



CALIFORNIA HUB FOR
ENERGY EFFICIENCY
FINANCING

**Quarterly Report and
Program Status Summary**

April 1, 2017 – June 30, 2017

*Revised 02/05/2018 – Section 2 Budget narrative and Budget table were updated.

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Section 1: Introduction

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) is working with the California Public Utilities Commission (CPUC), investor-owned utilities (IOUs),¹ the Center for Sustainable Energy (CSE) and financial institutions throughout California to develop a series of pilot programs that allow consumers to finance energy efficiency retrofits. The pilot programs are designed to enable consumers to undertake deeper and broader energy efficiency projects than previously achieved through traditional programs, and will assist in removing the upfront cost barrier of financing for consumers to promote the State's broader energy efficiency goals.

In September 2013, the CPUC approved Decision 13-09-044 ("D.13-09-044"), authorizing two-year pilot programs to be supported by up to \$66 million of IOU ratepayer funds serving four market segments.

Only the first three of the four markets listed below provide credit enhancements to lenders:

- single-family, with one-third of funds reserved for low-to-moderate income households;
- multi-family, affordable housing with master meters;
- small businesses;
- On-Bill Repayment (OBR) of financing by non-residential energy users, without credit enhancement.

The pilot programs were established with a myriad of goals, all of which are intended to support the State's broader energy efficiency and environmental policy goals using an innovative approach.

Primarily, the pilots are designed to:

- provide credit enhancements to lenders, thereby mitigating risk for lenders who are then able to provide lower interest rates and better terms to consumers;
- broaden the availability of financing to individuals who might not have been able to access it otherwise; and
- address upfront cost barriers to energy efficiency retrofit projects.

This report is responsive to D.13-09-044, Ordering Paragraph 21, which directs CAEATFA in conjunction with the IOUs to issue quarterly reports throughout the pilot period, by pilot program and on CHEEF operational expenses. The reports keep the CPUC and interested stakeholders apprised of:

- implementation progress, opportunities and challenges;
- platform and space within which CHEEF functions take place;
- accounts and account managers, database permission criteria, and platforms associated with the CHEEF;

¹ The IOUs consist of Pacific Gas & Electric (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Edison (SCE), and Southern California Gas Company (SoCalGas).

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- customer facing products (websites, informational charts), as appropriate under CAEATFA’s limited authority and responsibility over consumer marketing; and
- pilot program performance and certain aggregate profile information about participating lenders, borrowers, and projects.

Appendix A of this report includes information on each of the above-listed data points that are required pursuant to D.13-09-044.

Section 2: Budget

D.13-09-044 directs the IOUs to allocate a total of \$75.2 million to finance the pilots over the initial pilot period. Table 1 provides an itemized breakdown of these allocations, current expenditures and remaining balance. As of June 30, 2017, CAEATFA expended ~~\$3,117,717~~ \$3,612,046 of the \$15.36 million allocated for CHEEF Administration, Direct Implementation, and Marketing, Education, and Outreach. Of the ~~\$3,117,717~~ \$3,612,046 expended, \$814,589 was used to fund contracts with the Master Servicer (Concord Servicing Corporation) and the Trustee Bank (US Bank).

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Table 1 – Budget Table for CHEEF Expenditures (September 2014 through June 30, 2017)²

Item	Allocated	Expended/ Encumbered ³	Balance
CHEEF Administration			
Includes Start-Up costs, CHEEF administrative, direct implementation, and contracting costs ⁴	\$ 13,360,000	\$ 2,740,334 \$ 3,243,011	\$ 10,619,666 \$ 10,116,989
Subtotal CHEEF Start-Up Costs	\$ 13,360,000	\$ 3,243,011	\$ 10,116,989
Marketing, Education, Outreach (MEO)			
Statewide MEO plan	\$ 8,000,000	(TBD)	\$ 8,000,000
CAEATFA outreach and training to financial institutions and Contractors	\$ 2,000,000	\$ 320,979 \$ 369,035	\$ 1,679,021 \$ 1,630,965
Subtotal Marketing, Education, and Outreach	\$ 10,000,000	\$ 369,035	\$ 9,630,965⁵
Residential pilots			
Residential Energy Efficiency Loan Credit Enhancement Funds	\$ 25,000,000	\$ 56,404	\$ 24,943,596
Energy Financing Line Item Charge (Funding to PG&E)	\$ 1,000,000	(TBD)	\$ 1,000,000
Multi-Family	\$ 2,900,000	\$ -	\$ 2,900,000
Subtotal Residential Pilots	\$ 28,900,000	\$ 56,404	\$ 28,843,596
Non-Residential Pilots			
Small business sector OBR with credit enhancement	\$ 14,000,000	\$ -	\$ 14,000,000
Other Non-Credit Enhancement funds	\$ -	\$ -	\$ -
Subtotal Non-Residential Pilots	\$ 14,000,000	\$ -	\$ 14,000,000
Information Technology (IT)			
IT Funding to IOUs ⁶	\$ 8,000,000	(TBD)	\$ 8,000,000
Subtotal IT Funding to IOUs	\$ 8,000,000	(TBD)	\$ 8,000,000
CHEEF Pilot Reserve			
CHEEF Pilot Reserve ⁷	\$ 984,931	\$ -	\$ 984,931
Subtotal CHEEF Pilot Reserve	\$ 984,931	\$ -	\$ 984,931
GRAND TOTAL	\$ 75,244,931	\$ 3,117,717 \$ 3,668,450	\$ 64,927,214 \$ 71,576,481

***Note:** Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.

² This table is not a comprehensive representation of the budget. It does not reflect CSE's expenditures related to ME&O, the IOUs expenditures and additional allocations for IT and administration, or other non-CHEEF costs.

³ Encumbered refers to the credit enhancement funds reserved for enrolled loans under the Residential Energy Efficiency Loan (REEL) Loan Loss Reserve (LLR).

⁴ Amount of funds allocated to this section includes the additional \$8.36 million that was approved by CPUC Rulemaking 13-11-005: Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing, Education and Outreach Activities issued November 22, 2016.

⁵ This amount does not include CSE's expenditures.

⁶ IT funding to IOUs reports only the initial allocation and does not reflect current IOU expenditures.

⁷ This amount reflects the remaining balance after the release of funds that was approved by CPUC Rulemaking 13-11-005: Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing, Education and Outreach Activities issued November 22, 2016.

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On March 23, 2017, the CPUC released D. 17-03-026 where they approved CAEATFA's funding request and released \$8.36 million of CHEEF reserve funds.⁸ CAEATFA received renewed expenditure authority from the legislature through fiscal year 2017-18. The decision was a result of the culmination of CAEATFA's hard work over the spring and summer of 2016 where CAEATFA staff re-evaluated its resources and pilot timetable to better identify the necessary resources it would need to complete pilot implementation. In order to carry out the CHEEF functions without an interruption in services, CAEATFA:

- requested approval of an additional \$8.36 million in administrative funds and additional staff resources through fiscal year 2019-2020 from the CPUC;⁹ and
- worked in coordination with CPUC staff to request Legislative approval of a 2017 budget request to provide CAEATFA with the corresponding reimbursement and expenditure authority beyond June 30, 2017.

Section 3: CHEEF Infrastructure

This Section complies with the direction from the CPUC to provide updates on the “the platform and space within which CHEEF functions take place.” CAEATFA is creating a streamlined, statewide platform for lenders and contractors to participate in the uptake of energy efficiency projects through increased access to financing. As the manager of the CHEEF, CAEATFA is developing uniform program requirements, standardized documentation and processes, and a central administrative entity to facilitate investment in energy efficiency projects and implementation of the pilot programs. Key infrastructure elements needed to implement the CHEEF include a Master Servicer, Trustee Bank, Secure Flow of Funds functionality, Contractor Manager, Data Manager, and Technical Advisors. Below are descriptions of each of these roles and information regarding their current status as it relates to CAEATFA's procurement processes.

Master Servicer. The Master Servicer (MS) plays a key role in the daily administration of the program(s), accepting lender and loan enrollment applications, and processing on-bill repayment transactions. Through a competitive solicitation, CAEATFA selected Concord Servicing Corporation (Concord) as the MS and entered into a contract effective April 23, 2015. The current contract with Concord Servicing Corporation has been extended to the maximum allowable term and expires on December 31, 2017. A new Request for Proposal (RFP) is currently being developed and will be released to select and onboard a new MS before the end of the current contract term.

⁸ CPUC Rulemaking 13-11-005: Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing, Education, and Outreach Activities issued November 22, 2016.

⁹ CPUC Rulemaking 13-11-005

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Trustee Bank. The Trustee Bank holds the ratepayer funds provided by the IOUs to serve as Credit Enhancements (CE) under the various pilot programs. CAEATFA provides direction to the Trustee Bank to transfer CE funds between various accounts.¹⁰ The Decision and regulations developed for each pilot specify the amount of credit enhancement funds available for each enrolled financing, and also identify the processes for payment of claims under the programs. The Trustee Bank contract was initially approved by the Department of General Services on March 11, 2015 and has been extended to the maximum allowable term expiring on December 31, 2017. A new Request for Proposal (RFP) is being developed and will be released to select a new Trustee Bank before the end of the current contract term.

Secure Flow of Funds. In CAEATFA's research and outreach to lenders interested in OBR functionality, lenders expressed the need for additional safeguards around their funds as the IOUs remit daily payments designated for participating lenders. CAEATFA, in consultation with these lenders and the banking industry, has explored different options to provide a secure cash flow solution for the OBR program. Under the currently contemplated secure cash flow design, the Master Servicer will open bank accounts required to enable the transfer of customer repayments from utilities to the financial institutions.

Contractor Manager. The Contractor Manager will enroll and manage contractors in the REEL Program, coordinate with the Statewide Financing Marketing, Education, and Outreach Implementer on outreach, and conduct quality control oversight of projects not participating in an IOU rebate/incentive program. An RFP for this service was released in April 2017, and CAEATFA received five proposals submitted through that competitive solicitation. Of the five submittals that were evaluated, three were invited for an interview. It is expected that the selected firm will be under contract by Q4 2017.

Data Manager. The Data Manager will receive pilot program data from the MS and other energy efficiency finance program administrators in order to prepare it for public presentation and use. It will also receive pilot program related energy usage data from the IOUs. The data will be aggregated and anonymized according to the combined standards and regulatory requirements of the IOUs and capital providers. The RFP for the competitive solicitation for this service has yet to be released while CAEATFA prioritizes its workload to develop and implement the pilots. Concurrently, CAEATFA and its agents will continue to collect the appropriate data to ultimately be transmitted to the data manager when it is brought under contract.

Technical Advisors. Technical Advisors provide expertise to CAEATFA in its development and implementation of the CHEEF pilot programs. From May 2016 to October 2016, Energy Futures Group, Inc. was contracted to provide short-term technical assistance for the research and development of the commercial pilot project eligibility requirements. In December 2016, through a competitive solicitation process, CAEATFA selected Energy Futures Group (EFG) for a higher-value technical assistance contract to continue research and development, and implementation assistance for the commercial pilots effective March 29, 2017. Under its implementation agreement with the IOUs, CAEATFA continues to rely on the ongoing technical

¹⁰ IOU Holding Accounts, IOU Program Accounts, IOU Pre-approval Accounts and participating Lender Accounts.

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support of Harcourt Brown & Carey (HB&C) and anticipates additional assistance from HB&C with regard to on-bill infrastructure implementation. HB&C's expertise and project management assistance has been helpful in providing continuity under the pilots.

Section 4: Program Development

Recent Pilot Modifications and CPUC Activity

At the CPUC's CHEEF midpoint workshop in November of 2016, CAEATFA presented a list of suggested modifications to the pilot programs, including the REEL pilot. CAEATFA was concerned about the low uptake in REEL loans during the first several months of implementation and continued to identify program constraints, and suggested modifications to either:

- remove hurdles for participants; or
- make the pilots more responsive to the marketplace.

On March 29, 2017, the CPUC released D. 17-03-026 that approved several of CAEATFA's requested modifications and provided the following directives:

- the CPUC committed to continued long-term funding for CAEATFA to administer the pilot program throughout the life of the pilots;
- all financing pilots will be launched by no later than December 31, 2019;
- CAEATFA is fully authorized as the decision-maker for these pilots (including program design, financing mechanism designs, finance credit support, measure eligibility, on-bill repayment implementation including lender enrollment, outreach to contractors and lenders, and database tasks), utilizing its own public input and rulemaking processes, as needed;
- allowed all programs to operate off-bill;
- removed the Affordable Multifamily Programs restriction of master metered properties only;
- CHEEF financed pilot programs will be kept separate from the much larger energy efficiency rolling portfolio business plans filed on January 17, 2017;
- each pilot program will be subject to a mid-point evaluation at or around one year of operation;
- funding authorized for CAEATFA's use for the pilot programs and its administrative expenses prior to this decision should last through at least 2020, when we may need to reevaluate the need for additional funding for ongoing support of the pilot programs;
- solar and distributed generation repayment will be allowed on-bill for small business, in addition to other non-residential customers;¹¹
- CAEATFA is allowed to true up its credit enhancement funds less frequently than quarterly, at its discretion;
- CAEATFA should not be required to maintain separate credit enhancement pools or track spending by IOU service territory;

¹¹ Financing for solar and distributed generation will not be credit-enhanced

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- to continue the momentum of successful pilot programs, a hard stop of program operation after two years should not occur. Pilot programs should continue until such time as the Commission makes a determination about whether a pilot program should be continued, taken to full-scale implementation, or terminated;
- SoCalGas conducted a competitive solicitation for continuation of the ME&O work to support the financing pilot programs currently being implemented by the Center for Sustainable Energy (CSE).

With the new flexibility, CAEATFA is targeting its current resources on improving REEL - the pilot currently being implemented – while continuing the development of the remaining pilots with the resources available.

In addition, given the CPUC’s commitment of long-term funding, CAEATFA will convert existing temporary positions to permanent positions and on-board additional staff. These staffing changes will roll out over time and be completed by December 31, 2017.

Residential Energy Efficiency Loan Assistance Program

The Residential Energy Efficiency Loan (REEL) Assistance Program launched and enrolled its first loan in July 2016. REEL’s initial pilot term is expected to last through July 15, 2018, and will continue through the subsequent pilot evaluation period.

Infrastructure Development and Operations

The operational infrastructure to enroll loans under REEL has been established and launched. CAEATFA is working with participating lenders to streamline processes and procedures for their respective REEL financial products. Training and enrolling contractors into the REEL program occurs on a rolling basis.

Regulatory Development

REEL regulations were initially adopted as emergency regulations and approved by the Office of Administrative Law (“OAL”) on March 9, 2015. Regulations were re-adopted with some amendments to incorporate early lessons learned in August 2015, and were effective September 8, 2015. Revised regulations, incorporating additional lessons from early implementation, were later incorporated and approved by the OAL on April 13, 2016.

In May and June of 2017, CAEATFA staff began proposing changes to existing regulations for modification through the emergency rulemaking process to reflect stakeholder feedback, lessons learned and the new flexibility provided by CPUC Decision 17-03-026. Some of the proposed changes include:

- consolidation and ultimate removal of all IOU Customer Data Release forms
- lender certification of loan eligibility upon enrollment in the program, instead of loan by loan, to streamline the loan enrollment process
- clarifying eligibility for manufactured homes

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- consolidation of separate IOU LLR accounts into a single, statewide loss reserve account for each lender
- change from quarterly to annual LLR rebalance
- flexibility in using REEL to refinance a deposit loan made by a REEL lender for the same project

CAEATFA expects to begin REEL regulation modifications through the emergency rulemaking process and finalize regulation in summer of 2017, and will phase in additional modifications.

Eligible Energy Efficiency Measures (EEEMs)

Each IOU displays their EEEMs list, listing the various energy efficiency specifications and requirements for projects, on the EEEMs Portal (<http://eeems.azurewebsites.net>). The EEEMs Portal is used by contractors, lenders, and the Master Servicer to ensure measure eligibility.

In March of 2017, Decision 17-03-26 granted CAEATFA the flexibility to decouple the program EEEMs list from existing IOU rebate and incentive programs. CAEATFA plans to take advantage of the granted flexibility through a three-phase approach to improve the REEL Program. This phased approach retains existing program infrastructure, offers due diligence in making modifications through public input, and strikes a balance between a simple streamlined process for participants and specification detail for anticipated program evaluators.

- In Phase 1, CAEATFA removed bundling and modeling requirements on the EEEMs list. This eliminates the complicated requirements for measure eligibility and allows for the program to test financing as an alternative to rebates and traditional incentives.

CAEATFA worked with the MS, lenders, and contractors to roll out Phase 1 changes. In March of 2017, the IOUs updated their EEEMs lists to remove bundling and modeling coding for each measure description. Contractors were notified of these changes by email and through engagement by the marketing implementer.

- In Phase 2, CAEATFA will retain four separate EEEMs lists, but each will include the same measures and same efficiency specifications across the state. CAEATFA will allow any measure currently offered by any IOU for a rebate or incentive to be eligible across the state, as long as the corresponding fuel source is provided by the respective IOU. On May 5, 2017, windows were added to all IOU EEEMs lists and Cool Roofs to all electric EEEMs lists, allowing statewide measure eligibility. CAEATFA has been finalizing HVAC, ducting, and water heating measures for statewide eligibility and is seeking IOU and contractor feedback to ensure the accuracy of these measures and accessibility to participating contractors. With pool products, appliances, lighting, and whole building measures remaining, Phase 2 has an estimated roll-out date for August 2017.
- In Phase 3, CAEATFA will remove the four separate lists to yield a single list of measures applicable to all IOU territories and explore inclusion of measures that are not part of the IOU

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rebate and incentive programs. Phase 3 activities will begin in Q3 of 2017 with implementation in 2018.

Lender Activity, Recruitment and Training

CAEATFA is continuously recruiting, enrolling, and training participating lenders. As of June 30, 2017, five lenders (Viewtech Financial Services, Valley Oak Credit Union, Matadors Community Credit Union, California Coast Credit Union, and Desert Valleys Federal Credit Union) have been approved in the REEL Program. Of the five lenders, four are operational and can accept REEL applications from consumers: Valley Oak Credit Union, Matadors Community Credit Union, Desert Valleys Federal Credit Union, and California Coast Credit Union. Lender profiles can be found in Appendix B. Working with the four lenders, 14 projects were completed with a total claim eligible principle of \$293,156 over this past quarter, with an average loan size of \$20,939.71. A complete list of the loans enrolled to date, and select attributes, can be found in Appendix A, Table 2.

CAEATFA is currently recruiting other eligible lenders and conducting additional outreach. For example, CAEATFA has been in discussions with a high volume, Retail Installment Contract (RIC) lender to discuss their proposed REEL product, and the benefits it offers to consumers if the RIC lender were enrolled into the REEL Program. The RIC lender aims to merge the REEL paperwork process into their internal loan application process to streamline and maximize loan enrollment. While staff has invested time into streamlining the operation, this lender is still working through its internal process to determine its participation in REEL.

Contractor Recruitment and Training

Beginning in April 2016, CAEATFA began providing both in-person trainings and weekly webinar trainings for contractors interested in participating in REEL. During this quarter, 39 contractors have been trained with 25 contractors enrolling in the program. Since its initial offering, 224 contractors have been trained with 41 of them attending in-person training sessions. A total of 129 contractors have been enrolled in the program to date. The ongoing webinar schedule can be found at www.thecheef.com/REEL.

In an effort to make the contractor compliance training accessible to a wider pool of eligible contractors interested in joining the REEL Program, CAEATFA staff is working to develop an on-demand, web-based training platform. The on-demand, web-based training will give contractors the flexibility to view training material at their convenience 24-hours a day, 7-days a week. Staff expects the on-demand training to be available to qualified contractors beginning fall of 2017.

In addition, CAEATFA staff are working with the IOUs and their energy efficiency program implementers (i.e., Build It Green and ICF International) to conduct outreach and training of contractors for the REEL Program by posting REEL Program information and training schedules on their websites, as well as in their monthly/quarterly newsletters. Ongoing efforts are being made to improve the resources available to contractors on www.thecheef.com.

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Marketing Coordination

CAEATFA has been working with the CSE to improve the contractor, lender, and consumer experience of REEL. CSE has been developing marketing collateral for REEL. CAEATFA provided suggestions to CSE on how to better reach REEL's target audiences and on simplifying post enrollment processes for participants. CAEATFA collaborated with the IOUs and CSE to create an informational webpage targeting homeowners, www.thecheef.com/REEL, launched in early 2017. The goal of the website is to:

- help homeowners who are self-motivated to take on an energy retrofit to find a participating contractor and lender;
- provide contractors an additional resource through which they can explain the program to customers and help them locate a lender.

The IOUs began linking to www.thecheef.com/REEL from their Home Upgrade program websites in January 2017 and by the end of the first quarter, all IOUs had links from their respective company websites to the REEL webpage.

CSE executed a consumer facing advertising campaign (Summer Co-op Marketing Campaign) with an overall goal of providing value to channel partners (REEL participating contractors and lenders) in the form of co-branded marketing materials. The campaign featured CHEEF/REEL co-branded digital ads featuring lender and contractor logos relevant to the viewer based on his/her geographic location.

On June 6, 2017, at the Program and Marketing Update Event at the SCE/SoCalGas location in Downey, CSE provided an update to the IOUs, CPUC, CAEATFA, and program stakeholders regarding the marketing campaign and the collateral that is currently available. At this event, CAEATFA also presented an update on recent and upcoming changes to REEL and the marketing contract.

PG&E REEL Sub-Pilot: Energy Finance Line Item Charge (EFLIC)

CAEATFA has concurrently been working to develop EFLIC, a sub-pilot of REEL. EFLIC, only available in PG&E territory, is designed to encourage low-to-moderate income homeowners to purchase energy efficiency equipment and repay the financing on their utility bill. CAEATFA has spent a significant effort working with several capital providers to launch this sub-pilot.

The most recent entity interested in developing a product under the program is no longer able to commit resources to continue participation, although they have not ruled it out for the future.

CAEATFA will reprioritize this effort once PG&E's OBR infrastructure is established and CAEATFA's new staff positions are on-boarded.

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Statewide Customer Information Service Release (CISR)

Energy usage data is considered private information that cannot be released by the IOUs without obtaining authorization from the customer. Since the launch of the REEL pilot, each IOU has required an IOU-specific CISR form for their customers. At the CPUC's mid-point review workshop in November 2016, CAEATFA advocated for the creation of a single, statewide CISR form. CAEATFA explained that four separate forms unnecessarily complicate the loan closing process for contractors, lenders and customers and presents a hurdle to program uptake. In Decision 17-03-026, the CPUC provided support to allow CAEATFA to implement a single, statewide CISR.

CAEATFA staff began the process of creating a mockup of a single statewide CISR form by combining the existing CISR forms in use by the IOUs. In April and May of 2017, CAEATFA, the CPUC and SoCalGas discussed CAEATFA's efforts to streamline the CISR and the legal concerns surrounding a single statewide CISR. During discussions, CAEATFA identified opportunities to further streamline the process for all parties involved by proposing to eliminate the CISR and reduce redundancies in data collection by requesting that the CPUC continue to explore alternative energy data collection methods for the program. This effort is currently ongoing.

On-Bill Repayment (OBR)

Several pilot programs will include OBR as a key feature. CAEATFA staff is working with the IOUs and the MS to establish the OBR infrastructure.

Infrastructure Development and Operations

One key component of the OBR infrastructure is the Data Exchange Protocol (DEP). The DEP outlines the process allowing for secure transmission of payments and repayment data between the IOUs, MS and lenders. After working through multiple complex residential and commercial customer data scenarios, the MS and the IOUs signed off on the Data Exchange Protocol requirements in January of 2016.

The MS and the IOUs worked independently and in close coordination to develop their respective IT systems, to accommodate the DEP.

In March of 2016, CAEATFA, the MS and the IOUs launched the planning and testing phases of DEP and the OBR infrastructure. The parties finalized and formally adopted the IOU-MS functionality testing plan and schedule in early June of 2016. From summer through fall of 2016, three of the four partner IOUs successfully completed the majority of their scheduled OBR testing. The fourth IOU is scheduled to complete OBR testing during Q4 of 2017. During fall of 2016, CAEATFA collaborated with the IOUs to develop a full catalogue of OBR program features and requirements, and the operational implications of participating in OBR for lenders.

On January 31, 2017, CAEATFA held a public workshop, presenting the key OBR infrastructure details, and what prospective lenders need to know about integrating with OBR.¹²

¹² The workshop addressed OBR Governance and Agreement Structures & Secure Cash Flow, OBR Eligibility, OBR Enrollment Process, Establishment of the First OBR Loan Charge, OBR Payment Flow, Delinquencies/ Disconnection/ Removal, and Reporting & Data.

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The development, clarification and streamlining of the lender-master servicer data exchange processes has been an area of focused work for CAEATFA and the MS during the first half of 2017. The lender - master servicer data exchange is the core operational and communications platform processes governing interactions between the MS and Lenders through the full life cycle of OBR loans. CAEATFA has also been working to resolve various ‘open issues’ and research questions involving OBR operational components and processes.¹³ Further development and testing with the IOUs may be needed depending on the final outcome of key elements such as the secure cash flow.

OBR Development Milestones

While researching and developing the OBR infrastructure and through initial workshops, CAEATFA identified the need for:

- operational reserve fund to smooth the funding stream to address potential anomalies in the IOU billing systems;
- secure cash flow to enable open-market OBR (as discussed above).

The table below provides milestones, target dates, and status of the milestone.

¹³ For example, programming was undertaken to ensure that the MS could submit a charge to the IOUs in a timely way on weekends followed by holidays.

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Milestone	Target Date	Status
1. Finalize Data Exchange Protocol	January 2016	Completed
2. Establish Test Schedule & Develop Testing Plan	June 2016	Completed
3. Begin IOU-Master Service System Integration Testing	June 2016	In process
4. Additional Research on Secure Cash Flow Issue	July 2016	In process
5. Issue Secure Cash Flow RFI/Review Responses	October 2016 / Nov 2016	Completed
6. Research and Develop secure cash flow solution	Q2/Q3 2017	Under development
7. Workshop OBR infrastructure for Lenders	January 2017	Completed
8. Complete IOU System Integration Testing	August 2017	In process
9. Secure Cash Flow/Concord IT Build Out (est. 2-6 months)	Q3/Q4 2017 / Q1 2018	Not started
10. IT Contingency (TBD)	Q4 2017/Q1 2018	Not started
11. End-to-End Testing (includes secure flow of funds; lender testing)	Q4 2017/Q1 2018	Not started

Commercial Pilot Development

CAEATFA staff continued development of the CHEEF Commercial Pilots with the resources available, researching program features and financial structures for small business and large non-residential projects.

The commercial pilot will support various financial products including loans, leases, and energy service agreements. The small business elements of the pilots allow for credit enhancements to help financing entities mitigate risk and allows an option for on-bill or off-bill repayment. CAEATFA is also incorporating a finance-only path to provide financing for customers that do not seek a utility rebate or incentive. CAEATFA sees value in the finance-only path as providing contractors more control over the timing of project completion, avoiding the lengthy review process for utility custom incentives, and supporting a wider range of measures.

In conjunction with the Investor Confidence Project (ICP), CAEATFA is working to explore the integration of ICP protocols as third party quality assurance for large finance-only projects.¹⁴ This would ensure efficiency goals are being met and provide a uniform set of industry-recognized quality assurance standards. ICP protocols define a road map of best practices for energy retrofits, leveraging commonly

¹⁴A link to the Investor Confidence Project website(<http://www.eepperformance.org/>)

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accepted standards to create standardized projects with reliable returns.

CAEATFA will continue to survey potential external stakeholders interested in the non-residential pilots whom include efficiency implementers, contractors and local government agencies at industry events such as trade shows, forums, and direct calls to further refine the proposed structure for the commercial pilots and to identify partnerships and markets where the program can be implemented successfully.

Various commercial program related workshops were held in 2016. CAEATFA will hold additional stakeholder workshops in 2017.

- July 20, 2016 – Commercial Financing Program Parameters
 - Credit enhancement structure for small business pilots
 - Financial product eligibility
 - Finance provider eligibility
 - Borrower/Customer underwriting guidelines
- October 28, 2016 – Commercial Project Program Parameters
 - Eligible measures and eligible projects
 - Contractor requirements
 - Project Quality Assurance/Quality Control requirements
 - Data reporting
 - Finance-only (non-rebate) pathway
- January 31, 2017 – On-Bill Repayment Program Parameters
 - On-bill governance and agreement structures
 - Eligibility guidelines
 - On-bill infrastructure and communication with the Master Servicer
 - Details and timing of cash flows and payments
- Q4 2017/ Q1 2018 -- Commercial Workshop
 - Refreshed program structure, reflecting flexibility provided by most recent CPUC Decision
- Q1 2018 / Q2 2018 – Commercial Regulatory Workshop
 - Solicitation of Comment on Draft Regulatory Text

Affordable Multifamily Pilot Development

CAEATFA has also been concurrently working to research and develop the Affordable Multifamily Financing Pilot, targeting properties in which at least 50% of the units are restricted to low and moderate income-eligible households (60% AMI). The Affordable Multifamily Financing Pilot features a credit enhancement to help financing entities mitigate risk, and will support loans, leases and energy service agreements. It will be designed to leverage and complement existing efforts to finance

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affordable multifamily housing and energy efficiency retrofits, and to encourage growth in private market lending. CAEATFA has anticipated that the Affordable Multifamily Pilot would be the last in the series of pilots to launch. However, with the CPUCs recent modifications to remove the limitation of master-metered units and OBR, CAEATFA will consider whether it may be able to accelerate the development of this pilot. CAEATFA will be able to better evaluate its capacity once its new resources are on-boarded.

Section 5: Additional Information

More information on the CHEEF Pilot Programs is available on CAEATFA's website at <http://www.treasurer.ca.gov/caeatfa/cheef> or at thecheef.com. To receive notifications regarding workshops, regulations, and other items related to the CHEEF, please sign up [here](#) for CAEATFA's email distribution list. Please direct inquiries on this report or generally on the CHEEF Pilot Programs to CAEATFA at (916) 651-8157 or cheef@treasurer.ca.gov.

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Appendix A:

Below is a full list of data points required by D.13-09-044 to be submitted as part of this Quarterly Report. Many of these components are related to the implementation stages of the program. Additional information will be provided in subsequent Quarterly Reports as program activity ramps-up.

- **The platform and space within which CHEEF functions take place**
 - See Section 3 on p. 5.
- **Accounts and account managers associated with CHEEF. A summary table of accounts with beginning and ending monthly balances is available at the end of Appendix A.**

The following CHEEF accounts have been established with US Bank:

- CHEEF PG&E Holding Account
- CHEEF PG&E REEL Program Account
- CHEEF PG&E REEL Reservation Account
- Valley Oak Credit Union PG&E REEL Loss Reserve Account
- Viewtech PG&E REEL Loss Reserve Account
- Matadors Community Credit Union PG&E REEL Loss Reserve Account
- California Coast Credit Union PG&E REEL Loss Reserve Account
- Desert Valleys Federal Credit Union PG&E REEL Loss Reserve Account

- CHEEF SDG&E Holding Account
- CHEEF SDG&E Program Account
- CHEEF SDG&E Reservation Account
- Valley Oak Credit Union SDG&E REEL Loss Reserve Account
- Viewtech SDG&E REEL Loss Reserve Account
- Matadors Community Credit Union SDG&E REEL Loss Reserve Account
- California Coast Credit Union SDG&E REEL Loss Reserve Account
- Desert Valleys Federal Credit Union SDG&E REEL Loss Reserve Account

- CHEEF SCE Holding Account
- CHEEF SCE Program Account
- CHEEF SCE Reservation Account
- Valley Oak Credit Union SCE REEL Loss Reserve Account
- Viewtech SCE REEL Loss Reserve Account
- Matadors Community Credit Union SCE REEL Loss Reserve Account
- California Coast Credit Union SCE REEL Loss Reserve Account
- Desert Valleys Federal Credit Union SCE REEL Loss Reserve Account

- CHEEF SoCalGas Holding Account
- CHEEF SoCalGas Program Account
- CHEEF SoCalGas Reservation Account
- Valley Oak Credit Union SoCalGas REEL Loss Reserve Account

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- Viewtech SoCalGas REEL Loss Reserve Account
- Matadors Community Credit Union SoCalGas REEL Loss Reserve Account
- California Coast Credit Union SoCalGas REEL Loss Reserve Account
- Desert Valleys Federal Credit Union SoCalGas REEL Loss Reserve Account

- **Database permission (and levels therein) criteria and platforms**
CAEATFA is in the process of working with the Master Servicer to establish database infrastructure. No permissions have been set at this time.

- **Contractor-facing products (such as websites/informational charts)**
 - additional information regarding the CHEEF pilot programs, lender profiles, contractor resources, marketing and continuing education information can be found at thecheef.com.

 - CAEATFA maintains information about the pilots and related workshops, trainings, and events on its website:
<http://www.treasurer.ca.gov/caeatfa/cheef/reel/contractor/index.asp>.

 - information on Eligible Energy Efficiency Measures is available online at <http://eeems.azurewebsites.net/>

- **Transactions of various financial products administered by CHEEF and certain aggregate profile information about borrowers, project purposes/scope, financed amounts, etc.**
As of June 30, 2017, 25 loans have been enrolled into the program. Seventeen were funded by California Coast Credit Union (statewide), six by Matadors Community Credit Union (statewide lender), two by Valley Oak Credit Union (regional lender). (See Table 2, pg A-3)

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Table 2: Summary of All REEL Program Loans Enrolled to Date.								
Loss Reserve Funding Date	Lender Name	Total Loan Amount	Credit Enhancement Amount ¹⁵	Interest Rate	Income Range	FICO BAND	D/I Ratio	Term of Loan (Months)
7/28/2016	Matadors	\$12,285	\$1,351.35	6.99%	\$100,000 - \$149,999	641-700	25-35%	120
7/19/2016	Matadors	\$7,500	\$825.00	6.99%	\$75,000-\$99,999	701-760	46-55%	180
9/26/2016	Matadors	\$8,385	\$922.35	6.99%	\$100,000 - \$149,999	701-760	36-45%	120
10/31/2016	Matadors	\$15,000	\$3,000.00	6.49%	<\$25,000	761-820	<25%	60
11/28/2016	Valley Oak	\$14,368	\$1,332.98	7.10%	\$50,000-\$74,999	701-760	46-55%	120
1/13/2017	California Coast	\$25,000	\$2,750	5.88%	\$150,000+	701-760	25-35%	60
1/18/2017	California Coast	\$14,648.90	\$2,529.78	6.88%	\$35,000-\$49,999	701-760	46-55%	180
2/21/2017	California Coast	\$22,543	\$2,479.73	5.88%	\$100,000-\$149,999	701-760	25-35%	60
3/3/2017	California Coast	\$14,350	\$1,578.50	6.38%	\$75,000-\$99,999	701-760	36-45%	120
3/8/2017	California Coast	\$9,393	\$813.23	6.38%	\$100,000-\$149,999	701-760	36-45%	120
3/31/2017	California Coast	\$16,104	\$1,529.44	7.38%	\$75,000-\$99,999	580-640	36-45%	120
04/27/2017	Matadors	\$50,000	\$5,500	7.99%	\$150,000+	641-700	<25%	180
04/28/2017	Matadors	\$24,500	\$2,695	7.99%	\$150,000+	761-820	36-45%	180
05/09/2017	California Coast	\$15,000	\$3,000	6.88%	\$35,000-\$49,999	761-820	46-55%	180
05/09/2017	California Coast	\$8,947	\$984.17	6.88%	\$50,000-\$74,999	641-700	25-35%	60
05/26/2017	California Coast	\$38,740	\$4,261.40	7.88%	\$100,000-\$149,999	641-700	46-55%	180
06/06/2017	Valley Oak	\$10,500	\$1,155	8.95%	\$75,000-\$99,999	580-640	46-55%	60
06/06/2017	California Coast	\$13,871	\$1,525.81	6.38%	\$100,000-\$149,999	701-760	46-55%	120
06/08/2017	California Coast	\$23,962	\$3,292.54	6.88%	\$25,000-\$34,999	821+	36-45%	180
06/12/2017	California Coast	\$25,744	\$2,831.84	7.38%	\$150,000+	641-700	<25%	120
06/12/2017	California Coast	\$25,000	\$2,750	7.38%	\$100,000-\$149,999	641-700	36-45%	120
06/14/2017	California Coast	\$24,044	\$1,915.21	6.38%	\$150,000+	761-820	36-45%	120

¹⁵ No claims on the reserve funds have been made to date.

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06/14/2017	California Coast	\$12,932	\$1,422.52	6.88%	\$150,000+	701-760	36-45%	180
06/15/2017	California Coast	\$8,546	\$940.06	6.88%	\$100,000-\$149,999	641-700	46-55%	48
06/30/2017	California Coast	\$11,370	\$1,250.70	5.88%	\$100,000-\$149,999	761-820	<25%	60
	Grand Total	\$452,732.90	\$52,636.61					

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Appendix B: Lender Profiles

Statewide Lenders

California Coast Credit Union

California Coast Credit Union is a statewide credit union offering financial products to pay for eligible energy efficiency to qualified single-family residential customers throughout California.

California Coast – Rate (Signature Loan compared to REEL Loan)				
Borrower FICO	Signature Loan Rate (5yr)	REEL Loan Rate (5yr)	REEL Loan Rate (10yr)	REEL Loan Rate (15yr)
700+	9.85%	5.88%	6.38%	6.88%
675-699	12.85%	6.88%	7.38%	7.88%
640-674	15.85%	6.88%	7.38%	7.88%
600-639	18.85%	6.88%	7.38%	7.88%
California Coast – Term & Loan Amount (Signature Loan compared to REEL Loan)				
Term (Years)	Signature Loan Amount		REEL Loan Amount	
1 – 5	\$5,000 - \$20,000		\$2,500 - \$50,000	
6 - 10	Not Offered		\$2,500 - \$50,000	
11 - 15	Not Offered		\$2,500 - \$50,000	

California Coast did not previously offer any energy efficiency home improvement loans. A member seeking unsecured financing (5-year term) would have applied for a “Signature Loan” through the credit union at a rate of 9.85% for higher FICO borrowers and at rates up to 18.85% for those with a lower FICO. With the availability of the CE they have been able to develop a loan product to cover single measures, as well as whole house retrofits, offering unsecured financing rates that range from 5.88% to 7.88%.

Below is an active REEL loan comparison compared to a standard loan product offered by California Coast Credit Union. The loan amount was for \$25,000 and has a term of sixty months. The borrower is able to enjoy lower monthly payments as well as saving \$2,844.39 in interest over the course of the loan.

Loan	Interest Rate (%)	Monthly PMT	Total Interest Paid	Total Interest Saved
REEL Loan Summary	5.88%	\$ 481.93	\$ 3,915.58	\$ 2,844.39
Standard Loan Summary	9.85%	\$ 529.33	\$ 6,759.97	

Matadors Community Credit Union

Matadors Community Credit Union is a statewide credit union offering financial products to pay for eligible energy efficiency to qualified single-family residential customers throughout California.

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Matadors – Rate (Personal Loan compared to REEL Loan)				
Borrower FICO	Signature Loan Rate (1yr)	REEL Loan Rate (5yr)	REEL Loan Rate (10yr)	REEL Loan Rate (15yr)
740+	9.90%	5.99%	6.99%	7.99%
690-739	10.90%	5.99%	6.99%	7.99%
660-689	12.40%	5.99%	6.99%	7.99%
640-659	Not Offered	5.99%	6.99%	7.99%
Matadors – Term & Loan Amount (Personal Loan compared to REEL Loan)				
Term (Years)	Personal Loan Amount		REEL Loan Amount	
1	\$500 - \$5,000		\$2,500 - \$50,000	
2 - 5	Not Offered		\$2,500 - \$50,000	
6 - 10	Not Offered		\$2,500 - \$50,000	
11 - 15	Not Offered		\$2,500 - \$50,000	

Matadors did not previously offer single measure energy efficiency home improvement loans, and a member seeking this type of financing would have applied for a “Personal Loan” through the credit union at a rate of 9.90% for higher FICO borrowers and at rates up to 12.40% for those with a lower FICO. With the availability of the CE they have been able to develop a loan product to cover single measures, as well as whole house retrofits, offering unsecured financing rates that range from 5.99% to 7.99%.

The lower interest rates and longer repayment terms will result in lower monthly payments and savings for credit-challenged borrowers.

Below, is an example of a loan that a borrower currently has with Matadors. The individual who needs to take a personal loan of \$15,000 for a replacement would be charged at least 9.90% for a loan that has to be repaid in one (1) year with a monthly payment of \$1,318.04. That same borrower, with the REEL product option, will pay only 5.99% and has up to five (5) years to repay the loan with a monthly payment of \$293.42.

Loan	Term (Months)	Interest Rate (%)	Monthly PMT
REEL Loan Summary	60	6.49%	\$ 293.42
Standard Loan Summary	12	9.90%	\$ 1,318.04

Regional Lenders

Valley Oak Credit Union

Valley Oak Credit Union is a regional credit union offering financial products and services in California’s Central Valley, a region dominated by low-to-moderate income households according to the California Department of Housing and Community Development. Valley Oak serves borrowers in Fresno, Kings, Madera, and Tulare counties and is eager to offer energy efficiency financing to its members in order to

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The lower interest rates will result in significant customer savings for credit-challenged borrowers. For example:

- A Valley Oak customer with a FICO score of 580, taking out an \$8,000 7-year loan, would save \$2,203.41 in interest over the life of the loan.
- A Valley Oak customer with a FICO score of 600, taking out a \$20,000 12-year loan, would save \$8,668.91 in interest over the life of the loan.

Below, is an example of a loan that a borrower currently has with Valley Oak. The individual who needs to take a personal loan of \$14,368 would be charged at least 8.95% for that loan and have up to five (5) year to repay with a monthly payment of \$304.92. That same borrower, using the REEL product option, will pay only 7.10% and has up to ten (10) years to repay the loan with a monthly payment of \$167.57.

Loan	Term (Months)	Interest Rate (%)	Monthly PMT
REEL Loan Summary	120	7.10	\$ 167.57
Standard Loan Summary	60	9.95	\$ 304.92

Desert Valleys Federal Credit Union

Desert Valleys Federal Credit Union is a regional credit union offering financial products and services in California's eastern deserts, a region dominated by low-to-moderate income households according to the CA Department of Housing and Community Development. Desert Valleys serves borrowers in parts of Inyo, Kern and San Bernardino counties and is eager to offer energy efficiency financing to its members in order to help them to reduce their energy consumption, improve their homes, and ultimately lower their cost of living expenses.

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While Desert Valleys does offer an energy loan called “Alternative Energy Loan”, it is only for solar projects. A member seeking an energy efficiency home improvement loan (5-year term) would have applied for a “Signature Loan” through the credit union at a rate of 10.99% for high FICO borrowers and at rates up to 18.00% for those with a lower FICO. With the availability of the CE they have been able to develop a loan product offering rates that range from 4.50% to 8.50%.

Desert Valleys – Rate (Signature Loan compared to REEL Loan)				
Borrower FICO	Signature Loan Rate (5yr)	REEL Loan Rate (5yr)	REEL Loan Rate (10yr)	REEL Loan Rate (15yr)
700+	10.99%	4.50%	5.50%	6.50%
640-679	12.99%	5.50%	6.50%	7.50%
600-639	15.99%	6.50%	7.50%	8.50%
580-599	18.00%	7.50%	8.50%	Not Available

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Desert Valleys – Term & Loan Amount (Signature Loan compared to REEL Loan)		
Term (Years)	Signature Loan Amount	REEL Loan Amount
1 – 5	\$2,500 - \$15,000	\$2,500 - \$50,000
6 - 10	Not Offered	\$10,000 - \$50,000
11 - 15	Not Offered	\$25,000 - \$50,000

The lower interest rates and longer repayment terms will result in lower monthly payments and savings for credit-challenged borrowers. For example, a Desert Valleys member who needs to take a personal loan of \$5,000 for an emergency HVAC replacement would be charged at between 10.99% - 18.00% for a loan that has to be repaid in five (5) years. That same borrower, with the REEL product option, will pay between 4.50% - 8.50% and has up to 10 years to repay the loan and up to 15 years if their FICO is 600 or higher.

Spruce/Viewtech Financial Services

Spruce/Viewtech Financial Services initially anticipated offering their REEL product on a statewide basis through Retail Installment Contracts (RICs) offered to borrowers through the contractor. While Viewtech’s current rate on a non-REEL RIC ranges from 7.99% for borrowers with high FICO scores, up to 14.99% for those with lower FICO scores, the interest for the REEL product has been greatly reduced for those borrowers whose FICO scores fall into the lower end of the spectrum. Through the availability of the CE, Viewtech is able to offer a rate of either 7.99% or 8.99%.

Spruce/Viewtech – Rate (Non REEL compared to REEL Loan)		
Borrower FICO	Non REEL RIC Rate Range	REEL Loan or RIC Rate
780+	7.99%	7.99%
720-779	7.49 to 9.99%	7.99%
680-719	8.99 to 12.24%	7.99%
640-679	11.99 to 14.99%	8.99%
600-639	14.99%	8.99%
Spruce/Viewtech – Term & Amount		

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Term (Years)	Minimum Loan Amount	Maximum Loan Amount
1 - 5	\$2,500	\$3,999
6 - 7	\$4,000	\$6,499
8 - 12	\$6,500	\$30,000

The lower interest rates would result in customer savings for borrowers with FICO scores lower than 720, as shown here. For example:

- A Viewtech customer with a FICO score of 600, taking out a \$20,000 12-year loan, would save \$10,448 in interest over the life of the loan.
- A Viewtech customer with a FICO score of 680, taking out a \$15,000 12-year loan, would save \$5,315 in interest over the life of the loan.

The Viewtech/Kilowatt Financials roll-out of the REEL product is currently on hold due to continued priorities in managing their merger with Clean Power Finance, rebranded as Spruce. CAEATFA staff will work with Spruce/Viewtech when they are able to move forward with a product.

Summary of Accounts

The tables below satisfy the data points required by D.13-09-044 to be submitted as part of this Quarterly Report. The tables below provide a summary of all active CHEEF accounts currently serviced by the Trustee. The table(s) provide the account name and the beginning and ending monthly balance of each account.

Monthly Summary of IOU Holding Account(s)

Southern California Gas Holding Account Monthly Balance		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2015</u>		
June	\$ 0.00	\$ 250,000.00
July	\$ 250,000.00	\$ 250,000.27
August	\$ 250,000.27	\$ 250,004.52
September	\$ 250,004.52	\$ 250,008.77
October	\$ 250,008.77	\$ 250,012.88
November	\$ 250,012.88	\$ 250,017.13
December	\$ 250,017.13	\$ 250,021.24
<u>2016</u>		

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January	\$ 250,021.24	\$ 250,025.49
February	\$ 250,025.49	\$ 250,045.03
March	\$ 250,045.03	\$ 250,064.84
April	\$ 250,064.84	\$ 250,086.02
May	\$ 250,086.02	\$ 150,106.52
June	\$ 150,106.52	\$ 127.43
July	\$ 127.43	\$ 147.93
August	\$ 147.93	\$ 169.11
September	\$ 169.11	\$ 190.29
October	\$ 190.29	\$ 210.80
November	\$ 210.80	\$ 231.99
December	\$ 231.99	\$ 252.50
<u>2017</u>		
January	\$ 252.50	\$ 273.69
February	\$ 273.69	\$ 304.89
March	\$ 304.89	\$ 333.69
April	\$ 333.69	\$ 365.58
May	\$ 365.58	\$ 406.05
June	\$ 406.05	\$ 448.59

Pacific Gas & Electric Holding Account Monthly Balance

	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2015</u>		
June	\$ -	\$ 0.01
July	\$ 0.01	\$ 250,000.01
August	\$ 250,000.01	\$ 250,003.98
September	\$ 250,003.98	\$ 250,008.23
October	\$ 250,008.23	\$ 250,012.34
November	\$ 250,012.34	\$ 250,016.59
December	\$ 250,016.59	\$ 250,020.70
<u>2016</u>		
January	\$ 250,020.70	\$ 250,024.95
February	\$ 250,024.95	\$ 250,044.49
March	\$ 250,044.49	\$ 250,064.30
April	\$ 250,064.30	\$ 250,085.48
May	\$ 150,105.98	\$ 150,105.98

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June	\$ 150,105.98	\$ 126.89
July	\$ 126.89	\$ 147.39
August	\$ 147.39	\$ 168.57
September	\$ 168.57	\$ 189.75
October	\$ 189.75	\$ 210.26
November	\$ 210.26	\$ 231.45
December	\$ 231.45	\$ 251.96
<u>2017</u>		
January	\$ 251.96	\$ 273.15
February	\$ 273.15	\$ 304.34
March	\$ 304.34	\$ 333.14
April	\$ 333.14	\$ 365.03
May	\$ 365.03	\$ 405.50
June	\$ 405.50	\$ 448.04

San Diego Gas & Electric Holding Account Monthly Balance

	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2015</u>		
August	\$ -	\$ 250,000.00
September	\$ 250,000.00	\$ 250,001.64
October	\$ 250,001.64	\$ 250,005.75
November	\$ 250,005.75	\$ 250,010.00
December	\$ 250,010.00	\$ 250,014.11
<u>2016</u>		
January	\$ 250,014.11	\$ 250,018.36
February	\$ 250,018.36	\$ 250,037.90
March	\$ 250,037.90	\$ 250,057.71
April	\$ 250,057.71	\$ 250,078.89
May	\$ 250,078.89	\$ 150,099.39
June	\$ 150,099.39	\$ 120.30
July	\$ 120.30	\$ 140.80
August	\$ 140.80	\$ 161.98
September	\$ 161.98	\$ 183.16
October	\$ 183.16	\$ 203.66
November	\$ 203.66	\$ 224.85
December	\$ 224.85	\$ 245.36
<u>2017</u>		

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January	\$	245.36	\$	266.55
February	\$	266.55	\$	297.74
March	\$	297.74	\$	326.54
April	\$	326.54	\$	358.43
May	\$	358.43	\$	398.86
June	\$	398.86	\$	441.40

Southern California Edison Holding Account Monthly Balance		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2015</u>		
August	\$ -	\$ 250,000.00
September	\$ 250,000.00	\$ 250,003.42
October	\$ 250,003.42	\$ 250,007.53
November	\$ 250,007.53	\$ 250,011.78
December	\$ 250,011.78	\$ 250,015.89
<u>2016</u>		
January	\$ 250,015.89	\$ 250,020.14
February	\$ 250,020.14	\$ 250,039.68
March	\$ 250,039.68	\$ 250,059.49
April	\$ 250,059.49	\$ 250,080.67
May	\$ 250,080.67	\$ 150,101.17
June	\$ 150,101.17	\$ 122.08
July	\$ 122.08	\$ 142.58
August	\$ 142.58	\$ 163.78
September	\$ 163.76	\$ 184.94
October	\$ 184.94	\$ 205.45
November	\$ 205.45	\$ 226.64
December	\$ 226.64	\$ 247.15
<u>2017</u>		
January	\$ 247.15	\$ 268.34
February	\$ 268.34	\$ 299.53
March	\$ 299.53	\$ 328.33
April	\$ 328.33	\$ 360.22
May	\$ 360.22	\$ 400.66
June	\$ 400.66	\$ 443.19

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Monthly Summary of IOU REEL Program Accounts

<u>Southern California Gas REEL Program Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		
May	\$ -	\$ 100,000.00
June	\$ 100,000.00	\$ 250,000.00
July	\$ 250,000.00	\$ 249,399.40
August	\$ 249,399.40	\$ 249,399.40
September	\$ 249,399.40	\$ 249,399.40
October	\$ 249,399.40	\$ 248,659.83
November	\$ 248,659.83	\$ 248,437.22
December	\$ 248,437.22	\$ 248,437.22
<u>2017</u>		
January	\$ 248,437.22	\$ 246,620.70
February	\$ 246,620.70	\$ 246,620.70
March	\$ 246,620.70	\$ 246,186.34
April	\$ 246,186.34	\$ 245,014.84
May	\$ 245,014.84	\$ 245,014.84
June	\$ 245,014.84	\$ 242,757.88

<u>Pacific Gas & Electric REEL Program Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		
May	\$ -	\$ 100,000.00
June	\$ 100,000.00	\$ 250,000.00
July	\$ 250,000.00	\$ 250,000.00
August	\$ 250,000.00	\$ 250,000.00
September	\$ 250,000.00	\$ 250,000.00
October	\$ 250,000.00	\$ 250,000.00
November	\$ 250,000.00	\$ 250,000.00
December	\$ 250,000.00	\$ 250,000.00
<u>2017</u>		
January	\$ 250,000.00	\$ 250,000.00
February	\$ 250,000.00	\$ 250,000.00
March	\$ 250,000.00	\$ 249,186.77

Reporting Components Required by D.13-09-044

April 1, 2017 – June 30, 2017

April	\$ 249,186.77	\$ 249,186.77
May	\$ 249,186.77	\$ 246,186.77
June	\$ 246,186.77	\$ 233,206.42

San Diego Gas & Electric REEL Program Account Monthly Balance

	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		
May	\$ -	\$ 100,000.00
June	\$ 100,000.00	\$ 250,000.00
July	\$ 250,000.00	\$ 250,000.00
August	\$ 250,000.00	\$ 250,000.00
September	\$ 250,000.00	\$ 250,000.00
October	\$ 250,000.00	\$ 250,000.00
November	\$ 250,000.00	\$ 250,000.00
December	\$ 250,000.00	\$ 250,000.00
<u>2017</u>		
January	\$ 250,000.00	\$ 250,000.00
February	\$ 250,000.00	\$ 247,520.27
March	\$ 247,520.27	\$ 247,520.27
April	\$ 247,520.27	\$ 244,825.27
May	\$ 244,825.27	\$ 239,579.70
June	\$ 239,579.70	\$ 236,631.37

Southern California Edison REEL Program Account Monthly Balance

	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		
May	\$ -	\$ 100,000.00
June	\$ 100,000.00	\$ 250,000.00
July	\$ 250,000.00	\$ 248,424.25
August	\$ 248,424.25	\$ 248,424.25
September	\$ 248,424.25	\$ 247,501.90
October	\$ 247,501.90	\$ 245,241.47
November	\$ 245,241.47	\$ 244,131.10
December	\$ 244,131.10	\$ 244,131.10
<u>2017</u>		
January	\$ 244,131.10	\$ 240,667.84

Reporting Components Required by D.13-09-044

April 1, 2017 – June 30, 2017

February	\$	240,667.84	\$	240,667.84
March	\$	240,667.84	\$	237,994.26
April	\$	237,994.26	\$	233,665.76
May	\$	233,665.76	\$	233,665.76
June	\$	233,665.76	\$	231,000.55

Monthly Summary of IOU REEL Reservation Accounts

<u>Southern California Edison REEL Reservation Account Monthly Balance</u>			
		<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2017</u>		-	-
June	\$	-	\$ 1,510.21

<u>Southern California Gas REEL Reservation Account Monthly Balance</u>			
		<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2017</u>		-	-
June	\$	-	\$ 2,256.96

Monthly Summary of IOU Loan Loss Reserve Accounts organized by Lender

California Coast Credit Union

<u>California Coast Credit Union Southern California Gas Loan Loss Reserve Account Monthly Balance</u>			
		<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2017</u>			
January	\$	-	\$ 1,816.52
February	\$	1,816.52	\$ 1,816.52
March	\$	1,816.52	\$ 2,250.88
April	\$	2,250.88	\$ 2,250.88
May	\$	2,250.88	\$ 2,250.88
June	\$	2,250.88	\$ 2,250.88

Reporting Components Required by D.13-09-044

April 1, 2017 – June 30, 2017

<u>California Coast Credit Union Pacific Gas & Electric Loan Loss Reserve Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2017</u>		
March	\$ -	\$ 813.23
April	\$ 813.23	\$ 813.23
May	\$ 813.23	\$ 3,813.23
June	\$ 3,813.23	\$ 16,793.58

<u>California Coast Credit Union San Diego Gas & Electric Loan Loss Reserve Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2017</u>		
February	\$ -	\$ 2,479.73
March	\$ 2,479.73	\$ 2,479.73
April	\$ 2,479.73	\$ 2,479.73
May	\$ 2,479.73	\$ 7,725.30
June	\$ 7,725.30	\$ 10,673.63

<u>California Coast Credit Union Southern California Edison Loan Loss Reserve Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2017</u>		
January	\$ -	\$ 3,463.26
February	\$ 3,463.26	\$ 3,463.26
March	\$ 3,463.26	\$ 6,136.84
April	\$ 6,136.84	\$ 6,136.84
May	\$ 6,136.84	\$ 6,136.84
June	\$ 6,136.84	\$ 6,136.84

Matadors Credit Union

<u>Matadors Southern California Gas Loan Loss Reserve Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		

Reporting Components Required by D.13-09-044

April 1, 2017 – June 30, 2017

July	\$	-	\$	600.60
August	\$	600.60	\$	600.60
September	\$	600.60	\$	600.60
October	\$	600.60	\$	1,340.17
November	\$	1,340.17	\$	1,340.17
December	\$	1,340.17	\$	1,340.17
<u>2017</u>				
January	\$	1,340.17	\$	1,340.17
February	\$	1,340.17	\$	1,340.17
March	\$	1,340.17	\$	1,340.17
April	\$	1,340.17	\$	2,511.67
May	\$	2,511.67	\$	2,511.67
June	\$	2,511.67	\$	2,511.67

Matadors Southern California Edison Loan Loss Reserve Account Monthly Balance

	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		
July	\$	-
August	\$	1,575.75
September	\$	1,575.75
October	\$	2,498.10
November	\$	4,758.53
December	\$	4,758.53
<u>2017</u>		
January	\$	4,758.53
February	\$	4,758.53
March	\$	4,758.53
April	\$	4,758.53
May	\$	9,087.03
June	\$	9,087.03

Matadors San Diego Gas and Electric Loan Loss Reserve Account Monthly Balance

	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2017</u>		
April	\$	-
May	\$	2,695.00

Reporting Components Required by D.13-09-044

April 1, 2017 – June 30, 2017

June	\$	2,695.00	\$	2,695.00
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Valley Oak Credit Union

<u>Valley Oak Southern California Gas Loan Loss Reserve Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		
November	\$ -	\$ 222.61
December	\$ 222.61	\$ 222.61
<u>2017</u>		
January	\$ 222.61	\$ 222.61
February	\$ 222.61	\$ 222.61
March	\$ 222.61	\$ 222.61
April	\$ 222.61	\$ 222.61
May	\$ 222.61	\$ 222.61
June	\$ 222.61	\$ 222.61

<u>Valley Oak Southern California Edison Loan Loss Reserve Account Monthly Balance</u>		
	<u>Beginning Monthly Balance</u>	<u>Ending Monthly Balance</u>
<u>2016</u>		
November	\$ -	\$ 1,110.37
December	\$ 1,110.37	\$ 1,110.37
<u>2017</u>		
January	\$ 1,110.37	\$ 1,110.37
February	\$ 1,110.37	\$ 1,110.37
March	\$ 1,110.37	\$ 1,110.37
April	\$ 1,110.37	\$ 1,110.37
May	\$ 1,110.37	\$ 1,110.37
June	\$ 1,110.37	\$ 2,265.37