

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

Board Meeting Date: Tuesday, August 19, 2025

***Request for Approval of Modifications to the GoGreen Home Program
Under the Emergency Rulemaking Process***

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REQUEST

Staff requests approval to adopt modifications to regulations (Regulations) for the GoGreen Home Program (“the Program”) under the emergency rulemaking process.¹ CAEATFA proposes modifications to incorporate language clarifying the eligibility of victims of natural disasters in the program. This allows those rebuilding after a natural disaster to incorporate more advanced green technology than may currently be required by a local building authority. In addition, CAEATFA proposes regulation modifications clarifying that lenders have 180 days after the last project certification date to submit loans for enrollment in the Program.

BACKGROUND

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) administers the California Hub for Energy Efficiency Financing (CHEEF) on behalf of the California Public Utilities Commission (CPUC). CHEEF operates three energy efficiency financing programs: GoGreen Home, GoGreen Business, and the GoGreen Multifamily funded by the investor-owned utilities (IOUs) ratepayers.

The CPUC collectively authorized the programs as pilot programs to support the State’s broader energy efficiency and environmental policy goals through leveraging private capital for energy retrofits. GoGreen Home, the first pilot program to launch in July 2016, targets the single-family residential market. GoGreen Home mitigates the risk of default for Lenders through the use of a loan loss reserve mechanism. This loan loss reserve enables Participating Lenders to offer more attractive financing terms, such as reduced interest rates, longer terms, and increased financed amounts to a broader group of Borrowers. The CPUC approved the transition of the Program from pilot to full program in April 2020.

Since its inception, GoGreen Home financing has been available to borrowers retrofitting and/or 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

¹ Sec. 26009, Public Resources Code

were destroyed in the fires, and the recovery effort will necessitate rebuilding these structures from the ground up. As such, CAEATFA would like to clarify that the Program eligibility includes “reconstruction” specifically allowing victims of natural disasters to access the Program.

The second regulation modification clarifies that lenders have 180 days after the last project certification date to submit loans for enrollment in the Program. This modification will ensure that lenders submit loans promptly and ensure organizational efficiency.

OVERVIEW OF MODIFICATIONS

Clarification of eligibility necessitates the modification of GoGreen Home regulations, specifically §10091.5(b)(2). The intention of this change is to provide the opportunity for the victims impacted by a natural disaster to rebuild exceeding Title 24 requirements for energy efficiency standards.

In addition, modifications to §10091.9(j) will help to ensure that data provided to stakeholders will be accurate and timely by establishing a reasonable 180 day period for Lenders to enroll completed projects in the Program. This modification has become necessary as the Program has grown significantly both in number of Lenders as well as number of projects.

The proposed regulation amendments respond to challenges, lessons learned, and extensive stakeholder feedback received while implementing GoGreen Home. It is the Program’s intention to expand the opportunity for consumers to access GoGreen Home, clarify processes, and facilitate energy efficiency improvements. The amendments:

- Allow for the possibility of superior efficiency in homes rebuilt following a federally declared natural disaster where measures installed after reconstruction would have a significantly higher cost of installation, longer payback period, and less positive environmental benefit.
- Safeguard the Loan Loss Reserve against losses that could be incurred by unscrupulous stakeholders and ensure the potential for the participation of more California residents as they work to reduce their carbon emissions.

Outreach for GoGreen Home Regulatory Action

CAEATFA staff regularly solicits feedback from Participating Contractors and Lenders and carefully monitors loan data to understand the Borrower experience and loan performance. As part of our Regulation modification process, CAEATFA meets regularly with stakeholders to solicit input and will conduct a public workshop as part of the Certificate of Compliance process to make permanent these regulation changes. Early stakeholder feedback is represented in these proposed modifications.

PROPOSED MODIFICATIONS TO REGULATIONS

Below is a brief description of each of the substantive changes to the Regulations. The specific modifications to the Regulations can be found in Attachment A, denoted in strikethrough and underlined text.

Section 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 Los 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.

Section 10091.9. Loan Enrollment.

This Section describes all the documentation and data required for a loan to be enrolled into the Program in order to receive a Loss Reserve Contribution. The Section covers documentation provided by the Contractor, Borrower, and Lender, though Lenders are responsible for compiling and submitting the package.

- *§10091.9(j)*: This subsection is being added to specify a reasonable 180 day time period within which a Lender is required to submit projects to the Program for enrollment.

Necessity: To ensure accurate data reporting to stakeholders, GoGreen Home relies on the timely submission of projects into the program. Previously, this time-to-enrollment period existed in GoGreen Business, but GoGreen Home staff did not see evidence to suggest that it would be necessary. The adoption of the online portal and alternate methods of project submission have necessitated its inclusion and the renumeration of the following subsection.

REGULATORY PROCESS TIMELINE

All of the future dates below are tentative and subject to change.

August 19, 2025	CAEATFA Board reviews and approves proposed modified Regulations.
August 22, 2025	CAEATFA posts the Finding of Emergency and begins the 5-day notice period.
August 27, 2025	Emergency regulations are submitted to Office of Administrative Law (OAL) for review. OAL has 10 calendar days to review the Emergency regulations.
September 6, 2025	OAL decision for approval of emergency regulations. Emergency regulations become effective for 180 days upon filing with the Secretary of State.

RECOMMENDATION

Staff recommends the adoption of Resolution No. 25-08-4.A to authorize the Chair and the Executive Director to adopt the emergency Regulations for the GoGreen Home Program.

Attachment: Attachment A: Proposed Modified Regulations. Modifications for Board consideration are shown with strikethrough and underlined text.

**RESOLUTION OF THE CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED
TRANSPORTATION FINANCING AUTHORITY APPROVING MODIFICATIONS TO
REGULATIONS AND OTHER RELATED ACTIONS TO IMPLEMENT THE
RESIDENTIAL ENERGY EFFICIENCY LOAN ASSISTANCE PROGRAM**

August 19, 2025

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (“Authority”) is authorized by Section 26009 of the Public Resources Code to adopt emergency regulations to implement and make specific the statutory provisions governing the Authority; and

WHEREAS, the Authority has determined that, under its Memorandum of Agreement with the Public Utilities Commission and its contract with the investor-owned utilities to serve as the manager of the California Hub for Energy Efficiency Financing, it is necessary to adopt modifications to the current program regulations (the “Regulations”) to implement the GoGreen Home Program (the “Program”).

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

Section 1. The proposed modified Regulations, on file with the Authority, are hereby approved. The Chair and Executive Director are hereby authorized to file the Regulations, with the supporting documentation required by law, with the Office of Administrative Law as regulations in the form currently on file with the Authority.

Section 2. The Chair and Executive Director are hereby authorized to proceed with the public notice and comment procedures required by the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) prior to submitting emergency and regular regulations to the Office of Administrative Law and completing the rulemaking process.

Section 3. The Chair and Executive Director are hereby authorized to take the actions necessary for the adoption of the Regulations, including making any necessary changes to the Regulations to secure approval by the Office of Administrative Law, and to execute and deliver any documents and take any steps the Chair and Executive Director may deem necessary or advisable to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect immediately upon its approval.

ATTACHMENT A:

Proposed Amended Regulations

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
RESIDENTIAL ENERGY EFFICIENCY LOAN
ASSISTANCE PROGRAM

EFFECTIVE June 20, 2024

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§10091.5. Loan Eligibility and Minimum Underwriting Criteria.

- (a) The Eligible Loan must meet the definition of one of the following products:
 - (1) A loan is an agreement between an EFI or EFL and a Borrower for a closed-end loan of a predetermined amount with periodic payments over a specified term to finance a Borrower's purchase of equipment. The Borrower will have ownership of the equipment from the time of purchase.
 - (2) A retail installment contract is an agreement of retail sale of equipment solely between a buyer and a seller that, pursuant to Civil Code Section 1802.6, provides for the repayment in at least four (4) installments, whether or not that contract contains a title retention.
 - (3) A lease/service agreement is an agreement that provides the Borrower with the use of equipment and could include ongoing service and maintenance, in exchange for payments in amounts that are due according to a schedule established in the agreement. The payments must result in the full satisfaction of the obligation. Those payments are made for a specified term. Title to the equipment may or may not transfer to the customer during the agreement. If the lease/service agreement includes ongoing service and maintenance, it must also guarantee the functionality of the equipment for the term of the agreement.
- (b) An Eligible Loan is not:
 - (1) Secured by an interest in real property, except for a UCC-1 fixture filing.
 - (2) Financing for the construction or purchase of residential housing, except for reconstruction of a residential building that was destroyed, in whole or in part, due to a natural disaster.
- (c) The refinancing of existing debt is only permitted when either:
 - (1) Both loans or lease/service agreements are made within three (3) months by the same PFI or PFL for the same project.
 - (2) The existing debt is an Enrolled Loan refinanced by the original PFI or PFL.
- (d) Disclosure: For Eligible Loans that are leases, the PFI or PFL must disclose to the Borrower either:
 - (1) An annual percentage rate (APR), inclusive of any fees, as well as any advance payments that the Borrower is required to pay.
 - (2) The total cost of the Project for the Borrower comprised of monthly payments multiplied by the number of months in the agreement plus any fees [(monthly payments * number of months in the agreement) + fees]. Monthly payments as reported must be inclusive of, but not limited to, equipment and installation repayment, and any charges for financing, services, maintenance, or oversight of equipment.

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- (e) Loans' terms and characteristics must be consistent with the loan program described by the PFI or PFL in its application to participate pursuant to Section 10091.2(d), or any revised program details provided in a report to the Authority pursuant to Section 10091.12(c)(1).
- (f) The Claim-Eligible Principal Amount of the loan proceeds must be used for Eligible Improvements to Eligible Properties in accordance with the following requirements:
 - (1) At least 70 percent of the proceeds must be used to fund EEMs as specified in Sections 10091.1(m) and 10091.1(r)(1)(A), other necessary and related costs, such as installation, permitting and other legally required improvements. When an EEM is removed from the list of EEMs or its specification is revised, that EEM and specification will continue to be eligible for inclusion under this subsection where the loan enrollment application is submitted within one hundred eighty (180) calendar days of EEM's removal or revision.
 - (2) No more than 30 percent of the proceeds may be used for additional related home improvements as described in Section 10091.1(r)(1)(B).
- (g) The Claim-Eligible Principal Amount shall not exceed \$50,000 per unit for the Eligible Property, unless the project includes the "Solar Photovoltaic + Battery Storage" EEM, as described in Section 10091.11(j), in which case the Claim-Eligible Principal Amount shall not exceed \$75,000. If the Eligible Loan is underwritten without a credit score pursuant to Section 10091.5(i)(2), the Claim-Eligible Principal Amount shall not exceed \$35,000 without regard to the number of units of the Eligible Property, and the cap of thirty-five thousand dollars (\$35,000) shall apply to the Total Loan Principal Amount regardless of the Claim-Eligible Principal Amount.
- (h) The interest rate, as calculated at a time pursuant to the PFI's or PFL's standard business practices, shall not exceed the interest rate on new 10-year Treasury bonds plus seven hundred fifty (750) basis points as of the first business day of the applicable calendar quarter. Following quarterly interest rate adjustments, PFIs and PFLs shall have five (5) business days to update their processes and systems, including but not limited to marketing materials and underwriting processes, to reflect the new maximum interest rate.
- (i) Borrower credit score requirements:
 - (1) The Borrower must have a minimum credit score of 580 except as allowed pursuant to Section 10091.5(i)(2). For Borrowers with credit scores between 580 and 640, the PFI or PFL must verify the Borrower's income as part of the underwriting process if the Total Loan Principal Amount exceeds twenty thousand dollars (\$20,000). The PFI or PFL must verify every Borrower's income, regardless of

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credit score, if the Total Loan Principal Amount exceeds fifty thousand dollars (\$50,000).

- (2) Eligible Loans may also be provided to Borrowers with no credit score, provided the Borrower does not have any unexplained derogatory credit reports.
- (j) The Borrower's total debt-to-income ratio shall not exceed fifty-five percent (55%), unless the Eligible Loan is a Microloan.
- (k) In addition to the underwriting criteria described above, PFIs and PFLs may use a Borrower's utility billing and payment history to aid in underwriting an Eligible Loan.
- (l) A PFI or PFL may establish additional underwriting criteria beyond what is described in this section. A PFI or PFL has the responsibility for underwriting decisions and legal compliance with respect to the Eligible Loans the PFI or PFL makes pursuant to these regulations.
- (m) A PFI or PFL may not enroll the Claim-Eligible Principal Amount of the Enrolled Loan in any substantially similar program.

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

§10091.9. Loan Enrollment.

- (a) The terms and conditions of Eligible Loans, including interest rates, fees and other conditions, shall be determined solely by agreement between the PFI or PFL and the Borrower.
- (b) A PFI or PFL shall be authorized to submit a loan enrollment application to enroll an Eligible Loan in the Program once that loan is closed by providing the information described in Section 10091.9(c)-(g) in a format approved by the Authority.
- (c) The following data points for the submitted loan will be provided to the Authority:

	Data points	Data provided by:	Exceptions
Borrower Information			
1	Borrower first and last name	Any	
2	Borrower email	Any	
3	Borrower phone number	Any	

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4	Borrower's credit score range, denoting a score of 580-640, 641-700, 701-760, 761-820, 821 or higher, or no credit score	PFI or PFL	
5	An indication as to whether bill payment history was used in making the underwriting decision	PFI or PFL	
6	Borrower's total debt-to-income ratio, denoting a range of less than 25%, between 25 and 35%, between 36 and 45%, or between 46 and 55%	PFI or PFL	Not required for Microloans
7	Borrower's relationship to property: 1) owner-occupier, 2) owner non-occupier, 3) renter or lessee, 4) other	Any	
Eligible Property Information			
8	Eligible Property address (Street address, city, and ZIP code)	Any	
9	Name(s) of the utility delivering electricity and gas, if applicable, to the Eligible Property	Any	For Microloans, only the name of the utility that corresponds to the fuel source for the EEM(s) is required unless the EEM(s) is a fuel switch measure as described in Section 10091.11(j)
10	The utility account number(s) for the Eligible Property, if applicable	Any	For Microloans, only the account number that corresponds to the fuel source for the EEM(s) is required unless the EEM(s) is a fuel switch measure as described in Section 10091.11(j)
11	Number of units at the property being upgraded	Any	
Project Information (for each contractor or Self-Installer's scope of work)			
12	Registered name or DBA of the Participating Contractor; or indication of Self-installer	Contractor/Self-Installer/Project Developer	For Microloans, if the measure(s) are installed by a licensed contractor who is not a Participating Contractor, this data point is not required

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13	Participating Contractor CSLB license number	Contractor/Project Developer	For Microloans or Self-Installer projects, this data point is not required
14	EEMs ID (For each EEM)	Any	
15	Measure name (For each EEM)	Any	
16	Quantity installed (For each EEM)	Any	
17	Indication of whether the installation resulted in a fuel substitution for the measure (For each EEM)	Any	
18	The total cost for each EEM and its installation	Any	
19	The cost and description of any legal and practical measures required to complete the project, but that are not associated with any specific EEM(s)	Any	
20	The cost and description of other additional related home improvement measures installed that are not listed as EEMs or which utilize a non-IOU fuel source	Any	
21	Total project cost	Any	
22	Indication of whether the project added square footage to the home	Any	
23	Date(s) the contractor(s) or Self-Installer completed the installation	Any	
24	Indication of whether the Participating Contractor or Borrower has received or will apply for a utility, REN, or CCA energy efficiency rebate or incentive and the name of the rebate/incentive program and if known, the project ID	Any	
25	Evidence of grid-interconnection	Any	Only required if the project includes the “Battery Storage Expansion” or “Solar Photovoltaic + Battery Storage” measures
26	Evidence of solar photovoltaic generation	Any	Only required if the project includes the “Battery Storage Expansion” measure
Loan Information			
27	PFI’s or PFL’s name and Program Participation ID	PFI or PFL	

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28	Program ID (Indication that the Eligible Loan is being submitted for enrollment in the Program)	PFI or PFL	
29	Loan officer name	PFI or PFL	
30	The PFI's or PFL's internal loan identification number. This number should not be identical to a Borrower's account number with the PFI or PFL	PFI or PFL	
31	Installer Type (Whether the project included a Self-Installer, Participating Contractor, professional installer who is not a Participating Contractor, and/or more than one Participating Contractor)	PFI or PFL	
32	Total Loan Principal Amount	PFI or PFL	
33	Claim-Eligible Principal Amount	PFI or PFL	
34	Type of loan (e.g., term loan, retail installment contract, lease/service agreement)	PFI or PFL	
35	Whether or not the loan is secured or unsecured	PFI or PFL	
36	Term and maturity date	PFI or PFL	
37	Date interest rate was finalized	PFI or PFL	
38	Origination date	PFI or PFL	
39	Interest rate, and whether it is fixed or variable	PFI or PFL	
40	Whether an IRBD has been applied to the reported interest rate and, if so, what the original interest rate was	PFI or PFL	
41	Whether Borrower has agreed to ACH auto pull	PFI or PFL	

- (d) The following certifications from an authorized signatory of each Participating Contractor, if any participated in the project, shall be provided to the Authority:
- (1) The Participating Contractor(s) who performed the work and completed the project is (are) licensed to perform the work related to the installation of the Eligible Improvements.
 - (2) In addition to other project requirements, the completed project also meets the following criteria:
 - (A) The submitted Eligible Improvements were installed.
 - (B) The submitted Eligible Improvements installed comply with Program requirements as outlined in these regulations.
 - (3) The installation of the Eligible Improvements complies with all the applicable California building standards (Title 24) and any additional laws, ordinances, regulations and standards applicable in the jurisdiction where the installation occurred.

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- (4) All permits required to install the Eligible Improvements have been secured or are in the process of being secured.
 - (5) The Borrower was provided with a Bill Impact Estimate.
 - (6) Safety testing was completed and passed if required by the project as specified in Section 10091.11(f).
- (e) Certifications from the Borrower of the following will be provided to the Authority:
- (1) For all projects:
 - (A) The equipment will be installed at the project address provided to my lender.
 - (B) I will use loan proceeds to pay for equipment and/or installations per Program rules.
 - (C) I have been informed of how this project may affect my utility bill.
 - (D) I understand that CAEATFA and its directors, officers, and agents and the IOUs and their directors, officers and agents do not guarantee the performance, quality or workmanship of the equipment.
 - (E) I acknowledge and agree to allow CAEATFA, or its representatives, access to verify the equipment meets Program requirements.
 - (2) Additionally, for projects with equipment requiring professional installation per the Program rules:
 - (A) I have secured or will secure a CSLB-licensed contractor.
 - (B) All installation(s) by a Participating Contractor have been completed to my satisfaction.
 - (3) Additionally, for projects with equipment that require(s) permits, all permits have been or will be secured.
- (f) Proof of electric or gas delivery at the project address for each utility servicing the property dated within ninety (90) days of credit approval through one of the means listed in paragraphs (1)-(4) will be provided to the Authority. For Microloans, only proof of the utility that corresponds to the fuel being utilized by the EEM(s) is required unless the EEM(s) is a fuel switch measure as described in Section 10091.11(j).
- (1) Copy of a current utility bill demonstrating electric and or gas delivery to the property.
 - (2) Letter of confirmation establishing utility service at the property.
 - (3) Evidence that the property is served by a master meter in a mobile home park.
 - (4) Certification by either a PFI, PFL, or Participating Contractor of either of the following:
 - (A) That is implementing a utility energy efficiency program that the Borrower is receiving fuel delivered by that utility.
 - (B) That customer utility account data has been validated

through a third- party digital authentication.

- (g) An executed California Hub for Energy Efficiency Financing Disclosure as described in Section 10091.16 shall be provided to the Authority.
- (h) The PFI or PFL shall be authorized to base the information requested in Section 10091.9(c) upon representations made to the PFI or PFL by the Borrower and/or the Self- Installer and/or the Participating Contractor, provided that the representation cannot be relied upon if it is known to be false by the lending officers at the PFI or PFL who are directly involved in the negotiation of the Eligible Loan.
- (i) Where the Authority determines that a loan enrollment application is incomplete, a PFI or PFL shall be authorized to submit a revised and complete loan enrollment application.
- (j) Once the project has been completed and certified by all Participating Contractors and the Borrower, it must be submitted for enrollment by the PFI or PFL within 180 calendar days of the last project certification date. This shall apply for loans submitted for enrollment after 10/1/2025.
- (k)(j) The Authority, upon the receipt of the documentation required pursuant to this section from the PFI or PFL, shall have ten (10) business days to enroll the Eligible Loan if the Executive Director determines that the Eligible Loan meets the requirements of this Article. The Executive Director's determination whether an Eligible Loan shall be enrolled in the Program shall be final.

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