TITLE 4, DIVISION 13, ARTICLE 6
OF THE CALIFORNIA CODE OF REGULATIONS

NOTICE OF PROPOSED RULEMAKING

The California Alternative Energy and Advanced Transportation Financing Authority (the "Authority" or "CAEATFA"), organized and operating pursuant to Division 16 (commencing with section 26000) of the California Public Resources Code (the "Act")—pursuant to the authority vested in it by the Public Resources Code Section 26009 to promulgate regulations and Public Resources Code Section 26011 to provide financial assistance to a participating party, and acting pursuant to the Memorandum of Agreement ("MOA") between the Authority and the California Public Utilities Commission ("CPUC") which sets forth the policies and procedures for establishment of a series of ratepayer-funded pilot programs as authorized and described in the initial CPUC-approved Decision 13-09-044, Decision Implementing 2013-14 Energy Efficiency Financing Pilot Programs issued September 19, 2013 and modified through Decision 15-06-008, Decision 15-12-002, Decision 17-03-026,Decision 21.08.006 and Decision 23-08-026 —proposes to amend the GoGreen Home Energy Financing Program (known publicly as the "GoGreen Home Program" and referred to as the "Program" in this document) regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Authority has not scheduled a public hearing on this proposed action. However, the Authority will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request in writing addressed to the individuals listed under "Agency Contact Person" in this notice.

WRITTEN COMMENT PERIOD

Any interested person or their authorized representatives may submit written comments relevant to the regulations to the Authority. All comments must be submitted in writing to cheef@treasurer.ca.gov and **must be received by September 4, 2026**, or must be received by the Authority at the hearing, should one be scheduled, in order for them to be considered by the Authority.

In the event that substantial changes are made to the regulations during the written comment period, the Authority will also accept additional written comments limited to any changed or modified regulations for fifteen (15) calendar days after the date on which such regulations, as changed or modified, are made available to the public pursuant to Title 1, Division 1, Chapter 1, Article 2, Section 44 of the California Code of Regulations. Such additional written comments should be addressed to cheef@treasurer.ca.gov.

AUTHORITY AND REFERENCE

Authority: Public Resources Code Section 26006 and 26009. Section 26006 and 26009 of the Public Resources Code authorizes the Authority to adopt necessary regulations relating to its authority established by the Act, and Public Resources Code 26011 establishes the authority to provide financial assistance to a participating party.

Reference: Public Resources Code Sections 26002, 26002.5, 26003(a)(3)(A), 26003(a)(6), 26003(a)(7)(A), 26003(a)(8)(A), 26011 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"). The Authority'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, the Authority received initial 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 to implement the CHEEF.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority and authorizes the Authority to provide "financial assistance" to "participating parties" for the implementation of "projects" as those terms are defined in Public Resources Code Section 26003. A Memorandum of Agreement between the Authority and the CPUC sets forth the policies and procedures for establishment of a series of ratepayer-funded pilot programs as authorized and described in the CPUC-approved Decisions.

Decision 13.09.044 established the California Hub for Energy Efficient Financing ("CHEEF") to be administered by the Authority. The Authority was authorized to develop and implement a number of energy efficiency financing programs. These programs were intended to attract a greater amount of private capital to the energy efficiency retrofit market by reducing risk to finance companies; broadening the availability of financing to individuals and businesses who might not have been able to access it otherwise; and addressing the upfront cost barrier to energy efficiency retrofit projects.

GoGreen Home launched in 2016 as a pilot program and, throughout early development and implementation, the Authority advocated to the CPUC for specific changes to Decisions regarding the CHEEF programs to broaden their relevance to the private market and streamline operations for participants. These efforts were necessary, from the Authority's perspective, to facilitate more energy efficiency projects and allow the Program to assist more customers. In

March 2017, the CPUC issued Decision 17-03-026, which granted the Authority some additional flexibility to amend GoGreen Home from previous CPUC guidance. Leveraging this flexibility, the Authority implemented amendments through an emergency rulemaking process that began in 2017 and ended with a Certificate of Compliance in September 2018. In April 2020, the CPUC issued Resolution E-5072, which approved GoGreen Home's transition from a pilot program to a full program and provided funding for the Authority to facilitate scaling, including streamlining operations for Lenders, making planned technology improvements, and continuing with education and outreach efforts. CPUC Decision 21.08.006 in 2021 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. CAEATFA then implemented amendments through an emergency rulemaking process that began in 2021 and ended with a Certificate of Compliance in September 2022.

In August 2023, CPUC Decision 23-08-026 enabled CAEATFA to expand its program technologies and begin using its current funding source, IOU energy efficiency ratepayer funds, to credit enhance those technologies. This marked a significant expansion of the Program to encompass a broader range of clean energy measures in addition to energy efficiency measures. This expansion was in line with State goals, and supports Californians seeking to more fully decarbonize or electrify as well as improve the efficiency of their homes. Accordingly, CAEATFA added several new clean energy eligible measures: a bundled "solar photovoltaic + battery storage" measure, "smart electric vehicle chargers", and "battery storage expansion". Further, the maximum amount of financing for an Eligible Project was raised from $50,000 to $75,000 for projects that include the solar photovoltaic + battery storage bundled measure.

In October 2025, CAEATFA adopted new emergency regulations to clarify the inclusion of homes affected by natural disasters for the financing of energy efficiency measures. The emergency regulations also specified a maximum timeline from the completion of an energy efficiency project to submittal to the GoGreen Home Program for program eligibility. This was added to facilitate program operations and accurate tracking of program activity. These emergency regulations were then readopted once in April 2026 and then a second time in June 2026 in order to prepare for the Certificate of Compliance.

The proposed regulations associated with this Notice seek to make permanent the emergency modifications through the Certificate of Compliance regular rulemaking process.

Anticipated Benefits of the Proposed Action:

The benefits of this regulatory action will be to owners and renters of residential properties affected by natural disasters as well as Participating Lenders and the hundreds of enrolled Contractors who complete the upgrades. The clarification of the ability to utilize IOU Public Purpose Funding for homes that have been adversely affected by natural disasters is intended to reduce complexity and increase Program access to more Californians. This furthers the State's goals of reducing energy consumption and greenhouse gases. The addition of the maximum timeline from project completion to submittal to the GoGreen Home program facilitates processing and operation time for the program to ensure timely responses and support for contractors and lenders.

Evaluation of Inconsistency/Incompatibility with Existing State Regulations:

Government Code Section 11346.5(a)(3)(D) requires that the notice of proposed rulemaking include, "[an] evaluation of whether the proposed regulation is inconsistent or incompatible with existing state regulations." The Authority's Staff reviewed the California Code of Regulations and found no existing regulations with which there might be inconsistency or incompatibility. Therefore, the Authority believes that the proposed regulation is neither inconsistent nor incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Executive Director of the Authority has made the following determinations regarding the effect of the regulations:

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Significant effect on housing costs: None.

Significant, statewide adverse economic impact directly affecting businesses including the ability of California businesses to compete with businesses in other states: The Authority has made the determination that the proposed regulations will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. Participation in the program is voluntary, and, in fact, the Authority finds that the proposed regulation may have a positive effect on the businesses of participating GoGreen Home Contractors and California-based Lenders.

Effect on Small Business: The Authority has made the determination that the proposed regulations will not have an adverse impact on small businesses in California. Participation is voluntary and designed to offer access to attractive financing for energy efficiency measures. The Authority believes that any effect on small businesses would be positive, particularly for Contractor businesses installing energy upgrades.

Cost Impacts on Representative Private Person or Business: The Authority is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RESULTS OF ECONOMIC IMPACT ANALYSIS

The Authority finds that the regulations will have a positive effect on the state's economy and environment generally because of the anticipated increased economic activity, energy conservation and reduction of greenhouse gas emissions due to investments in energy upgrades. Studies have cited the need for lower cost financing as a main impediment to increasing the number of energy upgrades; therefore, the Authority finds there would be increased economic activity for certain businesses who manufacture energy measures and for the contractors who conduct energy retrofits, as well as for the California-based Lenders who process and provide the loans. Additionally, participants that make energy upgrades are likely to experience energy savings and may be able to apply those savings toward other economically beneficial activities.

Creation or Elimination of California Jobs:

The Authority finds that the regulations may have a positive impact on the creation of jobs within California, such as the manufacturers of energy efficiency and clean energy generation measures benefitting from increased demand, and Contractor companies who perform installations. The Authority has not estimated the number of direct and indirect green jobs that may be created as a result of this Program as participation is voluntary.

Creation or Elimination of Existing Businesses within the State of California:

As the regulations provide a credit enhancement to finance companies offering credit to California residents, the elimination of businesses is improbable. The regulations are unlikely to significantly affect the creation of new businesses within the State of California.

Expansion or Elimination of Existing Businesses Within the State of California:

The Authority finds there could be increased economic activity for certain businesses of Project Developers and Contractors who conduct energy related projects, thus potentially expanding existing businesses.

Benefits of the Regulations to The Health and Welfare of California Residents, Worker Safety, and The State's Environment:

The goal of the Program is to increase access to financing for California residents to invest in energy efficiency and clean energy generation upgrades, thus reducing greenhouse gas emissions and helping meet California's ambitious environmental goals. The Program does not directly affect worker safety.

SUMMARY OF PROPOSED CHANGES AND ADDITIONS

Section 10091.5. Loan Eligibility and Minimum Underwriting Criteria.

This section defines what is not considered an eligible loan for the program and what exceptions may apply.

This section is being updated to clarify the inclusion of homes that must be rebuilt because of a natural disaster as eligible properties for a GoGreen Loan. This is an exception to the general rule that newly constructed homes are not eligible for the program.

10091.9. Loan Enrollment.

This section outlines the processes by which an eligible GoGreen Home project is submitted to the program for Loan enrollment qualification.

The change to this section is the addition of a 180-calendar day maximum timeline from when a project is completed to when it must be submitted to the GoGreen Home program for enrollment.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Authority must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Authority invites interested persons to present statements with respect to alternatives to the regulations during the written comment period.

AGENCY CONTACT PERSON

Written comments shall be submitted or directed to: cheef@treasurer.ca.gov.

Inquiries and any questions regarding the substance of the regulations shall be submitted or directed to:

Davey Ly Program Specialist CAEATFA 915 Capitol Mall Sacramento, California 95814 Telephone: 916-653-3032 Email: davey.ly@treasurer.ca.gov	or	(backup contact) Aaron Lingenfelter Analyst CAEATFA 915 Capitol Mall Sacramento, California 95814 Telephone: 916-653-2509 Email: ALingenfelter@sto.ca.gov

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF THE PROPOSED REGULATIONS

The Authority has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at the Authority's office at 915 Capitol Mall, 3rd Floor, Sacramento, California 95814, during normal business working hours. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons, the proposed text of the regulations, the Economic Impact Statement, and the Technical, Theoretical, and/or Empirical Studies, Reports, or Documents. Copies of these items are available upon request from the Agency Contact Person designated in this Notice or at the Authority's website located at https://www.treasurer.ca.gov/caeatfa/cheef/reel/regulations/.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the public hearing and at the end of the written comment period, the Authority may adopt the regulations substantially as described in this Notice, without further notice. If the Authority makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least fifteen (15) calendar days before the Authority adopts the proposed regulations, as modified. Inquiries about and request for copies of any changed or modified regulations should be addressed to the Agency Contact Person identified in this Notice. The Authority will accept written comments on the modified regulations for fifteen (15) calendar days after the date on which they are made available.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Upon completion, a copy of the Final Statement of Reasons may be requested from the Agency Contact Person designated in this Notice or at the Authority's website located at https://www.treasurer.ca.gov/caeatfa/cheef/reel/regulations/.

AVAILABILITY OF MATERIALS ON THE INTERNET

Materials prepared for this rulemaking, including this Notice, the Initial Statement of Reasons, the text of the proposed regulations, the Economic Impact Analysis, and Technical, Theoretical, and/or Empirical Studies, Reports, or Documents may be accessed on the Authority's website located at https://www.treasurer.ca.gov/caeatfa/cheef/reel/regulations/.