# GoGreen Home Energy Financing Program

## Fiscal Year 2023-2024 Summary

## Introduction and Highlights

*This report supplements the [CHEEF's quarterly reports and monthly data summaries] and provides an update on the activity and progress of the GoGreen Home Energy Financing Program (GoGreen Home) for the 2023-2024 fiscal year (July 1, 2023 to June 30, 2024, or "FY 23-24"). Values presented are rounded to the nearest thousand or million. All values pertain to FY 23-24 unless otherwise specified. To learn more about GoGreen Home, please visit the CAEATFA website.*

### Introduction

Fiscal year 23-24 marked the busiest year to date for the GoGreen Home program, closing out at 2,603 standard loans and 854 microloans for a combined total of 3,457 loans enrolled (+136% compared with the combined total for FY 22-23 of 1,467 loans enrolled). In Q1 2024, the program also surpassed $100 million dollars in financing since program inception in 2016. Staff worked to continue scaling the program by implementing new methodologies for credit enhancement contributions and rebalancing of funds, launching loan product offerings for clean energy financing, and partnering with a software platform provider to streamline the loan enrollment process. Meanwhile, the program continued to deliver impactful borrower benefits via standard loans, including below-market interest rates (5.31% on average, compared with 13.12% for comparable market-rate unsecured loans[1]), extended terms for affordable monthly payments (117 months on average), and access to capital ($20,677 per loan on average) for a variety of energy-saving home upgrades. The program's leading microloan lender also grew the reach of its Eco Financing product by expanding their customer base to include residents that receive electricity from PG&E and SDG&E. Through Eco Financing, GoGreen Home now serves customers of all four investor-owned utilities (IOUs) with online, point-of-sale financing at interest rates that are well below market-rate. Looking ahead to FY 24-25, GoGreen Home staff are eager to leverage recent program advancements along with the established credit enhancement mechanism to secure additional funding sources (state and federal), activate larger amounts of private capital, and serve more Californians.

### Fiscal Year 23-24 Standard Loan Activity At-a-Glance

| Loan Totals FY 23-24 | |
|---|---|
| **2,603**<br>*Total loans enrolled* | **$53.82MM**<br>*Total amount financed* |

| Loan Characteristics FY 23-24 | | |
|---|---|---|
| **5.31%**<br>*Average interest rate* | **117 mos.**<br>*Average term length* | **$20,677**<br>*Average amt. financed* |

| Greenhouse Gas Emissions Reductions FY 23-24 |
|---|
| **1,085 tons** of CO2e |

| Top 5 Energy Efficiency Measures Installed FY 23-24 | | | | |
|---|---|---|---|---|
| **HVAC Equipment**<br>1,583 Projects | **Cool Roofs**<br>632 Projects | **Windows**<br>334 Projects | **HVAC Ductwork**<br>244 Projects | **Insulation**<br>130 Projects |

[1] According to the Credit Union National Association's Monthly Credit Union Estimates report, the national average interest rate issued by credit unions for unsecured loans from January 2024 to June 2024 was 13.12%.

# Fiscal Year 23-24 Program Highlights

## Standard loan volume continues to climb

- Fiscal year 23-24 represented a period of noteworthy standard loan volume growth, closing out with **2,603 loans enrolled (+86% compared with FY 22-23) and $53.82 million in dollars financed (+95% compared with FY 22-23)**. The number of loans enrolled and dollars financed this fiscal year account for 43% and 46% of all-time program totals, respectively. Standard loans are those enrolled by credit unions using the program's standard underwriting guidelines; microloans, which use a streamlined process, are tracked separately.

## GoGreen Home reached $100 million in financing

- In March, the GoGreen Home program reached $100 million in financing for energy efficiency upgrades. The residential energy improvements made possible with **financing provided by participating program lenders have prevented over 5,035 tons of greenhouse gas emissions from entering the atmosphere and helped over 6,000 households** enhance their comfort and energy savings.

## Loan loss reserve methodology reconfigured

- To extend availability of credit enhancement funds, and in light of relatively high credit scores and low default rates among borrowers, the loan loss reserve (LLR) contribution methodology was updated. The contribution **rate for loans to standard borrowers is now 5%** (formerly 11%), and **credit-challenged borrower status, which triggers a 20% contribution rate, was broadened to include borrowers with credit scores of 700 or lower** (formerly 640 or lower). The rebalance methodology was also modified to recapture funds for redeployment sooner.

## GoGreen Home Impact Evaluation Report is published

- ➢ The California Public Utilities Commission (CPUC)-authorized evaluators **concluded that the program had scaled since the last evaluation** and achieves environmental impacts beyond energy savings, including deeper emissions reductions through fuel substitution. Recommendations included educating consumers about the benefits of fuel substitution and a **suggestion that the CPUC establish performance targets** to measure program success.

## Financing for clean energy upgrades launches

- After years of GoGreen Financing operating as an energy efficiency-only financing program, the **CPUC issued** Decision 23-08-26 **authorizing CAEATFA to expand the use of credit enhancement funds to support financing for clean energy technologies** such as solar, battery storage, and EV charging. Financing for clean energy upgrades became available to GoGreen Home borrowers in June 2024.[2]

## Lenders hold steady on below market-rate offerings

- Despite the persistence of high interest rates on the market, **GoGreen Home lenders continued to offer rates that were 5.3 percentage points lower than the market equivalent** for loans up to and including 60-month terms, resulting in a projected average savings of $2,405 in cumulative interest over the lifetime of the loan.[3]

## Development of the GoGreen Home Portal system begins

- **CAEATFA partnered with nonprofit Inclusive Prosperity Capital and used their single-family project management tool, NGEN, to start developing the GoGreen Home Portal.** The portal, which comes equipped with job tracking functionality, a centralized messaging system, and error entry safeguards, is expected to streamline the project process for contractors, lenders, and borrowers.

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[2] The first clean energy project financed through GoGreen Home enrolled on July 8, 2024. For details on the loan characteristics of clean energy projects, please refer to future monthly data summaries, quarterly summaries, and the FY 24-25 report.

[3] Throughout FY 23-24, on average, GoGreen Home borrowers with loan terms up to and including 60 months received a 4.4% interest rate, which is 5.3 percentage points lower than the average of the participating lenders' signature product interest rate of 9.7%. Savings estimates are based on timely repayment of the loan.

## Standard Loan Activity[4]

Reporting below pertains to standard GoGreen Home loans enrolled through the eight participating credit union lenders. Reporting on marketplace microloans can be found on page 11.

### Private Capital Leveraged

| Total Amount Financed | | | Loss Reserve Contributions | | |
|---|---|---|---|---|---|
| **$27.57MM** FY 22-23 | **$53.82MM** FY 23-24 | **$117.75MM** All Time | **$4.49MM** FY 22-23 | **$6.58MM** FY 23-24 | **$16.66MM**[5] All Time |
| For every **$1** of credit enhancement allocated, **$6.14** in private capital was leveraged in FY 22-23. | | | | | |
| For every **$1** of credit enhancement allocated, **$8.17** in private capital was leveraged in FY 23-24.[6] | | | | | |

### Financing Activity

| Loans Enrolled | | |
|---|---|---|
| 1,396 *FY 22-23* | 2,603 *FY 23-24* | +86% *Change in Activity* |

| Credit Enhancement Funds Recaptured[7] | | |
|---|---|---|
| $322,144 *FY 22-23* | $527,955 *FY 23-24* | +64% *Change in Amount Recaptured*[8] |

### Loan Characteristics

| Interest Rate | | | |
|---|---|---|---|
| 4.61% *Average* | 4.49% *Median* | 5.31% *Average* | 4.99% *Median* |
| *FY 22-23* | | *FY 23-24* | |

| Term Length in Months | | | |
|---|---|---|---|
| 109 *Average* | 120 *Median* | 117 *Average* | 120 *Median* |
| *FY 22-23* | | *FY 23-24* | |

| Loans Enrolled per IOU[9] | | | |
|---|---|---|---|
| 2,099 *PG&E* | 296 *SCE* | 171 *SDG&E* | 342 *SoCalGas* |
| *FY 23-24* | | | |

| Loan Size | | | |
|---|---|---|---|
| $19,748 *Average* | $17,604 *Median* | $20,677 *Average* | $18,538 *Median* |
| *FY 22-23* | | *FY 23-24* | |

| Average Interest Rates by Term Length | | | | | |
|---|---|---|---|---|---|
| 4.7% *60 mos.* | 4.5% *60 mos.* | 5.7% *120 mos.* | 5.5% *120 mos.* | 5.8% *180 mos.* | 5.9% *180 mos.* |
| *FY 23-24* | *All Time* | *FY 23-24* | *All Time* | *FY 23-24* | *All Time* |

[4] "All time" refers to characteristics of loans enrolled by participating lenders FY 2016 – 2024.

[5] GoGreen Home uses a credit enhancement in the form of a loan loss reserve to leverage private capital at reduced rates and allow lenders to improve terms for borrowers. The credit enhancement is provided by utility ratepayer funds and funds provided by TECH Clean California.

[6] Allocated credit enhancement funds leveraged a higher dollar amount of private capital in FY 23-24 as a result of the reconfigured loan loss reserve contribution methodology, which changed the default contribution rate for standard borrowers from 11% to 5%. This update lowered the average contribution rate from 15.8% to 7.8%, allowing credit enhancement funds to be deployed more efficiently while still mitigating lender risk.

[7] Effective with the December 2023 GoGreen Home regulations, CAEATFA made an update to the rebalance methodology to facilitate more efficient deployment of loss reserve funds. The modified rebalance methodology recaptures funds sooner from in-process and paid-off loans to make them available for deployment more quickly. Rebalance transactions for FY 23-24 occurred during Q1 and Q2 of FY 24-25 and the total rebalanced amount includes both Public Purpose Program (PPP) and TECH Clean California (TECH) contributions. Of the $527,955 recaptured, $465,785 were PPP funds and $62,170 were TECH funds.

[8] Credit enhancement funds recaptured in FY 23-24 were 64% higher than the funds recaptured in the previous fiscal year. This change is attributed to the higher number of loans paid in full (377 in FY 23-24 compared with 218 in FY 22-23) coupled with the new rebalance methodology.

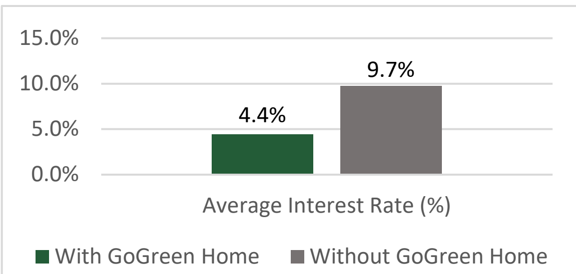
[9] Some properties are served by more than one investor-owned utility (IOU), meaning the total number of loans enrolled per IOU will not match the total number of loans enrolled. Loans enrolled per IOU are reported regardless of what measures are installed.

## GoGreen Home Delivers Borrower Benefits[10]

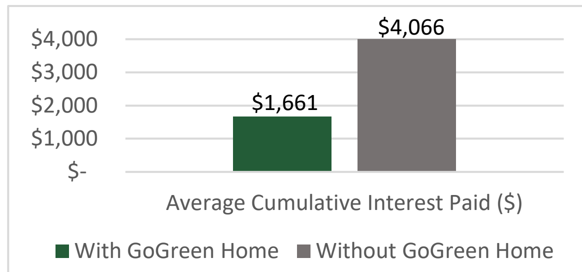
In exchange for the credit enhancement provided by the loan loss reserve, participating GoGreen Home lenders offer loan products with improved rates and terms compared with their signature unsecured loan products. By applying for financing through a GoGreen Home lender, borrowers can access reduced rates for major savings in cumulative interest.

GoGreen Home borrowers with terms of 60 months or less achieved an average interest rate of 4.4%, 530 basis points lower than they would have received with those same lenders' non-GoGreen Home signature unsecured loan products (9.7% on average). The reduced rates secured in FY 23-24 are projected to yield an average savings of $2,405 in cumulative interest per loan.

**FY 23-24 Average Interest Rates**
for loans with terms up to and including 60 months

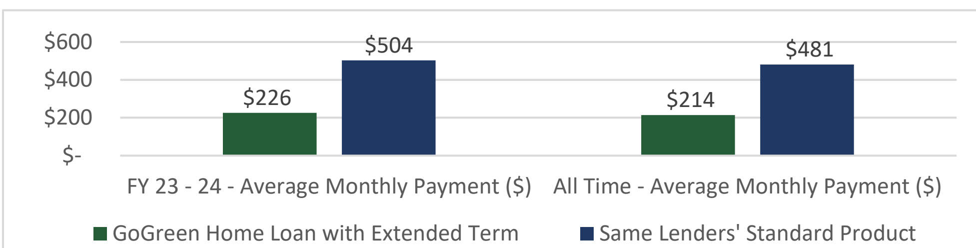



**FY 23-24 Cumulative Average Interest**
for loans with terms up to and including 60 months




Depending on their project size and budgetary needs, borrowers can also opt for an extended term, out to 180 months, to reduce their monthly payments. In FY 23-24, borrowers who took advantage of extended terms beyond 60 months were able to reduce their monthly payment by $278 on average.

**FY 23-24 Average Monthly Payment Reduction Due to Extended Terms[11]**
for GoGreen Home loans with terms >60 months




Participating lenders offer a maximum finance amount of $25K on average for their signature unsecured loan products. With the help of the credit enhancement, however, they've significantly increased this cap to $50K for their GoGreen Home loan products. When it came time to launch financing for clean energy projects, several lenders also made additional improvements to their existing GoGreen Home loan product offerings. To

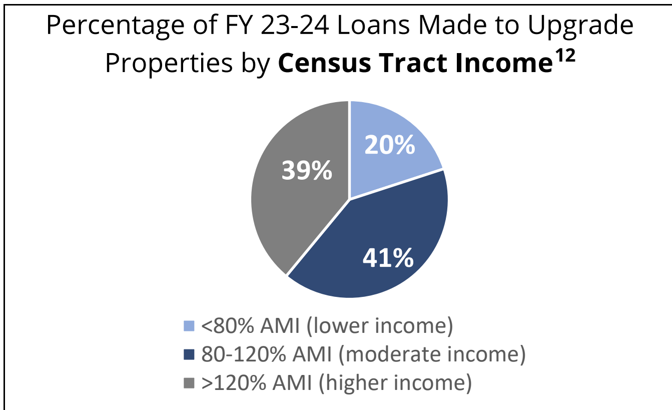
[10] These interest rate charts compare actual interest rates of GoGreen Home loans and the interest rates of equivalent non-GoGreen Home signature products offers by the Program's participating lenders (as reported by the lenders to CAEATFA), using a data set for loans with terms up to 60 months for borrowers who would have qualified for non-GoGreen Home loans.

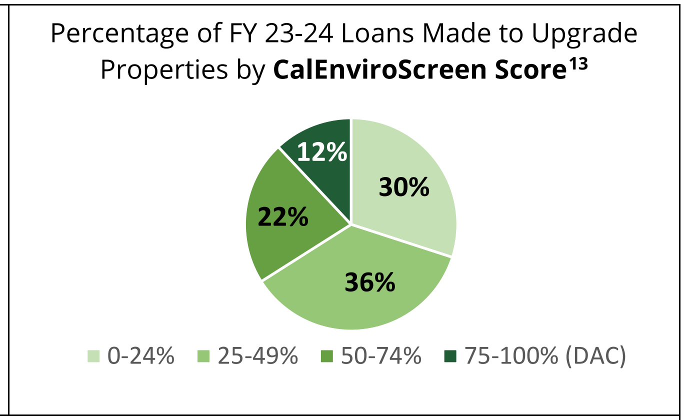
[11] This chart compares monthly payments for GoGreen Home loans with terms greater than 60 months and what monthly payments would have been if the borrower had used the same lender's non-GoGreen Home signature product limiting them to shorter term lengths. Loans from one participating lender who currently offers signature products with terms greater than 60 months are excluded from this comparison. Signature product terms from participating lenders are updated quarterly.

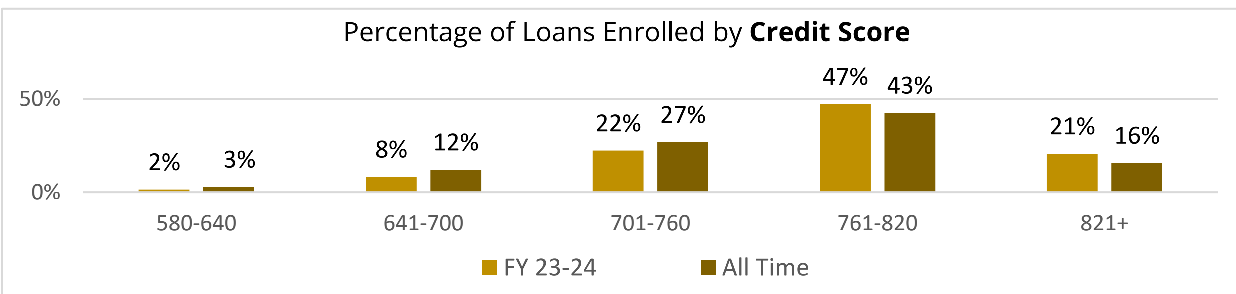
accommodate the higher cost of projects that bundle solar + battery storage, six of eight participating standard loan lenders increased the maximum amount of capital granted to borrowers undertaking these projects to $75K. Many lenders also extended their terms out to 240 months for bundled solar + storage projects to continue helping borrowers keep monthly payments low.

## Striving to Reach Underserved Borrowers

The GoGreen Home credit enhancement mechanism is designed not only to leverage private capital but to elicit expanded underwriting criteria and increase access to financing for Californians. For that reason, program staff track loan distribution to borrowers deemed underserved based on census tract income, CalEnviroScreen Score, and credit score.




Despite removing census tract income as a pathway to receiving a larger LLR contribution (20%) in December 2023, the percentage of loans provided to borrowers living in low-to-moderate income census tracts in FY 23-24 (61%) was slightly higher than in FY 22-23 (59%), demonstrating that the program continues to reach these borrowers. Census tract income no longer triggers a 20% LLR contribution due to loan performance data indicating no direct correlative relationship between census tract income and borrower default, therefore disproving the need for the higher contribution amount.

Also in December 2023, the definition of a credit-challenged borrower was broadened to include those with credit scores at or below 700 (formerly 640). This was done to broaden the net of use cases in which to apply the 20% contribution rate and therefore incentivize lenders to finance projects for borrowers with lower credit scores. Under the new definition, loans made to borrowers with credit scores between 641 and 700 receive a 20% LLR contribution. Loans to these borrowers account for 8% of the 10% of loans made to credit-challenged

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[12] Low-to-Moderate Income (LMI) census tracts, for the purpose of this reporting, includes tracts with median income that falls below 120% of the Area Median Income (AMI).

[13] 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 highest 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.

borrowers in the fiscal year. That said, a 10% share of all loans enrolled in FY 23-24 warrants further examination of the program's strategy for reaching credit-challenged borrowers.

Moving forward, staff will consider and evaluate various factors that may be impacting the small percentage of loans offered to credit-challenged borrowers, including whether credit-challenged borrowers apply for loans in fewer numbers than standard borrowers, whether credit score is the most accurate indicator of a borrower's need for capital, and if the LLR is an effective mechanism for reaching borrowers with lower credit scores. Program staff are also in the process of designing an interest rate buy-down (IRBD) designed to target specific market segments, namely Low-Income and Disadvantaged Communities (LIDAC), which will likely impact the percentage of loans for credit-challenged borrowers and presents the opportunity to weigh the market impact of an IRBD in combination with the LLR.

## Contractor – Lender Partnerships

GoGreen Home welcomed two new lenders, Diablo Valley Federal Credit Union and Self-Help Federal Credit Union, in Q3 2023 and Q2 2024, respectively. Diablo Valley serves borrowers in Central Contra Costa County. Self-Help is the third enrolled lender to offer financing statewide.

Fiscal year 23-24 was a notable period for several lenders, with Cal Coast and Matadors nearly doubling their respective loan volume compared with FY 22-23 and Travis Credit Union more than tripling their loan volume from the previous fiscal year.

Loan activity this fiscal year also provides further evidence to support the theory that relationships between regional lenders and contractors have the power to produce impressive loan volume. As seen below, despite their service territories being limited to specific counties, Travis and First US loan enrollments account for more than half of the fiscal year total. Staff attributes the volume accomplished by these credit unions to their prioritization of the contractor experience.

| Loans by Lender | | | |
|---|---|---|---|
| **Lender** | **FY 2022-23** | **FY 2023-24** | **All Time** |
| California Coast Credit Union | 473 | 714 | 2,306 |
| Desert Valleys Federal Credit Union | 15 | 19 | 75 |
| Diablo Valley Federal Credit Union | 0 | 3 | 3 |
| Eagle Community Credit Union[14] | 0 | Servicing only | 12 |
| First U.S. Community Credit Union | 405 | 430 | 1,124 |
| Matadors Community Credit Union | 120 | 206 | 813 |
| Pasadena Service Federal Credit Union[15] | 0 | 1 | 4 |
| Self-Help Federal Credit Union | Not enrolled | 0 | 0 |
| Travis Credit Union | 382 | 1,229 | 1,739 |
| Valley Oak Credit Union | 1 | 1 | 40 |
| **Total Loans** | **1,396** | **2,603** | **6,116** |

[14] Servicing loans only as of Q1 2023.

[15] Servicing loans only as of Q1 2024.

| Contractor Activity | | |
|---|---|---|
| **Participating Contractors** All Time[16] | Contractors who **enrolled in GoGreen Home** FY 23-24 | Contractors who **enrolled a project** FY 23-24 |
| **1,036** | **349** | **341** |

While new contractor enrollments increased by 72% at 349 enrollments compared with the previous fiscal year (203), the top 10 highest-performing contractors were responsible for 46% of the 2,603 projects enrolled in FY 23-24, underscoring the important role that highly engaged contractors play in overall program activity. More specifically, each of the top five performing contractors has a nearly exclusive relationship with Travis or First US (four with Travis, one with First US).

Both Travis and First US run merchant programs in which personnel are dedicated to recruiting newly enrolled GoGreen Home contractors and assisting contractors in the project process. In addition to their merchant program, Travis also utilizes technologies and services that enhance the ease and fluidity of the contractor journey.

With this successful model in mind, GoGreen Home staff partnered with Inclusive Prosperity Capital and licensed its software platform, NGEN, to design the GoGreen Home Portal. The portal will enable the transition from a manual to automated project process for contractors and lenders and significantly streamline workflow. The shift to an online job processing system, set to launch in July 2024, is more specifically being made to improve the contractor experience and thereby nurture their ability to generate more loans and scale the program.

## Decarbonization

Decarbonization measures contribute to the State's goal of reducing greenhouse gas emissions by substituting carbon-emitting equipment, such as natural gas-fueled measures like a furnace, with electric-fueled measures (i.e., heat pumps HVACs, heat pump water heaters, and induction ranges) that can more readily take advantage of clean power sources.

As seen in the table below, the number of heat pump HVACs and heat pump water heaters financed through GoGreen Home increased by 80% and 52%, respectively, compared with the previous fiscal year. Staff posits there are multiple reasons, internal and external to the program, behind this organic growth.

| Heat Pump Projects Financed | | | | | |
|---|---|---|---|---|---|
| **Space Heating** | | | **Water Heating** | | |
| **348** *FY 22-23* | **628** *FY 23-24* | **1,214** *All Time* | **42** *FY 22-23* | **64** *FY 23-24* | **144** *All Time* |

Since 2022, the program has shared an agreement with Energy Solutions, the implementor of the TECH Clean California Initiative, in which credit enhancement funds are provided so borrowers who do not receive electricity from an investor-owned utility can still access financing for decarbonization measures with GoGreen Home. With the use of TECH funds, 101 heat pump HVACs and 11 heat pump water heaters were installed in homes for residents that otherwise could not have financed these decarbonization measures. In addition, several rebates and tax credits have been launched by utilities as well as on the state and federal levels to increase the public's

[16] Represents the number of contractors currently enrolled in GoGreen Home. Over time, some contractors have been suspended or removed from the program as part of routine quality checks for reasons such as license expirations. Contractors who are suspended from the program due to an expired license or other disciplinary action from the California State License Board are automatically re-enrolled in GoGreen Home upon showing proof of a valid license.

awareness of these electric alternatives and incentivize consumers to opt for heat pump technology. Finally, investments made in the advancements of heat pump space heating technology, such as the Department of Energy's Residential Cold Climate Heat Pump Technology Challenge, are further improving the energy efficiency of heat pump HVAC systems, making them a more compelling option for residents looking to reduce energy use and save money.

In anticipation of federal rebates hitting the market in FY 24-25, staff will track fluctuations in heat pump HVAC project volume closely. The GoGreen Home team is eager to monitor for and possibly identify correlative relationships between the launch of the Inflation Reduction Act's Home Electrification and Appliance (HEEHRA) Rebates for single-family electrification projects and the number of heat pump HVAC projects financed in 2025. Of particular interest is whether these federal heat pump HVAC rebates layered with GoGreen Home Energy Financing will increase the percentage of underserved borrowers that pursue electrification and install heat pumps. Currently, 36% of heat pump HVACs financed in FY 23-24 were installed in homes where the borrowers are deemed underserved based on census tract (area median income at or below 120%) or credit score (at or below 700).

Public uptake of heat pump water heating technology has been far more modest by comparison. Staff postulates that homeowners may be less likely to opt for a heat pump water heater as these projects tend to require an electric panel upgrade, which can add thousands of dollars to a project. Contractors have also reported the need for additional training on various components of heat pump water heater installation, such as electrical concepts and water heating codes.[17] Despite the need for these specialized trainings, it appears that opportunities to obtain this knowledge are rarely offered in current contractor training courses.[18] Therefore, the extra work put on contractors interested in transitioning to heat pump water heater installations could be another factor behind the slower adoption.

## Deemed Energy Savings and Greenhouse Gas Emissions Reductions

Throughout FY 23-24, the number of efficiency and decarbonization projects financed via standard loans nearly doubled from the previous fiscal year at 2,603 total. The rise in the number of projects completed is reflected in the total greenhouse gas (GHG) emissions reductions achieved through new projects, 1,085 tons of $CO_2e$, also referred to as the "cumulative GHG emissions reductions." As noted previously, decarbonization measures are particularly valuable to GHG emissions reductions due to the fact that these projects tend to include fuel-switching. Of note, decarbonization measures installed in FY 23-24 resulted in 757 tons of GHG emissions reductions, a significant increase from the previous fiscal year (420 tons).

| Total Annual Energy Savings Projects | | | | | | |
|---|---|---|---|---|---|---|
| | **Efficiency Measures** | | **Decarbonization Measures** | | **Efficiency + Decarb Measures[19]** | |
| | ***FY 22-23*** | ***FY 23-24*** | ***FY 22-23*** | ***FY 23-24*** | ***FY 22-23*** | ***FY 23-24*** |
| **Number of Projects** | 1,232 | 2,205 | 367 | 658 | 1,395 | 2,603 |

[17] This finding was sourced from the "California Water Heating Market Study: Contractor Business Models, Training, and Electrification" conducted by Opinion Dynamics at the request of the California Public Utilities Commission (CPUC) in 2024.

[18] Ibid.

[19] Projects may include both efficiency and decarbonization measures. For that reason, the total projects will not amount to efficiency measure projects plus decarbonization measure projects as this would result in double counting projects with both types of measures included.

Because decarbonization measures provide an electric alternative to natural gas-fueled equipment, the deemed annual electric savings (in kWh), gas savings (in Therms), and GHG emissions reductions (in tons of CO2e) for decarbonization measures are reported separately, as they always result in negative electric savings and positive gas savings, which skews the overall data significantly when counted with other measures.

| Total Annual Energy Savings and GHG Reductions | | | | |
|---|---|---|---|---|
| | Efficiency Measures | | Decarbonization Measures | |
| | *FY 22-23* | *FY 23-24* | *FY 22-23* | *FY 23-24* |
| **Electric Savings** (kWh) | 495,635 | 743,116 | -520,839 | -962,733 |
| **Gas Savings** (Therms) | 31,347 | 38,162 | 80,493 | 146,366 |
| **GHG Reductions** (tons of CO2e) | 256 | 328 | 420 | 757 |
| **Peak Demand Savings** (kW) | 665.9 | 927.6 | | |

Removing 1,085 tons of CO2e from the atmosphere is environmentally impactful. Presenting equivalents of tons in GHG emissions reductions reframes the data in more tangible ways. For that reason, participating lenders often feature GHG emissions reduction data resulting from their financing activity in the equivalency format on their public-facing websites.

**Cumulative GHG Emissions Reductions Equivalencies[20] (All measures, FY 23-24)**

**The 1,085 tons of CO2e saved is equivalent to…**

**2,506,567**
*Miles Not Driven by a Passenger Vehicle*

***or***

**1,093,370**
*Pounds of Coal Not Burned*

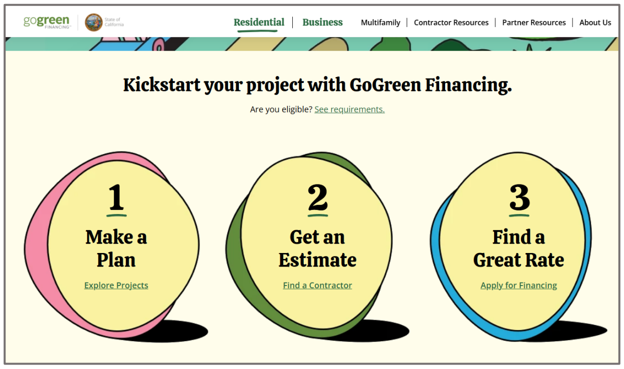
***or***

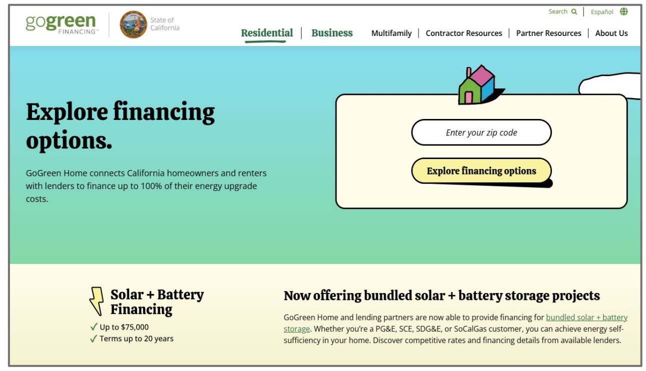
**83,671**
*Trash Bags Recycled vs. Landfilled*

## Marketing Efforts

In Q3 2023, staff worked with marketing implementer Riester to launch a redesigned version of GoGreenFinancing.com, the program's main public-facing platform. The redesign is inspired by the look and feel of artwork produced by sustainability advocate Jeremy Ville of Studio Jeremyville. The colorful website design is part of a strategic approach that aims to make the program standout in the broader energy financing landscape. Functionally, the site introduces a three-step conversion-focused user journey in which site visitors are presented with simple instructions to complete their projects (left image). The third step, "Find a Great Rate" calls for the user to apply for a loan. Clicks to apply for a loan are counted as conversions as they indicate that the user took an action to pursue financing with a GoGreen Home lender. In FY 23-24, there were 65,297 views of the GoGreen Home finance options page (right image) and 10,019 clicks to apply, representing an increase of 266% and 630% in financing page views and clicks, respectively, compared with the previous fiscal year.

[20] GHG emissions reductions equivalency values are calculated via the U.S. Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator, based on 1,085 U.S. tons of CO2e savings (combined GHG emissions reductions estimates for electric and gas savings, including decarbonization measures).




Users were driven to the website using a multichannel media campaign comprised of paid search, social media, digital display, video, and audio channels. The campaign ran through iHeartMedia/Unified from May 2023 to June 2024 and generated an estimated total of 44 million in paid impressions with an additional 15 million impressions delivered as added value through iHeartmedia audio platforms.

Assets provided by Jeremyville were utilized for social and digital ads and were further leveraged as assets for campaigns run by investor-owned utility partners, SCE, SDG&E, and SoCalGas. Collaboration with the IOUs greatly adds to overall awareness of the GoGreen Financing programs as these utilities have large and far-reaching public platforms.

The fiscal year concluded with the launch of residential clean energy financing. Riester incorporated clean energy illustrations into the Explore Projects page where users can decide what home improvements to install and introduced the lightning bolt symbol as a method for borrowers to differentiate between financing provided for energy efficiency projects and financing offered exclusively for projects that bundle solar with battery storage. In FY 24-25, these types of projects will be promoted via social, native, and digital display ads.[21]

## Borrower Feedback and Engagement

Findings from the GoGreen Home Post Project Survey[22], a voluntary survey deployed to program borrowers, remained consistent with the previous fiscal year. When borrowers were asked about their overall satisfaction with their GoGreen Home experience, 95% of responses submitted in FY 23-24 (392) were "Very satisfied" or "Satisfied." The leading project motivation continues to be "Upgrade old/inefficient equipment" (70% of respondents) and the primary reason borrowers pursued financing with GoGreen Home remains "Better interest rates than I could get elsewhere" (72% of respondents). Of note, the majority (69%) of borrowers continue to report that they first heard about the program through their contractor.[23] To capitalize on the demonstrated influence of contractors, Riester will develop consumer-facing tools for contractors to add to their sales pitches in FY 24-25 including print collateral and a GoGreen Home loan calculator.

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[21] GoGreenFinancing.com as well as visual campaign assets published by Riester and the IOUs are offered in English and Spanish.

[22] The survey collects demographic and socioeconomic data requested by the CPUC in Decision 21-08-006 as well as information on project motivation and satisfaction. The first batch of surveys was deployed in Q2 2023 and has been sent on a monthly cadence thereafter to all borrowers who provide an email address on the borrower form. To see a breakdown of responses to each survey question, check out the GoGreen Financing Quarterly Reports.

[23] Because the first batch of surveys was issued to borrowers who completed their projects from 2016 to March 21, 2023, this question was omitted as it relies on some respondents to recollect details from up to seven years prior. It is now a regularly occurring question in the currently issued survey.

## Marketplace Microloan Activity

This section reports on microloans, which are loans limited to $5,000 enrolled through IOU online marketplaces operated by platform provider Enervee. Microloans are reported on separately so as not to skew data presented for full-size loans, also referred to as standard loans. After a year-long pause, microloan enrollments resumed in Q2 2023 when Enervee partnered with Lewis & Clark Bank.[24] Together, they began offering the Eco Financing product with a 60-month term, single interest rate of 9.99%, and expanded availability to include both the SoCalGas and SCE utility marketplaces. In Q1 2024, borrower eligibility was again expanded to include Californians receiving electricity from PG&E and SDG&E.

Throughout FY 23-24, 854 microloans were enrolled for an all-time total of 1,421. Microloans fulfill an important role in the suite of GoGreen Home financing offerings in terms of the types of borrowers served. For example, renters make up 39% of the all-time total borrowers who received financing via marketplace microloans. As seen in the graphs below, 74% of all-time microloans have been made to borrowers deemed underserved based on their residence in a low-to-moderate income census tract. And of particular note, 81% of all marketplace microloans enrolled were for borrowers with a credit score below 700. Per the GoGreen Home Regulations, borrowers within this credit score range are categorized as credit-challenged and generally experience greater difficulty when trying to obtain financing.

### Loan Activity and Loan Characteristics

| | | |
|---|---|---|
| **Microloans Enrolled** | **854** *FY 23-24* | **1,421** *All Time* |
| **Total Amount Financed** | **$1.34MM** *FY 23-24* | **$2.19MM** *All Time* |

| | | |
|---|---|---|
| **Loan Size** *All Time* | **$1,540** *Average* | **$1,296** *Median* |
| **Borrower Relationship to Property** *All Time* | **549** *Renters or Lessees* | **872** *Owners* |

| **Credit Enhancement Funds Recaptured**[25] | | |
|---|---|---|
| **$1,426** *FY 22-23* | **$24,141** *FY 23-24* | **+1,593%**[26] *Change in Amount Recaptured* |

### Measures Installed

In addition to reaching underserved borrowers, microloans also make financing for smaller projects possible so California residents can get the appliances they need. Clothes washers and dryers as well as refrigerators make up the most popular energy upgrades financed using microloans. These types of projects differ from those more commonly financed via standard loan not only because of the lower amount of financing needed (at or below $5K), but also because many of the equipment types being installed are considered necessities, rather than luxuries or investments in the property.

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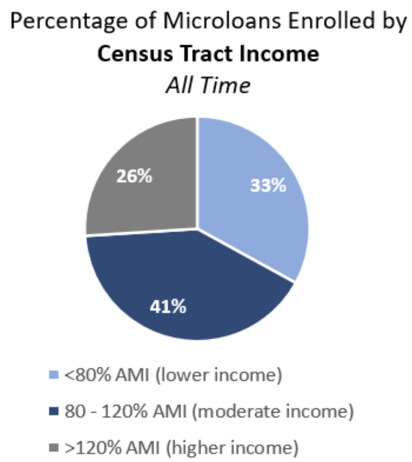
[24] From Q3 2021 to Q2 2022, microloans were enrolled by Enervee and One Finance, which together offered a product, Eco Financing, to customers for financing purchases from the SoCalGas marketplace. At that time, the Eco Financing product had a 60-month term length and a single interest rate of 9.82%. In Q2 2023, Enervee paused microloan financing to onboard a new lender, Lewis & Clark Bank, which replaced One Finance.

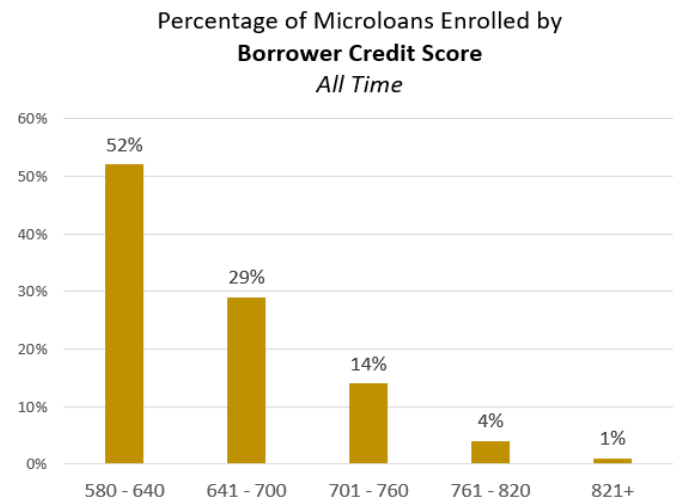
[25] Effective with the December 2023 GoGreen Home regulations, CAEATFA made an update to the rebalance methodology to facilitate more efficient recapture and deployment of loss reserve funds. The modified rebalance methodology recaptures funds sooner from in-process and paid-off loans to make them available for deployment more quickly. Of the $24,141 recaptured from FY 23-24, $3,382 resulted from the first methodology and $20,759 resulted from the second methodology.

[26] Staff attributes the major increase in recaptured funds from FY 22-23 to FY 23-24 to the fact that Enervee relaunched microloan financing in Q2 of 2023 after a year-long pause and the use of the new rebalance methodology which allowed an additional 462 microloans to be subject to rebalancing. The total microloans rebalanced in FY 22-23 was 63 compared with FY 23-24 for which 543 microloans were included in the rebalance process.

| Top 3 Appliances Purchased (All Time) | | |
|---|---|---|
| **Clothes Washer** 527 | **Clothes Dryer** 496 | **Refrigerator** 410 |

## How The Marketplace Microloan Product Serves Underserved Borrowers




## Deemed Energy Savings

Marketplace microloans for gas appliances purchased through the SoCalGas marketplace launched in Q3 2021 and were operational until Q2 2022. In Q2 2023 microloans were relaunched for the purchase of gas appliances through the SoCalGas marketplace, and electric measures became eligible for financing for the first time. As predicted, the inclusion of electric measures resulted in major growth in electric savings via microloans. At the close of FY 23-24, the all-time electric savings achieved (64,541 kWh) represent a 266% increase from the all-time electric savings total last fiscal year, 17,642 kWh. Likewise, GHG emissions reductions through electric savings also rose significantly from the all-time total presented in the FY 22-23 report (4 tons of $CO_2e$) to a new all-time total of 17 tons of $CO_2e$. Total gas savings and GHG emissions reductions through gas savings each nearly doubled from the all-time totals found in the previous fiscal year as well.

With Eco Financing becoming available to electric customers of PG&E and SDG&E in addition to SCE, staff expects to see continued increases in the proportion of energy savings from electricity in the coming months and years.

| Total Annual Energy Savings and GHG Reductions (All Time) | | |
|---|---|---|
| | **Electric Savings** | **Gas Savings** |
| **Energy Savings** | 64,541 kWh | 5,883 Therms |
| **GHG Reductions** | 17 Tons of $CO_2e$ | 34 Tons of $CO_2e$ |