



**CHEEF**  
CALIFORNIA HUB FOR  
ENERGY EFFICIENCY FINANCING

ENERGY EFFICIENCY FINANCING PROGRAMS

# **QUARTERLY REPORT & PROGRAM STATUS SUMMARY**

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**SECOND QUARTER 2022**

**gogreen**  
FINANCING™

Prepared by the California Alternative Energy and  
Advanced Transportation Financing Authority  
(CAEATFA)

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## Introduction

**The State of California has ambitious goals to reduce greenhouse gas emissions and address climate change.**

In 2006, the Legislature passed the California Global Warming Solutions Act (Assembly Bill 32), which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. In the subsequent Scoping Plans, intended to describe the approach California will take to reduce GHGs, one of the primary methods identified is increasing efficiency in existing buildings. Senate Bill 32, passed in 2016, sets the goal of reducing GHG emissions to 40% below 1990 levels by 2030.

With so many headlines about electric vehicles, rooftop solar and other renewables, it is easy to forget how important energy efficiency is to the GHG reduction mix. Billions of square feet of existing commercial and residential properties, and the equipment and appliances vital to them, are in need of energy upgrades.

**There is simply not enough government or ratepayer funding to pay for these upgrades.**

With this awareness, the California Public Utilities Commission (CPUC) allocated funds to launch several pilot programs designed to attract private capital to finance energy efficiency (EE) upgrades in Decision (D.)13-09-044. In its guidance decision, the CPUC acknowledged that EE measures are important tools for addressing greenhouse gas emissions, and that lowering the barriers to EE retrofits and financing—particularly in underserved market sectors—is critical to reaching the state’s goals of reduced energy consumption and spreading benefits to all Californians.

### Regulatory Background

D.13-09-044 authorized a series of financing programs designed to attract private capital to finance EE upgrades and established the California Hub for Energy Efficiency Financing (CHEEF) to administer the new programs. The CPUC requested that the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) assume the administration of the CHEEF and directed the investor-owned utilities (IOUs) and CPUC staff to assist CAEATFA with implementation.

The financing programs incentivize private finance companies to enter the EE market and improve terms or expand credit criteria for the financing of EE projects by providing a credit enhancement funded with IOU EE ratepayer funds. Financing that covers 100% of project costs removes the upfront cost barrier for Californians to undertake EE retrofits. A key objective is to test whether transitional ratepayer support for credit enhancements can lead to self-supporting EE finance programs in the future.

In D.17-03-026, the CPUC committed to continued funding for CAEATFA to administer the CHEEF Programs through the life of the pilots, and Resolution E-4900 established metrics for evaluating the Programs. In 2020, the Commission issued Resolution E-5072 transitioning the Residential Energy Efficiency Loan Assistance Program (now known as GoGreen Home Energy Financing) from a “pilot” to a “Program” and further clarifying the goals and metrics under which the CHEEF Programs would be evaluated. D.21-08-006 authorized up to \$75.2 million in incremental funding for the CHEEF Programs to support their administration through June 30, 2027, authorized CAEATFA to incorporate non-IOU ratepayer funds to support program expansion into non-IOU customer territories and imposed new reporting requirements.

This report is prepared in alignment with D.13-09-044 and D.21-08-006, which directs CAEATFA, in conjunction with the IOUs (Pacific Gas & Electric [PG&E], Southern California Edison [SCE], San Diego Gas & Electric [SDG&E] and SoCalGas [SCG]), to issue quarterly reports on the progress of the CHEEF Programs. These reports contain

quarter highlights and other items to keep interested parties informed as to the Programs' challenges and successes.

## Program Names and Public Platform

"GoGreen Financing" is the name of the website and marketing platform that has been used to publicly identify the CHEEF Programs since 2017. In Q2 2021, CAEATFA and its stakeholders began referring to the CHEEF Programs as the GoGreen Financing Programs, and the names of the individual Programs were updated to align with the platform as follows:

- **GoGreen Home Energy Financing**, or **GoGreen Home**, replaced the Residential Energy Efficiency Loan Assistance Program (REEL)
- **GoGreen Business Energy Financing**, or **GoGreen Business**, replaced the Small Business Energy Efficiency Financing Program (SBF)
- **GoGreen Affordable Multifamily Energy Financing**, or **GoGreen Multifamily**, replaced the Affordable Multifamily Energy Efficiency Financing Program (AMF)

## Reporting Updates in Response to D.21-08-006

D.21-08-006 requires CAEATFA to report on several new metrics and key performance indicators, as well as those previously outlined in Resolution E-4900. Many of these metrics, such as number of loans, total amount financed, analysis of participants (including underserved borrowers), growth rates, and mean APR and loan values, were already included in [quarterly reports and data summaries](#) prior to D.21-08-006. CAEATFA will continue to report on these metrics.

Although D.21-08-006 does not require CAEATFA to report on the new metrics until the start of the new budget period in July 2022, CAEATFA has begun reporting on many of these metrics on an earlier timeline. For example, this report and the monthly data summaries for GoGreen Home now contain median loan size, median interest rates, and expanded reporting on geographic distribution of loans and non-energy benefits for borrowers. Some of the requested new reporting measures require resource dedication and establishment of new processes before they can be implemented. To report on energy savings, CAEATFA has worked with a technical consultant to create deemed savings estimates and published the first version of the GoGreen Home Deemed Energy Savings Report in April 2022, covering GoGreen Home activity from 2016 to 2021. To report on ethnicity and socioeconomic data, CAEATFA will institute a post-project survey and collect this data on a voluntary basis from participants.

These and other newly required metrics will be added to quarterly reports and in standalone documents on a rolling basis as CAEATFA establishes the operational changes necessary to report the data. Please see Appendix 9 for a detailed breakdown of reporting requirements and CAEATFA's compliance status.

# Executive Summary – Second Quarter (Q2 2022)

## Outreach Highlights

- CAEATFA staff participated in webinars, conferences, and outreach events to promote the Programs, including a presentation to local governments via the Local Energy Resource Network webinar series and a presentation at the American Council for an Energy-Efficient Economy's Energy Efficiency Finance Forum in May. Staff also presented on GoGreen Home to members of the Northern California Power Agency and the Southern California Public Power Authority.

## GoGreen Home Energy Financing Program Developments

- There were 262 standard loans and 85 marketplace microloans enrolled in the Program in Q2. The standard loans, worth a combined financed amount of more than \$4.7 million, enrolled in Q2 represent the highest loan volume and total amount financed achieved in one quarter since Program inception.
- Loan enrollments for projects including heat pump technologies were at their highest in Program history. In Q2, 75 projects installed heat pump technologies compared with 29 projects in Q1. Fourteen loans were credit enhanced via CAEATFA's partnership with TECH Clean California, which supports decarbonization efforts among joint gas IOU/electric POU customers.
- The Program's emergency regulations were re-adopted. The Office of Administrative Law approved a re-adoption of the emergency regulations for GoGreen Home, following approval from the CAEATFA Board. CAEATFA will begin the regular rulemaking process to make these regulations permanent in Q3.

## GoGreen Business Energy Financing Program Developments

- Eight projects enrolled in GoGreen Business in Q2 which brought the total amount financed since Program inception to \$2.2 million. Four of these financing enrollments were completed with support from an interest rate buy-down (IRBD) promotion sponsored by the Program, which closed in May 2022.
- Staff hosted a contractor roundtable on the new On-Bill Repayment (OBR) functionality. Currently in its "soft launch" phase in three of the four IOU territories (SCE, SCG, and SDG&E), OBR was promoted by staff during a webinar attended by contractors and project developers.
- The Program's emergency regulations were re-adopted. Similarly to GoGreen Home, the GoGreen Business emergency regulations were re-adopted following approval by the Office of Administrative Law. CAEATFA staff will begin the regular rulemaking process in Q3.

## GoGreen Affordable Multifamily Energy Financing Program Developments

- An interest rate buy-down promotion sponsored by the Statewide Marketing Implementer ended. One project, for heat pumps in an apartment complex in Los Angeles County, received pre-approval to use the promotion to reduce the interest rate of their financing agreement to 0%. The project must be completed by the end of Q3 to make use of the promotion.

## CHEEF Infrastructure Developments

- CAEATFA submitted its full Track 2 Clean Energy Financing Proposal. As part of the CPUC's Rulemaking on Clean Energy Financing (R.20-08-022), CAEATFA is requesting authorization to expand the Programs to offer financing for comprehensive clean energy technologies and to re-launch a program serving large commercial and public buildings, using on-bill repayment functionality with no credit enhancement.
- New external vendors for the Contractor Manager and Statewide Marketing Implementer roles were selected. CAEATFA issued a Request for Proposals for the Contractor Manager role in Q1 and, after a competitive interview process, selected the Electric & Gas Industries Association (EGIA) to be awarded the contract. SoCalGas, which holds the contract for the Statewide Marketing Implementer, selected RIESTER as its vendor for this role in coordination with CAEATFA and the IOUs. EGIA began its contract with CAEATFA in Q2, and RIESTER will begin its contract with SoCalGas in Q3.



GoGreen Home customer Juliana Maziarz in front of her Los Angeles home

## GoGreen Home Energy Financing Program

Key GoGreen Home Metrics – Q2 2022 (April 1-June 30, 2022)

### Standard Loans

<b>262</b> New Loans Enrolled	<b>\$18,014</b> Average Loan Size	<b>\$4.72 million</b> Amount Financed
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### Marketplace Microloans

<b>85</b> New Microloans Enrolled	<b>\$1,530</b> Average Microloan Size	<b>\$0.13 million</b> Amount Financed
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*View the latest [monthly data summaries](#) for GoGreen Home.*

### GoGreen Home Updates

In Q2, GoGreen Home lenders enrolled 262 new standard loans worth \$4.72 million with an average project size of \$18,014. This is the highest number of loans enrolled in a single quarter and the largest amount financed during a single quarter since Program inception, signifying the potential for a record-setting Q3, historically the busiest quarter. These loan enrollments represent a 63% increase in new standard loan enrollments and a 65% increase in the amount financed over Q2 2021. Since Program inception in 2016, GoGreen Home has financed 2,117 standard loans at a combined value of \$36.4 million.

In Q2, 75 of the 262 projects enrolled (29% of total loan volume) included heat pump technologies, which support the State's efforts to transition from equipment that uses carbon-based fuel sources to electric alternatives that are more easily powered by clean energy and emit fewer greenhouse gases when operated. This was the highest number of heat pump projects installed in one quarter during the Program's history and more than triple the number installed in Q1.

Fourteen loans were supported through a new partnership between CAEATFA and the TECH Clean California Initiative, which was finalized in Q1. TECH funds (via an MOA between CAEATFA and the initiative's third-party implementer, Energy Solutions) are now being used to support credit enhancements and administrative costs for customers who receive gas service from an IOU and electric service from a POU, which allows these joint IOU gas/POU electric customers to finance eligible electric measures (particularly heat pumps) without fuel source restrictions through their GoGreen Home loan.

There were 85 new marketplace microloan enrollments via the SoCalGas online platform over the course of the quarter. New enrollments of marketplace microloans were paused in Q2 as Enervee (the implementer of the

SoCalGas marketplace platform) onboards a new lender for this product. Marketplace microloan enrollments are expected to resume later this year.

### GoGreen Home Outreach

After creating a new marketing content kit in Q1 including social media content, customer testimonial videos, and blog posts, the Statewide Marketing Implementer disseminated these assets for use in regional IOU marketing campaigns in Q2 and deployed the assets in a digital marketing campaign focused on the videos and search terms.



The new Contractor Manager began their contract with CAEATFA in Q2. Newsletter outreach was focused on transitioning between the old and new vendors by introducing new account managers and contact information for contractor support needs.

A total of 610 contractors were enrolled in GoGreen Home at the end of Q2 2022. Over the course of the quarter, 37 new contractors joined the Program. No contractors were removed or suspended from using the Program in Q2.

*For information about GoGreen Home program structure and eligibility, see Appendix 7.*

## GoGreen Home Reporting

*Data reported on pages 10-17 represents standard GoGreen Home loans enrolled through one of the eight participating credit union lenders. For data on marketplace microloans, see page 17.*

### Project Enrollment and Activity Data

Table 1: GoGreen Home Financing Activity

	Q2 2022		All Time <sup>1</sup>	
<b>Loans Enrolled</b>	262		2,117	
<b>Total Amount Financed</b>	\$4.72 million		\$36.41 million	
	Average	Median	Average	Median
<b>Loan Size</b>	\$18,014	\$15,019	\$17,200	\$14,389
<b>Term Length in Months</b>	102	120	105	120
<b>Interest Rate<sup>2</sup></b>	4.2%	3.99%	5.3%	5.48%
<b>Finance-Only Projects<sup>3</sup></b>	88%		87%	

Table 2: GoGreen Home Loan Loss Reserve Contributions Metrics

	Q2 2022	All Time
<b>Total Loan Loss Reserve Contributions<sup>4</sup></b> <i>All contributions made by CAEATFA to loan loss reserve accounts for all enrolled standard loans.</i>	\$729,121	\$5,589,854
<b>Average Loan Loss Reserve Contribution</b> <i>The average contribution made by CAEATFA to a loan loss reserve account upon standard loan enrollment.</i>	\$2,783 per loan	\$2,640 per loan
<b>For every \$1 of ratepayer-funded credit enhancement, the amount of private capital leveraged is:</b>	\$6.47	\$6.51

Table 3: GoGreen Home Loans Enrolled by IOU<sup>5</sup>

Utility	Loans Enrolled	
	Q2 2022	All Time
<b>Pacific Gas &amp; Electric</b>	199 (\$3.94 million)	1,322 (\$21.21 million)
<b>San Diego Gas &amp; Electric</b>	13 (\$0.27 million)	122 (\$2.10 million)
<b>Southern California Edison</b>	47 (\$0.91 million)	619 (\$11.56 million)
<b>Southern California Gas</b>	50 (\$1.06 million)	680 (\$13.47 million)

<sup>1</sup> The date of Program inception is marked by the first loan enrollment in GoGreen Home (July 2016).

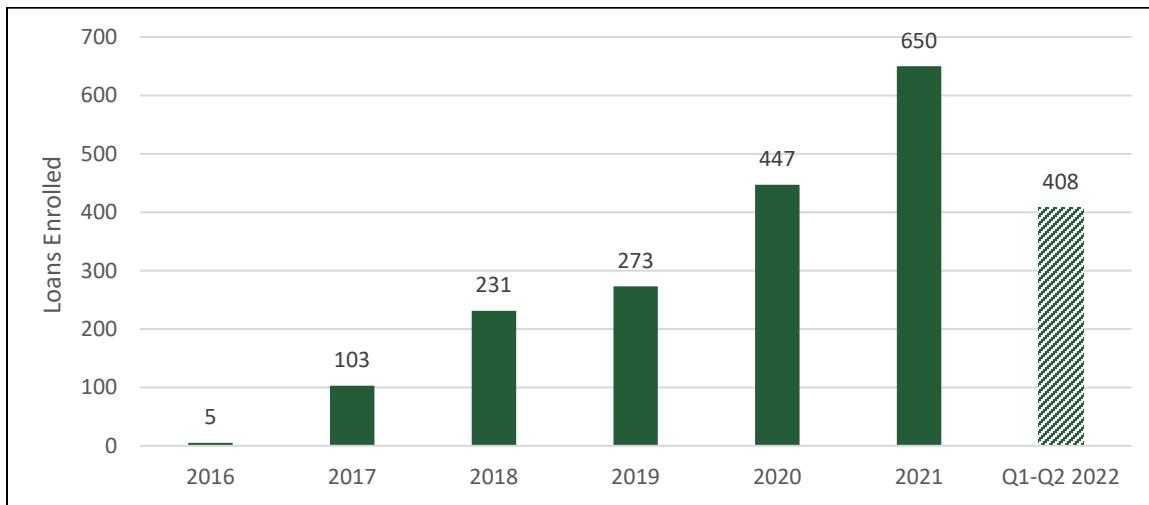
<sup>2</sup> GoGreen Home interest rates are currently equivalent to the Annual Percentage Rate (APR) as no additional fees, such as origination fees, are charged by participating lenders for these loans. Some lenders charge a membership fee, which tends to be around \$5 and is de minimis for reporting APR.

<sup>3</sup> Cases in which a borrower made upgrades using GoGreen Home without a rebate or incentive.

<sup>4</sup> These contributions include those from IOU ratepayer funds as well as external funding sources, including funds from TECH Clean California.

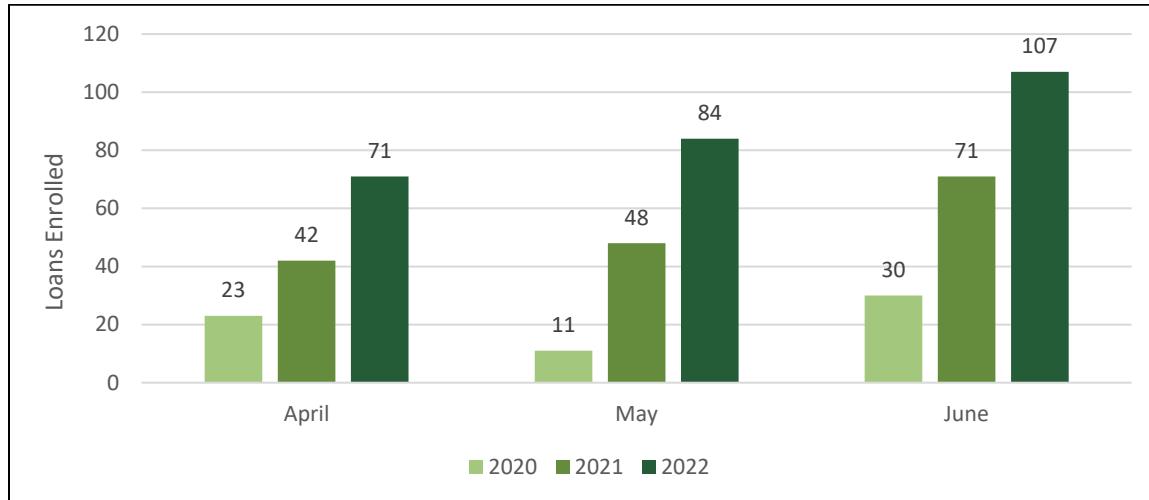
<sup>5</sup> Some properties are served by more than one IOU, meaning the total of loans enrolled per IOU will not match the total number of loans enrolled. Loans enrolled by IOU are reported regardless of what measures are installed.

**Table 4: GoGreen Home Loan Enrollment Volume (Q3 2016 – Q2 2022)**



*The final column reflects the loans enrolled thus far in 2022, which will increase in future quarters.*

**Table 5: GoGreen Home Loan Enrollment Volume Comparison (Q2 2020, Q2 2021 and Q2 2022)**



**Table 6: GoGreen Home Loan Enrollments by Participating Lender**

Lender	Loans Enrolled		Total Amount Financed in thousands	
	Q2 2022	All Time	Q2 2022	All Time
California Coast Credit Union	108	1,119	\$2,244	\$18,924
Desert Valleys Federal Credit Union	2	41	\$18	\$674
Eagle Community Credit Union	0	12	\$0	\$210
First US Community Credit Union	84	289	\$1,185	\$4,024
Matadors Community Credit Union	28	487	\$576	\$9,875
Pasadena Service Federal Credit Union	0	3	\$0	\$56
Travis Credit Union	39	128	\$681	\$2,088
Valley Oak Credit Union	1	38	\$15	\$562
	262	2,117	\$2,826	\$36,413

## Financing Data and Loan Portfolio Report

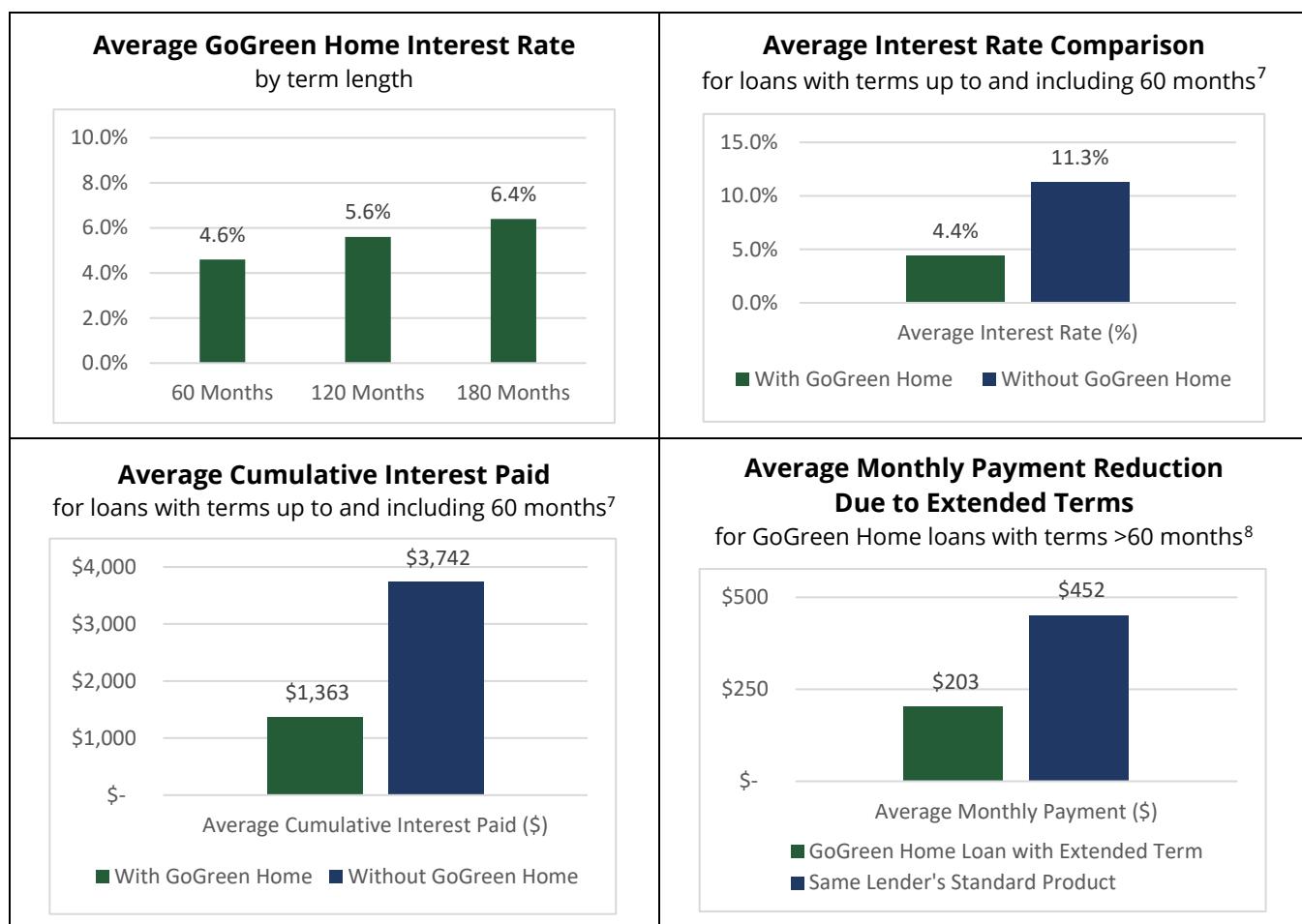
Table 7: Summary of Active GoGreen Home Loans by Status through June 30, 2022

	Number of Loans	Original Total Principal Amount <i>in thousands</i>	Outstanding Total Principal Amount <i>in thousands</i>
<b>Paid in Full</b>	<b>524</b>	<b>\$8,389</b>	<b>\$0</b>
California Coast Credit Union	308	\$4,512	\$0
Desert Valleys Federal Credit Union	15	\$184	\$0
Eagle Community Credit Union	5	\$106	\$0
First US Community Credit Union	39	\$537	\$0
Matadors Community Credit Union	140	\$2,813	\$0
Pasadena Service Federal Credit Union	1	\$19	\$0
Travis Credit Union	10	\$149	\$0
Valley Oak Credit Union	6	\$68	\$0
<b>Current</b>	<b>1,555</b>	<b>\$27,377</b>	<b>\$22,985</b>
California Coast Credit Union	784	\$13,921	\$11,424
Desert Valleys Federal Credit Union	26	\$490	\$410
Eagle Community Credit Union	7	\$104	\$74
First US Community Credit Union	247	\$3,453	\$3,037
Matadors Community Credit Union	341	\$6,967	\$5,866
Pasadena Service Federal Credit Union	2	\$37	\$29
Travis Credit Union	117	\$1,926	\$1,801
Valley Oak Credit Union	31	\$480	\$343
<b>30 Days Past Due</b>	<b>7</b>	<b>\$119</b>	<b>\$101</b>
California Coast Credit Union	3	\$58	\$46
First US Community Credit Union	1	\$12	\$11
Matadors Community Credit Union	2	\$37	\$32
Travis Credit Union	1	\$13	\$12
<b>60 Days Past Due</b>	<b>2</b>	<b>\$30</b>	<b>\$24</b>
California Coast Credit Union	1	\$14	\$10
Matadors Community Credit Union	1	\$16	\$14
<b>90 Days Past Due</b>	<b>1</b>	<b>\$13</b>	<b>\$11</b>
California Coast Credit Union	1	\$13	\$11
<b>Total</b>	<b>2,089</b>	<b>\$35,929</b>	<b>\$23,121</b>

**Table 8: Summary of GoGreen Home Charge-Offs, Claims Paid and Recoveries through June 30, 2022**

	Number of Loans	Charge-Off Amount at Time of Claim	Claims Paid <sup>6</sup>	Recoveries Paid to Program
<b>Charged Off</b>	<b>28</b>	<b>\$431,356</b>	<b>\$343,865</b>	<b>(\$91,398)</b>
California Coast Credit Union	22	\$363,805	\$291,801	(\$91,398)
First US Community Credit Union	2	\$21,527	\$19,375	\$0
Matadors Community Credit Union	3	\$36,321	\$32,689	\$0
Valley Oak Credit Union	1	\$9,702	\$0	\$0
<b>Net Credit Enhancement Funds Expended (Claims Paid minus Recoveries Paid to Program)</b>				<b>\$252,467</b>

**Table 9: Interest Rate and Monthly Payment Benefits for GoGreen Home Borrowers (Q3 2016 – Q2 2022)**



<sup>6</sup> Through GoGreen Home, participating lenders may submit a claim for reimbursement for up to 90% of a charge-off of the outstanding Claim-Eligible Principal Amount. The Claim-Eligible Principal amount may be less than the Total Principal Amount. The Claims Paid column reflects the amount that GoGreen Home Lenders were paid on the claim.

<sup>7</sup> These charts compare interest rates between GoGreen Home loans and the equivalent non-GoGreen Home signature products offered by the Program's participating lenders, using a data set for loans with terms up to 60 months for borrowers who would have qualified for non-GoGreen Home loans.

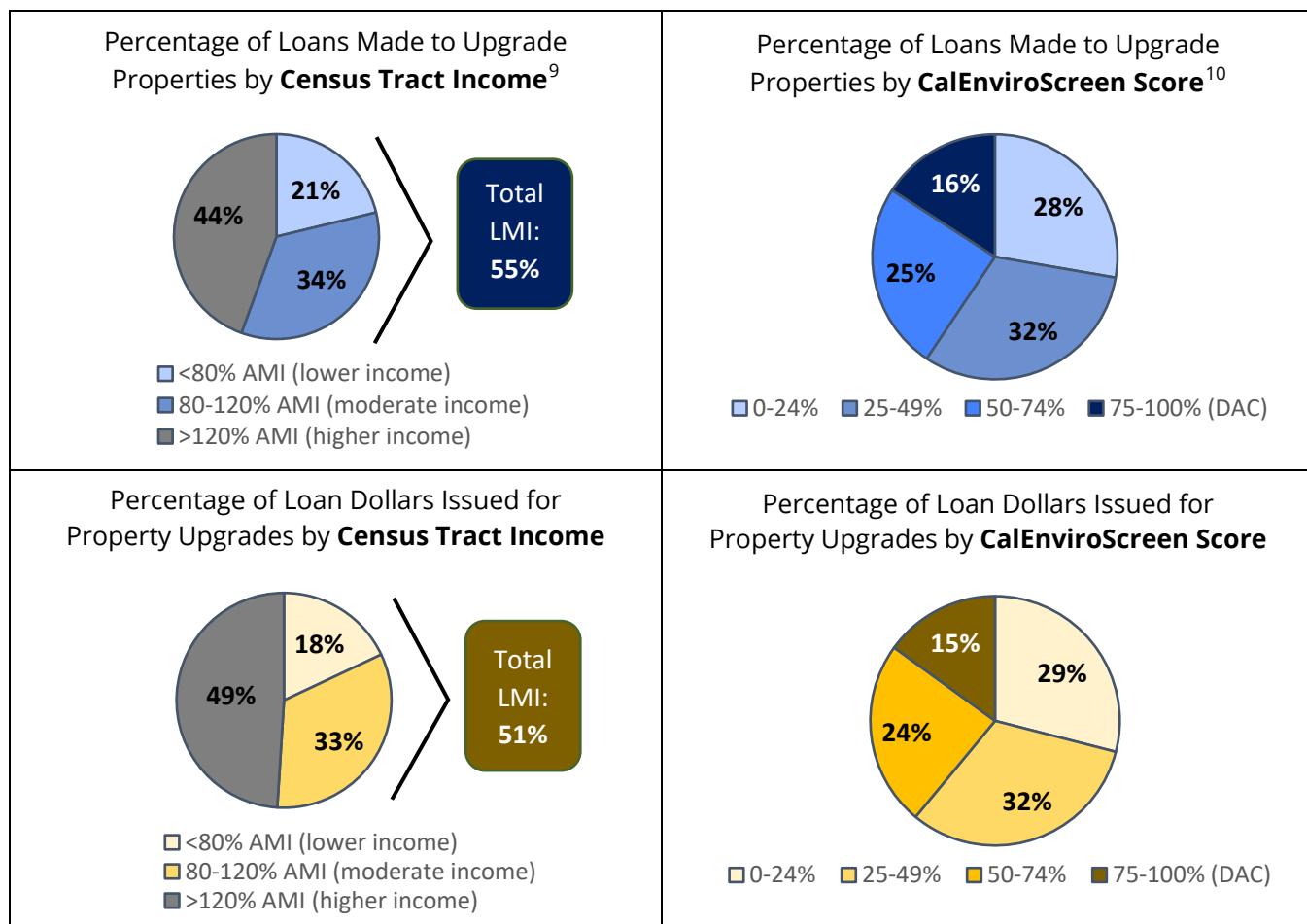
<sup>8</sup> This chart compares monthly payments between GoGreen Home loans with terms greater than 60 months and what monthly payments would have been if the borrower had used the same lender's non-GoGreen Home signature product limiting them to shorter term lengths. Loans from one participating lender who currently offers signature products with terms greater than 60 months are excluded from this comparison.

Table 10: GoGreen Home Borrower Credit Score Metrics (Q3 2016 – Q1 2022)



### How GoGreen Home Serves the Underserved

Table 11: Loan Activity by Census Tract Income and CalEnviroScreen Score



<sup>9</sup> Low-to-Moderate Income (LMI) census tracts, for the purpose of this reporting and providing a 20% loss reserve contribution for the lender, includes tracts with median income that falls below 120% of the Area Median Income (AMI).

<sup>10</sup> [CalEnviroScreen](#) is a pollution burden mapping tool that uses environmental, health, and socioeconomic data to produce scores for every census tract in California; CAEATFA is reporting loans for properties in tracts scoring in the top quartile (75-100%) as loans for projects in disadvantaged communities (DACs). This data uses the most recent version of CalEnviroScreen available at the time of publication.

Table 12: GoGreen Home Financing Feasibility Metrics

<b>Access to Credit:</b> <i>Borrower Credit Score of 580-640</i> Lenders typically require borrowers to have a minimum credit score of around 640 for unsecured loans of any significant value. Through GoGreen Home, lenders are able to approve loans for borrowers with credit scores as low as 580.	Loans Enrolled to Borrowers with <b>&lt;640 Credit Score</b>	
	<b>6</b> Q2 2022	<b>103</b> All Time
<b>Affordable Monthly Payments:</b> <i>Term Lengths &gt;5 Years</i> The vast majority of lenders typically offer a maximum term length of 5 years for unsecured loans. Through GoGreen Home, lenders are able to extend terms out to 15 years, which significantly lowers monthly payments for borrowers.	Loans Enrolled to Borrowers with <b>Term Lengths &gt;5 Years</b>	
	<b>147</b> Q2 2022	<b>1,268</b> All Time
<b>Access to Capital:</b> <i>Loan Amounts &gt;\$25,000</i> Sufficient access to capital is needed for deeper energy retrofits. While lenders typically limit unsecured loans to about \$25,000, most lenders are able to offer up to \$50,000 for all borrowers through GoGreen Home.	Loans Enrolled to Borrowers with <b>Total Financed Amount &gt;\$25,000</b>	
	<b>52</b> Q2 2022	<b>347</b> All Time

## Measures Installed

Table 13: Top Energy Efficiency Measures Installed through GoGreen Home (Q3 2016 – Q2 2022)

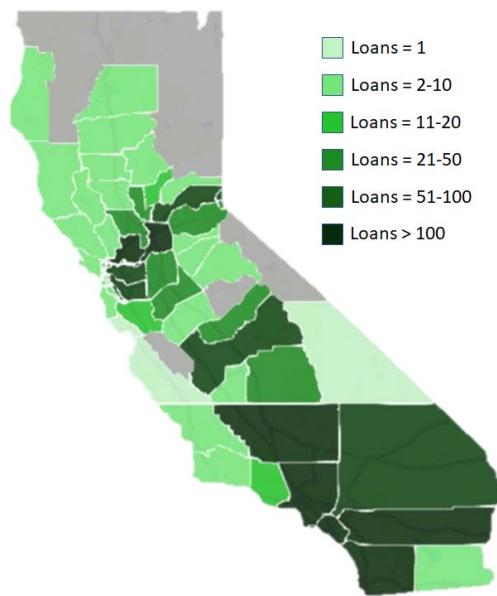
				
<b>HVAC Equipment</b> 1,429 Projects	<b>Windows</b> 490 Projects	<b>HVAC Ductwork</b> 427 Projects	<b>Insulation</b> 346 Projects	<b>Cool Roofs</b> 276 Projects

Table 14: Heat Pump Measures Installed through GoGreen Home (Q3 2016 – Q2 2022)

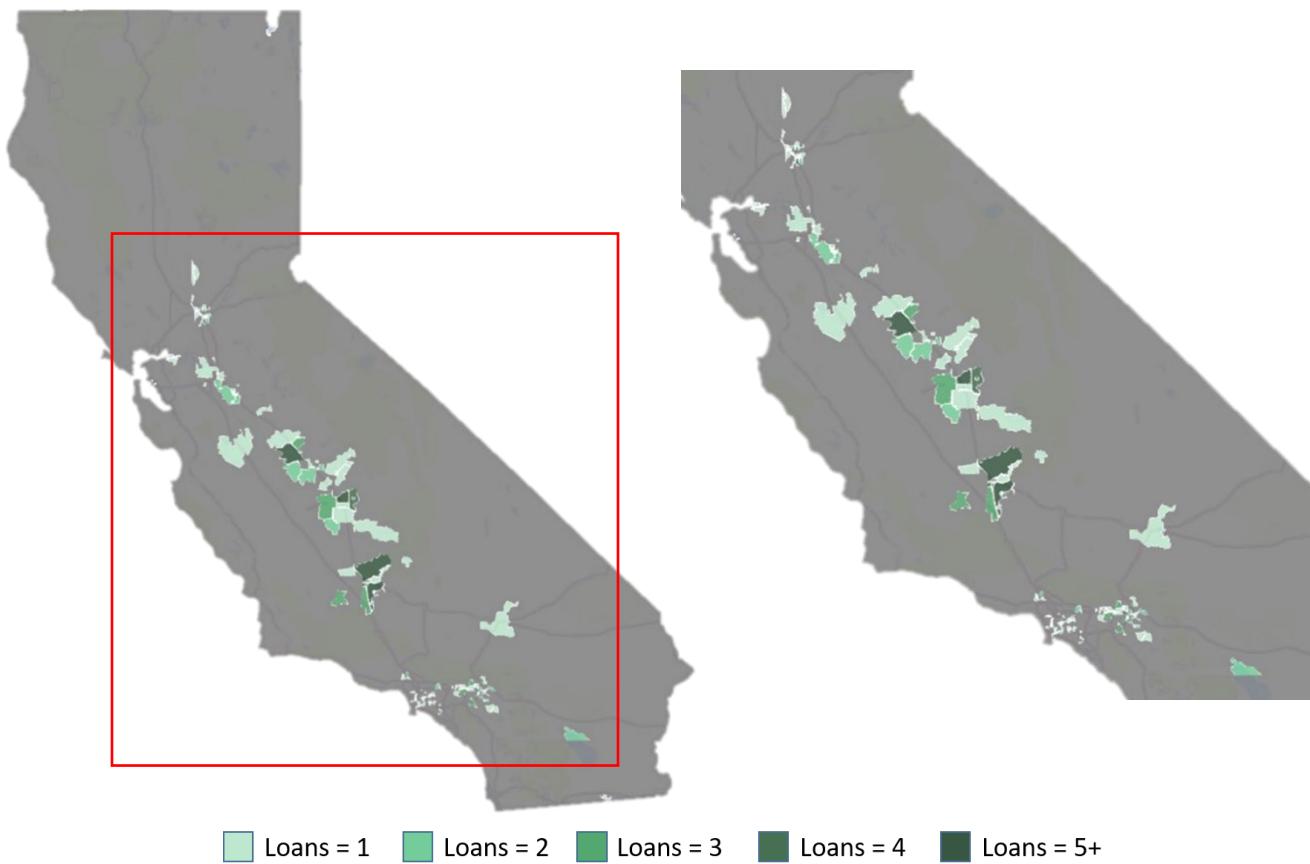
 <b>Heat Pumps</b>	
<b>Space Heating</b> 237 Projects	<b>Water Heating</b> 38 Projects

## Maps

### Map of GoGreen Home Loans Enrolled by County (Q3 2016 – Q2 2022)



### Map of GoGreen Home Loans for Properties in Disadvantaged Communities<sup>11</sup> by Zip Code (Q3 2016 – Q2 2022)



<sup>11</sup> For reporting purposes, CAEATFA considers properties in zip codes in the top quartile (75-100%) of CalEnviroScreen scores to be disadvantaged communities (DACs). This data uses the most recent version of CalEnviroScreen available at the time of publication.

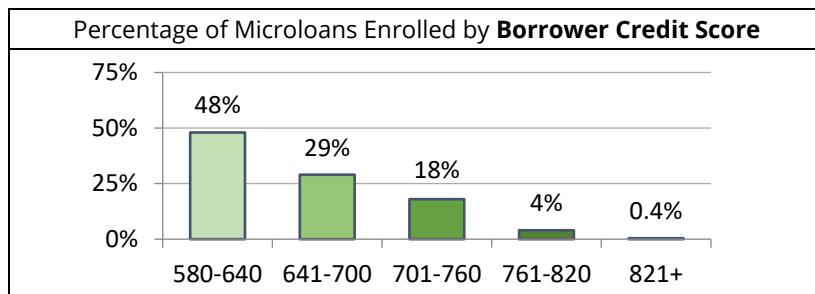
## Marketplace Microloan Reporting

This section reports on microloans enrolled by One Finance and Enervee, who together offered a product available to customers for financing purchases from the SoCalGas utility marketplace. Microloans, per the GoGreen Home regulations, are limited to \$5,000 and are reported on separately so as not to skew data presented for full-size loans in other sections. One Finance offered a 60-month term length and a single interest rate of 9.02% to all borrowers.<sup>12</sup>

**Table 15: Marketplace Microloan Financing Activity**

	Q2 2022		All Time	
<b>Microloans Enrolled</b>	85		496 <sup>13</sup>	
<b>Total Amount Financed</b>	\$130,084		\$725,579	
<b>Loan Size</b>	\$1,530 <i>Average</i>	\$1,238 <i>Median</i>	\$1,463 <i>Average</i>	\$1,192 <i>Median</i>
<b>Borrower Relationship to Property</b>	59 <i>Owners</i>	26 <i>Renters/Lessees</i>	364 <i>Owners</i>	132 <i>Renters/Lessees</i>
<b>Total Loan Loss Reserve Contributions</b>	\$24,306		\$135,667	
<b>Average Loan Loss Reserve Contribution</b>	\$286 per microloan		\$274 per microloan	
<b>Top 3 Appliances Purchased</b>	39 <i>Clothes Dryer</i>	45 <i>Clothes Washer</i>	23 <i>Gas Oven/ Range</i>	217 <i>Clothes Dryer</i>
				210 <i>Clothes Washer</i>
				178 <i>Gas Oven/ Range</i>

**Table 16: Marketplace Microloan Borrower Credit Score Metrics (Q3 2021 – Q2 2022)**



**Table 17: Marketplace Microloan Portfolio Summary (Q3 2021 – Q2 2022)**

Marketplace Microloan Portfolio Summary as of June 30, 2022		
Paid in Full	12 Loans	\$16 K
Current Outstanding <sup>14</sup>	447 Loans	\$548 K
30-60 Days Past Due	26 Loans	\$33 K
90-120 Days Past Due	11 Loans	\$15 K
Charged Off	0 Loans	\$0

<sup>12</sup> One Finance's offer of marketplace microloans ended in June 2022. Enervee's loan enrollments are expected to resume later this year through a new lender, who will join the GoGreen Home Program.

<sup>13</sup> As part of this financing option, customers may return their appliance within the supplier's return window. In the event of a return, their debt obligation becomes cancelled, and therefore the total number of microloans reported as enrolled each month will include a small percentage of loans that will be cancelled. CAEATFA processes these removals on an ongoing basis as needed, and the "All Time" totals reflect any previously enrolled loans that have since been cancelled.

<sup>14</sup> Reflects the outstanding, unpaid principal balance for the 447 microloans.



*Image from GoGreen Financing digital campaign*

## GoGreen Business Energy Financing Program

### Key GoGreen Business Metrics – Program Inception through Q2 2022

<b>18</b> Total Projects Enrolled	<b>\$2.18 million</b> Total Amount Financed	<b>94</b> Participating Contractors and Project Developers	<b>8</b> Participating Finance Companies
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### GoGreen Business Updates

Eight new projects were enrolled in GoGreen Business in Q2 2022. These projects represent a combined \$494,469 financed through the Program, bringing the total amount financed since Program inception in 2019 to more than \$2 million. Four of these projects took advantage of an interest rate buy-down promotion (IRBD), initially launched one year prior (in Q2 2021) and facilitated by the Contractor Manager, to reduce interest rates for customers to as low as 0%, thus encouraging projects to move forward and contractors to leverage the Program for financing. The IRBD, which resulted in a total Program spend (via the Contractor Manager) of roughly \$11,000, ended in May 2022.

On-Bill Repayment (OBR) functionality, which launched and became available in three IOU territories in Q1 (SCE, SCG, and SDG&E), was promoted to participating contractors and project developers through a webinar hosted by CAEATFA staff in April. More than 25 attendees joined the webinar and were trained on how to use OBR and offer it to their customers. The three participating finance companies currently offering OBR (Prime Capital, Renew Energy Partners, and Verdant Commercial Capital) also attended to introduce their products and answer questions.

After being approved to join the Program in Q1, Travis Credit Union, one of the lenders participating in GoGreen Home, launched a standard loan product that offers financing of up to \$350,000 to commercial borrowers in the 12 Northern California counties served by the institution.

**Table 18: GoGreen Business Finance Agreement Status by Lender as of June 30, 2022**

	<b>Finance Agreements Enrolled</b>	<b>Total Amount Financed <i>in thousands</i></b>
<b>Accessity<sup>15</sup></b>	0	\$0
<b>Alliance Funding Group</b>	0	\$0
<b>Ascentium Capital</b>	12	\$829
<b>DLL Financial Solutions Partner</b>	4	\$1,144
<b>Prime Capital Funding</b>	0	\$0
<b>Renew Energy Partners</b>	0	\$0
<b>Travis Credit Union</b>	0	\$0
<b>Verdant Commercial Capital</b>	2	\$203
	18	\$2,176

*For information about GoGreen Business program structure and eligibility, see Appendix 7.*

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<sup>15</sup> Accessity enrolled in GoGreen Business as a Participating Finance Company in Q2 2021. Accessity planned to offer loans through the Program via SDG&E's Small Commercial Program, operated by Willdan. However, in Q1 2022, the SDG&E program was closed due to low activity. CAEATFA staff are discussing alternate options for a GoGreen Business product offering with Accessity.



*Image from GoGreen Financing digital campaign*

## GoGreen Affordable Multifamily Financing Program

### GoGreen Multifamily Updates

The Statewide Marketing Implementer ended an interest rate buy-down promotion (IRBD) for GoGreen Multifamily initially launched in Q1 2022. This promotion was conceived after CAEATFA staff found that tight operating margins faced by property owners precluded them from moving forward with financing, even with interest rates reduced due to the credit enhancement. CAEATFA submitted a letter to the CPUC (as required by D.21-08-006) outlining plans to introduce this promotion to support GoGreen Multifamily projects in Q4 2021.

The promotion launched on March 1, 2022 and remained open for reservations through June 30, 2022. One project in Los Angeles County received pre-approval for a potential project and reserved promotion funds. The project, which would replace a gas-fueled boiler with a heat pump water heater among other measures, was pre-approved for up to \$50,000 in financing (depending on the final installed equipment) and reserved promotional funds to reduce the interest rate of their potential financing agreement to 0%. Per the terms of the promotion, the funding reservation will expire in late October, meaning installation of the project must be completed by then.

### Challenges

Property owners in the affordable multifamily sector must navigate complex debt structures and arduous project development processes to complete energy efficiency upgrades, and as described above, staff have determined that the credit enhancement alone does not sufficiently reduce interest rates to make energy efficiency projects feasible for these types of properties. Staff continue to maintain communications with Program partners to work towards facilitating projects.

*For information about GoGreen Multifamily program structure and eligibility, see Appendix 7.*



*Photo by Allyunion at English Wikipedia*

## Nonresidential Program

CAEATFA is requesting via Track 2 of the Clean Energy Financing Proceeding (R.20-08-022) that the CPUC re-authorize the Nonresidential Program to allow large commercial and nonresidential entities to access GoGreen Financing. Now referred to as the Public Buildings/Large Commercial Financing Program, this program would support financing for properties in the nonresidential, large commercial, and MUSH (municipal, university, schools, and hospitals) sectors. If authorized, this program would allow these types of facilities to use the existing On-Bill Repayment (OBR) infrastructure for their financing without the use of a credit enhancement. For more information, view the CHEEF Infrastructure section below.

The Nonresidential Program was originally authorized in 2013 as an OBR program for large commercial and public buildings, with no credit enhancement. The launch of this program was thus dependent upon the development of OBR functionality, a complex feature that took several years to develop and was made available in 2022. However, D.17-03-026 from the CPUC required all CHEEF programs to be launched by the end of 2019, at which time OBR was not yet developed. The Nonresidential Program was effectively cancelled at that point.

In the event that CAEATFA is authorized to develop this program again, prior work can be leveraged to ultimately establish it. While developing program design and regulations for GoGreen Business, CAEATFA staff anticipated how the program would be incorporated into the CHEEF's offerings.

## CHEEF Infrastructure

### CPUC Clean Energy Financing Proceeding: Track 2 Proposal

CAEATFA submitted its proposal to expand the CHEEF Programs via Track 2 of the CPUC's Rulemaking on Clean Energy Financing (R.20-08-022), which requested:

- 1) **Expansion to comprehensive clean energy technology.** CAEATFA requested authorization to offer credit enhancements for comprehensive clean energy technologies beyond energy efficiency and demand response measures through the GoGreen Financing Programs, either using funds from its existing approved budget or by bringing in external funds. CAEATFA has advocated for this ability for several years, including as part of the recent Decision authorizing the continuation of the Programs through June 30, 2027 (D.21-08-006). If approved, CAEATFA staff expect that this broad measure eligibility would achieve several programmatic goals, including eliminating program complexity; addressing demand from customers, contractors, and lenders; and contributing more significantly to the State's goals of decarbonization and resilience.
- 2) **Re-authorization of the Public Buildings/Large Commercial Financing Program.** CAEATFA has also requested that the CPUC re-authorize the Nonresidential Program initially authorized in D.13-09-044. Now referred to as the Public Buildings/Large Commercial Financing Program, this program would support financing for properties in the nonresidential, large commercial, and MUSH (municipal, university, schools, and hospitals) sectors. If authorized, this program would allow these property types to use the existing On-Bill Repayment infrastructure for their financing without the use of a credit enhancement.

CAEATFA submitted its [full Track 2 proposal](#) to the CPUC on April 15 after submitting [a summary of the proposal](#) on March 15. CAEATFA staff delivered presentations on the proposal at several related workshops and meetings, including a CPUC-hosted workshop on reporting and metrics and meetings of the Disadvantaged Communities Advisory Group and Low-Income Oversight Board.

### Contracting Updates

In Q1 CAEATFA issued a Request for Proposals (RFP) for the Contractor Manager, which is responsible for recruiting, enrolling, training, and supporting contractors and conducting compliance oversight for projects enrolled in the Programs. After a competitive interview and selection process and approval by the CAEATFA Board, the contract was awarded to the Electric & Gas Industries Association (EGIA). The three-year contract was executed in May 2022 and will continue through May 2025, with a maximum budget of \$1.8 million and an allowance for two optional one-year extensions of up to \$500,000 each.

CAEATFA staff coordinated with SoCalGas, which holds the contract for the Statewide Marketing Implementer, and the other IOUs to prepare for and issue an RFP for a marketing implementer in Q1. In Q2, CAEATFA staff participated in the candidate interview and selection process led by SoCalGas, and a new contract is expected to be executed in Q3. This contract will be issued for three years with an allowance for two optional one-year extensions, with the budget not to exceed \$8 million over the entire possible five-year term as outlined in a Budget Advice Letter filed jointly by the IOUs (SoCalGas Advice No. 5883).

# Appendices

## Appendix 1: Budget

### Budgetary Authorization

D.13-09-044 directed the IOUs to allocate a total of \$75.2 million to finance the programs over the initial period ending June 30, 2022. Table 19 provides an itemized breakdown of these allocations, current expenditures and remaining balance. As of June 30, 2022, CAEATFA had expended \$17.2 million of the \$23.1 million allocated for CHEEF Administration, Direct Implementation, and outreach to finance companies and contractors. D.21-08-006 authorized up to an additional \$75.2 million in expenditures for the Programs beginning in July 2022. None of that funding is captured in this budget table, since it is for future years.

**Table 19: Budget for CHEEF Expenditures (September 2014 through June 30, 2022)**

Item	2013 Original Authorized Budget
<b>CHEEF Administration (CAEATFA)</b>	
<b>Start-up costs, CHEEF administration, direct implementation, outreach and training</b>	
Allocation per D.13.09.044 for CAEATFA implementation	5,000,000
CAEATFA outreach and training to finance companies and contractors	2,000,000
Reserve fund allocation to CAEATFA in November 2016 <sup>1</sup>	8,360,000
Credit Enhancement funds allocated to CAEATFA for FYs 20-22, if needed, per Res. E-5072	7,700,000
Subtotal allocated to CHEEF administration costs (CAEATFA)	23,060,000
Expended through 6/30/22 <sup>2</sup>	(17,234,807)
CHEEF Administration funds remaining	5,825,193
<b>Marketing, Education, Outreach (MEO)</b>	
Statewide MEO plan initial allocation <sup>3</sup>	8,000,000
Expended through 9/30/20 <sup>4</sup>	(7,954,727)
MEO funds remaining	45,273
<b>Credit Enhancement</b>	
Initial allocation per D.13.09.044	42,900,000
Earmarked by IOUs for Admin and Direct Implementation per PIPs <sup>5</sup>	(9,863,976)
Funds allocated to CAEATFA for administration, if needed, for FYs 20-22, per Res. E-5072 <sup>6</sup>	(7,700,000)
Subtotal Credit Enhancement funds after administration	25,336,024
Funds expensed as claims payments to lenders (less recoveries)	(252,467)
Credit Enhancement funds remaining in budget	25,083,557
Currently encumbered as of 6/30/22 <sup>7</sup>	(5,070,010)
Unencumbered Credit Enhancement funds available	20,013,547
<b>IOU Administration</b>	
<b>Start-up costs, On Bill Repayment (OBR) build-out, direct implementation</b>	
Administration, general overhead and direct implementation per PIPs	9,863,976
IT costs	8,000,000
Subtotal allocated for IOU Administration	17,863,976
Expended <sup>8</sup>	(17,863,976)
IOU Administration funds remaining	-
<b>CHEEF Pilot Reserve</b>	
Initial allocation	9,344,931
Allocated to CAEATFA for administration in November 2016	(8,360,000)
Reserve funds remaining after administrative allocation	984,931
<b>Total Original Authorized Budget (total of gray rows)</b>	<b>75,244,931</b>
Total of Original Budget Expended	(43,305,978)
Total Original Budget Remaining	31,938,953

**Table 19: TECH Clean California Expenditures and Allocations (through June 30, 2022)**

<b>Administrative Costs</b>		
Start-up and fixed costs (e.g., initial outreach, accounting set-up, reporting)		23,003
Variable, per loan costs (e.g., loan reviews, processing & compliance verifications)		585
<b>Administrative Total</b>		<b>23,588</b>
<b>Credit Enhancement Allocations</b>		
Currently encumbered as of 6/30/22 <sup>7</sup>		<b>36,446</b>

**Budget End Notes**

1. Funds were authorized per the Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing Education and Outreach Activities, November 2016.
2. Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.
3. The initial allocation for ME&O also included \$2 million to CAEATFA for outreach to finance companies and contractors, and is depicted in the Subtotal Allocated to CHEEF Administration Costs (CAEATFA).
4. The contract for the statewide Marketing Implementer is administered by SoCalGas, and numbers reflect data reported to CAEATFA. The previous contract for the Marketing Implementer ended on 9/30/20. Resolution E-5072 permitted a new contract to be issued, keeping spending at current levels with funding from energy efficiency funding already approved and unutilized. From October 1, 2020 through March 31, 2022, the Marketing Implementer spent \$1,238,373: \$174,582 was spent in Q4 2020, \$225,503 in Q1 2021, \$232,646 in Q2 2021, \$176,540 in Q3 2021, \$184,515 in Q4 2021, \$244,586 in Q1 2022, and \$246,270 in Q2 2022.
5. Program Implementation Plans (PIPs) were filed by the IOUs and CHEEF in 2014 and 2015.
6. Resolution E-5072 allows CAEATFA to re-allocate up to \$7.7 million of Credit Enhancement funds for administrative purposes should funding become exhausted before a new long-term budget is allocated by the CPUC.
7. Credit Enhancement funds are allocated to Lender Loss Reserve accounts and recaptured when loans are paid off. They may also be paid out if a lender submits a claim for a default. For more detail, see Table 8 (Summary of Charge-Offs, Claims Paid and Recoveries) and Appendix 2 (Loss Reserve Account Beginning and Ending Balances).
8. CAEATFA does not have access to IOU expense details and assumes that all originally allocated administration funds have been spent. Decision 17.03.026 approved additional expenditures of up to \$500,000 per year, per IOU (and \$800,000 for SoCalGas) from 2017 through 2020, using funding from energy efficiency funding already approved or for incremental funding, subject to the Advice Letter process. Resolution E-5072 authorized the IOUs to continue supporting the CHEEF Programs using their Annual Budget Advice Letter or separate advice letter processes and include funds in future business plan filings.

## Appendix 2: Loss Reserve Account Beginning and Ending Balances

### IOU Holding Accounts

The IOUs release funds into their respective holding accounts upon approval of CAEATFA staff request. CAEATFA staff coordinates with the IOUs to ensure acceptance of the funds from the IOUs and transfer of these funds to the appropriate Program account.

**Table 21: Balance of IOU Holding Accounts**

	SCG	PG&E	SCE	SDG&E
<b>Beginning Balance (4/1/2022)</b>	\$175,788	\$800	\$175,746	\$175,797
<b>Release of CE Funds from IOUs</b>	\$0	\$250,000	\$0	\$0
<b>Transfer of CE Funds to GoGreen Home Account</b>	(\$175,000)	(\$175,000)	(\$175,000)	(\$175,000)
<b>Transfer of CE Funds to Operational Reserve Fund Account</b>	\$0	(\$75,000)	\$0	\$0
<b>Interest Accrued</b>	\$42	\$25	\$43	\$39
<b>Ending Balance (6/30/2022)</b>	\$829	\$825	\$789	\$835

### GoGreen Home-Related Accounts

There are two GoGreen Home-related accounts administered by CAEATFA:

- The **GoGreen Home Program Account** holds the available portion of the requested CE funds that are used to credit enhance projects enrolled in the Program. Once a project is enrolled in the Program, the CE portion of the Claim Eligible Amount is transferred to the Participating Lender's Loan Loss Reserve (LLR) Account. The IOUs hold additional funds budgeted for the Program, and those funds are available to be released to the holding account when needed, then transferred to the Program account.
- The **GoGreen Home Interest Account** holds the interest swept<sup>16</sup> from the GoGreen Home Program Account and all the GoGreen Home Lender Loan Loss Reserve Accounts.

**Table 22: Balance of GoGreen Home-Related Accounts**

	GoGreen Home Program	GoGreen Home Interest
<b>Beginning Balance (4/1/2022)</b>	\$373,210	\$10,836
<b>Credit Enhancement (CE) Funds Released from IOUs</b>	\$700,000	\$0
<b>Contributions to Lender Loss Reserve Accounts</b>	(\$690,287)	\$0
<b>Funds Recaptured from Recoveries</b>	\$0	\$0
<b>Funds Recaptured from Annual Rebalance</b>	\$0	\$0
<b>Net Interest Earned</b>	\$586	\$12
<b>Net Interest Swept</b>	(\$586)	\$4,972
<b>Ending Balance (6/30/22)</b>	\$382,923	\$15,821

<sup>16</sup> Interest earned in all GoGreen Home-related accounts is swept on a monthly basis into the GoGreen Home Interest account. For Q2 2022, interest earned on GoGreen Home-related accounts totaled \$4,984, of which \$12 was earned and retained in the GoGreen Home Interest account, \$586 was earned and swept from the GoGreen Home Program account, and \$4,386 was earned and swept from the nine GoGreen Home Lender LLR accounts.

## GoGreen Home Lender Loan Loss Reserve Accounts

Each time a lender enrolls a project, a loss reserve contribution of either 11% or 20% (depending on whether the loan was made to an underserved borrower) is transferred from the GoGreen Home Program Account into the respective lender's LLR Account. The ending balance on the table below shows the amount the lender has available to offset a borrower defaulting on a loan.

### Annual Rebalance of Lender Accounts

D. 13-09-44 directs CAEATFA to recapture funds periodically when loans are paid off to meet the goal of developing a sustainable program, and D. 17-03-026 gives CAEATFA the ability to true up its credit enhancement funds at its discretion. CAEATFA has chosen to complete the recapture of Credit Enhancement funds through an annual rebalance. The rebalance occurs annually in August for the previous fiscal year running July 1-June 30; the rebalance appears in the Q3 report. Recaptured funds are transferred from the Lenders' LLR Accounts back to the Program Account. Claims made by a Lender during the fiscal year reduce the amount of funds recaptured.

Table 23: Balance of GoGreen Home Lender Loss Reserve Accounts

	California Coast Credit Union	Desert Valleys Federal Credit Union	Eagle Community Credit Union	First U.S. Community Credit Union	Matadors Community Credit Union	One Finance	Pasadena Service Federal Credit Union	Travis Credit Union	Valley Oak Credit Union
<b>Beginning Balance 4/1/2022</b>	\$2,059,008	\$65,078	\$30,056	\$415,839	\$1,179,033	\$138,055	\$7,301	\$238,770	\$89,575
<b>Claims Paid</b>	(\$28,725)	\$0	\$0	\$0	(\$19,668)	\$0	\$0	\$0	\$0
<b>Loss Reserve Contributions<sup>17</sup></b>	\$341,428	\$1,991	\$0	\$184,562	\$83,023	(\$2,388) <sup>18</sup>	\$0	\$116,466	\$1,652
<b>Net Interest Earned</b>	\$2,127	\$65	\$30	\$472	\$1,186	\$151	\$7	\$259	\$90
<b>Net Interest Swept</b>	(\$2,127)	(\$65)	(\$30)	(\$472)	(\$1,186)	(\$151)	(\$7)	(\$259)	(\$90)
<b>Ending Balance 6/30/2022</b>	\$2,371,711	\$67,069	\$30,056	\$600,400	\$1,242,388	\$135,667	\$7,301	\$355,236	\$91,227

<sup>17</sup> A net total of \$726,733 in Loss Reserve Contributions were made in Q2 2022, of which \$690,287 were IOU PPP funds from the GoGreen Home Program Account, and \$36,446 were from credit enhancement funds provided by the TECH Clean California Initiative in accordance with CPUC-approved cost allocation methodology.

<sup>18</sup> In addition to One Finance's offer of marketplace microloans ending in June 2022, CAEATFA also identified and reversed Loss Reserve Contributions for pending returned and cancelled microloans.

## GoGreen Business-Related Accounts

Loss reserve accounts for GoGreen Business operate under a similar process as those for GoGreen Home loss reserve accounts. Each time a finance company enrolls a project, 20% of the first \$50,000 of the agreement and 5% of the next \$950,000 is transferred from the GoGreen Business Program account into the respective finance company's loss reserve account. The ending balance on the table below shows the amount the finance company has available in the loss reserve to offset a customer defaulting on a finance agreement.

**Table 24: Balance of GoGreen Business-Related Accounts**

	GoGreen Business Program	GoGreen Business Interest
<b>Beginning Balance 4/1/2022</b>	\$259,717	\$1,340
<b>Contributions to Loss Reserve Accounts</b>	(\$65,117)	\$0
<b>Net Interest Earned</b>	\$254	\$1
<b>Net Interest Swept<sup>19</sup></b>	(\$254)	\$399
<b>Ending Balance 6/30/2022</b>	\$194,599	\$1,741

**Table 25: Balance of GoGreen Business Lender Loss Reserve Accounts<sup>20</sup>**

	Ascentium Capital	DLL Financial Solutions Partner	Verdant Commercial Capital
<b>Beginning Balance 4/1/2022</b>	\$58,215	\$82,068	N/A
<b>Claims Paid</b>	\$0	\$0	\$0
<b>Contributions to Loss Reserve Accounts</b>	\$39,968	\$0	\$25,149
<b>Net Interest Earned</b>	\$63	\$82	\$0
<b>Net Interest Swept</b>	(\$63)	(\$82)	\$0
<b>Ending Balance 6/30/2022</b>	\$98,183	\$82,068	\$25,149

<sup>19</sup> Interest earned in all GoGreen Business-related accounts is swept on a monthly basis into the GoGreen Business Interest account. For Q2 2022, interest earned on GoGreen Business-related accounts totaled \$400, of which \$1 was earned and retained in the GoGreen Business Interest account, \$254 was earned and swept from the GoGreen Business Program account, and \$144 was earned and swept from the two funded GoGreen Business Finance Company LLR accounts.

<sup>20</sup> Loss reserve accounts exist for all eight Finance Companies participating in GoGreen Business. Account activity will be reported for the remaining Finance Companies upon enrollment of their first financing agreement with the Program.

### Appendix 3: Impact of the Credit Enhancement

The credit enhancement mitigates risk for lenders, yielding better loan terms for customers and encouraging more energy efficiency lending that will help California achieve its greenhouse gas reduction goals. The information below is based on GoGreen Home, the longest-running CEEEF Program.

Based on CAEATFA's agreements with GoGreen Home lenders, the credit enhancement has resulted in better terms and approval rates for customers. When interested financial institutions submit an application to become a lender, CAEATFA asks them to describe their most similar loan product (typically an unsecured personal loan) and to describe their current interest rate, minimum credit scores, maximum loan amounts and maximum terms for these loans.

With this information, CAEATFA is able to ensure that the final and approved GoGreen Home product offers appropriate benefits for borrowers in exchange for lender access to the credit enhancement.

#### How the Credit Enhancement Makes Financing Feasible for Borrowers

Lenders have made improvements to their existing underwriting criteria as a result of the credit enhancement (which takes the form of a loan loss reserve) that significantly benefit potential borrowers. Private capital leveraged through the Program not only offers improved rates and terms, but often renders energy efficiency projects feasible. Monthly payments are reduced by more than \$300 on average for borrowers who take advantage of the 15-year term length offered by the majority of participating lenders, when compared with a standard 5-year unsecured loan. Coupled with lower interest rates and broader approval criteria, this greatly enhances the appeal and viability of financing for most borrowers and frequently makes the difference between completing or not completing an energy retrofit. This example illustrates these features in practice, using current rates and terms from a Participating Finance Company:

	Without GoGreen Home	With GoGreen Home
<b>Loan Details</b>	Borrower has a credit score of 600 and seeks \$15,000	
<b>Financing Product</b>	Unsecured personal loan	GoGreen Home Energy Loan
<b>Interest Rate</b>	20.88%	6.38%
<b>Term Length</b>	5 years	15 years
<b>Monthly Payment</b>	<b>\$405</b>	<b>\$130</b>

Feasibility of financing is measured in a number of ways:

- **Access to credit:** Lenders typically require borrowers to have a minimum credit score of around 640 for unsecured loans of any significant value. Through GoGreen Home, lenders are able to approve loans for borrowers with credit scores as low as 580.
- **Affordable monthly payments:** The vast majority of private lenders typically offer a maximum term length of 5 years for unsecured loans. Through GoGreen Home, lenders are able to extend terms out to 15 years, which significantly lowers monthly payments for borrowers.
- **Access to capital:** Sufficient access to capital is needed for deeper energy retrofits. While lenders typically limit unsecured loans to about \$25,000, most lenders are able to offer up to \$50,000 for all borrowers through GoGreen Home.

See Table 12 (Financing Feasibility Metrics) in the GoGreen Home reporting section for tracking of GoGreen Home loans enrolled that demonstrate these criteria.

**Table 25: Impact of the Credit Enhancement on Loan Terms by GoGreen Home Lender**

Because lenders are free to set their own underwriting criteria within program guidelines, individual products vary from lender to lender. The table below provides some highlights of changes that resulted from the credit enhancement. When a range is stated below, it generally ties back to the borrower's credit score.

	Interest Rate	Minimum Credit Score	Maximum Loan Amount	Maximum Loan Term
<b>STATEWIDE LENDERS</b>				
<b>California Coast Credit Union</b>	<i>Reduced by:</i> 92 – 1650 basis points (bps) <sup>21</sup>	No change from existing 600	<i>Increased:</i> \$30,000 to \$50,000	<i>Increased:</i> 5 years to 15 years
<b>Matadors Community Credit Union</b>	<i>Reduced by:</i> 641 – 891 bps	<i>Reduced:</i> 660 to 580	<i>Increased:</i> \$15,000 to \$50,000	<i>Increased:</i> 5 years to 15 years
<b>REGIONAL LENDERS</b>				
<b>Desert Valleys Federal Credit Union</b>	<i>Reduced by:</i> 849 – 1200 bps	No change from existing 580	<i>Increased:</i> \$15,000 to \$50,000	<i>Increased:</i> 5 years to 15 years
<b>Eagle Community Credit Union</b>	<i>Reduced by:</i> 704 – 1179 bps	No change from existing 580	<i>Increased:</i> \$25,000 to \$50,000	<i>Increased:</i> 5 years to 15 years
<b>First US Community Credit Union</b>	<i>Reduced by:</i> 280 – 1154 bps	<i>Reduced:</i> 640 to 580	<i>Increased:</i> \$25,000 to \$50,000	<i>Increased:</i> 5 years to 15 years
<b>One Finance</b>	<i>Reduced by:</i> 518 bps	<i>Reduced:</i> 640 to 580	No change from existing \$5,000	No change from existing 5 years
<b>Pasadena Service Federal Credit Union</b>	<i>Reduced by:</i> 350 – 850 bps	No change from existing 600	<i>Increased:</i> \$20,000 to \$50,000	<i>Increased:</i> 5 years to 15 years
<b>Travis Credit Union</b>	<i>Reduced by:</i> 200 – 300 bps	<i>Reduced:</i> 680 to 600	<i>Increased:</i> \$35,000 to \$50,000	No change from existing 15 years
<b>Valley Oak Credit Union</b>	<i>Reduced by:</i> 333 – 783 bps	No change from existing 580	<i>Increased:</i> \$20,000 to \$50,000	<i>Increased:</i> 5 years to 15 years
<i>The interest rates reflected in this table are effective as of June 30, 2022.</i>				

<sup>21</sup> “bps” = Basis point, a common unit of measure for interest rates. A single basis point is equal to 1/100<sup>th</sup> of 1% (e.g., 100 bps = 1%).

## How the Credit Enhancement Helps Achieve Program Goals

The credit enhancement is more than just a financial mechanism. For CHEEF Programs, it means the difference between achieving program goals—increasing the availability of attractive financing for energy investments throughout California, including for underserved borrowers—and not. The table below demonstrates the impact of the credit enhancement in several scenarios:

**Table 27: Impact of the Credit Enhancement on Achieving Program Goals**

	Without GoGreen Home	With GoGreen Home
<b>Borrower has a credit score of 600</b>	Borrower would be <b>unlikely to qualify</b> for a personal loan.	Borrower <b>may qualify for a GoGreen Home loan</b> with a term of 5, 10 or 15 years, paying an interest rate as low as 3.49% for a 5-year term and 5.49% for 15 years.
<b>Borrower wants a 5-year repayment term</b>	Assuming a credit score of 600, borrower could take out a personal loan with a rate of 20.88% <sup>22</sup> using a GoGreen Home lender's market-rate product. The resulting payment on a \$25,000 loan would be \$675 per month. <b>Borrower may not be able to afford the high monthly payment.</b>	Assuming a credit score of 600, borrower could qualify for a GoGreen Home loan with interest as low as 4.38% for a 5-year term, using the same lender's GoGreen Home product. Borrower's payment on a \$25,000 loan would be \$465 each month, a <b>\$210 monthly savings from the lender's market-rate product.</b>
<b>Borrower wants the lowest monthly payment</b>	Unsecured personal loans with 15-year terms are <b>largely unavailable in today's market.</b>	Borrowers can spread out monthly payments up to 15 years through GoGreen Home. Assuming a credit score of 600, a \$25,000 loan with a 15-year term could receive a rate as low as 6.38% from the same GoGreen Home lender, resulting in payments of only \$216 per month, a <b>reduction of \$459 per month from the lender's 5-year market-rate product.</b>

<sup>22</sup> The rate of the equivalent non-GoGreen Home signature loan product offered by a Participating Finance Company.

## Appendix 4: Participating Finance Company Overview

All CHEEF Programs leverage private capital through participating Finance Companies. Each Finance Company enrolls in a CHEEF Program through an application process and subsequently receives credit enhancements for the financing they enroll that meets program criteria. There are currently:

- **9 participating GoGreen Home Lenders:** California Coast Credit Union, Desert Valleys Federal Credit Union, Eagle Community Credit Union, First US Community Credit Union, Matadors Community Credit Union, One Finance, Pasadena Service Federal Credit Union, Travis Credit Union, and Valley Oak Credit Union
- **8 participating GoGreen Business Finance Companies:** Accessity, Alliance Funding Group, Ascentium Capital, DLL Financial Solutions Partner, Prime Capital Funding, Renew Energy Partners, Travis Credit Union and Verdant Commercial Capital
- **2 participating GoGreen Multifamily Finance Companies:** Ascentium Capital and Renew Energy Partners

Table 28: Participating GoGreen Home Lenders

	Date Enrolled	Areas Served	Type of Institution	Total Loans Enrolled	Loans Enrolled in Q2 2022
 CALIFORNIA COAST Your best interest. <sup>SM</sup>	September 2016	Statewide	Credit Union (185,000 members)	1,119	108
 DESERT VALLEYS FEDERAL CREDIT UNION	September 2016	Portions of Inyo, Kern, and San Bernardino Counties	Credit Union (4,000 members)	41	2
 EAGLE COMMUNITY CREDIT UNION	March 2018	Orange County	Credit Union (20,000 members)	12	0
 ecoFinancing <sup>TM</sup> powered by ONE	July 2021	SoCalGas territory, with additional territories expected	FinTech	496	85
 FIRST US Community Credit Union	June 2018	12 Counties in Northern California	Credit Union (25,000 members)	289	84
 Matadors Community Credit Union	March 2016	Statewide	Credit Union (20,000 members)	487	28
 Pasadena Service Federal Credit Union	April 2018	Pasadena County, statewide federal employees	Credit Union (11,000 members)	3	0
 TRAVIS CREDIT UNION	March 2021	12 Counties in Northern California	Credit Union (135,000 members)	128	39
 Valley Oak CREDIT UNION Rooted in Your Growth <sup>SM</sup>	August 2015	Madera and Tulare Counties, employer groups in Kings & Fresno	Credit Union (6,700 members)	38	1

Table 28: Participating GoGreen Business Finance Companies

	Date Enrolled	Areas Served	Type of Institution	Products Offered	Financing Limits	Total Projects Enrolled
 <b>accessity</b>	May 2021 <sup>23</sup>	Southern California (San Diego County)	Community Development Financial Institution (CDFI)	Loans	\$500 - \$5,000	0
 <b>Alliance</b>	May 2019	Statewide	Specialty Finance Company	Equipment leases	\$10,000 - \$5 million	0
 <b>ascentium</b> CAPITAL	March 2019	Statewide	Specialty Finance Company	Equipment finance agreements	\$20,000 - \$2 million	12
 <b>dL</b> financial solutions partner	March 2019	Statewide	Specialty Finance Company	Equipment leases, service agreements, loans	\$5,000 - \$5 million	4
 <b>PRIME</b> CAPITAL	February 2022	Statewide	Specialty Finance Company	Equipment leases, loans	\$100,000 - \$5 million	0
 <b>RenewEnergy</b> PARTNERS	January 2021	Statewide	Specialty Finance Company	Efficiency service agreements	\$250,000 - \$5 million	0
 <b>TRAVIS</b> CREDIT UNION	February 2022	12 Counties in Northern California	Credit Union	Loans	\$100,000 - \$350,000	0
 <b>VERDANT</b> COMMERCIAL CAPITAL	March 2022	Statewide	Specialty Finance Company	Equipment finance agreements, leases	\$25,000 - \$5 million	2

Table 29: Participating GoGreen Multifamily Finance Companies

	Date Enrolled	Areas Served	Type of Institution	Products Offered	Financing Limits	Total Projects Enrolled
 <b>ascentium</b> CAPITAL	August 2020	Statewide	Specialty Finance Company	Equipment finance agreements	\$10,000 - \$250,000	0
 <b>RenewEnergy</b> PARTNERS	August 2019	Statewide	Specialty Finance Company	Efficiency service agreements	\$250,000 - \$10 million	0

<sup>23</sup> Accessity enrolled in GoGreen Business as a Participating Finance Company in Q2 2021. Accessity planned to offer loans through the Program via SDG&E's Small Commercial Program, operated by Willdan. However, in Q1 2022, the SDG&E program was closed due to low activity. CAEATFA staff are discussing alternate options for a GoGreen Business product offering with Accessity.

## Appendix 5: Enrolled Finance Company Product Features

Table 31: Enrolled GoGreen Home Lender Product Features

 <b>gogreen</b> FINANCING™						
<b>GoGreen Home Energy Financing</b> <i>Lending options for residential energy upgrades</i>						
<input checked="" type="checkbox"/> <b>No closing costs or annual fees</b>		<input checked="" type="checkbox"/> <b>No collateral required</b>		<input checked="" type="checkbox"/> <b>Terms up to 15 years</b>		<b>Start today! <a href="http://GoGreenFinancing.com">GoGreenFinancing.com</a></b>
Lending Area	APR <sup>1</sup> (12/29/2021)	Loan Size	Minimum Credit Score	Pre-Approval	Contact Info	
<b>STATEWIDE LENDERS</b>						
Available to borrowers in:						
	Anywhere in California	2.98% - 6.38% 2.98% rate limited to \$30,000 and 30-month term	\$2,500 - \$50,000	600	Instant pre-approval for qualified borrowers (up to \$25,000)	(858) 495-1637 CCCU Energy Group: Ray, Zak, Bill & Katya <a href="mailto:energy@calcoastcu.org">energy@calcoastcu.org</a>
	Anywhere in California	3.49% - 5.49%	\$2,500 - \$50,000	580	Within one business day	(818) 993-6328, option 4 MCCU Consumer Lending <a href="mailto:energy@matadors.org">energy@matadors.org</a>
<b>REGIONAL LENDERS</b>						
Available to borrowers in:						
	Indian Wells Valleys, Searles Valley, Kern River Valley, Bishop, Barstow, and parts of Kern and Inyo counties	4.00% - 8.00%	\$2,500 - \$50,000	580	Within one business day	(866) 743-6497 Eric Bruen <a href="mailto:REEL@desertvalleys.org">REEL@desertvalleys.org</a>
	Orange County	3.95% - 7.95%	\$2,500 - \$50,000	580	Within one business day	(949) 639-7996 Federico Soto <a href="mailto:energy@eaglecu.org">energy@eaglecu.org</a>
	Sacramento, Placer, Nevada, El Dorado, Amador, Yuba, Yolo, Sutter, San Joaquin, Solano, Sierra, and Contra Costa counties <sup>2</sup>	2.95% - 7.49% 2.95% rate limited to 36-month term	\$2,500 - \$50,000	580	Within one business day	(800) 556-6768 x2009 First US Consumer Lending <a href="mailto:energy@firstus.org">energy@firstus.org</a>
	Pasadena, Covina, Vernon, and the greater San Gabriel Valley	4.99% - 8.10%	\$2,500 - \$30,000	600	Within one business day	(626) 351-9651 PSFCU Lending <a href="mailto:lending@mypsfcu.org">lending@mypsfcu.org</a>
	Alameda, Colusa, Contra Costa, Merced, Napa, Placer, Sacramento, San Joaquin, Solano, Sonoma, Stanislaus, and Yolo counties <sup>3</sup>	3.99% - 7.99%	\$1,000 - \$50,000	600	Instant pre-approval for qualified borrowers	(707) 392-9277 Carla Eaton <a href="mailto:ceaton@traviscu.org">ceaton@traviscu.org</a>
	Tulare County and Madera County <sup>4</sup>	5.62% - 8.12%	\$1,500 - \$50,000	580	Within one business day	(559) 688-5996 x2315 Kiersty Vaughan <a href="mailto:kvaughan@valleyoak.org">kvaughan@valleyoak.org</a>

<sup>1</sup> APR = Annual percentage rate. May include .5% auto-pay discount. Rates are subject to change at any time. Check with lender for the most up-to-date rate information. <sup>2</sup> Existing and retired federal employees throughout the State of California are also eligible. <sup>3</sup> Available to homeowners who receive gas and electric service from PG&E. <sup>4</sup> Valley Oak can lend to select employee groups in Kings and Fresno counties. Please see Valley Oak's website for membership details.

1/4/2022

Table 32: Enrolled GoGreen Business Finance Company Product Features<sup>24</sup>

    		<h3>GoGreen Business Energy Financing</h3> <p>Energy efficiency financing options for commercial retrofits</p>			
		Equipment finance agreements	Equipment leases, service agreements <sup>1</sup> , and loans	Equipment leases	Efficiency service agreements
<b>Contact</b>		Josh Patton (281) 902-1969 <a href="mailto:joshpatton@ascentiumcapital.com">joshpatton@ascentiumcapital.com</a> <a href="http://Ascentium.info/GoGreen19">Ascentium.info/GoGreen19</a>	Gillianne Daum (267) 637-9924 <a href="mailto:gdaum@leasedirect.com">gdaum@leasedirect.com</a>	David Goldstein (714) 450-1026 <a href="mailto:dgoldstein@alliancefunds.com">dgoldstein@alliancefunds.com</a>	Michael Savage (888) 938-6256 x703 <a href="mailto:msavage@renewep.com">msavage@renewep.com</a>
<b>Amount available</b>		\$10,000 - \$2,000,000	\$5,000 - \$5,000,000	\$10,000 - \$5,000,000	\$250,000 - \$5,000,000
<b>Term</b>		12 - 60 months Up to 84 months if required for project cash flow	12 - 84 months Up to 120 months if required for project cash flow	12 - 120 months	60 - 120 months
<b>FEATURES</b>					
<b>Contractor prefunding</b>		Prefunding up to 95% of financed amount <sup>2</sup>	Progress payments up to 50%, escrow funding up to 90% <sup>2</sup>	Progress payments up to 50%: 30% prior to delivery and 20% upon delivery	Prefunding up to 50%, milestone payments also negotiable
<b>Generation and storage measures financeable</b>		✓	✓		✓
<b>Credit approval process</b>		Approved within 2 business hours and no financials required (up to \$250,000)	Approval within 24 business hours (up to \$250,000) and no financials required (up to \$125,000)	Approval within 24 hours and no financials required (up to \$300,000)	Full underwrite required
<b>Other features</b>		<ul style="list-style-type: none"> <li>Payments as low as \$29 / month for the first 3 or 6 months of the term</li> </ul>	<ul style="list-style-type: none"> <li>DLL can bill for and collect regular service and maintenance charges for contractor</li> </ul>	<ul style="list-style-type: none"> <li>Cannabis operations may qualify</li> <li>Lease reamortization option after 5 years</li> </ul>	<ul style="list-style-type: none"> <li>Monthly payment is less than the savings, so project results in positive cash flow from day one</li> <li>Ongoing service and maintenance included</li> </ul>
<b>On-bill repayment (coming soon)</b>					
<b>CUSTOMER ELIGIBILITY</b>					
<b>Tenant occupants permitted</b>		✓	✓ <sup>3</sup>	✓ <sup>3,4</sup>	✓
<b>Minimum months in business</b>		12 months (up to \$100,000) Greater amounts require 18+ months in business	18 months	12 months (up to \$300,000) Greater amounts require 36+ months in business	36 months
<small><sup>1</sup> Service agreements require a minimum of \$50,000 and at least a 36-month term. <sup>2</sup> Contractors must pass credit check. <sup>3</sup>If financing term is less than or equal to time remaining on occupancy lease. <sup>4</sup>Limited to measures not affixed to property.</small>					
<small>All financing is subject to credit approval and compliance with the program terms. Rates and terms are subject to change. Please contact the finance company representatives above for up to date information.</small>					
<a href="http://GoGreenFinancing.com">GoGreenFinancing.com</a>					
<small>09/28/2021</small>					

<sup>24</sup> The financing options chart will be updated to include product information from the newly-added GoGreen Business finance companies in Q3.

Table 33: Enrolled GoGreen Multifamily Finance Company Product Features

 <b>gogreen</b> FINANCING™		<b>GoGreen Affordable Multifamily Energy Financing</b> <i>Helping affordable multifamily property owners invest in energy efficiency</i>			
 					
<b>Equipment finance agreements</b> <b>Efficiency service agreements</b>					
Amount available	\$10,000 - \$250,000	\$250,000 - \$10,000,000			
Terms	12-84 months	60-120 months			
Fees	\$195 (\$295 if prefunding)	No upfront fees Early termination fees apply			
Features	<ul style="list-style-type: none"> <li>Similar to a lease, but ownership resides with customer throughout term</li> <li>48-hour credit approval</li> </ul>	<ul style="list-style-type: none"> <li>Service payments based on savings</li> <li>Potential off-balance sheet treatment</li> <li>Installation and maintenance included</li> </ul>			
Collateral	UCC-1 Fixture Filing, no property lien	UCC-1 Fixture Filing, no property lien			
<b>What can be financed*</b>					
Energy efficiency & demand response	✓	✓			
Soft costs	✓	✓			
Non-energy saving measures	✓	✓			
Distributed generation & battery storage	✓	✓			
<b>Contact</b>					
	<b>Josh Patton</b> 281-902-1969 <a href="mailto:joshpatton@ascentiumcapital.com">joshpatton@ascentiumcapital.com</a>	<b>Michael Savage</b> 888-938-6256 x703 <a href="mailto:msavage@renewep.com">msavage@renewep.com</a>			
<small>*All financing is subject to credit approval and compliance with the program terms. Rates and terms are subject to change. Please contact the finance company representatives above for up-to-date information.</small>					
09/10/2021	<a href="http://GoGreenFinancing.com">GoGreenFinancing.com</a>				

## Appendix 6: CHEEF Infrastructure

CAEATFA is creating a statewide platform for finance companies and contractors to participate in the uptake of energy efficiency projects through increased access to financing. As the administrator of the CHEEF, CAEATFA is responsible for developing uniform program requirements, standardized documentation and processes, and acting as a central entity to facilitate investment in energy efficiency projects and implementation of the programs.

Key infrastructure elements needed to implement the CHEEF include a Master Servicer, Trustee Bank, Contractor Manager, Marketing Implementer, and Technical Advisors. Below are descriptions of each of these roles and information regarding their current status.

### Master Servicer

<i>Organization</i>	Concord Servicing Corporation
<i>Duties</i>	The Master Servicer plays a key role in the daily administration of the programs, accepting loan enrollment applications and processing on-bill repayment transactions.
<i>Contract Term</i>	10/22/20 – 7/31/22
<i>Notes</i>	Option for two one-year extensions.

### Trustee Bank

<i>Organization</i>	Zions Bank
<i>Duties</i>	The Trustee Bank holds the ratepayer funds provided by the IOUs to serve as Credit Enhancements under the various programs. CAEATFA provides direction to the Trustee Bank to transfer CE funds between various accounts.
<i>Contract Term</i>	1/1/21 – 12/31/23
<i>Notes</i>	No option for extension.

### Contractor Manager

<i>Organization</i>	Electric & Gas Industries Association (EGIA)
<i>Duties</i>	The Contractor Manager recruits, enrolls, trains, and supports contractors and conducts quality control oversight of projects enrolled in the GoGreen Financing Programs.
<i>Contract Term</i>	5/29/22 – 5/28/25
<i>Notes</i>	This contract was approved by the Department of General Services on 5/31/22. This contract has an option for up to two one-year extensions.

## Marketing Implementer

<i>Organization</i>	Center for Sustainable Energy
<i>Duties</i>	The Marketing Implementer is responsible for leading statewide marketing campaigns and administers GoGreen Financing, the customer-facing platform for information on CHEEF programs. The contract for the Marketing Implementer is held by SoCalGas and is not administered by CAEATFA nor represented in CAEATFA's administrative costs. However, the Marketing Implementer works closely with CAEATFA and the IOUs to manage customer marketing for the programs. The Center for Sustainable Energy (CSE) has served as the Marketing Implementer since 2014.
<i>Contract Term</i>	10/1/20 – 9/30/22
<i>Notes</i>	The CPUC's Resolution E-5072 approved continued marketing activity for the CHEEF Programs. This contract has an option for a one-year extension. CAEATFA is coordinating with SoCalGas, who is leading a solicitation for this vendor.

## Technical Advisor

The Technical Advisor provides expertise to CAEATFA in the development and implementation of the CHEEF programs.

<i>Organization</i>	Energy Futures Group (EFG)
<i>Duties</i>	Provides technical assistance for program research development and implementation.
<i>Contract Term</i>	4/19/22 – 4/18/25
<i>Notes</i>	A new contract was awarded to EFG after a competitive solicitation process in Q1. This contract does not have an option for extension.

## Appendix 7: Program Design

### GoGreen Home Energy Financing

The GoGreen Home Energy Financing Program (GoGreen Home) provides attractive financing to owners and renters of existing residential properties who select from a broad list of energy efficiency measures intended to reduce energy consumption. Customers may upgrade a single-family home, townhome, condo, duplex, triplex, fourplex or manufactured home. Renovations for up to four units can be bundled into the same loan.

As with all CHEEF programs, eligibility requires that the property receive electric or natural gas service from at least one of the IOUs: PG&E, SDG&E, SCE or SoCalGas. Properties in areas served by community choice aggregators (CCAs) or electric service providers (ESPs) qualify. Those in areas served by publicly owned utilities (POUs) qualify only if they also receive energy service from an IOU (for example, electricity from the Sacramento Municipal Utility District and natural gas from PG&E).

Previously, when lending to IOU gas customers who receive electric service from a non-IOU provider, lenders were limited in terms of the credit enhancement they would receive; only 30% of the “claim-eligible loan amount” (the portion of the loan that could be recouped through the loss reserve in the event of a default) could finance electric measures. Beginning in Q2 2022, funding from CAEATFA’s agreement with Energy Solutions under the TECH Clean California Initiative expands financing eligible for the credit enhancement to include any electric measure for a customer who receives gas service from an IOU.

The fuel source-related limitation described above still applies for loans made to IOU electric customers who receive gas from a non-IOU provider: in these cases, no more than 30% of the “claim-eligible” financed amount may be used to fund the installation of gas measures.

CHEEF staff strive to make GoGreen Home financing available to underserved borrowers while also ensuring that credit is extended appropriately and without unintended negative consequences for the borrower. GoGreen Home loans are approved for customers with the cash flow to repay them, and customers who are eligible for free services are directed to them rather than encouraged to take on debt.

In keeping with the CPUC’s directive that a third of credit enhancement funds should support loans to Low-to-Moderate Income (LMI) customers, when GoGreen Home launched, the program provided a 20% loan loss reserve contribution for loans to LMI borrowers and an 11% loan loss reserve contribution to non-LMI borrowers. In 2018, reflecting the fact that lenders had a difficult time determining “household” income and lenders were more sensitive to credit scores than income status when approving or not approving loans, CAEATFA added an additional methodology to determine LMI eligibility and offered the 20% loan loss reserve contribution to credit-challenged customers. Currently, a 20% credit enhancement is provided for loans in which:

- **Property is in a LMI Census Tract** – Area Median Income (AMI) of the property census tract does not exceed 120% of the AMI for the Metropolitan Area, County, or State.
- **Borrower’s Household Income is Low-to-Moderate** – Borrower’s household income is at or below 120% of the AMI for the Metropolitan Area, County, or State.
- **Borrower is Credit-Challenged** – A borrower whose credit score is less than 640 (if the lender has opted in to the Credit-Challenged facility by demonstrating additional benefits to credit-challenged borrowers).

At the same time that the Program seeks to make financing available to underserved customers, GoGreen Home is a debt program, and borrowers, no matter their income or credit score, need to have adequate monthly cash flow to repay loans to avoid negative consequences. This is achieved through required debt-to-income limits and the fact that lenders have “skin in the game” on every loan that they issue. Lenders are able to access up to 90%

of the claim-eligible charged-off principal amount in the event of a default provided they have the funds in their loss reserve account.

GoGreen Home launched in July 2016, and the current Program regulations were adopted in May 2021. Program regulations may be viewed on [the CAEATFA website](#).

### **GoGreen Business Energy Financing**

The GoGreen Business Energy Financing Program (GoGreen Business) provides financing to help small business property owners and tenants upgrade their equipment or buildings. Financing through GoGreen Business is available to small businesses, nonprofits and market rate multifamily properties (5 or more units) that meet at least one of the following business size requirements: Employ 100 or fewer individuals; receive annual revenue of less than \$15 million; and/or fall within SBA size guidelines (annual revenue limits up to \$41.5 million, depending on industry).

Business owners are able to finance 100% of project costs and may finance a single measure project or a comprehensive and deep energy retrofit. There are three methods of project qualification for GoGreen Business:

1. The Program has published a searchable and downloadable [list of pre-qualified energy saving measures \(ESMs\)](#). Measures on the ESM list can be financed without any additional approval. This includes any measure that qualifies for an IOU, REN or CCA program.
2. Any measure approved by an IOU, REN, or CCA custom incentive program for the property within the last 24 months is eligible.
3. For any measures that are not listed on the ESM list or tied to a custom incentive program, an Energy Professional can certify that the installation of the measure will result in energy savings compared to existing conditions. For GoGreen Business, an eligible Energy Professional is a California licensed Professional Engineer (PE) or an Association of Energy Engineers Certified Energy Manager (CEM).

As with all CHEEF Programs, eligibility requires that the property receive electric or natural gas service from at least one of the IOUs: PG&E, SDG&E, SCE or SoCalGas. Properties in areas served by community choice aggregators (CCAs) or electric service providers (ESPs) located within IOU territories qualify. Those in areas served by publicly owned utilities (POUs) qualify only if they also receive energy service from an IOU.

To best accommodate the small business energy efficiency market, GoGreen Business facilitates a variety of financing instruments for potential customers to consider, including loans, equipment leases, service agreements and savings-based payment agreements; each participating Finance Company offers products from this menu of authorized instruments. Several Finance Companies offer the option to repay financing through the utility bill using the program's On-Bill Repayment functionality. Small business owners may finance up to \$5 million. Available financing options are viewable on the [GoGreen Financing website](#).

For participating finance companies, up to \$1 million of the financed amount is eligible to receive a credit enhancement in the form of a loss reserve contribution, as follows:

- The first \$50,000 of claim-eligible financing will receive a loss reserve contribution at 20%
- Remainder (up to an additional \$950,000) will receive a loss reserve contribution at 5%
- Maximum loss reserve contribution per agreement will be \$57,500

Lenders are able to access up to 90% of the claim-eligible charged-off principal amount in the event of a default provided they have the funds in their loss reserve account.

GoGreen Business launched in July 2019, and current Program regulations went into effect in July 2021. Program regulations may be viewed on [the CAEATFA website](#).

### **GoGreen Affordable Multifamily Energy Financing**

GoGreen Affordable Multifamily Energy Financing (GoGreen Multifamily) seeks to facilitate energy efficiency retrofits in multifamily properties of five or more units where at least 50% of the units are income-restricted at low to moderate (80-120% of area median income). To be eligible, properties must remain affordable for at least five years.

GoGreen Multifamily will fund any energy efficiency or demand response measure approved for rebate and incentive by any IOU, REN or CCA, as well as any measure from the Energy Saving Measures list developed for use in GoGreen Business. In-unit as well as common area measures are eligible. The financed amount may include non-energy efficiency improvements; solar photovoltaic and distributed generation may be financed but will not receive a credit enhancement.

Key GoGreen Multifamily features include:

- No minimum or maximum financing size
- The first \$1 million of each financed project will be credit enhanced at 15% of the claim-eligible amount
- Fixed or variable rates allowed
- No underwriting requirements imposed on the Finance Company; underwriting is based on participating Finance Company requirements
- Designed to integrate with existing affordable multifamily housing energy programs such as the Low-Income Weatherization Program (LIWP) and Solar On Multifamily Affordable Homes (SOMAH)

Like GoGreen Business, GoGreen Multifamily supports traditional loans and leases as well as energy service agreements and savings-based payment agreements. Available financing options are viewable on the [GoGreen Financing website](#).

As with all CHEEF Programs, eligibility requires that the property receive electric or natural gas service from at least one of the IOUs: PG&E, SDG&E, SCE or SoCalGas. Properties in areas served by community choice aggregators (CCAs) or electric service providers (ESPs) located within IOU territories qualify. Those in areas served by publicly owned utilities (POUs) qualify only if they also receive energy service from an IOU.

GoGreen Multifamily regulations went into effect in June 2020. Program regulations may be viewed on [the CAEATFA website](#).

### **Nonresidential Program**

Like all the CHEEF financing programs, the Nonresidential Program is intended to encourage growth in private market lending to support energy efficiency improvements, in this case for public and large commercial buildings. Though a credit enhancement will not be provided, the Program will be designed to provide energy efficiency financing, which will be repaid on the utility bill.

The Nonresidential Program is not being developed at this time as launch of the Program was dependent on the development of On-Bill Repayment (OBR) functionality. Now that OBR is available, CAEATFA is requesting that the CPUC re-authorize the development of this Program to allow large commercial and nonresidential entities to access the OBR infrastructure for their energy upgrades through Track 2 of the CPUC's Clean Energy Financing Proceeding.

## Appendix 8: Customer-Facing Products

Customer-facing products are discussed throughout this report, but this Appendix functions as a summary.



Designed and implemented by the Marketing Implementer, the Center for Sustainable Energy (CSE), with input and direction from CAEATFA and the IOUs, GoGreen Financing ([www.gogreenfinancing.com](http://www.gogreenfinancing.com)) serves as the primary customer-facing platform for the financing programs. The platform was translated into Spanish in November 2020 ([www.gogreenfinancing.com/es](http://www.gogreenfinancing.com/es)).

GoGreen Financing contains information for end users (customers), contractors, finance companies and partners for each of the programs. Some of the resources on the website include:

- Pages that allow potential GoGreen Home borrowers to find a local participating Contractor, review the rates of participating Lenders and apply for a GoGreen Home loan online through the participating Lender's website
- Pages that allow potential GoGreen Business customers to find a participating Contractor or Project Developer, review the products offered by participating Finance Companies and apply for a GoGreen Business finance agreement through the participating Finance Company's website
- Program descriptions and benefits of GoGreen Multifamily and information about products offered by participating Finance Companies
- Partner resources for interested contractors, finance companies, local governments and nonprofits (some of which are available to these organizations to co-brand), including:
  - Customer-facing flyers, available in both English and Spanish
  - Finance company comparison charts
  - PowerPoint Presentations
  - Partner talking points
  - GoGreen Home case studies

The screenshot shows the GoGreen Financing website. At the top, there is a search bar with the placeholder "Find a contractor". Below the search bar, there is a large image of two smiling contractors. The main content area is titled "GoGreen Home Energy Financing" and "Lending options for residential energy upgrades". It features a table of lenders categorized into "REGIONAL LENDERS" and "STATEWIDE LENDERS". Each lender entry includes the lender's name, contact information, and a link to their website. The "REGIONAL LENDERS" section includes links for Marin, Napa, Solano, Sonoma, and Yolo counties, and Orange County. The "STATEWIDE LENDERS" section includes links for California, Marin, Napa, Solano, Sonoma, and Yolo counties, and Orange County. The table also includes columns for "Available to Businesses In", "APR (6/1/2020)", "Term up to 15 years", "Start today! GoGreenFinancing.com", "Lender Area", "Loan Size", "Minimum Credit Score", "Pre-Approval", and "Contact Info".

Screenshots of the GoGreen Home lender chart and Find a Contractor tool from GoGreenFinancing.com

## Appendix 9: Reporting Requirements

CPUC Decision 21-08-006 requires CAEATFA to report on metrics and key performance indicators from the CHEEF Programs, including performance metrics previously adopted for financing evaluations in Attachment 1 of Resolution E-4900. While most of the requested reporting has been included in these reports for several years prior to these requirements being issued, some aspects require significant capacity to implement and will need to be incorporated into quarterly reports on a rolling basis through Q4 2022. The tables below outline these reporting requirements and CAEATFA's compliance with them.

**Table 34: CHEEF Program Reporting Requirements from Resolution E-4900, Attachment 1**

	Current Reporting Status	Target Reporting Timeframe	Notes
<b>Number of loans issued:</b> <ul style="list-style-type: none"><li>Monthly growth</li><li>Total amount financed</li><li>Geographic distribution of loans</li></ul>	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement	
<b>Private capital participation:</b> <ul style="list-style-type: none"><li>Number of participating lenders</li><li>Types of financial institutions participating</li><li>Amount of private capital attracted</li></ul>	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement	
<b>Reach to underserved Californians:</b> <ul style="list-style-type: none"><li>Credit scores of loan recipients</li><li>Payback term length</li><li>Percentage of participants deemed "underserved" by CalEnviroScreen data</li><li>Whether participants would have qualified for or been able to accept loans from existing programs</li></ul>	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement; additional data on participant qualification added in Q3 2021	New data has been added to the quarterly reports and monthly data summaries as of September 2021 to provide insight into whether financing would have been feasible for borrowers without the program and the products borrowers would have been able to qualify for from participating lenders without the CHEEF Programs.
<b>Energy savings<sup>25</sup>:</b> <ul style="list-style-type: none"><li>Through customer meter data</li><li>Through NMEC analysis</li><li>Comparison of energy savings from other loan programs</li></ul>	Included in a standalone, bi-annual report	Q2 2022	The first <a href="#">GoGreen Home Deemed Energy Savings Report</a> was published in April 2022 and will be updated on a bi-annual basis. CAEATFA will not be able to provide an NMEC analysis until limitations with the IOUs' ability to share actual energy usage data and challenges around data security are resolved.

<sup>25</sup> D.21-08-006 allows for flexibility in how CAEATFA reports on this metric; while all three metrics adopted in Resolution E-4900 are required for formal evaluations of the Programs, D.21-08-006 asks CAEATFA to report on "annual estimated energy savings from installed measures."

Table 35: CHEEF Program Reporting Requirements from D.21-08-006

	Current Reporting Status	Expected Reporting Timeframe	Notes
<b>Customer participation</b>	Included in quarterly reports	Reporting pre-dates requirement	Several data points are provided, including loan volume and enrollment maps.
<b>Loan performance statistics</b>	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement	Currently reported for GoGreen Home, as other programs have not yet experienced any defaults or recoveries.
<b>Costs associated with service of non-IOU customers</b>	Included in quarterly reports	Q1 2022	Reporting began in Q1 2022, when the first expenses supported by a non-IOU funding source (in this case, TECH Clean California) were paid.
<b>Administrative costs of the CHEEF (in nominal dollars and as a % of program spending)</b>	Included in quarterly reports	Reporting pre-dates requirement for nominal dollar; improvements coming in Q3 2022	Administrative costs have been reported as part of the budget table in Appendix 1. Administrative costs as a percentage of Program spending can be derived from the budget table, but will be shown more clearly as new budget reporting is developed.
<b>Annual estimated energy savings from installed measures</b>	Included in a standalone, bi-annual report	Q2 2022	The first <a href="#">GoGreen Home Deemed Energy Savings Report</a> was published in April 2022 and will be updated on a bi-annual basis.
<b>Annual estimated non-energy benefits from installed measures</b>	Financial benefits are currently reported	Q4 2022	Interest rate savings and monthly payment reductions due to the credit enhancement are currently reported for GoGreen Home (see table 11). Staff plans to launch a post-project customer survey to collect information about other non-energy benefits in 2022.
<b>Geographic breakdown of financing that includes, to the extent possible, ethnicity and socioeconomic data of loan recipients</b>	Not currently reported	Q4 2022	Staff plans to launch a post-project customer survey to collect this data (to the extent possible) in Q4 2022.
<b>Mean and median loan values</b>	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement for mean values; median values included as of Q3 2021	
<b>Mean and median Annual Percentage Rates (APRs)</b>	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement for mean values; Q3 2021 for median values	GoGreen Home interest rates are currently equivalent to the APR as no additional fees are charged by participating lenders for these loans.