

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

***Request to Approve Modifications to the GoGreen Business Program
under the Regular Rulemaking Process***

Tuesday, January 21st, 2025

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REQUEST

Staff requests approval to make permanent changes to the regulations (“Regulations”) for the GoGreen Business Program under the regular rulemaking process.¹ GoGreen Business’ proposed modifications expand the definition of eligible clean energy technologies available for financing; increase the loan loss reserve contribution for energy upgrades to deed-restricted multifamily properties; incorporate provisions allowing for alternate sources of funding beyond utility ratepayer funds; broaden regulations to allow for additional forms of financial assistance such as interest rate buy-downs; and extend the period of eligibility for claims against the loss reserve to fifteen years, or twenty years for projects including both solar panels and onsite battery storage.

BACKGROUND

Program Background

On behalf of the California Public Utilities Commission (“CPUC”), the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) is the administrator of the California Hub for Energy Efficiency Financing (“CHEEF”) and is currently responsible for operating three energy efficiency financing programs: GoGreen Home, GoGreen Business, and GoGreen Multifamily, funded with moneys collected from the ratepayers of the investor-owned utilities (IOUs). These programs collectively were authorized by the CPUC as pilot programs to support the State’s broader energy efficiency and environmental policy goals through leveraging private capital for energy retrofits. GoGreen Business was the second of the Pilots developed by CAEATFA Staff (“Staff”) and targets the small business sector. GoGreen Business offers finance companies a credit enhancement in the form of a loss reserve contribution for every enrolled financing agreement.

GoGreen Business has faced challenges in generating project volume, however CAEATFA’s continued efforts to seek channels to reach customers have opened new opportunities for the Program. In 2023 CAEATFA launched a limited interest rate buy-down promotion through the Program’s marketing contract held by SoCalGas. This promotion is fully subscribed for FY23-24 with ninety projects either enrolled or

¹ Sec. 26009, Public Resources Code

Agenda Item – 4.A
Resolution No. 25-01-4.A

expected to be enrolled; this represents approximately four times as many new projects as previously enrolled. The GoGreen Business Program has also seen increased traction in the multifamily sector with staff continuing to pursue opportunities with lenders and other stakeholders to increase growth. The Program's On-Bill Repayment feature has resulted in additional project volume in SoCal Edison territory, and staff are working to accelerate the use of this feature in other IOU territories.

Under Decision 23-08-026, published in the summer of 2023, the CPUC authorized CAEATFA to begin using its current funding source, IOU energy efficiency ratepayer funds, to credit enhance loans for comprehensive clean energy measures. This marks a significant expansion of the Program to encompass a broader range of clean energy measures in addition to energy efficiency measures. This expansion is in line with State goals and supports Californians seeking to more fully decarbonize or electrify as well as improve the efficiency of their businesses. Accordingly, GoGreen Business is adding several new clean energy eligible measures including solar panels, battery storage, microgrid equipment, wind turbines, and anaerobic digesters for biogas production.

In order to determine eligible clean energy measures, GoGreen Business utilized a 9-point benefits test that was outlined in our initial proposal to the PUC in April 2022. The test analyzed the impacts of a number of clean energy measures across nine categories in three different sectors: consumers, utility companies, and society. The proposed clean energy measures were found to provide net benefits for each of the three entities according to this analysis. The 9-point test and rationale behind the selection of each measure was discussed in detail during the public workshop held on March 25, 2024.

In collaboration with the GoGreen Home team, GoGreen Business staff have pursued additional sources of program funding including the National Clean Investment Fund from the EPA. New sections added to program regulations allow use of non-ratepayer funds for a broadened approach to qualifying energy upgrades including expanding to municipal electric utility territories and allowing large commercial and government customers. These new regulations also allow for additional sources of financial assistance besides the program's existing loss reserve, these include interest rate buy-downs, loan participation, subordinated debt, and other approaches.

Key Modifications:

Among various clarifications and updates, the modifications to the Regulations will:

1. Add new clean energy generation and storage measures to the pre-qualified list;
2. Add new energy efficiency measures to the pre-qualified list including refrigeration, food processing, solar water heating and electric vehicle charging;
3. Expand criteria for custom clean energy projects to be qualified via certification of a Professional Engineer or Certified Energy Manager;
4. Create a formal process by which Contractors can be removed from GoGreen Business' online, public-facing search tool, and eventually the Program, for lack of active participation over one to three years; this ensures that prospective

Agenda Item – 4.A
Resolution No. 25-01-4.A

Borrowers are only shown active Participating Contractors in GoGreen Business' public-facing list;

5. Create a customer type for deed-restricted multifamily and allow an increased loss reserve contribution for installations at these properties;
6. Remove the restriction limiting the total financed amount for a project to \$5 million;
7. Extend the period of claim eligibility to fifteen years and increase claim eligibility and participation in On-Bill Repayment to twenty years for projects with solar PV and battery storage;
8. Allow for Program expansion through the availability of non-IOU ratepayer sources of funding, including expanding to other utility territories, qualifying other types of customers, and offering other forms of financial assistance; and,
9. Allow Interest Rate Buy-Downs to be offered to customers through the Program, contingent on funding availability.

Increased Loss Reserve Contributions for Affordable Multifamily Properties:

CAEATFA previously had launched the GoGreen Multifamily Program, per CPUC direction, to target deed-restricted low-income multifamily properties. To date, GoGreen Multifamily has not enrolled any financing agreements. CAEATFA is proposing to combine the approach of GoGreen Multifamily into the GoGreen Business program by offering a similar loss reserve contribution for deed-restricted properties.

GoGreen Business currently allows financing for both market-rate and deed-restricted multifamily properties, with a smaller loss reserve contribution than GoGreen Multifamily. As many GoGreen Business lenders offer financing for multifamily property owners, and both lenders participating in GoGreen Multifamily are also participating in GoGreen Business, CAEATFA is proposing to offer an increased loss reserve contribution for deed-restricted multifamily properties through GoGreen Business. This will provide a single loss reserve for each participating lender covering deed-restricted and market-rate multifamily as well as commercial properties. A combined loss reserve for these different property types is intended to give participating lenders greater protection in order to promote lending to deed-restricted multifamily property owners.

GoGreen Business currently offers a loss reserve contribution of 20% of the first \$50,000 of eligible financing, with an additional 5% for the next \$950,000 (maximum contribution of \$57,500). This is available for commercial properties as well as market-rate multifamily. The proposed modifications will allow a loss reserve contribution for deed-restricted multifamily properties of 30% of the first \$200,000 and 5% of the next \$800,000 for the first two qualifying projects enrolled by a participating lender (maximum contribution of \$100,00), with a reduction to 15% of the first \$200,000 and 5% of the next \$800,000 for subsequent projects (maximum contribution of \$70,000).

Extended Period of Claim Eligibility:

The GoGreen Business program currently allows participating lenders to make claims against loss reserve funds in the event of a customer default up to ten years from the date of enrollment. This limit was intended to protect against financing equipment past the end of its useful life. Multiple stakeholders have asked that this limit be extended as many energy efficiency and clean energy measures have a useful life significantly longer than ten years, especially solar PV. The proposed modifications will extend the period of claim eligibility to fifteen years, or twenty years for projects including solar PV and battery storage. The period of eligibility to participate in On-Bill Repayment will also be extended to twenty years for solar PV projects.

Non-IOU Ratepayer Sources of Funding:

CAEATFA is proposing modifications to allow GoGreen Business to utilize non-IOU ratepayer sources of funding for credit enhancements and other forms of financial assistance in order to set up more consistent project eligibility across utility jurisdictions. This will reduce complexity for program participants including lenders who are not accustomed to qualifying financing based on California’s utility territories. The expanded flexibility will also allow qualification of other customer types and expand financial mechanisms by which the program can incentivize customers and lenders.

Interest Rate Buy Downs:

CAEATFA is adding the ability to channel funds from external sources to Participating Lenders in the form of an Interest Rate Buy-Down (“IRBD”). This approach has been successful and generated a significant increase in activity through a limited promotion using marketing funds. These modifications will allow additional sources of funding to drive program participation.

Outreach for Program Regulatory Action

Staff regularly solicits feedback from participating contractors, finance companies, and other industry stakeholders. The proposed changes to extend the period of claim eligibility to fifteen/twenty years and the increased loss reserve contribution for deed-restricted multifamily properties are both being made in response to input from lenders, multifamily program administrators, and other stakeholders.

Staff conducted a public workshop on March 25, 2024, where they presented key design considerations and the proposed amended Regulations, followed by a five-day public comment period. Public comments were considered, and additional changes were made and reflected in these proposed amended Regulations.

On December 6, 2024, the proposed changes were published in the California Regulatory Notice Register beginning the 45-day public comment period as part of the permanent rulemaking process. No comments have been received. With the approval of CAEATFA’s Board, staff will submit regulations to the Office of Administrative Law for adoption in late February.

PROPOSED AMENDMENTS TO REGULATIONS

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

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”*
These changes were made to be more accurate as the Program is expanding to offer generation, storage, and other forms of clean energy.
- *Changed references to “IOU/REN/CCA energy efficiency or demand response programs” to read “IOU/REN/CCA demand-side energy management programs”*
This change is being made to expand the references to EE and DR programs to include other types of programs which address clean energy generation and storage.
- *Changed references to “IOU” to “utility” in §10092.1(m), (yy), (aaa), (bbb), (ddd), (eee), and (ooo), and throughout §10092.15*
This change is being made to allow non-IOU utilities such as municipal electric utilities to participate in the program’s On-Bill Repayment

§10092.1: Definitions.

Amendments were made to the following defined terms:

- *§10092.1(a): “Ancillary Elements” removed*
This definition is no longer needed for regulations and is being removed for simplicity.
- *§10092.1(v): “Eligible Property” updated*
This definition is being modified to remove the requirement for IOU service, in line with alternate sources of funding described in §10092.16.
- *§10092.1(a): “Affordable Multifamily Customer” added*
A definition of Affordable Multifamily Customer is being 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 a 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.

Agenda Item – 4.A
Resolution No. 25-01-4.A

- *§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 is being 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 is being modified to include references to Affordable Multifamily Customer and Eligible Small business Financing Customer in this definition to improve readability throughout regulations. This term is also being modified to make explicit that this definition does not limit customers from qualifying pursuant to the provisions of §10092.16.
- *§10092.1(r): “Eligible Financing Agreement” modified*
This term is being modified to remove the language requiring 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(u): “Eligible Financing Agreement” modified*
This term is being modified to remove the language requiring 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. This term is also being modified to remove the limit of \$5 million total financed amount per project, as this limitation does not prohibit one customer from financing multiple projects and is not effective in protecting the ratepayer funds in the loss reserve.
- *§10092.1(v): “Eligible Property” modified*
This term is being 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 for non-IOU ratepayer funding.
- *§10092.1(y): “Eligible Small Business Financing Customer” modified*
This term is being 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" is being 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 is being updated to \$16 million to stay current with the definition from California's Department of General Services.

- *§10092.1(z): "Energy Efficiency" modified*
This term is being 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(bb): "Energy Saving Measure" modified*
This term is being modified to change the name to "Eligible Energy Measure" as "Energy Saving Measure" is specific to energy efficiency. This term is being changed throughout regulations. The term is being updated to include clean energy such as generation and storage.
- *§10092.1(ll): "GoGreen Business Energy Financing" modified*
This term is being 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 is being 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(mmm): "Project" modified*
This term is being modified to clarify and simplify language by removing an unnecessary defined term, Ancillary Elements. That definition has now been combined into this term.

§10092.4. Contractor and Project Developer Participation

This section describes eligibility and the application process for participation in GoGreen Business by contractors and project developers. The project developer role allows for a party that is not directly involved in installation to direct projects to the Program. Examples of project developers include distributors, consultants, or IOU program implementers.

- *§10092.4(b)(1)(D): Contractor/Project Developer employee requirement removed*
The requirement that the contractor or project developer "must not be employee of the Eligible Commercial Customer" is being removed to allow for financing structures

in which the contractor or project developer is the borrower allows the program to meet different types of financing models while keeping the program requirement to serve small/medium businesses.

- *§10092.4(b)(1): Ability of the Authority to remove contractors from the Program website added*

Language is being added to give CAEATFA authority to remove inactive contractors from the Program website. Existing regulations require CAEATFA to list contractors on the Program website but have no provisions for removal.

§10092.5. Eligible Financing Products

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

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.

§10092.6. Eligible Financing Customers

This section lists the requirements for customers to participate in GoGreen Business. These requirements are in addition to the Finance Provider Entity's own underwriting requirements, which will often be the same or more stringent. The requirements in this section are intended to maintain a minimum standard of customer creditworthiness to protect ratepayer dollars from funding a loss reserve for a customer at high risk of default.

- *§10092.7(c)(2): Project Developer requirement for Self-Installers updated*
This section is being modified to add an exception for Affordable Multifamily Customers to the requirement that a customer show positive taxable income. This requirement is not very relevant to how finance companies evaluate multifamily projects for creditworthiness.

- *§10092.7(d): Mortgage review requirement for Affordable Multifamily Customers added*

A new section is being added to require that a Finance Provider Entity must review the mortgage of an Affordable Multifamily Customer.

§10092.7 Project Eligibility.

This section includes definitions of energy-related installations that can qualify for financing through GoGreen Business. 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 a contractor or project developer must not be an employee of the customer removed*
This requirement is being removed as being unreasonable in the case of industrial or agricultural customers who will often have their own staff for many types of installations.
- *§10092.7(b)(1): Requirement of IOU fuel savings removed*
The requirement that measures fuel savings type correspond to IOU service is being removed.
- *§10092.7(b)(3): Professionally Certified Measures requirements modified*
This section is being 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 our engineering consultant, 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 is being added that Energy Efficiency installations must save energy.
- *§10092.7(b)(3)(B): Professionally Certified Measures requirements for Demand Response added*
The requirement is being 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 is being 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 is being added that Battery Storage installations must be for load shifting, virtual power plants, or energy arbitrage. This is 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 is being added that hydrogen production must be from green sources such as solar PV, rather than sources that increase GHG emissions.

§10092.8. Financing Submittal and Enrollment.

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

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

A requirement is being added to require that Affordable Multifamily Customers provide a copy of the deed restriction or covenant, in alignment with the definition. This requirement is being 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 is being 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)-(LL): Data points for Energy Efficiency and Demand Response qualifying through the Professionally Certified Method modified*

Language is being 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 is being 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).

§10092.10. Claims.

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

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

§10092.14. Energy Saving Measure List.

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.

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

§10092.15. On-Bill Repayment.

- *§10092.15(d)(2), (h)(1)(C): OBR participation threshold modified*
The allowed fifteen-year threshold for repayment through OBR is being modified to allow twenty years for projects including solar PV and battery storage.

§10092.16. Conditional Eligibility Expansion.

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 (e.g. heat pumps in SMUD territory). While there is some flexibility within the existing Regulations, this addition will allow GoGreen Business to dramatically simplify eligibility rules for projects and help with scaling. Californians that have IOU gas providers, but POU electricity providers will be allowed to make decarbonization upgrades in line with the state’s goals.

This new section also allows other customer types such as large commercial or government customers to qualify with a source non-IOU-ratepayer funding, and for these funding sources to be used for other types of financial assistance beyond loss reserves.

§10092.17. Interest Rate Buy Down (IRBD) Disbursement

This section is being 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.

- *§10092.17(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.

- *§10092.17(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.

- *§10092.17(c) Oversight and public review of IRBD funding details*

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

**Agenda Item – 4.A
Resolution No. 25-01-4.A**

- §10092.17(d) Lender certification requirements for compliance
This section established 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.

REGULATORY PROCESS TIMELINE

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

March 25, 2024	Staff conducted a public workshop where they presented key design considerations and the proposed amended Regulations, followed by a five-day public comment period.
April 16, 2024	CAEATFA Board reviewed and approved proposed amended Regulations.
December 6, 2024	Modified regulations were posted for 45-day public notice as part of the permanent rulemaking process.
January 21, 2025	CAEATFA Board reviews and approves proposed amended Regulations for permanent adoption. Submission to OAL begins the 30-day review period.
February 12, 2025	The first readoption of emergency regulations expires. Staff is filing for a second readoption to ensure emergency regulations are still active during OAL review of permanent regulations.
Late February, 2025	With OAL approval, permanent regulations are adopted into the CCR.

RECOMMENDATION

Staff recommends the adoption of Resolution No. 25-01-4.A to authorize the Chair and the Executive Director to adopt the regulations for the Small Business Energy Efficiency Financing Program.

Attachment: Attachment A: Proposed Amended 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 SMALL
BUSINESS ENERGY EFFICIENCY FINANCING PROGRAM**

January 21, 2025

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (“Authority”) is authorized by Section 26009 of the Public Resources Code to adopt 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 Small Business Energy Efficiency Financing Program (Article 6 (commencing with Section 10092.1) of Title 4 of the California Code of Regulations).

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.