
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1265 (Richardson) - California Alternative Energy and Advanced Transportation Financing Authority: GoGreen Program

Version: April 14, 2026

Urgency: No

Hearing Date: April 27, 2026

Policy Vote: E., U. & C. 12 - 1

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would require the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to administer the GoGreen Program, previously known as the California Hub for Energy Efficiency Financing program, and would authorize the authority to use moneys collected from the ratepayers of electrical and gas corporations as well as other available funding sources, as provided. It would also create the GoGreen Program Fund and would continuously appropriate all moneys in the fund to CAEATFA for expenditure, as provided.

Fiscal Impact:

- Unknown but potentially significant ongoing cost pressures to CAEATFA to spend monies from the continuously appropriated GoGreen Program Fund that would be established by this bill.

Background: CAEATFA was created in 1980 with an authorization of \$200 million in revenue bonds to finance projects utilizing alternative sources of energy, such as cogeneration, wind and geothermal power. Pursuant to legislation, it was renamed in 1994 as the CAEATFA and its charge expanded to include the financing of “advanced transportation” technologies. During the energy crisis of 2001, its authority was again expanded, this time to provide financial assistance to public power entities, independent generators, and others for new and renewable energy sources, and to develop clean distributed generation. CAEATFA’s board, composed of the State Treasurer, State Controller, Director of the Department of Finance, Chairperson of the CEC and President of the CPUC, decides which projects to assist. CAEATFA is currently implementing various programs, including: Sales and Use Tax Exclusion Program for Manufacturers, Property Assessed Clean Energy Loss Reserve Program, Bond Program, and Efficiency Financing Programs, marketed as the GoGreen Financing Programs.

GoGreen Financing Programs. The California Hub for Energy Efficiency Financing (CHEEF) was originally authorized by the CPUC (Decision 13-09-044) and funded from Public Purpose Program funds collected from the ratepayers of California’s four largest electric and gas investor-owned utilities (IOUs), Pacific Gas & Electric, San Diego Gas & Electric, Southern California Edison, and Southern California Gas Company. The funds are used to cover credit enhancements, in the form of loss reserves, to participating lenders that enable them to offer more advantageous terms to borrowers for energy efficiency loans than they otherwise could. The program was created according to the CPUC goals that the solutions should:

(1) Be scalable;

- (2) Leverage private capital to support energy efficiency upgrades;
- (3) Reach underserved Californians who would not otherwise have participated in energy efficiency upgrades; and
- (4) Produce energy savings.

CAEATFA works with the CPUC, IOUs, finance companies, energy efficiency retrofit contractors, and several key vendors to develop and manage a series of energy efficiency finance programs, known collectively as GoGreen Financing Programs.

- GoGreen Home Energy Financing which provides financing for energy efficiency upgrades in residential properties for owners and renters of single-family homes, townhomes, condominiums, duplexes, triplexes, quadplexes, and mobile and manufactured homes. Financing options include loans of \$1,000 to \$75,000 for terms up to 10 years, standard loans and appliance microloans are available.
- GoGreen Business Energy Financing which provided financing for energy efficiency upgrades in commercial businesses, nonprofits, and market-rate multifamily properties through a variety of financing products. Financing options include \$5,000-\$5 million with option for utility on-bill repayment, terms to 10 years.
- GoGreen Affordable Multifamily Energy Financing which provides for energy efficiency upgrades in affordable, deed-restricted multifamily properties of five or more units where at least 50% of units are income restricted. Financing options include equipment finance and lease agreements from \$10,000 to \$10 million with terms to 10 years.

CPUC rules and the source of the funding result in regulations for the program that limit participation to the customers of the IOUs'. A subsequent CPUC decision authorized CAEATFA to incorporate additional sources of funding into the CHEEF program beyond the funding from IOU ratepayers. CAEATFA has since received one-time funding to expand the program from the City of Palo Alto (\$300,000) and the CEC's Equitable Building Decarbonization program (\$20 million) for upgrades for properties served by publicly owned utilities. CAEATFA has also rebranded the program to the name: GoGreen. CAEATFA developed memoranda of understandings with both the City of Palo Alto and the CEC to implement the funding afforded by each of these entities. There does not currently seem to be any immediate prospects for other funding sources.

The GoGreen Financing Programs have grown from five loans in 2016 to nearly 7,000 in 2025. In 2025, the GoGreen Financing Programs supported \$196 million in private capital investment for energy upgrades to more than 7,400 homes and businesses. The programs offered financing for energy efficiency upgrades and clean energy installations, such as solar with battery storage and electric vehicle chargers. The program leveraged \$17.52 in private capital for every dollar of credit enhancement funds allocated, according to CAEATFA's 2025 Annual Report to the California State Legislature (March 2026). A total of ten lenders participate in the program. The program has charged-off 1.4% of all loans enrolled (209 loans).

Proposed Law: This bill would require the California Alternative Energy and Advanced Transportation Financing Authority to administer the GoGreen Program, previously known as the California Hub for Energy Efficiency Financing program, and would authorize the authority to use moneys collected from the ratepayers of electrical and gas corporations, as directed by the commission, and other available funding sources, consistent with the program's purposes. The bill would require the program to provide financing assistance to participating lenders to support residents in financing eligible energy efficiency and decarbonization measures at costs that are competitive with or below market rates. The bill would authorize the authority to receive, administer, and deploy additional moneys from federal, state, local, or private sources to support and expand the GoGreen Program, if those moneys are used in a manner consistent with the program's goals and the parameters of the funding source.

Related Legislation:

SB 1128 (Padilla, Chapter 677, Statutes of 2012) expanded until July 1, 2016, the sales and use tax exemption under the CAEATFA program to include "advanced manufacturing," as specified.

SB 1952 (Rosenthal, Chapter 1218, Statutes of 1994) renamed the act the California Alternative Energy and Advanced Transportation Financing Authority Act, renamed the authority and revised the membership of the authority and authorized the authority to additionally provide financing assistance under the act to a participating party for projects for the development and commercialization of advanced transportation technologies.

Staff Comments: The author and supporters of the bill, including the State Treasurer's Office, believe the program would benefit from being codified in the statutes. As noted above, the GoGreen Financing Program was initiated through CPUC decisions to advance energy efficiency financing funded by a collection from ratepayers. Since then, the program has also received some funding from other sources, one-time funding from the City of Palo Alto (\$300,000) and the CEC's Equitable Building Decarbonization Program (originally \$30 million, but subsequently reduced to \$20 million). This bill would provide discretion to CAEATFA to use funds via a continuous appropriation. It would condify the GoGreen Financing Program and authorize CAEATFA to receive other funding sources so long as consistent with the goals of the programs and limited to the parameters of those funds, while protecting the limitations of the IOU ratepayers funds, as directed by the CPUC.

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