

THIRD READING

Bill No: SB 1265
Author: Richardson (D)
Amended: 5/14/26
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 12-1, 4/7/26

AYES: Allen, Ochoa Bogh, Arreguín, Becker, Caballero, Hurtado, McNerney,
Reyes, Richardson, Rubio, Stern, Wahab

NOES: Strickland

NO VOTE RECORDED: Archuleta, Dahle, Gonzalez, Grove

SENATE APPROPRIATIONS COMMITTEE: 5-0, 5/14/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NO VOTE RECORDED: Seyarto, Dahle

SUBJECT: California Alternative Energy and Advanced Transportation
Financing Authority: GoGreen Program

SOURCE: Fiona Ma, California State Treasurer

DIGEST: This bill requires the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) at the State Treasurer's Office to administer the GoGreen Program, previously known as the California Hub for Energy Efficiency Financing (CHEEF) program, and creates the GoGreen Fund within the State Treasury.

ANALYSIS:

Existing law:

- 1) Establishes the CAEATFA Act with the purpose to advance the state's goals of reducing the levels of greenhouse gas (GHG) emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality

employment opportunities, and lessening the state's dependence on fossil fuels and to that end provide an alternative method of financing in providing and promoting the establishment of facilities utilizing alternative methods and sources of energy and facilities needed for the development and commercialization of advanced transportation technologies. (Public Resources Code §26000 *et seq.*)

- 2) Establishes the CAEATFA to carry out the purposes of the act with a membership consisting of five members: the Director of Finance, the Chairperson of the California Energy Commission (CEC), the President of the California Public Utilities Commission (CPUC), the State Controller, and the State Treasurer who serves as the chairperson for the CAEATFA. (Public Resources Code §26004)
- 3) Authorizes the 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 CAEATFA Act. (Public Resources Code §26040)

This bill:

- 1) Requires CAEATFA to administer the GoGreen Program, previously known as the CHEEF program, and authorizes CAEATFA to use moneys collected from the ratepayers of electrical and gas corporations, as directed by the CPUC, and other available funding sources, consistent with the program's purposes.
- 2) Requires CAEATFA to establish and administer GoGreen Program guidelines and requirements as necessary for the effective administration of the program.
- 3) Authorizes CAEATFA to adopt regulations and take other administrative actions, as necessary and appropriate, at a publicly noticed meeting, to implement and operate the GoGreen Program. Requires any regulations governing the use of the ratepayer moneys for the program to be consistent with the CPUC's requirements.
- 4) Requires the GoGreen 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.

- 5) Authorizes CAEATFA 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.
- 6) Creates the GoGreen Program Fund in the State Treasury and makes all moneys in the fund available, upon appropriation by the Legislature, to CAEATFA for expenditure.

Background

About CAEATFA. 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 CHEEF was originally authorized by a CPUC 2013 decision (D. 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 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 provides 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 of 10 years.
- GoGreen Affordable Multifamily Energy Financing 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.

Beyond IOU ratepayer funds. 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 (now known as GoGreen) beyond the funding from IOU ratepayers. CAEATFA has since received one-time funding from the City of Palo Alto (\$300,000) to expand the program 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. However, there is not an immediate prospect for other funding sources.

GoGreen Financing Program performance. 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 10 lenders participate in the program and the program has charged-off 1.4% of all loans enrolled (209 loans).

Comments

Need for this bill. According to the author:

SB 1265 is an important tool to provide explicit authority for the Alternative Energy and Advanced Transportation Expansion Fund to receive continuously appropriated funding from IOU sources, without regard to fiscal years. This would allow the program to gain substantially greater flexibility in seeking funding and forming partnerships beyond the IOU's while still maintaining the existing CPUC/IOU relationship.

Desire to codify program. The author and supporters of this 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). Staff at the Treasurer's Office relay concerns with the program not being in statutes and making it difficult to receive funding from other sources. The amendments adopted in the Senate Appropriations Committee remove the continuous appropriation previously included in this bill.

Related/Prior 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 CAEATFA 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, 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.

SUPPORT: (Verified 5/14/26)

Fiona Ma, California State Treasurer (Source)
California Coast Credit Union
California Life Sciences
CAMEO Network
Marin Clean Energy
Matadors Community Credit Union
Rewiring America
Self-Help Federal Credit Union
Travis Credit Union
USC Credit Union
Verdant Commercial Capital

OPPOSITION: (Verified 5/14/26)

None received

ARGUMENTS IN SUPPORT: According to the State Treasurer Fiona Ma:

SB 1265 creates the Alternative Energy and Advanced Transportation Expansion Fund, giving the explicit authority for CAEATFA to receive ongoing funding from non-IOU sources without fiscal year limits, giving the Authority more financial flexibility. This would help the GoGreen Financing programs under CAEATFA to secure new funding and partnerships beyond IOUs while still maintaining its current relationship with the Public Utility Commission and IOUs.

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