (4) An indication of what may be financed through the Program.
  - (5) A comparison between the proposed product and the EFI's or EFL's typical product offerings indicating how the Loss Reserve Contribution will be utilized to provide benefits to Borrower in one or more of the following ways:
    - (A) Lower interest rates.
    - (B) Longer loan terms.
    - (C) More inclusive underwriting criteria.
    - (D) Any other advantageous features.
  - (6) For an EFI or EFL that wishes to participate in the Credit-Challenged Program, a detailed description of the additional benefits to Credit-Challenged Borrowers resulting from the EFI's or EFL's participation in the Credit-Challenged Program consistent with Section 10091.2(d)(6). This description must include a comparison between the EFI's or EFL's similar loan products and the proposed loan program with and without access to the Credit-Challenged Program.
  - (7) A description of product marketing, loan origination and operational processes, including how the PFI or PFL will ensure compliance with Program rules, obtain and provide required data and certifications and submit loans for enrollment.
  - (8) An indication of which Borrower's certifications, pursuant to Section 10091.8(e) are not pertinent and may be forgone based on the proposed program.
  - (9) The EFI's or EFL's intent as to what it will do with the Eligible Loans, if known (e.g. hold, sell, transfer, participate), and the identity of a purchaser, if applicable.
- (e) Certifications: The EFI or EFL certifies the following:
- (1) The EFI or EFL is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body that would impair the EFI's or EFL's ability to participate in the Program.
  - (2) All forthcoming loan enrollment applications submitted by the PFI or PFL to the Authority meet all of the following:
    - (A) The loan enrollment applications will be for Eligible Loans and that the Borrowers receiving the Eligible Loans will meet the minimum underwriting criteria set forth in these regulations. The Claim-Eligible Principal Amount will be limited to Eligible Improvements.
    - (B) The Borrowers and Participating Contractors will have executed the required project certifications, the Borrowers will have executed the CHEEF Privacy Disclosures, and the PFI or PFL will have obtained them.

- (3) The application to participate in the Program will be signed by a person authorized to legally bind the applicant, and will include the signatory's printed name, title and date.
- (f) Acknowledgements and agreements: The EFI or EFL acknowledges and agrees to the following:
- (1) The PFI or PFL agrees that these regulations constitute a lender services agreement.
  - (2) The PFI or PFL agrees to follow the Program rules as set forth in this Article.
  - (3) The Authority is permitted to audit the PFI or PFL of any of its records relating to Enrolled Loans during normal business hours either remotely or on its premises, to be determined by the Authority, and to supply other information concerning Enrolled Loans as shall be requested by the Authority.
  - (4) The Authority and the State of California will have no liability to the PFI or PFL under the Program except from funds deposited in the Loss Reserve Account(s) for the PFI or PFL.
  - (5) To include the required information and certifications as described in Section 10091.8.
  - (6) The PFI or PFL is solely responsible for identifying and making any and all disclosures and providing periodic reports to its Borrowers as required under applicable laws.
  - (7) The PFI or PFL, to comply with all applicable laws, possesses and maintains all required state and federal licenses, and remains in good standing with all governmental authorities having jurisdiction over its business.
  - (8) IOUs are not responsible for, and shall have no liability for, the following:
    - (A) The energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts.
    - (B) The assessment of potential benefits and costs associated with those improvements.
    - (C) The qualification of PFIs or PFLs.
    - (D) The PFI's or PFL's marketing and lending policies and practices.
    - (E) The Authority's educational and outreach activities.
- (g) Indemnifications: The EFI or EFL as a PFI or PFL shall indemnify, defend and hold harmless the Authority, each of the IOUs, the IOUs' affiliates and each of the IOUs' respective officers, directors, employees, agents and representatives (each of which is an express beneficiary of this indemnity) from and against any and all losses arising in connection with any claim:
- (1) Resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of the PFI or PFL including any failure of the PFI or PFL, or its agents, to comply with applicable laws in connection with Enrolled Loans.
  - (2) Resulting from any error or omission by the PFI or PFL or any of its agents in the calculation or presentation of principal repayments or interest with respect to an Enrolled Loan agreement, fees and charges, the receipt and processing of payments received from Borrowers or any collection or enforcement action.