

**CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

Overview of the Working Group on Energy Efficiency Financing Programs in California

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SUMMARY

In response to a legislative directive, over the next several months, the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) will host a series of educational public workshops that include presentations from stakeholders on potential criteria for comparative assessment of energy efficiency financing programs in California, culminating with a public meeting of a working group appointed by the CAEATFA Board. CAEATFA will publish a summary of the issues discussed and the recommendations made by the working group.

BACKGROUND

As part of the 2015-16 Budget Package, the California Legislature tasked CAEATFA, in consultation with the California Public Utilities Commission (“CPUC”), with creating a working group to “develop criteria for a comparative assessment of energy efficiency financing programs available in California,” including Property Assessed Clean Energy (“PACE”) financing, legacy utility on bill financing (“OBF”), and the California Hub for Energy Efficiency Financing (“CHEEF”) pilot programs. (Supplemental Report of the 2015-16 Budget Package, Item 0971-001-0528.) The full text of the budget language can be found in Attachment A.

PUBLIC WORKSHOPS

CAEATFA staff has planned a public process to encourage stakeholder participation and input in developing the criteria for comparative assessment. CAEATFA will be hosting a series of educational workshops featuring presentations from stakeholders on various metrics for evaluating energy efficiency programs.

CAEATFA’s first workshop was held on February 10, 2016, and featured a presentation by staff from Lawrence Berkeley National Laboratory (“LBNL”) on their report *Making it Count: Understanding the Value of Energy Efficiency Financing Programs Funded by Utility Customers*. CAEATFA is currently accepting written comments from the public on potential criteria to discuss during the process until February 22, 2016. The second workshop is scheduled for March 22, 2016, and will include a presentation on CHEEF evaluation efforts. The third educational workshop, tentatively scheduled for the last week of March, will focus on PACE financing programs and OBF, with presentations from PACE administrators and utilities regarding the data they collect and how they evaluate their programs.

At the March board meeting, CAEATFA staff will be bringing to the Board for consideration a proposed list of working group participants consisting of representatives from all stakeholder groups. At a fourth and final public meeting, this working group will lead the discussion on a proposal of potential criteria for a comparative assessment of the energy efficiency financing programs. The proposal will be drafted based on the previous workshop discussions and written comments received. Members of the public will also be invited to attend the meeting and provide feedback on the potential criteria. In addition to comment at the meeting of the working group, CAEATFA will accept written comments from the public after the workshop. CAEATFA staff will then bring to the Board a summary of the discussions and recommendations made by the working group.

TENTATIVE TIMELINE

All future dates below are tentative and subject to change.

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| February 10, 2016 | First public workshop with presentation from LBNL on <i>Making it Count</i> . The public may submit written comments on potential criteria for 7 business days. |
| February 22, 2016 | Public comment on first workshop due. |
| March 15, 2016 | Board considers and approves working group participants. |
| March 22, 2016 | Second public workshop with a presentation on CHEEF. |
| Last Week of March 2016 | Third public workshop with presentations on PACE and OBF. |
| Mid to Late April 2016 | Meeting of the working group to discuss proposal of criteria for a comparative assessment of energy efficiency programs. Public may submit written comments on the proposed criteria for 7 business days. |
| TBD | CAEATFA will publish a summary of the issues discussed and recommendations made by the working group. |

Attachments:

- Attachment A Text of the Supplemental Report of the 2015-16 Budget Package, Item 0971-001-0528.

ATTACHMENT A

Supplemental Report of the 2015-16 Budget Package

Item 0971-001-0528—California Alternative Energy and Transportation Financing Authority

1. *California Hub for Energy Efficiency Pilot Projects.* On or before November 1, 2016, California Alternative Energy and Transportation Financing Authority (CAEATFA) shall report, in consultation with the California Public Utilities Commission (CPUC), to the Senate and Assembly Budget Committees on the degree to which the California Hub for Energy Efficiency Financing Pilot Programs have increased the availability of lower-cost financing for energy efficiency investments throughout the state. For each program, where applicable and available, the report shall include the following items:
 - Number of lenders participating.
 - Financial products supported.
 - Number of project financings supported.
 - Total loan/financing amounts.
 - Aggregated data on average, median, maximum, and minimum loan amounts.
 - Terms of financial products, such as interest rates and benefits to borrowers, and how those terms compare to other loan products in the marketplace.
 - Credit enhancement contributions and claim rates.
 - Summary of energy efficiency improvements made.
 - Aggregated borrower information, including data on average, median, maximum, and minimum for income, credit score, and debt-to-income ratio.
 - Aggregated estimated financial and energy savings.
 - Average, median, maximum, and minimum actual energy savings resulting from this program.
 - Any additional information about the performance of the programs that it considers useful when evaluating the success of the program.

CAEATFA, in consultation with the CPUC, shall also create a working group that will include key stakeholders to develop criteria for a comparative assessment of energy efficiency financing programs available in California, including Property Assessed Clean Energy financing and legacy utility on bill financing for short- term lending. CAEATFA shall publish summaries of the issues discussed with and recommendations made by the working group. Relevant Senate and Assembly policy committee staff shall be invited to observe meetings of the working group.