

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

***Request to Approve Modifications to the GoGreen Home Program under the  
Emergency Regulation Process***

**Tuesday, March 19, 2024**

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**REQUEST**

Staff requests approval to adopt modifications to regulations (“Regulations”) for the GoGreen Home Program under the emergency rulemaking process.<sup>1</sup> The purpose of these proposed modifications is to incorporate clean energy technologies which were previously unavailable for financing as well as adding the role of Project Developer within GoGreen Home to help Contractors and Borrowers scope comprehensive, evidence-based projects. Provisions are also incorporated to raise the maximum project cap and the maximum loan term for projects including both solar panels and onsite battery storage.

**BACKGROUND**

On behalf of the California Public Utilities Commission (“CPUC”), the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) is the administrator of the California Hub for Energy Efficiency Financing (“CHEEF”) and is currently responsible for operating three energy efficiency financing programs: GoGreen Home, GoGreen Business, and GoGreen Multifamily, funded with moneys collected from the ratepayers of the investor-owned utilities (IOUs). These programs collectively were authorized by the CPUC as pilot programs to support the State’s broader energy efficiency and environmental policy goals through leveraging private capital for energy retrofits. GoGreen Home, the first pilot program to launch in July 2016 and to move beyond pilot to full program status, targets the single-family residential market. GoGreen Home mitigates the risk of default for Lenders by providing a credit enhancement for enrolled loans. This protection enables Participating Lenders to offer more attractive financing terms, such as reduced interest rates, longer terms, and larger amounts to a broader group of Borrowers.

In April 2020, the CPUC issued Resolution E-5072 that approved GoGreen Home’s transition from a pilot program to a full program and permits CAEATFA to improve GoGreen Home in order to facilitate scaling. CPUC Decision 21.08.006 supported further expansion by authorizing GoGreen Home to utilize non-IOU ratepayer sources of funding for credit enhancements in order to set up more consistent project eligibility across utility jurisdictions. Under Decision 21.08.006, and through a rulemaking process that was completed in 2022, GoGreen Home brought on the TECH Clean California program in 2022 and the City of Palo Alto Utilities (CPAU) in October

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<sup>1</sup> Sec. 26009, Public Resources Code

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2023 as additional sources of credit enhancement funding, which has allowed GoGreen Home to finance electric projects in electric POU territories and to offer GoGreen Home for the first time to CPAU customers, which were previously excluded due to not receiving any IOU fuel services.

Under Decision 23-08-026, published in the summer of 2023, the CPUC authorized CAEATFA to begin using its current funding source, IOU energy efficiency ratepayer funds, to credit enhance loans for comprehensive clean energy measures. This marks a significant expansion of the Program to encompass a broader range of clean energy measures in addition to energy efficiency measures. This expansion is in line with State goals and supports Californians seeking to more fully decarbonize or electrify as well as improve the efficiency of their homes. Accordingly, GoGreen Home is adding three new clean energy eligible measures: a bundled “solar photovoltaic + battery storage” measure, “smart electric vehicle chargers,” and “battery storage expansion” and revising language throughout the regulations to reflect “energy impacts” as opposed to “energy savings.”

In order to determine eligible clean energy measures, GoGreen Home utilized a 9-point benefits test that was outlined in our initial proposal to the PUC in April 2022. The test analyzed the impacts of a number of clean energy measures across nine categories in three different sectors: consumers, utility companies, and society. The proposed clean energy measures were found to provide net benefits for each of the three entities according to this analysis. The 9-point test and rationale behind the selection of each measure was discussed in detail during the public workshop held on February 22, 2024.

In December 2023, GoGreen Home submitted an emergency regulation modification package to OAL, following a public workshop in October and approval by CAEATFA’s Board in November. OAL approved the modified regulations, which took effect on December 12, 2023. The modifications proposed in these emergency regulations are of a different scope, which warranted a separate emergency regulation approach. GoGreen Home will continue working towards completing the Regular Rulemaking process for both emergency regulations packages and is considering the possibility of combining them under a single Certificate of Compliance.

*Key Modifications*

The proposed regulation amendments respond to challenges, lessons learned, and extensive stakeholder feedback received while implementing GoGreen Home. It is the Program’s intention to expand the opportunity for consumers to access GoGreen Home, streamline processes, and facilitate energy efficiency improvements. The amendments:

- Raise the maximum loan amount from \$50,000 to \$75,000 if the project includes the new “solar photovoltaic + battery storage” bundled measures, in order to help credit-worthy Borrowers maximize their decarbonization potential.
- Raise the maximum loan term from 15 years to 20 years if the loan includes include the “solar photovoltaic + battery storage” bundled measure.
- Clarify that Borrowers can be someone other than the owner or renter of an Eligible Property (e.g. a close family member).
- Clarify the withdrawal process for Participating Contractors and Lenders.

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- Create a formal process by which Contractors can be removed from GoGreen Home’s online, public-facing search tool, and eventually the Program, for lack of active participation over one to three years. This ensures that prospective Borrowers are only shown actively Participating Contractors in GoGreen Home’s public-facing list.
- Create a Project Developer role to assist Borrowers and Contractors in identifying a variety of home energy upgrades and providing various services, including energy audits, project coordination, rebate applications, and paperwork processing.
- Amend requirements for some measures’ fuel source proof (e.g. a utility bill) for Microloans if the measure is a “Fuel Switch” measure.

In addition to these amendments, the term “Eligible Energy Efficiency Measures” (EEEMs) has been replaced throughout the regulations by “Eligible Energy Measures” (EEMs). This reflects the transition of GoGreen Home to a program that is no longer focused strictly on efficiency measures alone, but rather one that encompasses a broad range of energy-related home improvement projects. Similarly, references to “efficiency improvements” and “energy savings” have been replaced by the terms “energy improvements” and “energy impacts.”

The benefits of this proposed regulatory action will be to owners and renters of residential homes, including single-family properties, condominiums, townhomes, and apartments. As electrification trends improve, Borrowers will be seeking to maximize the potential decarbonization and electrification that is possible in one project. These changes help facilitate this by allowing Borrowers to finance both efficiency and clean energy measures.

*Outreach for GoGreen Home Regulatory Action*

CAEATFA staff regularly solicits feedback from Participating Contractors and Lenders, and carefully monitors loan data to understand the Borrower experience and loan performance. As part of our Regulation modification process, CAEATFA met regularly with stakeholders to solicit input and conducted a public workshop on February 22, 2024, followed by a five-day public comment period. Stakeholder feedback is represented in these proposed modifications.

**PROPOSED MODIFICATIONS TO REGULATIONS**

Below is a brief description of each of the substantive changes to the Regulations. The specific modifications to the Regulations can be found in Attachment A, denoted in strikethrough and underlined text.

**Universal Changes in Multiple Sections**

- Throughout the regulations, the acronym “EEEMs” was amended to “EEMs” to reflect the Programs expansion to energy improvements beyond energy efficiency. See the description of amendments made to defined terms in §10091.1(m), (n), (o), and (r) below for more information.

**§10091.1. Definitions.**

This section defines and describes the terms used throughout the GoGreen Home Regulations. Amendments were made to the defined terms of Eligible Energy Efficiency Measures and Eligible Property, and CAEATFA is creating new terms to encompass the proposed Project Developer role in GoGreen Home and making several other amendments and clarifications.

- *§10091.1(b)*: “Bill Impact Estimate” was amended to clarify that an estimate of anticipated energy cost “impacts,” rather than energy cost “savings,” shall be provided to the Borrower. “Participating Project Developer” was also added to the list of participating entities who may be the source of the Bill Impact Estimate to the Borrower.

Necessity: Some eligible energy measures don’t always result in savings; for example, adding an HVAC system to a house which previously lacked such a system will increase energy costs, even if it is a very efficient HVAC system. The same is true of some new measures added to the Program through the clean energy expansion, such as smart electric vehicle chargers. Therefore, it is appropriate to refer to energy “impacts” rather than “savings.” The Participating Project Developer role was added to these regulations in this rulemaking (see the description of additions §10091.1(t) and (hh) below) and, along with the Participating Contractor or Lender, is one such entity who may alert the Borrower of the energy impacts.

- *§10091.1(k)*: The term “Eligible Channel Partner” was amended to remove language that did not consider business models that assist Lenders with underwriting, origination, and servicing.

Necessity: The Channel Partner role was originally created two years ago to support the entrance of business entities who directly facilitate loans, such as an online appliance marketplace offering financing at checkout. Since then, CAEATFA has become aware of other business models that assist Lenders with many different parts of the lending process, including underwriting and origination via a formal relationship with the Lender as their agent. Therefore, CAEATFA finds it appropriate to remove language which did not accommodate this kind of business partnership.

- *§10091.1(m), (n), (o), and (r)*: The term “Eligible Energy Efficiency Measures” and its acronym “EEEMs” was amended to “Eligible Energy Measures (EEMs).”

Necessity: The issuance of CPUC Decision 23-08-026 authorized CAEATFA to include distributed generation and renewable energy measures such as solar photovoltaic and battery storage systems as Eligible Improvements for GoGreen Home financing. Previously, these types of measures were explicitly excluded as the CPUC desired to focus on energy efficiency and demand response measures. This decision has opened up a new sector of the energy market for the Program. With that transition, it has become necessary to rename the suite of Eligible Improvements previously classified as Eligible Energy Efficiency Measures (EEEMs), and Eligible Energy Measures (EEMs) was deemed to be the most reasonable and appropriate term. It allows the Authority to better reflect the entire catalog of Eligible Improvements while also closely adhering to the original terminology and pronunciation with which that Lenders and Contractors have

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already become familiar. This change was made with the foremost goal of minimizing confusion during this transitory period for the Program. As mentioned above, CAEATFA has updated uses of "EEEMs" with "EEMs" throughout the regulations.

- *§10091.1(r)(2)*: “Eligible Improvements” was amended to remove language restricting the inclusion of distributed generation or renewable energy measures.

Necessity: The issuance of CPUC Decision 23-08-026 authorized CAEATFA to include distributed generation and renewable energy measures such as solar photovoltaic and battery storage systems as Eligible Improvements for GoGreen Home financing. As a result, the language restricting these measures is now obsolete.

- *§10091.1(t) and (hh)*: “Eligible Project Developer” or “EPD” and “Participating Project Developer” or “PPD” roles were created to allow for the participation of entities that can assist both Borrowers and Participating Contractors with identifying Eligible Improvements and facilitating projects for Eligible Properties as part of the GoGreen Home Program.

Necessity: These additions were necessary in order to expand the scale and scope of individual projects by allowing for participation of newly emerging entities in the residential energy upgrade marketplace. While more common in the commercial sector, Project Developer firms are now appearing in the residential sphere to help homeowners identify and undertake electrification projects and efficiency upgrades. This type of role is also becoming more commonplace in the rebate market through the wide variety of financial incentives that are now available for homeowners and Contractors who undertake these projects. For example, a Project Developer could be an entity that performs home energy audits, issues recommendations for efficiency measures, and/or enrolls homeowners in Demand Response programs. In addition, Participating Contractors may find it useful to work with these entities in order to handle paperwork or manage scheduling and coordination, particularly for larger projects involving multiple Participating Contractors.

- *§10091.1(u)*: “Eligible Property” was amended to clarify that Borrowers are eligible to receive loans for projects done at properties not directly owned or rented by the Borrower.

Necessity: The original framing of these regulations implied Borrower eligibility was limited to either direct ownership or a formal rental relationship between a tenant and landlord. CAEATFA has determined that Lenders should be allowed to exercise discretion in judging the relationship between a Borrower and the property for which a loan is taken out. For example, the Borrower may be seeking financing to upgrade a relative’s property which they themselves do not reside in.

**§10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate.**

This section defines and describes the terms under which eligible Lenders can apply to and participate in the GoGreen Home program, and the certifications and acknowledgements they must make.

- *§10091.2(f)(8)(a)*: This subsection was amended to change the term “energy efficiency improvements” to “energy improvements.”

Necessity: As the GoGreen Home Program has expanded to include financing for the clean energy measures, this necessitated the conversion of language strictly relating to “energy efficiency.”

- *§10091.2(g)(4)*: This subsection was amended to change the term “energy savings” to “energy impacts.”

Necessity: As the GoGreen Home Program has expanded to include financing for the clean energy measures, this necessitated the removal of language strictly relating to “energy efficiency.”

- *§10091.2(j)*: This subsection was amended to add a mechanism to pause Lender’s GoGreen Home loan programs when a threshold of “risk” to the Loss Reserve (loan defaults and delinquencies) is breached for three or more consecutive months.

Necessity: This amendment gives CAEATFA the ability to suspend a Lender temporarily once patterns of defaults and payment delinquencies indicate an issue with, for example, underwriting or servicing processes, and then give the Lender an opportunity to propose changes to their loan program and practices. CAEATFA shall retain the option to “pause” the Lender’s ability to enroll more loans once a ratio of 25% (“defaulted” and “delinquent” loan principal over “current” and “paid off” loan principal) is breached consecutively for three or more months; the ratio indicates the amount of loan principal, and thus loss reserve dollars, at risk. The intention is to allow CAEATFA to intervene before significant losses occur and ensure that the protection of the loss reserve is being utilized appropriately.

**10091.5. Loan Eligibility and Minimum Underwriting Criteria.**

This section outlines the requirements and parameters for loans to be enrolled in the GoGreen Home Program.

- *§10091.5(g)*: This subsection was amended to raise the maximum Claim-Eligible Principal Amount project amount from \$50,000 to \$75,000 only if the project includes the solar photovoltaic + battery storage bundled measure.

Necessity: This change is intended to support credit-worthy Borrowers seeking financing for the high costs of projects that combine solar generation, battery storage and efficiency measures. The average cost of a residential combined solar and battery storage system can rise up to \$26,000 ([Homeguide, 2023](#)). 754 (23%) loans enrolled since 2022 were for

loans over \$25,000 and 202 projects cost \$40,000–\$50,000. As electrification trends upwards, more Borrowers will seek to maximize the co-benefits of pairing fuel switching/electrification upgrades with onsite solar generation and battery storage. For some larger properties, these costs might breach \$50,000, especially if the project also includes expensive infrastructure improvements like panel or wiring upgrades.

- *§10091.5(i)(1)*: This subsection was amended to require that PFI/PFLs income verification for all Borrowers regardless of credit score if the Total Loan Principal Amount exceeds fifty thousand dollars (\$50,000).

Necessity: Currently, Lenders are only required to verify Borrower income if the Borrower has a credit score between 580 and 640 and the Total Loan Principal Amount exceeds \$20,000. With the maximum allowable Total Loan Principal Amount being raised to \$75,000 (only for projects with solar generation and battery storage), it is important to ensure that adequate safeguards are put in place so that Borrowers are not taking out loans that are beyond their means. This requirement will act as a consumer protection safeguard for all loans that exceed the traditional maximum amount of \$50,000.

#### **§10091.6. Contractor Qualification and Management.**

This section outlines the processes by which an Eligible Contractor applies to become a Participating Contractor, describing the information it must provide in its application and its responsibilities under GoGreen Home. Changes are proposed to this section to help CAEATFA manage Contractors who are not actively participating in the Program.

- *§10091.6(a)(8)*: This subsection was amended to expand the personnel who are eligible to add authorized signatories for a Participating Contractor beyond the person who signed the Contractor’s original application to join the Program.

Necessity: This amendment was necessary to address difficulties for Contractors who need to add new individuals as signatories for the required documents to be submitted to the Authority. The current regulations state that only the signatory of the original application can add authorized signatories. This presents difficulties for the Contractors who need to add new signatories when the original application signatory is no longer with the Contractor company; this can cause delays and friction in the loan enrollment process. This modification allows any currently authorized signatory or the company contact designated in Section 10091.6(a)(2) to add other authorized signatories.

- *§10091.6(a)(19)(A)(i)*: This subsection was amended to change “energy efficiency improvements” to “energy improvements.”

Necessity: As the GoGreen Home Program has expanded to include financing for the clean energy measures, this necessitated the conversion of language strictly relating to “energy efficiency.”

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- *§10091.6(d)*: This subsection was amended to allow for the removal of Participating Contractors from the public-facing Contractor list on the GoGreen Financing website (“delisting”) if they fail to enroll a project with the Program within a one (1) year period.

Necessity: This amendment is necessary to allow CAEATFA to remove Contractors from the Program website for consistent disengagement with GoGreen Home. Occasionally Participating Contractors go out of business, or a significant amount of time goes by without them enrolling a project or responding to engagement attempts by the Authority. This change allows CAEATFA to delist non-participating Contractors from the Program's public-facing list on the GoGreen Financing website so that consumers have a more productive experience using the tool to find actively Participating Contractors. CAEATFA will always reach out to the Contractor beforehand to alert them of the pending delisting and give them an opportunity to reaffirm their interest in continuing to be listed and visible to potential Borrowers.

- *§10091.6(g)*: This subsection was amended to allow for the disenrollment of Participating Contractors who fail to enroll a project with the Program within a three (3) year period.

Necessity: This amendment was necessary to allow the Authority to remove Contractors from the Program for reasons other than non-compliance or fraud. Occasionally, Participating Contractors go out of business, or a significant amount of time goes by without them enrolling a project or responding to engagement attempts by the Authority. In an effort to target our resources effectively, CAEATFA finds it reasonable to keep our Contractor list clean and targeted towards Contractors who are actively participating or engaging in the program. Unlike a one-year timeline for delisting, CAEATFA is establishing three years for full Program removal to give the Participating Contractor as much time as possible to actively re-engage.

- *§10091.6(h)*: This subsection was added to formalize the voluntary withdrawal process for Participating Contractors.

Necessity: This amendment brings the GoGreen Home regulations into alignment with the GoGreen Business and GoGreen Multifamily programs' regulations and is necessary to document a formal method for Contractors to voluntarily withdraw from the Program, which did not previously exist in the regulations.

**§10091.7. Project Developer.**

This new section establishes the formal relationship between CAEATFA and Project Developers. It describes the processes by which an Eligible Project Developer applies to become a Participating Project Developer, lists the eligibility requirements, and outlines the information it must provide in its application. It includes a list of data points, certifications, and acknowledgments that the Eligible Project Developer is responsible for providing, as well as additional certifications that are required upon completion of an individual project. It also



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establishes the terms of participation and describes the process by which a Participating Project Developer can either be removed or voluntarily withdraw from the program.

Necessity: This new section relates to the new definitions of an Eligible Project Developer and Participating Project Developer added in Section 10091.1(t) and 10091.1(hh). CAEATFA established the Project Developer role to expand the scale and scope of individual home improvement projects by allowing for participation of newly emerging entities in the residential energy marketplace. Project Developers are being actively utilized by the GoGreen Business program to assist Borrowers in scoping projects, and CAEATFA determined that these entities could also have a role to play in advancing the GoGreen Home program. As a result, it became necessary to establish a regulatory relationship with the Project Developer as the Project Developer may be involved in promoting or representing GoGreen Home to customers, actively facilitating projects at Eligible Properties through coordination with both Borrowers and Participating Contractors, and/or submitting data to CAEATFA for loan enrollments or required reporting.

CAEATFA is establishing an application process requiring the Eligible Project Developer to provide contact information, describe their role and duties, demonstrate their qualifications and experience, and make certifications, acknowledgements, and agreements that the Eligible Project Developer will follow the rules and requirements laid out in the GoGreen Home regulations. As mentioned, this role was based off the Project Developer guidelines for GoGreen Business contained in Title 4 Business Regulations, Division 13 California Alternative Energy and Advanced Transportation Financing Authority, Article 6 Commercial Energy Efficiency Financing Programs, Section 4, which has proven to be a successful and effective protocol for vetting, enrolling, and managing Project Developers. As such, many of the stipulations are the same, including release of liability, proof of insurance, the process once an application has been submitted, and conditions for removal or withdrawal from the program. The eligibility requirements are also similar, with the exception being that an entity can qualify as a Participating Project Developer through the additional method of licensure/certification with a state, federal or commercial energy auditing program or current registration with the CPUC and/or an IOU as a Demand Response Provider/Aggregator. These additions take advantage of the existing vetting or training processes the CPUC, IOUs, and audit training programs utilize.

The addition of this section has resulted in re-numbering the Sections that follow.

**§10091.8. Establishment and Funding of Loss Reserve Accounts.**

This section outlines the process by which each Lender's Loss Reserve Account(s) is established and funded under GoGreen Home by the Trustee Bank. This section sets Loss Reserve Contribution eligibility and application requirements. Modifications to loan term eligibility requirements are proposed below.

- *§10091.8(c)*: This subsection was amended to raise the maximum loan term from 15 years to 20 years only if the project includes the solar photovoltaic + battery storage bundled measure.

Necessity: The current 15 year maximum has long been appropriate for large retrofits projects that focused on efficiency improvements, especially HVAC loans, as most of

these types of equipment have a lifespan of about 15 years. With the addition of the bundled solar photovoltaic and battery storage measure, it is appropriate to raise the maximum loan term to 20 years for loans which include this measure. 20 years is a more common timeframe in solar and storage financing to reflect the longer lifespan of solar panels and battery equipment.

### **§10091.9. Loan Enrollment.**

This section describes all data that is required for a loan to be enrolled in GoGreen Home and CAEATFA’s timeframe for reviewing that loan. CAEATFA is proposing changes to account for expanding the list of eligible measures to include clean energy measures and the addition of the Project Developer role, while adding further clarification around loan enrollment and documentation requirements. Changes were also made to reflect expanded Borrower eligibility.

- *§10091.9(c)(7)*: This subsection was amended to add “Other” as an option that Lenders can utilize when reporting a Borrower’s relationship to an Eligible Property.

Necessity: This amendment was necessary to align with the change to the definition of a Borrower in §10091.1(c), which determined that a Borrower’s relationship to a property might be something other than an owner or tenant (for example, the Borrower could be a relative of the owner/occupant). The addition of “Other” provides Lenders an appropriate way to categorize such a Borrower besides the current options of “1) owner-occupier, 2) owner non-occupier, 3) renter or lessee.”

- *§10091.9(c)(10) and (11)*: This subsection was amended to clarify that both utility account numbers are required for Microloans if the measure is identified as a fuel switch measure in the Eligible Measures list in Section 10091.10(j).

Necessity: Currently, when enrolling a Microloan, Lenders only need to submit the account number for the utility fuel that a financed measure uses. However, for measures which commonly result in a fuel switch, CAEATFA has determined that both the gas and electric account numbers are needed in order to show the cost impacts on the fuel being saved as well as the new fuel being utilized. For example, most water heaters in California are gas-powered. When an electric water heater is enrolled, CAEATFA needs to show the gas company the reduction of their gas usage, in addition to showing the impact on the electricity use to the electricity provider. CAEATFA added a new column to the EEMs table that identifies which EEMs qualify as fuel switch measures; please see the description of modifications to §10091.11(j) below for more information.

- *§10091.9(c)(13) and (14)*: This table was amended to add Project Developer as an entity that can provide project information for points 13 and 14.

Necessity: This amendment was necessary to account for the new role that a Project Developer will play in GoGreen Home. As a Project Developer may assist the Participating Contractor with paperwork during the course of a project, this amendment ensures that Project Developers will be able to provide this information to CAEATFA. This is also in alignment with how GoGreen Business delineates reporting responsibilities between Participating Contractors and Project Developers. For more

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information about the addition of the Project Developer role, please see the proposed additions to Sections 10091.1(u), 10091.1(hh), and 10091.7 above.

- *§10091.9(c)(25)*: This subsection was amended to remove the requirement for Lenders to separately communicate inclusion of distributed generation measures.

Necessity: With the addition of distributed generation measures such as solar photovoltaics due to CPUC Decision 23-08-026, Lenders will no longer need to separately specify the presence of distributed generation measures in a loan submittal. Previously, distributed generation measures could be financed by GoGreen Home Lenders, but the cost of these measures would not receive a Loss Reserve Contribution. Lenders therefore were requested to indicate separately if a loan included a distributed generation measure so that the Loss Reserve Contribution was calculated accordingly.

- *§10091.9(c)(26)*: This subsection was amended to add “Evidence of Grid Interconnection” as a required data point for projects utilizing solar photovoltaic and storage measures.

Necessity: Borrowers are required to show proof that Eligible Properties are or will be connected to an IOU grid for the installation of the new “battery storage expansion” or “solar photovoltaic + battery storage” EEMs. This can be done by providing a utility bill with the presence of an IOU Net-Metering program or IOU approval of a grid interconnection application, depending on the measure. Because documentation outputs in solar and storage interconnection may change over time, CAEATFA is opting to not rigidly specify exact document types in the regulations.

- *§10091.9(c)(26)*: This subsection was amended to add “Evidence of on-site solar photovoltaic generation” as a required data point for projects utilizing the “Battery Storage Expansion” measure.

Necessity: The “Battery Storage Expansion” requires that solar photovoltaic generation already exist or will otherwise exist to feed the battery storage system once the project is complete in order to be eligible for financing. For example, a Borrower might already have solar generation, or might only be financing the cost of the battery in a combined solar + storage project. This new loan submission requirement is to ensure that documentation providing the presence of solar generation is submitted to CAEATFA. This can be done, for example, by providing a utility bill with the presence of an IOU Net-Metering program or IOU approval of the solar system’s approved grid interconnection application. Because documentation outputs in solar and storage interconnection may change over time, CAEATFA is opting to not rigidly specify exact document types in the regulations.

- *§10091.9(d)(2)(A) and (B)*: This subsection was amended to clarify how and by whom some required data points are captured for submission to CAEATFA.

Necessity: These subsections originally described project information being captured and submitted to CAEATFA on an invoice. A previous modification to Section 10091.9(b) of the regulations clarified that data may be captured and submitted in a number of formats

“approved by the Authority.” This correction thus eliminates an implication that Eligible Improvements can only be captured on an invoice.

- *§10091.9(d)(3)*: This subsection was amended to remove an implication that Title 24 is the only applicable building standard in California.

Necessity: Title 24 is the base building standard for energy efficiency for all structures in California, but jurisdictions may have their own additional building codes that Contractors must consider. This modification clarifies that there may be other applicable building standards.

- *§10091.9(f)*: This subsection was amended to clarify that, for the submission of Microloan data, the amount of utility fuel evidence that must be provided depends on if the EEM is a fuel switch measure.

Necessity: Currently, when enrolling a Microloan, Lenders only need to submit the account number for the utility fuel a financed measure uses. However, for measures which commonly result in a fuel switch, CAEATFA has determined that both the gas and electric account numbers are needed in order to show the cost impacts on the fuel being saved as well as the new fuel being utilized. For example, most water heaters in California are gas-powered. When an electric water heater is enrolled, CAEATFA needs to show the gas company the reduction of their gas usage, in addition to showing the impact on the electricity use to the electricity provider. CAEATFA added a new column to the EEMs table that identifies which EEMs qualify as fuel switch measures; please see the description of modifications to §10091.11(j) below for more information.

- *§10091.9(f)(4)*: This subsection was amended to clarify that Participating Lenders and Contractors have the option to provide certification of either points (A) or (B) in the relevant subsection.

Necessity: This addition clarifies that only one of the two conditions needs to be met for a loan approval; the current wording is unclear and could be misinterpreted as meaning that both options are required.

### **§10091.11. Project Requirements.**

This section describes measure and project eligibility for GoGreen Home, installation and safety testing requirements, and CAEATFA’s field verifications and inspections of projects. New characterizations and a new category of clean energy measures are proposed.

- *§10091.11(f)(1)*: This subsection was amended to add the “duct sizing/optimization” measure as a CAS test trigger.

Necessity: This modification brings the regulations into alignment with standard safety practices, as CAS testing is already required when air sealing or duct sealing measures are installed. Duct optimization or re-sizing may result in changes to airflow, even if the duct was already “sealed.” Combustion Appliance Safety testing is necessary whenever a change to airflow as a result of modifications to the building envelope or ventilation

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system occurs in a home which may have one or more gas appliances within the building envelope.

- *§10091.11(j)*: This subsection was amended to add “heat pump clothes dryer” as an EEM.

Necessity: Heat pump clothes dryers are a developing market which utilizes a significantly different technology than current electric clothes dryers. Further, heat pump clothes dryers may result in a fuel switch. From a reporting perspective, it is useful for CAEATFA to track uptake of heat pump clothes dryers compared to regular electric resistance clothes dryers.

- *§10091.11(j)*: This subsection was amended to add an Energy Star rating requirement to the existing “induction cooktop” measure under the appliance category.

Necessity: New Energy Star product specifications for induction cooktops became effective in September 2023. These certified versions have been shown to be 18% more efficient than standard models. Restricting this measure to Energy Star models follows what CAEATFA has done with other appliances, as it aligns with the efficiency goals of the Program.

- *§10091.11(j)*: This subsection was amended to add “clean energy” as a new EEM category.

Necessity: The issuance of CPUC Decision 23-08-026 provided authorization for CAEATFA to include distributed generation and renewable energy measures as Eligible Improvements for GoGreen Home financing. These measures are to be collectively categorized as clean energy measures. Two specific items have been selected for inclusion as part of the new clean energy category: “solar photovoltaic + battery storage” and “battery storage expansion.”

In order to determine eligibility for inclusion on the EEM list, potential clean energy measures were evaluated for the benefits that they provide to customers, utilities, and society. Feedback was solicited during public workshops and comment periods and no objections to the addition of these two measures were raised.

- *§10091.11(j)*: This subsection was amended to add “solar photovoltaic + battery storage” as a new measure under the new Clean Energy category.

Necessity: Pairing solar and storage systems together was found to produce the highest net benefit across all three sectors of our evaluation metrics. This new measure enables customers to store on-site solar-generated energy for use when electricity rates are comparatively higher and lessens the need for utilities to generate additional power during times of peak demand. This in turn leads to decreased generation costs for utilities and reduces the chance of blackouts across the state. Paired solar and storage systems also serve as an effective climate resilience measure by providing a backup supply of power for customers in the event of an outage or pre-emptive shutoff by a utility to mitigate the risk of wildfire.

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- *§10091.11(j)*: This subsection was amended to add “battery storage expansion” as a new measure under the new Clean Energy category, with the condition that it be paired with an existing solar photovoltaic system.

Necessity: As noted above, solar and storage measures offer a number of cross-sector benefits when paired together. While California currently leads the nation in installed residential solar capacity, and new home construction is now mandated to include solar photovoltaic systems under Title 24, less than 10% of these systems are paired with battery storage. This figure will likely decrease as new homes are constructed under the new mandate without a corresponding requirement for battery storage installation. On the other hand, new homes are built to readily allow for the connection of battery storage units. There is thus both a vast market and a clear need to encourage consumers who have existing solar generation systems to complement those with battery storage expansion.

- *§10091.11(j)*: This subsection was amended to add a new column titled “fuel switch” to the EEMs table, and to label several “HVAC” category measures (“heat pump,” “mini split,” and “mini split air conditioning system”) and several “water heating” category measures (“heat pump water heater,” “solar water heater,” and “tankless water heater (electric)”) as potential fuel switch measures.

Necessity: CAEATFA identified that the installation of fully electric HVAC and water heating measures commonly result in a fuel switch (gas to fully electric), due to the prevalence (around 90%) of gas heating and cooling in California. This has implications on the utility account numbers that CAEATFA needs to appropriately determine energy savings. For example, when an electric water heater is enrolled, CAEATFA needs to show the gas company the reduction of their gas usage, in addition to showing the impact on the electricity use to the electricity provider. Please see the changes proposed to §10091.9(c)(10) and (11) above for more information.

- *§10091.11(j)*: The “Other” measures, as a method of qualifying measures not already on this list through IOU, REN or CCA programs, was amended to revise “demand response program” to “demand-side energy program” as a requirement for “other measures qualifying through IOU/REN/CCA Programs” in the “other” category.

Necessity: This change was made after soliciting guidance from the utility companies with the intention of creating a more accurate description for these types of programs.

- *§10091.11(j)*: This subsection was amended to add “smart home energy management systems” as a new measure listed under the “Other” category on the EEMs list.

Necessity: “Smart home energy management systems” are an emerging technology that allows users to reduce energy consumption through coordinated control of connected devices, such as smart appliances or HVAC systems. This is done through the use of a single platform interface, for example an app on a phone. Similar to the existing “smart thermostat” EEM, these systems can be managed remotely to reduce home energy use. Thus, including it as a new EEM aligns with the efficiency goals of the Program.

- *§10091.11(j)*: This subsection was amended to add “solar water heater” as a new measure listed under the water heating category on the EEMs list. This measure requires an Energy Star rating.

Necessity: Solar water heaters with an Energy Star qualification have been shown to cut a home’s annual hot water costs up to 50%. They are generally designed for use with an electric or gas back-up water heater, and so it is most appropriate to list them in the water heating category, rather than as a clean energy measure.

### **§10091.13. Sale of Enrolled Loans**

This section describes how Lenders may sell, transfer, or assign the associated repayments of an Eligible Loan, and how the Lender shall report these activities to CAEATFA.

- *§10091.16(c)(10)(D)(iii)*: This subsection was amended to change the term “energy savings” to “energy impacts.”

Necessity: As the GoGreen Home Program has expanded to include financing for the clean energy measures which may not always generate savings, this necessitated the removal of language strictly relating to “energy savings.”

- *§10091.16(c)(10)(E)(i)*: This subsection was amended to change the term “energy efficiency improvements” to “energy improvements.”

Necessity: As the GoGreen Home Program has expanded to include financing for the clean energy measures, this necessitated the conversion of language strictly relating to “energy efficiency.”

### **§10091.14. Termination and Withdrawal**

This section describes the processes and requirements by which a Lender or Successor Servicer may withdraw or be terminated from GoGreen Home. This section was extensively reorganized to reduce confusion and improve readability, and additional clarity was added regarding reporting requirements for Enrolled Loans. The previous structure of this section incorrectly implied that withdrawn Lenders must fulfill the same commitment as terminated Lenders regarding continued reporting on their Enrolled Loans. The new structure of this section clarifies that regardless of termination or withdrawal, a Lender must decide if it wants to keep its Loss Reserve Accounts and if it does, it must commit to ongoing required reporting.

- *§10091.14(a)–(c)*: This subsection was amended to describe the reasons for and process by which Lenders may be terminated from the Program (originally described in subsections 10091.14(c)(1)–(6)) or may withdraw from the Program voluntarily. It also consolidates language revoking withdrawn or terminated Lenders’ authorization to enroll loans up from two separate subsections (10091.14(a)(2) and 10091.14(d)(7)).

Necessity: This reorganization of existing language regarding how termination or withdrawal may occur makes the regulations easier to understand and sets up the

requirements for decisions about post-withdrawal/termination Loss Reserve Account maintenance described in the following subsection to be more clearly conveyed.

- *§10091.14(d)*: This subsection was amended to describe reporting commitments and notifications to the Authority that Lenders must make after withdrawing or being terminated from the Program.

Necessity: The previous structure of Section 1009.13 did not explicitly state that withdrawn Lenders must fulfill the same ongoing loan reporting requirements described in Section 10091.12 that terminated Lenders were required to perform (originally, subsection 10091.12(c)(7)(A)–(B)). This cleaned up subsection consolidates duplicative language regarding how Lenders must notify the Authority about the ongoing maintenance of their Loss Reserve Account and codifies ongoing reporting requirements for both withdrawn and terminated Lenders. It also clarifies that, for both terminated and withdrawn Lenders, failure to comply with reporting requirements may result in the return of the Lender’s Loss Reserve funds to the appropriate Program Holding Accounts’.

**§10091.16. California Hub for Energy Efficiency Financing Privacy Rights Disclosure.**

This section describes the CHEEF Privacy Disclosure that advises the Borrower of their privacy rights under the CHEEF, informing them that certain information may be shared with utility companies and other state or federal agencies.

- *§10091.16(a)(1)*: This subsection was amended to change “energy efficiency financing program” to “energy financing program.”

Necessity: With the expansion to include clean energy measures, it is necessary to clarify to Borrowers that they are participating in a program that finances many types of energy measures, not just energy efficiency.

- *§10091.16(b)*: This subsection was amended to add Project Developer as an entity that can provide Borrower information to CAEATFA.

Necessity: This amendment was necessary to account for the new role that a Project Developer will play in GoGreen Home. As a Project Developer may handle Borrower information during the course of a project, this amendment ensures that Borrowers will know their information can also be provided to CAEATFA by the Project Developer.

- *§10091.16(d)*: This subsection was amended to change “energy efficiency project performance” to “energy project performance.”

Necessity: With the expansion to include clean energy measures, it is necessary to clarify that all energy project performance information, not just energy efficiency project performance, will be made available to the public.



**REGULATORY PROCESS TIMELINE**

*All of the future dates below are tentative and subject to change.*

February 22, 2024	GoGreen Home Regulations workshop.
February 22-28, 2024	GoGreen Home Regulations workshop public comment period.
March 19, 2024	CAEATFA Board reviews and approves proposed modified Regulations.
March 22, 2024	CAEATFA posts the Finding of Emergency and begins the 5-day notice period.
April 2, 2024	Emergency regulations are submitted to Office of Administrative Law (OAL) for review. OAL has 10 calendar days to review the Emergency regulations.
April 15, 2024	OAL decision for approval of emergency regulations. Emergency regulations become effective for 180 days upon filing with the Secretary of State.

**RECOMMENDATION**

Staff recommends the adoption of Resolution No. 24-03-4.A to authorize the Chair and the Executive Director to adopt the emergency Regulations for the GoGreen Home Program.

**Attachment:** Attachment A: Proposed Modified Regulations. Modifications for Board consideration are shown with strikethrough and underlined text.

**RESOLUTION OF THE CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED  
TRANSPORTATION FINANCING AUTHORITY APPROVING MODIFICATIONS TO  
REGULATIONS AND OTHER RELATED ACTIONS TO IMPLEMENT THE  
RESIDENTIAL ENERGY EFFICIENCY LOAN ASSISTANCE PROGRAM**

March 19, 2024

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (“Authority”) is authorized by Section 26009 of the Public Resources Code to adopt emergency regulations to implement and make specific the statutory provisions governing the Authority; and

WHEREAS, the Authority has determined that, under its Memorandum of Agreement with the Public Utilities Commission and its contract with the investor-owned utilities to serve as the manager of the California Hub for Energy Efficiency Financing, it is necessary to adopt modifications to the current program regulations (the “Regulations”) to implement the GoGreen Home Program (the “Program”).

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority as follows:

Section 1. The proposed modified Regulations, on file with the Authority, are hereby approved. The Chair and Executive Director are hereby authorized to file the Regulations, with the supporting documentation required by law, with the Office of Administrative Law as regulations in the form currently on file with the Authority.

Section 2. The Chair and Executive Director are hereby authorized to proceed with the public notice and comment procedures required by the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) prior to submitting emergency and regular regulations to the Office of Administrative Law and completing the rulemaking process.

Section 3. The Chair and Executive Director are hereby authorized to take the actions necessary for the adoption of the Regulations, including making any necessary changes to the Regulations to secure approval by the Office of Administrative Law, and to execute and deliver any documents and take any steps the Chair and Executive Director may deem necessary or advisable to effectuate the purposes of this resolution.

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

**ATTACHMENT A: Proposed  
Amended Regulations**

**CALIFORNIA CODE OF REGULATIONS  
Title 4. Business Regulations  
Division 13. California Alternative Energy and Advanced Transportation  
Financing Authority**

**CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED  
TRANSPORTATION FINANCING AUTHORITY REGULATIONS  
IMPLEMENTING THE RESIDENTIAL ENERGY EFFICIENCY  
LOAN ASSISTANCE PROGRAM**

**EFFECTIVE DECEMBER 22, 2023**

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**§10091.1. Definitions.**

- (a) “Authority” means the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code or its agent.
- (b) “Bill Impact Estimate” means an estimate of the anticipated energy cost ~~savings~~ impacts that are expected to result from the installation of Eligible Energy Efficiency Measures, which is provided by the Participating Contractor, Participating Project Developer, Participating Financial Institution (PFI), or Participating Finance Lender (PFL) to the Borrower prior to work being performed on the Eligible Property.
- (c) “Borrower” means an individual or individuals who receive(s) an Eligible Loan from a PFI or PFL for the purpose of making Eligible Improvements to no more than four units of an Eligible Property.
- (d) “California Hub for Energy Efficiency Financing Disclosure” or “CHEEF Disclosure” means the disclosure described in Section 10091.4~~5~~16.
- (e) “CHEEF Loan Identifier” or “CHEEF Loan ID” means an identification number associated with a Borrower and/or Eligible Loan created by the Authority and provided to the PFI or PFL at the time of enrollment of an Eligible Loan in the Program. The CHEEF Loan ID will be used to identify the corresponding Eligible Loan in all subsequent correspondence between the PFI, PFL, PCP or Successor Servicer and the Authority.
- (f) “Claim-Eligible Principal Amount” means the principal amount of an Enrolled Loan that qualifies for reimbursement in the event of a charge-off, pursuant to Section 10091.5(f) and which may be less than the Total Loan Principal Amount.
- (g) “Commission” or “CPUC” means the California Public Utilities Commission.
- (h) “Community Choice Aggregator” or “CCA” has the same meaning as defined in Section 331.1 of the Public Utilities Code.
- (i) “Credit-Challenged Borrower” means a Borrower with no credit score or a credit score of 700 and below.
- (j) “CSLB” means the California Contractors State License Board.
- (k) “Eligible Channel Partner” or “ECP” means a potential co-applicant with the EFI or EFL engaged in marketing, outreach, assisting borrowers with loan applications and/or the submission of loans to the Program. ~~It does not perform underwriting, execute loan documents, or perform servicing activities after loans are funded.~~ The Eligible Channel Partner must meet the requirements described in Section 10091.4 and must be a signatory to the PFI’s or PFL’s Program application.

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- (l) “Eligible Contractor” means a contractor or contractor company with an active license with the Contractors State License Board to do the work they perform and who has not had disciplinary action taken against their CSLB license within the previous 12 months.
- (m) “Eligible Energy ~~Efficiency~~ Measures” or “EEEMs” means energy efficiency and clean energy measures eligible for financing under the Program, as established in Section 10091.4011. The list of EEEMs will be accessible from the Authority’s website. A measure that is eligible for an IOU, REN or CCA energy efficiency or demand response program and is not on the EEEMs list is eligible for financing.
- (n) “EEEMs ID” means the unique identification number associated with an individual EEEM as assigned by the Authority.
- (o) “EEEMs Measure Name” means the name associated with a particular EEEM as assigned by the Authority.
- (p) “Eligible Finance Lender” or “EFL” means a finance company that meets the requirements specified in Section 10091.2 and Section 10091.3.
- (q) “Eligible Financial Institution” or “EFI” means any insured depository institution, insured credit union, or Community Development Financial Institution, as those terms are each defined in Section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. Sec. 4701 et seq.).
- (r) “Eligible Improvements” means improvements made to Eligible Properties.
  - (1) Eligible Improvements may include:
    - (A) The installation of EEEMs that correspond to gas where an IOU delivers gas to the Eligible Property and that correspond to electricity where an IOU delivers electricity to the Eligible Property. This includes alterations and improvements that are legally or practically required to complete the installation of the EEEMs.
    - (B) Additional related home improvements to the Eligible Property. Equipment included on the EEEMs list as described in Section 10091.4011(j) but not meeting the requirements of the EEEMs list may not be included.
    - (C) Capitalized interest from a refinancing pursuant to Section 10091.5(c)(1).
  - ~~(2) Eligible Improvements do not include solar photovoltaic, solar thermal electric generation or other distributed generation or renewable energy systems.~~
- (s) “Eligible Loan” means a loan, retail installment contract or lease/service agreement made by a Participating Financial Institution or Participating Finance Lender to a Borrower to finance Eligible Improvements on an Eligible Property as described in Section 10091.5.

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- (t) “Eligible Project Developer” means an individual or entity that can become a Participating Project Developer pursuant to the eligibility requirements in Section 10091.7(a).
- (~~t~~)(u) “Eligible Property” means a residential property in California. ~~If the Borrower is not the owner of the property, EEMs not eligible for self-installation require the owner’s written consent to have the Eligible Improvements installed.~~ Eligible Property includes any of the following:
- (1) ~~Owned, rented or leased property. For a rented or leased property, EEMs not eligible for self-installation require the owner’s written consent to have the Eligible Improvements installed.~~
- (2)(1) Building types, including, but not limited to, single-family detached homes, townhomes, condominiums and apartment buildings.
- (3)(2) Manufactured and mobile homes if the manufactured or mobile home is anchored to a permanent, site-built foundation constructed of durable material, including, but not limited to, concrete, mortared masonry, and wood.
- (~~u~~)(v) “Enrolled Loan” means an Eligible Loan approved by the Authority for enrollment in the Program pursuant to Section 10091.89.
- (~~v~~)(w) “Executive Director” means the Executive Director of the Authority or their designee.
- (~~w~~)(x) “Interest Rate Buy-Down” or “IRBD” means a payment made to a PFI or PFL at the direction of the Authority, as described in Section 10091.17, with the intention of reducing the interest rate of an Eligible Loan.
- (~~x~~)(y) “Investor-Owned Utility” or “IOU” means Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, or Southern California Gas Company.
- (~~y~~)(z) “Loss Reserve Account” means an account established and maintained by the Trustee at the Authority’s direction for the benefit of a Participating Financial Institution, Participating Finance Lender or Successor Servicer to hold the Loss Reserve Contribution for Enrolled Loans.
- (~~z~~)(aa) “Loss Reserve Contribution” means the financial assistance provided to the Loss Reserve Account for the benefit of a PFI or PFL for each Eligible Loan enrolled in the Program as described in Section 10091.89 or for the benefit of a Successor Servicer for each Enrolled Loan purchased pursuant to Section 10091.4213.
- (~~aa~~)(bb) “Low-to-Moderate Income Borrower” or “LMI Borrower” means a Borrower in which the area median income of the census tract of the property address does not exceed 120% of the area median income for the Borrower’s metropolitan area, county or the State. For purposes of this section, “area median income” shall mean the midpoint of the census tract’s income distribution.

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- ~~(bb)~~(cc) “Microloan” means an Eligible Loan with a Total Loan Principal Amount of \$5,000 or less.
- ~~(ee)~~(dd) "Participating Channel Partner" or "PCP" means an Eligible Channel Partner that has been approved by the Executive Director to participate in the Program.
- ~~(dd)~~(ee) “Participating Contractor” means an Eligible Contractor that has been approved to participate in the Program by the Authority pursuant to Section 10091.6.
- ~~(ee)~~(ff) “Participating Finance Lender” or “PFL” means an Eligible Finance Lender, including their Participating Channel Partner, if applicable, that has been approved by the Executive Director to participate in the Program.
- ~~(ff)~~(gg) “Participating Financial Institution” or “PFI” means an Eligible Financial Institution, including their Participating Channel Partner, if applicable, that has been approved by the Executive Director to participate in the Program.
- ~~(hh)~~ “Participating Project Developer” means an individual or entity who identifies or assists in the identification of Eligible Improvements, or otherwise facilitates projects, for a Participating Contractor or a Borrower and has been approved to participate in the Program by the Authority pursuant to Section 10091.7. The Participating Project Developer may facilitate data exchange between the Authority, the Participating Contractor, the Borrower, and/or the PFI and/or PFL. The Participating Project Developer does not perform installations on a Project. A Participating Project Developer with the requisite CSLB license(s) may also apply to be a Participating Contractor in the Program.
- ~~(gg)~~(ii) “PFI, PFL or Successor Servicer’s Program Participation ID” or “Program Participation ID” is an identification number for the participating financial lender or institution, assigned by the Authority, when the PFI or PFL is approved to participate in the Program.
- ~~(hh)~~(jj) “Program” means the GoGreen Home Energy Financing described in these regulations and previously referred to as the Residential Energy Efficiency Loan Assistance Program. The Program may be referred to publicly as “GoGreen Home”.
- ~~(ii)~~(kk) “Program Holding Account” means accounts established and maintained by the Trustee at the Authority’s direction to hold funds allocated by funders of the Program for the Loss Reserve Contributions in separate accounts.
- ~~(jj)~~(ll) “Program Identifier” or “Program ID” means a number assigned by the Authority or its agents that represents a Program administered by the Authority. The Program ID will be used to track in which Program(s) a particular loan is enrolled.
- ~~(kk)~~(mm) “Regional Energy Network” or “REN” means a Regional Energy Network authorized by the CPUC.

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~~(H)~~(nn) “Self-Installer” means a Borrower who installs any Eligible Improvement that may be self-installed pursuant to Section 10091.411(b).

~~(mm)~~(oo) “Successor Servicer” means an Eligible Financial Institution or Eligible Finance Lender approved by the Authority pursuant to Section 10091.4213 to service Enrolled Loans sold by a PFI or PFL.

~~(nn)~~(pp) “Title 20” means the Appliance Efficiency Regulations described in Article 4 (commencing with Section 1601) of Chapter 4 of Division 2 of Title 20 of the California Code of Regulations, as applicable to the Eligible Improvements.

~~(oo)~~(qq) “Title 24” means the Building Standards Code of Title 24 of the California Code of Regulations, as applicable to the Eligible Improvements.

~~(pp)~~(rr) “Total Loan Principal Amount” means the total principal of an Enrolled Loan, which is not necessarily the same as the Claim-Eligible Principal Amount. The Total Loan Principal Amount does not include charges for ongoing service and/or maintenance and does not include any interest payments or ongoing finance charges.

~~(qq)~~(ss) “Trustee” means the bank or trust company chosen by the Authority to hold or administer some or all of the Program Holding Accounts and Loss Reserve Accounts.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate.**

- (a) An Eligible Financial Institution (EFI) or Eligible Finance Lender (EFL) seeking to become a Participating Financial Institution (PFI) or Participating Finance Lender (PFL) in the Program shall submit an enrollment application to the Authority that includes the information in this section in a form to be specified by the Authority.
- (b) General Application and Contact Information: The EFI or EFL must provide the following:
  - (1) Name and address of the EFI or EFL.
  - (2) Name, business address, business telephone number, email address, and title of contact person.
  - (3) Name, business address, business telephone number, email address, and title of all loan officers or staff who are authorized to provide and certify data and submit loan, retail installment contract, or lease/service agreement enrollments to the Authority under the Program.
  - (4) Type of finance company, denoting insured depository institution, insured credit union, Community Development Financial Institution, Financial Development Corporation, California Finance Lender or other.



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- (5) A list of the counties in California where its product may be available, or an indication that the product may be available statewide.
  - (6) Names of the regulatory agency and the insuring agency to which the EFI or EFL is accountable and license number(s), if applicable.
- (c) Channel Partner: The EFI or EFL must provide the name of the Eligible Channel Partner co-applicant, if applicable.
- (d) Proposed Product(s): The EFI or EFL must provide a description of proposed loan program including:
- (1) A detailed description of its loan or lease/service agreement program(s) to finance Eligible Improvements, including, but not limited to, anticipated loan product details, such as collateral required (if any), maximum and minimum loan amounts, interest rates (fixed or variable and for each term and credit tier), loan terms, fees and eligibility for renters and manufactured homes.
  - (2) A description of underwriting criteria, including any minimum credit score requirements, maximum total debt-to-income ratio, bankruptcy limitations and other disqualifying criteria.
  - (3) Sample transaction documentation.
  - (4) An indication of what may be financed through the Program.
  - (5) A comparison between the proposed product and the EFI's or EFL's typical product offerings indicating how the Loss Reserve Contribution will be utilized to provide benefits to Borrower in one or more of the following ways:
    - (A) Lower interest rates.
    - (B) Longer loan terms.
    - (C) More inclusive underwriting criteria.
    - (D) Any other advantageous features.
  - (6) A description of product marketing, loan origination and operational processes, including how the PFI or PFL will ensure compliance with Program rules, obtain and provide required data and certifications and submit loans for enrollment.
  - (7) An indication of which Borrower's certifications, pursuant to Section 10091.89(e) are not pertinent and may be forgone based on the proposed program.
  - (8) The EFI's or EFL's intent as to what it will do with the Eligible Loans, if known (e.g. hold, sell, transfer, participate), and the identity of a purchaser, if applicable.
- (e) Certifications: The EFI or EFL certifies the following:
- (1) The EFI or EFL is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body that would impair the EFI's or EFL's ability to participate in the Program.
  - (2) All forthcoming loan enrollment applications submitted by the PFI or PFL to the Authority meet all of the following:
    - (A) The loan enrollment applications will be for Eligible Loans and that the Borrowers receiving the Eligible Loans will meet the minimum

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- underwriting criteria set forth in these regulations. The Claim-Eligible Principal Amount will be limited to Eligible Improvements.
- (B) The Borrowers and Participating Contractors will have executed the required project certifications, the Borrowers will have executed the CHEEF Privacy Disclosures, and the PFI or PFL will have obtained them.
- (3) The application to participate in the Program will be signed by a person authorized to legally bind the applicant, and will include the signatory's printed name, title and date.
- (f) Acknowledgements and agreements: The EFI or EFL acknowledges and agrees to the following:
- (1) The PFI or PFL agrees that these regulations constitute a lender services agreement.
  - (2) The PFI or PFL agrees to follow the Program rules as set forth in this Article.
  - (3) The Authority is permitted to audit the PFI or PFL of any of its records relating to Enrolled Loans during normal business hours either remotely or on its premises, to be determined by the Authority, and to supply other information concerning Enrolled Loans as shall be requested by the Authority.
  - (4) The Authority and the State of California will have no liability to the PFI or PFL under the Program except from funds deposited in the Loss Reserve Account(s) for the PFI or PFL.
  - (5) To include the required information and certifications as described in Section 10091.89.
  - (6) The PFI or PFL is solely responsible for identifying and making any and all disclosures and providing periodic reports to its Borrowers as required under applicable laws.
  - (7) The PFI or PFL, to comply with all applicable laws, possesses and maintains all required state and federal licenses, and remains in good standing with all governmental authorities having jurisdiction over its business.
  - (8) IOUs are not responsible for, and shall have no liability for, the following:
    - (A) The energy ~~efficiency~~ improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts.
    - (B) The assessment of potential benefits and costs associated with those improvements.
    - (C) The qualification of PFIs or PFLs.
    - (D) The PFI's or PFL's marketing and lending policies and practices.
    - (E) The Authority's educational and outreach activities.
- (g) Indemnifications: The EFI or EFL as a PFI or PFL shall indemnify, defend and hold harmless the Authority, each of the IOUs, the IOUs' affiliates and each of the IOUs' respective officers, directors, employees, agents and representatives (each of which is an express beneficiary of this indemnity) from and against any and all losses arising in connection with any claim:

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- (1) Resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of the PFI or PFL including any failure of the PFI or PFL, or its agents, to comply with applicable laws in connection with Enrolled Loans.
  - (2) Resulting from any error or omission by the PFI or PFL or any of its agents in the calculation or presentation of principal repayments or interest with respect to an Enrolled Loan agreement, fees and charges, the receipt and processing of payments received from Borrowers or any collection or enforcement action.
  - (3) Alleging any breach of a representation, warranty or covenant by that PFI or PFL.
  - (4) Alleging any misrepresentation by the PFI or PFL or its agents with respect to the energy impacts ~~savings~~ to be achieved in connection with an Enrolled Loan, or any failure or deficiency in the products, materials or work supplied to a Borrower in connection with an Enrolled Loan.
  - (5) Arising from the PFI's or PFL's breach or alleged breach of the regulations and/or its confidentiality or privacy obligations under these regulations or with respect to the Program.
- (h) Upon receipt of a completed application and within ten (10) business days, the Authority will review and determine whether additional information is required or whether the application is sufficient to permit the applicant to be a PFI or PFL. The Authority's decision regarding enrollment shall be final. The Authority will notify the PFI or PFL of its decision and provide a Program Participation ID for the PFI or PFL.
- (i) After a PFI or PFL is enrolled in the Program, the PFI or PFL is responsible for updating the Authority with any changes to the information referenced in Section 19901.2(b)(1)-(6) above. Changes to the information referenced in Section 10091.2(b)(5) and Section 10091.2(d)(1)-(2) and Section 10091.2(d)(4)-(8) above are subject to approval by the Authority.
- (j) The Authority reserves the right to periodically assess the PFI's or PFL's loan program and the performance of its Enrolled Loans using the following formula:

*(Sum of current outstanding Claim-Eligible Loan Amount principal for loans reported as "Charged-off" and "Past Due") / (Sum of current outstanding Claim-Eligible Loan Amount principal for loans reported as "Current" plus the sum of original Claim-Eligible Loan Amount for loans reported as "Paid in Full")*

If the resulting value is a ratio of 25% or higher for three or more consecutive months, the following may occur:

- (1) The Authority may suspend approval of the PFI's or PFL's approved loan program and decline to enroll Eligible Loans where the Date Interest Rate was Finalized (per §10091.8(c)(37)) is five business days after the date that the PFI or PFL was notified of their suspension.
- (2) The PFI or PFL must submit to the Authority proposed amendments to their approved loan program with the intent of reducing the rate of loan charge-offs and delinquencies.

- (3) Within ten (10) business days of receipt of the proposed loan program amendments, the Authority will determine whether additional information is required or the amended loan program is sufficient to permit the PFI or PFL to resume Program participation.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.3. Additional Requirements for Finance Lenders.**

- (a) In addition to the requirements set forth in Section 10091.2, to be approved as a PFL, EFLs must meet the requirements in this section in a form to be specified by the Authority.
- (b) Insurance: Maintain and provide evidence of the following insurance coverage:
- (1) General liability with limits of not less than two million dollars (\$2,000,000) per occurrence for bodily injury and property damage liability combined. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom a claim is made or suit is brought subject to the EFL's limit of liability. The policy must include the State of California and its officers, agents, employees and servants as additional insureds, but only insofar as the operations under these regulations are concerned.
  - (2) Statutorily required workers' compensation and employer's liability coverage for all the EFL's employees who will be engaged in the Program, including special coverage extensions where applicable. Employer's liability limits of one million dollars (\$1,000,000) shall be required.
  - (3) All insurance coverage must be in force for the complete term during which the EFL is enrolled as a PFL. If any insurance expires during this term, a new certificate must be received by the Authority at least ten (10) business days prior to the expiration of the insurance. The new insurance must still meet the terms required in this section.
  - (4) The PFL is responsible for ensuring that coverage will not be cancelled without thirty (30) days' prior written notice to the Authority.
  - (5) The PFL is responsible for any deductible or self-insured retention contained within the insurance program.
  - (6) In the event the PFL fails to keep in effect at all times the specified insurance coverage, the Authority, in addition to any other remedies it may have, may terminate the PFL's participation in the Program on the occurrence of that event, subject to the provisions set forth in these regulations.
  - (7) Any insurance required shall be primary, and not excess, to any other insurance carried by the Authority.

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- (c) Company capacity: Demonstrate capacity as a consumer lender:
- (1) Provide evidence of net worth in excess of five hundred thousand dollars (\$500,000) and assets that exceed 0.5% of the assets under servicing pursuant to these regulations.
  - (2) Meet at least one of the following requirements:
    - (A) Hold a California Finance Lender license in good standing with the California Department of Financial Protection and Innovation, if applicable.
    - (B) Certify that EFL does not need a California Finance Lender license and the EFL holds all required licenses to offer the type of financing proposed through the Program in the state of California, and both:
      - (i) Demonstrate at least twenty million dollars (\$20,000,000) in committed capital for general financing activities.
      - (ii) Provide evidence that the EFL has originated at least 500 transactions in similar loans or lease/service agreements.
  - (3) Describe successorship plans or agreements in the case the PFL ceases to operate.
- (d) Qualifications: Demonstrate, in writing, all of the following capacities and/or experiences, including for each a description of key personnel and positions, systems, processes and facilities:
- (1) Consumer finance and, if applicable, coordination with home improvement contractors.
  - (2) Originating consumer loans, retail installment contracts or leases/service agreements in accordance with all applicable laws, unless applying to become a successor servicer.
  - (3) Underwriting consumer loans, unless applying to become a Successor Servicer.
  - (4) Servicing of the types of products the EFL will be providing.
  - (5) Quality control and management systems to evaluate and monitor the overall quality of the EFL's loan, retail installment contract, or lease/service agreement financing-related activities, including, where applicable, underwriting reviews and consumer complaint resolution processes.
- (e) Representations: Make all of the following representations, warranties and covenants to the Authority. These warranties are not limited to matters of which the EFL had knowledge. Matters that are of public record will be deemed to be known by the EFL.
- (1) Organization and Good Standing. The EFL is duly organized and validly existing under the laws of the state of its organization and California with due power and authority to own its properties and to conduct its business as those properties are currently owned and whose business is presently conducted, and had at all relevant times, and has, the power, authority and legal right to participate in this Program.
  - (2) Due Qualification. The EFL is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business will require those qualifications.

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- (3) Power and Authority. The EFL has the power and authority to execute and to carry out the terms of the Program.
- (4) No Proceedings. There are no proceedings or investigations pending or threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the EFL or its properties involving any of the following:
  - (A) Asserting the invalidity of these regulations.
  - (B) Seeking to prevent the consummation of any of the transactions contemplated by these regulations.
  - (C) Seeking any determination or ruling that might materially and adversely affect the performance by the EFL of its obligations under these regulations.
- (5) Qualified Staff and Adequate Facilities. The EFL has trained and qualified employees and suitable facilities and operating systems for the performance of the underwriting, origination and servicing functions required to carry out the Program. Where an EFL is seeking to become a Successor Servicer, those requirements related to employees, facilities and operating systems shall be sufficient to carry out all servicing functions required to carry out the Program. The EFL must maintain a written disaster recovery plan that covers the restoration of the facilities and the backup and recovery of information in electronic data processing systems. Alternate processing facilities and systems are required to ensure continuous operations. The EFL shall allow the Authority, at no additional cost, to inspect its disaster recovery plan and facilities.
- (6) Bad Acts. The EFL has established and shall maintain adequate internal audit and management control systems to guard against dishonest, fraudulent or negligent acts by employees and contractors involved in the origination process.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.4. Channel Partner**

- (a) An Eligible Channel Partner (ECP) seeking to become a Participating Channel Partner (PCP) shall include in the EFI's or EFL's enrollment application to the Authority the information specified in this section, in a form specified by the Authority.
- (b) Contact Information: The ECP must provide the following:
  - (1) Name, address, business phone number and website URL.
  - (2) Name, title, phone number and e-mail address of the contact person.
- (c) The ECP must provide the name of the EFI or EFL co-applicant, a description of the relationship with the EFI or EFL as well as the roles and specific duties the ECP will perform in relation to the Program and evidence demonstrating the ECP's qualifications and experience to perform those duties. The EFI or EFL co-applicant must also sign the ECP's application.

- (d) Certifications: The ECP certifies the following:
  - (1) The ECP is not subject to an injunction or other regulatory sanction from the appropriate federal or state regulatory body that would impair the ECP’s ability to participate in the Program.
  - (2) The ECP’s application to participate in the Program shall be signed by a person authorized to legally bind the ECP and shall include the signatory’s printed name, title and date.
  
- (e) Acknowledgements and agreements: The ECP acknowledges and agrees to all of the following if approved as a PCP:
  - (1) The PCP will follow the Program regulations as set forth in this Article.
  - (2) For PCPs that are submitting information on Eligible Loans to the Program, the PCP will retain all records the PCP generates relating to each Eligible Loan for the term of financing and make those records available to the Authority upon request.
  - (3) The PCP will comply with all applicable laws, possess and maintain all required state and federal licenses and remain in good standing with all governmental authorities having jurisdiction over the PCP’s business.
  - (4) The IOUs, the Authority and the State of California are not responsible for, and shall have no liability for either of the following:
    - (A) The qualification of PCPs.
    - (B) The PCP’s marketing policies and practices.
  - (5) The PCP and the PCP’s representatives and agents are not hired by the Authority or any of the participating IOUs through their participation in the Program, and shall not represent themselves as representing those entities.
  
- (f) Upon the receipt of a completed enrollment application of the ECP and EFI or EFL and, within ten (10) business days, the Authority will review and determine whether additional information is required or whether the application is sufficient to permit the applicant to be a PCP co-applicant to the PFI or PFL. The Authority’s decision regarding enrollment shall be final. The Authority will notify the PCP and PFI or PFL of the Authority’s decision. The PCP shall complete, sign and return the signature sheet to the Authority within ten (10) business days or at the time the co-applicant PFI’s or PFL’s first loan is enrolled, whichever occurs earlier.
  
- (g) After a PCP is enrolled in the Program, the PCP is responsible for updating the Authority with any changes to the information referenced in Section 10091.4(b)(1)-(2). Changes to the information referenced in Section 10091.4(c) are subject to approval by the Authority.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.5. Loan Eligibility and Minimum Underwriting Criteria.**

- (a) The Eligible Loan must meet the definition of one of the following products:

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- (1) A loan is an agreement between an EFI or EFL and a Borrower for a closed-end loan of a predetermined amount with periodic payments over a specified term to finance a Borrower's purchase of equipment. The Borrower will have ownership of the equipment from the time of purchase.
  - (2) A retail installment contract is an agreement of retail sale of equipment solely between a buyer and a seller that, pursuant to Civil Code Section 1802.6, provides for the repayment in at least four (4) installments, whether or not that contract contains a title retention.
  - (3) A lease/service agreement is an agreement that provides the Borrower with the use of equipment and could include ongoing service and maintenance, in exchange for payments in amounts that are due according to a schedule established in the agreement. The payments must result in the full satisfaction of the obligation. Those payments are made for a specified term. Title to the equipment may or may not transfer to the customer during the agreement. If the lease/service agreement includes ongoing service and maintenance, it must also guarantee the functionality of the equipment for the term of the agreement.
- (b) An Eligible Loan is not:
- (1) Secured by an interest in real property, except for a UCC-1 fixture filing.
  - (2) Financing for the construction or purchase of residential housing.
- (c) The refinancing of existing debt is only permitted when either:
- (1) Both loans or lease/service agreements are made within three (3) months by the same PFI or PFL for the same project.
  - (2) The existing debt is an Enrolled Loan refinanced by the original PFI or PFL.
- (d) Disclosure: For Eligible Loans that are leases, the PFI or PFL must disclose to the Borrower either:
- (1) An annual percentage rate (APR), inclusive of any fees, as well as any advance payments that the Borrower is required to pay.
  - (2) The total cost of the Project for the Borrower comprised of monthly payments multiplied by the number of months in the agreement plus any fees [(monthly payments \* number of months in the agreement) + fees]. Monthly payments as reported must be inclusive of, but not limited to, equipment and installation repayment, and any charges for financing, services, maintenance, or oversight of equipment.
- (e) Loans' terms and characteristics must be consistent with the loan program described by the PFI or PFL in its application to participate pursuant to Section 10091.2(d), or any revised program details provided in a report to the Authority pursuant to Section 10091.412(c)(1).
- (f) The Claim-Eligible Principal Amount of the loan proceeds must be used for Eligible Improvements to Eligible Properties in accordance with the following requirements:



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- (1) At least 70 percent of the proceeds must be used to fund EEEMs as specified in Sections 10091.1(n) and 10091.1(s)(1)(A), other necessary and related costs, such as installation, permitting and other legally required improvements. When an EEEM is removed from the list of EEEMs or its specification is revised, that EEEM and specification will continue to be eligible for inclusion under this subsection where the loan enrollment application is submitted within one hundred eighty (180) calendar days of EEEM's removal or revision.
  - (2) No more than 30 percent of the proceeds may be used for additional related home improvements as described in Section 10091.1(s)(1)(B).
- (g) The Claim-Eligible Principal Amount shall not exceed \$50,000 per unit for the Eligible Property, unless the project includes the "Solar Photovoltaic + Battery Storage" EEM, as described in Section 10091.11(j), in which case the Claim-Eligible Principal Amount shall not exceed \$75,000. If the Eligible Loan is underwritten without a credit score pursuant to Section 10091.5(i)(2), the Claim-Eligible Principal Amount shall not exceed \$35,000 without regard to the number of units of the Eligible Property, and the cap of thirty-five thousand dollars (\$35,000) shall apply to the Total Loan Principal Amount regardless of the Claim-Eligible Principal Amount.
- (h) The interest rate, as calculated at a time pursuant to the PFI's or PFL's standard business practices, shall not exceed the interest rate on new 10-year Treasury bonds plus seven hundred fifty (750) basis points as of the first business day of the applicable calendar quarter. Following quarterly interest rate adjustments, PFIs and PFLs shall have five (5) business days to update their processes and systems, including but not limited to marketing materials and underwriting processes, to reflect the new maximum interest rate.
- (i) Borrower credit score requirements:
- (1) The Borrower must have a minimum credit score of 580 except as allowed pursuant to Section 10091.5(i)(2). For Borrowers with credit scores between 580 and 640, the PFI or PFL must verify the Borrower's income as part of the underwriting process if the Total Loan Principal Amount exceeds twenty thousand dollars (\$20,000). The PFI or PFL must verify every Borrower's income, regardless of credit score, if the Total Loan Principal Amount exceeds fifty thousand dollars (\$50,000).
  - (2) Eligible Loans may also be provided to Borrowers with no credit score, provided the Borrower does not have any unexplained derogatory credit reports.
- (j) The Borrower's total debt-to-income ratio shall not exceed fifty-five percent (55%), unless the Eligible Loan is a Microloan.
- (k) In addition to the underwriting criteria described above, PFIs and PFLs may use a Borrower's utility billing and payment history to aid in underwriting an Eligible Loan.
- (l) A PFI or PFL may establish additional underwriting criteria beyond what is described in this section. A PFI or PFL has the responsibility for underwriting decisions and legal

compliance with respect to the Eligible Loans the PFI or PFL makes pursuant to these regulations.

- (m) A PFI or PFL may not enroll the Claim-Eligible Principal Amount of the Enrolled Loan in any substantially similar program.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.6. Contractor Qualification and Management.**

- (a) To participate in the Program as a Participating Contractor, an Eligible Contractor must complete a Program training regarding these regulations and the requirements set forth in these regulations offered by the Authority or the IOUs and submit an application to the Authority including the following information in a form to be specified by the Authority:
- (1) Business name and address of the Eligible Contractor.
  - (2) Name, website (if any), business address, business telephone number, e-mail address, contact information to be used by customers, title of contact person, and the preferred method of contact, such as email or telephone.
  - (3) Number of employees.
  - (4) CSLB license number.
  - (5) Type(s) of CSLB licenses relevant to the work performed under the Program.
  - (6) If the Eligible Contractor would like to have their business profile published on Program websites, geographic areas served, languages spoken, and types of services offered.
  - (7) Authorization, from Eligible Contractors who wish to include their logo for publicity, for the Authority to use that logo on Program websites as well as in other communication materials.
  - (8) The name(s) of individual(s) who are authorized to sign loan enrollment documents on behalf of the Eligible Contractor. The list can be updated at any time by the signatory of the Program application, the contact person defined in 10091.6(a)(2), or another individual already authorized to sign loan enrollment documents.
  - (9) The date of the mandatory training attended by the Eligible Contractor, or an attachment from the provider of the mandatory training containing this information.
  - (10) Certification that the Eligible Contractor has no outstanding judgments or liens.
  - (11) The Eligible Contractor’s agreement to follow the Program regulations as set forth in this Article, including the project requirements set forth in Section 10091.4011.
  - (12) The Eligible Contractor’s agreement to hold and maintain a commercial general liability insurance policy or policies of not less than one million dollars (\$1,000,000) per occurrence throughout their participation in the Program. The Eligible Contractor shall submit proof of that insurance in its application to the Authority.

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- (13) The Eligible Contractor’s agreement to permit the Authority to audit any of the Eligible Contractor’s records relating to the projects financed by Enrolled Loans during normal business hours either remotely or on its premises, and to supply any other information relating to those projects as shall be requested by the Authority.
- (14) The Eligible Contractor’s agreement that its representatives and agents are not hired by the Authority or any of the participating IOUs, and shall not represent themselves as being, or claim association or affiliation, with the Authority or any of the participating IOUs in any capacity. Further, the Eligible Contractor shall neither make false or misleading claims about any part of the Program or its performance, including energy performance savings, nor engage in fraudulent or deceitful conduct in the sale or installation of measures.
- (15) The Eligible Contractor’s acknowledgement that its employees and representatives shall be solely responsible for all representations made to Borrowers regarding the Program or work performed for a Borrower under the Program, and shall be responsible for all sales, installations, warranties, maintenance, and service for all products and systems installed.
- (16) The Eligible Contractor’s acknowledgement that the Authority and the State of California will have no liability to the Eligible Contractor under the Program.
- (17) The Eligible Contractor’s agreement that it indemnifies and holds the Authority harmless from any and all damages resulting from its representations, savings estimates, sales, warranties, maintenance, any installed measure, product, and/or system, and service for all installed measures, products, and/or systems.
- (18) The Eligible Contractor’s acknowledgement that information related to their participation in the Program and their projects financed through the Program, may be released to the IOUs, other state agencies, program funders, and the federal government pursuant to contracts, interagency agreements or, if required by law.
- (19) The Eligible Contractor’s agreement to and acknowledgement of the following:
  - (A) The Eligible Contractor is solely responsible for identifying and making any and all disclosures required under applicable laws.
  - (B) The Eligible Contractor shall comply with all applicable laws, possess and maintain all required state licenses, and remain in good standing with all governmental authorities having jurisdiction over its business.
  - (C) The Eligible Contractor acknowledges that the IOUs are not responsible for, and shall have no liability for:
    - (i) The energy ~~efficiency~~ improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts.
    - (ii) The assessment of potential benefits and costs associated with those improvements.
    - (iii) The selection of Participating Contractors.
    - (iv) The Participating Contractor’s marketing policies and practices.
    - (v) The Authority’s educational and outreach activities.

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- (b) The application shall be signed by a person authorized to legally bind the Eligible Contractor, and shall include the signatory's printed name, title, and date.
- (c) Upon the receipt of a completed application, the Authority will, within ten (10) business days, review and determine whether additional information is required, or whether the application is sufficient to permit the applicant to be a Participating Contractor. The Authority's decision regarding enrollment shall be final. The Authority will notify the Eligible Contractor of its decision.
- (d) The Authority will add Participating Contractors to a list that will be accessible from its website. If the Participating Contractor fails to enroll a project within a one (1) year period, the Authority may remove the Participating Contractor from the website.
- (e) On an annual basis, the Authority may randomly select a sample of Participating Contractors and conduct an audit to request updated proof of insurance, pursuant to Section 10091.6(a)(13).
- (f) Annually, the Authority may require up to one hour of Program-related online training to refresh or update Participating Contractors on Program requirements.
- (g) In the event of a misrepresentation, ~~or~~ failure to comply with the requirements set forth in these regulations, or failure to enroll a project with the Program within a three (3) year period on the part of a Participating Contractor, the Authority may remove the Participating Contractor. The Executive Director shall provide written notice of the removal and the right to appeal in accordance with the procedures set forth in paragraphs (1) through (3) below.
  - (1) Any Participating Contractor receiving a notice of removal shall have the right to submit information to the Authority and asking that the Executive Director reconsider the removal within fifteen (15) business days of the date of the notice.
  - (2) The Executive Director shall have ten (10) business days to respond to any information submitted pursuant to paragraph (1) of this subdivision, either reversing or affirming the removal. The Executive Director shall provide written notice of the decision and the right to appeal the decision to the Authority's governing board pursuant to paragraph (3) of this subdivision.
  - (3) Within fifteen (15) business days of the date of the notice from the Executive Director pursuant to paragraph (2) of this subdivision, the contractor shall have the right to appeal to the Authority's governing board. The appeal shall be in writing and shall set forth the information the contractor believes warrants a reversal of the Executive Director's decision. The Authority's governing board shall consider the appeal at the first regularly scheduled meeting occurring at least twenty (20) business days after the appeal is received.
- (h) A Participating Contractor may withdraw voluntarily from the Program after giving notice to the Authority.

Authority: Section 26009, Public Resources Code

Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.7. Project Developers.**

- (a) Eligibility Requirements: To become a Participating Project Developer with the Program, an Eligible Project Developer must:
- (1) Complete a training made available by the Authority.
  - (2) Submit an application to the Authority pursuant to Section 10091.7(b).
  - (3) Have no outstanding judgments or liens.
  - (4) Be covered by general liability insurance of at least \$1 million per occurrence.
  - (5) Demonstrate to the Authority that it fulfills at least one of the following criteria:
    - (A) Has completed at least 10 projects in a project developer role; or
    - (B) Has and maintains a verifiable contract as an IOU, REN, or CCA energy efficiency or demand response program implementer; or
    - (C) Has and maintains a verifiable registration as a third-party demand response provider/aggregator with the PUC and/or an IOU, or
    - (D) Has and maintains a verifiable certification or licensure with a state, federal or commercial energy audit program.
- (b) Program Application: To participate in the Program, the Eligible Project Developer must submit an application in a format approved by the Authority that:
- (1) Includes the data points specified in Section 10091.7(d).
  - (2) Includes the acknowledgements specified in Section 10091.7(e) and certifications specified in Section 10091.7(g).
  - (3) Includes proof of current insurance coverage as described in Section 10091.7(a)(4).
  - (4) Includes proof of compliance with at least one of the criteria as described in Section 10091.7(a)(5).
  - (5) Is signed by an individual authorized to legally bind the Eligible Project Developer.
- (c) Upon receipt of a completed application, the Authority will, within 10 business days, review and determine whether additional information is required or whether the application meets the above requirements in a manner sufficient to permit the applicant to be a Participating Project Developer. The Authority's decision regarding enrollment will be final. The Authority will notify the Eligible Project Developer of its decision.
- (d) Data points supplied by the Eligible Project Developer:
- (1) The project developer organization's name, address, and, if applicable, website URL.
  - (2) Name, title, business address, business phone number, and e-mail address of the project developer's Program contact person.
  - (3) Name, phone number, and e-mail address the Eligible Project Developer will make publicly available for sales and marketing purposes.

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- (4) The name(s) and e-mail address(es) of individual(s) who are authorized to certify and submit data to the Authority.
  - (5) A description of the types of services offered by the Eligible Project Developer as part of the Program.
  - (6) Any languages, in addition to English, in which the Eligible Project Developer can communicate with customers.
  - (7) The geographic area(s) serviced by the Eligible Project Developer.
  - (8) List of any IOU, PUC, REN, or CCA energy efficiency, demand response or third-party programs in which the Eligible Project Developer is currently participating.
  - (9) The date the Eligible Project Developer completed the mandatory training.
- (e) Acknowledgements of the Eligible Project Developer: The application must include the Eligible Project Developer’s acknowledgement, signed by an individual authorized to legally bind the Eligible Project Developer, that:
- (1) Its representatives and agents are not employees of the Authority or any of the participating IOUs, and must not represent themselves as such.
  - (2) The Authority and the State of California will have no liability to the Eligible Project Developer under the Program.
  - (3) The IOUs are not responsible for, and will have no liability for:
    - (A) The energy improvements funded through the Enrolled Financing Agreements supported by the Loss Reserve Accounts.
    - (B) The assessment of potential benefits and costs associated with those improvements.
    - (C) The selection of Eligible Project Developers.
    - (D) The Eligible Project Developer’s marketing policies and practices; and
    - (E) The Authority’s educational and outreach activities.
  - (4) The Eligible Project Developer’s acknowledgement that its employees and representatives shall be solely responsible for all representations made to Borrowers regarding the Program or work performed for a Borrower under the Program, and shall be responsible for providing all advertised services as agreed upon with the Borrower.
  - (5) The Eligible Project Developer’s acknowledgement that information related to their participation in the Program and their projects financed through the Program, may be released to the IOUs, other state agencies, program funders, and the federal government pursuant to contracts, interagency agreements or, if required by law.
- (f) Certifications of the Eligible Project Developer: The application must include the Eligible Project Developer’s representation, warranty, and covenant, signed by an individual authorized to legally bind the applicant, that as a Participating Project Developer the entity:
- (1) Is responsible for identifying and making all disclosures required under applicable finance laws.

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- (2) Must comply with all applicable laws and tariffs, possess and maintain all required state licenses, and remain in good standing with all governmental authorities having jurisdiction over its business.
- (3) Must follow Program rules as set forth in the regulations within this Article including, but not limited to, the Project requirements set forth in Section 10091.11.
- (4) Must hold and maintain a general liability insurance policy or policies of not less than \$1 million per occurrence throughout its participation in the Program. The Eligible Project Developer must submit proof of that insurance in its application to the Authority.
- (5) Must permit an audit, by the Authority, of any of its records relating to the Projects financed by Enrolled Financing Agreements during normal business hours on its premises, and must supply any other information relating to those projects as requested by the Authority.
- (6) Indemnifies and holds the Authority harmless from any and all damages resulting from its representations, savings estimates, sales, warranties, maintenance, any installed measure, product, and/or system, and service for all installed measures, products, and/or systems.
- (7) Must not make false or misleading claims about any part of the Program or its performance, including energy performance savings, or engage in fraudulent or deceitful conduct in the sale or installation of measures.
- (8) Has no outstanding judgments and/or liens.

(g) Additional Certifications of the Eligible Project Developer:

- (1) In addition to the certifications in Section 10091.7(f), the application must include certifications of the Eligible Project Developer, signed by an individual authorized to legally bind the Eligible Project Developer, that for all Projects submitted for enrollment in the Program as a Participating Project Developer:
  - (A) Any Participating Project Developer service costs were for services related to the Project.
  - (B) The Participating Project Developer complied with all Program regulations, rules, and requirements.
  - (C) All of the information provided by the Participating Project Developer is true and correct to the best of the Participating Project Developer's knowledge.

(h) Program Participation:

- (1) The Authority may publish the names of Participating Project Developers on its website(s).
- (2) Participating Project Developers must maintain general liability insurance of at least \$1 million per occurrence throughout its enrollment with the Program.
- (3) On an annual basis, the Authority may request updated proof of insurance, pursuant to Section 10091.7(a)(4).
- (4) Participating Project Developers must maintain, for a period of no less than 18 months following the Project Completion Date, all documentation they produced or relied upon in completing the Project, including, but not limited to, invoices,

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permitting documentation, and records conveying location of installed measures within each Eligible Property.

(5) If documents are requested by the Authority as part of a compliance verification pursuant to Section 10091.11(g), the Participating Project Developer must supply the documentation.

(6) Annually, the Authority may require up to one hour of Program-related online training to refresh or update Participating Project Developers on Program requirements.

(i) Removal from Program:

(1) If the Authority finds misrepresentation or failure to comply with the requirements set forth in the regulations within this Article on the part of a Participating Project Developer, the Executive Director may remove the Participating Project Developer from the Program.

(2) Upon removal from the Program, the project developer must cease utilizing any Program or associated brand logos or promotional materials and must not represent themselves as affiliated with the Program.

(3) Upon the removal of a Participating Project Developer, the Executive Director will remove the project developer from the Authority's website and other promotional materials. The Authority may notify other governmental agencies and/or the IOUs.

(4) The Executive Director will provide written notice of the removal, the basis for removal, and the right to appeal in accordance with the procedures set forth in this Section.

(A) Any Participating Project Developer receiving a notice of removal has the right to submit information, in writing, to the Authority explaining the misrepresentation or failure to comply with Program requirements and asking that the Executive Director reconsider the removal. The Authority must receive that information within 15 business days of the date of the notice of removal.

(B) The Executive Director will have 10 business days to respond to any information submitted pursuant to Section 10091.7(i)(3)(A), either reversing or affirming the removal. The Executive Director must provide written notice of the decision and the right to appeal the decision to the Authority pursuant to Section 10091.7(i)(3)(C).

(C) Within 15 business days of the date of the notice from the Executive Director pursuant to Section 10091.7(i)(3)(B), the Participating Contractor or Participating Project Developer will have the right to seek an appeal to the Authority. The appeal must be in writing and must set forth the information the Participating Project Developer believes warrants a reversal of the Executive Director's decision. The Authority must consider the appeal at the first regularly scheduled board meeting occurring at least 20 business days after the appeal is received.

(j) Withdrawal of Participating Project Developer:



- (1) A Participating Project Developer may withdraw from the Program after giving written notice to the Authority.

Authority: Section 26009, Public Resources Code Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

**§10091.78. Establishment and Funding of Loss Reserve Accounts.**

- (a) Upon the Authority’s acceptance of an application from an EFI or EFL to be a PFI, PFL, or Successor Servicer, the Authority shall instruct the Trustee to establish a Loss Reserve Account for the PFI, PFL, or Successor Servicer. At the PFI’s, PFL’s, or Successor Servicer’s request, the Authority will establish up to three Loss Reserve Accounts for the PFI, PFL, or Successor Servicer. The Loss Reserve Account(s) will be held by the Trustee and will be used for the following:
- (1) Receive and hold Loss Reserve Contributions deposited by the Authority for the benefit of a PFI, PFL, or Successor Servicer.
  - (2) Pay claims in accordance with Section 10091.910.
- (b) Upon the enrollment of an Eligible Loan all of the following shall occur:
- (1) The Authority will determine the Loss Reserve Contribution according to the following:
    - (A) For Enrolled Loans that are Microloans:
      - (i) To Borrowers meeting the definition of LMI Borrower, the Loss Reserve Contribution shall be twenty percent (20%) of the original Claim-Eligible Principal Amount.
      - (ii) To Borrowers who do not meet the definition of LMI Borrower or Credit-Challenged Borrower, the Loss Reserve Contribution shall be eleven percent (11%) of the original Claim-Eligible Principal Amount.
    - (B) For all Enrolled Loans to Credit-Challenged Borrowers, the Loss Reserve Contribution shall be twenty percent (20%) of the original Claim-Eligible Principal Amount.
    - (C) For all other Enrolled Loans, the Loss Reserve Contribution shall be five percent (5%) of the original Claim-Eligible Principal Amount.
    - (D) The contribution shall never be more than twenty percent (20%).
  - (2) The Authority will instruct the Trustee to transfer the Loss Reserve Contribution from the appropriate Program Holding Account.
  - (3) The Authority will notify the PFI or PFL of the enrollment, the CHEEF Loan ID corresponding to the Eligible Loan and the Loss Reserve Contribution transferred.
- (c) Without regard to the term and maturity date of the Eligible Loan, the term of the enrollment in the Program shall not exceed fifteen (15) years., unless the project includes

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the “Solar Photovoltaic + Battery Storage” EEM, as described in Section 10091.11(j), in which case the term shall not exceed twenty (20) years.

- (d) If upon review of the documentation provided by the PFI or PFL pursuant to this section that it appears through inadvertence the loan does not comply with Program requirements concerning Eligible Improvements as set forth in Section 10091.5(f), the Authority in its sole discretion may reduce the Claim-Eligible Principal Amount to bring the Enrolled Loan into compliance with the requirements of Section 10091.5(f).
  
- (e) Annually based on the fiscal year ending June 30, the Authority shall instruct the Trustee to rebalance a PFI’s or PFL’s Loss Reserve Account(s), if necessary, and move funds from the PFI’s or PFL’s Loss Reserve Account(s) into the appropriate Program Holding Account(s).
  - (1) For Enrolled Loans that were enrolled prior to January 1, 2024, the initial rebalance amount will be the sum of the original Loss Reserve Contributions associated with Enrolled Loans that were paid off in full during the fiscal year.
    - (A) If the PFI or PFL did not make any claims as provided under Section 10091.910 during the fiscal year, the initial rebalance amount will not be changed and the funds will be transferred from the PFI’s or PFL’s Loss Reserve Account to the appropriate Program Holding Account(s).
    - (B) If the PFI or PFL made one or more claims as provided under Section 10091.910 during the fiscal year and the total claim amount is less than the initial rebalance amount, the final rebalance amount will equal the initial rebalance amount less the claim amount.
    - (C) If the PFI or PFL made one or more claims as provided under Section 10091.910 during the fiscal year and the total claim amount is more than the initial rebalance amount, there will be no rebalance.
  
  - (2) For Enrolled Loans enrolled subsequent to January 1, 2024, the Authority shall recalculate the Loss Reserve Contribution amount of each loan based on the methodology described in §10091.7(b)(1), but using each loan’s current outstanding Claim-Eligible Principal Amount instead of the original Claim-Eligible Principal Amount. Prior to rebalancing, the PFI, PFL, or Successor Servicer may submit to the Authority a Borrower’s current credit score, retrieved within the previous six months prior to rebalancing, and the Authority shall use the updated credit score when recalculating the Loss Reserve Contribution amount.
    - (A) If the sum of each loan’s current Loss Reserve Contribution amount, less the amount of claims made by the PFI, PFL or Successor Servicer throughout the fiscal year, is lower than

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- the sum of the recalculated Loss Reserve Contribution amount, there will be no rebalance.
- (B) If the sum of each loan’s current Loss Reserve Contribution amount, less the amount of claims made by the PFI, PFL, or Successor Servicer throughout the fiscal year, is greater than the sum of each loan’s recalculated Loss Reserve Contribution amount, the rebalance amount will be the difference between the two sums. The funds will be transferred from the PFI’s or PFL’s Loss Reserve Account to the appropriate Program Holding Account(s).

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.89. Loan Enrollment.**

- (a) The terms and conditions of Eligible Loans, including interest rates, fees and other conditions, shall be determined solely by agreement between the PFI or PFL and the Borrower.
- (b) A PFI or PFL shall be authorized to submit a loan enrollment application to enroll an Eligible Loan in the Program once that loan is closed by providing the information described in Section 10091.89(c)-(g) in a format approved by the Authority.
- (c) The following data points for the submitted loan will be provided to the Authority:

	<b>Data points</b>	<b>Data provided by:</b>	<b>Exceptions</b>
<b>Borrower Information</b>			
1	Borrower first and last name	Any	
2	Borrower email	Any	
3	Borrower phone number	Any	
4	Borrower’s credit score range, denoting a score of 580-640, 641-700, 701-760, 761-820, 821 or higher, or no credit score	PFI or PFL	
5	An indication as to whether bill payment history was used in making the underwriting decision	PFI or PFL	
6	Borrower’s total debt-to-income ratio, denoting a range of less than 25%, between 25 and 35%, between 36 and 45%, or between 46 and 55%	PFI or PFL	Not required for Microloans
7	Borrower’s relationship to property: 1) owner-occupier, 2) owner non-occupier, 3)	Any	

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	renter or lessee, 4) other		
<b>Eligible Property Information</b>			
8	Eligible Property address (Street address, city, and ZIP code)	Any	
9	Census tract of Eligible Property	Any	Only required if the loan is a Microloan and the Lender is reporting the Borrower as an LMI Borrower for the purpose of a 20% Loss Reserve Contribution
10	Name(s) of the utility delivering electricity and gas, if applicable, to the Eligible Property	Any	For Microloans, only the name of the utility that corresponds to the fuel source for the EEEM(s) is required <u>unless the EEM(s) is a fuel switch measure as described in Section 10091.11(j)</u>
11	The utility account number(s) for the Eligible Property, if applicable	Any	For Microloans, only the account number that corresponds to the fuel source for the EEEM(s) is required <u>unless the EEM(s) is a fuel switch measure as described in Section 10091.11(j)</u>
12	Number of units at the property being upgraded	Any	
<b>Project Information (for each contractor or Self-Installer’s scope of work)</b>			
13	Registered name or DBA of the Participating Contractor; or indication of Self-installer	Contractor/Self-Installer/ <u>Project Developer</u>	For Microloans, if the measure(s) are installed by a licensed contractor who is not a Participating Contractor, this data point is not required
14	Participating Contractor CSLB license number	Contractor/ <u>Project Developer</u>	For Microloans or Self-Installer projects, this data point is not required
15	EEEMs ID (For each EEEM)	Any	
16	Measure name (For each EEEM)	Any	

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17	Quantity installed (For each EEEM)	Any	
18	Indication of whether the installation resulted in a fuel substitution for the measure (For each EEEM)	Any	
19	The total cost for each EEEM and its installation	Any	
20	The cost and description of any legal and practical measures required to complete the project, but that are not associated with any specific EEEM(s)	Any	
21	The cost and description of other additional related home improvement measures installed that are not listed as EEEMs or which utilize a non-IOU fuel source	Any	
22	Total project cost	Any	
23	Indication of whether the project added square footage to the home	Any	
24	Date(s) the contractor(s) or Self-Installer completed the installation	Any	
25	<del>An indication of whether any distributed-generation was included in the project and if so, a description and associated cost for the distributed generation measures installed</del>	Any	-
<del>25</del> 26	Indication of whether the Participating Contractor or Borrower has received or will apply for a utility, REN, or CCA energy efficiency rebate or incentive and the name of the rebate/incentive program and if known, the project ID	Any	
26	<u>Evidence of grid-interconnection</u>	Any	<u>Only required if the project includes the “Battery Storage Expansion” or “Solar Photovoltaic + Battery Storage” measures</u>
27	<u>Evidence of solar photovoltaic generation</u>	Any	<u>Only required if the project includes the “Battery Storage Expansion” measure</u>
<b>Loan Information</b>			
<del>27</del> 28	PFI’s or PFL’s name and Program Participation ID	PFI or PFL	
<del>28</del> 29	Program ID (Indication that the Eligible Loan is being submitted for enrollment in	PFI or PFL	

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	the Program)		
<del>293</del> <u>0</u>	Loan officer name	PFI or PFL	
<del>303</del> <u>1</u>	The PFI's or PFL's internal loan identification number. This number should not be identical to a Borrower's account number with the PFI or PFL	PFI or PFL	
<del>313</del> <u>2</u>	Installer Type (Whether the project included a Self-Installer, Participating Contractor, professional installer who is not a Participating Contractor, and/or more than one Participating Contractor)	PFI or PFL	
<del>323</del> <u>3</u>	Total Loan Principal Amount	PFI or PFL	
<del>333</del> <u>4</u>	Claim-Eligible Principal Amount	PFI or PFL	
<del>343</del> <u>5</u>	Type of loan (e.g. term loan, retail installment contract, lease/service agreement)	PFI or PFL	
<del>353</del> <u>6</u>	Whether or not the loan is secured or unsecured	PFI or PFL	
<del>363</del> <u>7</u>	Term and maturity date	PFI or PFL	
<del>373</del> <u>8</u>	Date interest rate was finalized	PFI or PFL	
<del>383</del> <u>9</u>	Origination date	PFI or PFL	
<del>394</del> <u>0</u>	Interest rate, and whether it is fixed or variable	PFI or PFL	
<del>404</del> <u>1</u>	Whether Borrower has agreed to ACH auto pull	PFI or PFL	
<del>414</del> <u>2</u>	Whether the Borrower qualifies as an LMI Borrower for the purpose of a 20% Loss Reserve Contribution	PFI or PFL	Only required if the loan is a Microloan

- (d) The following certifications from an authorized signatory of each Participating Contractor, if any participated in the project, shall be provided to the Authority:
- (1) The Participating Contractor(s) who performed the work and completed the project is (are) licensed to perform the work related to the installation of the Eligible Improvements.
  - (2) In addition to other project requirements, the completed project also meets the following criteria:
    - ~~(A) The improvements listed by the contractor on the invoice as Eligible Improvements comply with Program guidelines.~~
    - ~~(B) The Eligible Improvements listed on the Itemized Invoice were installed.~~
    - (A) The submitted Eligible Improvements were installed.

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- (B) The submitted Eligible Improvements installed comply with Program guidelines.
  - (3) The installation of the Eligible Improvements complies with all the applicable California building standards (such as Title 24) and any additional laws, ordinances, regulations and standards applicable in the jurisdiction where the installation occurred.
  - (4) All permits required to install the Eligible Improvements have been secured or are in the process of being secured.
  - (5) The Borrower was provided with a Bill Impact Estimate.
  - (6) Safety testing was completed and passed if required by the project as specified in Section 10091.1011(f).
- (e) Certifications from the Borrower of the following will be provided to the Authority:
- (1) For all projects:
    - (A) The equipment will be installed at the project address provided to my lender.
    - (B) I will use loan proceeds to pay for equipment and/or installations per Program rules.
    - (C) I have been informed of how this project may affect my utility bill.
    - (D) I understand that CAEATFA and its directors, officers, and agents and the IOUs and their directors, officers and agents do not guarantee the performance, quality or workmanship of the equipment.
    - (E) I acknowledge and agree to allow CAEATFA, or its representatives, access to verify the equipment meets Program requirements.
  - (2) Additionally, for projects with equipment requiring professional installation per the Program rules:
    - (A) I have secured or will secure a CSLB-licensed contractor.
    - (B) All installation(s) by a Participating Contractor have been completed to my satisfaction.
  - (3) Additionally, for projects with equipment that require(s) permits, all permits have been or will be secured.
- (f) Proof of electric or gas delivery at the project address for each utility servicing the property dated within ninety (90) days of credit approval through one of the means listed in paragraphs (1)-(4) will be provided to the Authority. For Microloans, only proof of the utility that corresponds to the fuel being utilized by the EEM(s) is required unless the EEM(s) is a fuel switch measure as described in Section 10091.11(j).
- (1) Copy of a current utility bill demonstrating electric and or gas delivery to the property.
  - (2) Letter of confirmation establishing utility service at the property.
  - (3) Evidence that the property is served by a master meter in a mobile home park.
  - (4) Certification by either a PFI, PFL, or Participating Contractor of either of the following:-
    - (A) That is implementing a utility energy efficiency program that the Borrower is receiving fuel delivered by that utility.

- (B) That customer utility account data has been validated through a third-party digital authentication.
  
- (g) An executed California Hub for Energy Efficiency Financing Disclosure as described in Section 10091.4516 shall be provided to the Authority.
  
- (h) The PFI or PFL shall be authorized to base the information requested in Section 10091.89(c) upon representations made to the PFI or PFL by the Borrower and/or the Self-Installer and/or the Participating Contractor, provided that the representation cannot be relied upon if it is known to be false by the lending officers at the PFI or PFL who are directly involved in the negotiation of the Eligible Loan.
  
- (i) Where the Authority determines that a loan enrollment application is incomplete, a PFI or PFL shall be authorized to submit a revised and complete loan enrollment application.
  
- (j) The Authority, upon the receipt of the documentation required pursuant to this section from the PFI or PFL, shall have ten (10) business days to enroll the Eligible Loan if the Executive Director determines that the Eligible Loan meets the requirements of this Article. The Executive Director’s determination whether an Eligible Loan shall be enrolled in the Program shall be final.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.910. Claims.**

- (a) A PFI, PFL, or Successor Servicer shall be authorized to make a claim for reimbursement for up to ninety percent (90%) of a loss from the outstanding Claim-Eligible Principal Amount prior to the liquidation of collateral or realization on personal or other financial guarantees or from other sources. The outstanding Claim-Eligible Principal Amount does not include unpaid interest, unpaid late fees, or other unpaid charges.
  
- (b) A PFI, PFL, or Successor Servicer shall notify the Authority within sixty (60) calendar days after charging off an Enrolled Loan and include the date of the charge-off and the amount of the outstanding Total Loan Principal Amount that was charged-off.
  
- (c) To make a claim, the PFI, PFL, or Successor Servicer shall submit a claim application to the Authority in a format approved by the Authority within one hundred eighty (180) calendar days of the date of charge-off of an Enrolled Loan. To make a claim, a PFI, PFL, or Successor Servicer must be in compliance with the Program requirements, including the reporting requirements in Section 10091.4412. The claim application must include the following information:
  - (1) Name of the PFI, PFL, or Successor Servicer.
  - (2) Name, business telephone number and e-mail address of contact person.
  - (3) Lender internal identification number, as described in Section 10091.89(c).



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- (4) CHEEF Loan ID of the Enrolled Loan.
  - (5) An indication as to whether the Enrolled Loan is enrolled in the Program.
  - (6) Original Claim-Eligible Principal Amount.
  - (7) Original Total Loan Principal Amount.
  - (8) Outstanding Claim-Eligible Principal Amount at the time of charge-off.
  - (9) Outstanding Total Principal Amount.
  - (10) Charge-off amount.
  - (11) Amount recovered.
  - (12) Claim amount.
  - (13) Beneficiary of the claim payment, if an entity other than the PFI, PFL, or Successor Servicer.
  - (14) Amount of any inchoate losses.
  - (15) Charge-off date.
  - (16) If the Enrolled Loan is secured, a statement of whether the PFI, PFL or Successor Servicer has commenced enforcement proceedings.
  - (17) Whether any acceleration notices have been sent.
  - (18) If a PFI, PFL or Successor Servicer files a claim while one or more claims are already pending the Authority's review, a statement of the priority of payment of the claim compared to the other claims in the event the balance of the Loss Reserve Account is insufficient to pay all the claims.
  - (19) Certification that the notice was filed with the Authority as required by Section 10091.910(b), and certification that the charge-off was made in a manner consistent with the PFI, PFL or Successor Servicer's usual methods for taking action on loans that are not Enrolled Loans under the Program.
  - (20) The claim information shall be executed by an authorized signatory, who can bind the PFI, PFL or Successor Servicer, and shall include the signatory's printed name, title, and date.
  - (21) Certification that the PFI, PFL or Successor Servicer will comply with reporting requirements on recoveries, as laid out in Section 10091.910(d)-(e).
- (d) All claims will be paid net of any recovery made by the PFI, PFL, or Successor Servicer prior to the filing of the claim. If, subsequent to the payment of a claim by the Authority, the PFI, PFL or Successor Servicer recovers from the Borrower, from liquidation of collateral or from any other source, amounts for which the PFI, PFL, or Successor Servicer was paid by the Authority, the PFI, PFL, or Successor Servicer shall apply the recoveries in the following order:
- (1) The PFI's, PFL's, or Successor Servicer's reasonable costs of reasonable collection efforts.
  - (2) The PFI's, PFL's, or Successor Servicer's loss on the portion of the Claim-Eligible Principal Amount not covered by the Authority's claim payment.
  - (3) The PFI's, PFL's, or Successor Servicer's reimbursement to the Program Holding Account(s) for the claim paid.
  - (4) The PFI, PFL, or Successor Servicer may retain recoveries that exceed reimbursements to the Program Holding Account(s).

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- (e) The PFI, PFL, or Successor Servicer shall notify and reimburse the Authority if any recoveries are made subsequent to the submission of the claim application.
- (f) The Authority shall approve claims within thirty (30) calendar days of the Authority’s receipt of a completed and qualified claim request, provided, however, that the Executive Director shall be authorized to reject a claim if the Executive Director determines the representations and warranties provided by the PFI, PFL, or Successor Servicer pursuant to Section 10091.89 at the time of enrolling the Eligible Loan were false, or the PFI, PFL, or Successor Servicer is not in compliance with its obligations, including reporting obligations, under these regulations. The Authority, upon providing written notice to the PFI, PFL, or Successor Servicer, may defer the approval of claims up to an additional thirty (30) calendar days if the Authority requires more information to determine if the claim shall be paid. Prior to authorizing a disbursement from a Loss Reserve Account, the Authority may request additional documentation from the PFI, PFL, or Successor Servicer related to the Enrolled Loan.
- (g) Upon the approval of a claim, the Authority shall direct the Trustee to disburse the approved claim amount within five (5) business days.
  - (1) Where a PFI or PFL makes its first claim request within one (1) year of enrolling its first loan in the Program, the Authority will instruct the Trustee to withdraw the approved claim amount from the appropriate Program Holding Account(s) and disburse those funds to the PFI or PFL. This claim reimbursement will not affect the PFI’s or PFL’s Loss Reserve Account balance. This provision shall not apply to Enrolled Loans where the servicing responsibility has been assumed by a new PFI, PFL or Successor Servicer pursuant to Section 10091.4213. Where a PFI, PFL, or Successor Servicer is participating in the Program and another pilot program administered by the California Hub for Energy Efficiency Financing, the claim described in this section is not additive for that PFI, PFL, or Successor Servicer.
  - (2) Except as set forth in Section 10091.910(g)(1), the Authority will instruct the Trustee to withdraw the approved claim amount from the PFI, PFL, or Successor Servicer’s Loss Reserve Account.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.4011. Project Requirements.**

- (a) All Eligible Improvements financed by the Program must meet applicable quality assurance requirements as specified in this section.
- (b) A Self-Installer may install or have installed the Eligible Improvements described in Section 10091.4011(b)(1)-(2) below. The Self-Installer must provide proof of purchase to the PFI’s or PFL’s satisfaction:

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- (1) EEEMs listed in the table in Section 10091.1011(j) as eligible for self-installation.
  - (2) Additional related home improvements as described in Section 10091.1(s)(1)(B).
- (c) The contractor performing the work must be a Participating Contractor as of the date they received approval to proceed with the project from a PFI or PFL, except for when:
- (1) The work is performed by a Self-Installer.
  - (2) The work is to install alterations or improvements that are legally and practically required to complete the installation of EEEM(s), as described in Section 10091.1(s)(1)(B).
  - (3) The work is to install additional related home improvements as described in Section 10091.1(s)(1)(B).
  - (4) The work is financed by a Microloan. For projects financed with Microloans that include EEEMs not eligible for self-install, work must be performed by a CSLB-licensed contractor.
- (d) The Participating Contractor must ensure all applicable permits and approvals have been obtained and must comply with all applicable laws for the work being performed.
- (e) The Borrower must be provided with a Bill Impact Estimate.
- (f) The Participating Contractor must ensure the following safety testing requirements are met:
- (1) Where a project includes either of the EEEMs described in this paragraph and the Eligible Property contains one or more atmospherically-vented combustion appliances within the building's sealed envelope, a safety test must be performed. The Eligible Property must pass this test prior to the enrollment of the Eligible Loan.
    - (A) Whole building air sealing.
    - (B) Duct sealing and/or duct replacement.
    - (C) Duct Sizing or Optimization.
  - (2) The safety test may be either a Combustion Appliance Safety Test, a Combustion Appliance Zone Test, a Natural Gas Appliance Test or a substantially similar test consistent with standard industry practice. The safety test must be completed after the work is complete by a contractor who meets any of the following requirements:
    - (A) Approved to participate in an IOU, REN or CCA whole house retrofit program in the corresponding IOU territory.
    - (B) Certified by the Building Performance Institute (BPI) as a Building Analyst, Envelope Professional, Heating Professional, Air Conditioning and Heat Pump Professional or BPI GoldStar Contractor.
    - (C) Completed a training course on and is proficient in the generally accepted standards for combustion safety and ventilation testing, such as Natural Gas Appliance Testing (NGAT).
  - (3) If multiple Participating Contractors work on a project and the combined measures of the project trigger a safety test, the Participating Contractor who

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installed any of the measures described in Section 10091.4011(f)(1) will arrange for the safety test, unless otherwise agreed upon by the Participating Contractors.

- (g) To verify that the Eligible Improvements were installed in accordance with this Article, within one (1) year of enrolling the Eligible Loan, the Authority may conduct one or more of the following quality assurance/quality control reviews:
  - (1) A desktop review that may require the Participating Contractor(s) to submit project-related documentation, such as the customer invoice, proof of permit closure and proof of a passed safety test, including the name and licensure or credentials of the tester.
  - (2) A field verification at the Eligible Property(ies) for which the Borrower shall be notified at least ten (10) business days prior to the field verification.
  - (3) Photo verification.
  
- (h) Where Eligible Improvements are installed by a Participating Contractor, if the Authority finds that the Eligible Improvements were not installed in accordance with the requirements of this section or that the Participating Contractor misrepresented information related to the work, the Authority may remove the Participating Contractor from Program participation pursuant to the processes described in Section 10091.6 and/or may notify other government agencies and utility providers.
  
- (i) Where Eligible Improvements are installed by a Self-Installer, if the Authority finds that the Eligible Improvements were not installed in accordance with these requirements or that the Self-Installer misrepresented information related to the work, the Authority may notify other government agencies and utility providers.
  
- (j) The following table designates the EEEMs for the Program, corresponding requirements, the fuel source eligibility and whether or not the measure is eligible for self-install. All measures must meet Title 20 or Title 24 requirements, when applicable.

Measure Category	Measure	Requirements	Fuel Source	Eligible for Self-Install	<u>Fuel Switch</u>
Appliances	Air Cleaner/Purifier	ENERGY STAR	Electric	Yes	
Appliances	Clothes Dryer (Electric)	ENERGY STAR	Electric	Yes	
Appliances	Clothes Dryer (Gas)	ENERGY STAR	Gas	Yes	
Appliances	Clothes Washer	ENERGY STAR	Electric Gas	Yes	
Appliances	Dishwasher	ENERGY STAR	Electric Gas	Yes	
Appliances	Freezer	ENERGY STAR	Electric	Yes	
Appliances	Heat Pump Clothes Dryer	ENERGY STAR	Electric	Yes	
Appliances	Induction Range or Cooktop	ENERGY STAR	Electric	Yes	
Appliances	Range Hood	ENERGY STAR	Electric	Yes	
Appliances	Convection Oven (Electric)		Electric	Yes	
Appliances	Refrigerator	ENERGY STAR	Electric	Yes	

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Building Envelope	Air Sealing		Electric Gas	No	
Building Envelope	Attic Insulation		Electric Gas	No	
Building Envelope	Cool Roof		Electric	No	
Building Envelope	Floor Insulation		Electric Gas	No	
Building Envelope	Heat Reflective Coatings	Solar reflectance > 0.5 as tested to ASTM C1549-16	Electric	No	
Building Envelope	Insulated Siding	Siding panels with rigid foam insulation backing	Electric Gas	No	
Building Envelope	Radiant Barrier	For attic installation only	Electric Gas	No	
Building Envelope	Wall Insulation		Electric Gas	No	
Building Envelope	Window Coverings: Exterior	Solar screens, roller shade/shutters, louvered shutters, or awnings. Must be attached to the building structure.	Electric	No	
Building Envelope	Window Coverings: Interior	Cellular shades, window quilts, or roman shades installed in a conditioned space and covering the entire window aperture. Not included: louvered blinds or shutters; drapes; curtains; sheer, roller, or pleated shades; solar screens.	Electric Gas	Yes	
Building Envelope	Window Film	May only be installed in conditioned spaces.	Electric Gas	Yes	
Building Envelope	Windows	May only be installed in conditioned spaces.	Electric Gas	No	
<u>Clean Energy</u>	<u>Solar Photovoltaic + Battery Storage</u>	<u>Must be installed together</u>	<u>Electric</u>	<u>No</u>	
<u>Clean Energy</u>	<u>Battery Storage Expansion</u>	<u>Must be paired with an existing solar photovoltaic system</u>	<u>Electric</u>	<u>No</u>	
Demand Response	Thermal Energy Storage (TES) System	Must be used for the purpose of permanent load shifting (PLS)	Electric	No	
HVAC	Air Filter Alarm or Sensor		Electric Gas	No	
HVAC	Air Filter Upgrade - MERV	MERV 13 air filter upgrade. Must be installed with an ECM fan motor and a filter sensor or alarm.	Electric Gas	No	
HVAC	Central Air Conditioning Unit		Electric	No	
HVAC	Central Heating and Air Conditioning System		Electric Gas	No	
HVAC	Diagnostic or Fault Detection Alert Systems		Electric Gas	No	
HVAC	Duct Insulation		Electric Gas	Yes	
HVAC	Duct Sealing		Electric Gas	No	

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HVAC	Duct Sizing or Optimization		Electric Gas	No	
HVAC	ECM Furnace Fan Motor		Electric	No	
HVAC	Evaporative Cooling		Electric	No	
HVAC	Fan or Motor Control		Electric	No	
HVAC	Furnace - Residential		Gas	No	
HVAC	Heat Pump		Electric	No	<u>Yes</u>
HVAC	HVAC Tune-up and Optimization		Electric Gas	No	
HVAC	Hydronic Radiant Heating		Electric Gas	No	
HVAC	Mini Split	18 SEER or greater	Electric	No	<u>Yes</u>
HVAC	Mini Split Air Conditioning System	18 SEER or greater	Electric	No	<u>Yes</u>
HVAC	Smart Thermostat	Programmable and communicating thermostat	Electric Gas	Yes	
HVAC	Ventilation Fan	ENERGY STAR	Electric	No	
HVAC	Wall Furnace		Gas	No	
HVAC	Whole House Fan		Electric	No	
Lighting	LED Lighting	LED lighting bulbs and fixtures. Must be ENERGY STAR Certified. Recessed light fixtures in insulated ceilings must be rated ICAT (insulation contact air tight)	Electric	Yes	
Lighting	LED Tape Lighting		Electric	Yes	
Other	Other Measures Qualifying Through IOU/REN/CCA Programs	Measure not elsewhere on this list that qualifies for an IOU/REN/CCA energy efficiency or demand-side <del>energy response</del> program.	Electric Gas	No	
Other	Other Measures Qualifying Through IOU/REN/CCA Programs - Self Install	Measure not elsewhere on this list that qualifies for an IOU/REN/CCA energy efficiency or demand-side <del>energy response</del> program and for which the IOU/REN/CCA program allows self-install.	Electric Gas	Yes	
<u>Other</u>	<u>Smart Home Energy Management System</u>	<u>ENERGY STAR</u>	<u>Electric Gas</u>	<u>Yes</u>	
Pool Products	Pool Cover (Electric Heater)		Electric	Yes	
Pool Products	Pool Cover (Gas Heater)		Gas	Yes	
Pool Products	Pool Pump Motor	ENERGY STAR	Electric	Yes	
<u>Transportation</u>	<u>Electric Vehicle Chargers</u>	<u>ENERGY STAR</u> <u>Must be capable of internet connectivity for grid connection</u>		<u>No</u>	
Water Heating	Faucet Aerator		Electric Gas	Yes	

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Water Heating	Heat Pump Water Heater	ENERGY STAR	Electric	No	<u>Yes</u>
Water Heating	Pipe Insulation		Electric Gas	Yes	
Water Heating	Shower Head - Low Flow		Electric Gas	Yes	
Water Heating	Shower Thermostatic Valve		Electric Gas	No	
Water Heating	Solar Water Heater	ENERGY STAR	Electric	No	<u>Yes</u>
Water Heating	Tank Insulation		Electric Gas	Yes	
Water Heating	Tank Water Heater (Gas)	ENERGY STAR	Gas	No	
Water Heating	Tankless Water Heater (Electric)		Electric	No	<u>Yes</u>
Water Heating	Tankless Water Heater (Gas)	ENERGY STAR	Gas	No	

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.412. Reporting.**

- (a) PFIs, PFLs, and Successor Servicers will provide a monthly report, in a format approved by the Authority, to the Authority on the status of each Enrolled Loan by the 5th day of the following month.  
The report will include the PFI, PFL, and Successor Servicer company name, the year and month the report is representing and the date the report is issued. The report will include all of the following:
- (1) CHEEF Loan ID.
  - (2) PFI, PFL, and Successor Servicer internal ID for the Enrolled Loan.
  - (3) The Current outstanding Total Loan Principal Amount.
  - (4) Loan status, including whether a loan is current; 30, 60, 90, or 120 days past due; paid in full; or charged off.
  - (5) Updated interest rate, if applicable.
  - (6) Sale or transfer of any loan, portfolio of loans or assignment of repayment streams, in-whole or in-part, of any loan, including the date of sale or transfer, name(s) of the purchaser(s), transferee(s), or assignee(s) and percentage of the loan or portfolio sold, transferred or assigned.
  - (7) Closed Enrolled Loans shall be reported in the month the Borrower pays or the PFI, PFL, or Successor Servicer charges off the loan. Once the PFI, PFL, or Successor Servicer has reported the Enrolled Loan as paid-off or charged-off, it does not need to be included on future monthly reports.
- (b) Upon request from the Authority, but not more than monthly, the PFI or PFL shall make a good faith effort to provide the following marketing and activity information:
- (1) Number of loan, retail installment contracts and lease/service applications received during the reporting period.
  - (2) Number of applications approved during the reporting period.

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- (3) Description of any promotions or other noteworthy patterns or activities.
  - (4) Changes in interest rates for the appropriate comparable non-Program products of the PFI or PFL for the purpose of helping the Authority determine ongoing benefits to borrowers that result from the loss reserve.
- (c) PFIs, PFLs, and Successor Servicers will provide an annual report to the Authority no later than January 15th with all of the following:
- (1) Any material changes to information or certifications provided in the initial application to participate or on any subsequent updated certifications or approved product modifications, or indicate that all statements made remain materially unchanged.
  - (2) Reaffirm or note any change to licenses and insurance provided in the initial application to participate.
- (d) PFIs, PFLs, and Successor Servicers will report to the Authority when the PFI, PFL, or Successor Servicer has any of the following occur:
- (1) Becomes subject to a cease-and-desist order or other regulatory sanction with the appropriate federal or state regulatory body. The report must be submitted within thirty (30) calendar days of that action.
  - (2) Changes the terms of an Enrolled Loan within the allowed term of enrollment in the Program. The report must be submitted in the subsequent monthly report. The Authority will not provide additional Loss Reserve Contributions for an Enrolled Loan whose loan term has changed or extend the time for which a claim may be filed beyond the fifteen (15) years set forth in Section 10091. 7(c).
  - (3) Changes the servicer of an Enrolled Loan without selling the Enrolled Loan. The report must be submitted at least ten (10) business days prior to the new entity assuming the servicing of the Enrolled Loan(s). The notification should include the date on which the change in servicing shall be effective and contact information for the new servicer.
  - (4) Charges-off an Enrolled Loan. The report must be submitted within sixty (60) calendar days pursuant to Section 10091.910(b).
  - (5) Recovers any proceeds of a charged-off Enrolled Loan. The report must be submitted within sixty (60) calendar days and include gross amounts recovered through collection activities and the net amount remitted by the Loss Reserve Account.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.1213. Sale of Enrolled Loans.**

- (a) A PFI or PFL may sell, transfer or assign the associated repayments of an Enrolled Loan in whole or in part, or portfolio of Enrolled Loans in whole or in part, at its discretion. In those cases, the PFI or PFL will do all of the following:



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- (1) Retain all reporting obligations relative to participation in the Program as set forth in Section 10091.~~44~~12, unless a new servicer has agreed to do so pursuant to Section 10091.~~42~~13(b).
  - (2) Remain the sole entity that can file a claim for reimbursement from the loss reserve pursuant to Section 10091.910 unless a new servicer has agreed to do so pursuant to Section 10091.~~42~~13 (b).
  - (3) Report the sale to the Authority in accordance with the monthly reporting outlined in Section 10091.~~44~~12(a) unless the PFI or PFL has disclosed on its Application to the Program that every Enrolled Loan will be sold, in the same manner, to the same purchaser(s).
- (b) A PFI, PFL, Eligible Financial Institution or Eligible Finance Lender approved to be a Successor Servicer pursuant to Section 10091. ~~42~~13(c) may also assume new servicing responsibility for existing Enrolled Loans. In those cases, all of the following requirements:
- (1) The original PFI or PFL will report the change in servicing to the Authority at least ten (10) business days prior to the transfer of servicing. That notification shall include a listing of all Enrolled Loans subject to the transfer.
  - (2) After the notification pursuant to Section 10091.~~42~~13(b)(1) and prior to the transfer of Loss Reserve Contributions for all listed Enrolled Loans, the new servicer shall notify the Authority in writing that the new servicer agrees to assume the reporting obligations for the Enrolled Loan(s) pursuant to Section 10091.~~44~~12, and will be responsible for filing any claims pursuant to Section 10091.910.
  - (3) The Authority will instruct the Trustee to transfer the corresponding Loss Reserve Contributions for the purchased Enrolled Loan(s) from the original PFI's or PFL's Loss Reserve Account to the Loss Reserve Account of the new PFI, PFL or Successor Servicer.
- (c) An Eligible Financial Institution or Eligible Finance Lender seeking to become a Successor Servicer will submit an enrollment application, in a form specified by the Authority, to the Authority that includes the following:
- (1) Name and address of the Eligible Financial Institution or Eligible Finance Lender.
  - (2) Name, business address, business telephone number, e-mail address and title of contact person.
  - (3) Type of Eligible Financial Institution or Eligible Finance Lender, denoting insured depository institution, insured credit union, community development financial institution or California Finance Lender or other.
  - (4) Names of the regulatory agency and the insuring agency to which the Eligible Financial Institution or Eligible Finance Lender is accountable and license number(s), if applicable.
  - (5) Certification that the Eligible Financial Institution or Eligible Finance Lender is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body that would impair its ability to participate in the Program.

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- (6) The Eligible Financial Institution or Eligible Finance Lender’s agreement to follow the Program regulations as set forth in this Article.
- (7) The Eligible Financial Institution’s or Eligible Finance Lender’s agreement to permit an audit by the Authority of any of its records relating to Enrolled Loans during normal business hours either remotely or on its premises, and to supply any other information concerning Enrolled Loans as shall be requested by the Authority.
- (8) The Eligible Financial Institution’s or Eligible Finance Lender’s acknowledgment that the Authority and the State will have no liability to it under the Program except from funds deposited in its Loss Reserve Account(s) pursuant to Section 10091.4213(b)(3).
- (9) An acknowledgement and agreement that these regulations constitute a lender services agreement.
- (10) The Eligible Financial Institution’s or Eligible Finance Lender’s agreement to and acknowledgement of the following, upon enrollment in the Program:
  - (A) The Successor Servicer is solely responsible for identifying and making any and all disclosures and providing periodic reports to its borrowers as required under applicable laws.
  - (B) The Successor Servicer shall comply with all applicable laws, possess and maintain all required state and federal licenses and remain in good standing with all governmental authorities having jurisdiction over its business.
  - (C) The IOUs are third-party beneficiaries of the lender services agreement and may pursue their rights against the Successor Servicer individually. Alternatively, any IOU may, in its sole discretion, authorize the Authority or another IOU to pursue those rights, including by instituting legal proceedings or alternative dispute resolution proceedings, on its behalf.
  - (D) The Successor Servicer shall indemnify, defend and hold harmless the Authority, each of the IOUs, their affiliates and each of their respective officers, directors, employees, agents and representatives from and against any and all losses arising in connection with any claim that is any of the following:
    - (i) Resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of a Successor Servicer, including any failure of the Successor Servicer, or its agents, to comply with the applicable laws in connection with Enrolled Loans.
    - (ii) Resulting from any error or omission by the Successor Servicer or any third party in the calculation or presentation of Enrolled Loan-related interest, fees and charges, the receipt and processing of payments received from Borrowers or any collection or enforcement action.
    - (iii) Alleging any misrepresentation with respect to the energy ~~savings~~ savings impacts to be achieved in connection with an Enrolled Loan, or any failure or deficiency in the products, materials or

- work supplied to a Borrower in connection with an Enrolled Loan.
- (iv) Arising from the Successor Servicer’s failure or alleged failure to comply with the provisions of the regulations and/or its confidentiality or privacy obligations.
- (E) The Successor Servicer acknowledges that the IOUs are not responsible for, and shall have no liability for, any of the following:
- (i) The energy ~~efficiency~~ improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts.
  - (ii) The assessment of potential benefits and costs associated with those improvements.
  - (iii) The qualification of PFIs, PFLs or Successor Servicers.
  - (iv) The PFI’s, PFL’s, or Successor Servicer’s marketing and lending policies and practices.
  - (v) The Authority’s educational and outreach activities.
- (11) The application shall be signed by a person authorized to legally bind the Successor Servicer, and shall include the signatory’s printed name, title and date.
- (12) Eligible Finance Lenders seeking to enroll as a Successor Servicer must also submit evidence of compliance with the additional requirements specified in Section 10091.3(b), (c), and (d)(4)-(5), as well as Section 10091.2(e)(3). The EFL must also agree to the representations in Section 10091.3(e).
- (d) Upon the receipt of a completed application and within ten (10) business days, the Authority will review and determine whether additional information is required or whether the application is sufficient to enroll the applicant as a Successor Servicer. The Authority’s decision regarding enrollment shall be final. The Authority will notify the Successor Servicer of its decision and provide a PFI, PFL, or Successor Servicer’s Program-Participation ID for the Successor Servicer.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.1314. Termination and Withdrawal.**

- (a) The Executive Director shall be authorized to terminate the participation of a PFI, PFL, or Successor Servicer in the Program, by notice in writing, upon the occurrence of any of the following:
- (1) Entry of a cease and desist order, regulatory sanctions or any other action against the PFI, PFL or Successor Servicer by a regulatory agency that may impair its ability to participate in the Program.
  - (2) Failure of the PFI, PFL, or Successor Servicer to abide by the Law or this Article.
  - (3) Failure of the PFI or PFL to enroll any Eligible Loans under the Program for a period of one (1) year.

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- (4) Failure of the Successor Servicer to undertake the servicing of any Enrolled Loans purchased pursuant to Section 10091.13 for a period of one (1) year.
  - (5) Failure of the PFI, PFL, or Successor Servicer to report to the Authority pursuant to Section 10091.12 for sixty (60) calendar days.
  - (6) Provision of false or misleading information regarding the PFI, PFL, or Successor Servicer to the Authority, or the failure to provide the Authority with a notice of material changes in the submitted information regarding the PFI, PFL or Successor Servicer.
- (a**b**) A PFI, PFL, or Successor Servicer may withdraw from the Program after giving written notice to the Authority.
- (c) The withdrawn or terminated PFI, PFL, or Successor Servicer shall not be authorized to enroll any further Eligible Loans. That notice will specify either of the following:
- (d) Upon withdrawal or termination, the PFI, PFL or Successor Servicer will submit a written notice to the Authority electing either of the following options:
- (1) That the PFI, PFL or Successor Servicer’s Loss Reserve Account(s) shall continue in existence to secure all Enrolled Loans as described in Sections 10091.7 and 10091.9.
    - (A) If the PFI, PFL, or Successor Servicer opts for the Authority to continue to maintain its Loss Reserve Account(s), it must continue to report on Enrolled Loans pursuant to Section 10091.12.
    - (B) If a PFI, PFL, or Successor Servicer fails to report to the Authority pursuant to Section 10091.12 for sixty (60) calendar days, the remaining balance in the PFI’s, PFL’s, or Successor Servicer’s Loss Reserve Account(s) may be distributed to the appropriate Program Holding Account(s).
  - (2) ~~The~~ That the PFI, PFL, or Successor Servicer waives any further interest in the Loss Reserve Account(s) and the reason for the PFI’s, PFL’s, or Successor Servicer’s withdrawal from the Program waiver, including for the reason that all Enrolled Loans covered by the Loss Reserve Account have been repaid or sold to a different PFI’s, PFL’s, or Successor Servicer’s portfolio. The remaining balance in the PFI, PFL, or Successor Servicer’s Loss Reserve Account(s) shall be distributed to the appropriate PFI, PFL or Successor Servicer Loss Reserve Account(s) or appropriate Program Holding Account(s).
  - (2) ~~The PFI or PFL will not enroll any further loans under the Program, but that the Loss Reserve Account(s) shall continue in existence to secure all Enrolled Loans that were enrolled prior to that notice and the reason for the PFI’s or PFL’s withdrawal from the Program.~~
- (b) ~~For any notice received pursuant to Section 10091.13(a)(1), the remaining balance in the PFI, PFL, or Successor Servicer’s Loss Reserve Account(s) shall be distributed to the appropriate PFI, PFL or Successor Servicer Loss Reserve Account(s) or appropriate Program Holding Account(s).~~

- (c) ~~The Executive Director shall be authorized to terminate the participation of a PFI, PFL, or Successor Servicer in the Program, by notice in writing, upon the occurrence of any of the following:~~
- ~~(1) Entry of a cease and desist order, regulatory sanctions or any other action against the PFI, PFL or Successor Servicer by a regulatory agency that may impair its ability to participate in the Program.~~
  - ~~(2) Failure of the PFI, PFL, or Successor Servicer to abide by the Law or this Article.~~
  - ~~(3) Failure of the PFI or PFL to enroll any Eligible Loans under the Program for a period of one (1) year.~~
  - ~~(4) Failure of the Successor Servicer to undertake the servicing of any Enrolled Loans purchased pursuant to Section 10091.12 for a period of one (1) year.~~
  - ~~(5) Failure of the PFI, PFL, or Successor Servicer to report to the Authority pursuant to Section 10091.11 for sixty (60) calendar days.~~
  - ~~(6) Provision of false or misleading information regarding the PFI, PFL, or Successor Servicer to the Authority, or the failure to provide the Authority with a notice of material changes in the submitted information regarding the PFI, PFL or Successor Servicer.~~
  - ~~(7) If there is a termination, the PFI, PFL, or Successor Servicer shall not be authorized to enroll any further Eligible Loans, but all previously Enrolled Loans will continue to be covered by the Loss Reserve Account(s) until those Enrolled Loans are paid, claims are filed, or the PFI, PFL, or Successor Servicer withdraws from the Program pursuant to Section 10091.13(a).
    - ~~(A) A terminated PFI, PFL, or Successor Servicer must continue to report on Enrolled Loans pursuant to Section 10091.11.~~
    - ~~(B) If a terminated PFI, PFL, or Successor Servicer fails to report to the Authority pursuant to Section 10091.11 for sixty (60) calendar days, the remaining balance in the PFI's, PFL's, or Successor Servicer's Loss Reserve Account(s) may be distributed to the appropriate Program Holding Account(s).~~~~

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.1415. Reports of Regulatory Agencies.**

- (a) The Executive Director shall be authorized to seek information directly from any federal or state regulatory agency concerning any PFI, PFL, Successor Servicer or Participating Contractor participating in the Program.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.4516. California Hub for Energy Efficiency Financing Privacy Rights Disclosure.**

- (a) The Borrower will be required to provide a contact number and affirm that they have read and acknowledged the following privacy rights disclosure in a format approved by the Authority:
- (1) State and federal laws protect the Borrower’s right to privacy regarding information pertaining to you. As a result of your participation in an energy ~~efficiency~~ financing program, as approved by the California Public Utilities Commission (CPUC) and administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), CAEATFA may come into possession of some or all of the following information:
    - (A) Information disclosing the fact that you are a customer of the lender.
    - (B) The loan or account number associated with the loan.
    - (C) Name, address, social security number, and contact information.
    - (D) Financial status and underwriting criteria, including, but not limited to, credit scores.
    - (E) The amount of and terms for the repayment of the loan.
    - (F) Information regarding your loan payment history.
    - (G) Details about your project, including contractor information and information regarding the equipment or improvements funded with the proceeds of the loan, including costs, permit information, and shipping dates.
    - (H) Utility account number(s), monthly energy use and utility account payment history.
    - (I) Energy savings data from your project.
    - (J) Post-project customer surveys.
- (b) The information may be provided by your lender or contractor or project developer to CAEATFA or a vendor acting on its behalf. The information may be combined with the energy usage information provided by your utility.
- (c) The information provided to CAEATFA may be released within one year to utility companies, other state agencies, program funders, and the federal government pursuant to contracts, interagency agreements or, if required by law.
- (d) In addition to Section 10091.4516(c), CAEATFA may release this information to the public in an anonymized form. This information will be aggregated with information from other loan recipients throughout the state to make both loan and energy ~~efficiency~~ project performance available to the public. The information released to the public will be anonymized and aggregated to reduce (but may not eliminate) the risk of anyone viewing the data making an association between specific information and the provider of that information. Information that cannot be anonymized and aggregated will not be released to the public.
- (e) In addition to the anonymized and aggregated release of information contemplated above, CAEATFA may contact Borrowers or may release individual Borrower names, addresses,

email addresses, and phone numbers that will enable CAEATFA, your utility(ies) or CPUC or individuals acting on their behalf to contact Borrowers. The purpose of the release of contact information will be limited to inviting Borrowers to participate in surveys or to arrange visits to Borrowers' homes to evaluate various aspects of the Program.

- (f) The officials responsible for maintaining the information provided regarding your loan are program personnel at CAEATFA or its contractors. You have the right of access to records established from the information provided to CAEATFA as it pertains to you.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.1617. Conditional Eligibility Expansion**

- (a) If additional funding becomes available from a non-IOU Energy Efficiency ratepayer source, the Authority shall do all of the following:
  - (1) Maintain an interested parties list which will be open to the public. The Authority will publish information on its website as to how to submit contact information to join the interested parties list.
  - (2) Expand the types of equipment and related costs that may be applied toward the minimum required 70% of the Claim-Eligible Principal Amount described in Section 10091.5(f), by expanding the EEEMs fuel source eligibility as described in Section 10091.1(s)(1)(A). Expansion shall be based solely on criteria required by the source of funds. Loss Reserve Contributions will be made on a first-come, first serve basis. The source of funds may originate from any of the following:
    - (A) Federal department or agency.
    - (B) State department or agency.
    - (C) Local government, special district, or regional government.
    - (D) Nonprofit organization.
  - (3) Publish the criteria required by the source of funds on its website and notice the interested parties list within ten (10) business days of funding being available.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A)  
and 26040, Public Resources Code

**§10091.1718. Interest Rate Buy-Down Disbursement.**

- (a) The Authority may from time to time have access to funding for Interest Rate Buy-Down (IRBD) campaigns. The IRBD amount shall be calculated against the Claim-Eligible Principal Amount.
- (b) When the Authority gains access to IRBD funds, the Authority shall do all of the following:

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- (1) Develop an IRBD term sheet describing the IRBD campaign, including the following information:
    - (A) The total amount of IRBD funding available.
    - (B) The target interest rate or amount of rate reduction.
    - (C) If applicable, the maximum amount of IRBD funds available per Eligible Loan.
    - (D) An indication of what Eligible Improvements, Borrowers, Eligible Properties, or other eligibility criteria may qualify an Eligible Loan for an IRBD.
    - (E) Terms for and the process by which PFIs and PFLs may apply to participate in the IRBD campaign, and how the IRBD shall be calculated and disbursed.
  - (2) The terms of the IRBD shall not contradict or override existing requirements and criteria described in these regulations.
- (c) The Authority shall adopt and may revise the IRBD term sheet by resolution of the Authority's governing board only to the extent necessary to conform to the criteria specified by the funding source. The Authority will publish the IRBD term sheet on its website and notify the interested parties list described in Section 10091.176(a)(1).
- (d) Any PFI or PFL that wishes to participate in an IRBD campaign shall submit a signed IRBD term sheet agreeing to the terms and processes outlined therein. Participation shall be subject to the PFI or PFL's ability to comply with the terms of the IRBD campaign. The Authority's decision regarding participation shall be final. The Authority will notify the PFI or PFL of its decision and provide a Program Participation ID for the PFI or PFL.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A),  
26011(d) and 26040, Public Resources Code