



CALIFORNIA HUB FOR
ENERGY EFFICIENCY
FINANCING

GoGreen Home Energy Financing Program

Fiscal Year 2021-2022 Summary

Background and Fiscal Year 2021-2022 Highlights

This report has been produced to supplement the [CHEEF's quarterly reports and monthly data summaries](#) and provide an update on the activity and progress of the GoGreen Home Energy Financing Program (GoGreen Home) for the 2021-2022 fiscal year (July 1, 2021 to June 30, 2022 or "FY 21-22").

Values presented are rounded to the nearest thousand or million. All values pertain to FY 21-22 unless otherwise specified. To learn more about GoGreen Home, please visit GoGreenFinancing.com.

Fiscal Year 2021-2022 Highlights

Loan volume increased

- Of the 2,117 standard loans and 496 marketplace microloans enrolled throughout the Program's lifetime (2016-June 30, 2022), **FY 21-22 accounts for 40% of total enrolled loan dollar volume**, with a total of 793 standard loans and 496 marketplace microloans enrolled.¹

TECH Clean California Initiative partnership

- **CAEATFA reached an agreement with Energy Solutions, the implementer of the TECH Clean California Initiative**, to provide the first source of non-IOU Public Purpose Program ratepayer funding for GoGreen Home credit enhancements following the issuance of CPUC Decision 21-08-006. Funding from TECH Clean California supports credit enhancements and administrative costs for borrowers who receive gas service from an Investor-Owned Utility (IOU) and electric service from a Publicly Owned Utility (POU). Beginning in April, 2022, these customers were eligible to fully participate in decarbonization efforts through financing heat pump technologies and a full suite of electric efficiency measures.

First in country marketplace microloan product launched

- In August 2021, **One Finance and Enervee began offering their Eco Financing microloan product** on the SoCalGas online marketplace. Customers with credit scores as low as 580 could obtain financing with lower interest rates (thanks to the GoGreen Home credit enhancement) for energy-efficient appliances directly at the point of sale online. CAEATFA was the first state agency to make credit enhancements available for instant online financing; Enervee is now looking to replicate the model in other jurisdictions.

Heat pump installation increases led to doubled GHG emission reductions

- Combined **total heat pump installations increased by more than three times** this fiscal year over FY 20-21. In FY 21-22, there were 27 heat pump water heaters and 126 heat pump space heaters installed, compared to 5 and 55 in FY 20-21, respectively. Heat pump projects installed during the fiscal year contributed to an estimated decrease of 148 tons of greenhouse gas emissions per year attributed to GoGreen Home projects, more than double the estimated emissions reductions reported for the prior year (61 tons).

Regional credit unions gained loan enrollment momentum

- **Travis Credit Union and First US Community Credit Union became the highest-enrolling regional credit unions** by loan volume. Together, they account for 40% of standard loans enrolled this fiscal year and point to the potential for regional partnerships between lenders and contractors to drive energy upgrades and related loan volume.

¹ Overall fiscal year loan enrollment volume includes both standard loans and marketplace microloans. Together, the standard loans and marketplace microloans total 1,289 loans enrolled throughout the 21-22 fiscal year.

FY 21-22 GoGreen Home Data Summary

Prepared August 2022

Lower average interest rates

- Though interest rates are expected to rise in the future in response to rate increases by the Federal Reserve, the credit enhancement provided to participating lenders via GoGreen Home has allowed them to **offer interest rates that are, on average, 7.3 percentage points lower** than their equivalent standard loan rates for loans up to and including 60-month terms. Lower interest rates in FY 21-22 resulted in a projected average of \$2,792 in savings to GoGreen Home customers over the lifetime of the loan.²

Standard Loan Activity

Reporting is for standard GoGreen Home loans enrolled through the eight participating credit union lenders. Reporting on marketplace microloans is excluded from this section and can be found on page 7.

Private Capital Leveraged

Total Amount Financed in millions			Loss Reserve Contributions in millions		
\$9.75 FY 20-21	\$14.15 FY 21-22	\$36.41 All Time	\$1.53 FY 20-21	\$2.20 FY 21-22	\$5.59 All Time
For every \$1 of credit enhancement allocated, \$6.42 in private capital was leveraged. ³					

Financing Activity

Loans Enrolled		
597 FY 20-21	793 FY 21-22	+33% Change in Activity

Credit Enhancement Funds Recaptured ⁴		
\$363,182 FY 20-21	\$506,268 FY 21-22	+39% Change in Amount Recaptured

Loan Characteristics

Loan Size			
\$16,330 <i>Average</i>	\$12,956 <i>Median</i>	\$17,841 <i>Average</i>	\$15,000 <i>Median</i>
FY 20-21		FY 21-22	

Term Length in Months			
101 <i>Average</i>	120 <i>Median</i>	101 <i>Average</i>	120 <i>Median</i>
FY 20-21		FY 21-22	

² Throughout fiscal year 21-22, on average, GoGreen Home borrowers with loan terms up to and including 60 months received a 3.4% interest rate, which is 7.3 percentage points lower than the average of the participating lenders' signature product interest rate of 10.7%. Savings estimates are based on timely repayment of the loan.

³ GoGreen Home uses a credit enhancement in the form of a loan loss reserve to leverage private capital at reduced rates and allow lenders to improve terms for borrowers. The credit enhancement is provided by utility ratepayer funds.

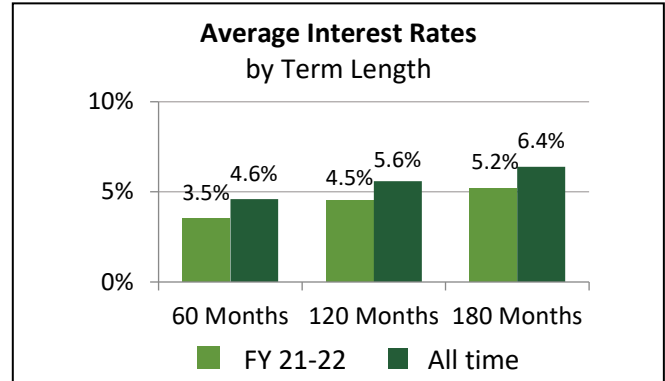
⁴ In FY 21-22, 246 GoGreen Home standard loans were repaid in full, allowing the recapture of loss reserve contributions for those loans, totaling \$503,474, to be returned to the GoGreen Home Program Holding Account. In addition, 12 marketplace microloans were repaid in full, allowing the recapture of \$2,793 in loss reserve contributions to be returned to the GoGreen Home Program Holding Account. Values in the table above represent the combined dollar amount of recaptured funds from fully repaid standard loans and marketplace microloans that became available to be re-deployed as loss reserve contributions for new borrowers.

FY 21-22 GoGreen Home Data Summary

Prepared August 2022

Interest Rate			
5.0%	4.99%	4.3%	3.99%
<i>Average</i>	<i>Median</i>	<i>Average</i>	<i>Median</i>
FY 20-21		FY 21-22	






Loans Enrolled per IOU ⁵			
567	181	39	197
<i>PG&E</i>	<i>SCE</i>	<i>SDG&E</i>	<i>SoCalGas</i>
FY 21-22			



GoGreen Home Loans Enrolled by Lender

Lender	FY 2020-21	FY 2021-22	All Time ⁶
California Coast Credit Union	373	348	1,119
Desert Valleys Federal Credit Union	5	15	41
Eagle Community Credit Union	2	1	12
First US Community Credit Union	57	196	289
Matadors Community Credit Union	142	108	487
Pasadena Service Federal Credit Union	0	0	3
Travis Credit Union	8	120	128
Valley Oak Credit Union	10	5	38
Total Loans	597	793	2,117

Measures Installed

Top 5 Energy Efficiency Measures Installed FY 21-22				
				
HVAC Equipment 593 Projects	Windows 123 Projects	HVAC Ductwork 131 Projects	Insulation 98 Projects	Cool Roofs 80 Projects

Heat Pump Projects Financed					
Space Heating			Water Heating		
55 FY 20-21	126 FY 21-22	237 All Time	5 FY 20-21	27 FY 21-22	38 All Time

⁵ 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 per IOU are reported regardless of what measures are installed.

⁶ All time refers to loans enrolled by participating lenders FY 2016-2022.

FY 21-22 GoGreen Home Data Summary

Prepared August 2022

Deemed Energy Savings⁷

The Program saw energy savings growth (gas and electric savings combined) correlate with efficiency measure installs (excluding fuel switch) when comparing FY 20-21 to FY 21-22. Due to the increased number of projects that included decarbonization (or fuel switching) measures, gas savings for these projects increased over 140%. Increased decarbonization projects also led to significant growth in the reduction of greenhouse gas from projects financed through GoGreen Home. In FY 20-21, projects financed through the program resulted in an average reduction of 431 pounds of CO₂e per \$10,000 in customer investment, and this average increased 17% to 520 pounds of CO₂e in FY 21-22.

Decarbonization measures contribute to the State’s goal of greenhouse gas reduction by substituting carbon-emitting equipment, such as natural gas-fueled measures, with electric-fueled measures (i.e., heat pumps, heat pump water heaters, and induction ranges) that can more readily take advantage of clean power sources. The deemed annual electric savings (in kWh), gas savings (in Therms), and GHG reductions (in tons of CO₂e) for decarbonization measures are reported separately as they always result in negative electric savings and positive gas savings, which skews the overall data significantly when counted with other measures.

Total Annual Energy Savings and GHG Reductions				
	Efficiency Measures		Decarbonization Measures ⁸	
	FY 20-21	FY 21-22	FY 20-21	FY 21-22
Number of Projects	592	696	56	129
Electric Savings (kWh)	262,304	284,572	-68,668	-189,237
Gas Savings (Therms)	18,037	22,267	12,160	29,349
GHG Reductions (Tons of CO₂e)	159	189	61	148
Peak Demand Savings (kW)	333	392.8		

⁷ The Total Annual Energy Savings and GHG Reductions table below separates efficiency measures from decarbonization/fuel switching measures installed throughout FY 21-22. The efficiency measures column reports on deemed annual electric savings (in kWh), gas savings (in Therms), greenhouse gas (GHG) reductions (in tons of CO₂e), and peak demand savings (in kW) for projects that were not marketplace microloans and did not include decarbonization/fuel switching measures. For more information on deemed energy savings through GoGreen Home, please refer to the Deemed Energy Savings Reports (<https://www.treasurer.ca.gov/caeatfa/cheef/cheef-reports-and-additional-materials.asp>).

⁸ Data in this chart reflects the net value of GHG reductions resulting from eliminated gas consumption from decarbonization measures minus the GHG impact from new electric consumption generated by those measures. Throughout the 21-22 fiscal year, GoGreen Home enrolled 129 projects that included installation of decarbonization measures such as heat pump, ductless mini splits with heat pumps, heat pump water heaters, and induction ranges.

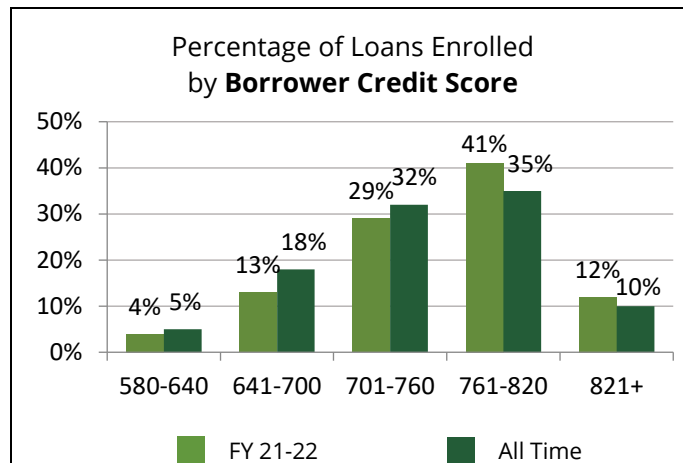
FY 21-22 GoGreen Home Data Summary

Prepared August 2022

How GoGreen Home Makes Financing Feasible

Access to Credit: Borrower Credit Score of 580-640 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	
	20 FY 20-21	30 FY 21-22
Affordable Monthly Payments: Term Lengths >5 Years 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	
	344 FY 20-21	441 FY 21-22
Access to Capital: Loan Amounts >\$25,000 Most lenders are able to offer up to \$50,000 for all borrowers for deeper energy retrofits through GoGreen Home.	Loans Enrolled to Borrowers with Total Financed Amount >\$25,000	
	87 FY 20-21	138 FY 21-22

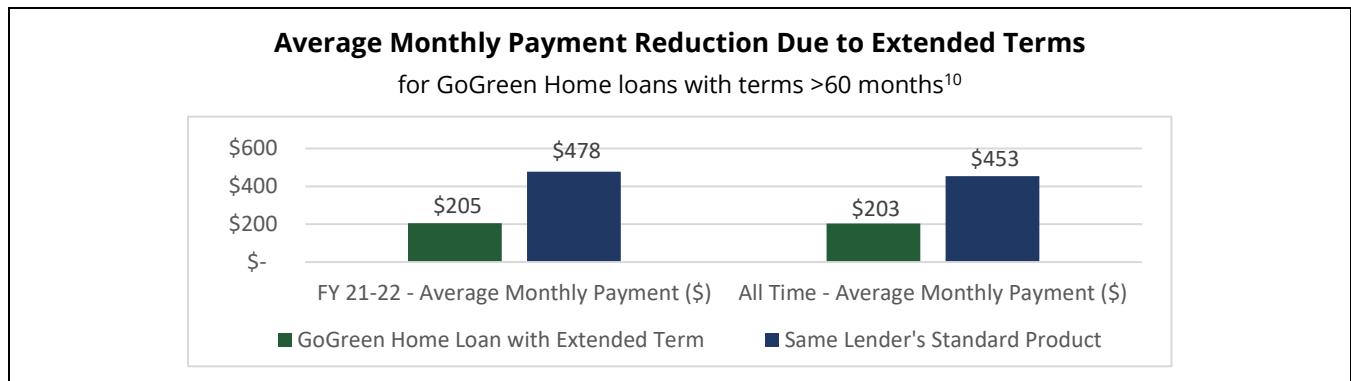
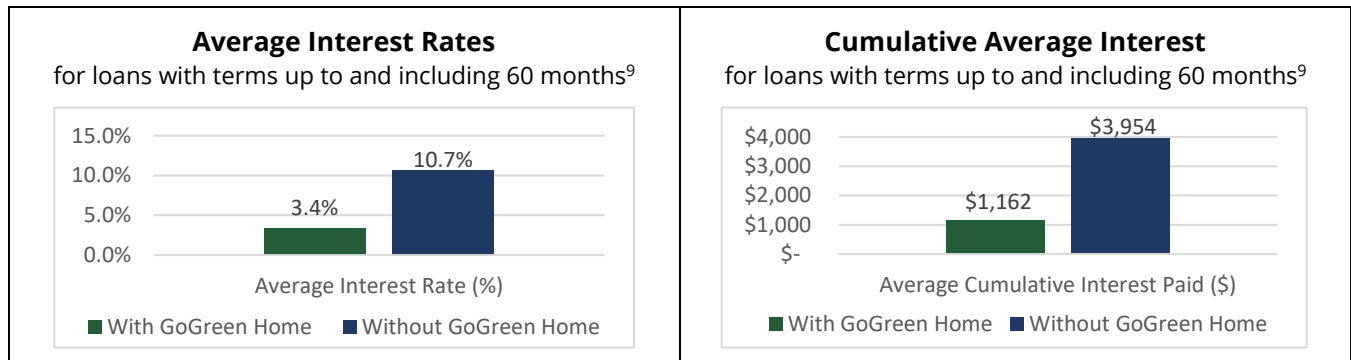
Across the lifetime of the Program (2016-22), 23% of loans enrolled have gone to borrowers with FICO credit scores under 700. Throughout the 21-22 fiscal year, loans to borrowers in the under 700 FICO score category made up 17% of loan enrollment. The reason for this decline isn't entirely clear as the more generous credit enhancement for lenders for loans to credit-challenged borrowers has not changed and lender credit approval rates have tended to increase over time. Staff will continue to analyze this trend, as the program aims to reach credit-challenged borrowers, provided they have the cash flow to repay their loan.



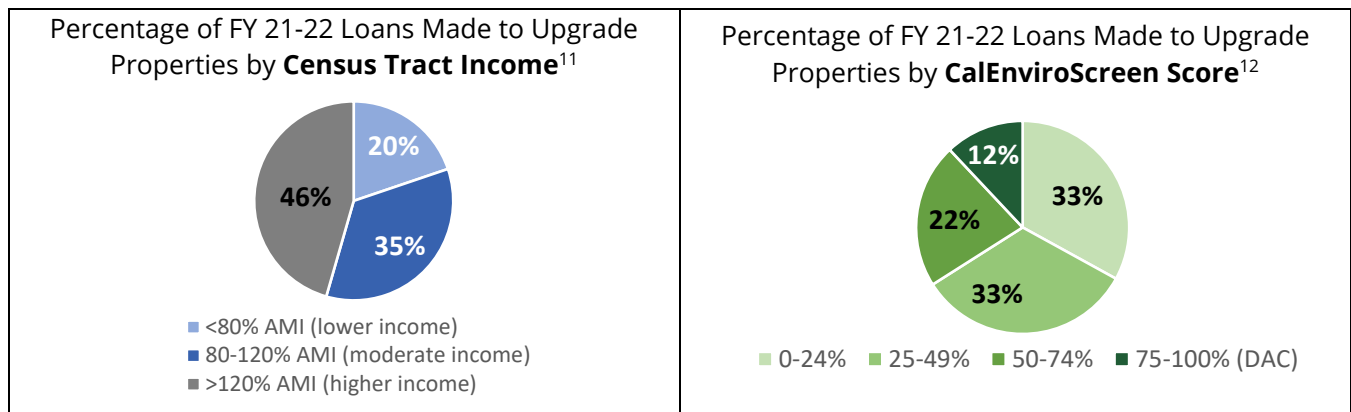
FY 21-22 GoGreen Home Data Summary

Prepared August 2022

Borrower Benefits for Loans Enrolled FY 21-22



How GoGreen Home Serves Underserved Borrowers



⁹ 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.

¹⁰ 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.

¹¹ 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). In FY 21-22, 54% of loans were made to properties in LMI census tracts and 49% of total loan capital went to properties in LMI census tracts.

¹² CalEnviroScreen is a pollution burden mapping tool that uses environmental, health, and socioeconomic data to produce scores for every census tract in California; CAEATFA is reporting loans for properties in tracts scoring in the highest quartile (75-100%) as loans for projects in disadvantaged communities (DACs). This data uses the most recent version of CalEnviroScreen available at the time of publication.

FY 21-22 GoGreen Home Data Summary

Prepared August 2022

Statewide Reach

Contractor Activity	
Participating Contractors ¹³ All Time	610
Contractors who enrolled in GoGreen Home FY 21-22	101
Contractors who enrolled a project FY 21-22	174

Counties with Highest Loan Volumes		
	FY 21-22	All Time
Sacramento	173	363
Solano	85	112
Los Angeles	64	242
Kern	53	201
San Diego	30	111

¹³ Represents the number of contractors currently enrolled in GoGreen Home. Over time, some contractors are suspended or removed from the Program as part of routine quality checks for reasons such as license expirations.

FY 21-22 GoGreen Home Data Summary

Prepared August 2022

Marketplace Microloan Activity

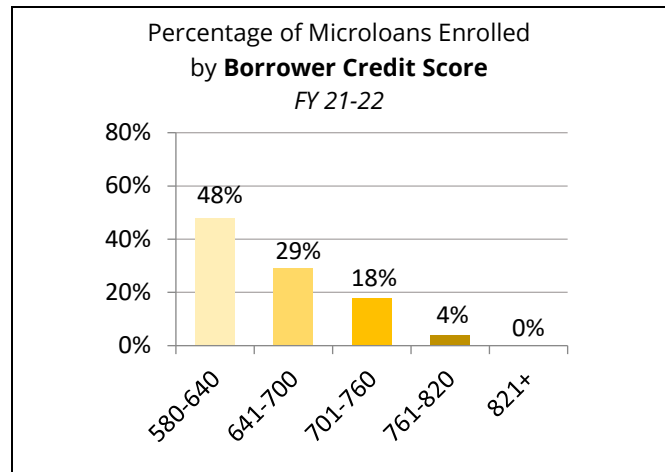
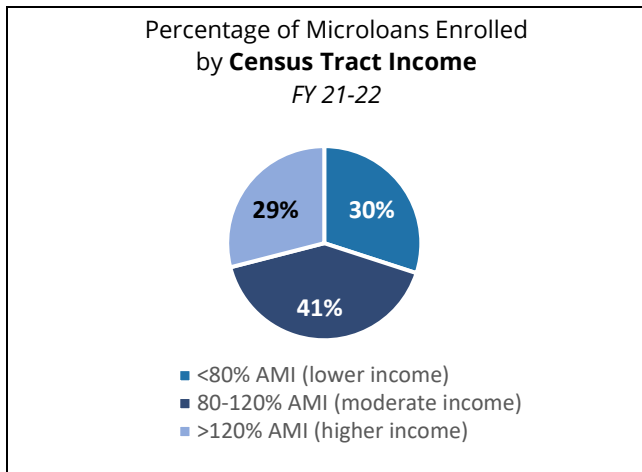
This section reports on microloans enrolled by One Finance and Enervee, who together offered a product available to customers for financing purchases from the SoCalGas marketplace during FY 21-22. Microloans, per the GoGreen Home regulations, are limited to \$5,000 and are reported on separately so as not to skew data presented for full-size loans in other sections. One Finance offered a 60-month term length and a single interest rate of 9.02% to all borrowers.¹⁴

Loan Activity and Loan Characteristics

Microloans Enrolled	496 <i>FY 21-22</i>
Total Amount Financed	\$725,579 <i>FY 21-22</i>

Loan Size <i>FY 21-22</i>	\$1,463 <i>Average</i>	\$1,192 <i>Median</i>
Borrower Relationship to Property <i>FY 21-22</i>	132 <i>Renters or Lessees</i>	364 <i>Owners</i>

How The Marketplace Microloan Product Serves Underserved Borrowers



Measures Installed

Top 3 Appliances Purchased		
Clothes Dryer 217	Clothes Washer 210	Gas Oven/Range 178

Deemed Energy Savings

Marketplace microloans for appliances purchased through the SoCalGas marketplace launched in the third quarter of 2021, which means that only gas measures were available to finance during the reporting period.

Total Annual Energy Savings and GHG Reductions		
	Electric Savings	Gas Savings
Energy Savings	13,875 kWh	2,440 Therms
GHG Reductions	3 Tons of CO₂e	14 Tons of CO₂e

¹⁴ One Finance's offer of marketplace microloans ended in June 2022. Enervee's loan enrollments are expected to resume later this year through a new lender, who will join the GoGreen Home Program.