



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 1 of 9

---

Paul Bonderson State Office Building  
901 P Street, Room 102  
Sacramento, CA 95814

### **PUBLIC PARTICIPATION CALL-IN NUMBER VIA ZOOM**

(877) 853-5257, Meeting ID: 987 6693 6958, Passcode: 560284

Interested members of the public may use this number to call in to listen to and/or comment on items before CAEATFA. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation.

### **1. Call to Order & Roll Call**

Fiona Ma, State Treasurer, called the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) meeting to order at 10:34 a.m.

Members Present:

Fiona Ma, CPA, State Treasurer (Chair)  
Malia M. Cohen, State Controller  
Michele Perrault for Joe Stephenshaw, Director of Finance  
Ken Rider for David Hochschild, Chair, California Energy Commission

Members Absent:

Alice Reynolds, President, Public Utilities Commission

Staff Present: Christina Sarron, Executive Director

Quorum: The Chairperson declared a quorum

### **2. Minutes (Action Item)**

Ms. Ma asked the Board members if there were any questions or comments concerning the meeting minutes from the December 10, 2024, board meeting. There were none.

Ms. Ma asked if there were any public comments. There were none.

Ms. Cohen moved approval of the minutes; Mr. Rider provided the second.

The minutes were approved.



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 2 of 9

The item was passed by the following vote:

Fiona Ma, State Treasurer	Aye
Malia M. Cohen, State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye

### 3. Executive Director's Report

**Presented by Christina Sarron, Executive Director.**

Ms. Sarron gave a report on CAEATFA programs and their activities in the month of January.

For Sales and Use Tax Exclusion ("STE") program updates, Ms. Sarron reported the following:

- An STE Application Workshop was held on Thursday, January 9 by Program Manager, Xee Moua alongside BlueSky Consulting Group. There was a successful turnout of 59 registrants and Ms. Sarron added that for any interested parties the recording is available on the CAEATFA website.
- The STE 2025 Application has its first application cycle deadline set to January 30, 2025. Eligible applications are tentatively scheduled to be considered in June 2025.
- In partnership with Blue Sky Consulting Group, the STE consultant, there is a STE performance assessment being conducted. This report is planned to be published in February in time for the board meeting. The last performance report for the STE program was published in 2018. That being seven years since the last evaluation, Ms. Sarron stated that she would like for these reports to be conducted every three years to provide the most meaningful data.
- The current legislative authorization for STE expires on December 31, 2025. Staff are working with internal State Treasurer's Office ("STO") legislation staff and multiple stakeholders to assist in obtaining reauthorization.
- On Monday, January 13, 2025, Treasurer Ma, Deputy Treasurer Morton and Ms. Sarron toured the sites of two manufacturing facilities located in Vacaville, Mango Materials and All Weather Architectural Aluminum. Ms. Sarron stated that both companies are working with community colleges to recruit new talent.

For GoGreen updates, Ms. Sarron reported the following:

- Staff continues to work with partners, IBank and CPCFA to bring the NCIF dollars to California. Ms. Sarron hopes to have more information to share at next month's board meeting.
- GoGreen Home is continuing work on deploying the initial tranche of \$30 million in funding they received from the CEC. For more information, please reference item 4.B



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 3 of 9

where the board will consider the Interest Rate Buydown (“IRBD”) term sheet.

Ms. Sarron stated that Staff is anticipating success for the GoGreen Home IRBD program. Ms. Sarron continued that the GoGreen Business side has been employing IRBD’s from May 2023 through the present with great success, achieving a 12:1 leverage ratio. That number does not include the additional dollars contributed to the Loan Loss Reserve, but in determining the success of IRBD itself, it is a good indicator.

- Ms. Sarron stated that GoGreen Home is coordinating with the STO communications team on a press release for the CEC funding and GoGreen’s marketing team continues to work with STO business services on an RFP to contract with an outreach marketing agency to assist with reaching LIDAC stakeholders.
- Ms. Sarron stated that the GoGreen Business Program has been busy on outreach for their Business and Multifamily program, meeting with:
  - ✓ Collective Sun and BQuest Foundation, financing entities that provide funding solutions for community and multifamily solar.
  - ✓ Sunstone Credit Inc., a commercial solar lender.
  - ✓ Powertree, a company that works towards providing integrated clean energy solutions for multifamily housing.

Ms. Sarron reported that since the last board meeting, there have been no actions under her delegated authority.

Ms. Cohen asked about the extent of the performance assessment and what metrics they would be looking at.

Ms. Sarron responded, stating that in 2018 there was another performance assessment done by Blue Sky Consulting Group, the consultants of the STE program. They are looking at the parameters of the STE. STE evaluates whether a firm receives an award, and this comes with determining whether they will receive a cost benefit. They are evaluating to what extent the State benefits, like with providing jobs, clean energy measures, etc. Ms. Sarron stated that she would like for the program to get a performance assessment completed every three years. This length of time was chosen because STE Projects often have deadlines going out at least 18 months. This gives the program time to let some projects complete so that Blue Sky has meaningful data to pull from.

Ms. Cohen requested further clarification, asking what exactly Blue Sky will be identifying, whether it is gaps in service, revenue loss, fraud, or if it will be looking more at people or the dollars flowing in and out of the program.

Ms. Sarron stated that not only do they look at our people, but they make sure that projects are actually doing what they indicated they would do.



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 4 of 9

Ms. Cohen stated that if they don't, they also ask for an extension, whether it be fire damage or any major loss event.

Ms. Sarron responded by stating that supply chain issues are often companies' biggest issues, especially after COVID. They have the money but because of inflation and supply chain issues, they often have a hard time procuring equipment.

Ms. Cohen asked about CAEATFA's expected return on investment for this assessment.

Ms. Sarron responded by stating that staff will return with more information on this question in the future.

Ms. Ma then stated that she is going on her 7th year and that only one or two applications have been taken back but for many companies using the program, it is a game changer..

Ms. Ma asked if there were any public comments. There were none.

#### 4. Business Items

##### A. Request to Approve Modifications to the GoGreen Business Program under the Regular Rulemaking Process

###### Presented by Jonathan Verhoef, Program Specialist

Staff is seeking Board approval to proceed with the permanent rulemaking process to modify the GoGreen Business Energy Financing Program regulations. GoGreen Business is a financing program that provides a loss reserve for participating lenders to mitigate risk and allow them to offer attractive financing for energy efficiency improvements in commercial and multifamily properties.

In early 2024 program staff began the emergency rulemaking process to modify regulations in response to a CPUC decision authorizing the program to finance clean energy generation and storage technologies. In March of 2024 staff held a public workshop and made changes to regulations in response to public comment. In April of 2024 the Board approved emergency regulations. The changes in the emergency regulations include:

- Expanded eligibility to finance clean energy generation and storage technologies including solar panels, batteries, wind and biogas generation, smart EV charging, and others.
- An increased loss reserve contribution for affordable multifamily projects.
- An extended period for claims against the loss reserve to fifteen years, or twenty years for solar projects.



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 5 of 9

- The ability for the program to use other sources of funding beyond IOU ratepayer funds to extend the program to other territories and offer interest rate buy-downs.

Staff is requesting Board approval to make permanent changes to program regulations, with some additional changes:

1. Staff modified regulations regarding sources of funding other than IOU ratepayer funds. These changes allow for broad flexibility to qualify types of customers beyond the small/medium business and affordable multifamily customers in existing regulations and allow for other forms of financial assistance beyond interest rate buy-downs. Program participants and other stakeholders have indicated that mechanisms such as loan participation or subordinated debt could be used to drive projects to the program.
2. Due to interest from municipal utilities, staff have modified regulations to expand participation in the GoGreen Business On-Bill Repayment feature to utilities other than the IOUs.

In addition to these amendments, this permanent rulemaking package also contains several smaller changes including adding additional energy efficiency measures, a formal process for removal of participating contractors, and the removal of a per-project financing cap of \$5 million.

Staff submitted regulations to the Office of Administrative Law which were published on December 6, 2024, beginning the public comment period which ended on January 20<sup>th</sup>. Staff received no comments during this period. Upon Board approval, staff will proceed with the permanent rulemaking process and submit these regulations to the OAL. After OAL's thirty-day review period staff anticipates permanent regulations to be adopted in late February.

Ms. Cohen asked what the criteria was when staff awarded grants.

Mr. Verhoef responded by explaining their program is a loss reserve program and they are supported by ratepayer dollars. Lenders who participate in the program must offer some sort of borrower benefit including reduced interest rate, extended payment terms, and easier qualifications of credit. Mr. Verhoef explained that program staff have flexibility in approving a participating lender based on their planned borrower benefits. If a customer defaults this means that the lender could be made partially whole but if there's no default, then we keep that loss reserve and use it for future projects.

Ms. Cohen asked if there was a reason only one tier one grant had been awarded.

Ms. Sarron clarified that the portion that she was talking about was in reference to the STE portion of her briefing and not a part of the current item. She explained that GoGreen Business ("GGB") and GoGreen Home ("GGH") are loan loss reserves and for



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 6 of 9

GGB it had a slow start when the program began in 2019, but when GGB introduced IRBDs the program began grow. GoGreen doesn't award funds. The relationship isn't with the borrower, it is with the lender. GoGreen Financing incentivizes lenders to lend money for energy efficiency upgrades. Staff is continuing to work on channels to drive more customers and projects to the programs.

Mr. Rider commented that he really appreciated Staff's efforts to continuously improve this program. He is enthusiastic with the idea of magnifying affordable multifamily homes in the way that the regulatory changes will allow the increase of the Loan Loss Reserve. He stated that the Energy Commission is working in the same space, and he looks forward to continuing the partnership.

Ms. Ma asked if there were any comments or questions from the public, there were none.

Ms. Ma then asked if GGB ever generates a list of who is using the GGH, GGB, and GoGreen Multifamily, and where in the state. Ms. Ma stated that she'd like to identify these gaps and possibly work with the chamber to get word of the GoGreen Program and its success out there.

Mr. Verhoef stated that they do track by address and zip code. He also stated that Staff is interested in community partnership and that that is something GGB has been pursuing. Mr. Verhoef stated that staff would welcome assistance in reaching underserved communities like Low-Income Disadvantaged Communities ("LIDAC") and rural areas that can be underserved by other utility programs.

Ms. Ma stated that she'd like for this to be on the agenda next month so that the board can all see who is using the program and how much capacity there still is. Ms. Ma asked if there is a max capacity.

Mr. Verhoef responded by stating that there is not a max capacity because if the loan loss reserve was used up that would indicate success and the GoGreen Program would pursue additional funding.

Mr. Rider then asks if GGB has a acquired a multifamily loan.

Mr. Verhoef stated that GGB has a handful of multifamily financing agreements with more in the works. Mr. Verhoef then mentioned Powertree from the ED report stating that they do microgrids for affordable multifamily properties that are very much leaning on Investment Tax Credits ("ITCs") to get projects in the door.

Ms. Sarron stated that the program's limitation is the services areas of the Investor-Owned Utilities("IOUs"). GGB getting the ability to reach the Publicly Owned Utilities ("POUs") allows for expansion.





## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 7 of 9

Ms. Ma stated that if this could be put on the agenda that they could access these areas because they are constantly all over the state.

Ms. Ma asked if there were any questions from the Board before proceeding.

Ms. Cohen moved for approval, and there was a second by Ms. Perrault.

Ms. Ma stated there was a motion and a second and called for a vote.

The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
Malia M. Cohen, State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye

### **B. Request to Approve GoGreen Home Interest Rate Buydown Campaign to Finance Heat Pump Installation Projects in Low Income/Disadvantaged Communities (“LI/DAC”) Communities**

#### **Presented by Geoff Fattig, Program Analyst**

Mr. Fattig stated Staff is requesting board approval of a resolution to begin an Interest Rate Buydown Campaign for the GoGreen Home Program. For background, GoGreen Home is a financing program that allows consumers to access low-interest loans for home energy upgrades by providing a loss reserve for participating lenders.

Mr. Fattig stated that this Interest Rate Buydown Campaign has been developed in coordination with the California Energy Commission (“CEC”), which is providing \$9.9 million to support the IRBD. Under the term sheet agreement with the CEC, GoGreen Home will buydown the interest rate to either 0% over 10 years or 2% over 15 years for projects that include a Heat Pump HVAC system or Heat Pump water heater. These funds will only be available to means-tested Low-Income Households that are located in designated LI/DACs. Total project costs financed are to be capped at \$30,000 per loan, and lenders can receive up to a maximum of \$10,000 per project depending on the term and original interest rate.

Mr. Fattig stated lenders will need to apply to participate in the IRBD program and outline verification measures they will take to determine that both geographic and household income requirements are met. Upon enrolling a project, lenders will receive a direct payment based on the present value of the amount of interest that a customer would have paid under the terms of a standard GGH loan.



## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 8 of 9

Mr. Fattig stated that Staff estimates that these funds can finance between 2000 and 2500 heat pump projects statewide. In addition, \$500,000 of the IRBD campaign is earmarked to support Microloans of \$5,000 or less. Microloan projects are not subject to the heat pump requirement, as they are to be used to finance energy efficient appliance upgrades for low-income borrowers.

Ms. Ma asked if the Board was to approve the buydown on the day of the board meeting, when would it go into effect.

Mr. Fattig stated that technically the program would go into effect, immediately upon approval, but there would still have to be lenders that offered this type of loan as it is a new type of loan to them. GGH has not done an IRBD program yet. There is also the aspect of verifying a household's income.

Mr. Fattig then clarified that even though the standard loans they offer start at \$50,000 the reason for these being lower to only \$30,000 is so that members of LI/DACs don't take on too much debt burden.

Ms. Ma mentioned that they would like to know when these are being offered in these communities.

Ms. Sarron then explained that it is hard in this area because LI/DAC people are trying to keep the lights on and often are not looking to take on debt and that is why this is only for essentials rather than niceties like weatherization.

Ms. Ma then stated that they'd like to see the success level here so they can expand that to other improvements.

Mr. Rider expressed his excitement for this IRBD Campaign. He is doing the funding for the CEC's equitable building decarbonization program, and has several programs, many of them paying for LI/DAC that only affect about 20,000 homes. With the rates in California being extremely high right now, affordability is a major issue. Mr. Rider stated these heat pumps are also air conditioning, so the deployment of heat pumps improves air conditioning and indoor air quality. Mr. Rider stated that the IRBD Campaign is great because a 0% interest loan over ten years allows disadvantaged communities to get necessary upgrades for their home. Mr. Rider also stated that since the weather will not be getting any cooler, these air conditioning upgrades are going to be extremely useful.

Ms. Ma stated that in her travels she has met some seniors that are not homeowners but are in apartments, and because it is so hot they were asking if there is any funding for heaters or air conditioners during the winter.

Mr. Rider responded by stating that there are rebates and that they have worked hard to secure federal funds. Mr. Rider stated that he is concerned whether these will stay





## AGENDA ITEM 2 (ACTION ITEM)

# Approval of Minutes

From Tuesday, January 21, 2025, at 10:30 a.m.

Page 9 of 9

considering the change in leadership at the Federal level. Mr. Rider stated that if landlords are open to applying for a multifamily loan with 0% interest, there is a whole suite of tools landlords might also use..

Ms. Sarron provided a personal experience getting rebates from SMUD and the state that significantly lowered her upfront cost in acquiring a water heater.

Ms. Perrault stated that she'd like to echo Treasurer Ma's comments. Ms. Perrault stated that the GoGreen Program is an exciting program and asked for it to be a regular update in the ED report both for the IRBD Campaign and the regulatory process. Ms. Perrault also stated that having access to the information of where the GoGreen Program is making impact will help the Board have an additional conversation as to where to pinpoint marketing, and to emphasize to the public that this program is accessible, helpful and easy.

Ms. Ma asked if there were any comments or questions from the public on item 4.B. There were none.

Ms. Ma called for a motion and a second.

Mr. Rider moved for approval, and there was a second by Ms. Cohen.

Ms. Ma stated there was a motion and a second and called for a vote.

The item was approved by the following vote:

Fiona Ma, CPA, State Treasurer	Aye
Malia M. Cohen, State Controller	Aye
Michele Perrault for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye

## 5. Public Comment

Ms. Ma asked if there were any comments or questions from the public regarding any item not on the agenda. There were none.

## 6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:07 a.m.

**Respectfully submitted,**

Christina Sarron, Executive Director