

NOTICE OF PROPOSED EMERGENCY ACTION

Government Code Section 11346.1(a)(2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After the submission of the proposed emergency to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code Section 11349.6.

If you have any questions or comments regarding this proposed emergency action, please contact Aaron Lingenfelter at Aaron.Lingenfelter@treasurer.ca.gov or (916) 653-1357 with the California Alternative Energy and Advanced Transportation Financing Authority.

FINDING OF EMERGENCY

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

Title 4, Division 13, Article 5 (commencing with Section 10091.1)

Finding of Emergency

Pursuant to California Public Resources Code 26009, the regulations being adopted herewith by the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority” or “CAEATFA”) as emergency regulations (“Emergency Regulations”) are, by legislative mandate, deemed to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

Authority and Reference

Authority: Public Resources Code Section 26009. Section 26009 of the Public Resources Code authorizes the Authority to adopt emergency regulations necessary for the immediate preservation of the public peace, health, safety, or general welfare in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

Reference: Public Resources Code Sections 26003(a)(3)(A), 26003(a)(8)(A), 26003(a)(6) and 26040. On September 19, 2013, the CPUC approved Decision 13-09-044 and requested the Authority act as the master administrator of the California Hub for Energy Efficiency Financing (“CHEEF”), funded by ratepayer funds collected by the four investor-owned utilities—Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company (collectively, the “IOUs”). CAEATFA’s purpose is to advance the State’s goals of reducing the levels of greenhouse gas emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality employment opportunities, and lessening the State’s dependence on fossil fuels. The Authority’s statute enables it to provide financial assistance to various participating parties that carry out eligible projects. In July 2014, CAEATFA received Legislative budget authority to administer the CHEEF functions, and subsequently entered into a Memorandum of Agreement with the CPUC, and a receivables

contract with the IOUs.

Informative Digest

The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) and requires CAEATFA to establish programs to provide financial assistance to participating parties for projects related to alternative energy sources and advanced transportation projects. Existing law authorizes CAEATFA to receive and utilize grants or loans

from the federal government, a public agency, or any other source for carrying out the purposes of the Act.

Pursuant to this statutory authority, CAEATFA is the administrator of the California Hub for Energy Efficiency Financing (“CHEEF”) under a Memorandum of Agreement with the Public Utilities Commission (“CPUC”), known as the Decision Implementing 2013-14 Energy Efficiency Financing Pilot Programs, Decision 13-09-044. The GoGreen Home Program is one of several energy efficiency financing programs as part of that Memorandum of Agreement.

GoGreen Home launched in 2016 as a pilot program and, throughout early development and implementation, CAEATFA advocated for specific changes to the CHEEF programs to broaden their relevance to the private market and streamline operations for participants. In April 2020, the CPUC issued Resolution E-5072 that approved GoGreen Home’s transition from a pilot program to a full program and permits CAEATFA to improve GoGreen Home in order to facilitate scaling. CPUC Decision 21.08.006 supported further expansion by authorizing GoGreen Home to utilize non-IOU ratepayer sources of funding for credit enhancements in order to set up more consistent project eligibility across utility jurisdictions. Regulations finalized in August 2024 permitted CAEATFA to expand its list of measures eligible for financing to include clean energy generating items such as solar PV paired with battery storage and electric vehicle chargers. This program expansion was made possible due to guidance issued by the PUC through Decision 23-08-026, published in the summer of 2023.

Since its inception, GoGreen Home financing has been available only for borrowers who are upgrading existing residential structures. However, following the destructive fires in the Los Angeles area that took place in January 2025, there was considerable interest amongst various stakeholders to assist with the rebuilding efforts by utilizing the GoGreen Home program. NPR reports that more than 10,000 homes were destroyed in the fires, and the recovery effort will necessitate rebuilding these structures from the ground up. As such, in to expand financing eligibility to victims of the fires, it is necessary to modify the GoGreen Home regulations, specifically §10091.5(b)(2). Through this emergency rulemaking, CAEATFA proposes adding an exception to this clause to allow for reconstruction of an existing building that was destroyed in a federally declared natural disaster.

In addition, modifications are being made to §10091.1(f) and §10091.5(g) to clarify that the maximum amount of financing available per property is \$50,000, or \$75,000 for projects that incorporate the solar PV + battery storage measure.

During this regulation amendment process, CAEATFA surveyed and engaged key stakeholders for feedback. Stakeholder feedback is represented in these proposed modifications. Prior to beginning the Certificate of Compliance, CAEATFA plans on at least one public forum to engage additional stakeholders and seek input as to the efficacy of the changes contained in these emergency regulations.

CAEATFA has reviewed existing regulations on this topic and has concluded that the proposed regulations are not inconsistent or incompatible with existing state regulations.

The substantive amendments, and their objectives and rationales, for each section of the regulations are as follows:

10091.5 Loan Eligibility and Minimum Underwriting Criteria.

This section outlines the requirements and parameters for loans to be enrolled in the GoGreen Home Program.

- *§10091.5(b)(2)*: This subsection was amended to include an exception for reconstruction of an existing building that was destroyed in a federally declared natural disaster.

Necessity: Under current regulations, financing through GoGreen Home is limited to upgrading existing homes and cannot be applied to new construction. As a result, victims of natural disasters who are forced to rebuild their homes are unable to access this program. This is a population for which access to low-cost financing could be an important tool as they seek to reconstruct their homes and their lives. While the impetus for this exception was the January 2025 fires in Lost Angeles, given the increasing scale of and recovery costs for climate-related disasters throughout the state, there is a need for expanding the range of financing sources available to fund recovery efforts.

- *§10091.5(g)*: This subsection was amended to move text to the definition of Claim Eligible Principal Amount as described in §10091.1(f).

Necessity: This section creates confusion as to the maximum financing amount that is available per unit, per property. Because the Claim Eligible Principal Amount is currently defined as being connected to “an Enrolled Loan” rather than to a specific property, then a Participating Lender could conceivably issue multiple loans for the same property that would lead to a Claim Eligible Principal Amount in excess of the stated maximums. By removing this language from this section and modifying the definition in §10091.1(f), this stipulation becomes clearer and easier to understand for lenders, borrowers, and contractors.

Other Matters Prescribed by Statutes Applicable to the Specific State Agency or to any Specific Regulation or Class of Regulations

No other matters are prescribed by statute applicable to the Authority or any specific regulation or class of regulations pursuant to Section 11346.1(b) or 11346.5(a)(4) of the Government Code pertaining to the Emergency Regulation or to the Authority.

Mandate on Local Agencies or School Districts

The Executive Director of the Authority has determined that the Emergency Regulations do not impose a mandate on local agencies or school districts (pursuant to Government Code Section 11346.5(a)(5)).

Fiscal Impact

The Executive Director of the Authority has determined that the Emergency Regulations do not impose any additional mandated cost or savings requiring reimbursement under Section 17500 et. seq. of the Government Code, or any other non-discretionary cost or savings to any local

agency or any cost or savings in federal funding to the State. Pursuant to the State Administrative Manual Sections 6601-6616, a Fiscal Impact Statement (Form 399) is submitted without the signature of a Project Budget Manager at the Department of Finance, as there are no fiscal impact disclosures required. There will be no cost or savings to any State Agency or effect on Federal funding to the State.

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