

## INITIAL STATEMENT OF REASONS

### California Alternative Energy and Advanced Transportation Financing Authority

**Sections 10092.1, 10092.2, 10092.4, 10092.5, 10092.6, 10092.7, 10092.8,  
10092.9, 10092.10, 10092.13, 10092.14, 10092.15, 10092.16, 10092.17  
Title 4, Division 13, Article 6  
of the California Code of Regulations**

### INTRODUCTION

The California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” referred to herein as “the Authority”) is organized and operating pursuant to Division 16 (commencing with section 26000) of the California Public Resources Code and pursuant to the authority vested in it by Public Resources Code Section 26009 to promulgate regulations. These regulations are necessary for the Authority to carry out its functions as the administrator of the California Hub for Energy Efficiency Financing under its Memorandum of Agreement with the California Public Utilities Commission (CPUC). Specifically, these Regulations will update the Commercial Energy Efficiency Financing Program (“Referred to publicly as the GoGreen Business Program,” and additionally here in this document as “Program”), one of several programs devised in the CPUC approved *Decision Implementing 2013-2014 Energy Efficiency Financing Pilot Programs* (“Decision”)<sup>1</sup> and subsequent CPUC actions<sup>2</sup>. The regulations described below were created after considering all comments, objections, and recommendations regarding the proposed action.

On September 19, 2013, the CPUC approved the Decision, and requested the Authority act as the master administrator of the California Hub for Energy Efficiency Financing (“CHEEF”), funded by ratepayer dollars collected by the four investor-owned utilities—Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company (collectively, the “IOUs”). 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.

Under CAEATFA’s statutory authority (Division 16, commencing with §26000 of the Public Resources Code) to provide “financial assistance” to “participating parties” for the implementation or “projects” as those terms are defined in PRC §26003, these regulations interpret the Decision and implement the Program. In 2023, the CPUC issued Decision 23-08-026 which further authorized CAEATFA to finance additional clean energy generation and storage measures in addition to energy efficiency. CAEATFA staff applied a public benefits test to evaluate new energy measures to be included as eligible for financing. In addition, CAEATFA staff incorporated new regulations to allow for the use of sources of funding other than IOU ratepayer funds to allow expanded eligibility and types of financing assistance in the event that other sources of funding become available.

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<sup>1</sup> Decision Implementing 2013-2014 Energy Efficiency Financing Pilot Programs. Decision 13-09-044.

<sup>2</sup> CPUC has issued additional actions addressing issues related to the implementation of the pilot programs, including Decision 15-06-008, Decision 15-12-002, Decision 17-03-026, Decision 21-08-006, and Decision 23-08-026.

The proposed Regulations duplicate or overlap state or federal regulations which are cited as “authority” or “reference” for the proposed Regulations and the duplication or overlap is necessary to satisfy the “clarity” standard of Government Code §11349.1(a)(3).

## GLOBAL MODIFICATIONS

- Non-substantive edits are being made throughout regulations in the interest of clarity and consistency of language.

### Universal Changes in Multiple Sections.

- *Changed references to “energy efficiency” to read “energy impact” or “energy”*
- *Changed the defined term “Energy-Saving Measure” to “Eligible Energy Measure”*
  - Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

The program has been authorized to expand types of measures eligible for financing to include clean energy generation and storage such as solar panels, batteries, hydrogen generation, biogas generation, and wind turbines.
  - Specific Purpose of the Regulation:

The defined terms and references to “energy efficiency” refer to qualifying measures financed through the program and the purpose of the program as financing for energy installations which reduce greenhouse gas emissions.
  - Necessity:

These changes were made to be more accurate as the Program is expanding to offer generation, storage, and other forms of clean energy.
  - Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

Energy efficiency is a broadly-used industry term referring to reducing consumption of energy, while distributed generation is likewise a broadly-used term referring to production of energy.
  - Alternatives to the Regulations Considered by the Agency and the Agency’s Reasons for Rejecting those Alternatives:

The alternative is not to allow financing for solar panels and other forms of clean energy technology, for which there is great public demand in California.
  - Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

There is no adverse impact on small businesses resulting from allowing more energy technologies to qualify for financing.
  - Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

There is no adverse economic impact resulting allowing more energy technologies to qualify for financing.

- *Changed references to “IOU/REN/CCA energy efficiency or demand response programs” to read “IOU/REN/CCA demand-side energy management programs”*
  - Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:  
As a program which is supported by IOU ratepayer funds, this program is designed to work in conjunction with other IOU energy programs.
  - Specific Purpose of the Regulation:  
Projects receiving support from IOU programs can qualify for enhanced financing through the program, and project developers may more easily qualify for the program if they are administrators of IOU energy programs.
  - Necessity:  
This change was made to expand the references to EE and DR programs to include other types of programs which address clean energy generation and storage.
  - Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:  
This language change was made at request of the IOUs to allow for evolving energy programs.
  - Alternatives to the Regulations Considered by the Agency and the Agency’s Reasons for Rejecting those Alternatives:  
The alternative is existing language which only addresses a subset of relevant IOU programs.
  - Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:  
There is no adverse impact on small businesses resulting from allowing broader participation in IOU programs.  
Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:  
There is no adverse economic impact resulting from allowing broader participation in IOU programs.
- *Changed “IOU” to “utility” in §10092.1 Definitions and §10092.15 On-Bill Repayment*
  - Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:  
On-Bill Repayment (OBR) was developed to function with IOU billing systems. Since that time some municipal utilities have expressed interest in participating in OBR through their own billing systems. This will allow other utility customers to benefit from this feature.
  - Specific Purpose of the Regulation:  
Changing “IOU” to “utility” makes the language of §10092.15 and the relevant defined terms in §10092.1 more broadly applicable to other types of utilities.
  - Necessity:

As current regulations are specific to IOUs, this change is necessary to allow other types of utilities to participate in OBR.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

OBR has been developed with IOU billing systems so the same approach will be used for non-IOU billing systems.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

The alternative is existing regulations which do not allow non-IOU participation in OBR.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in OBR is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in OBR is voluntary so there is no adverse economic impact.

- *Changed "Eligible Small Business Financing Customer" to "Eligible Commercial Financing Customer" in §10092.2, §10092.8, §10092.10, and §10092.15*

This change allows a broader definition to address other types of customers eligible through the program.

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

The program is being expanded to allow affordable multifamily customers to qualify along with small/medium businesses, and for other customer types to qualify through sources of funding which are not IOU ratepayer funds.

- Specific Purpose of the Regulation:

Eligible customers may qualify for credit enhanced financing through the program.

- Necessity:

Using the broader term to encompass different types of customer eligibility allows program requirements to apply to different categories of customer.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

The alternative is existing regulations which do not allow other types of customers beyond small/medium businesses.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

## **§10092.1: Definitions.**

Updates to defined terms in this Section serve the following purposes in the regulations as a whole:

- to allow for eligibility of clean energy generation and storage measures including solar panels and batteries,
- to incorporate affordable multifamily as an eligible customer type in the program,
- to broaden eligibility based on customer type and/or customer utility territory using non-IOU ratepayer sources of funding pursuant to §10092.16,
- to expand program eligibility requirements and make other clarifying changes.
- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

The definitions in this Section allow for the administration of this program.

- Specific Purpose of the Regulation:
- *§10092.1(a): “Ancillary Elements”*  
This definition covered project elements which could be financed but were not energy-related, it is being incorporated into other definitions for simplicity.
- *§10092.1(a): “Affordable Multifamily Customer”*  
A definition of Affordable Multifamily Customer was added to allow for a separate customer type from small/medium business.
- *§10092.1(c): “Battery Storage”*  
Battery storage is being newly added as clean energy measure.
- *§10092.1(h): “Claim-Eligible Financed Amount”*  
This term defines the limits of the 70% of eligible energy measures and the 30% of eligible non-energy improvements which can receive a loss reserve contribution.
- *§10092.1(o): “Distributed Generation”*  
This term defines types of energy-generating measures.
- *§10092.1(p): “Eligible Commercial Financing Customer”*

This section creates a global defined term for financing customers, and further specifies that eligible customers must be small/medium businesses or affordable multifamily, pursuant to the CPUC 13-09-044 authorizing these approaches.

- *§10092.1(r): “Eligible Energy Measure (EEM)”*
- *§10092.1(s): “Eligible Energy Measure Identifier”*
- *§10092.1(t): “Eligible Energy Measure List”*

These sections replace Energy-Saving Measure and related terms to define what types of measures may be financed.

- *§10092.1(u): “Eligible Financing Agreement”*

This term defines the types and purposes of financing agreements in the program.

- *§10092.1(u): “Eligible Financing Agreement”*

This term defines types and purpose of financing agreements eligible for the program.

- *§10092.1(y): “Eligible Property”*

This term defines the types of property which are eligible in terms of type of business and utility service.

- *§10092.1(aa): “Eligible Service Agreement”*

This term defines a type of eligible financing agreement.

- *§10092.1(bb): “Eligible Small Business Financing Customer”*

This term establishes criteria to define small/medium business.

- *§10092.1(cc): “Energy Efficiency”*

This term defines approaches to saving energy.

- *§10092.1(aa): “Energy Saving Measure”*
- *§10092.1(bb): “Energy Saving Measure ID”*
- *§10092.1(cc): “Energy Saving Measure List”*

These terms define what types of measures are eligible for financing.

- *§10092.1(ll): “GoGreen Business Energy Financing”*

This term defines a public-facing program name for business customers.

- *§10092.1(mm): “GoGreen Multifamily Energy Financing”*

This term defines a public-facing program name for multifamily customers.

- *§10092.1(ww): “Non-Energy Components”*

This term defines non-energy elements of a project which are eligible for financing.

- *§10092.1(xx): “Non-EEMs”*

This term defines property upgrades which may receive a loss reserve but do not qualify as eligible energy measures.

- *§10092.1(kkk): “Program Holding Account”*

This term defines accounts that are used to transfer loss reserve contributions for participating lenders.

- *§10092.1(mmm): “Project”*

This term encompasses various elements of an energy retrofit.

- Necessity:

- *§10092.1(a): “Ancillary Elements” removed*

This definition is no longer needed for regulations and was removed for simplicity.

- *§10092.1(a): “Affordable Multifamily Customer” added*

A definition of Affordable Multifamily Customer was added to allow for a larger loss reserve contribution for this customer type. A larger loss reserve contribution was indicated by lenders to incentivize better terms and more approvals for deed-restricted multifamily.

- *§10092.1(c): “Battery Storage” added*

Battery storage is being newly added as clean energy measure. This has a different definition than other forms of storage previously included, and adding this definition provides clarity for qualification through the certification of a Professional Engineer or Certified Energy Manager.

- *§10092.1(h): “Claim-Eligible Financed Amount” modified*

This change clarifies the limits of the 70% of eligible energy measures and the 30% of eligible non-energy improvements which can receive a loss reserve contribution. Distributed generation is now a qualifying measure so was removed from the amount that must be deducted from the claim-eligible amount. Adding a definition of the energy-related portion of the claim-eligible finance amount,



which is required to be at least 70%, clarifies for the purposes of alternate sources of funding what portion of the project must be qualifying EEMs.

- *§10092.1(o): "Distributed Generation" modified*

"Solar thermal" is being removed from the definition of Distributed Generation. Producing heated water through solar warming is not a form of generation, it is a form of efficiency because it reduces the burden on gas or electric water heaters.

- *§10092.1(p): "Eligible Commercial Financing Customer" modified*

This term was modified to include references to Affordable Multifamily Customer and Eligible Small business Financing Customer in this definition to improve readability throughout regulations.

This term was also modified to make explicit that other definitions of eligible customer may qualify through program expansion via a source of funding that is not IOU ratepayer funds.

- *§10092.1(r): "Eligible Energy Measure (EEM)" added*

- *§10092.1(s): "Eligible Energy Measure Identifier" added*

- *§10092.1(t): "Eligible Energy Measure List" added*

These terms were added to expand the scope of the program beyond energy efficiency to include clean energy generation and storage.

- *§10092.1(u): "Eligible Financing Agreement" modified*

This term was modified to remove the language requiring that financed amounts must not exceed \$5 million. The limit of \$5 million on Total Financed Amount was intended to protect ratepayer funds against default. Further conversations with stakeholders have shown that this approach is not necessarily effective, and that the underwriting standards of participating lenders are much more effective at preventing excessive risk. With the introduction of clean energy measures such as solar panels, participating lenders have expressed a desire to lend larger amounts than \$5 million. The limit on \$1 million Claim-Eligible Financed Amount still exists to protect ratepayer funds against larger loans going into default.

The term was also modified to remove the requirement that installations must be in an existing building. Some installations such as agricultural pumps, drip irrigation, and many clean energy measures such as stand-alone solar components will not be installed in a building.

- *§10092.1(v): "Eligible Property" modified*

This term was modified to remove the reference to IOU service. The definition of Eligible Energy Measure requires an IOU fuel source. §10092.16 adds an exception to that definition for non-IOU ratepayer funding.

- *§10092.1(y): "Eligible Small Business Financing Customer" modified*

This term was modified to simplify regulations language for readability. The definition of Eligible Commercial Financing Customer now explicitly references small/medium business customers and affordable multifamily customers.

The language "on average over the past 3 years" was removed to avoid prohibiting customers who have not been in business for three years from qualifying for the Program, which was not the intent.

The definition of Small Business relying on annual revenue was updated to \$16 million to stay current with the definition from California's Department of General Services.

- *§10092.1(aa): "Eligible Service Agreement" modified*

This term was modified to remove a requirement that title does not transfer to the customer because conversations with participating lenders revealed that this does not always apply.

- *§10092.1(bb): "Eligible Small Business Financing Customer" modified*

This term was modified to simplify language and to remove the requirement that one of the definitions be met over three years to allow for newer businesses to qualify.

- *§10092.1(cc): "Energy Efficiency" modified*

This term was modified to change the definition of Energy Efficiency from "grid-supplied" to "utility-supplied" because energy efficiency can also save gas, while the word "grid" is specific to the electric grid.

- *§10092.1(aa): "Energy Saving Measure" removed*
- *§10092.1(bb): "Energy Saving Measure ID" removed*
- *§10092.1(cc): "Energy Saving Measure List" removed*

These terms were modified to change the name to "Eligible Energy Measure" as "Energy Saving Measure" is specific to energy efficiency. This term was changed throughout regulations. The term was updated to include clean energy such as generation and storage.

- *§10092.1(ll): "GoGreen Business Energy Financing" modified*

This term was modified to add clarification that this program name is for commercial customers, as opposed to multifamily customers.

- *§10092.1(mm): "GoGreen Multifamily Energy Financing" added*

This term was added as a separate public-facing name from GoGreen Business Energy Financing which will help with marketing to multifamily owners.

- *§10092.1(ww): "Non-Energy Components" modified*

Project Developer fees were removed from the definition of Non-Energy Components, so they may be included in the claim-eligible amount.

- *§10092.1(xx): "Non-EEMs" modified*

This term was modified to remove a limitation on distributed generation in non-IOU territories.

- *§10092.1(kkk): "Program Holding Account"*

This term was modified to expand the definition to multiple accounts with different types of utilities.

- *§10092.1(mmm): "Project" modified*

This term was modified to clarify and simplify language by removing an unnecessary defined term, Ancillary Elements. That definition has now been combined into this term.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No additional documents were consulted in updating defined terms.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

As described above, alternatives would be not to allow for clean energy measures to be financed, for other customer types to qualify for the program, and for other utilities not to be able to participate in OBR.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Updating the defined terms has no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Updating the defined terms has no adverse impact on small business.

## **§10092.2. Finance Entity Enrollment**

Changes to this section remove a requirement that finance company applicants certify that enhanced financing may not be for distributed generation, which is no longer applicable.

- *§10092.4(c)(6)(D) Finance Provider Applicant certification regarding Distributed Generation removed*

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

This part of the changes to allow for solar and other forms of distributed generation to be financed.

- Specific Purpose of the Regulation:

This section required a lender applicant to acknowledge that the program does not credit enhance distributed generation such as solar panels.

- Necessity:

This change removes this certification as it no longer applies.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

The alternative is to not allow distributed generation to be financed.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:  
Participation in this program is voluntary so there is no adverse economic impact.

#### **§10092.4. Contractor and Project Developer Participation**

Changes to this section remove a restriction which required that participating contractors not be an employee of the financing customer, and clarifies the conditions for contractor removal from the program's website and contractor removal from the program.

- *§10092.4(b)(1)(D): Contractor/Project Developer employee requirement removed*
  - Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:  
This section defines the terms for contractors and project developers to participate in the program.
  - Specific Purpose of the Regulation:  
The program requires that a participating contractor not be an employee of the financing customer.
  - Necessity:  
The requirement that the contractor or project developer "must not be employee of the Eligible Commercial Customer" was removed to allow for financing structures in which the contractor or project developer is the borrower. This allows the program to meet different types of financing models such as energy as a service in which the installer also owns and maintains the equipment. This change retains the program requirement that the financing customer be a qualifying small/medium businesses.
  - Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:  
No technical documents were consulted.
  - Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:  
Current regulations do not allow a contractor to be an employee of the financing customer which restricts certain business models as described above.
  - Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:  
Participation in this program is voluntary so there is no adverse impact on small business.
  - Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:  
Participation in this program is voluntary so there is no adverse economic impact.

- *§10092.4(d)(1), (e)(1): Ability of the Authority to remove contractors from the Program website added*
  - Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:  
This section defines the terms for contractors and project developers to participate in the program.
  - Specific Purpose of the Regulation:  
The regulations define removal from participation in the program for contractors and project developers.
  - Necessity:  
Language was added to give CAEATFA authority to remove inactive contractors from the Program website and from participation in the program. Existing regulations require CAEATFA to list contractors on the program website but have no provisions for removal.
  - Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:  
No technical documents were consulted.
  - Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:  
Previous regulations had no clear terms for removal from the program for inactivity.
  - Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:  
Participation in this program is voluntary so there is no adverse impact on small business.
  - Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:  
Participation in this program is voluntary so there is no adverse economic impact.

### **§10092.5. Eligible Financing Products**

Changes to this section remove the requirement that financing agreements must not exceed \$5 million and remove a requirement that a finance company must take security interest in projects financed with an affordable multifamily property owner.

- *§10092.5(b)(2): Maximum financed amount of \$5 million removed, Exception for security interest requirement for Affordable Multifamily added*
  - Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:  
These regulations define requirements for financial products which may be credit enhanced through the program.
  - Specific Purpose of the Regulation:

This section limited the maximum financed amount to \$5 million.

- Necessity:

This section is being modified to remove the maximum financed amount of \$5 million as this limit does not provide additional protection for ratepayer funds as described above in regard to §10092.1(u).

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Leaving the \$5 million limit in regulations makes larger projects more difficult while not providing any additional protections for ratepayer funds.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

- *§10092.5(b)(6): Exception for security interest requirement for Affordable Multifamily added*

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

These regulations define requirements for financial products which may be credit enhanced through the program.

- Specific Purpose of the Regulation:

This regulation requires security interest to protect the ratepayer funds supporting the loss reserve.

- Necessity:

This section is being modified to make an exception that requires participating lenders to take a security interest in Total Financed Amounts greater than \$50,000 so that this requirement does not apply to an Affordable Multifamily Customer. The purpose of the security interest is to protect ratepayer funds. This change aligns the program with the approach previously used in our Affordable Multifamily Program and allows greater flexibility to qualify this type of customer.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

The alternative is to keep the requirement which does not apply to multifamily.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

## **§10092.6. Eligible Financing Customers**

Changes to this section add an exception to the positive profit requirement for affordable multifamily customers, and add a mortgage review requirement for affordable multifamily customers.

- *§10092.6(c)(3), (d): Exception for positive operating profit removed for Affordable Multifamily, review of mortgage added for Affordable Multifamily*

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

These regulations provide minimum underwriting standards for financing customers.

- Specific Purpose of the Regulation:

The underwriting standards provide protection for ratepayer funds used for loss reserves by requiring that customers meet minimum credit thresholds.

- Necessity:

Adding an exception for EBITDA is needed as this type of income verification is not commonly used for multifamily.

The new section adds a mortgage review as part of due diligence for lenders regarding multifamily customers.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Existing regulations have underwriting standards which are more specific to commercial customers than multifamily.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

## **§10092.7 Project Eligibility.**

This section includes definitions of energy-related installations that can qualify for financing through the program. This section is being updated to remove requirements that measures save fuel for IOUs, in line with the expanded eligibility for alternative sources of funding added in §10092.16. New requirements were added for qualifying custom clean energy installations via the certification of a Professional Engineer or Certified Energy Manager.

- *§10092.7(a)(8): Requirement that contractor/project developer must not be an employee of the financing customer removed*
  - Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

This section defines how energy efficiency and clean energy measures may qualify for enhanced financing through the program.
  - Specific Purpose of the Regulation:

This regulation was intended to protect against fraud by ensuring that project planning and installation is done by a third party other than the financing customer.
  - Necessity:

The program relies on quality assurance for verification of installations. Removing this requirement allows for greater flexibility of business models, such as energy service agreements where equipment is owned and maintained by the installer through an agreement with the property owner. Removing this requirement also removes confusion regarding self-installation by the financing customer.
  - Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.
  - Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Existing regulations require that a contractor not be an employee of the financing customer, which limits business approaches such as energy service agreements.
  - Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.
  - Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.
- *§10092.7(b)(1): Requirement of IOU fuel savings removed*

The requirement that measures fuel savings type correspond to IOU service was removed.



- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:  
This section defines how energy efficiency and clean energy measures may qualify for enhanced financing through the program.
- Specific Purpose of the Regulation:  
This requirement was intended to ensure that energy savings were relevant to IOUs providing fuel to the property.
- Necessity:  
Current regulations restrict the program to only IOU territories, expanding these territories through non-IOU ratepayer sources of funding allows greater customer participation.
- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:  
No technical documents were consulted.
- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:  
Current regulations restrict the program to only IOU territories, expanding these territories through non-IOU ratepayer sources of funding allows greater customer participation.
- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:  
Participation in this program is voluntary so there is no adverse impact on small business.
- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:  
Participation in this program is voluntary so there is no adverse economic impact.

The below sections in §10092.7(b)(3) were modified/added to allow a more flexible custom approach to clean energy generation and storage in addition to energy efficiency.

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:  
This section defines how energy efficiency and clean energy measures may qualify for enhanced financing through the program.
- Specific Purpose of the Regulation:  
This section allows a custom approach for larger, more complex energy installations to qualify for financing.
- Necessity:

- *§10092.7(b)(3): Professionally Certified Measures requirements modified*

This section was modified to bring energy measure certification requirements in line with the expanded types of clean energy described in §10092.7(b)(3)(A)-(E). The requirements described below were determined by CAEATFA, along with engineering consultation, to protect the greenhouse gas emissions reduction goals of the Program.

- *§10092.7(b)(3)(A): Professionally Certified Measures requirements for Energy Efficiency added*

The requirement was added that Energy Efficiency installations must save energy. This requirement exists in current regulations, but is being added to a broader list of energy measure qualifications.

- *§10092.7(b)(3)(B): Professionally Certified Measures requirements for Demand Response added*

The requirement was added that Demand Response installations must save gas or electricity during peak periods.

- *§10092.7(b)(3)(C): Professionally Certified Measures requirements for Distributed Generation added*

The requirement was added that Distributed Generation installations must reduce GHG emissions compared to existing conditions.

- *§10092.7(b)(3)(D): Professionally Certified Measures requirements for Battery Storage added*

The requirement was added that Battery Storage installations must reduce greenhouse gases, be used for virtual power plants, or mitigate customer costs. This to require the use of batteries for purposes that can help reduce climate change impacts, rather than simply for backup power.

- *§10092.7(b)(3)(E): Professionally Certified Measures requirements for Hydrogen production added*

The requirement was added that hydrogen production must be from green sources such as solar PV, rather than sources that increase GHG emissions.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

Input from Energy Futures Group, a subject matter expert on energy programs and engineering, informed the requirements of this section.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Existing regulations only allow energy efficiency, adding clean energy generation can have significant benefits in allowing Californians to reduce their greenhouse gas emissions.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

## **§10092.8. Financing Submittal and Enrollment.**

Changes to this section update project submission requirements to allow for affordable multifamily customers, to broaden definitions to allow participation by utilities other than IOUs, remove a requirement for a contractor invoice to be provided to the program, allow a self-installed project to be certified before installation, and to update eligibility requirements to allow for clean energy generation and storage measures.

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

This section outlines the process, data, documentation, and certifications required for the submittal and enrollment of an eligible financing agreement.

- Specific Purpose of the Regulation:

These regulations define program data submission requirements for energy projects.

- Necessity:

- *§10092.8(b)(1)(D): Requirement to provide a copy of deed restriction or covenant added for Affordable Multifamily Customers*

A requirement was added to require that Affordable Multifamily Customers provide a copy of the deed restriction or covenant, in alignment with the definition. This requirement was incorporated from GoGreen Multifamily regulations as a way of confirming low income housing status.

- *§10092.8(b)(1)(D): Requirement that a Participating Contractor provide an invoice removed*

This requirement was intended to help with the Quality Assurance process described in §10092.7(d). However, documentation varies so widely that it is simpler to rely on the requirement that a Participating Contractor retain all relevant documentation as described in §10092.4(d)(5).

- *§10092.8(b)(2)(C): Affordable Multifamily Customer status added as an alternative to requirement to provide method of qualification as an Eligible Small Business Financing Customer*

The definitions of Eligible Small Business Financing Customer do not apply to an Affordable Multifamily Customer.

- *§10092.8(b)(2)(JJ)-(LL): Separate data points for Distributed Generation removed*

These sections were removed as the data requirements for Eligible Energy Measures now include Distributed Generation.

- *§10092.8(b)(2)(JJ): Data points for Energy Efficiency and Demand Response qualifying through the Professionally Certified Method modified*

Language was added to include Distributed Generation among other categories of clean energy.

- *§10092.8(b)(2)(KK)-(LL): Data points for Energy Efficiency and Demand Response qualifying through the Professionally Certified Method modified*  
Language was added to clarify that these data points are specific to Energy Efficiency and Demand Response.
- *§10092.8(b)(2)(NN): Separate data point for Distributed Generation added*  
An Energy Professional must provide estimates of the capacity of generation for new DG installations.
- *§10092.8(b)(2)(OO): Separate data point for GHG reduction added*  
An Energy Professional must provide estimates of GHG emissions avoided, as required by §10092.7(b)(3)(C) and (D).
- *§10092.8(b)(2)(BBB): Separate data point interest rate without the loss reserve added*  
A new data point was added to allow participating lenders to inform the program what the customer's interest rate would have been without the benefit of the loss reserve. This allows greater program tracking of borrower benefits while also simplifying verification of those benefits.
- *§10092.8(b)(3)(A)(v): Requirement of contractor certification of Distributed Generation removed*  
A separate requirement for reporting of DG is no longer needed as DG is part of Eligible Energy Measures requirements.
- *§10092.8(b)(3)(D)(i): Customer certification of installation completion modified*  
This requirement has been modified to allow a customer who is self-installing a project to complete the customer certification in advance, rather than after the project has been installed.
- *§10092.8(b)(3)(E): Energy Professional certification requirements modified*  
The requirements of this section were modified to bring the Energy Professional Certification in line with clean energy installation requirements of §10092.7(b)(3).
- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:  
Input from Energy Futures Group, a subject matter expert on energy programs and engineering, informed the requirements of this section.
- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:  
Current regulations are written for IOU customers and small/medium businesses, this approach allows more Californians to benefit from clean energy upgrades.
- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:  
Participation in this program is voluntary so there is no adverse impact on small business.
- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

## **Section 10092.9 Credit Enhancement**

Changes to the section add a different calculation for loss reserves for affordable multifamily projects.

- *§10092.9(c)(2) modified, (c)(2)(A)-(B) added:*

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

The credit enhancement approach of this program works through loss reserve payments to participating lenders in event of customer default.

- Specific Purpose of the Regulation:

This section defines how the loss reserve is funded for participating lenders.

- Necessity:

These sections define how an affordable multifamily customer can qualify for a larger credit enhancement contribution to promote program uptake for this customer type.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Current regulations allow one calculation for small/medium businesses, affordable multifamily customers are more of a credit risk and can benefit from a larger enhancement.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

## **§10092.10. Claims.**

Changes to this section extend the period during which a claim may be submitted to 15 years from enrollment, or 20 years in the case of solar PV installations.

- *§10092.10(a)(1): Claim eligibility threshold modified*

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

The credit enhancement approach of this program works through loss reserve payments to participating lenders in event of customer default.

- Specific Purpose of the Regulation:

This section outlines the process and requirements for finance companies to file claims through GoGreen Business.

- Necessity:

This section is being modified to allow claims against the loss reserve to be submitted fifteen years after the enrollment date, or twenty years for projects including solar PV and battery storage, which is more in line with lending terms in the industry.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Current regulations allow claims at ten years, which is not in line with industry standards for financing terms for solar which are more often twenty years.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

### **§10092.13. Energy Financing Privacy Rights Disclosure**

The title of this section is being modified for clarity.

### **§10092.14. Eligible Energy Measure List.**

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

This section allows a simple method of qualifying energy measures for the program.

- Specific Purpose of the Regulation:

This section lists pre-qualified Eligible Energy Measures (“EEMs”) by category, including requirements, fuel type, and whether the measure is eligible for self-installation. This section is separate from requirements for the Professionally Certified Measure Method described in 10092.7(b)(3), but this List also serves to indicate to stakeholders the types of installations that may qualify for the program.

- Necessity:

A new category of six clean energy measures is being added, along with seventeen new energy efficiency measures. Clarifications to the language of three measures are being added, along with a new Energy Star requirement for another existing measure.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

Input from Energy Futures Group, a subject matter expert on energy programs and engineering, informed the requirements of this section.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Leaving the existing list without adding measures does not allow the program to adapt to the needs of the market.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

### **§10092.15. On-Bill Repayment.**

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

This section allows use of On-Bill Repayment as an additional credit enhancement for energy projects.

- Specific Purpose of the Regulation:

This section defines the mechanisms of how participating lenders may have financing agreements repaid through the customer's utility bill.

- Necessity:

The defined term IOU was globally replaced in most cases to allow other forms of utilities to participate in OBR.

The allowed fifteen-year threshold for repayment through OBR was modified to allow twenty years for projects including solar PV and battery storage.

Language regarding tariffs allows other types of utilities participating in OBR to define rules of partial payments other than through IOU Tariffs.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Existing regulations limit OBR to fifteen years which is not in line with industry lending terms for solar panels which are more often twenty years.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

### **§10092.16. Conditional Eligibility Expansion.**

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

This section allows for alternate sources of funding to expand the program's impact in reducing greenhouse gas emissions.

- Specific Purpose of the Regulation:

This new section details the process and rules around the potential future availability of non-IOU-ratepayer funding to fund credit enhancements when measures do not save IOU fuel or there is a fuel substitute to a non-IOU source, and to use alternate sources of funding such as federal funds to allow for additional means of financial assistance to incentivize customers.

- Necessity:

While there is some flexibility within the existing Regulations, this addition will allow GoGreen Business to simplify eligibility rules for projects and help with scaling. Californians that have IOU gas providers but POE electricity providers will be allowed to make decarbonization upgrades in line with the state's goals. New regulations also allow for different types of financial assistance beyond loss reserves and other types of customers to be eligible for the program.

- *§10092.16(a)(1): Interested parties list*  
This allows public participation by all interested stakeholders.
- *§10092.16(a)(2): Expanded program eligibility*  
These sections provide expanded eligibility in the case that funds become available which are not IOU ratepayer funds.
- *§10092.16(a)(2)(A): Utility territory expansion*  
This allows municipal utility customers to be eligible for the program.
- *§10092.16(a)(2)(B): Customer expansion*  
Other customer types such as large commercial and government may qualify.
- *§10092.16(a)(2)(C): Alternative financial assistance*  
Other types of credit enhancements or incentives may be available to assist customers with installing energy upgrades.
- *§10092.16(a)(3): Criteria*  
Each source of funding may have its own set of requirements which will determine how funds may be allocated.



- *§10092.16(a)(4): Criteria publication*  
All requirements based on source of funds will be made available to the public.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Current regulations only allow IOU ratepayer funds to be used which come with limitations on customer type and utility territory.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

### **§10092.17. Interest Rate Buy Down (IRBD) Disbursement**

- Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address:

This section allows additional means of incentivizing customers to engage in energy upgrades to reduce GHG emissions.

- Specific Purpose of the Regulation:

This section was added to describe what CAEATFA will do if CAEATFA secures funding from an external source to buy down the interest rate (an "interest rate buy-down" or "IRBD") of Eligible GoGreen Business financing agreements. If CAEATFA is able to secure this external funding, it lays out the processes by which participating lenders will be informed of the requirements of any funders as well as the process to participate in the funding. It establishes the term sheet that will be available for participating lenders.

- Necessity:

- *§10091.17(a) Establishing IRBD to allow CAEATFA the ability to direct funding from external funders to be used for IRBDs to help lower interest rates for borrowers participating in the GoGreen Business Program. Further, establishing the fund's relationship to the other data points collected by the program.*

Several entities have approached CAEATFA wishing to deploy funds for IRBDs. Each funder may have dollar or timeline limits, geographic restrictions, or other criteria for recipients. An IRBD funder's requirements will never supersede or amend, and instead will only be layered on top of, GoGreen Business's existing eligibility criteria and requirements.

- *§10091.17(b) Establishing IRBD pathway/process*

Added language specifying that when funding is received, lenders will be notified of eligibility criteria for requesting IRBD funding through an IRBD term sheet and be given a specific process by which they can apply for the funding. Subpoints define the information that will be included in the term sheet if applicable.

Different IRBD funders are likely to have different restrictions and CAEATFA will need to explain the details and eligibility criteria of each IRBD campaign on a case-by-case basis.

- *§10091.17(c) Oversight and public review of IRBD funding details*

This section establishes a process whereby the terms of accessing the funding can be transparently reviewed by the public and interested parties made aware.

- *§10091.17(d) Lender certification requirements for compliance*

This section establishes that a Finance Provider Entity must agree to any requirements of an individual IRBD funder and that their participation in that funding is contingent upon CAEATFA's approval.

- Technical, Theoretical, and/or Empirical Studies, Reports, or Documents:

No technical documents were consulted.

- Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives:

Current regulations have no provisions for IRBDs. Allowing interest rate buy-downs has been shown to be successful in similar programs in other states.

- Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business:

Participation in this program is voluntary so there is no adverse impact on small business.

- Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business:

Participation in this program is voluntary so there is no adverse economic impact.

## ECONOMIC IMPACT ASSESSMENT

### **Creation or Elimination of Jobs and Businesses within the State of California**

The regulations are designed to establish the Program structure, provisions and the type and level of financial assistance Finance Provider Entities may obtain if accepted to participate in the Program. Existing staff will carry out these regulations, participation in the Program is voluntary, and these regulations do not place a burden on businesses within California, therefore these regulations do not affect the ability to create or eliminate jobs within the state of California.

The Authority finds that the regulations will have a positive effect on the state's economy as studies have cited access to attractive financing as a significant impediment for businesses to invest in energy upgrades. Therefore, the Authority finds there may be increased economic activity for manufacturers and installers of energy efficiency measures, finance companies who participate in the Program, and contractors and project developers who participate in the program. Additionally, businesses that make energy upgrades are likely to experience energy savings which could be reinvested into their businesses and into the state economy as a whole.

The Authority finds that the regulations may have a positive impact on the creation of jobs within California, particularly those commonly referred to as "green jobs," and may help expand the number of employers currently doing business within the state, particularly energy efficiency retrofit contractor companies. The Authority has not estimated the number of direct and indirect green jobs that may be created as a result of this Program.

### **Creation of New or Elimination of Existing Businesses within the State of California**

The regulations help provide an incentive to finance companies offering credit to California small business owners and, therefore, are not anticipated to eliminate existing businesses within the State of California. The Authority finds that the proposed regulations will have a positive effect on the businesses that make use of the financing and OBR mechanism based on stakeholder comments received. The regulations are unlikely to significantly affect the creation of new businesses within the State of California.

### **Expansion of Businesses or Elimination of Existing Businesses Within the State of California**

Studies have cited the need for lower cost financing as a main impediment to increasing the number of businesses investing in energy efficiency upgrades, therefore, the Authority finds there would be increased economic activity for certain businesses of project developers and contractors who conduct energy efficiency retrofits, thus potentially expanding existing businesses.

### **Benefits of the Regulations**

As the amendments make the Program more attractive to finance companies, contractors, project developers, and small business borrowers, there may be additional reduction of greenhouse gas emissions and an improvement of air quality. This could benefit the state's environment and residents' health. These amendments will have no impact on worker safety. Further, the amendments may benefit the state's fiscal health by incentivizing finance companies to enter into financing agreements and offer new products to borrowers who wish to make an energy efficiency investment.

California has aggressive energy reduction goals. A series of legislation passed in recent years, including Assembly Bill 32 (Nuñez, Chapter 488, Statutes of 2006), Assembly Bill 758 (Skinner, Chapter

470, Statutes of 2009), Senate Bill 350 (De León, Chapter 547, Statutes of 2015), and Senate Bill 100 (De León, Chapter 312, Statutes of 2018) have addressed energy efficiency issues and provided direction for establishing ambitious energy goals for the state. Additionally, in July of 2021, Governor Newsom directed the CPUC and the California Air Resources Board to accelerate California's progress to achieving carbon neutrality to 2035, in advance of the previous 2045 target.

In 2008 the California Public Utilities Commission adopted the California Long-Term Energy Efficiency Strategic Plan ("Strategic Plan"), which set forth a statewide roadmap to maximize the achievement of cost-effective energy efficiency in California's electricity and natural gas sectors from 2009 through 2020 and beyond. While the commercial sector is not restricted by lack of financial products, two of the main barriers to achieving the energy efficiency goals laid out by the Strategic Plan are the high interest rates associated with that financing and the fact that many of the financing products currently available are difficult to access.

The purpose of the Commercial Energy Efficiency Financing Program is to provide credit enhancement support for finance companies financing energy efficiency improvements. Through the use of credit enhancements, finance companies are able to mitigate risk and thus offer better rates and terms to a broader base of customers. The goals of the Program are to attract a greater amount of private capital to the energy efficiency retrofit market by mitigating risk to finance companies, to broaden the availability of financing to those who might not have been able to access it otherwise, and to address the upfront cost barrier to energy efficiency retrofit projects.

The goals of the amendments are designed to allow clean energy generation and storage measures to qualify for financing, to add an affordable multifamily customer type, to expand On-Bill Repayment to other types of utilities, and to allow the program to use other sources of funding than IOU ratepayer funds to qualify upgrades in different utility territories, qualify different types of customers, and offer other forms of financial assistance.

**Small Business:**

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 that a small business otherwise may not have.