



CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED
TRANSPORTATION FINANCING AUTHORITY

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ADDENDUM NOTICE NO. 1

**CALIFORNIA ALTERNATIVE ENERGY
AND ADVANCED TRANSPORTATION
FINANCING AUTHORITY (CAEATFA)**

**REQUEST FOR PROPOSAL – Secondary
CONTRACT NO. CAEATFA03-23
Trustee Services for the**

California Hub for Energy Efficiency Financing (“CHEEF”) Programs

November 8, 2023

The following information is provided in response to questions received by CAEATFA regarding Request for Proposal (“RFP”) Number CAEATFA03-23, as shown below:

Responses to Questions:

1. Do you anticipate that the transaction activity will increase over the next three years similar to how it has over the last three years?

Answer:

While loan volume is expected to increase, especially for the GoGreen Home and GoGreen Business programs, in the next three years as new funding sources are procured, we cannot predict actual uptake. A chart of historic program activity is provided in Section A.3 of the RFP. Additionally, as noted in Section A.4.b of the RFP, CAEATFA is working to streamline the funding process by implementing batch enrollments for our standard loans to reduce the level of transaction activity requested of the Trustee.

2. For the 4,600+ loans, does the Trustee need to have the various accounts under each loan in its system?

Answer:

No, each loan does not need to have its own account. Accounts held at the Trustee are only specific to funders, programs, and lenders. Please refer to RFP Section A.4.a.ii, which details the anticipated accounts to be established and maintained by the Trustee. The scenarios included in RFP Section C.3.e, as well as in the cost proposal, also provide an estimated range of accounts to be established.

3. Interest will be disbursed how frequently?

Answer:

Please refer to RFP Section A.4.b.iii.d. We anticipate interest to be swept each month from lender and program accounts to specified interest account(s).

4. Which accounts are noninterest bearing, versus interest bearing, versus invested in money market funds?

Answer:

Upon commencement of the Contract with the chosen Trustee, the Executive Director will provide instruction as to the investment of funds, based on options presented by the Trustee.

5. Which accounts are invested in Treasuries and what are the typical maturities?

Answer:

According to Section A.4.a, these are the options from which the Trustee will recommend to CAEATFA for investing funds.

6. What is the current composition of investments (i.e.; Bankers' Acceptances, Time Deposits, Money Market Funds, etc.)

Answer:

Funds are currently held in fully collateralized interest-bearing money market accounts..

7. What is the difference between the Lenders and Funders and how many are there of each?

Answer:

Lenders are the financial institutions that finance the loans and are the beneficiaries of the Loss Reserve Accounts. Funders are external parties that provide the funds necessary to credit-enhance loans as they are enrolled.

As of the RFP posting date, there are 22 lenders and 6 funders (RFP Section A.4.a.ii).

8. Please provide further details around what the funding transactions are and if they are only internal transfers amongst accounts?

Answer:

Please refer to Section A.4.b in the RFP, which details the transaction types anticipated for the Trustee under the Contract.

9. Are the interest sweeps related only to the interest generated on the interest bearing accounts each month or do they include money market fund distributions as well? What is the overall sweep requirement?

Answer:

As set forth in RFP Section A.4.a., interest sweeps are related only to interest generated on the interest bearing accounts. Details will be agreed between the Trustee and CAEATFA. Not all interest bearing accounts will require an interest sweep.

10. Are funding transactions fixed amounts monthly, or a percentage of balances, and when do they occur during the month?

Answer:

Funding transactions are triggered by loan enrollment, payoff and claim events, so timing varies. CAEATFA is working on a batch enrollment process that would streamline the number of transactions each month. The frequency for batch enrollment is yet to be determined but no more often than weekly.

11. Where can the full contemplated Trustee agreement be found?

Answer:

As stated in RFP Section A.1., attached as Section F to the RFP is a proposed sample Contract for the services to be provided. It includes the STD 213 Standard Agreement and other standard contract provisions to which the selected Contractor will be bound.

12. Can payments be limited to wires only or are outgoing ACH transfers also required?

Answer:

The RFP sets forth the transaction services needed under the Contract. Proposals may specify the method of delivery according to the proposing firm's experience, as long as there is a demonstrated capability to perform the Scope of Work.

13. Can you provide a breakdown of the average monthly balance expected for each account?

Answer:

As of September 30, 2023, the existing account balances vary between \$0 – \$3.9 million, with an approximate average balance of \$474,000.00 across 33 accounts

14. Is there a monthly flow of funds diagram that can be shared?

Answer:

Please see Attachment A hereto. This chart is specific to the GGH program only; fund flow may differ slightly among funders.

15. How will Requests for Disbursements be delivered? Email with PDF? USPS? FedEx?

Answer:

CAEATFA will typically submit its written Request for Disbursement(s) to the Trustee as a PDF file via email.

16. What is the average time between Trustee receipt of a requisition and disbursement or transfer date?

Answer:

Typical turnaround has been two business days.

17. Do you require a specific format for the monthly statements?

Answer:

CAEATFA has a template that may be used, or the selected Trustee may format its summaries to include the necessary data as set forth in Section A.4.c.i of the RFP.

18. Can the funds across all accounts be solely invested in Money Market Funds?

Answer:

The selected Trustee is anticipated to recommend deposit and investment options to CAEATFA's Executive Director upon commencement of the Contract. These recommendations must be feasible, and in compliance with CAEATFA's guiding regulations and contractual obligations as set forth in RFP Section A.4.a. Upon deposit of program funds with the chosen Trustee, the Executive Director will provide instruction as to the investment of funds, based on options presented by the Trustee.

19. As it relates to GTC 610 - EXHIBIT C - Under GENERAL TERMS AND CONDITIONS – Indemnification – Can this section be omitted and are any other changes to the contract allowed?

Answer:

As set forth in Section C.4.t of the RFP, the State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter-proposal and will be rejected. The State's General Terms and Conditions (GTC 04/2017) are not negotiable.

20. What ramp-up can be expected for the GGMF Program in terms of loans/leases and lending amounts?

Answer:

At this time, GGMF is expected to have limited uptake in the near future.

21. Who is the incumbent contractor and are they still being considered to continue in the role?

Answer:

Zions Bancorporation, National Association is the current Trustee for the CHEEF program. CAEATFA conducts a rigorous evaluation process for all received proposals as set forth in RFP Section C.5.

The date for submitting questions regarding RFP Number CAEATFA03-23 has passed. Should you require any clarifying information regarding this addendum, the contact person for this RFP is:

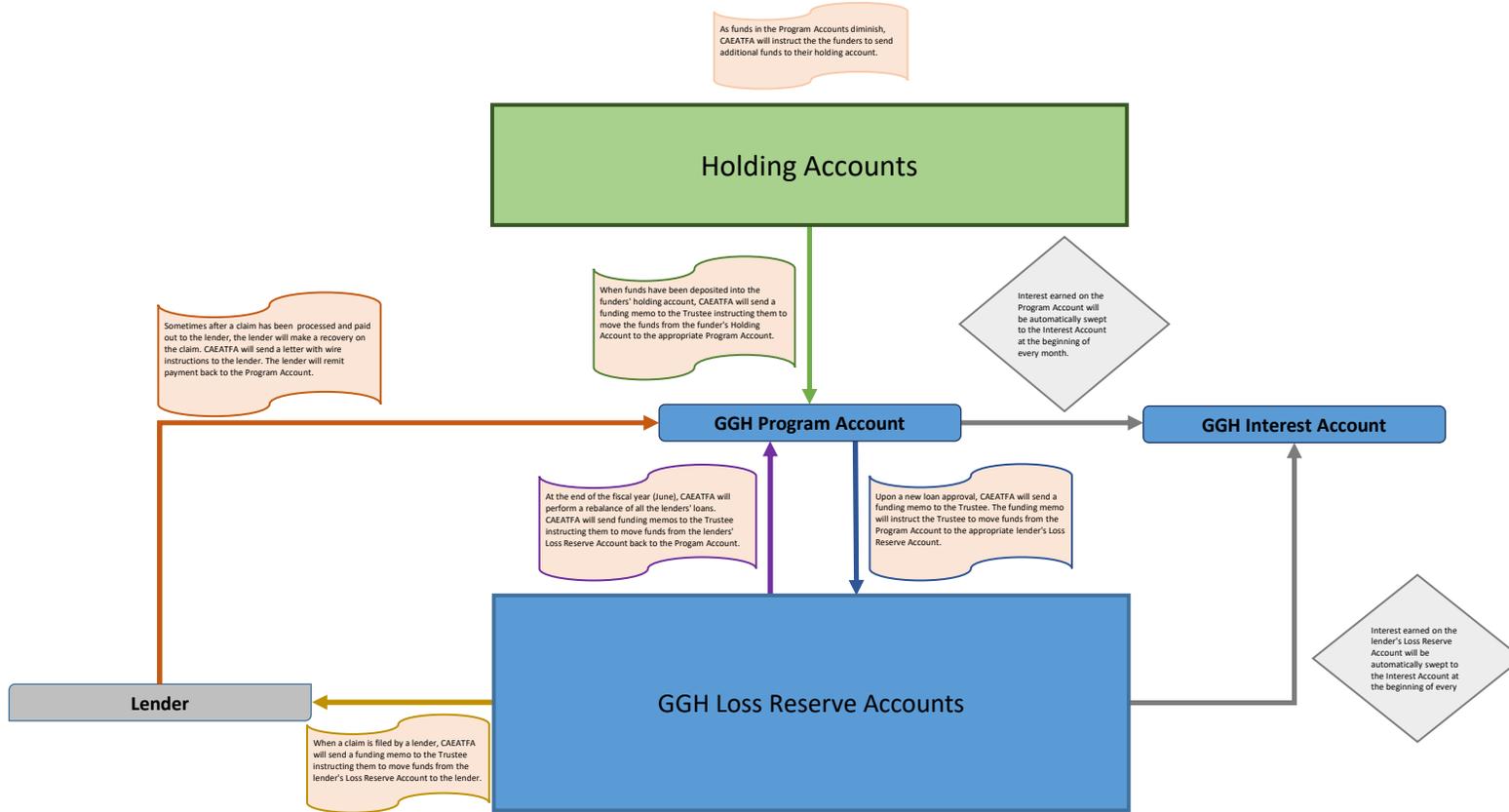
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Please note that no verbal information provided will be binding upon the State unless such information is issued in writing as an official addendum. Thank you.

Attachment A

Flow of funds illustration for GoGreen Home Program

(Refer to section 10091.7 of the [GoGreen Home Program Regulations](#))



- Funds from funders that get deposited into the Program Accounts that are then used to fund the lenders' loss reserve accounts
- Funds are moved from the Program Account to the lenders' loss reserve account(s) when a funding memo is approved
- Monthly Interest sweep
- Annual Recapture
- Claims
- Recoveries

- Key**
- Funders holding accounts
 - GoGreen Home related accounts (Program, Interest, Lender's Loss Reserve)
 - Lender
 - Automatic actions (Interest sweep)
 - Instructions on transfer of funds