Agenda Item – 4.C
Resolution No. 26-09-4.C

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

Consideration of a Contract with Zions Bancorporation, National Association for Trustee Services for the California Hub for Energy Efficiency Financing Programs in an Amount Not to Exceed $495,000

Tuesday, September 15, 2026

Prepared by: *Rob Geltner, Program Manager*

REQUEST

California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA") staff ("Staff") is requesting approval to enter into a contract ("Contract") with Zions Bancorporation, National Association, ("Zions" or the "Trustee") to provide assistance to CAEATFA with fund management administration for the several energy efficiency financing programs ("Programs") authorized by the California Public Utilities Commission ("CPUC"), which are currently in various stages of implementation and development within the territories of the four California investor-owned utilities (collectively, the "IOUs").

Contract Amount. Not to exceed a total aggregate of $495,000 over the entire Contract term. Funds for the Contract are paid from a receivables contract between CAEATFA and the IOUs.

Term of Contract. The Contract term will be three years.

SUMMARY

Background. The California Hub for Energy Efficiency Financing ("CHEEF") was first authorized by the California Public Utilities Commission in Decision D.13-09-044 (September 2013), and CAEATFA officially became the administrator of the CHEEF in 2014. The CHEEF was established to help the state reach its aggressive energy efficiency goals for the existing building sector. The CHEEF focuses on attracting and leveraging private capital to be made available for customer investments in energy efficiency. Lowering financing costs and expanding access to credit is critical for the State to meet its energy efficiency and greenhouse gas reduction goals, given that there are not enough ratepayer or taxpayer dollars to pay for the needed investment.

The CHEEF administers three Programs under the public-facing name, "GoGreen Financing," serving the residential, affordable multifamily, and commercial sectors. The Programs are subject to CPUC-directed reporting and evaluations which look at many metrics, including the amount of private capital leveraged, realized energy savings, cost-effectiveness and percentage of administrative cost versus capital deployed, and increased access to financing for underserved customers.

Core to the GoGreen Programs is the use of a credit enhancement, in the form of a loan loss reserve. In exchange for the credit enhancement, participating finance companies are able to offer lower interest rates, longer payback terms, and broader approval criteria (e.g., lower minimum credit scores) than their standard products. CAEATFA has incorporated funds for Interest Rate Buy-Downs (IRBD) in order to lower the cost of financing for income-challenged borrowers and incentivize particular types of projects, such as electrification or clean energy. CAEATFA deployed the first IRBD campaign in 2024.

Overview of the Programs

GoGreen Home Energy Financing ("GGH") Program was launched in 2016 and serves residential properties. As of July 2026, the Program has twelve active lenders, who have enrolled 21,093 loans totaling more than $449 million. There is expectation from the CPUC that GoGreen Home will scale moderately over the next several years after considerable growth from 2023 through mid-2026. To facilitate this scaling, CAEATFA has done the following:

- Launched a "Loan & Project Management System" (LPMS), an online workflow tool that helps with project eligibility screening and web-based data submission, which streamlines participation for credit union lenders and contractors.
- Incorporated non-IOU ratepayer funding for loss reserve funding and other incentives, which created a truly statewide program, reduced complexity, and allows use of the program in non-IOU jurisdictions.
- Consolidated contractor management and brought all activities in-house to CAEATFA. Internal staff are able to provide consistent and quicker feedback to program stakeholders which has improved the contractor experience.

GoGreen Business Energy Financing ("GGB") Program was launched in 2019 and has 175 financings enrolled totaling more than $16 million as of August 27, 2026. There are eight enrolled (four active) finance companies that offer a variety of financing products, including loans, leases, and energy service agreements. A recent IRBD pilot program has led to increased interest among contractors and an increase in uptake.

GoGreen Affordable Multifamily Energy Financing ("GGMF") Program has been offering financing since 2019. In early 2024, CAEATFA combined the GoGreen Business and GoGreen Multifamily Programs, and their loss reserve accounts, to reduce complexity for lenders and potential customers. The combined loss reserve accounts provide greater risk mitigation for lenders considering financing an eligible multifamily property, both market rate and affordable.

The CPUC also authorized On-Bill Repayment (OBR) for financing in the Commercial and Multifamily sectors, such that customers can repay financing charges to private finance companies via their utility bills from participating IOUs. OBR is now available for IOU customers and is seeing increasing uptake.

The Trustee will assist CAEATFA with fund management administration under the CHEEF. The scope of work has been developed to enable the Programs to scale and provides the flexibility to expand to incorporate potential future financing approaches that encourage clean energy improvements statewide. This will be the fifth contract[1] executed for these services since the inception of the CHEEF in 2014 and is a continuation of existing services. In each instance CAEATFA issued a competitive Request for Proposals ("RFP") and engaged in a robust outreach process.

Role of the Trustee. Under direction from the CAEATFA Executive Director and management team, the Trustee will hold funds on behalf of CAEATFA, fund lenders' loss reserve accounts, issue payment for claims, provide monthly account statements and other transactional reports, and provide on-demand electronic account viewing to CAEATFA and lenders participating in the Programs. Trustee responsibilities under the Contract also include the capability to support Operational Reserve Fund transactions for the On-Bill program, as well as a Debt Service Reserve Fund if requested.

The Trustee is critical to CAEATFA's operation of the CHEEF Programs. The current contract is in its third year and expires on December 31, 2026.

Request for Proposal Process. On August 21, 2026, Staff advertised an RFP through the California State Contracts Register (Cal eProcure), as well as on the CAEATFA website. At the proposal deadline, September 8, 2026, the Authority received two proposals, of which one was considered responsive to the RFP requirements.

Staff developed a selection process that included an evaluation committee consisting of CAEATFA management. The responsive proposal was evaluated based on the characteristics and point values outlined below, for a maximum of 100 possible points (minimum of 85 points to be considered responsive). Zions' proposal received a total score of 98.3 points from the evaluation committee.

1) Evaluation of the firm's overall experience demonstrating its ability to successfully complete the Scope of Work defined in the RFP. (30/30 points)

2) Fvaluation of the firm's experience as a contractor to state or other government entities for demonstration of the firm's expertise specific to programs substantially similar to the CHEEF Programs. (19.3/20 points)

3) Evaluation of qualifications of the individuals to be assigned to the Contract on the basis of background and experience in related work as detailed in the RFP, including experience as a trustee and with similar types of programs. (14/15 points)

4) Evaluation of the actual fees proposed, including the reasonableness of rates, estimated cost detail and effectiveness (35/35 points)

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[1] Contract #CAEATFA06-14 was a 3-year contract (including extensions) for a maximum of $180,000;
Contract #CAEATFA05-17 was a 3-year contract (including extensions) for a maximum of $285,000;
Contract #CAEATFA03-20 is a 3-year contract for a maximum of $360,000;
Contract #CAEATFA03-23 is a 3-year contract for a maximum of $495,000.

(given value of services to be obtained), and cost effectiveness (given the experience and qualifications of firm and its personnel). For evaluation purposes, the Cost Proposal included potential volume Scenarios to establish reasonability of rates and project time allocations, and allowed for Proposers to structure their cost proposal using transaction-based or annual comprehensive fees

Overview of Zions Bancorporation, National Association. Founded in 1873, Zions Bank is a division of Zions Bancorporation, National Association. Headquartered in Salt Lake City, Utah, Zions Bancorporation provides a full range of banking and related services through its locally managed divisions operating in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming. Its customer base includes a variety of issuing entities, including state agencies, housing authorities, student loan authorities, governmental agencies, municipalities, hospitals, and corporations demonstrating the knowledge, experience, and ability to manage financings and programs accurately and efficiently. Zions has provided reliable and accessible trustee services for several current and past CAEATFA programs, as well as for other authorities of the State Treasurer's Office.

The Zions office through which the CHEEF's account will be primarily serviced is located in Los Angeles. Their Los Angeles office opened in 2013 and staff in this office have provided trustee services for CAEATFA's Property Assessed Clean Energy ("PACE") Loss Reserve Program since inception in 2014, and California Pollution Control Financing Authority's California Capital Access Program since their initial appointment in 2017.

CAEATFA's account will be managed by Jacqueline (Jacki) Nowak, Relationship Manager, and Lovely Capiral, Corporate Trust Administrator Specialist. Ms. Nowak and Ms. Capiral have each been in the corporate trust industry for over 30 years and 17 years respectively and have recent experience with CAEATFA staff, demonstrating compliance with CAEATFA program requirements.

Contract Terms. The Contract term will be for three years. The compensation amount shall not exceed $495,000 for the term of the Contract.

The Authority will compensate Zions for services satisfactorily rendered, and upon receipt and approval of invoices pursuant to the approved Fee Schedule. Invoices shall be provided to CAEATFA monthly and in arrears.

Recommendation. Staff recommends adoption of a resolution authorizing the execution of a contract with Zions Bancorporation, National Association, as Trustee for the CHEEF Programs in an amount not to exceed $495,000 over three years.

Agenda Item – 4.C
Resolution No. 26-09-4.C

RESOLUTION OF THE CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY AUTHORIZING THE EXECUTION OF A CONTRACT WITH ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING PROGRAMS

September 15, 2026

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Alternative Energy And Advanced Transportation Financing Authority Act (Division 16 (commencing with Section 26000) of the California Public Resources Code) (the "Act");

WHEREAS, the Authority has determined it requires a trustee bank to continue to assist it with administration of the California Hub for Energy Efficiency Financing Programs currently being implemented in California as authorized by the California Public Utilities Commission;

WHEREAS, the Authority has undergone a competitive process to identify an appropriate contractor to perform trustee banking functions, with knowledge of and experience with trustee operations, practices, and requirements;

NOW, THEREFORE, BE IT RESOLVED by the Authority, as follows:

Section 1. The Authority hereby authorizes the execution of a contract in an amount not to exceed $495,000 to retain Zions Bancorporation, National Association, to provide trustee services and other actions related thereto in connection with the California Hub for Energy Efficiency Financing programs.

Section 2. The term of the contract will commence upon execution and approval by the Department of General Services and will continue for three years, unless earlier terminated by the Authority.

Section 3. The Chair of the Authority and Executive Director are hereby authorized for and on behalf of the Authority to obtain trustee services, with the form and substance of those contracts to be reviewed and approved by legal counsel of the Authority.

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