

GGB 2026 Readopt 2 - Wildfire

Notice of Proposed Emergency Action

Government Code Section 11346.1(a)(2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After the submission of the proposed emergency to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code Section 11349.6.

If you have any questions or comments regarding this proposed emergency action, please contact Jonathan Verhoef at Jonathan.Verhoef@treasurer.ca.gov or (916) 809-4637 with the California Alternative Energy and Advanced Transportation Financing Authority.

Finding of Emergency

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

Article 6 (commencing with Section 10092.1), Division 13, Title 4 of the California Code of Regulations

Pursuant to Section 26009 of the Public Resources Code, the amended regulations being adopted by the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority” or “CAEATFA”) as emergency regulations (“Emergency Regulations”) are expressly deemed in statute to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

Authority and Reference

Authority: Public Resources Code Sections 26009. Section 26009 of the Public Resources Code authorizes the Authority to adopt emergency regulations necessary for the immediate preservation of the public peace, health, safety, or general welfare in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

Reference: Public Resources Code Sections 26002, 26002.5, 26003(a)(3)(A), 26003(a)(6), 26003(a)(7)(A), 26003(a)(8)(A), 26006, 26011, and 26040. CAEATFA’s purpose is to advance the State’s goals to reduce the levels of greenhouse gas emissions, increase the deployment of sustainable and renewable energy sources, implement measures that increase the efficiency of the use of energy, create high quality employment opportunities, and lessen the State’s dependence on fossil fuels. CAEATFA’s authorizing statutes enable it to provide financial assistance to various participating parties that carry out eligible projects.

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Informative Digest

The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority” or “CAEATFA”) and requires CAEATFA to establish programs to provide financial assistance to participating parties for projects related to alternative energy sources and advanced transportation projects. Existing law authorizes CAEATFA to receive and utilize grants or loans from the federal government, a public agency, or any other source for carrying out the purposes of the Act.

Pursuant to this statutory authority, CAEATFA is the administrator of the California Hub for Energy Efficiency Financing (“CHEEF”) under a Memorandum of Agreement with the Public Utilities Commission (“CPUC”), and the Decision Implementing 2013-14 Energy Efficiency Financing Pilot programs, Decision 13-09-044 (“Decision”). The Small Business Energy Efficiency Financing Program (the “Program”) is one of several energy efficiency financing programs administered by CAEATFA through the CHEEF.

The Program launched in July 2019, the second of the CHEEF pilot programs developed by CAEATFA, and targets the small business sector. The Program offers finance companies a credit enhancement in the form of a loss reserve contribution for every enrolled financing agreement.

Since its launch, GoGreen Business financing has been available to borrowers retrofitting and/or upgrading existing structures. However, following the destructive fires in the Los Angeles area that took place in January 2025, there was considerable interest amongst various stakeholders to assist with the rebuilding efforts by utilizing the GoGreen Business program. As such, CAEATFA would like to clarify that the Program eligibility includes “reconstruction” specifically allowing victims of natural disasters to access the Program.

The amendments clarify program eligibility for reconstruction of commercial and multifamily buildings following a natural disaster. Thereby making improved financing rates and terms, expanded creditworthiness, lower energy bills, and a reduced climate impact available to natural disaster victims.

In the emergency modifications to regulations adopted in September of 2025, CAEATFA made substantial changes to expand program eligibility for reconstruction of commercial and multifamily buildings following a natural disaster; these amendments are proposed to be readopted. Since the initial emergency action was approved by OAL in file number 2025-0917-01E CAEATFA has worked diligently to implement these amendments.

Given the time sensitive nature of the amendments, it is necessary to readopt the emergency regulations, with no additional modifications from the initial emergency action, to allow CAEATFA enough time to complete the Certificate of Compliance.

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Key Modifications

Under current regulations, financing through GoGreen Business is limited to upgrading existing buildings and cannot be applied to new construction. This change makes explicit that reconstruction of a building damaged in a natural disaster is not subject to this restriction.

This provides the option for enhanced financing in reconstruction after natural disasters such as wildfires and encourages the uptake of energy efficient installations as part of this.

CAEATFA has reviewed existing regulations on this topic and has concluded that the proposed regulations are not inconsistent nor incompatible with existing state regulations.

Substantive Amendments and Necessity for Each Section of the Regulations

§10092.1. Definitions.

This section defines and describes the terms used throughout the GoGreen Business Regulations.

- *§10092.1(u)*: An amendment was made to the defined term Eligible Financing Agreement to remove language stating that financing may not be for the construction or purchase of a building.

Necessity: This requirement was moved to Section 10092.7 Project Eligibility for clarity and cohesion, keeping project requirements in the same section.

10092.7. Project Eligibility

This section outlines the requirements and parameters for projects to be enrolled in the GoGreen Business Program.

- *§10092.7(a)(6) - (8)*: These sections were amended to include the restriction deleted from Section 10092.1 regarding purchase or construction of a building, including a new exception for reconstruction of an existing building that was destroyed in a natural disaster.

Other Matters Prescribed by Statutes Applicable to the Specific State Agency or to any Specific Regulation or Class of Regulations

No other matters are prescribed by statute applicable to the Authority or any specific regulation or class of regulations pursuant to Section 11346.1(b) or 11346.5(a)(4) of the Government Code pertaining to the Emergency Regulation or to the Authority.

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Mandate on Local Agencies or School Districts

The Executive Director of the Authority has determined that the Emergency Regulations do not impose a mandate on local agencies or school districts (pursuant to Government Code Section 11346.5(a)(5)).

Fiscal Impact

The Executive Director of the Authority has determined that the Emergency Regulations do not impose any additional mandated cost or savings requiring reimbursement under Section 17500 et. seq. of the Government Code, or any other non-discretionary cost or savings to any local agency or any cost or savings in federal funding to the State. Pursuant to the State Administrative Manual Sections 6601-6616, a Fiscal Impact Statement (Form 399) is submitted without the signature of a Project Budget Manager at the Department of Finance, as there are no fiscal impact disclosures required. There will be no cost or savings to any State Agency or effect on Federal funding to the State.

Progress Toward Permanent Rulemaking

CAEATFA adopted emergency regulations in September of 2025 to allow for expansion of program eligibility for reconstruction of commercial and multifamily buildings following a natural disaster and has continued to work toward permanent rulemaking. Staff are currently engaging with stakeholders to refine the program's approach in preparation for the regular rulemaking process. Staff plans to begin the 45-day public comment period on June 15th, 2026 and will attend the August meeting of CAEATFA's Board at which time these regulations will be submitted for approval as part of the permanent rulemaking process.