CHEEF
CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING

ENERGY EFFICIENCY FINANCING PROGRAMS

QUARTERLY REPORT & PROGRAM STATUS SUMMARY

FIRST QUARTER 2024

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 financial barriers to EE retrofits—particularly in underserved market sectors—is critical to reaching the state's goals of reduced energy consumption and spreading benefits of energy efficiency 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 many Californians to undertake EE retrofits. A key objective is to test whether 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. D.23-08-026 authorized the CHEEF Programs to offer financing for comprehensive clean energy measures such as EV charging infrastructure and rooftop solar in combination with battery storage. Staff hopes to launch financing for these measures in mid-2024.

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 Southern California Gas [SoCalGas]), 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 were already included in quarterly reports and data summaries prior to D.21-08-006. CAEATFA will continue to report on these metrics.

New metrics, including median loan size, median interest rates, and expanded reporting on geographic distribution of loans and non-energy benefits for borrowers, are now included in quarterly reports, while energy savings are covered in biannual reports. To report on ethnicity and socioeconomic data, CAEATFA has instituted a post-project survey for GoGreen Home and is collecting this data on a voluntary basis from participants.

Please see Appendix 9 for a detailed breakdown of reporting requirements and CAEATFA’s compliance status.

Executive Summary – Q1 2024

Outreach Highlights

- **CAEATFA staff and leadership promoted the programs at multiple in-person and virtual events**. Highlights included booths at the California Food Processing Expo, the EPIC2024 contractors' conference and the Fueling Sustainability Conference hosted by SoCalGas. Staff and/or leadership also attended the RE+ Northern California conference in Santa Clara, the 2024 California Battery Summit, the Latino Entrepreneurship Summit, and a HUD San Francisco outreach event for multifamily property owners. Staff presented the programs on multiple webinars, including with several California chapters of the Association of Energy Engineers, and hosted an online workshop to gather public comment on proposed changes to GoGreen Home, including the addition of financing for solar and battery storage.
- **The GoGreen Financing website and "Green Means Go" marketing campaign were recognized for excellence in the first round of the American Advertising Federation (Addy) Awards**. The website, redesigned by marketing implementer Riester and relaunched in October 2023, received a Gold Award and will advance to the next round of the competition covering the Mountain West.

Regulatory Developments

- **The CAEATFA Board approved modifications to the GoGreen Home program.** The modifications include incorporating new energy measures allowed by CPUC Decision 23-08-026, such as paired solar photovoltaic and battery storage, battery storage for properties with preexisting solar, and EV chargers; raising maximum project amount and loan term to accommodate such improvements; adding a project developer role to facilitate broader upgrades; and adding a feature to "pause" lender operations if a threshold of delinquent and defaulted principal is reached as a form of consumer protection.

GoGreen Home Energy Financing Program Developments

- **GoGreen Home loan enrollments surpassed $100 million.** As of Feb. 9, the program had helped 6182 Californians make a combined $100.9 million in home energy efficiency improvements through standard loans and microloans, from heating/air conditioning systems and insulation to Energy Star appliances. The milestone occasioned press releases by the State Treasurer's Office and the marketing implementer.
- **GoGreen Home lenders enrolled 584 standard loans.** Standard loan enrollments over the course of the quarter, worth a combined financed amount of more than $12.48 million, represent the third highest number of loans and amount financed in one quarter since program inception. Compared with Q4 2023, the program's all-time top performing quarter, Q1 saw a decrease of 21.4% in number of loans and a 19.35% decrease in amount financed. Compared with Q1 2023, however, the number of enrolled loans was 93.4% higher and the amount financed 101.77% higher, reinforcing the program's record of robust year-over-year growth.
- **GoGreen Home onboarded a new statewide lender.** Self-Help Federal Credit Union will offer financing for energy upgrades of up to $50,000 starting in Q2.
- **A new loan loss contribution rate took effect on Jan. 1**. The new formula, which is projected to result in an average contribution rate of 7.8% compared with the previous average of 15.8%, uses credit enhancement dollars more efficiently while continuing to mitigate risk for lenders.

GoGreen Business Energy Financing Program Developments

- GoGreen Business had its second most active quarter in program history, with finance companies enrolling 9 projects representing $575,997. Activity tracks with the program-wide pattern of a seasonal dropoff after the New Year; Q4 2023 saw 13 enrollments and $974,535 financed. The Q1 activity brings the total amount financed since program launch in 2019 to just over $4.6 million.

GoGreen Home Energy Financing Program

Key GoGreen Home Metrics – Q1 2024 (January 1 - March 31, 2024)

584	**$21,373**	**$12.48 million**
New Loans Enrolled	Average Loan Size	Amount Financed

View the latest monthly data summaries for GoGreen Home.

GoGreen Home Updates

In Q1 2024 GoGreen Home lenders enrolled 584 new standard loans worth $12.48 million at an average project size of $21,373. The quarter's activity pushed standard loan enrollments well past the $100 million mark; by quarter's end, a total of 5,507 California households had invested $105.52 million in energy upgrades using the reduced interest rates, extended terms and broader eligibility afforded by the GoGreen Home credit enhancement.

Compared with Q4 2023, the program's all-time highest-performing quarter, Q1 standard loan enrollments were 21.40% lower in number and 19.35% lower in amount financed. Compared with Q1 2023, however, loan enrollments rose 93.38% in number and 102% in amount financed, underscoring strong year-over-year growth.

In Q1, the program welcomed its third statewide lender, Self-Help Federal Credit Union. Self-Help is offering qualified homeowners interest rates of 5% to 8.5% for loans of up to $50,000, though financing did not become publicly available before the end of the quarter. Also in Q1, Pasadena Service Federal Credit Union formally stopped accepting new loan applications. The credit union will remain enrolled in the program in order to service its existing loans. At quarter's end, customers could choose from seven participating GoGreen Home lenders offering standard loans.

The program continued supporting the State's efforts to decarbonize by financing heat pump technologies. In Q1, 151 of the 584 projects enrolled (26%) included heat pumps or heat pump water heaters. The quarter's activity represents the third highest number of heat pump projects installed in one quarter and is 81.9% higher than the number installed in Q1 2023.

While the majority of heat pump loans were supported by IOU credit enhancement funds, 38 of the 151 (25%) were supported through a partnership between CAEATFA and the TECH Clean California Initiative that allows joint IOU gas/POU electric customers to finance heat pumps and other eligible electric measures through their GoGreen Home loan without the fuel source restrictions they previously faced. Of the 38 loans that were credit enhanced in part or in full by TECH, 25 were TECH-only projects, meaning they could not have been financed through the program without TECH support.

Channel partners Lewis & Clark Bank and Enervee enrolled 27 new marketplace microloans representing $47,171 in financing for energy-efficient appliances over the course of the quarter. There is no Q1 2023 comparison available, as marketplace microloan enrollments were paused between June 2022 and June 2023. Microloans are currently available to customers of Southern California Gas through the utility's Marketplace and to customers who receive electricity service from Southern California Edison, Pacific Gas & Electric and San Diego Gas & Electric through Enervee's California Marketplace.

On Jan. 1 a new GoGreen Home loan loss reserve (LLR) contribution structure took effect. Designed with lender input, the new structure, along with a new annual rebalancing methodology, will allow GoGreen Home to recycle and deploy credit enhancement dollars more rapidly and for more loans in the future, thereby extending their impact. In Q1, the average LLR contribution was $1,784 per loan compared with $2,890 per loan over the course of the program's lifetime.

Following CPUC authorization in August 2023 to allow financing of clean energy technologies, in Q1 the CAEATFA Board approved new eligible home energy measures, including bundled solar and battery storage, battery storage for properties with existing solar, and EV chargers; authorized CAEATFA staff to pause operations for lenders with combined delinquency and default rates in excess of 25%; and created a Project Developer role to facilitate whole house retrofits.

GoGreen Home Borrower Demographics

Total Surveys Sent	Total Number of Responses & Response Rate	Number & Rate of Very Satisfied + Satisfied
4367 – All time[1]	**617 (14.13%)**	**581 (94.17%)**

During Q1, CAEATFA staff continued to survey customers with enrolled GoGreen Home loans to gather customer data as required by the CPUC in Decision 21-08-006. The GoGreen Home Post Project Survey gathers demographic and socioeconomic data, as well as information on project motivation and satisfaction, that will inform marketing efforts. The survey is sent within six weeks of loan enrollment to all customers who provide an email address on the borrower form. Participation in the survey is voluntary.

Of the customers who have responded to the survey since its launch in Q1 2023, more than half (56%) have identified as White or Caucasian, while 15% have identified as Hispanic/Latino, 5% as Asian or Asian American, and 5% as Black or African American. About one-quarter (24%) of respondents have reported household income of $100,000-$149,000; a total of 31% reported income of under $100,000, while 29% reported income above $150,000. Many respondents declined to provide race or income information.

Of 617 respondents surveyed thus far, representing a 14.13% response rate, 581 (94.17%) described themselves as "very satisfied" or "satisfied" with the program when asked, "Overall, how satisfied are you with your GoGreen Home experience?" Updating old equipment and saving on energy bills are the most commonly cited motivations for undertaking a GoGreen Home project.

[1] The GoGreen Home Post Project Survey launched in Q1 2023 with an initial survey of customers of GoGreen Home's predecessor program, the Residential Energy Efficiency Loan (REEL) Assistance Program, from inception in Q3 2016 through Q3 2021, when the program name changed. In Q2 2023, staff issued a survey of GoGreen Home borrowers from Q4 2021 through Q1 2023 before establishing a monthly cadence.

Table 1: Race & Ethnicity of GoGreen Home Customers, Q3 2016–Q1 2024

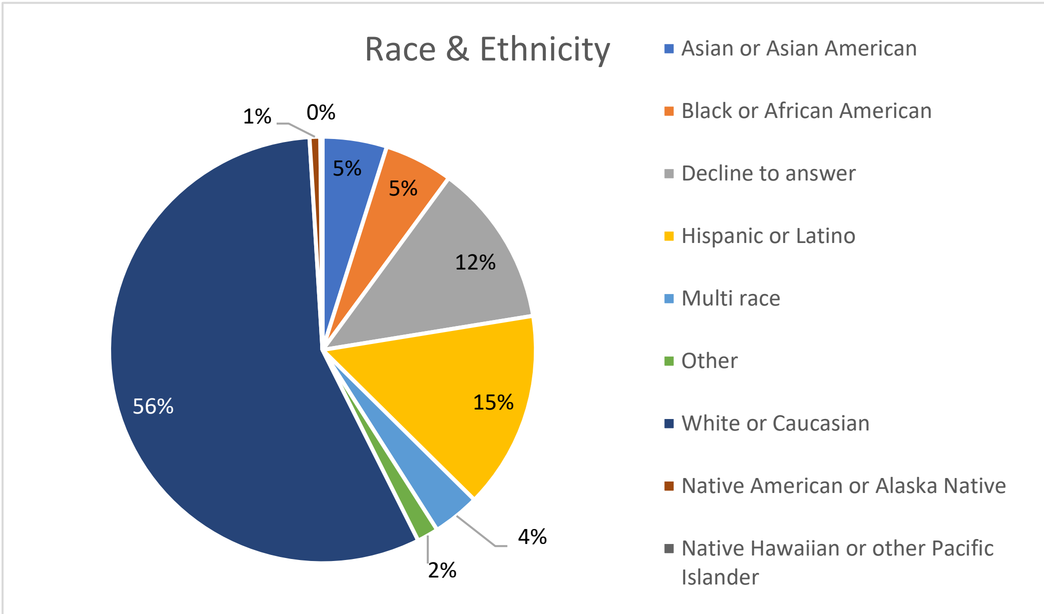


Table 2: Household Income of GoGreen Home Customers, Q3 2016 – Q1 2024

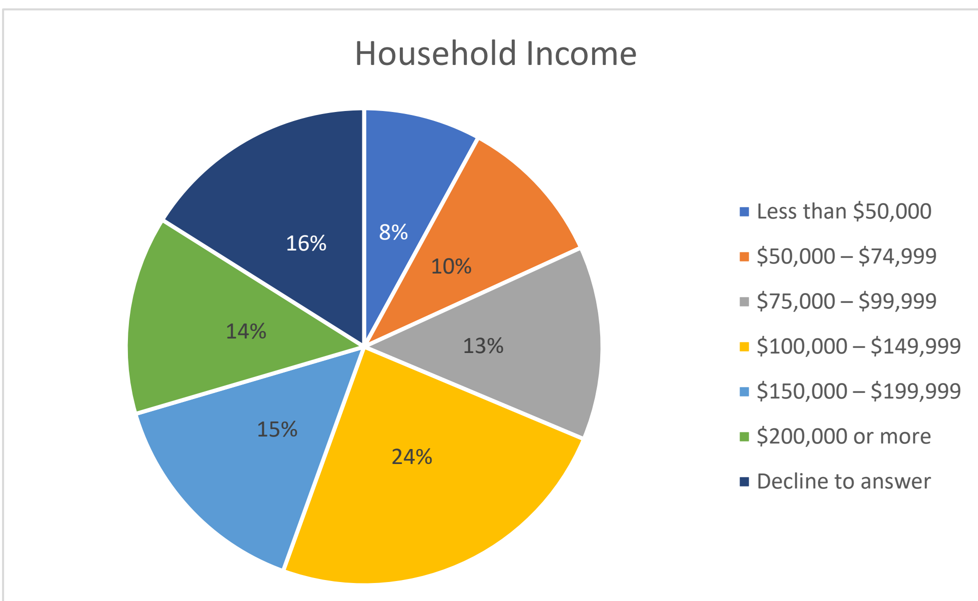
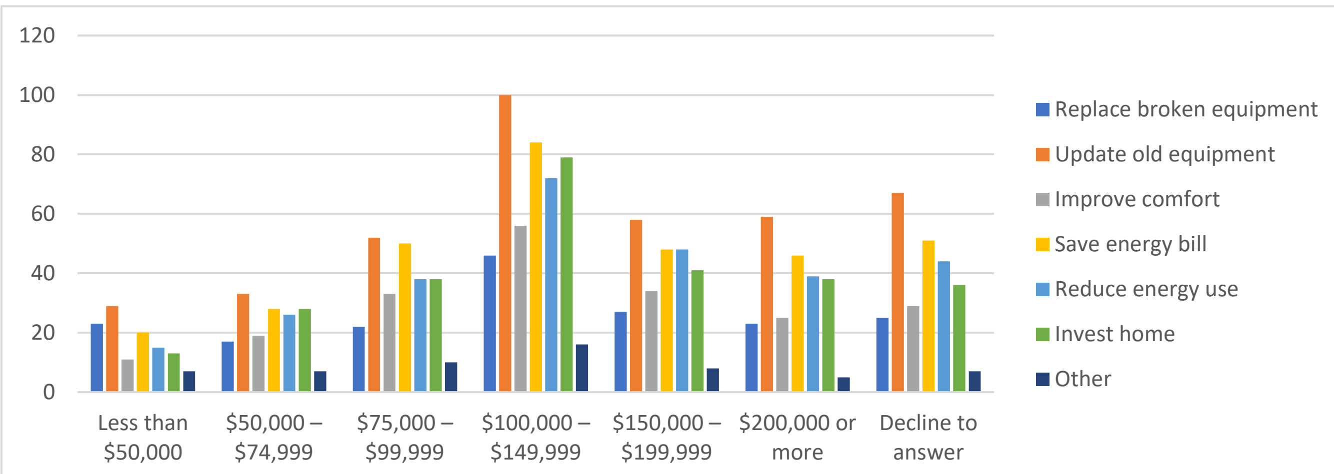


Table 3: GoGreen Home Customer Satisfaction, Q3 2016 – Q1 2024

Table 4: Customer Motivation by Household Income, Q3 2016 – Q1 2024



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

GoGreen Home Reporting

Data reported on pages 12-24 represents standard GoGreen Home loans enrolled through the eight current and two past participating credit union lenders. For data on marketplace microloans, see pages 23-24.

Project Enrollment and Activity Data

Table 5: GoGreen Home Financing Activity

	Q1 2024		All Time[2]	
Loans Enrolled	584		5,507	
Total Amount Financed	$12.48 million		$105.52 million	
	Average	**Median**	**Average**	**Median**
Loan Size	$21,373	$18,618	$19,161	$16,650
Term Length in Months	121	120	111	120
Interest Rate[3]	5.27%	4.99%	5.11%	4.99%
Finance-Only Projects[4]	86%		86%	

Table 6: GoGreen Home Loan Loss Reserve Contributions Metrics[5]

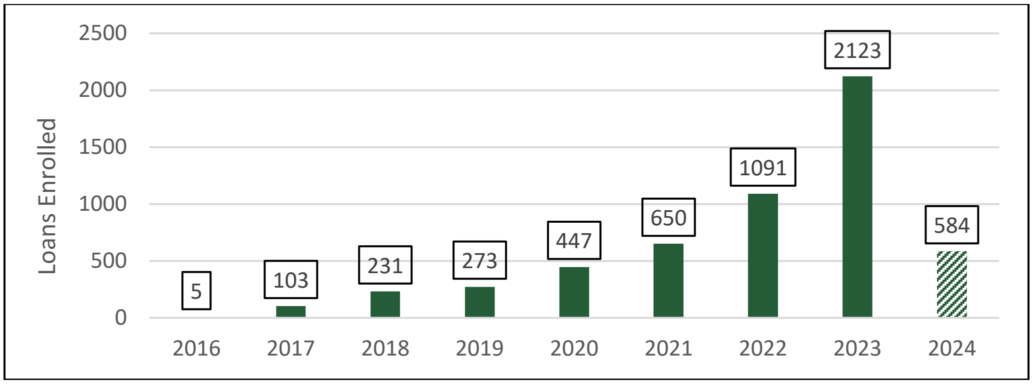
	Q1 2024	All Time
Total Loan Loss Reserve Contributions[6] *All contributions made by CAEATFA to loan loss reserve accounts for all enrolled standard loans.*	$1,041,567	$15,915,256
Average Loan Loss Reserve Contribution *The average contribution made by CAEATFA to a loan loss reserve account upon standard loan enrollment.*	$1,784 per loan	$2,890 per loan
For every $1 of ratepayer-funded credit enhancement, the amount of private capital leveraged is:	$11.98	$6.63

[2] The date of Program inception is marked by the first loan enrollment in GoGreen Home (July 2016).
[3] 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. Additionally, some lenders present rates with a .5% autopay discount included.
[4] Cases in which a borrower made upgrades using GoGreen Home without a rebate or incentive.
[5] On Jan. 1, 2024 a new Loan Loss Reserve Contribution structure took effect. Designed to extend the impact of available credit enhancement funds, the new structure is projected to result in an average LLR contribution rate of 7.8% compared with the historic program average of 15.8%.
[6] These contributions include those from IOU ratepayer funds as well as external funding sources, including funds from TECH Clean California.

Table 7: GoGreen Home Loans Enrolled by IOU[7]

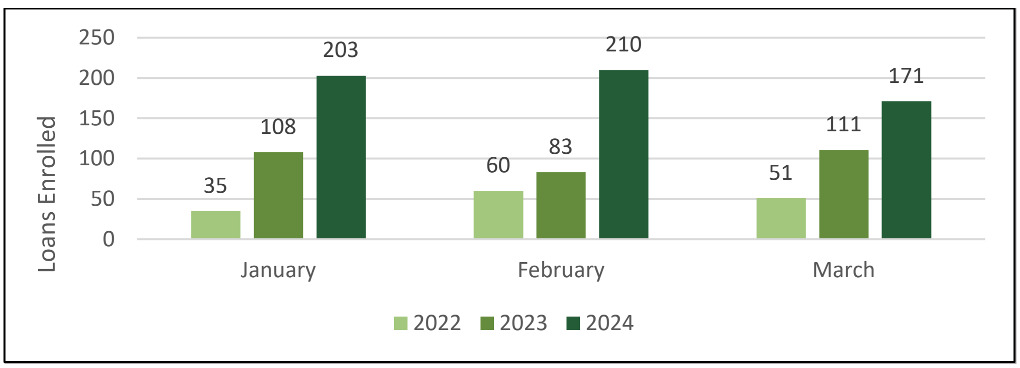
Utility	Loans Enrolled	
	Q1 2024	**All Time**
Pacific Gas & Electric	476 ($10.12 million)	4,008 ($74.54 million)
San Diego Gas & Electric	39 ($0.75 million)	313 ($5.95 million)
Southern California Edison	62 ($1.40 million)	1,061 ($21.14 million)
Southern California Gas	75 ($1.70 million)	1,206 ($25.7 million)

Table 8: GoGreen Home Loan Enrollment Volume (Q3 2016 – Q1 2024)



The final column reflects the loans enrolled thus far in 2024, which will increase in future quarters.

Table 9: GoGreen Home Loan Enrollment Volume Comparison (Q1 2022, Q1 2023 and Q1 2024)



[7] 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 10: GoGreen Home Loan Enrollments by Participating Lender

Lender	Loans Enrolled		Total Amount Financed *in thousands*	
	Q1 2024	**All Time**	**Q1 2024**	**All Time**
California Coast Credit Union	147	2,159	$2,915	$40,860
Desert Valleys Federal Credit Union	1	70	$24	$1,236
Diablo Valley Federal Credit Union	0	0	$0	$0
Eagle Community Credit Union servicing loans only as of Q1 2023	0	12	$0	$210
First US Community Credit Union	87	1,057	$1,551	$17,498
Matadors Community Credit Union	49	773	$1,186	$16,368
Pasadena Service Federal Credit Union servicing loans only as of Q1 2024	0	4	$0	$72
Travis Credit Union	300	1,392	$6,805	$28,674
Valley Oak Credit Union	0	40	0	$601
Self-Help Federal Credit Union	0	0	0	0
	584	5507	$12,482	$105,519

Financing Data and Loan Portfolio Report

Table 11: Summary of Active GoGreen Home Loans by Status through March 31, 2024

	Number of Loans	Original Total Principal Amount	Outstanding Total Principal Amount
Paid in Full	**1,030**	**$15,850,294**	**$0**
California Coast Credit Union	573	$8,536,246	$0
Desert Valleys Federal Credit Union	17	$205,160	$0
Eagle Community Credit Union	6	$123,792	$0
First US Community Credit Union	119	$1,641,818	$0
Matadors Community Credit Union	208	$3,765,485	$0
Pasadena Service Fed. Credit Union	1	$19,319	$0
Travis Credit Union	92	$1,405,677	$0
Valley Oak Credit Union	14	$152,797	$0
Current	**4,371**	**$87,759,222**	**$73,923,374**
California Coast Credit Union	1,516	$31,028,611	$25,173,800
Desert Valleys Federal Credit Union	49	$951,712	$717,671
Eagle Community Credit Union	6	$86,556	$51,916
First US Community Credit Union	934	$15,808,014	$12,667,439
Matadors Community Credit Union	546	$12,278,186	$10,037,361
Pasadena Service Fed. Credit Union	3	$52,378	$38,725
Travis Credit Union	1,294	$27,154,826	$24,985,237
Valley Oak Credit Union	23	$398,940	$251,224
30 DPD	**19**	**$425,896**	**$350,667**
California Coast Credit Union	14	$321,755	$255,781
Desert Valleys Federal Credit Union	1	$31,624	$31,423
Matadors Community Credit Union	2	$41,993	$37,144
Travis Credit Union	1	$20,593	$20,565
Valley Oak Credit Union	1	$9,931	$5,753
60 DPD	**5**	**$67,147**	**$41,606**
California Coast Credit Union	2	$31,637	$9,463
Desert Valleys Federal Credit Union	1	$5,500	$3,375
Travis Credit Union	2	$30,010	$28,769
90 DPD	**5**	**$99,351**	**$89,346**
First US Community Credit Union	2	$25,705	$23,488
Matadors Community Credit Union	2	$56,521	$48,765
Travis Credit Union	1	$17,125	$17,093
Total	**5,507**	**$105,519,125**	**$74,470,247**

Table 12: Summary of GoGreen Home Charge-Offs, Claims Paid, Recoveries and Net Loss rate through March 31, 2024

	Number of Loans	Charge-Off Amount at Time of Claim	Claims Paid[8]	Recoveries Paid to Program
Charged-Off	**77**	**$1,116,799**	**$865,422**	**($120,260)**
California Coast Credit Union	54	$793,640	$613,862	($120,260)
First US Community Credit Union	2	$21,527	$19,375	$0
Matadors Community Credit Union	15	$188,568	$158,011	$0
Valley Oak Credit Union	2	$28,132	$25,318	$0
Desert Valleys Federal Credit Union	2	$39,853	$35,867	$0
Travis Credit Union	2	$45,079	$12,988	$0

Cumulative Net Loss Rates by Years of Seasoning (Standard Loans)[9]						
Seasoned 0 Years	Seasoned 1 Year	Seasoned 2 Years	Seasoned 3 Years	Seasoned 4 Years	Seasoned 5 Years[10]	Seasoned 6 Years
0.31%	**0.82%**	**1.38%**	**2.92%**	**3.60%**	**4.72%**	**0.90%**

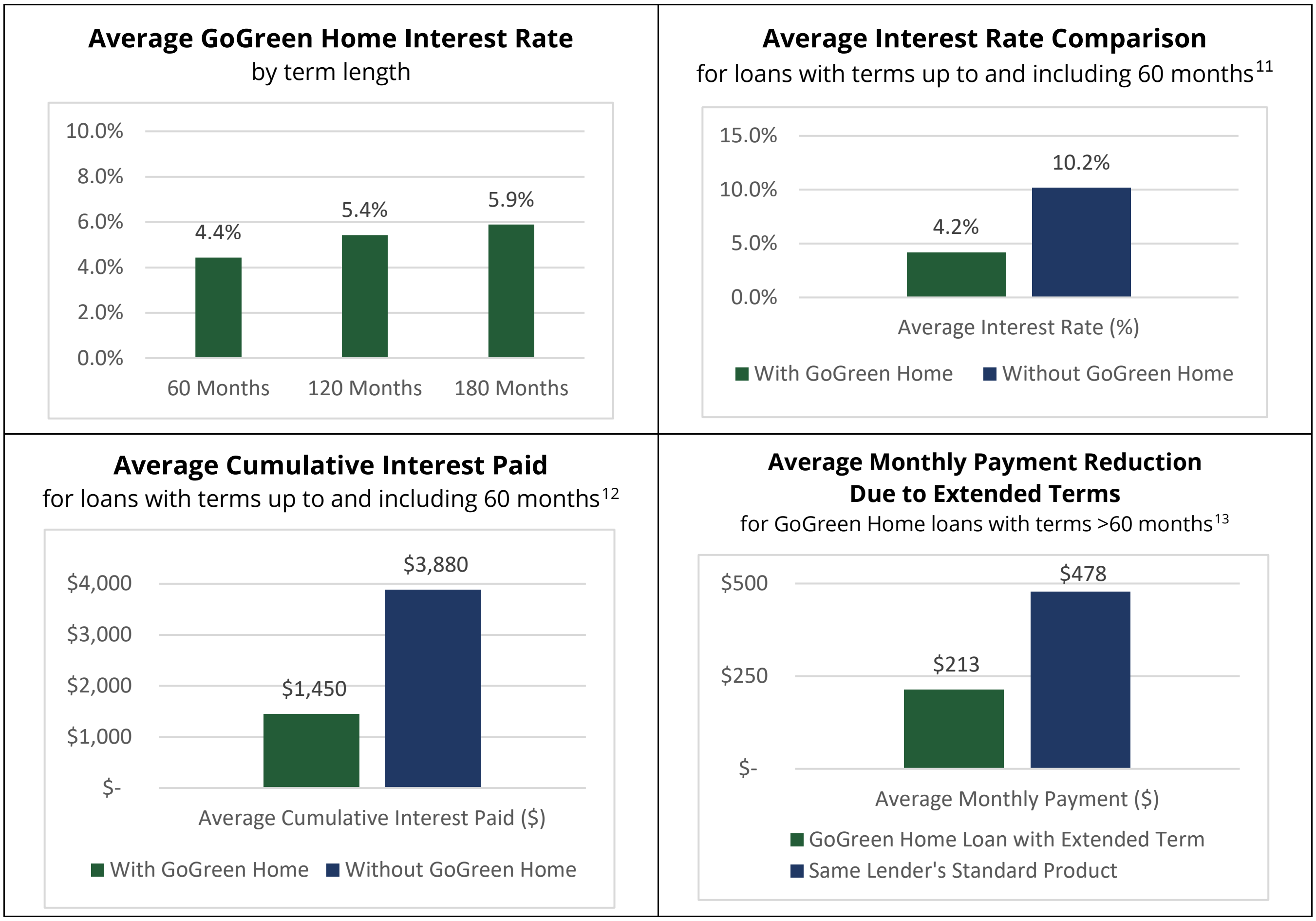
Net Credit Enhancement Funds Expended *(Claims Paid minus Recoveries Paid to Program)*	**$745,162**

[8] 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.

[9] CAEATFA has adjusted loss rate reporting to align with methodology used by the State and Local Energy Efficiency Action Network (SEE Action) in their 2021 report: *Long-Term Performance of Energy Efficiency Loan Portfolios*. Prepared by: Jeff Deason, Greg Leventis, and Sean Murphy of Lawrence Berkeley National Laboratory. "The **cumulative gross loss rate** is the total dollars charged off after some number of years for loans originated at least that long ago (but not past their term) as a share of the original balance of those loans." The Cumulative Net Loss Rates shown here are calculated for each year of seasoning (i.e., how much time has passed since the program issued the loan), and reflect recoveries made after charge-off, for all standard loans.

[10] Vintages are pooled by the fiscal year that financings enrolled in the Program. Charge-offs of any of the 25 loans enrolled in the vintage for the first fiscal year of the Program (FY 16-17) can disproportionately affect the Cumulative Net Loss Rate for that period.

Table 13: Interest Rate and Monthly Payment Benefits for GoGreen Home Borrowers (Q3 2016 – Q1 2024)

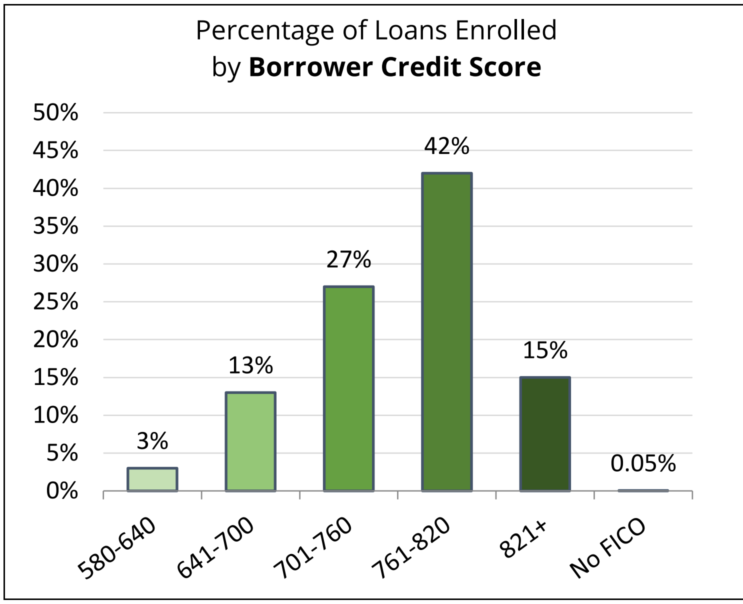


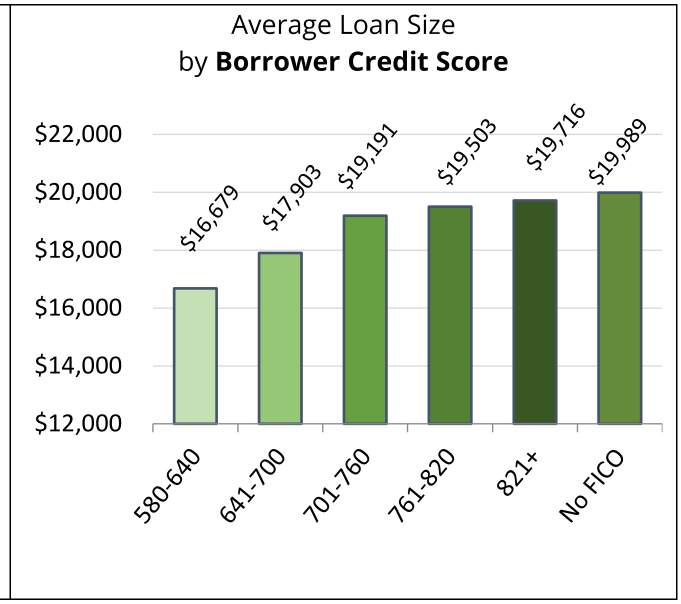
[11] These charts compare interest rates between GoGreen Home loans and the equivalent non-GoGreen Home signature products offered by the Program's participating lenders, using a data set for loans with terms up to 60 months for borrowers who would have qualified for non-GoGreen Home loans.

[12] These charts compare actual interest rates between GoGreen Home loans and the interest rates of equivalent non-GoGreen Home signature products offered 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.

[13] 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. Signature product terms from participating lenders are updated quarterly.

Table 14: GoGreen Home Borrower Credit Score Metrics (Q3 2016 – Q1 2024)

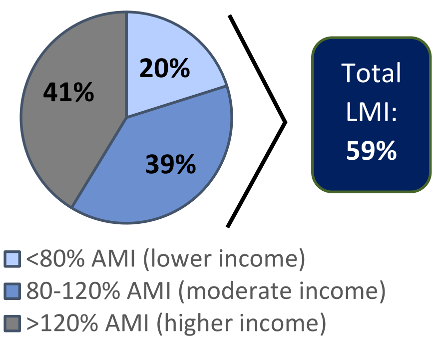




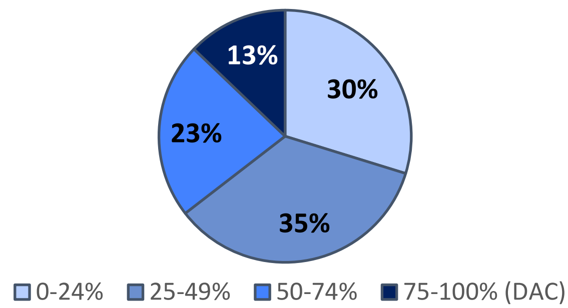
How GoGreen Home Serves the Underserved

Table 15: Loan Activity by Census Tract Income and CalEnviroScreen Score

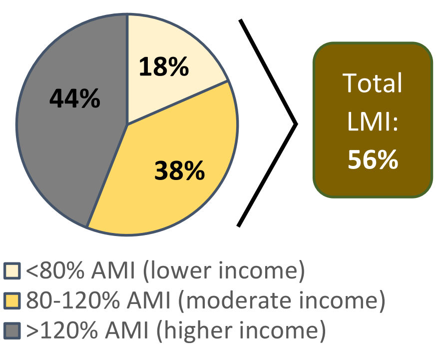
Percentage of Loans Made to Upgrade Properties by **Census Tract Income**[14]



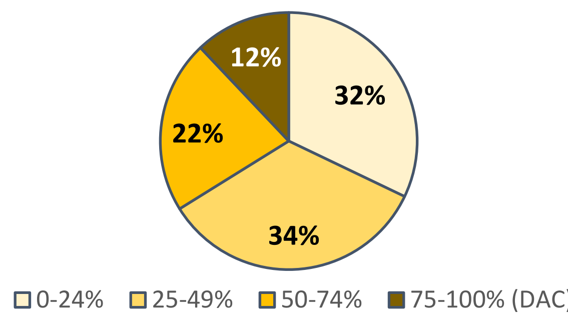
Percentage of Loans Made to Upgrade Properties by **CalEnviroScreen Score**[15]



Percentage of Loan **Dollars** Issued for Property Upgrades by **Census Tract Income**



Percentage of Loan **Dollars** Issued for Property Upgrades by **CalEnviroScreen Score**



[14] 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).

[15] 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 16: GoGreen Home Financing Feasibility Metrics

Access to Credit: *Borrower Credit Score of 580-640* 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 **<640 Credit Score**	
	10 *Q1 2024*	**166** *All Time*

Affordable Monthly Payments: *Term Lengths >5 Years* 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 **Term Lengths >5 Years**	
	391 *Q1 2024*	**3,418** *All Time*

Access to Capital: *Loan Amounts >$25,000* 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 **Total Financed Amount >$25,000**	
	159 *Q1 2024*	**1,167** *All Time*

Measures Installed

Table 17: Top Energy Efficiency Measures Installed through GoGreen Home (Q3 2016 – Q1 2024)

HVAC Equipment	**Cool Roofs**	**Windows**	**HVAC Ductwork**	**Insulation**
3,613 Projects	980 Projects	979 Projects	783 Projects	570 Projects

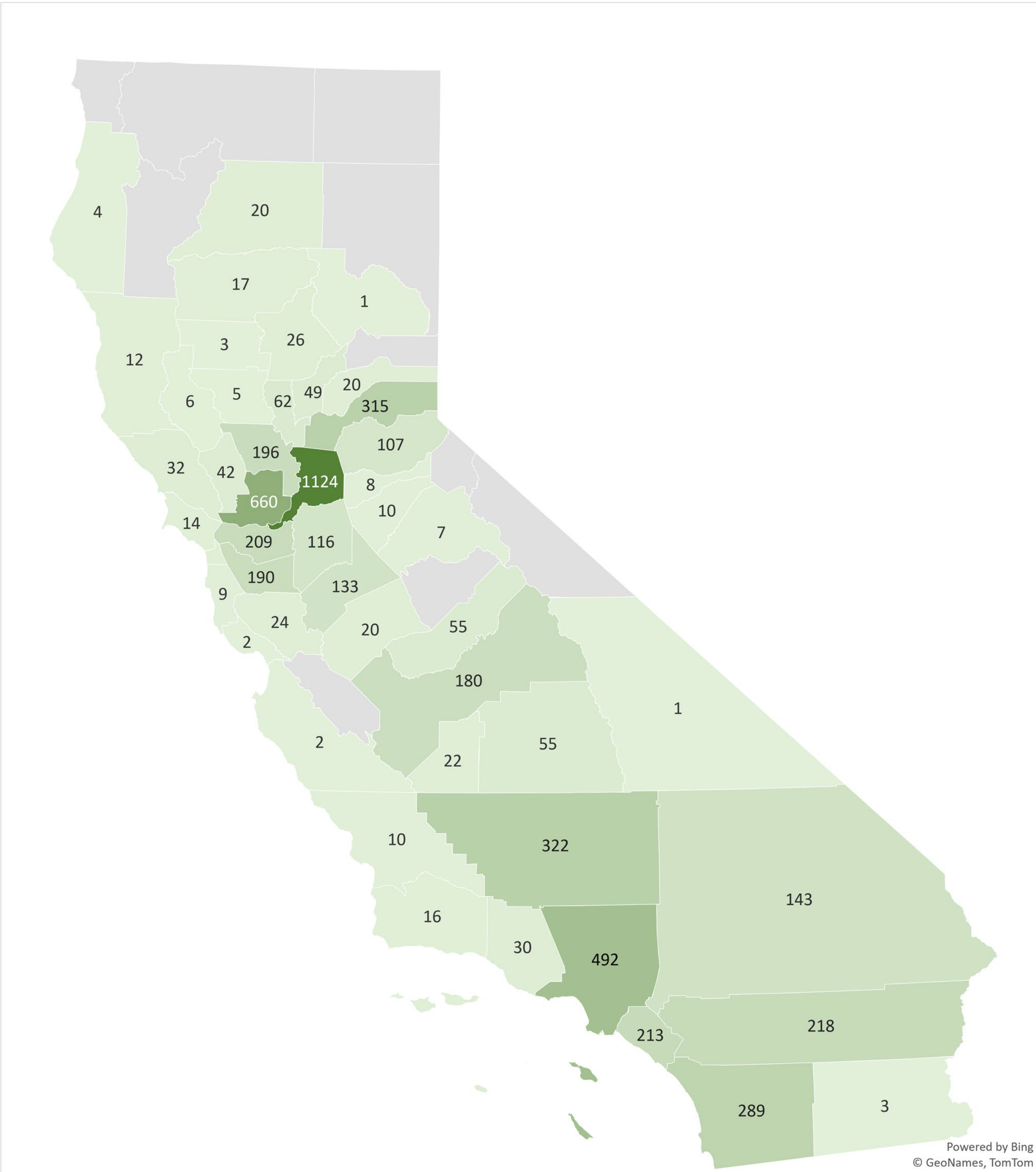
Table 18: Heat Pump Measures Installed through GoGreen Home (Q3 2016 – Q1 2024)

Heat Pumps - Space Heating		**Heat Pumps - Water Heating**	
146 Projects Q1 2024	1102 Projects All Time	15 Projects Q1 2024	129 Projects All time

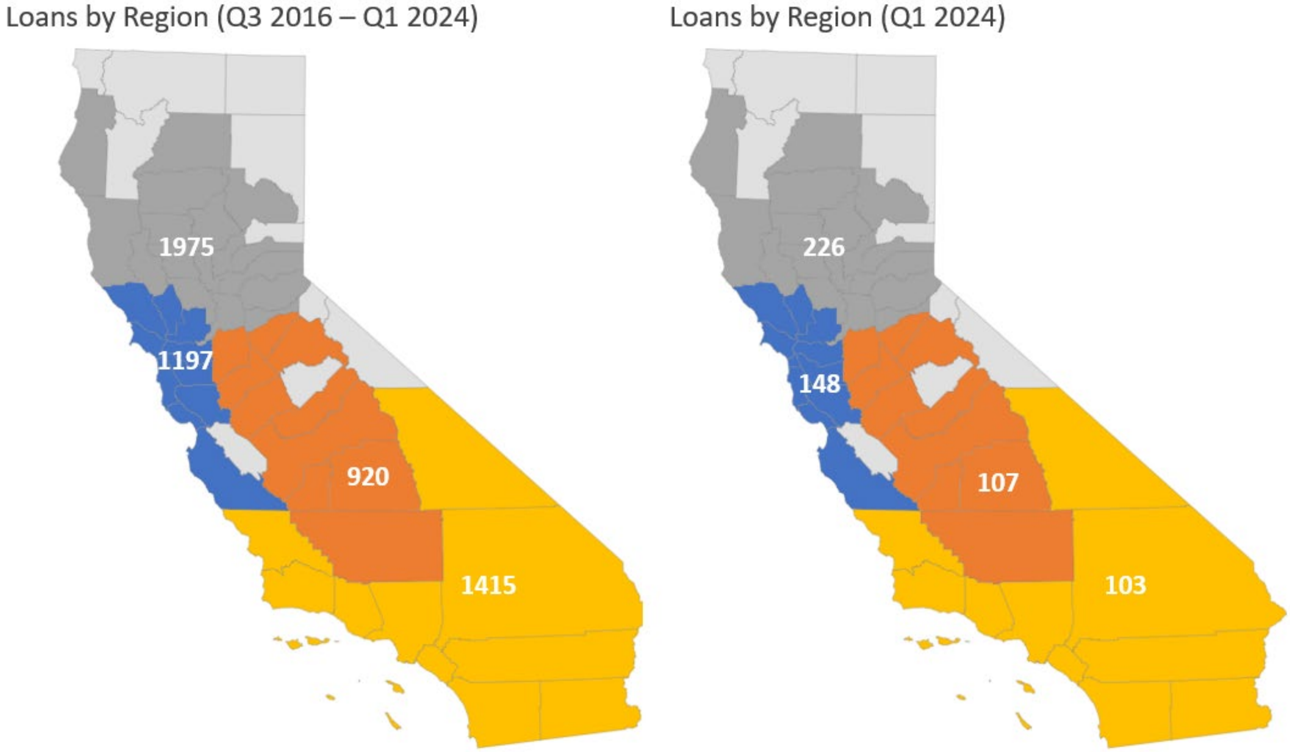
Maps

Map of GoGreen Home Loans Enrolled by County (Q3 2016 – Q1 2024)

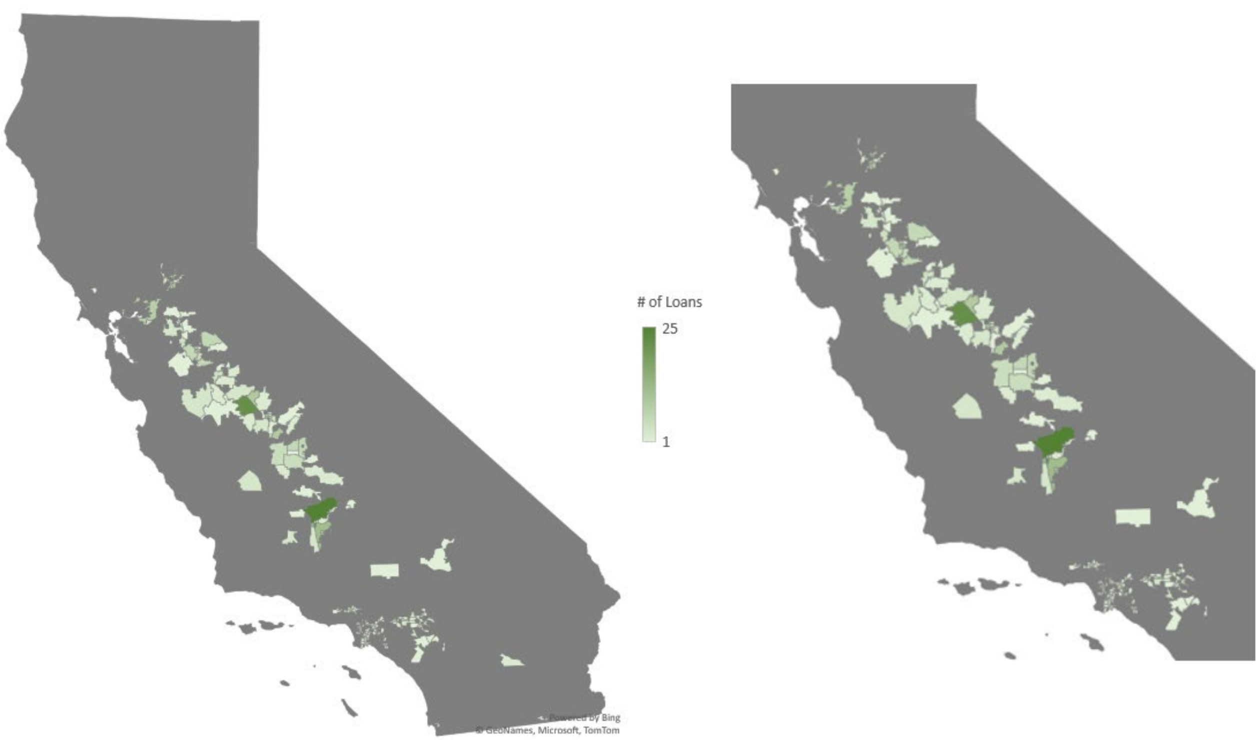
Of the 10 counties where GoGreen Home has enrolled 0 loans, IOU service is limited or nonexistent in eight: Alpine, Del Norte, Lassen, Modoc, Mono, Sierra, Siskiyou, and Trinity.



Maps of GoGreen Home Loans Enrolled by Region (Q3 2016 – Q1 2024)



Map of GoGreen Home Loans for Properties in Disadvantaged Communities[16] by Zip Code (Q3 2016 – Q1 2024)



[16] 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

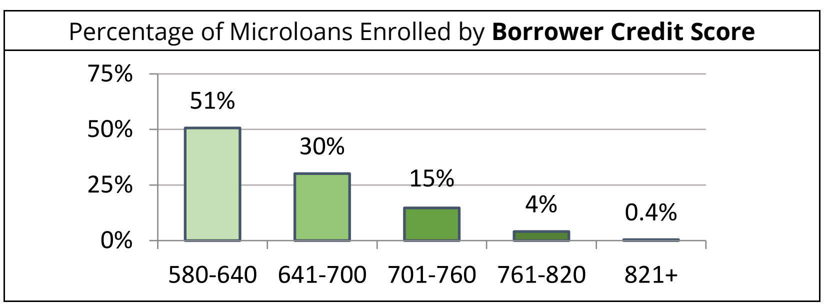
This section reports on microloans enrolled by Enervee and its lender partners through the utility marketplaces. Microloans, per the GoGreen Home regulations, are limited to $5,000, and are reported separately so as not to skew data presented for full-size ("standard") loans.

Between Q3 2021 and Q2 2022, Enervee and One Finance offered a product with a 60-month term length and a single interest rate of 9.02% for customers making purchases on the SoCalGas utility marketplace.[17] In Q2 2022, Enervee paused microloan financing in order to onboard a new lender to replace One Finance; activity resumed in Q2 2023 with Lewis & Clark Bank. Together Enervee and Lewis & Clark offer a 60-month term with a single interest rate of 9.99% for borrowers making purchases on the SoCalGas utility marketplace; additionally, customers who receive electricity from PG&E, SCE and SDG&E may finance appliances through Enervee's California Marketplace. In Q1 2024, 27 microloans were enrolled for an all-time total of 986.

Table 19: Marketplace Microloan Financing Activity (All Time)

Microloans Enrolled	986[18]		
Total Amount Financed	$1,520,678		
Loan Size	$1,542 *Average*	$1,274 *Median*	
Borrower Relationship to Property	632 *Owners*	354 *Renters/Lessees*	
Total Loan Loss Reserve Contributions	$285,266		
Average Loan Loss Reserve Contribution	$289 per microloan		
Top 3 Appliances Purchased	377 *Washer*	370 *Dryer*	214 *Refrigerator*

Table 20: Marketplace Microloan Borrower Credit Score Metrics (Q3 2021 – Q1 2024)



[17] One Finance's offer of marketplace microloans ended in June 2022. Enervee's loan enrollments resumed in June 2023 through a new lender, Lewis & Clark Bank.

[18] 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.

Table 21: Marketplace Microloan Enrolled by IOU (Q3 2021 – Q1 2024)

Utility	Loans Enrolled	
	Q1 2024	**All Time**
Southern California Edison	0 ($0)	375 ($631,276)
Southern California Gas	27 ($47,171)	611 ($889,402)

Table 22: Marketplace Microloan Portfolio Summary (Q3 2021 – Q1 2024)

Marketplace Microloan Portfolio Summary as of March 31, 2024		
Paid in Full	147 Loans	$193 K
Current Outstanding[19]	514 Loans	$589 K
30-60 Days Past Due	65 Loans	$75 K
90-120 Days Past Due	79 Loans	$114 K
Charged Off	181 Loans	$201 K

[19] Reflects the outstanding, unpaid principal balance for the 514 microloans.

GoGreen Business Energy Financing Program

Key GoGreen Business Metrics – Program Inception through Q1 2024

9 Projects Enrolled in Q1	**$575,997** Amount Financed in Q1	**19** Financing Agreements Pre-Approved[20]	**$2.59 million** Total Amount Pre-Approved for Financing
48 Total Projects Enrolled	**$4.61 million** Total Amount Financed	**176** Enrolled Contractors and Project Developers	**8** Enrolled Finance Companies

View the GoGreen Business quarterly data summaries.

GoGreen Business Updates

Nine new projects representing nearly $575,997 in upgrades were enrolled in GoGreen Business during Q1, bringing the total amount financed since program inception in 2019 to $4.61 million. It was the second busiest quarter in program history; previously, the most active quarter (in Q4 2023) saw 13 project enrollments. The quarter closed with 19 preapproved financing agreements representing $2.59 million in projects; these are anticipated to be completed and enrolled in future quarters.

The Go Low Rates marketing promotion, or "Go Low," which offers an interest rate buy-down (IRBD) for projects financed by one of the promotion's three participating lenders, continued driving activity in Q1, with all nine enrolled projects benefitting from the promotion. Through Go Low, up to $10,000 is available to buy down interest rates for eligible projects; depending on project size and at the lender's discretion, this can result in 0% interest financing.

With OBR functionality currently available in three of the four IOU service areas (SCE, SoCalGas and SDG&E), staff continued to coordinate with PG&E on finalizing the tariff governing OBR availability in the utility's service area. CAEATFA staff hopes to launch OBR in PG&E territory in 2024.

Following CPUC approval of CAEATFA's request to finance comprehensive clean energy measures, CAEATFA staff continued working with the Technical Advisor during Q1 to identify new measures such as rooftop solar with battery storage, EV charging, and anaerobic digesters for inclusion in the program, with an eye toward launching in mid-2024.

[20] Projects that have been pre-approved for GoGreen Business have passed a preliminary evaluation and are expected to be enrolled in the program after further development, installation, and review.

Table 23: GoGreen Business Finance Agreement Status by Lender as of March 31, 2024

	Finance Agreements Enrolled	Total Amount Financed
Accessity[21]	0	$0
Alliance Funding Group	0	$0
Ascentium Capital	17	$1,073 K
DLL Financial Solutions Partner	5	$1,226 K
Prime Capital Funding	0	$0
Renew Energy Partners	0	$0
Travis Credit Union	0	$0
Verdant Commercial Capital	26	$2,316 K
	48	$4,615K

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

GoGreen Affordable Multifamily Energy Financing Program

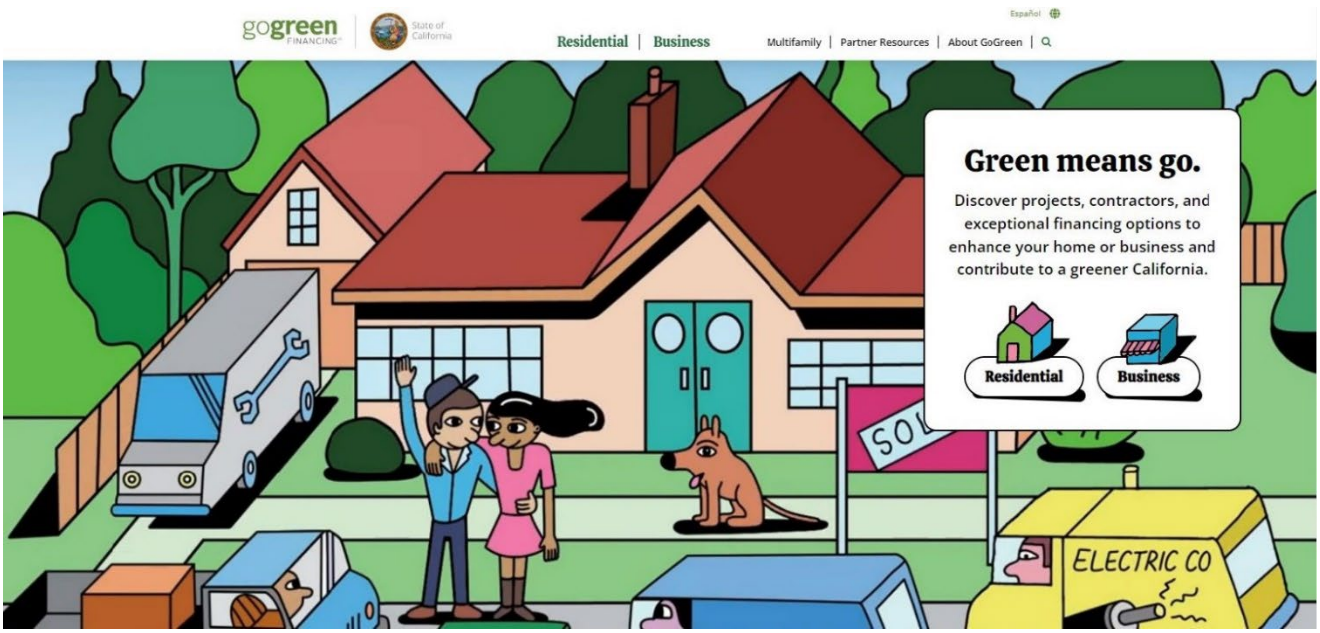
GoGreen Multifamily Updates and Challenges

Since launching the program in Q2 2019, staff has worked diligently with affordable multifamily property owners and program partners to identify and overcome barriers, within the allowable framework of CPUC Decisions, to undertaking energy upgrades. To date, no projects have been enrolled in the GoGreen Multifamily program.

In Q4 2022 staff began exploring options for incorporating energy financing for affordable multifamily properties into the GoGreen Business program, which already serves market-rate multifamily properties, in order to streamline administration and simplify messaging. In Q1 2024 staff finalized efforts to incorporate the affordable multifamily program into the business program and continued outreach to prospective customers as well as program partners with an eye toward facilitating projects.

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

[21] 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.



Screenshot from GoGreenFinancing.com

Marketing and Outreach

Consumer Marketing

In Q1 2024 Statewide Marketing Implementer Riester switched from a “top-of-funnel” approach, deployed throughout 2023 to build brand awareness of GoGreen Financing among likely audiences, to a more focused “mid-funnel” approach intended to convert those likely audiences to GoGreen Financing customers. In keeping with seasonal patterns and in order to economize, Riester maintained a minimalist strategy for the quarter consisting of paid search, with programmatic ads (digital banners placed on open ad spaces) and paid advertising on Facebook added in March. Additionally, Riester marked the milestone of $100 million in GoGreen Home loans with a press release and infographic showing benefits such as greenhouse gas emissions averted through the financed energy upgrades.

In late March SDG&E launched a four-month, wide-ranging digital campaign using cobranded GoGreen Financing assets. The campaign garnered 1.2 million impressions in March alone among English- and Spanish-speaking audiences. In March, SoCalGas included financing messaging on the front of 3.2 million residential bill envelopes.

Example of co-branded SDGE assets for digital media.

Activity from all sources drove more than 34,000 users to GoGreenFinancing.com during the quarter and resulted in more than 4,000 clicks to lenders or contractors. GoGreen Home lenders reported 1,334 loan applications during the quarter, a 37% increase over Q1 2023. CAEATFA staff does not currently track applications received by GoGreen Business finance companies.

In March the GoGreen Financing website and “Green Means Go” marketing campaign were recognized for excellence in the first round of the American Advertising Federation (Addy) Awards. The website received a Gold Award and will automatically advance to the next round of the competition, which covers the Western U.S. The California illustration by Studio Jeremyville received a Silver Award, and the campaign received two Bronzes.

Separate from the marketing implementer’s efforts, CAEATFA staff and leadership promoted the programs to civic networks and potential customers at multiple in-person and virtual events. Highlights included booths at the California Food Processing Expo, the Latino Entrepreneurship Summit, and a HUD San Francisco outreach event for multifamily property owners.

Contractor and Stakeholder Outreach

Contractor Manager EGIA continued outreach to contractors via newsletters featuring program updates and contractor education. At the end of Q1, a total of 943 contractors were enrolled in GoGreen Home, and borrowers could choose from 166 contractors and project developers enrolled in GoGreen Business.

CAEATFA staff hosted a booth at the EPIC2024 conference in Anaheim to share information with contractors about GoGreen Home and GoGreen Business and networked with commercial contractors, including SoCalGas Trade Pro members, at the Fueling Sustainability Conference hosted by SoCalGas in Downey. Staff also presented the programs on multiple webinars hosted by California chapters of the Association of Energy Engineers.

CHEEF Infrastructure

Contracting Updates

A new three-year contract for the Trustee Bank took effect Jan. 1, 2024 with Zions Bank. The Trustee Bank holds ratepayer funds provided by the IOUs to serve as Credit Enhancements under the programs and, at CAEATFA's direction, transfers Credit Enhancement funds between various accounts. This is Zions Bank's second term as Trustee for the program.

Appendices

Appendix 1: Budget and Expenditures

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, referred to as the “Pilot Phase” below. In August 2021, the CPUC issued Decision D.21-08-006 authorizing up to an additional $75.2 million in incremental funds to support existing CHEEF programs for an additional five-year period from July 1, 2022 through June 30, 2027 (FY 22-26), referred to below as the “Program Phase.”

As of June 30, 2022, a total of $26.9 million of the original $75.2 million authorized for the Pilot Phase period remained which had not been either expended or allocated as loan loss reserves. After carrying over the remaining $26.9 million in authorized funds from the Pilot Phase budget into the Program Phase, the IOUs are authorized to collect up to $48.3 million in incremental funding from IOU ratepayers to support the CHEEF programs through June 30, 2027. Table 23 provides a final breakdown of the original Pilot Phase budget allocations, expenditures, and remaining funds to carry over to the Program Phase. Table 24 shows incremental funding needed for the Program Phase budget through the end of FY 26.

Table 24: Pilot Phase Budget from 2014 through June 30, 2022

Item	Original Authorized Budget
CHEEF Administration (CAEATFA) ***Start-up costs, Hub administration, direct implementation, outreach, and training***	
Allocated to CAEATFA for administration of the CHEEF	23,060,000
Expended through 6/30/22	(17,674,005)
Net CHEEF administration funds available to carry over to "Program Phase": FY 22-26 budget	**5,385,995**
Marketing, Education, Outreach (ME&O)	
Statewide ME&O plan initial allocation	8,000,000
Expended through 9/30/20	(7,954,727)
Net ME&O funds available to carry over to "Program Phase": FY 22-26 budget[1]	**45,273**
Credit Enhancement (CE)	
Funds available for CEs after allocations for IOU and CAEATFA administration[2]	25,336,024
Funds expensed for loan losses from claims[3]	(252,467)
CE funds encumbered as of 6/30/22[4]	(5,070,010)
Unallocated CE funds available to carry over to "Program Phase": FY 22-26 budget	**20,013,547**
IOU Administration ***Start-up costs, On Bill Repayment (OBR) build-out, direct implementation***	
Allocated for IOU administration[5]	17,863,976
Expended through 6/30/22[6]	(17,863,976)
Net IOU administration funds available to carry over to "Program Phase": FY 22-26 budget	**-**
CHEEF Pilot Reserve	
Net pilot reserve funds available to carry over to "Program Phase": FY 22-26 budget[7]	**984,931**
Total Original Authorized Budget from “Pilot Phase” through FY 21	75,244,931
Total of Original Authorized Budget Expended or Allocated	(48,815,185)
Total remaining from original funds authorized in D.13-09-044	**26,429,746**

Table 25: New Incremental Funding for CHEEF Expenditures in "Program Phase" (July 1, 2022 – June 30, 2027)

Item	FY 22-26 Authorized Budget
Total Budget authorized in D.21-08-006 for CHEEF "Program Phase": FY 22-26	75,174,526
Original funds available to carry over to "Program Phase": FY 22-26 budget	(26,429,746)
Total new incremental funding for the CHEEF programs needed through FY 26[8]	**48,744,780**

Table 25 provides an itemized breakdown of initial allocations for the $75.2 million Program Phase budget, current expenditures, and remaining balance. As of March 31, 2024, CAEATFA had expended $5,824,893 of the $23.3 million allocated for CHEEF administration, direct implementation, and outreach to finance companies and contractors.

Table 26: Budget for CHEEF "Program Phase" Expenditures (July 1, 2022 – March 31, 2024)

Item	FY 22-26 Authorized Budget
CHEEF Administration, Direct Implementation, Outreach and Training	
Allocation for CAEATFA administration of the CHEEF [9]	23,255,041
Expended through 3/31/24[10]	(5,825,376)
CHEEF Administration funds remaining	**17,429,665**
Marketing, Education, Outreach (ME&O)	
Allocation for Statewide ME&O	8,000,000
Expended through 3/31/24 [11]	(2,942,577)
ME&O funds remaining	**5,057,423**
Credit Enhancement (CE)	
Allocation	43,919,485
Total CE funds released to CAEATFA from IOUs as of 3/31/24 [12]	(9,401,372)
CE budget funds that remain available for release from IOUs	**34,518,113**
Total Authorized Budget for FY 22-26	75,174,526
Total FY 22-26 Budget Expended or Released	(18,169,324)
Total FY 22-26 Budget Remaining	**56,005,202**

The total cost of operating the CHEEF was $5,673,810[22] over the past four quarters (Q2 2023 through Q1 2024). This includes CAEATFA personnel costs, overhead costs such as rent and services received from the State Treasurer's Office and other state agencies, operating expenses, expenditures for CHEEF contracted vendors, and Statewide Marketing Implementer expenditures. Relative to CHEEF program participation over this period, this means that there was $0.11 in program spending for each $1.00 in private capital leveraged and $0.74 in program spending for each $1.00 in CE funds allocated. This represents a 44% decrease in administrative spending per dollar of private capital leveraged and a 37% decrease in administrative spending

[22] The total cost for operating the CHEEF includes personnel costs, overhead, expenditures for CHEEF contracted vendors, and Statewide Marketing Implementer expenditures. To improve accuracy of actual operating costs, infrequently or periodically invoiced costs (e.g., CHEEF portion of annual rent expenses) are assigned or prorated for the applicable month(s) in which services were rendered, or estimated based on anticipated costs if not yet invoiced. As a result, this total may deviate from the actual expenditures paid in the period shown in Table 25.

per dollar of CE funds allocated compared with the four quarters before that (Q2 2022 through Q1 2023). See Table 27 for details.

Table 27: CHEEF Operating Costs and Expenditures Year Over Year

	Q2 2022 – Q1 2023	Q2 2023 – Q1 2024
CHEEF Expenditures	$4,664,408	$5,673,810
Private Capital Leveraged	$24,461,875	$53,221,566
CHEEF Cost Per Dollar of Private Capital Leveraged	$0.19	$0.11
Credit Enhancement Funds Allocated	$3,941,079	$7,633,175
CHEEF Cost Per Dollar of Credit Enhancement	$1.18	$0.74

Beginning in Q2 2022, CAEATFA began extending electric measure eligibility to IOU gas customers who receive electric service from a non-IOU provider. In accordance with Decision D.21-08-006 and cost allocation methodology subsequently approved by the CPUC, CAEATFA separately tracks the cost allocations associated with this extension of eligibility for GoGreen Home and entered into an agreement with Energy Solutions under the TECH Clean California Initiative to fund those costs with non-IOU PPP funds. Table 28 provides a summary of the current expenditures and Credit Enhancement contributions.

Table 28: TECH Clean California Expenditures and Allocations (through March 31, 2024)

Administrative Costs	
Start-up and fixed costs (e.g., initial outreach, accounting set-up, reporting)	$44,047
Variable, per loan costs (e.g., loan reviews, processing & compliance verifications)	$30,867
Administrative Total	**$74,914**
Credit Enhancement Allocations	
Currently encumbered as of 3/31/24	**$1,390,785**

Budget End Notes

1. Net ME&O funds are the $8 million initially allocated for statewide ME&O minus $7,954,727 expended by the Marketing Implementer through 9/30/2020, as reported to CAEATFA. The previous contract for the Marketing Implementer administered by SoCalGas ended on 9/30/2020. Resolution E-5072 permitted a new contract to be issued with spending at previous levels and using funding from other energy efficiency funding already approved and unutilized, under which the Marketing Implementer spent an additional $1,484,643 from 10/1/2020 through 6/30/2022. Additionally, the initial allocation for ME&O also included $2 million to CAEATFA for outreach to finance companies and contractors and is included in the total allocated to CAEATFA administration of the CHEEF.
2. Initial CE allocation per D.13.09.044 was $42.9 million. Program Implementation Plans (PIPs) filed by the IOUs and CHEEF in 2014 and 2015 earmarked $9,863,976 for Admin and Direct Implementation by the IOUs, and Resolution E-5072 allowed CAEATFA to re-allocate $7.7 million of CE funds for CAEATFA administrative purposes while awaiting an initial long-term budget from the CPUC.
3. Funds expensed are claims paid out when a lender submits a claim for an enrolled loan default minus subsequent recoveries reimbursed back to the program.
4. Credit Enhancement funds are allocated to Lender Loss Reserve accounts and recaptured for future redeployment when loans are paid off.

5. Net IOU administration funds are the $9,863,976 earmarked in the Program Implementation Plans (PIPs) filed by the IOUs and CHEEF in 2014 and 2015 for Admin and Direct Implementation by the IOUs, plus an additional $8 million allocated for IOU IT costs.
6. CAEATFA does not have access to IOU expense details and assumes that all originally allocated IOU administration funds were 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.
7. Net pilot reserve funds are the initial allocation of $9,344,931 minus $8.36 million re-allocated to CAEATFA administration of the CHEEF, as authorized by the Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing Education and Outreach Activities, November 2016.
8. This represents the maximum incremental funding from IOU ratepayer customers for implementation of the CHEEF programs through 6/30/2027, as directed in Decision D.21-08-006. The joint IOU and CAEATFA budget Advice Letter 5883G, submitted 10/8/2021 and accepted by the CPUC effective 11/08/2021, approved an incremental funding request of $51,187,749 based on the spending and loan activity forecasts through 6/30/2022 that were made at that time. Actual expenditures turned out to be lower.
9. Funds were authorized per Joint Advice Letter 5883G, filed October 8, 2021 and accepted November 8, 2021.
10. Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.
11. The contract for the statewide Marketing Implementer is administered by SoCalGas, and numbers reflect data reported to CAEATFA.
12. Once released to CAEATFA, 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. Encumbered CE funds from the Program Phase budget are intermixed with previously encumbered CE funds from the Pilot Phase budget, so CE funds under the Program Phase budget are expressed according to their release to CAEATFA from the IOUs. For more detail, see Table 12 (Summary of Charge-Offs, Claims Paid and Recoveries) and Appendix 2 (Loss Reserve Account Beginning and Ending Balances).

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 29: Balance of IOU Holding Accounts

	SoCalGas	PG&E	SCE	SDG&E
Beginning Balance (1/1/2024)	$954	$3,806	$1,362	$1,037
Release of CE Funds from IOUs	$500,000	$500,000	$500,000	$500,000
Transfer of CE Funds to GoGreen Home Account	$(250,000)	($500,000)	($375,000)	($500,000)
Transfer of CE Funds to GoGreen Business Account	$0	$0	($125,000)	($0)
Transfer of CE Funds to Operational Reserve Fund Account	$0	$0	$0	$0
Interest Accrued	$159	$196	$55	$87
Ending Balance (3/31/2024)	$251,113	$4,003	$1,417	$1,124

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[23] from the GoGreen Home Program Account and all the GoGreen Home Lender Loan Loss Reserve Accounts. See Table 30.

[23] Interest earned in all GoGreen Home-related accounts is swept on a monthly basis into the GoGreen Home Interest account. For Q1 2024, interest earned on GoGreen Home-related accounts totaled $182,080 of which $2,725 was earned and retained in the GoGreen Home Interest account, $6,493 was earned and swept from the GoGreen Home Program account, and $172 862 was earned and swept from the ten GoGreen Home Lender LLR accounts.

Table 30: Balance of GoGreen Home-Related Accounts

	GoGreen Home Program	GoGreen Home Interest
Beginning Balance (1/1/2024)	$162,282	$2,267
Credit Enhancement (CE) Funds Released from IOUs	$1,625,000	$0
Contributions to Lender Loss Reserve Accounts	($866,201)	$0
Funds Recaptured from Recoveries	$18,218	$0
Funds Recaptured from Annual Rebalance	$0	$0
Funds Transferred from Other Accounts[24]	$150,000	($0)
Net Interest Earned	$6,493	$2,725
Net Interest Swept	($6,493)	$179,356
Ending Balance (3/31/2024)	$789,300	$184,347

[24]In Q3 2023, $150,000 was transferred from the GGMF Program Account to ensure liquidity for new loss reserve contributions while awaiting new CE funding requests. In Q1, that $150,000 was returned to the GGMF Program Account.

GoGreen Home Lender Loan Loss Reserve Accounts

Each time a lender enrolls a project, a loss reserve contribution of either 5% or 20% (depending on whether the loan was made to a credit challenged borrower) is transferred from the GoGreen Home Program Account into the respective lender's LLR Account. (The new formula, which took effect Jan. 1, 2024, replaces the previous 11%/20% formula; for more detail see Appendix 7.) 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 31: Balance of GoGreen Home Lender Loan Loss Reserve Accounts[25]

	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	Lewis & Clark Bank
Beginning Balance 1/1/2024	$4,698,216	$114,841	$16,101	$2,348,491	$1,805,824	$49,205	$9,047	$3,787,250	$65,770	$139,257
Claims Paid	($131,222)	($18,526)	$0	$0	($0)	($8,436)	$0	($0)	$0	$0
Loss Reserve Contributions[26]	$207,277	$1,220	$0	$123,457	$133,914	$0	$0	$580,920	$0	$8,915
Other – Transfers/Errors in Period	($0)	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Interest Earned	$61,962	$1,479	$214	$31,228	$24,016	$619	$114	$50,508	$873	$1,849
Net Interest Swept	($61,962)	($1,479)	($214)	($31,228)	($24,016)	($619)	($114)	($50,508)	($873)	($1,849)
Ending Balance 3/31/2024	$4,774,272	$97,535	$16,101	$2,471,948	$1,939,738	$40,769	$9,047	$4,368,170	$65,770	$148,173

[25] Diablo Valley Federal Credit Union and Self-Help Federal Credit Union have not yet enrolled a project and therefore they are not included in this chart.

[26] A net total of $1,055,704 in Loss Reserve Contributions were made in Q1 2024, of which $866,201 were IOU PPP funds from the GoGreen Home Program Account and $189,503 were from credit enhancement funds provided by the TECH Clean California Initiative in accordance with CPUC-approved cost allocation methodology.

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 Table 33 shows the amount the finance company has available in the loss reserve to offset a customer defaulting on a finance agreement.

Table 32: Balance of GoGreen Business-Related Accounts

	GoGreen Business Program	GoGreen Business Interest
Beginning Balance 1/1/2024	$280,255	$31,241
Credit Enhancement funds released from IOUs	$125,000	$0
Contributions to Loss Reserve Accounts	($64,715)	$0
Net Interest Earned	$3,710	$448
Net Interest Swept[27]	($3,710)	$7,583
Ending Balance 3/31/2024	$340,540	$39,272

Table 33: Balance of GoGreen Business Lender Loss Reserve Accounts[28]

	Ascentium Capital	DLL Financial Solutions Partner	Verdant Commercial Capital
Beginning Balance 1/1/2024	$27,055	$37,086	$215,699
Claims Paid	($42,199)	($0)	$0
Contributions to Loss Reserve Accounts	$21,532	$0	$43,183
Net Interest Earned	$564	$492	$2,816
Net Interest Swept	($564)	($492)	($2,816)
Ending Balance 3/31/2024	$6,387	$37,086	$258,882

[27] Interest earned in all GoGreen Business-related accounts is swept on a monthly basis into the GoGreen Business Interest account. For Q1 2024, interest earned on GoGreen Business-related accounts totaled $8,031 of which $448 was earned and retained in the GoGreen Business Interest account, $3,710 was earned and swept from the GoGreen Business Program account, and $3,873 was earned and swept from the three funded GoGreen Business Finance Company LLR accounts.

[28] 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 CHEEF 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
Loan Details	Borrower has a credit score of 600 and seeks $15,000	
Financing Product	Unsecured personal loan	GoGreen Home Energy Loan
Interest Rate	21.88%	7.88%
Term Length	5 years	15 years
Monthly Payment	**$413**	**$142**

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

Table 34: 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
STATEWIDE LENDERS				
California Coast Credit Union	*Reduced by:* 50 – 1600 basis points (bps)[29]	No change from existing 600	*Increased:* \$30,000 to \$50,000	*Increased:* 5 years to 15 years
Matadors Community Credit Union	*Reduced by:* 591 – 841 bps	*Reduced:* 660 to 580	*Increased:* \$15,000 to \$50,000	*Increased:* 5 years to 15 years
Self-Help Federal Credit Union	*Reduced by:* 775 –950 bps	No change from existing 580	No change from existing \$50,000	*Increased:* 4 years to 15 years
REGIONAL LENDERS				
Desert Valleys Federal Credit Union	*Reduced by:* 749 – 1000 bps	No change from existing 580	*Increased:* \$15,000 to \$50,000	*Increased:* 5 years to 15 years
Diablo Valley Federal Credit Union	*Reduced by:* 300 - 1224 bps	No change from existing 580	*Increased:* \$15,000 to \$50,000	*Increased:* 5 years to 15 years
First US Community Credit Union	*Reduced by:* 499 – 1099 bps	*Reduced:* 640 to 580	*Increased:* \$25,000 to \$50,000	*Increased:* 5 years to 15 years
Lewis & Clark Bank	*Reduced by:* With Autopay, 2000 bps; without Autopay, 1790 bps	*Reduced:* 640 to 580	No change from existing \$5,000	No change from existing 5 years
Travis Credit Union	*Reduced by:* 100 – 300 bps	*Reduced:* 680 to 600	*Increased:* \$35,000 to \$50,000	No change from existing 15 years
Valley Oak Credit Union	*Reduced by:* 333 – 883 bps	No change from existing 580	*Increased:* \$20,000 to \$50,000	*Increased:* 5 years to 15 years
The interest rates reflected in this table are effective as of March 31, 2024.				

[29] "bps" = Basis point, a common unit of measure for interest rates. A single basis point is equal to 1/100th 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 35: Impact of the Credit Enhancement on Achieving Program Goals

	Without GoGreen Home	With GoGreen Home
Borrower has a credit score of 600	Borrower would be **unlikely to qualify** for a personal loan.	Borrower **may qualify for a GoGreen Home loan** with a term of 5, 10 or 15 years, paying an interest rate as low as 4.99% for a 5-year term and 5.99% for 15 years.
Borrower wants a 5-year repayment term	Assuming a credit score of 600, borrower could take out a personal loan with a rate of 21.88%[30] using a GoGreen Home lender's market-rate product. The resulting payment on a $25,000 loan would be $689 per month. **Borrower may not be able to afford the high monthly payment.**	Assuming a credit score of 600, borrower could qualify for a GoGreen Home loan with interest as low as 5.88% for a 5-year term using the same lender's GoGreen Home product. Borrower's payment on a $25,000 loan would be $482 each month, a **$207 monthly savings from the lender's market-rate product**.
Borrower wants the lowest monthly payment possible	Unsecured personal loans with 15-year terms are **largely unavailable in today's market**.	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 7.88% from the same GoGreen Home lender, resulting in payments of only $237 per month, a **reduction of $452 per month from the lender's 5-year market-rate product**.

[30] 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:

- **12 participating GoGreen Home Lenders:** California Coast Credit Union, Desert Valleys Federal Credit Union, Diablo Valley Federal Credit Union, Eagle Community Credit Union (servicing loans only), First US Community Credit Union, Lewis & Clark Bank, Matadors Community Credit Union, One Finance (servicing loans only), Pasadena Service Federal Credit Union (servicing loans only), Self Help 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 36: Participating GoGreen Home Finance Companies

	Date Enrolled	Areas Served	Type of Institution	Total Loans Enrolled	Loans Enrolled in Q1 2024
California Coast Your best interest.™	September 2016	Statewide	Credit Union (185,000 members)	2,159	147
Desert Valleys Federal Credit Union	September 2016	Portions of Inyo, Kern, and San Bernardino counties	Credit Union (4,000 members)	70	1
diablo valley federal credit union	August 2023	Central Contra Costa County	Credit Union (2,400 members)	0	0
Eagle Community Credit Union	March 2018	Servicing loans only	Credit Union (20,000 members)	12	0
One Finance with Enervee	July 2021	Servicing loans only	FinTech	496	0

Lewis & Clark Bank with Enervee	Feb 2023	SoCalGas & Southern California Edison territories	Bank	490	27
FirstUS Community Credit Union	June 2018	12 counties in Northern California	Credit Union (25,000 members)	1,057	87
Matadors Community Credit Union	March 2016	Statewide	Credit Union (20,000 members)	773	49
Pasadena Service Federal Credit Union	April 2018	Pasadena and neighboring parts of LA County, statewide federal employees	Credit Union (11,000 members)	4	0
Self-Help Federal Credit Union	March 2024	Statewide	Credit Union (100,000 members)	0	0
Travis Credit Union	March 2021	12 counties in Northern California	Credit Union (135,000 members)	1,392	300
Valley Oak Credit Union Rooted in Your Growth™	August 2015	Madera and Tulare counties, employer groups in Kings & Fresno	Credit Union (6,700 members)	40	0

Table 37: Participating GoGreen Business Finance Companies

	Date Enrolled	Areas Served	Type of Institution	Products Offered	Financing Limits	Total Projects Enrolled
accessity	May 2021	Southern California (San Diego County)	Community Development Financial Institution (CDFI)	Loans	\$500 - \$5,000	0
AFG Alliance Funding Group	May 2019	Statewide	Specialty Finance Company	Equipment leases	\$10,000 - \$5 million	0
ascentium CAPITAL	March 2019	Statewide	Specialty Finance Company	Equipment finance agreements	\$20,000 - \$2 million	17
dLL financial solutions partner	March 2019	Statewide	Specialty Finance Company	Equipment leases, service agreements, loans	\$5,000 - \$5 million	5
PRIME CAPITAL	February 2022	Statewide	Specialty Finance Company	Equipment leases, loans	\$100,000 - \$5 million	0
RenewEnergy PARTNERS	January 2021	Statewide	Specialty Finance Company	Efficiency service agreements	\$250,000 - \$5 million	0
TRAVIS CREDIT UNION	February 2022	12 Counties in Northern California	Credit Union	Loans	\$100,000 - \$350,000	0
VERDANT COMMERCIAL CAPITAL	March 2022	Statewide	Specialty Finance Company	Equipment finance agreements, leases	\$25,000 - \$5 million	26

Table 38: Participating GoGreen Multifamily Finance Companies

Note: The two finance companies listed below were formally enrolled in the GoGreen Multifamily program. Three other finance companies have indicated willingness to finance upgrades for affordable multifamily properties; these are shown on Table 41.

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

Appendix 5: Enrolled Finance Company Product Features

Table 39: Enrolled GoGreen Home Lender Product Features

GoGreen Home Energy Financing

Lending options for residential energy upgrades

	LENDING AREA	APR[1] (03/20/2024)	LOAN SIZE	CONTACT INFO
STATEWIDE LENDERS	**Available to borrowers in:**			
California Coast Credit Union	Anywhere in California	3.98% - 7.88%	$2,500 - $50,000	(858) 495-1637 CCCU Energy Group: Ray, Zak, Bill & Katya energy@calcoastcu.org
Matadors Community Credit Union	Anywhere in California	4.99% - 6.99%	$2,500 - $50,000	(818) 993-6328, #4 MCCU Consumer Lending energy@matadors.org
REGIONAL LENDERS	**Available to borrowers in:**			
Desert Valleys Federal Credit Union	Indian Wells Valleys, Searles Valley, Kern River Valley, Bishop, Barstow, and parts of Kern and Inyo counties Valley	6.00% - 10.00%	$2,500 - $50,000	(866) 743-6497 Eric Bruen REEL@desertvalleys.org
diablo valley federal credit union	Central Contra Costa County	3.75% - 8.99%	$2,500 - $50,000	(800) 375-6077 John, Maria & Naqiyba gogreen@diablovalleyfcu.org
FirstUS Community Credit Union	Sacramento, Placer, Nevada, El Dorado, Amador, Yuba, Yolo, Sutter, San Joaquin, Solano, Sierra, and Contra Costa counties[2]	4.50% - 9.00%	$2,500 - $50,000	(800) 556-6768 x2009 First US Consumer Lending energy@firstus.org
Travis Credit Union	Alameda, Colusa, Contra Costa, Merced, Napa, Placer, Sacramento, San Joaquin, Solano, Sonoma, Stanislaus, and Yolo counties	4.99% - 9.99%	$1,000 - $50,000	(707) 392-9277 Carla Eaton ceaton@traviscu.org
Valley Oak Credit Union	Tulare County and Madera County[3]	5.62% - 8.12%	$1,500 - $50,000	(559) 688-5996 x2315 Kiersty Vaughan kvaughan@valleyoak.org

✓ No collateral required
✓ Terms up to 15 years
✓ FICO starting as low as 580

GoGreenFinancing.com

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[1] 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. [2] Existing and retired federal employees throughout the State of California are also eligible. [3] Valley Oak can lend to select employee groups in Kings and Fresno counties. Please see Valley Oak's website for membership details.

3/20/24

Table 40: Enrolled GoGreen Business Finance Company Product Features

gogreen FINANCING™

GoGreen Business Energy Financing

ENERGY EFFICIENCY FINANCING OPTIONS FOR COMMERCIAL RETROFITS

Want your small or medium-sized California business or nonprofit to perform better?

New, more energy-efficient equipment may be the key. GoGreen Financing can put the energy retrofit you're seeking within reach. We make it easy!

GO LOW — **Interest rates as low as 0%**
For business upgrade projects, GoGreen Financing is providing select participating lenders with up to $10,000 to apply toward lowering your interest payments. That means you could pay as little as 0%. Find your "GO LOW" business finance partner in the list below.

	FINANCING AVAILABLE	FEATURES	A GREAT OPTION FOR	CONTACT
ascentium CAPITAL	**$20K – $2M** Equipment finance agreements 12 - 60 months	GO LOW Rapid credit approvals (within 2 hours up to $350K) Reduced interest rates – as low as 0% Will extend terms to 72 months if needed for cash flow	When you want to get started on your project right away.	Kristin McRoberts (714) 309-5301 kristinmcroberts@ascentiumcapital.com
AFG Alliance FUNDING GROUP	**$10K – $5M** Equipment leases 12 - 120 months	12-month minimum time in business Cannabis grow operations may qualify Credit approval within 24 hours (up to $300K)	New businesses looking to save energy.	David Goldstein (714) 450-1026 dgoldstein@alliancefunds.com
dll financial solutions partner	**$5K – $5M** Equipment leases, service agreements, loans 12 - 84 months	GO LOW Reduced interest rates – as low as 0% Multiple financing mechanisms to meet your needs Will extend terms to 10 years if needed for project cash flow	Small projects (starting at $5K) and when you need low monthly payments.	Mike Ossolinski (610) 316-5695 mossolinski@leasedirect.com
PRIME CAPITAL	**$100K – $5M** Equipment leases, loans 36 - 120 months	On-bill repayment option Cannabis industry customers may qualify Extended terms out to 10 years	Large projects and when you want affordable monthly payments.	Scott Pinckard (630) 200-7376 scottpinckard@primecapitalfunding.com
RenewEnergy PARTNERS	**$250K – $5M** Efficiency service agreements 60 - 120 months	Energy savings guaranteed to exceed payments — your project pays for itself On-bill repayment option Ongoing service and maintenance included	A major retrofit that will yield significant energy savings.	Nathan Montgomery (888) 938-6256 projects@renewep.com
TRAVIS CREDIT UNION	**$150K – $350K** Loans 84 - 120 months	Low interest rate of a regulated depository Property owners and commercial real estate investors eligible Benefits of credit union membership	Customers in Northern California seeking the personalized service of a credit union.	Frank Suarez (707) 392-9767 fsuarez@traviscu.org
VERDANT COMMERCIAL CAPITAL	**$25K – $5M** Equipment finance agreements, leases 12 - 84 months	GO LOW On-bill repayment option Reduced interest rates – as low as 0% Rapid credit approvals (within 2 hours up to $250K)	When you want the convenience of on-bill repayment and want to start your project right away.	Jonathan Wickersham (248) 860-0013 jwickersham@verdantcc.com

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.

08/02/2023

Table 41: Enrolled GoGreen Multifamily Finance Company Product Features

gogreen FINANCING™

GoGreen Multifamily Energy Financing

Energy Efficiency Financing Options for Market-Rate and Affordable Multifamily Property Retrofits

The lenders listed below have indicated willingness to consider both market-rate and affordable multifamily properties.

	Products[1]	Financing Available	Term Length	Will finance in-unit improvements	On-Bill Repayment	A Good Fit for Properties Seeking...	Contact
ascentium CAPITAL	Equipment Finance Agreements	$20K - $2M	12 – 60 months (84 months on case-by-case basis)	Yes	No	Quick payback and competitive rates	Kristin McRoberts (714) 309-5301 kristinmcroberts@ascentiumcapital.com
dLL financial solutions partner	Loans, Leases, Service Agreements	$5K - $5M	12 – 84 months (120 months on case-by-case basis)	Yes	No	Quick payback or low monthly payments; ongoing service and maintenance	Mike Ossolinski (610) 316-5695 mossolinski@leasedirect.com
PRIME CAPITAL	Equipment Leases, Loans	$100K - $5M	36 – 120 months	Yes	Yes	Option to pay down principal	Scott Pinckard (630) 200-7376 scottpinckard@primecapitalfunding.com
RenewEnergy PARTNERS	Efficiency Service Agreements	$250K - $5M	60 – 120 months	Some master-metered	No	Guaranteed savings on the bill and ongoing service and maintenance[2]	Nathan Montgomery (888) 938-6256 proojects@renewep.com
VERDANT COMMERCIAL CAPITAL	Equipment Finance Agreements, Leases	$25K - $5M	24 – 84 months	Yes	Yes	Flexible approvals	Jonathan Wickersham (248) 860-0013 jwickersham@verdantcc.com

[1] All listed finance companies offer financing for distributed generation and storage such as solar panels and batteries. However, finance companies will not receive a credit enhancement for that portion of their financing. As such, these installations may be financed at the discretion of the finance company.
[2] Please note properties which already have HUD-backed financing cannot be considered.

10/01/2023

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

Organization	Concord Servicing Corporation
Duties	The Master Servicer plays a key role in the daily administration of the programs, accepting loan enrollment applications and processing on-bill repayment transactions.
Contract Term	10/22/20 – 7/31/22
Notes	Option for two one-year extensions. In Q2 2023, CAEATFA exercised the option to extend the contract for one year, through 7/31/2024.

Trustee Bank

Organization	Zions Bank
Duties	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.
Contract Term	1/1/24 – 12/31/26
Notes	No option for extension.

Contractor Manager

Organization	Electric & Gas Industries Association (EGIA)

Duties	The Contractor Manager recruits, enrolls, trains, and supports contractors and conducts quality control oversight of projects enrolled in the GoGreen Financing Programs.
Contract Term	5/29/22 – 5/28/25
Notes	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

Organization	Riester
Duties	The Marketing Implementer is responsible for leading statewide marketing campaigns and administers GoGreenFinancing.com, 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.
Contract Term	7/1/22 – 6/30/25
Notes	This contract has an option for up to two one-year extensions.

Technical Advisor

Organization	Energy Futures Group (EFG)
Duties	Provides technical assistance for program research development and implementation.
Contract Term	4/19/22 – 4/18/25
Notes	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, condominium, 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.

CAEATFA 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 toward those services rather than encouraged to take on debt.

The CPUC directed CAEATFA to ensure that a third of credit enhancement funds support loans to Low-to-Moderate Income (LMI) customers when GoGreen Home launched. To support and drive this, an 11% contribution was made for standard Borrowers and a 20% credit enhancement was provided for loans to customers who met criteria for household income or credit score, or where the property met census tract income criteria. To date, 59% of GoGreen Home Borrowers have resided in LMI Census Tracts.

In December 2023, responding to the need to extend the availability of credit enhancement funds, and in light of low default rates, CAEATFA reconfigured the loan loss reserve methodology. The new methodology took effect Jan. 1, 2024. In the current iteration, the default contribution rate is 5% (rather than 11%), with 20% contributed in cases where borrowers have a credit score of 700 or lower (rather than 640 or lower). The new methodology is projected to reduce the average contribution percentage from 15.8% to 7.8%; coupled with a new annual rebalancing schedule, it is designed to more efficiently deploy credit enhancement funds and to recapture them sooner from paid-off loans to make them available for redeployment, while ensuring that Lenders receive adequate risk mitigation via the Loan Loss Reserve Accounts.

At the same time that the Program seeks to make financing available to underserved customers, GoGreen Home is a debt-based financing 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. Additionally, program regulations took effect in Q1 2024 allowing CAEATFA staff to pause lender activity in cases where the combined delinquency and default rates exceed 25%. Lenders can 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. A new round of regulation modifications are projected to be finalized in late August 2024. Current 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 August 2022. Program regulations may be viewed on the CAEATFA website.

GoGreen Affordable Multifamily Energy Financing

GoGreen Multifamily Energy Financing (GoGreen Multifamily) seeks to facilitate energy efficiency retrofits in multifamily properties with five or more units. Both market rate and deed-restricted affordable properties are eligible, but Lenders receive a larger credit enhancement for deed-restricted affordable properties (where at least 50% of the units are income-restricted at low to moderate (80-120% of area median income), with at least five years remaining on an affordability covenant.

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 as are clean energy generation measures such as solar photovoltaic and battery storage. The financed amount may include non-energy efficiency improvements.

Key GoGreen Multifamily features include:

- Maximum financing amount is $5 million, with $1 million of each financing agreement eligible for a claim in the case of a charge-off.
- Credit enhancement structure for deed-restricted affordable properties:
    - The first $200,000 of the first two financed projects will be credit enhanced at 30% of the claim-eligible amount, and 15% for subsequent projects.
    - The remaining $200,000 to $800,000 of the financed amount shall receive a 5% credit enhancement.

- Credit enhancement structure for market rate properties:
    - The first $50,000 of each financed amount will be credit enhanced at 20%.
    - The next $950,000 shall receive a 5% credit enhancement.
- 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 were combined with the GoGreen Business Program regulations in May 2024 to support combined credit enhancement coverage. Program regulations may be viewed on the CAEATFA website.

Nonresidential Program

Launch of the Nonresidential Program, originally authorized in 2013, was dependent on the development of On-Bill Repayment (OBR) functionality, which was not available until 2022. Because D.17-03-026 from the CPUC required all CHEEF programs to be launched by the end of 2019, the Nonresidential Program was effectively canceled at that point.

In Q2 2022, CAEATFA submitted a proposal to the CPUC for reauthorization of a Public Buildings and Large Commercial Program modeled after the Nonresidential Program, which was authorized in 2013. In Q3 2023, the CPUC responded with Decision 23-08-026 declining to reauthorize the program.

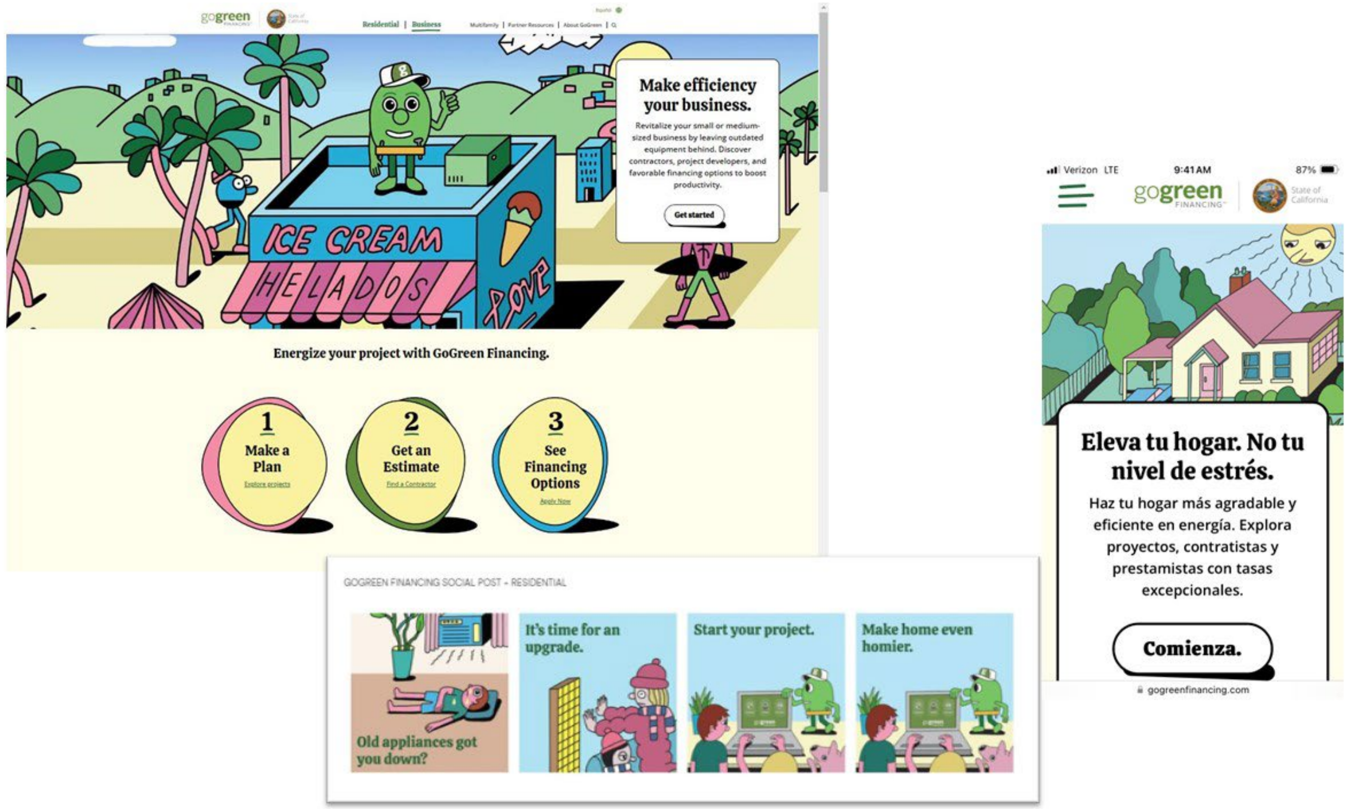
Appendix 8: Customer-Facing Products

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

Maintained by the Marketing Implementer, Riester, with input and direction from CAEATFA and the IOUs, GoGreen Financing (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), and was relaunched with a new look and feel and a simplified user journey in October 2023.

GoGreen Financing contains information for end users (customers), contractors and finance companies 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 and finance companies, including:
    - Customer-facing flyers and online platform, available in both English and Spanish
    - Finance company comparison charts
    - GoGreen Home and GoGreen Business case studies



Clockwise from top: Screenshot from GoGreen Business main page on GoGreenFinancing.com; mobile view of GoGreen Home main page in Spanish; GoGreen Home social media carousel post.

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. The tables below outline these reporting requirements and CAEATFA's compliance with them.

Table 42: CHEEF Program Reporting Requirements from Resolution E-4900, Attachment 1

	Current Reporting Status	Target Reporting Timeframe	Notes
Number of loans issued: • Monthly growth • Total amount financed • Geographic distribution of loans	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement	
Private capital participation: • Number of participating lenders • Types of financial institutions participating • Amount of private capital attracted	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement	
Reach to underserved Californians: • Credit scores of loan recipients • Payback term length • Percentage of participants deemed "underserved" by CalEnviroScreen data • Whether participants would have qualified for or been able to accept loans from existing programs	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.
Energy savings[31]: • Through customer meter data • Through NMEC analysis • Comparison of energy savings from other loan programs	Included in a standalone, bi-annual report	Q2 2022	The first GoGreen Home Deemed Energy Savings Report was published in April 2022, with biannual updates following. 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.

[31] 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 43: CHEEF Program Reporting Requirements from D.21-08-006

	Current Reporting Status	Expected Reporting Timeframe	Notes
Customer participation	Included in quarterly reports	Reporting pre-dates requirement	Several data points are provided, including loan volume and enrollment maps.
Loan performance statistics	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.
Costs associated with service of non-IOU customers	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.
Administrative costs of the CHEEF (in nominal dollars and as a % of program spending)	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.
Annual estimated energy savings from installed measures	Included in a standalone, bi-annual report	Q2 2022	The first GoGreen Home Deemed Energy Savings Report was published in April 2022, with the second report published in September 2022. The report will be updated on a bi-annual basis.
Annual estimated non-energy benefits from installed measures	Financial benefits are currently reported	Reporting pre-dates requirement	Interest rate savings and monthly payment reductions due to the credit enhancement are currently reported for GoGreen Home (see Table 13).
Geographic breakdown of financing that includes, to the extent possible, ethnicity and socioeconomic data of loan recipients	Included in quarterly reports as of Q1 2023	Q1 2023	Staff launched a post-project customer survey to collect this data (to the extent possible) in Q1 2023. The survey is voluntary and goes to GoGreen Home customers who provide an email address on the borrower form.
Mean and median loan values	Included in quarterly reports and monthly data summaries	Reporting pre-dates requirement for mean values; median values included as of Q3 2021	
Mean and median Annual Percentage Rates (APRs)	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.