



# Residential Energy Efficiency Loan Assistance Program (REEL)



## Regulatory Workshop

Tuesday, June 12, 2018  
1:00 PM until business concludes

801 Capitol Mall, Room 141, Sacramento, CA 95814

Or via webinar

Live captioning is available: [click here](#)

Presented by: Susan Mills



# Agenda

1. Overview of current rulemaking
2. Present proposed modifications to the regulations
3. Receive comments or questions

## Next Steps

1. Review public comments
2. Present rulemaking to the CAEATFA Board, 7/17/2018
3. CAEATFA files final regulation package with OAL, 8/2018
4. Regulations adopted, 9/2018

# Reason for Modifying REEL

March, 2017 CPUC Decision 17-03-026 provided CAEATFA with more authority and flexibility to modify aspects of pilot design

1. Streamline process for users by reducing forms
2. Simplify eligible measures
3. Incorporate lessons learned and increase effectiveness

# Phased Approach to Program Modification

- Emergency Rulemaking – September 5, 2017
  - Modifications that were quick to implement and streamline operations
- Emergency Rulemaking Re-Adoption – March 5, 2018
  - Modifications that were complex and took more research and development
- Emergency Rulemaking Re-Adoption – June 5, 2015
  - Duplicate of March 5, 2018 re-adoption
- Regular Rulemaking – anticipated September 14, 2018
  - Modifications from additional lessons learned
  - Certification of Compliance

# September 5, 2017 Emergency Rulemaking

## Primary Modifications

- Reduced the number of forms, certifications and other operational hurdles in the Program
- Provided clarification on eligibility questions that arose during initial operations
- Made the credit enhancement more attractive to lenders by consolidating four utility-specific loss reserve accounts into a single, statewide account

# March 5, 2018 Emergency Rulemaking Re-Adoption

## Primary Modifications

- Added the voluntary Credit Challenged Program to better serve borrowers with low credit scores
- Added a list of Eligible Energy Efficiency Measures established by CAEATFA
- Added the option of using census tract income to determine Low-to-Moderate Income
- Updated the methodology for rebalancing of lenders loan loss reserve accounts

# Regular Rulemaking

## Primary Modifications

- Add ability for UCC-1 fixture filing
- Clarify that renters and lessees can install self-installation measures without the owner's consent
- Added requirement that lenders submit information regarding the intent of enrolled loans

# Proposed Modifications to Regulations

## Regular Rulemaking





# §10091.1. Definitions

# §10091.1. Definitions

Sections added:

- **§ 10091.1(i)** “Credit-Challenged Borrower” means a Borrower with a credit score below 640.
- **§ 10091.1(j)** “Credit-Challenged Program” means the optional program in which an Eligible Financial Institution or Eligible Finance Lender can be approved, per the application process described in Section 10091.2(b), to receive higher Loan Loss Reserve contributions described in Section 10091.8(l) for Credit-Challenged Borrowers.
- **§10091.1(k)** “Credit Enhancement Basis” means the original Claim-Eligible Principal Amount of the loan less the actual or anticipated amount of any IOU, REN or CCA rebate or incentive amount not applied to the cost of the project.
- **§10091.1(dd)** “Participating Contractor” means an Eligible Contractor who has been approved to participate in the Program by the Authority pursuant to Section 10091.5.



# §10091.1. Definitions

Sections added:

- **§ 10091.1(ii)** “Program Holding Account” means the account established and maintained by the Trustee at the Authority’s direction to hold funds allocated by the IOUs for the Program.
- **§ 10091.1(kk)** “Program Reservation Account” means the account established and maintained by the Trustee at the Authority’s direction to hold funds reserved for PFIs and PFLs.
- **§10091.1(mm)** “REEL Borrower Form” includes the certifications described in Section 10091.8(f)(3).
- **§10091.1(qq)** “Title 20” means Appliance Efficiency Regulations described in Title 20, Division 2, Chapter 4, Article 4 of the California Code of Regulations, as applicable to the Eligible Improvements and as amended from time to time.
- **§10091.1(rr)** “Title 24” means the Building Standards Code of the California Code of Regulations, as applicable to the Eligible Improvements and as amended from time to time.



# §10091.1. Definitions

Sections modified:

- **§10091.1(b)** “Bill Impact Estimate” means an estimate of the anticipated energy cost savings that are expected to result from the installation of Eligible Energy Efficiency Measures, which is provided by the ~~Qualified~~Participating Contractor to the Borrower prior to work being performed on the Eligible Property.
- **§10091.1(m)** “Eligible Contractor” means a contractor or contractor company with an active license with the Contractors State License Board to do the work he, she, or it performs. Disciplinary action must not have been taken against the contractor’s license within the previous twelve months.
- **§10091.1(n)** “Eligible Energy Efficiency Measures” or “EEEMs” means energy efficiency measures ~~identified by the Investor-Owned Utilities and approved by the CPUC as eligible for rebates or incentives~~ eligible for financing under the Program. The Authority establishes allowable measure categories and efficiency standards in Section 10091.10. A ~~The~~ list of EEEMs will be accessible from the Authority’s website. A measure that is eligible for an IOU, REN or CCA rebate or incentive program and is not on the EEEMs list is eligible for financing as long as the rebate or incentive is being sought. ~~The list of EEEMs shall include demand response measures to the extent that they are approved for energy efficiency rebates or incentives.~~



# §10091.1. Definitions

Sections modified:

- **§10091.1(o)** “EEEMs ID” means the unique identification number associated with an individual EEEM as assigned by the ~~IOUs~~Authority.
- **§10091.1(p)** “EEEMs Measure Name” means the name associated with a particular EEEM as assigned by the ~~IOUs~~Authority.
- **§10091.1(s)(1)** “Eligible Improvements” - must be installed by ~~Qualified~~Participating Contractors, except as set forth in Section 10091.10~~(b)(1)(c)~~.
- **§10091.1(s)(2)(A)** “Eligible Improvements” - The installation of EEEMs ~~as specified by the IOU(s)~~ that provide~~(s)~~ gas savings where an IOU provides gas service to the Eligible Property ~~with the corresponding gas and/or electric service~~ and/or electric savings where an IOU provides electric service to the Eligible Property.
- **§10091.1(t)(2)(A)** “Eligible Loan” – A loan secured by an interest in real property, except for a UCC-1 fixture filing.



# §10091.1. Definitions

Sections modified:

- **§10091.1(t)(2)(D)** “Eligible Loan” – A loan for the refinancing of existing debt unless both loans are made within three (3) months by the same lender for the same project.
- **§10091.1(u)** “Eligible Property” means a residential property of no more than four (4) units that receives gas and/or electric service from one or more Investor-Owned Utilities, or Community Choice Aggregators. Rented or leased properties are eligible; measures not eligible for self-installation require ~~with~~ the owner’s written consent to have the Eligible Improvements installed.
- **§10091.1(u)(1)** “Eligible Property” - Manufactured and mobile homes are considered Eligible Properties if the mobile or manufactured home is anchored to a permanent, site-built foundation constructed of durable materials (i.e., concrete, mortared masonry, or wood).
- **§10091.1(z)** “Loss Reserve Account” means an account established and maintained by the Trustee at the Authority’s direction for the benefit of a Participating Financial Institution, Participating Finance Lender or Successor Servicer to hold the Loss Reserve Contribution for Enrolled Loans ~~in a given IOU territory.~~



# §10091.1. Definitions

Sections modified:

- **§10091.1(bb)** “Loss Reserve Reservation” means funds set aside in ~~an IOU~~a Program Reservation Account at the request of a PFI or PFL in accordance with Section 10091.7.
- **§10091.1(cc)** “Low-to-Moderate Income” or “LMI” means either:
- **§10091.1(cc)(1)** “Low-to-Moderate Income” or “LMI” - Borrower’s household income is at or below the current annual income limits as determined by the California Department of Housing & Community Development according to county and family size and adopted in Section 6932 of Division 1 of Title 25 of the California Code of Regulations. PFIs and PFLs may assume households are comprised of four persons but must include spousal income, if applicable, in income calculations; or
- **§10091.1(cc)(2)** “Low-to-Moderate Income” or “LMI” - Area Median Income (AMI) of Borrower’s census tract does not exceed 120% of AMI for Borrower’s Metropolitan Area, County or the State.



# §10091.1. Definitions

Sections modified:

- **§10091.1(oo)** “Self-Installer” means a Borrower who installs any ~~EEEM~~Eligible Improvement that may be self-installed pursuant to Section 10091.10~~(b)(1)(c)~~.
- **§10091.1(tt)** “Trustee” means the bank or trust company chosen by the Authority to hold or administer some or all of the ~~IOU~~-Program Holding Accounts and Loss Reserve Accounts.



# §10091.1. Definitions

Sections deleted:

- ~~§ 10091.1(j) “Customer Data” means all information and data regarding an IOU customer that is furnished, disclosed, or otherwise made available by an IOU to an authorized agent, including, without limitation, personal information such as the customer’s name, address, contact information, service agreement number on the customer’s electric bill, user name, password, financial status and social security number, and any information regarding the customer’s energy usage or billing. No confidential Customer Data shall be provided to CAEATFA or its Providers except pursuant to a Customer Data Release Form.~~
- ~~§ 10091.1(k) “Customer Data Release Form” is a legal release that is developed and provided by the IOUs, and executed by an IOU’s customer that is required to give authorization to a designated agent to provide Customer Data to the Authority~~

# §10091.1. Definitions

Sections deleted:

- ~~§ 10091.1(y) “IOU-Program Holding Account” means the account established and maintained by the Trustee at the Authority’s direction to hold funds allocated by an IOU for the Program.~~
- ~~§ 10091.1(z) “IOU-Program Reservation Account” means the account established and maintained by the Trustee at the Authority’s direction to hold funds reserved for PFIs and PFLs.~~
- ~~§ 10091.1(kk) “Qualified Contractor” means an Eligible Contractor who has been approved to participate in the Program by the Authority pursuant to Section 10091.5.~~

# §10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate

# §10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate

Sections added:

- **§10091.2(a)(3)** Name, business address, business telephone number, email address, and title of all loan officers or staff who will be submitting reservations, pre-approvals, or loan enrollments to the Authority under the Program.
- **§10091.2(a)(18)(C)(iii)** alleging any breach of a representation, warranty or covenant by such PFI or PFL;
- **§10091.2(a)(20)** The application shall include certification that for all forthcoming Project Pre-Approvals or Loan Enrollment Applications submitted by the PFI or PFL to the Authority:
- **§10091.2(a)(20)(A)** The loans will be Eligible Loans for Eligible Improvements at an Eligible Property, and that the Borrowers receiving the Eligible Loans will meet the Minimum Underwriting Criteria set forth in this Article, and

# §10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate

Sections added:

- **§10091.2(a)(20)(B)** The Claim-Eligible Principal Amounts will not finance distributed generation.
- **§10091.2(a)(21)** The application shall include certification that for all forthcoming Loss Reserve Reservations, Project Pre-Approvals or Loan Enrollment Applications submitted by the PFI or PFL to the Authority:
- **§10091.2(a)(21)(A)** All of the information provided will be true and accurate to the best of the signatory's knowledge.
- **§10091.2(b)** A PFI or PFL who wishes to participate in the Credit-Challenged Program shall also submit the following:

# §10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate

Sections added:

- **§10091.2(b)(1)** A detailed description of its loan program and products to finance Eligible Improvements resulting from participation in the Credit-Challenged Program. The description shall include, but is not limited to, anticipated loan product details, such as collateral required (if any), maximum and minimum loan amounts, interest rates (including maximums and whether fixed or variable), loan terms, property type (owner occupied vs. leased or rented), and a description of underwriting criteria, with reference to any minimum FICO credit score or maximum total debt-to-income ratio.
- **§10091.2(b)(2)** A detailed description of the additional benefits to Credit-Challenged Borrowers, resulting from the Eligible Financial Institution's or Eligible Finance Lender's participation in the Credit-Challenged Program as indicated in subsection (a)(10) above. This description shall include a comparison between existing, similar loan products, and the proposed loan program with and without access to the Credit-Challenged Program.
- **§10091.2(d)** After a PFI or PFL is enrolled in the Program, the PFI or PFL is responsible for updating the Authority with any changes to the information referenced in subsections (a)(1)-(7) above. Changes to the information referenced in subsections (a)(6) and (8)-(11) above are subject to approval by the Authority.

# §10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate

Sections modified:

- **§10091.2(a)(8)** A detailed description of its loan program(s) to finance Eligible Improvements, including, but not limited to anticipated loan product details, such as collateral required (if any), maximum and minimum loan amounts, interest rates (including maximums and whether fixed or variable), loan terms, property type (owner occupied vs. leased or rented), ~~and~~ a description of underwriting criteria, with reference to any minimum ~~FICO~~ credit score or maximum total debt-to-income ratio, and intent for the Enrolled Loans after origination e.g. holding on the balance sheet, selling in whole or in part, assignment of associated payments and expected purchasers, if known.
- **§10091.2(a)(9)** A description of the transactional activities associated with the loan issuance, including any fees that will be assessed to the Borrower or the contractor ~~such as application, loan origination, and UCC-1 filing fees.~~
- **§10091.2(a)(17)** The Eligible Financial Institution's or Eligible Finance Lender's agreement to include in its loan documentation the following documents in a form approved by the Authority, as applicable to each Eligible Loan submitted for enrollment in the Program: utility bill(s), ~~Customer Data Release Form~~, California Hub for Energy Efficiency Financing Disclosures, REEL Borrower Form, Itemized Invoice, Self-Installer Project Submission, and the Certificate of Completion described in Section 10091.8 to be signed by the ~~Borrower and/or~~ QualifiedParticipating Contractor.





# §10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate

Sections modified:

- **§10091.2(a)(18)(C)** ~~The IOUs are third party beneficiaries of the lender services agreement and may pursue their rights against the PFI or PFL individually. Alternatively, any IOU may, in its sole discretion, authorize CAEATFA or another IOU to pursue such rights (including by instituting legal proceedings or alternative dispute resolution proceedings) on its behalf.~~ The PFI or PFL shall indemnify, defend and hold harmless CAEATFA, each of the IOUs, their affiliates, and each of their respective officers, directors, employees, agents, and representatives (each of which is an express beneficiary of this indemnity) from and against any and all losses arising in connection with any claim:
- **§10091.2(a)(18)(C)(ii)** resulting from any error or omission by the PFI or PFL or any ~~third party~~ of its agents in the calculation or presentation of principal repayments or interest with respect to an Enrolled Loan ~~related interest~~ agreement, fees and charges, the receipt and processing of payments received from ~~customers~~ Borrowers, or any collection or enforcement action;





# §10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate

Sections modified:

- §10091.2(a)(18)(C)(iv) alleging any misrepresentation by the PFI or PFL or its agents with respect to the energy savings to be achieved in connection with an Enrolled Loan, or any failure or deficiency in the products, materials or work supplied to a Borrower in connection with an Enrolled Loan; and/or
- §10091.2(a)(18)(C)(v) arising from the PFI's or PFL's ~~failure~~breach or alleged ~~failure to comply with the provisions~~breach of ~~the~~these regulations and/or its confidentiality or privacy obligations under these regulations or with respect to the Program.

## §10091.3. Additional Requirements for Finance Lenders

No Substantive Changes  
(section reference updates only)

## §10091.4. Loan Eligibility and Minimum Underwriting Criteria

## §10091.4. Loan Eligibility and Minimum Underwriting Criteria

Sections modified:

- **§10091.4(c), 10091.4(c)(1), 10091.4(e), 10091.4(e)(1), 10091.4(e)(2)** ~~FICO~~ credit score
- **§10091.4(e)(1)** The Borrower must have a minimum ~~FICO~~ credit score of 580 except as allowed pursuant to subsection (2) below. For Borrowers with ~~FICO~~ credit scores between 580 and 640, the PFI or PFL must verify the Borrower's income as part of the underwriting process if the Total Loan Principal Amount exceeds \$20,000.

# §10091.5. Contractor Qualification and Management

# §10091.5. Contractor Qualification and Management

Sections modified:

- §10091.5(a), 10091.5(a)(14)(C)(iii), 10091.5(a)(14)(C)(iv), 10091.5(d), 10091.5(e), 10091.5(f), 10091.5(g), 10091.5(g)(1) ~~Qualified~~Participating Contractor
- §10091.5(d) ~~Qualified~~Eligible Contractor

# §10091.6. Establishment and Funding of Loss Reserve Accounts

# §10091.6. Establishment and Funding of Loss Reserve Accounts

Sections modified:

- **§10091.6(a)** Upon the Authority's acceptance of an application from an Eligible Financial Institution or Eligible Finance Lender to be a PFI, PFL, or Successor Servicer, the Authority shall instruct the Trustee to establish a Loss Reserve Account for the PFI, PFL, or Successor Servicer ~~for each IOU territory in which the PFI, PFL, or Successor Servicer will be participating~~. The Loss Reserve Account(s) will be held by the Trustee and will be used to:
- **§10091.6(b)** For each of the PFI's or PFL's loan enrollments ~~in a particular IOU service territory~~, the Authority shall direct the Trustee to transfer a Loss Reserve Contribution from the ~~corresponding IOU~~ Program Holding Account to the ~~corresponding~~ Loss Reserve Account of that PFI or PFL pursuant to Section 10091.8(l)(1)-(2) below.





# §10091.6. Establishment and Funding of Loss Reserve Accounts

Sections modified:

- **§10091.6(b)(1)** Where an Eligible Loan is enrolled that previously received a Loss Reserve Reservation or Project Pre-Approval pursuant to Section 10091.7, the Authority shall direct the Trustee to transfer the Loss Reserve Contribution to the ~~appropriate corresponding~~ Loss Reserve Account. If the Loss Reserve Contribution exceeds the Loss Reserve Reservation amount for the Eligible Loan, the remainder of the Loss Reserve Contribution will be transferred to the Loss Reserve Account, provided funds are available.
- **§10091.6(c)** On ~~a quarterly~~ an annual basis based on the fiscal year ending June 30<sup>th</sup>, the ~~Authority shall compare the balance of each Loss Reserve Account to the total of the outstanding Claim-Eligible Principal Amounts corresponding to that account as reported by the PFI, PFL, or Successor Servicer pursuant to Section 10091.11. The Authority shall instruct the Trustee to return any excess funds to the IOU Program Holding Account where the Loss Reserve Account balance exceeds the total of the outstanding Claim-Eligible Principal Amounts to LMI Borrowers multiplied by 20% plus the total of the outstanding Claim-Eligible Principal Amounts to non-LMI Borrowers multiplied by 11%~~ rebalance a PFI's or PFL's Loss Reserve Account, if necessary, and move funds from the PFI's or PFL's Loss Reserve Account into the Program Holding Account. The initial rebalance amount will be the sum of the original Loan Loss Reserve Contributions associated with enrolled loans that were paid off in full during the fiscal year.

# §10091.6. Establishment and Funding of Loss Reserve Accounts

Sections modified:

- **§10091.6(c)(1)** ~~When the Total Loan Principal Amount of an Enrolled Loan is greater than the Claim-Eligible Principal Amount, the outstanding Claim-Eligible Principal Amount for the Enrolled Loans shall be calculated using the original proportion of the Claim-Eligible Principal Amount to Total Loan Principal Amount.~~ If the PFI or PFL did not make any claims as provided under Section 10091.9 during the fiscal year, the initial rebalance amount will not be changed and the funds will be transferred from the PFI's or PFL's Loss Reserve Account to the Program Holding Account.
- **§10091.6(c)(2)** If the PFI or PFL made one or more claims as provided under Section 10091.9 during the fiscal year, and the total claim amount is less than the initial rebalance amount, the final rebalance amount will equal the initial rebalance amount less the claim(s) amount.
- **§10091.6(c)(3)** If the PFI or PFL made one or more claims as provided under Section 10091.9 during the fiscal year, and the total claim amount is more than the initial rebalance amount, there will be no rebalance.

# §10091.7. Optional Loss Reserve Reservation and Project Pre-Approval

# §10091.7. Optional Loss Reserve Reservation and Project Pre-Approval

Sections modified:

- **§10091.7(a)(4)** Indication of whether the Borrower qualifies as a Low-to-Moderate Income borrower as defined by Section 10091.1 ~~(dd)~~ (cc) and methodology utilized to determine LMI qualification .
- **§10091.7(a)(10)** ~~The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~
- **§10091.7(b)(3)** The ~~Qualified~~ Participating Contractor's name and CSLB License Number, or an indication that the Eligible Improvements will be installed by a Self-Installer.
- **§10091.7(b)(4)** An executed ~~Customer Data Release Form provided for each IOU providing service to the Eligible Property covering each meter and fuel provided. An executed~~ California Hub for Energy Efficiency Financing Disclosure, as described in Section 10091.15

# §10091.7. Optional Loss Reserve Reservation and Project Pre-Approval

Sections modified:

- **§10091.7(b)(5)** Utility bills, for the IOU(s) servicing the Eligible Property for each meter and fuel provided, from within 60 days of the date ~~the Project Pre-Approval Application is being submitted~~ for of the PFI's or-PFL's loan approval.
- **§10091.7(b)(7)** ~~The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~
- **§10091.7(c)(2)** Determine the Loss Reserve Reservation amount by calculating the Loss Reserve Contribution pursuant to Section 10091.8(l) below. ~~Where the Eligible Property is served by more than one IOU, the Loss Reserve Reservation set aside in each IOU-Program Reservation Account will be equal to the Loss Reserve Contribution.~~

# §10091.7. Optional Loss Reserve Reservation and Project Pre-Approval

Sections modified:

- **§10091.7(f)** Upon approving a Loss Reserve Reservation request, the Authority will instruct the Trustee to transfer the Loss Reserve Reservation from the ~~IOU~~-Program Holding Account to the ~~IOU~~-Program Reservation Account, according to the process outlined in Section 10091.6(b)(1).
- **§10091.7(g)**-Funds reserved in the ~~IOU~~-Program Reservation Account may be returned to the ~~IOU~~-Program Holding Account under the following circumstances:
  - **§10091.7(g)(2)** Upon enrollment of an Eligible Loan that has received a Loss Reserve Reservation or Project Pre-Approval in accordance with this section, funds reserved for that Eligible Loan in excess of the final Loss Reserve Contribution shall be returned to the ~~IOU~~-Program Holding Account.

# §10091.8. Loan Enrollment

# §10091.8. Loan Enrollment

Sections modified:

- **§10091.8(b)** A PFI or PFL shall be authorized to enroll an Eligible Loan in the Program, once that loan is closed, by submitting the documents described in subsections (c)-(d) below in a form specified by the Authority.
- **§10091.8(c)** To enroll an Eligible Loan for a project completed in whole or in part by a ~~Qualified~~Participating Contractor, a PFI or PFL will submit the following documents to the Authority:
  - **§10091.8(c)(2)** a Certificate of Completion from each Participating Contractor certifying work on the project, as described in subsection (f) below;
  - **§10091.8(c)(3)** ~~an executed Customer Data Release Form for each IOU providing service to the Eligible Property covering each meter and fuel provided;~~
  - **§10091.8(c)(5)** a utility bill, for each IOU servicing the Eligible Property covering each meter and fuel provided from within 60 days of the ~~date the Loan Enrollment Application is being submitted for enrollment~~PFI's /or PFL's loan approval.





# §10091.8. Loan Enrollment

Sections modified:

- ~~§10091.8(c)(7) For Finance-Only Projects installing EEEMs which require modeling, a copy of a summary of the modeling documentation indicating the expected energy savings and the name of the software that was used in the modeling pursuant to Section 10091.10.~~
- §10091.8(d) To enroll an Eligible Loan for a project completed in whole or in part by a Self-Installer, a PFI or PFL will submit the following documents ~~to~~ in a form specified by the Authority:
- ~~§10091.8(d)(3) an executed Customer Data Release Form for each IOU providing service to the Eligible Property and covering each meter and fuels provided;~~
- §10091.8(e)(2) Loan officer name, ~~business telephone number and e-mail address.~~
- §10091.8(e)(12) Borrower's ~~FICO~~ credit score range, denoting a score of 580-640, 641-700, 701-760, 761-820, 821 or higher, or no ~~FICO~~ credit score.



# §10091.8. Loan Enrollment

Sections modified:

- **§10091.8(e)(13)** An indication whether the Borrower qualifies as a Low-to-Moderate Income Borrower as defined in Section 10091.1 ~~(dd)~~ (cc) and methodology utilized to determine LMI qualification.
- **§10091.8(e)(26)** Whether the ~~Qualified~~ Participating Contractor or Borrower has received or will apply for an IOU, ~~or REN~~ or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the ~~Qualified~~ Participating Contractor or Borrower is seeking a rebate or incentive, identification of the rebate and/or incentive amount received or expected for the project, and whether the rebate and/or incentive amount will be directly applied towards the cost of the project. In the case of incentives, the expected incentive amount should be the estimated amount as reported by the IOU or REN incentive program at the time of incentive program pre-approval or reservation.
- **§10091.8(d) ~~(27)~~** ~~Certification that the loan is an Eligible Loan, and that the Borrower receiving the Eligible Loan meets the Minimum Underwriting Criteria set forth in this Article.~~

# §10091.8. Loan Enrollment

Sections modified:

- ~~§10091.8(e)(28) Certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~
- ~~§10091.8(e)(29) Certification that the Claim-Eligible Principal Amount is not financing distributed generation.~~
- §10091.8(e)(27) Whether the project included a Self-Installer component and/or more than one Participating Contractor.
- §10091.8(e)(28) Census Tract of Borrower.

# §10091.8. Loan Enrollment

Sections modified:

- §10091.8(f)(1) Project information to be provided by the ~~Qualified~~Participating Contractor ~~or Borrower~~:
- §10091.8(f)(1)(C) Whether the ~~Qualified~~Participating Contractor or Borrower has received or will apply for an IOU, ~~or REN~~ or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the ~~Qualified~~Participating Contractor or Borrower is seeking a rebate or incentive...
- §10091.8(f)(1)(D), §10091.8(f)(1)(E), §10091.8(f)(1)(I), §10091.8(f)(2), §10091.8(f)(2)(E), §10091.8(f)(3)(D), §10091.8(f)(3)(F), §10091.8(g), §10091.8(g)(2), §10091.8(g)(4), §10091.8(i) ~~Qualified~~Participating Contractor
- §10091.8(f)(1)(H) Where the Eligible Improvements require a ~~Combustion Appliance Safety or Combustion Appliance Zone~~safety test pursuant to Section 10091.10(~~fh~~), the following information from the ~~Qualified~~Participating Contractor or other individual performing the test:



## §10091.8. Loan Enrollment

Sections modified:

- **§10091.8(f)(1)(H)(ii)** Contractors State License Board license type(s) and number, if applicable.
- **§10091.8(f)(1)(H)(iv)** A list of IOU territories where the ~~Qualified~~Participating Contractor or individual performing the test is approved to participate in the Energy Upgrade California Home Upgrade Program and/or Advanced Home Upgrade Program, and/or other IOU whole house program, if applicable.
- **§10091.8(f)(1)(H)(v)** Certification and number for Natural Gas Appliance Testing (NGAT) as defined in Section 10091.10(i)(3), if applicable.
- **§10091.8(f)(2)(D)** All permits~~and approvals~~ required to install the Eligible Improvements have been secured or are in the process of being secured.

# §10091.8. Loan Enrollment

Sections modified:

- §10091.8(f)(2)(F) ~~Combustion Appliance Safety or Combustion Appliance Zone~~Safety testing was completed and passed if required by the project referred to in Section 10091.10(h).
- §10091.8(f)(3) Certification from the Borrower of the following in a form specified by the Authority:
- §10091.8(f)(3)(C) The Eligible Loan proceeds ~~were~~will be used to pay for Eligible Improvements.
- §10091.8(f)(3)(E) All permits ~~and approvals~~ required to install the Eligible Improvements have been secured or are in the process of being secured.
- §10091.8(f)(3)(I) Certification that all of the information provided is true and accurate to the best of the ~~signatory's~~/Borrower's knowledge.

# §10091.8. Loan Enrollment

Sections modified:

- §10091.8(g)(2)(C) Indication of whether the measure is a replacement or new installation.
- §10091.8(g)(2)(D) Indication of whether the installation resulted in a fuel switch for the measure.
- §10091.8(g)(6) Indication of whether the project added square footage to the home.
- §10091.8(h)(1)(C) IOU, ~~or~~ REN or CCA
- §10091.8(h)(2)(B) All self-installed improvements were either EEEMs ~~installed are~~ eligible for self-installation ~~under an IOU or REN rebate program available from the IOU that provides electric or gas service to the Eligible Property~~ pursuant to Section 10091.10(c) or non-EEEM, additional related home improvements.

# §10091.8. Loan Enrollment

Sections modified:

- **§10091.8(h)(2)(D)** The Eligible Loan proceeds were used to pay for EEEMs or additional related home improvements, in compliance with the Program rules.
- **§10091.8(l)(1)(A)** For Enrolled Loans to Borrowers with Low-to-Moderate Income, the Loss Reserve Contribution shall be twenty percent (20%) of the principal amount of the ~~Claim-Eligible Principal Amount~~Credit Enhancement Basis.
- **§10091.8(l)(1)(B)** For Enrolled Loans to Credit-Challenged Borrowers where the PFI or PFL is approved for participation in the Credit-Challenged Program, the Loss Reserve Contribution shall be twenty percent (20%) of the principal amount of the Credit Enhancement Basis.
- **§10091.8(l)(1)(C)** In no circumstance will the contribution be more than twenty percent (20%).



# §10091.8. Loan Enrollment

Sections modified:

- §10091.8(l)(1)(D) For all other Enrolled Loans, the Loss Reserve Contribution shall be eleven percent (11%) of the principal amount of the ~~Claim-Eligible Principal Amount~~ Credit Enhancement Basis.
- §10091.8(l)(1)(E) Where the Borrower or Self-Installer has indicated that she or he will seek an IOU, ~~or REN~~ or CCA rebate or incentive for the EEEMs being installed, but will not be applying the rebate and/or incentive amount directly to the cost of the project, the Claim-Eligible Principal Amount shall be reduced by the anticipated or actual rebate or incentive amount as reported on the Certificate of Completion pursuant to Section 10091.8(f)(1)(C) or on the Self-Installer Project Submission pursuant to Section 10091.8(h)(1)(C) ~~for the purposes of calculating the Loss Reserve Contribution~~ to derive the Credit Enhancement Basis.

## §10091.8. Loan Enrollment

Sections modified:

- ~~§10091.8(1)(1)(D) Where the Eligible Property is served by more than one IOU, the Loss Reserve Contribution shall be split between the PFI's or PFL's Loss Reserve Accounts for the corresponding IOUs as described below:~~
  - ~~(i) Using the Itemized Invoice as described in Section 10091.8(g), the Authority will calculate the percentage cost of gas EEEEMs and electric EEEEMs relative to the total EEEEMs cost.~~
  - ~~(ii) These percentages will be applied to the Claim-Eligible Principal Amount to determine the Loss Reserve Contribution from each IOU to each of the PFI's or PFL's Loss Reserve Accounts.~~
- §10091.8(1)(3) The Authority will notify the PFI or PFL of the enrollment, the CHEEF Loan ID corresponding to the Eligible Loan, and the Loss Reserve Contribution transferred, ~~and how those contributions were split between accounts, if applicable.~~

## §10091.9. Claims

## §10091.9. Claims

Sections modified:

- ~~§10091.9(a)(1) In the event that the Enrolled Loan received a Loss Reserve Contribution that was funded by more than one IOU, losses are paid from the Loss Reserve Accounts at the same percentage at which each IOU originally contributed to the accounts.~~
- §10091.9(d), §10091.9(f)(1) the ~~IOU~~ Program Holding Account
- §10091.9(f)(1), §10091.9(f)(2) ~~corresponding~~ Loss Reserve Account
- ~~§10091.9(f)(3) Where an approved claim corresponds to an Enrolled Loan that received a split Loss Reserve Contribution pursuant to Section 10091.8(l)(1)(D) above, the claim will be reimbursed from each IOU Program Holding Account in the case of subsection (1) above or each Loss Reserve Account in the case of subsection (2) above, in the same proportion as the contribution.~~

# §10091.10. Project Requirements

# §10091.10. Project Requirements

Sections modified:

- **§10091.10(b)** IOU, ~~or REN~~ or CCA rebates or incentives do not need to be sought for measures on the list of EEEEMs. ~~Finance Only Projects still require proper permitting and compliance with all relevant laws including Title 24 of the California Code of Regulations. Utility rebate and incentive requirements do not apply to Finance Only Projects except that:~~
  - ~~(1) Where work is performed by a Self-Installer, all EEEEMs must be eligible for self-installation under an IOU or REN rebate program available from the IOU that provides electric or gas service to the Eligible Property.~~
  - ~~(2) Certain measures that are part of an IOU or REN whole home retrofit program (e.g. Home Upgrade) are only eligible if at least 3 qualifying measures are installed as indicated on the list of EEEEMs.~~
  - ~~(3) For measures requiring modeling, the project must be designed to meet the total required expected energy savings of site energy use of IOU fuels as indicated on the list of EEEEMs. The savings estimate must be derived using software approved for modeling in IOU programs. A list can be found at Caltrack.org.~~

# §10091.10. Project Requirements

Sections modified:

- **§10091.10(c)** ~~Where a project is performed by a~~ A Self-Installer may install or have installed the following Eligible Improvements:
- (1) ~~, only~~ EEEMs as defined in Section 10091.1~~(m)~~(n) that have been designated and labeled as available for self-installation, and
  - (2) additional related home improvements as described in Section 10091.1(s).
  - (3) EEEMs that have not been identified as eligible for self-installation must be installed by a Participating Contractor.

# §10091.10. Project Requirements

Sections modified:

- **§10091.10(d)** The following criteria will determine if an EEEM is eligible for self-installation:
  - (1) The fuel source must be electric only except as indicated in (2), below.
  - (2) The EEEM fits within the definition of either:
    - (A) “Water Heaters,” “Clothes Washers,” “Clothes Dryers,” “Dishwashers,” “Refrigerators, Refrigerator-Freezers, and Freezers,” ~~“Cooking Products and Food Service Equipment,”~~ “Pool Heaters, Portable Electric Spas, Residential Pool Pump and Motor Combinations, and Replacement Residential Pool Pump Motors,” “Plumbing Fittings” (for water heated by gas or electricity), as defined in Title 20, Division 2, Chapter 4, §1602 of the California Code of Regulations; or
    - (B) A smart thermostat containing a communications interface, a user display and interface, and an HVAC system interface (for heating systems using either gas or electricity, or electric cooling systems); or
    - (C) A portable air purifier or air cleaner.



# §10091.10. Project Requirements

Sections modified:

- §10091.10(e), §10091.10(f), §10091.10(g), §10091.10(m)(1)(A), §10091.10(m)(1)(B), §10091.10(m)(1)(C), §10091.10(m)(1)(D), §10091.10(n) ~~Qualified~~ Participating Contractor
- ~~§10091.10(f) A Combustion Appliance Safety or Combustion Appliance Zone test must be performed after the work is complete by a contractor who is approved to participate in the Energy Upgrade California Home Upgrade or Advanced Home Upgrade program in the corresponding IOU territory; or certified by the Building Performance Institute (BPI) as a Building Analyst, Envelope Professional, Heating Professional, Air Conditioning and Heat Pump Professional, or BPI GoldStar Contractor where~~
- §10091.10(h) Where a project includes three or more EEEMs including at least one of the measures described in subsections (1) through (3) below and the Eligible Property contains one or more combustion appliances, a safety test must be performed. The Eligible Property must pass this test prior to enrollment of the Eligible Loan.



## §10091.10. Project Requirements

Sections modified:

- **§10091.10(i)** The safety test may be either a Combustion Appliance Safety Test, a Combustion Appliance Zone Test, a Natural Gas Appliance Test, or a substantially similar test consistent with standard industry practice. The safety test must be performed after the work is complete by a contractor who is either:
- (1) approved to participate in an IOU, REN or CCA whole house retrofit program in the corresponding IOU territory; or
  - (2) certified by the Building Performance Institute (BPI) as a Building Analyst, Envelope Professional, Heating Professional, Air Conditioning and Heat Pump Professional, or BPI GoldStar Contractor; or
  - (3) certified through Natural Gas Appliance Testing (NGAT).

# §10091.10. Project Requirements

Sections modified:

- **§10091.10(j)** In the event that multiple Participating Contractors work on a project and the combined measures of the project trigger a safety test, the Participating Contractor who installed any of the measures described in Section 10091.10 (h)(1-3) shall arrange for the safety test, unless otherwise agreed upon by the Participating Contractors
- **§10091.10(m)** Field verifications may be completed on a random sample of projects that have not received an IOU, ~~or REN~~ or CCA energy efficiency rebate or incentive for each applicable EEEM installed. The frequency of the verifications shall depend on the ~~Qualified~~ Participating Contractor's participation in the Program and the type of Eligible Improvements installed:
  - (1) For projects that require a ~~Combustion Appliance Safety or Combustion Appliance Zones~~ safety test pursuant to Section 10091.10(~~f~~)(h), the Authority shall conduct field verifications according to the following tiers:

## §10091.10. Project Requirements

Sections modified:

- **§10091.10(m)(2)** For projects that do not require a ~~Combustion Appliance Safety or Combustion Appliance Zone~~safety test, the Authority shall conduct field verifications on five percent (5%) of projects performed by the ~~Qualified~~Participating Contractor and funded by the Claim-Eligible Principal Amount of Enrolled Loans. If at any point the Authority finds substantive issues in the field verifications, the Authority shall provide written notice to the ~~Qualified~~Participating Contractor of any issues that may need to be addressed.
- **§10091.10(o)** The following table designates the Eligible Energy Efficiency Measures (EEEM) for the Program and the corresponding minimum efficiency requirements for each measure. In any situation in which the Title 24 requirement exceeds the specification in the table (for example certain climate zones with increased R-Value requirements) the EEEM must be installed to meet Title 24 requirements.

# §10091.10. Project Requirements

## ➤ §10091.10(o) table

<u>Category</u>	<u>Measure</u>	<u>IOU Fuel Source Eligibility:</u> <u>E=Electric</u> <u>G= Gas</u>	<u>Minimum Efficiency Requirements</u>
<u>Appliances</u>	<u>Air Cleaner/Purifier</u>	<u>E</u>	<u>Energy Star</u>
	<u>Clothes Dryer</u>	<u>E/G</u>	
	<u>Clothes Washer</u>	<u>E/G*</u>	
	<u>Dishwasher</u>	<u>E/G*</u>	
	<u>Freezer</u>	<u>E</u>	
	<u>Refrigerator</u>	<u>E</u>	
<u>Building Envelope</u>	<u>Air Sealing</u>	<u>E/G</u>	<u>Whole building air sealing equal or greater than 15 percent leakage reduction</u>
	<u>Attic Insulation</u>	<u>E/G</u>	<u>Title 24 compliant</u>
	<u>Cool Roof</u>	<u>E</u>	<u>Title 24 compliant replacement of at least 50% or 1000sf of roof area.</u>
	<u>Floor Insulation</u>	<u>E/G</u>	<u>Title 24 compliant</u>
	<u>Radiant Barrier</u>	<u>E</u>	<u>Title 24 compliant for attic installation only</u>
	<u>Wall Insulation</u>	<u>E/G</u>	<u>Title 24 compliant</u>

	<a href="#">Windows/Glass Doors</a>	<a href="#">E/G</a>	<a href="#">Title 24 compliant, only for conditioned spaces</a>
	<a href="#">Window Film</a>		
<a href="#">HVAC</a>	<a href="#">Air Conditioner Unit Only</a>	<a href="#">E</a>	<a href="#">Central unit, Title 24 compliant</a>
	<a href="#">Duct Insulation</a>	<a href="#">E/G</a>	<a href="#">Title 24 compliant</a>
	<a href="#">Duct Sealing: Replacement or existing</a>	<a href="#">E/G</a>	
	<a href="#">Evaporative Coolers: ducted, ducted with dampers, window</a>	<a href="#">E</a>	
	<a href="#">Furnace Only</a>	<a href="#">G</a>	
	<a href="#">Heat Pump</a>	<a href="#">E</a>	
	<a href="#">Hydronic Radiant Heating</a>	<a href="#">E/G</a>	
	<a href="#">Mini-split system: with or without heating component, ducted or ductless</a>	<a href="#">E</a>	<a href="#">18 SEER or greater</a>
	<a href="#">Smart Thermostat</a>	<a href="#">E/G</a>	<a href="#">Defined in Section 10091.10(d)(2)(b)</a>
	<a href="#">Split/Package System</a>	<a href="#">E/G</a>	<a href="#">Title 24 compliant</a>
	<a href="#">Wall Furnace: Gravity or Fan</a>	<a href="#">G</a>	
	<a href="#">Whole House Fan</a>	<a href="#">E</a>	
<a href="#">Lighting</a>	<a href="#">LED Lighting</a>	<a href="#">E</a>	<a href="#">LED lighting and fixtures. Must be hard wired, UL Listed and Energy Star Certified. Replacement recessed light fixture must be rated ICAT (insulation contact air tight)</a>
<a href="#">Pool Products</a>	<a href="#">Pool Pump Motor</a>	<a href="#">E</a>	<a href="#">Title 20 and Title 24 compliant</a>
	<a href="#">Pool Variable Speed Drive</a>	<a href="#">E</a>	
	<a href="#">Variable speed motor with or without pool pump</a>	<a href="#">E</a>	
<a href="#">Water Heating</a>	<a href="#">Faucet Aerator</a>	<a href="#">E/G*</a>	<a href="#">Title 20 compliant</a>
	<a href="#">Gas Storage Water Heater</a>	<a href="#">G</a>	<a href="#">Energy Star</a>
	<a href="#">Heat Pump Water Heater</a>	<a href="#">E</a>	<a href="#">Title 20 compliant</a>
	<a href="#">Shower Head – Low Flow</a>	<a href="#">E/G*</a>	
	<a href="#">Shower Thermostatic Valve</a>	<a href="#">E/G*</a>	
	<a href="#">Tankless Water Heater</a>	<a href="#">E/G*</a>	<a href="#">For gas: Energy Star; for electric: Title 20 compliant</a>
<a href="#">Other</a>	<a href="#">IOU/REN/CCA Rebated Measure</a>	<a href="#">E/G</a>	<a href="#">Measure not elsewhere on this list for which Participating Contractor or Borrower seeks an IOU/REN/CCA rebate or incentive.</a>
<a href="#">* IOU fuel source eligibility corresponds to fuel used for water heating</a>			

## §10091.11. Reporting

# §10091.11. Reporting

Sections modified:

- **§10091.11(a)(1)(J)** Sale or transfer of any loan, portfolio of loans or assignment of repayment streams of any loan including date of sale or transfer, name(s) of the purchaser(s) or assignee(s), and percentage of the loan or portfolio sold, transferred or assigned.



## §10091.12. Sale of Enrolled Loans

# §10091.12. Sale of Enrolled Loans

Sections modified:

- **§10091.12** A PFI or PFL may sell, transfer or assign the associated repayments of an Enrolled Loan in whole or in part, or portfolio of Enrolled Loans in whole or in part, at its discretion.
- **§10091.12(a)** ~~A PFI or PFL may, in conjunction with the sale of Enrolled Loans, collaterally assign rights to proceeds from the Loss Reserve Account associated with those Enrolled Loans.~~  
In such cases, the PFI or PFL shall:
  - **§10091.12(a)(3)** report the ~~collateral assignment~~ sale to the Authority ~~within three (3) business days~~ in accordance with the monthly reporting outlined in Section 10091.11(a) unless the PFI or PFL has disclosed on its Application to the Program that every Enrolled Loan will be sold, in the same manner, to the same purchaser(s).

## §10091.13. Termination and Withdrawal

No Substantive Change

## §10091.14. Reports of Regulatory Agencies

# §10091.14. Reports of Regulatory Agencies

Section modified:

➤ §10091.14 ~~Qualified~~Participating Contractor

# §10091.15. California Hub for Energy Efficiency Financing Privacy Rights Disclosure

# §10091.15. California Hub for Energy Efficiency Financing Privacy Rights Disclosure

Section modified:

- **§10091.15** The Borrower will be required to provide a contact number and ~~sign~~ ~~affirming~~affirm that he or she has read and acknowledges the following privacy rights disclosure in a form to be specified by the Authority:

State and federal laws ~~protects~~protect the Borrower's right to privacy regarding information pertaining to you. As a result of your participation in an energy efficiency financing program, as approved by the California Public Utilities Commission (CPUC) and administered by the California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA"), CAEATFA may come into possession of some or all of the following information:



# §10091.15. California Hub for Energy Efficiency Financing

## Privacy Rights Disclosure

Section modified:

➤ **§10091.15**

~~(i) Usernames and passwords.~~

(ii) Energy savings data from your project.

The information may be provided by your lender to CAEATFA or a contractor acting on its behalf. The information ~~will~~may be combined with energy usage information provided by your utility.

In addition to the anonymized and aggregated release of information contemplated above, CAEATFA may contact Borrowers or may release individual Borrower names, addresses and phone numbers that will enable CAEATFA, the IOUs or CPUC or individuals acting on their behalf to contact Borrowers. The purpose of the release and contact will be limited to inviting Borrowers to participate in surveys or to arrange visits to Borrowers' homes to evaluate various aspects of the Program.





# Comments or Questions

Comments for this regular rulemaking will be accepted at this workshop until it concludes.

For more information please visit [www.treasurer.ca.gov/caeatfa/cheef/](http://www.treasurer.ca.gov/caeatfa/cheef/)  
*CHEEF@treasurer.ca.gov*

# Thank You



# Appendix

## REEL Program

# Why Financing Pilots?

California Legislature has set ambitious climate change mitigation goals:

- AB 32 (2006) required state to **reduce its GHG emissions** to 1990 levels by 2020.
- AB 758 (2009) recognized the need for California to address climate change through **reduced energy consumption in existing buildings** (residential, commercial, and public).
- AB 802 (2015) authorized energy efficiency programs to **bring existing buildings up to current code** and creates a building energy-use benchmarking and disclosure.
- SB 350 (2015) required doubling of the state's **energy efficiency savings by 2030**.
- SB 32 (2016) required the state to **reduce GHG emissions 40% below 1990 levels by 2030**.

**\$50 Billion** | **Needed to retrofit CA's existing buildings\***  
Ratepayer and taxpayer \$ are insufficient

**California will only achieve its building energy reduction goals through leveraging private capital**

\*Harcourt Brown and Carey, "Energy Efficiency Financing in California Needs and Gaps Preliminary Assessment and Recommendations." July 8, 2011.



# CPUC Decision 13.09.044

## Two Main Sets of Goals for Financing Pilots

*“developing **scalable** and **leveraged** financing products to stimulate **deeper EE projects** than previously achieved through traditional program approaches (e.g., audits, rebates, and information)”*

- Deeper projects
- More projects
- Scalable products
- Expanded access to financing
- Leveraged financing products

*“test whether transitional ratepayer support for Credit Enhancements can lead to **self-supporting EE finance programs** in the future”*

- Attractive financing without credit enhancement support

# March, 2017 CPUC Decision provided CAEATFA with some authority to modify aspects of pilot design

## Key CPUC Regulatory Actions regarding pilots:

- D.13.09.044 (Sept, 2013) “Financing Decision”: Calls for CAEATFA to set up the CHEEF, Authorizes the pilots through December, 2015 with \$65.9MM for the pilots and \$9.3MM in reserves.
- D. 15.06.008 (June, 2015) : Approves some of CAEATFA’s requested modifications; allows all pilots to run for a full two year period.
- D. 15.12.002: (Dec, 2015) Approves some of CAEATFA’s requested modifications; allows inclusion of energy service agreements (ESAs)
- November 22, 2016 AC and ALJ Ruling: Releases \$8.36MM in reserve funding to CAEATFA to continue CHEEF operations through FY 19-20
- D. 17.03.026 (March, 2017) : Provides CAEATFA with clarified authority to modify pilot program design, commits Commission to long term funding support of the pilot programs including loan servicing for the life of enrolled loans

## CHEEF Pilot Program Comparison

	REEL (Residential)	Affordable Multi-Family	Small Business	Large Commercial
<b>Products</b>	Loans, RICs Up to \$50,000	Loans, leases & ESAs any size*	Loans, leases & ESAs Up to \$2.5MM*	Loans, leases, ESAs Up to \$5MM
<b>Repayment and disconnection</b>	Off-Bill	On or Off-Bill No disconnection	On or Off-Bill Possible disconnection	On-Bill Possible disconnection
<b>Credit Enhancement initial authorization</b>	Loan Loss Reserve Up to \$25MM	Loan Loss Reserve Up to \$2.9MM	Loan Loss Reserve Up to \$14MM	None
<b>Project requirements</b>	70% EE or DR	70% EE or DR	70% EE or DR	70% EE, DR, or DG
<b>Borrowers</b>	Homeowners or renters modifying 1-4 units	For-profit or non-profit owners of properties with at least 50% income restricted units	SBA size small businesses and non-profits	Any size business or non-profit; government and public entities

\* Only first \$1MM in financing will receive a credit enhancement

EE = Energy Efficiency DR=Demand Response DG =Distributed Generation



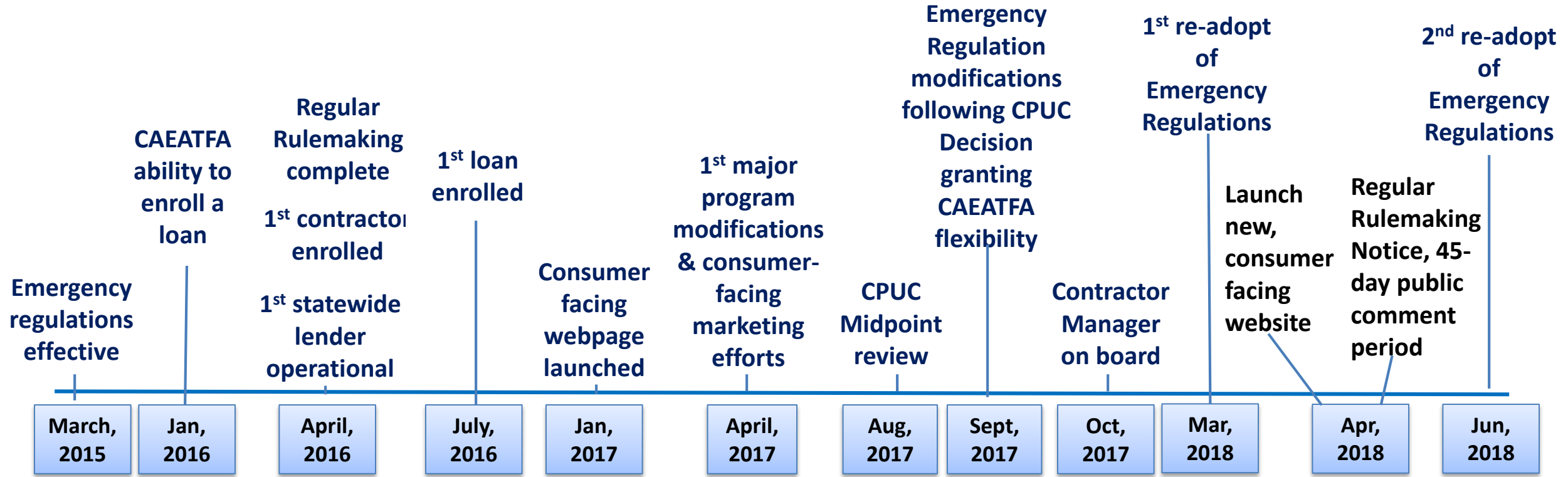
# Residential Energy Efficiency Loan (REEL) Program

- ✓ Designed to help homeowners and renters **access attractive financing for energy efficiency projects** by mitigating risk for participating lenders.
- ✓ Goal: Bring about **more energy upgrades and deeper energy retrofits** by providing customers with more financing opportunities.





# REEL Development Timeline



## Participants

**217**  
Participating  
Contractors

**6**  
Lenders

**\$385k**  
Allocated to  
LLR

**\$2.98MM**  
Private capital  
leveraged

## Borrowers

**53%**  
Homes located  
in LMI Census  
Tracts

**10%**  
Homes located in  
“disadvantaged  
communities”

## Product

**6.87%**  
Average interest  
rate

**\$17,400**  
Average loan  
size

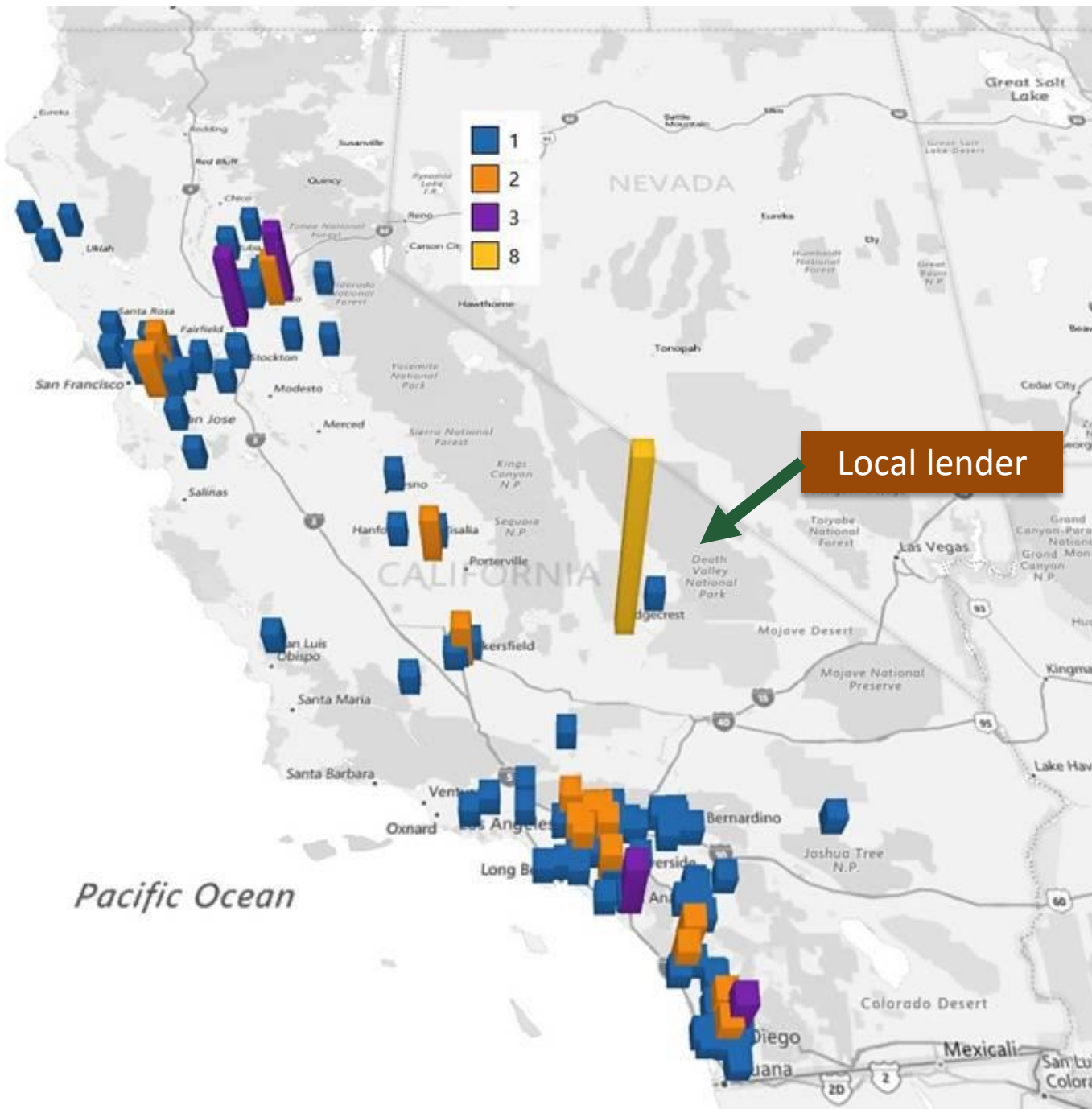
**117 months**  
Average term

As of 5/22/2018

Graph by: Miriam Joffe-Block



REEL is slowly  
spreading beyond  
the big metro areas



As of 5/22/2018  
Graph by: Miriam Joffe-Block