



CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED
TRANSPORTATION FINANCING AUTHORITY

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ADDENDUM NOTICE NO. 1

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

**REQUEST FOR PROPOSAL – Secondary
CONTRACT NO. CAEATFA01-23
Trustee Services for the
Property Assessed Clean Energy (“PACE”)
Loss Reserve Program**

June 14, 2023

The following information is provided in response to questions received by CAEATFA regarding Request for Proposal (“RFP”) Number CAEATFA01-23, as shown below:

Responses to Questions:

1. **What is the remaining principal amount of the designated \$10 Million PACE Loss Reserve and any accrued interest as of May 31?**

Answer:

As of May 31, 2023, the balance in the PACE Loss Reserve trust account was \$10,898,112.79, with accrued income of \$42,976.88 for a total market value of \$10,941,089.67. The remaining principal balance for processing claims is \$9,988,414.69.

2. **Could the \$10 Million initial allocation to the PACE Loss Reserve ever grow?**

Answer:

The Budget Act of 2013 required CAEATFA to develop and administer a PACE risk mitigation program for PACE loans to increase their acceptance in the marketplace and protect against the risk of default and foreclosure, and made a one-time appropriation to fund the program. It is possible, but unlikely, that a further appropriation could be made.

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

Answer:

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

4. What is the average time between receipt of a Requisition and the payment due date?

Answer:

Program regulations ([linked](#) in Section A.3 of the RFP) require that payment be made within 20 calendar days of receipt of a completed claim. CAEATFA staff will communicate with the Trustee upon receipt of a claim to coordinate processing of claims for timely payment.

5. Do you require a specific format for the Monthly Claim Activity summary?

Answer:

CAEATFA has a template or the selected Trustee may format its summaries to include the necessary data as set forth in Section A.4.d.ii of the RFP.

6. What communications are referenced in Section A.4.d.iv?

Answer:

Additional communications related to the specific duties listed might include bank-specific information, such as confirmation of clearance when a payment has been cashed by the recipient.

7. You mention a few claims historically but have asked for our pricing to consider hundreds of claims? Can you elaborate?

Answer:

The loss reserve currently supports over 98,000 residential PACE financings with an outstanding value of over \$2.4 billion as of December 31, 2022 (more detail is published in [CAEATFA's Annual Report to the Legislature](#)). Although there have been only two claims to date, CAEATFA must plan for potentially variable market and economic conditions.

8. With a rise in claims, can a fee proposal include a tiering structure that is above \$45, 000 over the three-year contract term?

Answer:

As set forth in Section A.1 of the RFP, The total Contract amount may not exceed \$45,000.00 (Forty-Five Thousand Dollars) over the entire term of the agreement.

9. Can the funds solely be invested in Money Market Funds?

Answer:

The selected Trustee is anticipated to recommend deposit and investment options to CAEATFA's Executive Director upon commencement of the Contract. These recommendations must be feasible, and in compliance with CAEATFA's guiding regulations and contractual obligations. Upon deposit of the Program Fund with the chosen Trustee, the Executive Director will provide instruction as to the investment of funds, based on options presented by the Trustee. In determining investment instructions, the Executive Director will consider the best interests of CAEATFA, the State of California, and the enrolled PACE programs in all transactions and proceedings concerning the Contract resulting from this solicitation.

10. Can Section 5 (Indemnification) of Exhibit C (General Terms and Conditions) be omitted, and any other changes to the contract allowed?

Answer:

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

The date for submitting questions regarding RFP Number CAEATFA01-23 has passed. Should you require any clarifying information regarding this addendum, the contact person for this RFP is:

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