

Date of Hearing: June 10, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

SB 1265 (Richardson) – As Amended May 14, 2026

SENATE VOTE: 27-5

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

SUMMARY: 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. Specifically, **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.
- 4) Requires any regulations governing the use of the ratepayer moneys for the program to be consistent with the CPUC's requirements.
- 5) 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.
- 6) 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.
- 7) 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.

EXISTING LAW:

- 1) Establishes the California Alternative Energy and Advanced Transportation Financing Authority Act to advance the state's goals of reducing greenhouse gas emissions, increasing renewable energy deployment, improving energy efficiency, creating high-quality jobs, and reducing dependence on fossil fuels through alternative financing

mechanisms that support alternative energy and advanced transportation projects. (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 this division. (Public Resources Code § 26040)

FISCAL EFFECT: According to the Senate Committee on Appropriations, this measure could create unknown, but potentially significant, ongoing cost pressures for CAEATFA related to administering the GoGreen Program Fund.

BACKGROUND

Overview of CAEATFA - CAEATFA was established in 1980 to provide financing for projects leveraging alternative energy sources.¹The authority was originally authorized to issue up to \$200 million in revenue bonds to support projects involving technologies such as cogeneration, wind, and geothermal energy. In 1994, CAEATFA's authority was expanded beyond alternative energy projects to include advanced transportation technologies. During the 2001 energy crisis, the Legislature further expanded CAEATFA's authority to provide financial assistance to public power entities, independent generators, and other entities developing renewable energy resources and distributed generation projects. CAEATFA is governed by a five-member board consisting of the State Treasurer, State Controller, Director of Finance, Chair of the California Energy Commission (CEC), and President of the California Public Utilities Commission (CPUC). The board is responsible for approving projects and overseeing the authority's programs.

Currently, CAEATFA administers a variety of financing and incentive programs intended to support the deployment of clean energy, energy efficiency, and advanced transportation technologies. These programs include the Sales and Use Tax Exclusion (STE) Program for manufacturers, bond financing programs, and the GoGreen Financing Programs. The GoGreen programs provide financing for residential, multifamily, and commercial energy improvements through participating lenders.

GoGreen Financing Programs: Background - The California Hub for Energy Efficiency Financing (CHEEF) was established pursuant to CPUC Decision 13-09-044, issued in September 2013, to expand access to financing for energy efficiency improvements, particularly for customers who may face barriers to obtaining conventional financing. The program is supported by Public Purpose Program funds collected from the ratepayers of California's four largest investor-owned utilities: Pacific Gas and Electric Company, Southern California Edison, San Diego Gas & Electric Company, and Southern California Gas Company. A portion of those funds is used to provide loan loss reserves and other credit enhancements that reduce lender risk

¹ AB 1403 (Agnos) Chapter 1159, Statutes of 1980

and enable participating financial institutions to offer financing on more favorable terms than may otherwise be available. The program was designed to leverage private capital, increase access to financing for underserved customers, and support energy savings through investments in energy efficiency measures. The CPUC initially authorized \$75.2 million in ratepayer funding for CHEEF in 2013 and approved an additional \$51.2 million in 2021 to continue the program through June 2027.²

Program Structure - CAEATFA administers CHEEF through the GoGreen Financing Programs, which provide financing for energy efficiency and other eligible clean energy improvements in homes, businesses, and affordable multifamily housing. Participation in CHEEF was originally limited to customers served by investor-owned utilities because the program was funded with investor-owned utility ratepayer dollars. In 2021, the CPUC authorized CAEATFA to use non-ratepayer funding to expand the program beyond investor-owned utility territories, and CAEATFA subsequently renamed the financing programs GoGreen. The GoGreen Financing Programs include financing options for residential, commercial, and affordable multifamily properties. GoGreen Home Energy Financing helps homeowners and renters finance qualifying home energy upgrades. GoGreen Business Energy Financing supports energy improvements in commercial buildings, nonprofit facilities, and market-rate multifamily properties. GoGreen Affordable Multifamily Energy Financing provides financing for qualifying deed-restricted affordable housing developments with five or more units.

Program Expansion - The GoGreen Financing Programs have expanded since the first residential loans were issued in 2016. According to CAEATFA, the programs supported approximately \$196 million in private capital investment for energy upgrades in 2025, benefiting more than 7,400 homes and businesses.³ CAEATFA reports that the program leveraged approximately \$17.52 in private financing for every dollar of credit enhancement funds allocated. As of 2025, 10 participating lenders were enrolled in the program, and approximately 1.4% of enrolled loans had been charged off. According to a 2024 CPUC evaluation, average annual loan originations increased from 106 during the REEL Pilot period (2016–2018) to approximately 777 during the GoGreen Home Program evaluation period (2018–2023), while loan default rates remained low at 1%.⁴

COMMENTS:

- 1) *Author's Statement.* According to the author, "The California Alternative Energy and Advanced Transportation Financing Authority, or otherwise known as the GoGreen program, partners with public and private entities to provide financing that helps California industries reduce greenhouse gas emissions. GoGreen supports the development of renewable energy, energy efficiency, and advanced transportation and manufacturing technologies, while also reducing air pollution, conserving energy, and

² CPUC, *GoGreen Home Energy Financing Program Final Impact Evaluation Report*; July 30, 2024, p. 6, GoGreen Home Energy Financing Program Final Impact Evaluation Report

³ CAEATFA; 2025 Annual Report to the California Legislature; pg. 17; Issued March 2026

⁴ Opinion Dynamics, *GoGreen Home Energy Financing Program Final Impact Evaluation Report*, prepared for the California Public Utilities Commission; July 30, 2024, p. 8, Table 2, "REEL Pilot and GGH Program Activity Comparison"; https://pda.energydataweb.com/api/view/3962/CPUC%20Group%20B%20GGH%20Evaluation%20Report_DRAFT%202024-04-30.pdf

creating jobs. Funding for the GoGreen program comes from investor-owned utility ratepayers to provide financing and partnerships within the IOU's service area. Over the last 15 years, the GoGreen program carried out through the Treasurer's Office has been expanded rapidly to become a one-stop entry point for Californians seeking financing for clean energy projects. Currently, according to the Treasurer's Office, GoGreen is an oversubscribed program due to the immense popularity and support the service provides. However, despite the immense success the program has achieved, it is not protected in statute to continue past the current Treasurer's tenure. SB 1265 simply codifies this program into law to allow future State Treasurers to use and expand the program."

- 2) *Program Evaluation.* SB 1265 would codify the GoGreen Home Energy Financing Program and continue the use of ratepayer-supported credit enhancements to support financing for eligible energy improvements. According to the author and supporters, including the Treasurer's Office, this bill would place in statute a program that currently operates pursuant to CPUC decisions and provide additional certainty regarding its continuation under future administrations. The GoGreen program is intended to leverage private capital and expand access to financing for energy upgrades, particularly for customers who may face barriers to obtaining conventional financing. As the program evolves, information regarding program outcomes, the role of ratepayer funding, and the extent to which the program continues to address market barriers would help the Legislature assess whether the program is achieving its intended goals and whether continued ratepayer support remains necessary. *As such, the committee recommends requiring CAEATFA to include additional information in its annual report to the Legislature regarding program outcomes, the benefits of ratepayer funding, whether continued ratepayer funding remains necessary to support private lender participation, and any recommendations for program improvements. The committee also recommends sunseting the program to provide an opportunity for future legislative review of the program.*

REGISTERED SUPPORT / OPPOSITION:

Support

California State Treasurer
Marin Clean Energy (MCE)

Opposition

None on file.

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