

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

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED
TRANSPORTATION FINANCING AUTHORITY
REGULATIONS IMPLEMENTING
THE COMMERCIAL ENERGY EFFICIENCY FINANCING PROGRAM

EFFECTIVE XX , 2025

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Section 10092.1 Definitions

- (a) “Affordable Multifamily Customer”: An entity who enters into an Eligible Financing Agreement with a Finance Provider Entity for the purpose of completing a Project installed at a Multifamily Property which:
 - (1) Is subject to a recorded affordability deed restriction or covenant, with at least 5 years remaining on the recorded affordability deed restriction or covenant, such that the property owner is required to keep rents affordable; and
 - (2) Is restricted to occupancy for at least 50% of the total units to households meeting the requirements of the income limits no greater than “moderate,” published annually in the California State Income Limits by the California Department of Housing and Community Development in California Code of Regulations, Title 25, Section 6932.
- (b) “Authority”: 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.
- (c) “Battery Storage”: Technologies capable of storing and discharging electric energy. Battery Storage does not include thermal or mechanical energy storage.
- (d) “Bill Impact Estimate” (BIE): An estimate of the anticipated energy cost savings that are expected to result from the installation of Eligible Energy Measures, which is provided by either the Participating Project Developer, the Participating Contractor, or the Finance Provider Entity to the Eligible Commercial Financing Customer prior to work being performed on the Eligible Property(ies).
- (e) “Capitalized Interest”: Accrued interest from a previous finance agreement for a Project (such as a construction loan or down payment loan) where the interest has been added to the Total Financed Amount of an Eligible Financing Agreement.
- (f) “CHEEF Financing Identifier” or “CHEEF Financing ID”: An identification number associated with an Enrolled Financing Agreement created by the Authority and provided to the Finance Provider Entity at the time the financing is approved for enrollment in the Program.
- (g) “Claim-Eligible Charge-Off Amount”: The Total Charge-Off Amount multiplied by the Claim-Eligible Ratio.
- (h) “Claim-Eligible Financed Amount”: The portion of the Total Financed Amount that is eligible for reimbursement in the event of a charge-off. The Claim-Eligible Financed Amount is limited to \$1 million. At least 70% of the Claim-Eligible Financed Amount must be used to fund Eligible Energy Measures as described in 10092.7(b). Non-Energy Components are limited to 30% of the dollar value of the total Claim-Eligible Financed Amount. The Claim-Eligible Financed Amount is equal to the Total Financed Amount less Non-Energy Components beyond the allowable 30%.

- (i) “Claim-Eligible Ratio”: The ratio of the original Claim-Eligible Financed Amount to the original Total Financed Amount.
- (j) “Commission” or “CPUC”: The Public Utilities Commission established pursuant to Article XII of the California Constitution.
- (k) “Community Choice Aggregator” (CCA): A Community Choice Aggregator as defined in Section 331.1 of the Public Utilities Code.
- (l) “CSLB”: The Contractors State License Board established pursuant to the Contractors State License Law (Chapter 9 commencing with Section 7000 of Division 3 of the Business and Professions Code).
- (m) “Delayed Bill”: A delay of the date on which a utility is scheduled to send a monthly bill to an OBR Customer, as reported by the utility to the Authority.
- (n) “Demand Response” (DR): Reductions, increases, or shifts in electricity consumption by customers in response to either economic or reliability signals. Economic signals come in the form of electricity prices or financial incentives, whereas reliability signals appear as alerts when the electric grid is under stress and vulnerable to high prices. Demand Response programs aim to respond to these signals and maximize ratepayer benefit.
- (o) “Distributed Generation” (DG): Technologies that generate or store energy at or near the site where it will be used. Distributed Generation may serve a single structure or it may be part of a microgrid. Technologies classified as Distributed Generation systems include, but are not limited to, solar photovoltaic, wind power, hydropower, biomass, fuel cells, combined heat and power, and Battery Storage.
- (p) “Eligible Commercial Financing Customer”: Either a qualifying Affordable Multifamily Customer or an Eligible Small Business Financing Customer that enters into an Eligible Financing Agreement with a Finance Provider Entity for the purpose of completing a Project. The entity or individual is not required to own the Eligible Property. Customers that do not meet the definition of Affordable Multifamily Customer or Eligible Small Business Financing Customer may qualify pursuant to Section 10092.16.
- (q) “Eligible Contractor”: An individual or entity that meets the requirements specified in Section 10092.4(b)(1).
- (r) “Eligible Energy Measure” (EEM): Any Energy Efficiency, Distributed Generation, Battery Storage, or Demand Response measure including alterations and improvements that are legally or practically required to complete the installation of the Eligible Energy Measure. This includes energy audits that meet the Authority's requirements as specified on the Eligible Energy Measure List. An EEM must utilize, conserve, store, or produce a fuel provided by an IOU, CCA, or ESP at the Eligible Property.

- (s) “Eligible Energy Measure Identifier” or “EEM ID”: A unique identifier assigned by the Authority to each measure contained within the EEM List.
- (t) “Eligible Energy Measure List” or “EEM List”: The list of pre-qualified Eligible Energy Measures as defined in Section 10092.14, with corresponding requirements, fuel type designations, and Self-Installer eligibility, published by the Authority.
- (u) “Eligible Financing Agreement”: An agreement made between a Finance Provider Entity and an Eligible Commercial Financing Customer to finance a Project. ~~The agreement may not be for the construction or purchase of a building.~~ The agreement must meet the definition of either an Eligible Lease or Eligible Equipment Financing Agreement, Eligible Loan, Eligible Service Agreement, or Eligible Savings-Based Payment Agreement. The Eligible Financing Agreement must meet the requirements specified in Section 10092.5(b).
- (v) “Eligible Lease” or “Eligible Equipment Financing Agreement”: An agreement that provides the Eligible Commercial Financing Customer with Eligible Energy Measures in exchange for payments in amounts that are due according to a schedule established in the agreement. The payments must result in full satisfaction of the obligation. Those payments are made to the Finance Provider Entity or its assignee for a specified term. Title to the equipment may transfer at the beginning or end of the term.
- (w) “Eligible Loan”: An agreement that provides the Eligible Commercial Financing Customer with ownership of Eligible Energy Measures in exchange for payments in amounts that are due according to a schedule established in the agreement. Those payments must result in full satisfaction of the obligation. Those payments are made to the Finance Provider Entity or its assignee for a specified term. Eligible Loans must be closed end loans; no revolving lines of credit will qualify.
- (x) “Eligible Project Developer”: An individual or entity that meets the requirements specified in Section 10092.4(b)(2).
- (y) “Eligible Property”: A property that is used for commercial activities. If the purpose of the business is residential housing, the property must meet the definition of a Multifamily Property.
- (z) “Eligible Savings-Based Payment Agreement”: An agreement that provides the Eligible Commercial Financing Customer with Eligible Energy Measures in exchange for regular payments to the Finance Provider Entity or the Finance Provider Entity’s assignee. The term may be specified by a number of months or may run until payments have reached a specified amount. The agreement must satisfy all of the following criteria:
 - (1) Savings will be measured and verified no less than annually;
 - (2) Total monthly energy and efficiency charges for the Eligible Commercial Financing Customer must be projected to be "cash flow positive," based on industry-accepted

- estimates, meaning: allowing for seasonal variations, the combined monthly energy expense (gas and electric) along with all projected monthly Eligible Savings-Based Payment Agreement charges is projected to be less than the Eligible Commercial Financing Customer's pre-project monthly energy expense;
- (3) The Eligible Commercial Financing Customer will share in benefits if actual savings exceed projected savings; and
 - (4) The Eligible Commercial Financing Customer does not bear risk in the event that savings are less than projected.
- (aa) “Eligible Service Agreement”: An agreement that provides the Eligible Commercial Financing Customer with the use of Eligible Energy Measures as well as ongoing service and maintenance of that equipment in exchange for regular payments to the Finance Provider Entity or the Finance Provider Entity’s assignee for a specified term. The agreement must include either:
- (1) A guarantee of functionality for any Eligible Energy Measures and Non-EEMs; or
 - (2) A guarantee of energy savings. Equipment functionality or energy savings must be measured no less than annually.
- (bb) “Eligible Small Business Financing Customer”: A business or non-profit entity (other than a public entity) meeting at least one of the following size requirements:
- (1) 100 or fewer employees;
 - (2) Annual revenues of less than \$16 million; or
 - (3) Meets the U.S. Small Business Administration’s size standards for a Small Business matched to the North American Industry Classification System found in Part 121.201 of Title 13 of the Code of Federal Regulations.
- (cc) “Energy Efficiency” (EE): An energy using appliance, equipment, control system, or practice for which the installation or implementation results in reduced utility-supplied energy use while maintaining a comparable or higher level of energy service as perceived by the customer.
- (dd) “Energy Professional”: An individual who is either:
- (1) Recognized as a Certified Energy Manager (CEM) by the Association of Energy Engineers with a certification that is current and free of disciplinary actions; or
 - (2) A Professional Engineer (PE) licensed by the State of California whose license is current and free of disciplinary actions.
- (ee) “Energy Service Provider” (ESP): An Electric Service Provider as defined in Section 218.3 of the Public Utilities Code.
- (ff) “Enrolled Financing Agreement”: An Eligible Financing Agreement approved for enrollment in the Program pursuant to Section 10092.8(b).
- (gg) “Enrollment Date”: The date that the Trustee has funded the Finance Provider Entity's Loss Reserve Account for the Enrolled Financing Agreement.

- (hh) “Executive Director” (ED): The Executive Director of the Authority or their designee.
- (ii) “Finance Provider Applicant” (FPA): The Affiliate Finance Provider Applicant and Primary Finance Provider Applicant, collectively.
 - (1) “Affiliate Finance Provider Applicant”: As described in Section 10092.2(a).
 - (2) “Primary Finance Provider Applicant”: As described in Section 10092.2(a).
- (jj) “Finance Provider Entity” (FPE): The Primary Finance Provider Entity and the Affiliate Finance Provider Entity, collectively.
 - (1) “Affiliate Finance Provider Entity”: The Affiliate Finance Provider Applicant approved for participation in the Program along with a Primary Finance Provider Entity as specified in Section 10092.2(a).
 - (2) “Primary Finance Provider Entity”: Primary Finance Provider Applicant approved for participation in the Program. It may be approved along with an Affiliate Finance Provider Entity as specified in Section 10092.2(a).
- (kk) “Financial Institution”: Any insured depository institution, insured credit union, or Community Development Financial Institution (CDFI), as those terms are each defined in Section 4702 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702), or a Financial Development Corporation as the term "Corporation" is defined in Section 14003(f) of the Corporations Code, or any non-bank entity supervised by the Federal Reserve.
- (ll) “GoGreen Business Energy Financing”: The public-facing name to be used in informational and marketing materials about the Program for commercial customers.
- (mm) “GoGreen Multifamily Energy Financing”: The public-facing name to be used in informational and marketing materials about the Program for multifamily customers.
- (nn) “Investor-Owned Utility” (IOU): Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, or Southern California Gas Company, collectively referred to as “IOUs.”
- (oo) “IOU Custom”: A program offered by the IOUs, RENs, or CCAs in which measures require pre-approval and incentives are based on unique project characteristics.
- (pp) “IOU Deemed”: A program offered by the IOUs, RENs, or CCAs in which eligible measures and rebate amounts are pre-determined. For the purpose of this definition, IOU Deemed includes the following prescriptive program types: downstream, midstream, upstream, and direct install.
- (qq) “Loss Reserve Account”: An account established and maintained by the Trustee at the Authority’s direction to hold the Loss Reserve Contribution for Enrolled Financing Agreements for the benefit of a Finance Provider Entity.
- (rr) “Loss Reserve Account Representative”: As described in Section 10092.2(b)(6).

- (ss) “Loss Reserve Contribution”: The credit enhancement contributed to the Loss Reserve Account for each Enrolled Financing Agreement in the Program pursuant to Section 10092.9(c).
- (tt) “Marketing Representative”: As described in Section 10092.2(b)(7).
- (uu) “Microloan”: An Eligible Financing Agreement with a Total Financed Amount of less than or equal to \$10,000.
- (vv) “Multifamily Property”: A residential building with five or more units.
- (ww) “Non-Energy Components”: All Non-EEMs, and any Capitalized Interest on a single Project.
- (xx) “Non-EEMs”: Any equipment, alteration, or improvement that does not fall under the definition of an Eligible Energy Measure. A measure included on the EEM List may not be considered a Non-EEM, with the exception that Non-EEMs include measures that would otherwise be considered an EEM but do not utilize or conserve fuel provided by an IOU, CCA, or ESP.
- (yy) “OBR Approval Date”: The date on which a utility confirms that the OBR Total Charge will be placed on the OBR Customer’s utility bill.
- (zz) “OBR Customer”: An Eligible Commercial Financing Customer that has elected to make payments on its Eligible Financing Agreement through OBR.
- (aaa) “OBR Modified Charge Cutoff Date”: The recurring day of the month by which the FPE must provide the Authority with an updated OBR Total Charge amount in order for the updated OBR Total Charge to appear on the OBR Customer’s next utility bill. The OBR Modified Charge Cutoff Date is specific to each customer’s utility billing cycle and may differ from one billing cycle to another.
- (bbb) “OBR Removal Date”: The date on which a utility confirms that the OBR Customer will be removed from participation in OBR and that the customer’s OBR Total Charge will not appear on its next utility bill or any subsequent bills.
- (ccc) “OBR Tariff”: The gas and electric Rule No. 43 On-Bill Repayment Tariffs filed by each IOU through advice letters and approved by the Commission.
- (ddd) “OBR Total Charge”: The financing payment amount to appear on the OBR Customer's next utility bill, including any applicable penalties, late fees, and interest, as communicated by the FPE to the Authority.
- (eee) “On-Bill Repayment (OBR)”: The repayment of an Enrolled Financing Agreement through charges placed on the OBR Customer's monthly utility bill, pursuant to the requirements of Section 10092.15.

- (fff) “Operational Reserve Fund (ORF)”: An account administered by the Authority that may be drawn upon if there is a Delayed Bill or Returned Item.
- (ggg) “ORF Balance”: The amount that must be reimbursed to the ORF by an FPE as the result of one or more payments made from the ORF.
- (hhh) “Participating Contractor”: An Eligible Contractor who has been granted approval to participate in the Program by the Authority as described in Section 10092.4(c).
- (iii) “Participating Project Developer”: An Eligible Project Developer who has been granted approval to participate in the Program by the Authority as described in Section 10092.4(c).
- (jjj) “Program”: The Commercial Energy Efficiency Financing Program described in the regulations within this Article.
- (kkk) “Program Holding Account”: 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.
- (lll) “Program Identifier” or “Program ID”: A number assigned by the Authority or its agent(s) that represents a program administered by the Authority.
- (mmm) “Project”: One or more Scopes of Work at one or more Eligible Properties, as well as any Capitalized Interest and any Non-EEMs installed by non-participating contractors, financed in whole or in part under a single Eligible Financing Agreement.
- (nnn) “Regional Energy Network” (REN): Regional Energy Network granted authorization by the Commission under Decision 12-05-015 and later defined in Decision 12-11-015.
- (ooo) “Returned Item”: A returned payment, closed bank account, scrivener’s error, or other payment processing issue that results in a negative payment amount to a utility from an OBR Customer.
- (ppp) “Scope of Work”: The Eligible Energy Measures and/or Non-EEMs installed and certified pursuant to the requirements of Section 10092.7(a) – (c) and Section 10092.8(b)(3) by a single Participating Contractor or Self-Installer as reported to the Authority, as part of a Project.
- (qqq) “Scope of Work Completion Date”: Date that a Participating Contractor or Self-Installer completes installation of its Scope of Work.
- (rrr) “Self-Installer”: An Eligible Commercial Financing Customer who installs any measures pursuant to the requirements in Section 10092.7(c).
- (sss) “Total Charge-Off Amount”:

- (1) For Eligible Leases or Eligible Equipment Financing Agreements and for Eligible Loans: the Total Charge-Off Amount equals the outstanding principal balance at the time of charge-off.
 - (2) For Eligible Service Agreements and Eligible Savings-Based Payment Agreements: the Total Charge-Off Amount equals the (total initial installation amount paid to contractor(s) divided by the number of months in the term) multiplied by the number of months remaining in the term at the time of charge-off. Ongoing monthly service charges are excluded from the Total Charge-Off Amount.
- (ttt) “Total Financed Amount”: The total amount funded by the Finance Provider Entity toward the Project. The Total Financed Amount does not include charges for ongoing service and/or maintenance and does not include any interest payments or ongoing finance charges.
- (1) For Eligible Leases or Eligible Equipment Financing Agreements and Eligible Loans: The original principal amount as disclosed to the Eligible Commercial Finance Customer through loan or lease documentation or the job addendum.
 - (2) For Eligible Service Agreements and Eligible Savings-Based Payment Agreements: The total installation amount paid to the Participating Contractor and/or disclosed on the job addendum, inclusive of equipment, taxes, labor, and shipping costs and exclusive of ongoing service and oversight payments by Eligible Commercial Financing Customer.
- (uuu) “Trustee”: The financial institution chosen by the Authority to hold or administer some or all of the Program Holding Accounts and Loss Reserve Accounts.

Authority: Section 26006 and 26009, Public Resources Code
Reference: Sections 26002, 26002.5, 26003, 26006, 26011 and 26040,
Public Resources Code

Section 10092.7 Project Eligibility

- (a) General Eligibility. Any Project receiving financing through the terms of the Program must comply with the following eligibility requirements:
- (1) Each Participating Contractor must be enrolled in the Program prior to that Participating Contractor's Scope of Work Completion Date;
 - (2) The Eligible Commercial Financing Customer must be provided with a Bill Impact Estimate (BIE) by the Participating Contractor, Participating Project Developer, or the Primary Finance Provider Entity;
 - (3) The Project must have at least one EEM meeting the requirements described in Section 10092.7(b);
 - (4) The cost for non-lighting measures installed utilizing the EEM List Method, described in Section 10092.7(b)(1), must not exceed \$350,000;
 - (5) Each Participating Contractor must have the proper license(s) relevant to perform its Scope of Work;
 - (6) The Project must comply with all applicable local, state, and federal laws, rules, regulations, and ordinances, including, but not limited to, Title 24 of the California Code of Regulations; ~~and~~
 - (7) All permits and approvals required to install each Scope of Work must have been approved or must be in the process of being approved; and
 - (8) The Eligible Financing Agreement may not be for:
 - (A) The purchase of a building; or
 - (B) New construction of a building except for reconstruction of an existing building that was destroyed, in whole or in part, due to a natural disaster.
- (b) Measure Eligibility. There are three methods by which a measure may qualify as an Eligible Energy Measure for Program purposes. Each EEM must satisfy at least one of the following methods:
- (1) EEM List Method - The measure meets the criteria the Authority has specified on the EEM List as described in Section 10092.14.
 - (A) Any measure that qualifies for an IOU, REN, or CCA demand-side energy management program is eligible for qualification through the EEM List Method.
 - (2) IOU Custom Measure Method - The measure has been approved for installation as part of an IOU Custom program with an IOU Custom approval date within the last 24 months.
 - (3) Professionally Certified Measure Method - An Energy Professional certifies that installation of the measure will save energy, will result in energy cost savings compared to existing conditions, or will reduce greenhouse gas emissions compared to existing conditions. EEMs qualifying via this method must meet the following requirements:
 - (A) Each Energy Efficiency measure must be projected to save energy;
 - (B) Each Demand Response measure must be capable of reducing demand on the electric grid or gas pipeline during peak periods;
 - (C) Each Distributed Generation measure must produce clean energy with reduced greenhouse gas emissions compared to existing conditions;

- (D) Each Battery Storage measure must have the capability to reduce greenhouse gas emissions, to allow for greater grid stability as part of a virtual power plant, and/or to mitigate customer costs; and
 - (E) Hydrogen production must occur through electrolysis and must use renewable energy sources.
- (c) Self-Installers
 - (1) An Eligible Commercial Financing Customer may install or have installed without a Participating Contractor:
 - (A) Eligible Energy Measures which have been identified on the EEM List as eligible for self-installation; and
 - (B) Non-EEMs.
 - (2) A Project Developer must be active on any Project with a Self-Installer unless the Eligible Financing Agreement is a Microloan. On Projects with a Self-Installer where the Total Financed Amount is greater than \$10,000, the Project Developer must provide the relevant data points listed in Section 10092.8(b)(2).
- (d) Quality Assurance/Quality Control
 - (1) In order to verify that Scopes of Work were installed in accordance with the regulations within this Article, within one year of the Enrollment Date of an Eligible Financing Agreement, the Authority may conduct one or more of the following quality assurance/quality control reviews, which may require the Participating Contractor or Project Developer to submit project-related documentation as described in 10092.4(d)(5):
 - (A) A review of data and documentation (desktop review); (B) A field verification at the Eligible Property(ies); or (C) Photo verification.
 - (2) For Projects with any IOU Custom measures, the Authority will not perform a field verification.
 - (3) The Authority shall notify the Eligible Commercial Financing Customer at least 10 business days prior to conducting a field verification.
 - (4) If the Authority finds that a Participating Contractor's Scope of Work was not installed in accordance with the regulations within this Article or that the Participating Contractor misrepresented information related to the work, the Authority may remove the Participating Contractor from Program participation pursuant to the processes described in Section 10092.4(e) and/or may notify other governmental entities and the IOUs.
 - (5) If the Authority finds that a Self-Installer's Scope of Work was not installed in accordance with these requirements or that the Participating Project Developer misrepresented information related to any Project, the Authority may remove the Participating Project Developer from Program participation pursuant to the processes described in Section 10092.4(e) and/or may notify other governmental entities and the IOUs.

Authority: Section 26006 and 26009, Public Resources Code

Reference: Sections 26002, 26002.5, 26003, 26006, 26011 and 26040, Public
Resources Code