



CHEEF

CALIFORNIA HUB FOR
ENERGY EFFICIENCY FINANCING

ENERGY EFFICIENCY FINANCING PROGRAMS

QUARTERLY REPORT & PROGRAM STATUS SUMMARY

FOURTH QUARTER 2021

gogreen
FINANCING™

Prepared by the California Alternative Energy and
Advanced Transportation Financing Authority
(CAEATFA)

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Financing Programs to CHEEF@treasurer.ca.gov or (916) 651-8157.

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Introduction

The State of California has ambitious goals to reduce greenhouse gas emissions and address climate change.

In 2006, the Legislature passed the California Global Warming Solutions Act (Assembly Bill 32), which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. In the subsequent Scoping Plans, intended to describe the approach California will take to reduce GHGs, one of the primary methods identified is increasing efficiency in existing buildings. Senate Bill 32, passed in 2016, sets the goal of reducing GHG emissions to 40% below 1990 levels by 2030.

With so many headlines about electric vehicles, rooftop solar and other renewables, it's easy to forget how important energy efficiency is to the GHG reduction mix. Billions of square feet of existing commercial and residential properties, and the equipment and appliances vital to them, are in need of energy upgrades.

There is simply not enough government or ratepayer funding to pay for these upgrades.

With this awareness, the California Public Utilities Commission (CPUC) allocated funds to launch several pilot programs designed to attract private capital to finance energy efficiency (EE) upgrades in Decision (D.)13-09-044. In its guidance decision, the CPUC acknowledged that EE measures are important tools for addressing greenhouse gas emissions, and that lowering the barriers to EE retrofits and financing—particularly in underserved market sectors—is critical to reaching the state's goals of reduced energy consumption and spreading benefits to all Californians.

Regulatory Background

D.13-09-044 authorized a series of financing programs designed to attract private capital to finance EE upgrades and established the California Hub for Energy Efficiency Financing (CHEEF) to administer the new programs. The CPUC requested that the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) assume the administration of the CHEEF and directed the investor-owned utilities (IOUs) and CPUC staff to assist CAEATFA with implementation.

A core feature of the financing programs is to incentivize private finance companies to enter the EE market and improve terms or expand credit criteria for the financing of EE projects by providing a credit enhancement funded with IOU EE ratepayer funds. Financing that covers 100% of project costs removes the upfront cost barrier for Californians to undertake EE retrofits. A key objective is to test whether transitional ratepayer support for credit enhancements can lead to self-supporting EE finance programs in the future.

In D.17-03-026, the CPUC committed to continued funding for CAEATFA to administer the CHEEF Programs through the life of the pilots. In 2019 the Commission issued Resolution E-4900, transitioning the Residential Energy Efficiency Loan Assistance Program (now known as GoGreen Home Energy Financing) from a "pilot" to a "Program" and further clarifying the goals and metrics under which the CHEEF Programs would be evaluated. D.21-08-006 authorized up to \$75.2 million in incremental funding for the CHEEF Programs to support their administration through June 30, 2027, authorized CAEATFA to incorporate non-IOU ratepayer funds to support program expansion into non-IOU customer territories and imposed new reporting requirements.

This report is prepared in alignment with D.13-09-044 and D.21-08-006, which directs CAEATFA, in conjunction with the IOUs (Pacific Gas & Electric [PG&E], Southern California Edison [SCE], San Diego Gas & Electric [SDG&E] and SoCalGas [SCG]), to issue quarterly reports on the progress of the CHEEF Programs. These reports contain quarter highlights and other items to keep interested parties informed as to the Programs' challenges and successes.

Reporting Updates in Response to D.21-08-006

D.21-08-006 requires CAEATFA to report on several new metrics and key performance indicators, as well as those previously outlined in Resolution E-4900. Many of these metrics, such as number of loans, total amount financed, analysis of participants (including underserved borrowers), growth rates, and mean APR and loan values, were already included in CHEEF quarterly reports and [GoGreen Home monthly data summaries](#) prior to D.21-08-006. CAEATFA will continue to report on these metrics.

Although D.21-08-006 does not require CAEATFA to report on the new metrics until the start of the new budget period in July 2022, CAEATFA plans to begin reporting on many of these metrics on an earlier timeline. For example, this report and the monthly data summaries for GoGreen Home now contain median loan size, median interest rates, and expanded reporting on geographic distribution of loans and non-energy benefits for borrowers. Some of the requested new reporting measures require resource dedication and establishment of new processes before they can be implemented. To report on energy savings, CAEATFA has worked with a technical consultant to create deemed savings estimates; that report will be released in April 2022, initially as a stand-alone report covering GoGreen Home activity from 2016-2021. Future savings estimates will be incorporated into these quarterly reports. To report on ethnicity and socioeconomic data, CAEATFA will need to institute a post-project survey and collect this data on a voluntary basis from participants.

These and other newly required metrics will be added to quarterly reports on a rolling basis as CAEATFA institutes the operational changes necessary to report the data. It is estimated that all metrics required by D.21-08-006 will be fully incorporated into CHEEF quarterly reports by Q4 2022. Please see Appendix 9 for a detailed breakdown of reporting requirements and CAEATFA's compliance status.

Program Name Changes

In Q2 2021, CAEATFA, the IOUs, and the Marketing Implementer developed new names for the three CHEEF Programs that align with their public-facing platform, GoGreen Financing. Market research supports the effectiveness of the selected new names; additionally, the transition is intended to eliminate complexity for Program participants (many of whom organically refer to the Programs as "GoGreen Programs" or similar), better communicate the Programs' value to consumers, and simplify marketing communications.

The CHEEF Program names were updated as follows:

- **GoGreen Home Energy Financing**, or **GoGreen Home**, replaced the Residential Energy Efficiency Loan Assistance Program (REEL)
- **GoGreen Business Energy Financing**, or **GoGreen Business**, replaced the Small Business Energy Efficiency Financing Program (SBF)
- **GoGreen Affordable Multifamily Energy Financing**, or **GoGreen Multifamily**, replaced the Affordable Multifamily Energy Efficiency Financing Program (AMF)

In Q3 2021 the Program names were updated in public-facing materials, including all Program forms and resources, information on the State Treasurer's Office website, and the GoGreen Financing website. Updates to the materials and websites used by participating finance companies, contractors, utilities, and other channel partners will follow on a rolling basis, with a full transition to the new Program names across all channels expected by the close of Q1 2022. Additionally, CAEATFA staff have worked with the Attorney General's Office to submit a request for trademark registration of the GoGreen Financing logo, which will support opportunities for co-branding with IOUs and other entities.

Executive Summary – Q4 2021

Outreach Highlights

- **CAEATFA staff participated in several webinars and outreach events to promote the CHEEF Programs.** These events included exhibiting at the 40th Annual Trade Show of the Institute of Heating and Air Conditioning Industries (IHACI) in Pasadena, CA; presenting at the American Council for an Energy-Efficient Economy (ACEEE)'s Energy as a Resource Conference and the California Energy Commission's EPIC Symposium; and joining webinars hosted by State Treasurer Fiona Ma for several farm bureaus, the Sierra Business Council, and the 79th Assembly District.

GoGreen Home Energy Financing Program Developments

- **150 new loans, worth a combined value of \$2.69 million, were enrolled in the Program during the quarter.** By year's end, GoGreen Home had financed 650 new loans, bringing the total number of standard loans enrolled since Program inception to 1,709 and the total amount financed to \$28.8 million.
- **Enrollments of marketplace microloans rose significantly,** increasing from 14 microloans enrolled in Q3 to 284 enrolled in Q4. Early results show that this offering serves underserved borrowers, such as property renters and those with credit scores below 640.
- **CAEATFA staff are preparing to launch a partnership with TECH Clean California** that will eliminate restrictions to financing for electric measures currently faced by GoGreen Home customers who receive gas service from an IOU and electric service from a Publicly-Owned Utility (POU).

GoGreen Business Energy Financing Program Developments

- **On-Bill Repayment (OBR) development continued, with a "soft launch" planned for Q1 2022.** In Q4, the final operational steps were taken to prepare OBR functionality for launch, and three of the four IOUs (SCE, SCG, and SDG&E) will be able to begin offering OBR for new GoGreen Business financing enrollments in Q1.
- **The CAEATFA Board approved a second readoption of the GoGreen Business regulations,** which went into effect in Q3 2021 to enable OBR functionality, add new eligible efficiency measures, and make changes that will better facilitate microlending opportunities through the Program. The regulations will be readopted without modifications and are expected to become effective in Q2 2022.

GoGreen Multifamily Energy Financing Program Developments

- **Per Decision 21-08-006, CAEATFA staff submitted a letter to the CPUC outlining plans to launch an interest rate buy-down promotion for GoGreen Multifamily.** CAEATFA intends to launch this promotion in 2022 to reduce the interest rate barrier for affordable multifamily property owners and improve the feasibility of financing for projects in this sector.

CHEEF Infrastructure Developments

- **CAEATFA worked with the IOUs to submit a joint budget Advice Letter for fiscal years 2022-2027.** Following the CPUC's authorization of up to \$75.2 million in funding to support the continuation of the CHEEF from July 1, 2022 to June 30, 2027, the four IOUs submitted an Advice Letter describing the planned use of funds during this period. The 2022-2027 budget includes an estimated carryover amount of \$24 million from the CHEEF's original budget, which was authorized in 2013 by D.13-09-044, requiring the IOUs to provide \$51 million in incremental funding.

GoGreen Financing: 2021 Year in Review

In 2021, significant strides were made across the CHEEF through new loan, contractor, and finance company enrollments, regulations updates, regulatory advocacy to the CPUC, and more.

Growth in GoGreen Home loan enrollments continued, with more than 650 California households financing energy upgrades through the Program over the course of the year. A regulations update in May 2021 added new eligible measures, improved operations and safety testing rules, and enabled a microlending pathway. This pathway led to the development and launch of a point-of-sale microloan option available to customers of the SoCalGas online utility marketplace (with additional utilities also planning to offer the option), and early results have demonstrated its effectiveness reaching underserved borrowers.

Meanwhile, staff amended the GoGreen Business Program regulations to add a streamlined microloan pathway and facilitate On-Bill Repayment. Staff also piloted an interest rate buy-down promotion for the Program, marketed to enrolled GoGreen Business contractors with the goal of helping businesses and nonprofits invest in energy upgrades. The promotion garnered interest and facilitated one new project completion before the end of the year; two additional projects were approved in 2021 and are under construction.

Efforts continued to enable affordable multifamily properties to utilize financing to make an energy upgrade possible. In addition to ongoing outreach to property owners and Program partners, CAEATFA announced its intent to offer an interest rate buy-down promotion through the GoGreen Multifamily Program, which will launch in the first quarter of 2022.

All three Programs benefited from ongoing outreach efforts over the course of the year, including presentations at multiple conferences held by the American Council for an Energy-Efficient Economy (ACEEE), a California Energy Commission workshop on building decarbonization, and webinars for local governments, legislators, and other stakeholders. CAEATFA also changed the names of the three CHEEF Programs to eliminate complexity and enhance marketing efforts.

Summer 2021 brought the finalization of the CPUC's Decision 21-08-006, which authorized CAEATFA to continue administering the CHEEF with an incremental budget of \$75.2 million through fiscal year 2026-2027. This Decision also authorized CAEATFA to incorporate external funds into the CHEEF to support expansion of the Programs to customers in non-IOU territories.

Looking ahead to 2022, several exciting new features and changes are taking shape for the Programs. The launch of On-Bill Repayment for GoGreen Business and the interest rate buy-down promotion for GoGreen Multifamily are expected to help businesses and affordable multifamily properties undertake energy upgrades, while GoGreen Home will benefit from a forthcoming partnership with TECH Clean California that will ease financing restrictions for electric measures currently faced by joint IOU gas/POU electric residential customers. These efforts will be complemented by operational and administrative improvements, such as the launch of an online loan and project management system for GoGreen Home and continued advocacy for authorization to expand the Programs to allow financing for comprehensive clean energy technologies like battery storage and on-site solar generation.



CAEATFA staff hosted a booth at the Institute of Heating and Air Conditioning Industries (IHACI) Trade Show in November 2021.



GoGreen Home customer Juliana Maziarz in front of her Los Angeles home

GoGreen Home Energy Financing Program

Key GoGreen Home Metrics – Q4 2021 (October 1-December 31, 2021)

Standard Loans

| | | |
|----------------------------------|--------------------------------------|---------------------------------------|
| 150 New Loans Enrolled | \$17,942 Average Loan Size | \$2,691,279 Amount Financed |
|----------------------------------|--------------------------------------|---------------------------------------|

Marketplace Microloans

| | | |
|---------------------------------------|--|-------------------------------------|
| 284 New Microloans Enrolled | \$1,379 Average Microloan Size | \$391,620 Amount Financed |
|---------------------------------------|--|-------------------------------------|

View the latest [monthly data summaries](#) for GoGreen Home.

GoGreen Home Updates

The fourth quarter of each year typically sees a slowdown in new GoGreen Home loan activity from the busy summer months. During Q4, GoGreen Home lenders enrolled 150 new loans averaging roughly \$18,000 per loan, for a total amount financed of \$2.69 million. As expected, loan volume was lower than in Q3 (which saw nearly \$4 million in new lending activity) but on par with activity recorded in Q4 2020, when 149 new loans were enrolled for a total financed amount of \$2.47 million. GoGreen Home supported the financing of 650 new loans in 2021, bringing the total amount financed since Program inception to nearly \$28.9 million via 1,709 loans.

The new marketplace microloan product facilitated by GoGreen Home saw significant growth in Q4 following its launch in the third quarter of 2021. 284 new microloans for efficient appliances were enrolled in Q4, which brought the total to 298 microloans enrolled. Early results point toward this product’s ability to reach underserved borrowers. Of the new microloans enrolled, 29% were made to property renters or lessees, and 55% of borrowers had credit scores between 580 and 640. Currently, this financing is only offered via the SoCalGas online marketplace, with other utility marketplaces expected to begin offering the product in 2022.

CAEATFA staff also prepared to launch a new partnership with the TECH Clean California Initiative, a statewide decarbonization program, that will eliminate barriers to financing currently faced by millions of customers who receive gas service from an IOU and electric service from a Publicly-Owned Utility (POU). This partnership will allow these joint IOU gas/POU electric customers to finance an unlimited amount of eligible electric measures through their GoGreen Home loan; without this partnership, these customers are limited to using only 30% of their loan for eligible electric measures. CAEATFA is expected to sign a Memorandum of Agreement with Energy Solutions, which implements the TECH Clean California Initiative, and make this flexibility available to customers in Q1 2022.

GoGreen Home Outreach

Outreach to Customers

There was a slight dip in overall traffic to GoGreenFinancing.com, the public platform for the CHEEF Programs, compared with Q3: the website saw 18,826 total users in Q4 after seeing 19,397 users in Q3. The average session duration time remained high at over 2 minutes per visit, indicating higher levels of engagement among visitors and pointing toward marketing efforts reaching individuals who are interested in exploring their financing options.

Customer-facing marketing campaigns led by the IOUs and the Marketing Implementer remained limited in Q4 due to budget constraints and as the marketing strategy development process continued. The Marketing Implementer began work on a new marketing content kit in response to the completed market research and strategic analysis conducted earlier in the year, which is expected to result in updates to the GoGreen Financing website and the creation of new social media content, customer testimonial blogs and videos, and more in Q1 2022.



Outreach to Contractors

A total of 551 contractors were enrolled in GoGreen Home at the end of Q4 2021. Over the course of the quarter, 13 new contractors joined the Program. One contractor was removed from enrolling new projects due to a completed citation on their Contractors State License Board (CSLB) license.

Outreach to contractors during Q4 included ongoing monthly newsletters, which requested information on contractors' ability to perform heat pump installations in preparation for the launch of the partnership with TECH Clean California and advertised the low interest rates available through the Program. The Contractor Manager finalized a calling campaign to engage with new contractors serving the Central Valley in Q4, which will support future targeted recruitment efforts in this region.

For information about GoGreen Home program structure and eligibility, see Appendix 7.

GoGreen Home Reporting

Data reported on pages 11-17 represents standard GoGreen Home loans enrolled through one of the eight participating credit union lenders. For data on marketplace microloans, see page 18.

Project Enrollment and Activity Data

Table 1: GoGreen Home Financing Activity

| | Q4 2021 | | All Time ¹ | |
|--|----------------|---------------|-----------------------|---------------|
| Loans Enrolled | 150 | | 1,709 | |
| Total Amount Financed | \$2,691,279 | | \$28,867,571 | |
| | Average | Median | Average | Median |
| Loan Size | \$17,942 | \$15,000 | \$16,891 | \$14,000 |
| Term Length in Months | 102 | 102 | 106 | 120 |
| Interest Rate² | 4.3% | 4.19% | 5.6% | 5.49% |
| Finance-Only Projects³ | 93% | | 88% | |

Table 2: Top Energy Efficiency Measures Installed through GoGreen Home (Q3 2016 - Q4 2021)

| | | | | |
|--|---|---|--|--|
|  HVAC Equipment 1,127 Projects |  Windows 434 Projects |  HVAC Ductwork 364 Projects |  Insulation 286 Projects |  Cool Roofs 231 Projects |
|--|---|---|--|--|

Table 3: Heat Pump Measures Installed through GoGreen Home (Q3 2016 - Q4 2021)


| | |
|--|-------------------------------------|
|  Heat Pumps | |
| Space Heating 144 Projects | Water Heating 14 Projects |

Table 4: GoGreen Home Loans Enrolled by IOU⁴

| Utility | Loans Enrolled | |
|-------------------------------------|----------------|----------|
| | Q4 2021 | All Time |
| Pacific Gas & Electric | 99 | 1,021 |
| San Diego Gas & Electric | 8 | 99 |
| Southern California Edison | 45 | 539 |
| Southern California Gas | 45 | 588 |

¹ The date of Program inception is marked by the first loan enrollment in GoGreen Home (July 2016).

² GoGreen Home interest rates are currently equivalent to the Annual Percentage Rate (APR) as no additional fees, such as origination fees, are charged by participating lenders for these loans. Some lenders charge a membership fee, which tends to be around \$5 and is de minimis for reporting APR.

³ Cases in which a borrower made upgrades using GoGreen Home without a rebate or incentive.

⁴ Some properties are served by more than one IOU, meaning the total of loans enrolled per IOU will not match the total number of loans enrolled. Loans enrolled by IOU are reported regardless of what measures are installed.

Table 5: GoGreen Home Loan Enrollment Volume (Q3 2016 – Q4 2021)

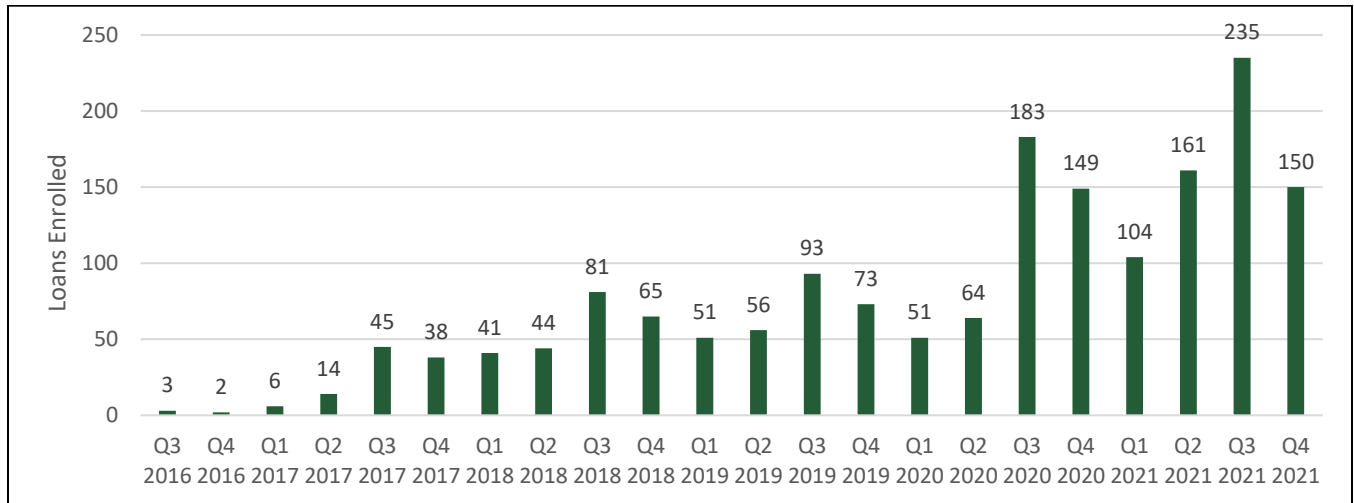


Table 6: GoGreen Home Loan Enrollment Volume Comparison (Q4 2019, Q4 2020 and Q4 2021)

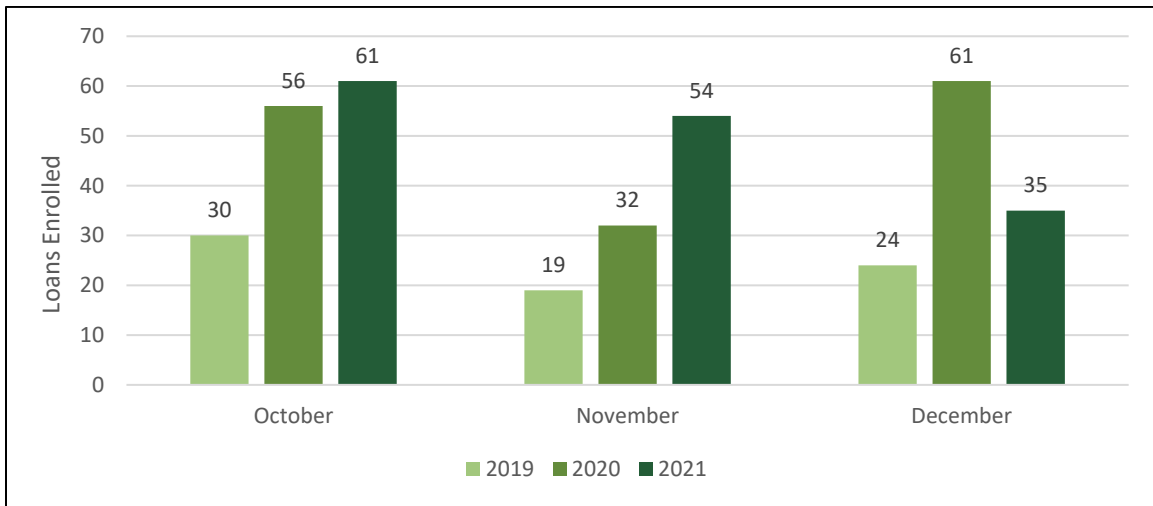


Table 7: GoGreen Home Loan Enrollments by Participating Lender

| Lender | Loans Enrolled | | Total Amount Financed | |
|---------------------------------------|----------------|----------|-----------------------|--------------|
| | Q4 2021 | All Time | Q4 2021 | All Time |
| California Coast Credit Union | 70 | 946 | \$1,385,433 | \$15,286,969 |
| Desert Valleys Federal Credit Union | 5 | 36 | \$74,855 | \$596,614 |
| Eagle Community Credit Union | 0 | 11 | \$0 | \$193,159 |
| First US Community Credit Union | 28 | 169 | \$412,584 | \$2,347,730 |
| Matadors Community Credit Union | 24 | 436 | \$490,998 | \$8,815,016 |
| Pasadena Service Federal Credit Union | 0 | 3 | \$0 | \$55,824 |
| Travis Credit Union | 21 | 72 | \$274,438 | \$1,044,438 |
| Valley Oak Credit Union | 2 | 36 | \$52,971 | \$527,821 |
| | 150 | 1,709 | \$2,691,279 | \$28,867,571 |

Financing Data and Loan Portfolio Report

Table 8: Summary of Active GoGreen Home Loans by Status through December 31, 2021

| | Number of Loans | Original Total Principal Amount | Outstanding Total Principal Amount |
|---------------------------------------|-----------------|---------------------------------|------------------------------------|
| Paid in Full | 407 | \$6,453,616 | \$0 |
| California Coast Credit Union | 242 | \$3,526,767 | \$0 |
| Desert Valleys Federal Credit Union | 12 | \$142,367 | \$0 |
| Eagle Community Credit Union | 4 | \$85,956 | \$0 |
| First US Community Credit Union | 27 | \$342,931 | \$0 |
| Matadors Community Credit Union | 113 | \$2,228,945 | \$0 |
| Pasadena Service Federal Credit Union | 1 | \$19,319 | \$0 |
| Travis Credit Union | 5 | \$78,666 | \$0 |
| Valley Oak Credit Union | 3 | \$28,666 | \$0 |
| Current | 1,273 | \$21,892,281 | \$18,670,548 |
| California Coast Credit Union | 680 | \$11,302,609 | \$9,485,069 |
| Desert Valleys Federal Credit Union | 24 | \$454,248 | \$385,417 |
| Eagle Community Credit Union | 7 | \$107,204 | \$82,293 |
| First US Community Credit Union | 140 | \$1,981,999 | \$1,740,360 |
| Matadors Community Credit Union | 320 | \$6,544,789 | \$5,654,077 |
| Pasadena Service Federal Credit Union | 2 | \$36,505 | \$30,585 |
| Travis Credit Union | 67 | \$965,772 | \$914,420 |
| Valley Oak Credit Union | 33 | \$499,155 | \$378,328 |
| 30 Days Past Due | 6 | \$120,675 | \$105,805 |
| California Coast Credit Union | 6 | \$120,675 | \$105,805 |
| 60 Days Past Due | 2 | \$32,388 | \$28,739 |
| California Coast Credit Union | 1 | \$9,688 | \$6,841 |
| Matadors Community Credit Union | 1 | \$22,700 | \$21,898 |
| Total | 1,688 | \$28,498,960 | \$18,805,092 |

Table 9: Summary of GoGreen Home Charge-Offs, Claims Paid and Recoveries through December 31, 2021

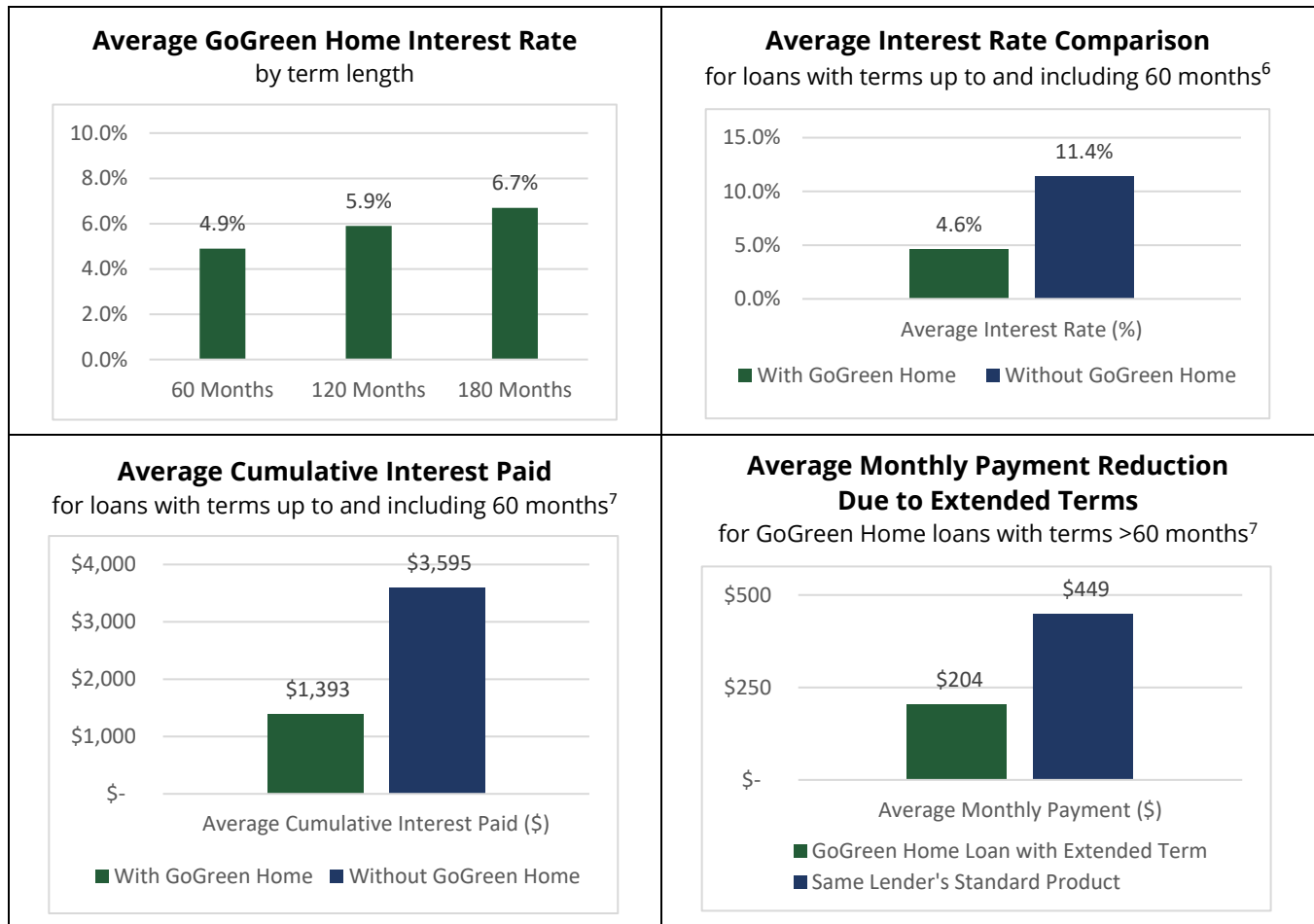
| | Number of Loans | Charge-Off Amount at Time of Claim | Claims Paid ⁵ | Recoveries Paid to Program |
|---|-----------------|------------------------------------|--------------------------|----------------------------|
| Charged Off | 21 | \$330,802 | \$290,130 | (\$91,398) |
| California Coast Credit Union | 17 | \$294,806 | \$263,077 | (\$91,398) |
| First US Community Credit Union | 2 | \$21,527 | \$19,375 | \$0 |
| Matadors Community Credit Union | 2 | \$14,468 | \$7,679 | \$0 |
| Net Credit Enhancement Funds Expended (Claims Paid minus Recoveries Paid to Program) | | | | \$198,732 |

⁵ Through GoGreen Home, participating lenders may submit a claim for reimbursement for up to 90% of a charge-off of the outstanding Claim-Eligible Principal Amount. The Claim-Eligible Principal amount may be less than the Total Principal Amount. The Claims Paid column reflects the amount that GoGreen Home Lenders were paid on the claim.

Table 10: GoGreen Home Loan Loss Reserve Contributions Metrics

| | Q4 2021 | All Time |
|---|------------------|------------------|
| Total Loan Loss Reserve Contributions <i>All contributions made by CAEATFA to loan loss reserve accounts for all enrolled loans.</i> | \$415,534 | \$4,411,137 |
| Average Loan Loss Reserve Contribution <i>The average contribution made by CAEATFA to a loan loss reserve account upon loan enrollment.</i> | \$2,770 per loan | \$2,581 per loan |
| For every \$1 of ratepayer-funded credit enhancement, the amount of private capital leveraged is: | \$6.48 | \$6.54 |

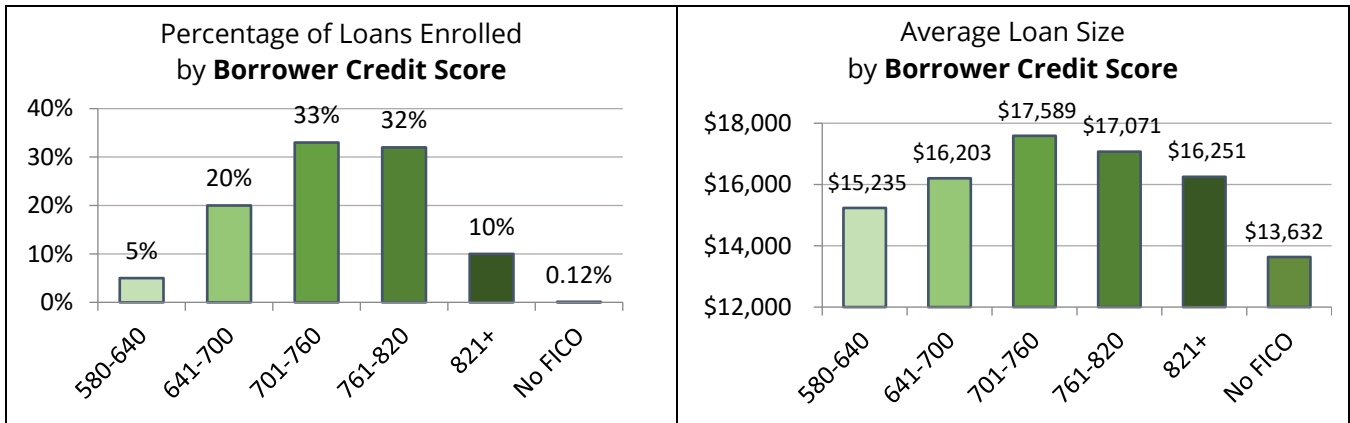
Table 11: Interest Rate and Monthly Payment Benefits for GoGreen Home Borrowers (Q3 2016 – Q4 2021)



⁶ These charts compare interest rates between GoGreen Home loans and the equivalent non-GoGreen Home signature products offered by the Program's participating lenders, using a data set for loans with terms up to 60 months for borrowers who would have qualified for non-GoGreen Home loans.

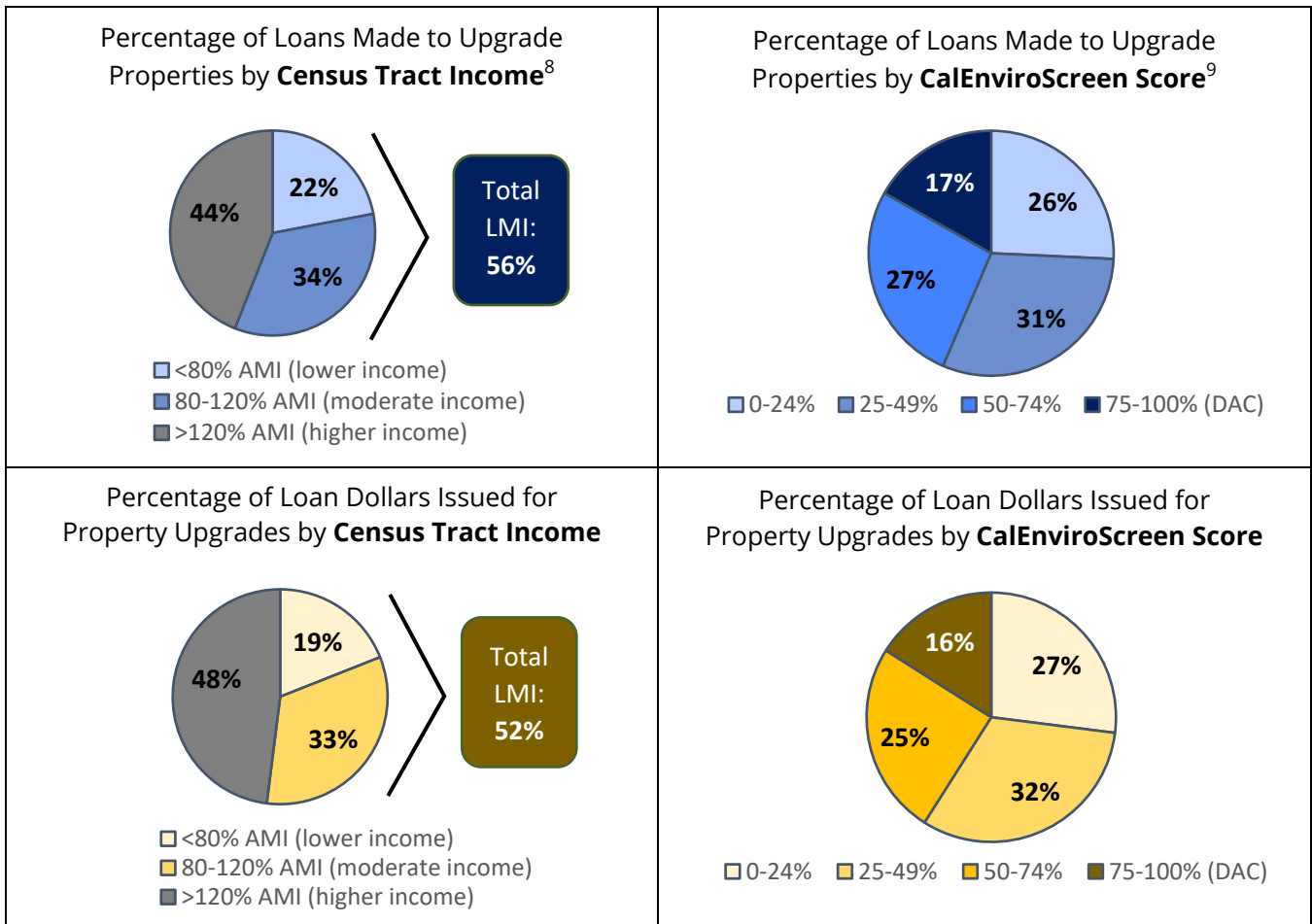
⁷ This chart compares monthly payments between GoGreen Home loans with terms greater than 60 months and what monthly payments would have been if the borrower had used the same lender's non-GoGreen Home signature product limiting them to shorter term lengths. Loans from one participating lender who currently offers signature products with terms greater than 60 months are excluded from this comparison.

Table 12: GoGreen Home Borrower Credit Score Metrics (Q3 2016 – Q4 2021)



How GoGreen Home Serves the Underserved

Table 13: Loan Activity by Census Tract Income and CalEnviroScreen Score



⁸ Low-to-Moderate Income (LMI) census tracts, for the purpose of this reporting and providing a 20% loss reserve contribution for the lender, includes tracts with median income that falls below 120% of the Area Median Income (AMI). 56% of loans have been made to properties in LMI census tracts and 52% of total loan capital has gone to properties in LMI census tracts.

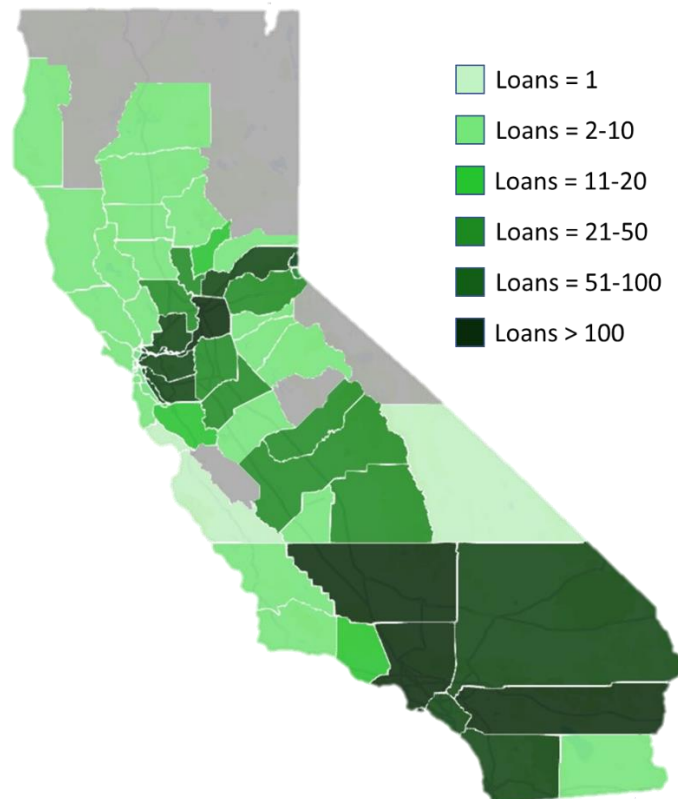
⁹ [CalEnviroScreen](#) is a pollution burden mapping tool that uses environmental, health, and socioeconomic data to produce scores for every census tract in California; CAEATFA is reporting loans for properties in tracts scoring in the top quartile (75-100%) as loans for projects in disadvantaged communities (DACs). This data uses the most recent version of CalEnviroScreen available at the time of publication.

Table 14: GoGreen Home Financing Feasibility Metrics

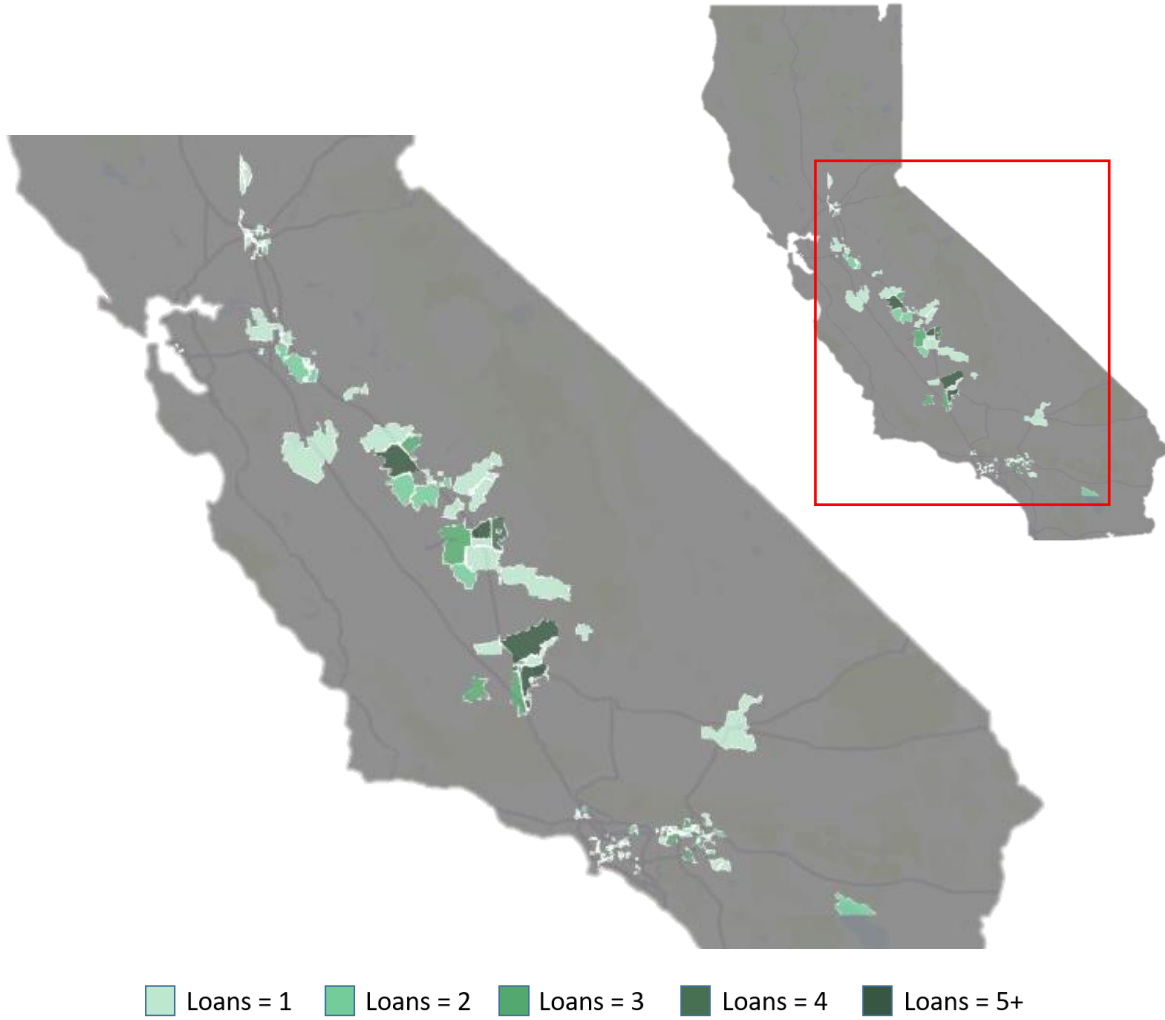
| | | |
|---|--|----------------------------------|
| <p>Access to Credit: Borrower Credit Score of 580-640 Lenders typically require borrowers to have a minimum credit score of around 640 for unsecured loans of any significant value. Through GoGreen Home, lenders are able to approve loans for borrowers with credit scores as low as 580.</p> | Loans Enrolled to Borrowers with <640 Credit Score | |
| | <p>5 Q4 2021</p> | <p>88 All Time</p> |
| <p>Affordable Monthly Payments: Term Lengths >5 Years The vast majority of lenders typically offer a maximum term length of 5 years for unsecured loans. Through GoGreen Home, lenders are able to extend terms out to 15 years, which significantly lowers monthly payments for borrowers.</p> | Loans Enrolled to Borrowers with Term Lengths >5 Years | |
| | <p>82 Q4 2021</p> | <p>1,041 All Time</p> |
| <p>Access to Capital: Loan Amounts >\$25,000 Sufficient access to capital is needed for deeper energy retrofits. While lenders typically limit unsecured loans to about \$25,000, most lenders are able to offer up to \$50,000 for all borrowers through GoGreen Home.</p> | Loans Enrolled to Borrowers with Total Financed Amount >\$25,000 | |
| | <p>26 Q4 2021</p> | <p>264 All Time</p> |

Maps

Map of GoGreen Home Loans Enrolled by County (Q3 2016 - Q4 2021)



Map of GoGreen Home Loans for Properties in Disadvantaged Communities¹⁰ by Zip Code (Q3 2016 – Q4 2021)



¹⁰ For reporting purposes, CAEATFA considers properties in zip codes in the top quartile (75-100%) of CalEnviroScreen scores to be disadvantaged communities (DACs). This data uses the most recent version of CalEnviroScreen available at the time of publication.

Marketplace Microloan Reporting

This section reports on microloans enrolled by One Finance and Enervee through their Eco Financing product, which finances loans for customers purchasing appliances through online utility marketplaces. Microloans, per the GoGreen Home regulations, are limited to \$5,000 and are reported on separately so as not to skew data presented for standard loans. Eco Financing is currently available for customers in SoCalGas territory with a 60-month term length and a single interest rate for all borrowers; in Q4 2021, the interest rate was 9.02%¹¹.

Table 15: Microloan Financing Activity

| | Q4 2021 | | | All Time | | |
|---|-----------------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|------------------------------|
| Loans Enrolled | 284 | | | 298 | | |
| Total Amount Financed | \$391,620 | | | \$410,640 | | |
| Loan Size | \$1,379 <i>Average</i> | \$1,088 <i>Median</i> | | \$1,378 <i>Average</i> | \$1,086 <i>Median</i> | |
| Borrower Relationship to Property | 202 <i>Owners</i> | 82 <i>Renters/Lesseees</i> | | 209 <i>Owners</i> | 89 <i>Renters/Lesseees</i> | |
| Total Loan Loss Reserve Contributions | \$73,716 | | | \$77,437 | | |
| Average Loan Loss Reserve Contribution | \$260 per microloan | | | \$260 per microloan | | |
| Top 3 Appliances Purchased | 132 <i>Convection Gas Oven</i> | 105 <i>Clothes Dryer</i> | 98 <i>Clothes Washer</i> | 134 <i>Convection Gas Oven</i> | 111 <i>Clothes Dryer</i> | 105 <i>Clothes Washer</i> |

Table 16: Microloan Borrower Credit Score Metrics (Q3 2021 – Q4 2021)

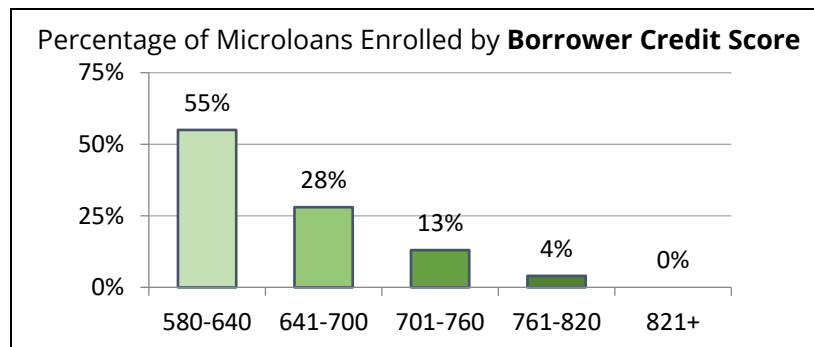


Table 17: Marketplace Microloan Portfolio Performance through December 31, 2021

| Microloan Portfolio Summary as of December 31, 2021 | | | Claims and Charge-Off Summary as of December 31, 2021 | |
|--|-----------|-----------|--|-----|
| Paid in Full | 1 Loan | \$1,993 | Loss Ratio ¹² | 0% |
| Current Outstanding ¹³ | 297 Loans | \$378,891 | Claims Paid | \$0 |
| 30-60 Days Past Due | 0 Loans | \$0 | Recoveries ¹⁴ | \$0 |
| Charged Off | 0 Loans | \$0 | Net CE Funds Expended ¹⁵ | \$0 |

¹¹ The interest rate was 8.98% for the first few days of the quarter; the interest rate of 9.02% became effective on 10/4/21.

¹² Microloan dollars charged off, reflected as a percentage of the total original microloan principal across the portfolio. Loss Ratio does not reflect recoveries.

¹³ Reflects the outstanding, unpaid principal balance for the 297 microloans.

¹⁴ Recoveries reimbursed to GoGreen Home from One Finance, the participating microlender.

¹⁵ Net credit enhancement (CE) funds expended is calculated as Claims Paid less Recoveries.



Image from GoGreen Financing digital campaign

GoGreen Business Energy Financing Program

Key GoGreen Business Metrics – Program Inception through Q4 2021

| | | | |
|---|--|---|--|
| 10 Total Projects Enrolled | \$1,681,851 Total Amount Financed | 85 Participating Contractors and Project Developers | 5 Participating Finance Companies |
|---|--|---|--|

GoGreen Business Updates

No new projects were enrolled in GoGreen Business in Q4 2021. A pilot interest rate buy-down promotion, initially launched in the Q2, continued after making changes to increase flexibility of the promotion’s terms in the prior quarter. By the end of Q4, several contractors were in communications with finance companies about projects that could potentially qualify for the promotion.

Following the approval of amendments to the regulations for GoGreen Business in Q3 (which enabled OBR functionality, added new eligible measures, and streamlined a microloan pathway), CAEATFA gave public notice to readopt these regulations without further modifications in Q4. This readoption, which is necessary to keep the Program regulations active, is expected to become effective in Q1 2022.

Significant progress was made to prepare for implementation of OBR functionality through GoGreen Business in Q4; for more information, see the On-Bill Repayment section on page 22. A “soft launch” of OBR functionality for GoGreen Business projects in three IOU territories is expected in Q1 2022. In preparation, CAEATFA staff have begun planning for the enrollment of several new finance companies who will offer financing with OBR once the feature is live.

GoGreen Business Outreach

The forthcoming content kit based on market research and strategy development conducted earlier in 2021 (see full description in the GoGreen Home Outreach section above) will include materials to support marketing of GoGreen Business, such as a customer testimonial video, social media posts, and newsletter text. CAEATFA staff presented on GoGreen Business at a Sierra Business Council webinar, a webinar for several farm bureaus via the Ag Business Recovery & Growth Workshop, and a California State Resources for Small Businesses webinar jointly hosted by State Treasurer Fiona Ma and Assemblymember Dr. Akilah Weber.

Table 18: GoGreen Business Finance Agreement Status by Lender as of December 31, 2021

| | Finance Agreements Enrolled | Total Amount Financed |
|--|--|----------------------------------|
| Accessity¹⁶ | 0 | \$0 |
| Alliance Funding Group | 0 | \$0 |
| Ascentium Capital | 6 | \$537,852 |
| DLL Financial Solutions Partner | 4 | \$1,143,999 |
| Renew Energy Partners | 0 | \$0 |
| | 10 | \$1,681,851 |

For information about GoGreen Business program structure and eligibility, see Appendix 7.

¹⁶ Accessity enrolled in GoGreen Business as a Participating Finance Company in Q2 2021. Accessity will offer loans through the Program via an affiliation with an IOU program in SDG&E territory that plans to incorporate financing. As of Q4 2021, the SDG&E program is pending CPUC approval for incorporation of measures that would warrant a need for financing.



Image from GoGreen Financing digital campaign

GoGreen Affordable Multifamily Financing Program

GoGreen Multifamily Updates

During the fourth quarter, CAEATFA submitted a letter to the CPUC (as required by D.21-08-006) outlining plans to introduce an interest rate buy-down promotion to support GoGreen Multifamily projects. D.21-08-006, issued by the CPUC in Q3, authorized CAEATFA to incorporate additional “complex financing mechanisms” to reduce interest rates for GoGreen Multifamily, as CAEATFA staff has found that tight operating margins faced by property owners preclude them from moving forward with financing, even if interest rates are reduced due to the credit enhancement.

In its letter, CAEATFA expressed its intent to launch an interest rate buy-down promotion for the program in 2022. This type of promotion is the most direct path to reducing interest rates through the Program and allows faster implementation than other mechanisms considered by staff, such as CAEATFA providing loan participations. Unlike credit enhancements, interest rate buy-downs are expensed rather than revolved; however, like credit enhancements, they are only utilized when a financing agreement is made and can be directly correlated to an amount of private capital leveraged. CAEATFA considers interest rate buy-downs to be a promotional expense or incentive rather than a complex financing mechanism as characterized in D.21-08-006, primarily because they do not change lenders’ underwriting or credit decisions. CAEATFA plans to use unspent funds from the statewide marketing budget to support this interest rate buy-down promotion.

This promotion is expected to launch in Q1 2022 and will be accompanied by direct outreach to Program partners, such as property owners, land trusts and IOU multifamily energy efficiency programs, to garner interest.

Challenges

Property owners in the affordable multifamily sector must navigate complex debt structures and arduous project development processes to complete energy efficiency upgrades, and as described above, staff have determined that the credit enhancement alone does not sufficiently reduce interest rates to make energy efficiency projects feasible for these types of properties. Staff continue to maintain communications with Program partners to work towards facilitating projects and reveal additional needs for property owners that the Program is not currently able to fulfill.

For information about GoGreen Multifamily program structure and eligibility, see Appendix 7.



Photo by Allyunion at English Wikipedia

Nonresidential Program

The Nonresidential Program is not being actively developed at this time. Launch of the Nonresidential Program is dependent upon the development of On-Bill Repayment (OBR), a complex feature that is nearing initial implementation. CPUC D.17-03-026 required all pilots to be launched by the end of 2019, and since OBR was not yet developed at that time, the Program was effectively cancelled.

The Nonresidential Program was originally authorized as an On-Bill Repayment program for large commercial or public buildings, with no credit enhancement. In the event that CAEATFA is authorized to develop the Nonresidential Program in the future, prior work can be leveraged to ultimately establish this program. While developing program design and regulations for GoGreen Business, CAEATFA staff anticipated how the Nonresidential Program would be incorporated into the CHEEF's offerings. With OBR expected to launch in Q1 2022, CAEATFA is considering requesting that the CPUC re-authorize the Program to allow large commercial and nonresidential entities to access the OBR infrastructure for their energy upgrades.

On-Bill Repayment (OBR)

OBR functionality will allow borrowers to repay private capital energy efficiency financing through their utility bills, a convenience that many business owners find attractive. The CPUC considers OBR functionality to be a critical component of the CHEEF Programs to test its potential for encouraging program uptake and reducing default rates.

CAEATFA staff continued working with the IOUs in Q4 to develop a statewide On-Bill Authorization Form to standardize program documentation and prepare for filing of updated OBR Tariffs. Ongoing work with the Master Servicer to design the on-bill communication infrastructure with Participating Finance Companies and to develop requirements for the web-based interface to facilitate OBR enrollment continued.

After several years of complex development and coordination efforts, three of the four IOUs (SCE, SCG and SDG&E) will be prepared to begin a "soft launch" of OBR through GoGreen Business in Q1 2022, which will allow contractors to begin presenting this offering to their customers. A "full launch" of OBR is expected to follow soon after, with all four IOUs participating and using the same standardized documentation. Several finance companies, both new and already participating in GoGreen Business, are in discussions with CAEATFA staff to begin offering OBR to customers upon its soft launch in Q1 2022.

CHEEF Infrastructure

Joint Budget Advice Letter Issued

As part of D.21-08-006, the CPUC authorized up to \$75.2 million to support the continuation of the CHEEF for fiscal years 2022-23 through 2026-27 (July 1, 2022-June 30, 2027). In Q4, CAEATFA worked with the four IOUs to submit an [Advice Letter](#) on behalf of CAEATFA describing the planned use of funds during this period.

The proposed budget of \$75.2 million includes a capital budget to fund credit enhancements, funds for operations and administration, and funds for statewide marketing. The 2022-2027 budget also includes an estimated carryover amount of \$24 million from the CHEEF's original budget, which was authorized in 2013 by D.13-09-044. The IOUs will need to provide up to \$51 million in incremental funding.

The advice letter was filed on October 8, 2021 and accepted by the CPUC on November 8, 2021.

Appendices

Appendix 1: Budget

Budgetary Authorization

D.13-09-044 directed the IOUs to allocate a total of \$75.2 million to finance the programs over the initial period. Table 19 provides an itemized breakdown of these allocations, current expenditures and remaining balance. As of December 31, 2021, CAEATFA had expended \$15,543,049 of the \$23.1 million allocated for CHEEF Administration, Direct Implementation, and outreach to finance companies and contractors. D.21-08-006 authorized up to an additional \$75.2 million in expenditures for the Programs beginning in July 2022. None of that funding is captured in this budget, as it is for future years.

Table 19: Budget for CHEEF Expenditures (September 2014 through December 31, 2021)

| Item | 2013 Original Authorized Budget |
|---|---------------------------------|
| CHEEF Administration (CAEATFA) | |
| <i>Start-up costs, CHEEF administration, direct implementation, outreach and training</i> | |
| Allocation per D.13.09.044 for CAEATFA implementation | 5,000,000 |
| CAEATFA outreach and training to finance companies and contractors | 2,000,000 |
| Reserve fund allocation to CAEATFA in November 2016 ¹ | 8,360,000 |
| Credit Enhancement funds allocated to CAEATFA for FYs 20-22, if needed, per Res. E-5072 | 7,700,000 |
| Subtotal allocated to CHEEF administration costs (CAEATFA) | 23,060,000 |
| Expended through 12/31/21 ² | (15,543,049) |
| CHEEF Administration funds remaining | 7,516,951 |
| Marketing, Education, Outreach (MEO) | |
| Statewide MEO plan initial allocation ³ | 8,000,000 |
| Expended through 9/30/20 ⁴ | (7,954,727) |
| ME&O funds remaining | 45,273 |
| Credit Enhancement | |
| Initial allocation per D.13.09.044 | 42,900,000 |
| Earmarked by IOUs for Admin and Direct Implementation per PIPs ⁵ | (9,863,976) |
| Funds allocated to CAEATFA for administration, if needed, for FYs 20-22, per Res. E-5072 ⁶ | (7,700,000) |
| Subtotal Credit Enhancement funds after administration | 25,336,024 |
| Funds expensed as claims payments to lenders (less recoveries) | (198,732) |
| Credit Enhancement funds remaining in budget | 25,137,292 |
| Currently encumbered as of 12/31/21 ⁷ | (3,858,127) |
| Unencumbered Credit Enhancement funds available | 21,279,164 |
| IOU Administration | |
| <i>Start-up costs, On Bill Repayment (OBR) build-out, direct implementation</i> | |
| Administration, general overhead and direct implementation per PIPs | 9,863,976 |
| IT costs | 8,000,000 |
| Subtotal allocated for IOU Administration | 17,863,976 |
| Expended ⁸ | (17,863,976) |
| IOU Administration funds remaining | - |
| CHEEF Pilot Reserve | |
| Initial allocation | 9,344,931 |
| Allocated to CAEATFA for administration in November 2016 | (8,360,000) |
| Reserve funds remaining after administrative allocation | 984,931 |
| Total Original Authorized Budget (total of gray rows) | 75,244,931 |
| Total of Original Budget Expended | (41,560,485) |
| Total Original Budget Remaining | 33,684,446 |

Budget End Notes

1. Funds were authorized per the Joint Ruling of Assigned Commissioner and Administrative Law Judge on Financing Pilots and Associated Marketing Education and Outreach Activities, November 2016.
2. Quarterly expenditures are based on good faith estimates due to a lag in invoice submittals.
3. The initial allocation for ME&O also included \$2 million to CAEATFA for outreach to finance companies and contractors, and is depicted in the Subtotal Allocated to CHEEF Administration Costs (CAEATFA).
4. The contract for the statewide Marketing Implementer is administered by SoCalGas, and numbers reflect data reported to CAEATFA. The previous contract for the Marketing Implementer ended on 9/30/20. Resolution E-5072 permitted a new contract to be issued, keeping spending at current levels with funding from energy efficiency funding already approved and unutilized. From October 1, 2020 through December 31, 2021, the Marketing Implementer spent \$993,787; \$174,582 was spent in Q4 2020, \$225,503 was spent in Q1 2021, \$232,646 was spent in Q2 2021, \$176,540 was spent in Q3 2021, and \$184,515 was spent in Q4 2021.
5. Program Implementation Plans (PIPs) were filed by the IOUs and CHEEF in 2014 and 2015.
6. Resolution E-5072 allows CAEATFA to re-allocate up to \$7.7 million of Credit Enhancement funds for administrative purposes should funding become exhausted before a new long-term budget is allocated by the CPUC.
7. Credit Enhancement funds are allocated to Lender Loss Reserve accounts and recaptured when loans are paid off. They may also be paid out if a lender submits a claim for a default. For more detail, see Table 9 (Summary of Charge-Offs, Claims Paid and Recoveries) and Appendix 2 (Loss Reserve Account Beginning and Ending Balances).
8. CAEATFA does not have access to IOU expense details and assumes that all originally allocated administration funds have been spent. Decision 17.03.026 approved additional expenditures of up to \$500,000 per year, per IOU (and \$800,000 for SoCalGas) from 2017 through 2020, using funding from energy efficiency funding already approved or for incremental funding, subject to the Advice Letter process. Resolution E-5072 authorized the IOUs to continue supporting the CHEEF Programs using their Annual Budget Advice Letter or separate advice letter processes and include funds in future business plan filings.

Appendix 2: Loss Reserve Account Beginning and Ending Balances

IOU Holding Accounts

The IOUs release funds into their respective holding accounts upon approval of CAEATFA staff request. CAEATFA staff coordinates with the IOUs to ensure acceptance of the funds from the IOUs and transfer of these funds to the appropriate Program account.

Table 20: Balance of IOU Holding Accounts

| | SCG | PG&E | SCE | SDG&E |
|--|----------------|--------------|----------------|--------------|
| Beginning Balance (10/1/2021) | \$744.59 | \$732.74 | \$731.27 | \$736.49 |
| Release of CE Funds from IOUs | \$250,000.00 | \$250,000.00 | \$250,000.00 | \$250,000.00 |
| Transfer of CE Funds to GoGreen Home Account¹⁷ | (\$250,000.00) | \$0 | (\$250,000.00) | \$0 |
| Interest Accrued | \$32.91 | \$15.37 | \$14.61 | \$5.26 |
| Ending Balance (12/31/2021) | \$777.50 | \$250,748.11 | \$745.88 | \$250,741.75 |

GoGreen Home-Related Accounts

There are two GoGreen Home-related accounts administered by CAEATFA:

- The **GoGreen Home Program Account** holds the available portion of the requested CE funds that are used to credit enhance projects enrolled in the Program. Once a project is enrolled in the Program, the CE portion of the Claim Eligible Amount is transferred to the Participating Lender's Loan Loss Reserve (LLR) Account. The IOUs hold additional funds budgeted for the Program, and those funds are available to be released to the holding account when needed, then transferred to the Program account.
- The **GoGreen Home Interest Account** holds the interest swept¹⁸ from the GoGreen Home Program Account and all the GoGreen Home Lender Loan Loss Reserve Accounts.

Table 21: Balance of GoGreen Home-Related Accounts

| | GoGreen Home Program | GoGreen Home Interest |
|---|----------------------|-----------------------|
| Beginning Balance (10/1/2021) | \$368,480.53 | \$8,776.49 |
| Credit Enhancement (CE) Funds Released from IOUs | \$500,000.00 | \$0.00 |
| Contributions to Lender Loss Reserve Accounts | (\$489,250.31) | \$0.00 |
| Funds Recaptured from Recoveries | \$0.00 | \$0.00 |
| Funds Recaptured from Annual Rebalance | \$0.00 | \$0.00 |
| Net Interest Earned | \$95.41 | \$2.39 |
| Net Interest Swept | (\$95.41) | \$969.37 |
| Ending Balance (12/31/21) | \$379,230.22 | \$9,748.25 |

¹⁷ Funds received from PG&E and SDG&E in Q4 were transferred into the GoGreen Home Program Account in Q1 2022, which will be reflected in the next quarterly report.

¹⁸ Interest earned in all GoGreen Home-related accounts is swept on a monthly basis into the GoGreen Home Interest account. For Q4 2021, interest earned on GoGreen Home-related accounts totaled \$971.76, of which \$95.41 was earned and swept from the GoGreen Home Program account, \$873.96 was earned and swept from the eight GoGreen Home Lender LLR accounts, and \$2.39 was earned in the GoGreen Home Interest account.

GoGreen Home Lender Loan Loss Reserve Accounts

Each time a lender enrolls a project, a loss reserve contribution of either 11% or 20% (depending on whether or not the loan was made to an underserved borrower) is transferred from the GoGreen Home Program Account into the respective lender's LLR Account. The ending balance on the table below shows the amount the lender has available to offset a borrower defaulting on a loan.

Annual Rebalance of Lender Accounts

D. 13-09-44 directs CAEATFA to recapture funds periodically when loans are paid off to meet the goal of developing a sustainable program, and D. 17-03-026 gives CAEATFA the ability to true up its credit enhancement funds at its discretion. CAEATFA has chosen to complete the recapture of Credit Enhancement funds through an annual rebalance. The rebalance occurs annually in August for the previous fiscal year running July 1-June 30; the rebalance appears in the Q3 report. Recaptured funds are transferred from the Lenders' LLR Accounts back to the Program Account. Claims made by a Lender during the fiscal year reduce the amount of funds recaptured.

Table 22: Balance of GoGreen Home Lender Loss Reserve Accounts

| | California Coast Credit Union | Desert Valleys Federal Credit Union | Eagle Community Credit Union | First U.S. Community Credit Union | Matadors Community Credit Union | One Finance | Pasadena Service Federal Credit Union | Travis Credit Union | Valley Oak Credit Union |
|------------------------------------|-------------------------------|-------------------------------------|------------------------------|-----------------------------------|---------------------------------|-------------|---------------------------------------|---------------------|-------------------------|
| Beginning Balance 10/1/2021 | \$1,669,307 | \$50,354 | \$28,165 | \$271,683 | \$1,015,364 | \$3,721 | \$7,301 | \$130,374 | \$76,820 |
| Claims Paid | (\$20,302) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Loss Reserve Contributions | \$201,699 | \$8,234 | \$0 | \$59,503 | \$84,307 | \$73,716 | \$0 | \$51,197 | \$10,594 |
| Net Interest Earned | \$446 | \$14 | \$7 | \$76 | \$272 | \$1 | \$2 | \$35 | \$20 |
| Net Interest Swept | (\$446) | (\$14) | (\$7) | (\$76) | (\$272) | (\$1) | (\$2) | (\$35) | (\$20) |
| Ending Balance 12/31/2021 | \$1,850,704 | \$58,588 | \$28,165 | \$331,186 | \$1,099,672 | \$77,437 | \$7,301 | \$181,571 | \$87,415 |

GoGreen Business-Related Accounts

Loss reserve accounts for GoGreen Business operate under a similar process as those for GoGreen Home loss reserve accounts. Each time a finance company enrolls a project, 20% of the first \$50,000 of the agreement and 5% of the next \$950,000 is transferred from the GoGreen Business Program account into the respective finance company's loss reserve account. The ending balance on the table below shows the amount the finance company has available in the loss reserve to offset a customer defaulting on a finance agreement.

Table 23: Balance of GoGreen Business -Related Accounts

| | GoGreen Business Program | GoGreen Business Interest |
|---|--------------------------|---------------------------|
| Beginning Balance 10/1/2021 | \$259,716.84 | \$1,131.22 |
| Contributions to Loss Reserve Accounts | \$0.00 | \$0.00 |
| Net Interest Earned | \$69.42 | \$0.31 |
| Net Interest Swept¹⁹ | (\$69.42) | \$104.91 |
| Ending Balance 12/31/2021 | \$259,716.84 | \$1,236.44 |

Table 24: Balance of GoGreen Business Lender Loss Reserve Accounts²⁰

| | Ascentium Capital | DLL Financial Solutions Partner |
|---|-------------------|---------------------------------|
| Beginning Balance 10/1/2021 | \$58,215.29 | \$82,067.87 |
| Claims Paid | \$0.00 | \$0.00 |
| Contributions to Loss Reserve Accounts | \$0.00 | \$0.00 |
| Net Interest Earned | \$13.97 | \$21.52 |
| Net Interest Swept | (\$13.97) | (\$21.52) |
| Ending Balance 12/31/2021 | \$58,215.29 | \$82,067.87 |

¹⁹ Interest earned in all GoGreen Business-related accounts is swept on a monthly basis into the GoGreen Business Interest account. For Q4 2021, interest earned on GoGreen Business-related accounts totaled \$105.22, of which \$69.42 was earned and swept from the GoGreen Business Program account, \$35.49 was earned and swept from the two funded GoGreen Business Finance Company LLR accounts, and \$0.31 was earned in the GoGreen Business Interest account.

²⁰ Loss reserve accounts exist for all five Finance Companies participating in GoGreen Business. Account activity will be reported for the remaining Finance Companies upon enrollment of their first financing agreement with the Program.

Appendix 3: Impact of the Credit Enhancement

The credit enhancement mitigates risk for lenders, yielding better loan terms for customers and encouraging more energy efficiency lending that will help California achieve its greenhouse gas reduction goals. The information below is based on GoGreen Home, the longest-running CHEEF Program.

Based on CAEATFA’s agreements with GoGreen Home lenders, the credit enhancement has resulted in better terms and approval rates for customers. When interested financial institutions submit an application to become a lender, CAEATFA asks them to describe their most similar loan product (typically an unsecured personal loan) and to describe their current interest rate, minimum credit scores, maximum loan amounts and maximum terms for these loans. With this information, CAEATFA is able to ensure that the final and approved GoGreen Home product offers appropriate benefits for borrowers in exchange for lender access to the credit enhancement.

How the Credit Enhancement Makes Financing Feasible for Borrowers

Lenders have made improvements to their existing underwriting criteria as a result of the credit enhancement (which takes the form of a loan loss reserve) that significantly benefit potential borrowers. Private capital leveraged through the Program not only offers improved rates and terms, but often renders energy efficiency projects feasible. Monthly payments are reduced by more than \$300 on average for borrowers who take advantage of the 15-year term length offered by the majority of participating lenders, when compared with a standard 5-year unsecured loan. Coupled with lower interest rates and broader approval criteria, this greatly enhances the appeal and viability of financing for most borrowers and frequently makes the difference between completing or not completing an energy retrofit. This example illustrates these features in practice, using current rates and terms from a Participating Finance Company:

| | Without GoGreen Home | With GoGreen Home |
|--------------------------|---|--------------------------|
| Loan Details | Borrower has a credit score of 600 and seeks \$15,000 | |
| Financing Product | Unsecured personal loan | GoGreen Home Energy Loan |
| Interest Rate | 20.88% | 6.38% |
| Term Length | 5 years | 15 years |
| Monthly Payment | \$405 | \$130 |

Feasibility of financing is measured in a number of ways:

- **Access to credit:** Lenders typically require borrowers to have a minimum credit score of around 640 for unsecured loans of any significant value. Through GoGreen Home, lenders are able to approve loans for borrowers with credit scores as low as 580.
- **Affordable monthly payments:** The vast majority of private lenders typically offer a maximum term length of 5 years for unsecured loans. Through GoGreen Home, lenders are able to extend terms out to 15 years, which significantly lowers monthly payments for borrowers.
- **Access to capital:** Sufficient access to capital is needed for deeper energy retrofits. While lenders typically limit unsecured loans to about \$25,000, most lenders are able to offer up to \$50,000 for all borrowers through GoGreen Home.

See Table 14 (Financing Feasibility Metrics) in the GoGreen Home reporting section for tracking of GoGreen Home loans enrolled that demonstrate these criteria.

Table 25: Impact of the Credit Enhancement on Loan Terms by GoGreen Home Lender

Because lenders are free to set their own underwriting criteria within program guidelines, individual products vary from lender to lender. The table below provides some highlights of changes that resulted from the credit enhancement. When a range is stated below, it generally ties back to the borrower’s credit score.

| | Interest Rate | Minimum Credit Score | Maximum Loan Amount | Maximum Loan Term |
|--|---|-------------------------------|---|--|
| STATEWIDE LENDERS | | | | |
| California Coast Credit Union | <i>Reduced by:</i> 690 – 1650 basis points (bps) ²¹ | No change from existing 600 | <i>Increased:</i> \$30,000 to \$50,000 | <i>Increased:</i> 5 years to 15 years |
| Matadors Community Credit Union | <i>Reduced by:</i> 641 – 891 bps | <i>Reduced:</i> 660 to 580 | <i>Increased:</i> \$15,000 to \$50,000 | <i>Increased:</i> 5 years to 15 years |
| REGIONAL LENDERS | | | | |
| Desert Valleys Federal Credit Union | <i>Reduced by:</i> 749 – 1100 bps | No change from existing 580 | <i>Increased:</i> \$15,000 to \$50,000 | <i>Increased:</i> 5 years to 15 years |
| Eagle Community Credit Union | <i>Reduced by:</i> 704 – 1179 bps | No change from existing 580 | <i>Increased:</i> \$25,000 to \$50,000 | <i>Increased:</i> 5 years to 15 years |
| First US Community Credit Union | <i>Reduced by:</i> 280 – 1100 bps | <i>Reduced:</i> 640 to 580 | <i>Increased:</i> \$25,000 to \$50,000 | <i>Increased:</i> 5 years to 15 years |
| One Finance | <i>Reduced by:</i> 598 bps | <i>Reduced:</i> 640 to 580 | No change from existing \$5,000 | No change from existing 5 years |
| Pasadena Service Federal Credit Union | <i>Reduced by:</i> 450 – 850 bps | No change from existing 600 | <i>Increased:</i> \$20,000 to \$30,000 | <i>Increased:</i> 5 years to 15 years |
| Travis Credit Union | <i>Reduced by:</i> 200 – 300 bps | <i>Reduced:</i> 680 to 600 | <i>Increased:</i> \$35,000 to \$50,000 | No change from existing 15 years |
| Valley Oak Credit Union | <i>Reduced by:</i> 333 – 783 bps | No change from existing 580 | <i>Increased:</i> \$20,000 to \$50,000 | <i>Increased:</i> 5 years to 15 years |
| <i>The interest rates reflected in this table are effective as of December 31, 2021.</i> | | | | |

²¹ “bps” = Basis point, a common unit of measure for interest rates. A single basis point is equal to 1/100th of 1% (e.g., 100 bps = 1%).

How the Credit Enhancement Helps Achieve Program Goals

The credit enhancement is more than just a financial mechanism. For CHEEF Programs, it means the difference between achieving program goals—increasing the availability of attractive financing for energy investments throughout California, including for underserved borrowers—and not. The table below demonstrates the impact of the credit enhancement in several scenarios:

Table 26: Impact of the Credit Enhancement on Achieving Program Goals

| | Without GoGreen Home | With GoGreen Home |
|---|---|---|
| Borrower has a credit score of 600: | Borrower would be unlikely to qualify for a personal loan. | Borrower may qualify for a GoGreen Home loan with a term of 5, 10 or 15 years, paying an interest rate as low as 3.49% for a 5-year term and 5.49% for 15 years. |
| Borrower wants a 5-year repayment term: | Assuming a credit score of 600, borrower could take out a personal loan with a rate of 20.88% ²² using a GoGreen Home lender’s market-rate product. The resulting payment on a \$25,000 loan would be \$675 per month. Borrower may not be able to afford the high monthly payment. | Assuming a credit score of 600, borrower could qualify for a GoGreen Home loan with interest as low as 4.38% for a 5-year term, using the same lender’s GoGreen Home product. Borrower’s payment on a \$25,000 loan would be \$465 each month, a \$210 monthly savings from the lender’s market-rate product. |
| Borrower wants the lowest monthly payment: | Unsecured personal loans with 15-year terms are largely unavailable in today’s market. | Borrowers can spread out monthly payments up to 15 years through GoGreen Home. Assuming a credit score of 600, a \$25,000 loan with a 15-year term could receive a rate as low as 6.38% from the same GoGreen Home lender, resulting in payments of only \$216 per month, a reduction of \$459 per month from the lender’s 5-year market-rate product. |

²² The rate of the equivalent non-GoGreen Home signature loan product offered by a Participating Finance Company.

Appendix 4: Participating Finance Company Overview

All CHEEF Programs leverage private capital through participating Finance Companies. Each Finance Company enrolls in a CHEEF Program through an application process and subsequently receives credit enhancements for the financing they enroll that meets program criteria. There are currently:

- **9 participating GoGreen Home Lenders:** California Coast Credit Union, Desert Valleys Federal Credit Union, Eagle Community Credit Union, First US Community Credit Union, Matadors Community Credit Union, One Finance, Pasadena Service Federal Credit Union, Travis Credit Union, and Valley Oak Credit Union
- **5 participating GoGreen Business Finance Companies:** Accessity, Alliance Funding Group, Ascentium Capital, DLL Financial Solutions Partner, and Renew Energy Partners
- **2 participating GoGreen Multifamily Finance Companies:** Ascentium Capital and Renew Energy Partners

Table 27: Participating GoGreen Home Lenders

| | Date Enrolled | Areas Served | Type of Institution | Total Loans Enrolled | Loans Enrolled in Q4 2021 |
|---|----------------|---|--------------------------------|----------------------|---------------------------|
|  | September 2016 | Statewide | Credit Union (185,000 members) | 946 | 70 |
|  | September 2016 | Portions of Inyo, Kern, and San Bernardino Counties | Credit Union (4,000 members) | 36 | 5 |
|  | March 2018 | Orange County | Credit Union (20,000 members) | 11 | 0 |
|  | July 2021 | SoCalGas territory, with additional territories expected | FinTech | 298 | 284 |
|  | June 2018 | 12 Counties in Northern California | Credit Union (25,000 members) | 169 | 28 |
|  | March 2016 | Statewide | Credit Union (20,000 members) | 436 | 24 |
|  | April 2018 | Pasadena County, statewide federal employees | Credit Union (11,000 members) | 3 | 0 |
|  | March 2021 | 12 Counties in Northern California | Credit Union (135,000 members) | 72 | 21 |
|  | August 2015 | Madera and Tulare Counties, employer groups in Kings & Fresno | Credit Union (6,700 members) | 36 | 2 |

Table 28: Participating GoGreen Business Finance Companies

















| | Date Enrolled | Areas Served | Type of Institution | Products Offered | Financing Limits | Total Projects Enrolled |
|---|------------------------|--|--|---|-------------------------|-------------------------|
|  | May 2021 ²³ | Southern California (San Diego County) | Community Development Financial Institution (CDFI) | Loans | \$500 - \$5,000 | 0 |
|  | May 2019 | Statewide | Equipment Financing Company | Equipment leases | \$10,000 - \$5 million | 0 |
|  | March 2019 | Statewide | Equipment Financing Company | Equipment finance agreements | \$10,000 - \$2 million | 6 |
|  | March 2019 | Statewide | Finance Company | Equipment leases, service agreements, loans | \$5,000 - \$5 million | 4 |
|  | January 2021 | Statewide | Energy Service Agreement Provider | Efficiency service agreements | \$250,000 - \$5 million | 0 |

Table 29: Participating GoGreen Multifamily Finance Companies

| | Date Enrolled | Areas Served | Type of Institution | Products Offered | Financing Limits | Total Projects Enrolled |
|---|----------------|--------------|-----------------------------------|-------------------------------|--------------------------|-------------------------|
|  | September 2020 | Statewide | Equipment Finance Company | Equipment finance agreements | \$10,000 - \$250,000 | 0 |
|  | August 2019 | Statewide | Energy Service Agreement Provider | Efficiency service agreements | \$250,000 - \$10 million | 0 |







²³ Accessity will begin offering loans in the Program via a third party-implemented utility program in SDG&E territory in 2022, pending CPUC approval of measures to be incorporated into the program that are suitable for financing.

Appendix 6: Enrolled Finance Company Product Features
Table 30: Enrolled GoGreen Home Lender Product Features

|  | | GoGreen Home Energy Financing <i>Lending options for residential energy upgrades</i> | | | | |
|--|--|--|--------------------|----------------------|---|--|
| ✓ No closing costs or annual fees ✓ No collateral required ✓ Terms up to 15 years Start today! GoGreenFinancing.com | | | | | | |
| | Lending Area | APR ¹ (12/29/2021) | Loan Size | Minimum Credit Score | Pre-Approval | Contact Info |
| STATEWIDE LENDERS | | Available to borrowers in: | | | | |
|  | Anywhere in California | 2.98% - 6.38% 2.98% rate limited to \$30,000 and 30-month term | \$2,500 - \$50,000 | 600 | Instant pre-approval for qualified borrowers (up to \$25,000) | (858) 495-1637 CCCU Energy Group: Ray, Zak, Bill & Katya energy@calcoastcu.org |
|  | Anywhere in California | 3.49% - 5.49% | \$2,500 - \$50,000 | 580 | Within one business day | (818) 993-6328, option 4 MCCU Consumer Lending energy@matadors.org |
| REGIONAL LENDERS | | Available to borrowers in: | | | | |
|  | Indian Wells Valleys, Searles Valley, Kern River Valley, Bishop, Barstow, and parts of Kern and Inyo counties | 4.00% - 8.00% | \$2,500 - \$50,000 | 580 | Within one business day | (866) 743-6497 Eric Bruen REEL@desertvalleys.org |
|  | Orange County | 3.95% - 7.95% | \$2,500 - \$50,000 | 580 | Within one business day | (949) 639-7996 Federico Soto energy@eaglecu.org |
|  | Sacramento, Placer, Nevada, El Dorado, Amador, Yuba, Yolo, Sutter, San Joaquin, Solano, Sierra, and Contra Costa counties ² | 2.95% - 7.49% 2.95% rate limited to 36-month term | \$2,500 - \$50,000 | 580 | Within one business day | (800) 556-6768 x2009 First US Consumer Lending energy@firstus.org |
|  | Pasadena, Covina, Vernon, and the greater San Gabriel Valley | 4.99% - 8.10% | \$2,500 - \$30,000 | 600 | Within one business day | (626) 351-9651 PSFCU Lending lending@mypsfcu.org |
|  | Alameda, Colusa, Contra Costa, Merced, Napa, Placer, Sacramento, San Joaquin, Solano, Sonoma, Stanislaus, and Yolo counties ³ | 3.99% - 7.99% | \$1,000 - \$50,000 | 600 | Instant pre-approval for qualified borrowers | (707) 392-9277 Carla Eaton ceaton@travisfcu.org |
|  | Tulare County and Madera County ⁴ | 5.62% - 8.12% | \$1,500 - \$50,000 | 580 | Within one business day | (559) 688-5996 x2315 Kiersty Vaughan kvaughan@valleyoak.org |




¹ APR = Annual percentage rate. May include .5% auto-pay discount. Rates are subject to change at any time. Check with lender for the most up-to-date rate information. ² Existing and retired federal employees throughout the State of California are also eligible. ³ Available to homeowners who receive gas and electric service from PG&E. ⁴ Valley Oak can lend to select employee groups in Kings and Fresno counties. Please see Valley Oak's website for membership details.

Table 31: Enrolled GoGreen Business Finance Company Product Features²⁴

|  | |  | | | |
|--|--|---|---|--|---|
| | |  |  |  |  |
| | | Equipment finance agreements | Equipment leases, service agreements ¹ , and loans | Equipment leases | Efficiency service agreements |
| Contact | | Josh Patton (281) 902-1969 joshpatton@ascentiumcapital.com Ascentium.info/GoGreen19 | Gillianne Daum (267) 637-9924 gdaum@leasedirect.com | David Goldstein (714) 450-1026 dgoldstein@alliancefunds.com | Michael Savage (888) 938-6256 x703 msavage@renewep.com |
| Amount available | | \$10,000 - \$2,000,000 | \$5,000 - \$5,000,000 | \$10,000 - \$5,000,000 | \$250,000 - \$5,000,000 |
| Term | | 12 - 60 months <small>Up to 84 months if required for project cash flow</small> | 12 - 84 months <small>Up to 120 months if required for project cash flow</small> | 12 - 120 months | 60 - 120 months |
| FEATURES | | | | | |
| Contractor prefunding | | Prefunding up to 95% of financed amount ² | Progress payments up to 50%, escrow funding up to 90% ² | Progress payments up to 50%: 30% prior to delivery and 20% upon delivery | Prefunding up to 50%, milestone payments also negotiable |
| Generation and storage measures financeable | | ✓ | ✓ | | ✓ |
| Credit approval process | | Approved within 2 business hours and no financials required (up to \$250,000) | Approval within 24 business hours (up to \$250,000) and no financials required (up to \$125,000) | Approval within 24 hours and no financials required (up to \$300,000) | Full underwrite required |
| Other features | | <ul style="list-style-type: none"> • Payments as low as \$29 / month for the first 3 or 6 months of the term | <ul style="list-style-type: none"> • DLL can bill for and collect regular service and maintenance charges for contractor | <ul style="list-style-type: none"> • Cannabis operations may qualify • Lease reamortization option after 5 years | <ul style="list-style-type: none"> • Monthly payment is less than the savings, so project results in positive cash flow from day one • Ongoing service and maintenance included |
| On-bill repayment (coming soon) | | | | | |
| CUSTOMER ELIGIBILITY | | | | | |
| Tenant occupants permitted | | ✓ | ✓ ³ | ✓ ^{3,4} | ✓ |
| Minimum months in business | | 12 months (up to \$100,000) <small>Greater amounts require 18+ months in business</small> | 18 months | 12 months (up to \$300,000) <small>Greater amounts require 36+ months in business</small> | 36 months |
| <small>¹ Service agreements require a minimum of \$50,000 and at least a 36-month term. ² Contractors must pass credit check. ³ If financing term is less than or equal to time remaining on occupancy lease. ⁴ Limited to measures not affixed to property.</small> | | | | | GoGreenFinancing.com <small>09/28/2021</small> |
| <small>All financing is subject to credit approval and compliance with the program terms. Rates and terms are subject to change. Please contact the finance company representatives above for up to date information.</small> | | | | | |

²⁴ While Accessity enrolled in GoGreen Business in Q2, their financing is not yet available as they will be offering it through an IOU third-party program in SDG&E territory that has not yet incorporated financing.

Table 32: Enrolled GoGreen Multifamily Finance Company Product Features

|    | | |
|--|--|---|
| GoGreen Affordable Multifamily Energy Financing <i>Helping affordable multifamily property owners invest in energy efficiency</i> | | |
| | Equipment finance agreements | Efficiency service agreements |
| Amount available | \$10,000 - \$250,000 | \$250,000 - \$10,000,000 |
| Terms | 12-84 months | 60-120 months |
| Fees | \$195 (\$295 if prefunding) | No upfront fees Early termination fees apply |
| Features | <ul style="list-style-type: none"> Similar to a lease, but ownership resides with customer throughout term 48-hour credit approval | <ul style="list-style-type: none"> Service payments based on savings Potential off-balance sheet treatment Installation and maintenance included |
| Collateral | UCC-1 Fixture Filing, no property lien | UCC-1 Fixture Filing, no property lien |
| What can be financed* | | |
| Energy efficiency & demand response | ✓ | ✓ |
| Soft costs | ✓ | ✓ |
| Non-energy saving measures | ✓ | ✓ |
| Distributed generation & battery storage | ✓ | ✓ |
| Contact | | |
| | Josh Patton 281-902-1969 joshpatton@ascentiumcapital.com | Michael Savage 888-938-6256 x703 msavage@renewep.com |
| <small>*All financing is subject to credit approval and compliance with the program terms. Rates and terms are subject to change. Please contact the finance company representatives above for up-to-date information.</small> | | |
| 09/10/2021 | | GoGreenFinancing.com |

Appendix 6: CHEEF Infrastructure

CAEATFA is creating a statewide platform for finance companies and contractors to participate in the uptake of energy efficiency projects through increased access to financing. As the administrator of the CHEEF, CAEATFA is responsible for developing uniform program requirements, standardized documentation and processes, and acting as a central entity to facilitate investment in energy efficiency projects and implementation of the programs.

Key infrastructure elements needed to implement the CHEEF include a Master Servicer, Trustee Bank, Contractor Manager, Marketing Implementer, and Technical Advisors. Below are descriptions of each of these roles and information regarding their current status.

Master Servicer

| | |
|----------------------|---|
| <i>Organization</i> | Concord Servicing Corporation |
| <i>Duties</i> | The Master Servicer plays a key role in the daily administration of the programs, accepting loan enrollment applications and processing on-bill repayment transactions. |
| <i>Contract Term</i> | 10/22/20 – 7/31/22 |
| <i>Notes</i> | Option for two one-year extensions. |

Trustee Bank

| | |
|----------------------|---|
| <i>Organization</i> | Zions Bank |
| <i>Duties</i> | The Trustee Bank holds the ratepayer funds provided by the IOUs to serve as Credit Enhancements under the various programs. CAEATFA provides direction to the Trustee Bank to transfer CE funds between various accounts. |
| <i>Contract Term</i> | 1/1/21 – 12/31/23 |
| <i>Notes</i> | No option for extension. |

Contractor Manager

| | |
|----------------------|---|
| <i>Organization</i> | Frontier Energy |
| <i>Duties</i> | The Contractor Manager recruits, enrolls, trains, and supports contractors and conducts quality control oversight of projects not participating in an IOU rebate/incentive program. |
| <i>Contract Term</i> | 6/4/19 – 5/28/22 |
| <i>Notes</i> | A one-year, no-cost extension of the contract was approved on 5/24/21. |

Marketing Implementer

| | |
|----------------------|--|
| <i>Organization</i> | Center for Sustainable Energy |
| <i>Duties</i> | The Marketing Implementer is responsible for leading statewide marketing campaigns and administers GoGreen Financing, the customer-facing platform for information on CHEEF programs. The contract for the Marketing Implementer is held by SoCalGas and is not administered by CAEATFA nor represented in CAEATFA's administrative costs. However, the Marketing Implementer works closely with CAEATFA and the IOUs to manage customer marketing for the programs. The Center for Sustainable Energy (CSE) has served as the Marketing Implementer since 2014. |
| <i>Contract Term</i> | 10/1/20 – 9/30/22 |
| <i>Notes</i> | The CPUC's Resolution E-5072 approved continued marketing activity for the CHEEF Programs. This contract has an option for a one-year extension. |

Technical Advisor

The Technical Advisor provides expertise to CAEATFA in the development and implementation of the CHEEF programs.

| | |
|----------------------|--|
| <i>Organization</i> | Energy Futures Group (EFG) |
| <i>Duties</i> | Provides technical assistance for program research development and implementation. |
| <i>Contract Term</i> | 3/13/19 – 3/13/22 |
| <i>Notes</i> | A one-year, no-cost extension of the contract was approved on 3/10/21. There are no additional extensions remaining. |

Appendix 7: Program Design

GoGreen Home Energy Financing

The GoGreen Home Energy Financing Program (GoGreen Home) provides attractive financing to owners and renters of existing residential properties who select from a broad list of energy efficiency measures intended to reduce energy consumption. Customers may upgrade a single-family home, townhome, condo, duplex, triplex, fourplex or manufactured home. Renovations for up to four units can be bundled into the same loan.

As with all CHEEF programs, eligibility requires that the property receive electric or natural gas service from at least one of the IOUs: PG&E®, SDG&E®, SCE® or SoCalGas®. Properties in areas served by community choice aggregators (CCAs) or electric service providers (ESPs) qualify. Those in areas served by publicly owned utilities (POUs) qualify only if they also receive energy service from an IOU (for example, electricity from the Sacramento Municipal Utility District and natural gas from PG&E). For financing to be considered “claim-eligible” in the case of a default, 70% of that financing must be used to fund the installation of measures that use the type of energy that the IOU delivers.

CHEEF staff strive to make GoGreen Home financing available to underserved borrowers while also ensuring that credit is extended appropriately and without unintended negative consequences for the borrower. GoGreen Home loans are approved for customers with the cash flow to repay them, and customers who are eligible for free services are directed to them rather than encouraged to take on debt.

In keeping with the CPUC’s directive that a third of credit enhancement funds should support loans to Low-to-Moderate Income (LMI) customers, when GoGreen Home launched, the program provided a 20% loan loss reserve contribution for loans to LMI borrowers and an 11% loan loss reserve contribution to non-LMI borrowers. In 2018, reflecting the fact that lenders had a difficult time determining “household” income and lenders were more sensitive to credit scores than income status when approving or not approving loans, CAEATFA added an additional methodology to determine LMI eligibility and offered the 20% loan loss reserve contribution to credit-challenged customers. Currently, a 20% credit enhancement is provided for loans in which:

- **Property is in a LMI Census Tract** – Area Median Income (AMI) of the property census tract does not exceed 120% of the AMI for the Metropolitan Area, County, or State.
- **Borrower’s Household Income is Low-to-Moderate**– Borrower’s household income is at or below 120% of the AMI for the Metropolitan Area, County, or State.
- **Borrower is Credit-Challenged** – A borrower whose credit score is less than 640 (if the lender has opted in to the Credit-Challenged facility by demonstrating additional benefits to credit-challenged borrowers).

At the same time that the Program seeks to make financing available to underserved customers, GoGreen Home is a debt program, and borrowers, no matter their income or credit score, need to have adequate monthly cash flow to repay loans to avoid negative consequences. This is achieved through required debt-to-income limits and the fact that lenders have “skin in the game” on every loan that they issue. Lenders are able to access up to 90% of the claim-eligible charged-off principal amount in the event of a default provided they have the funds in their loss reserve account.

GoGreen Home launched in July 2016, and the current Program regulations were adopted in May 2021. Program regulations may be viewed on [the CAEATFA website](#).

GoGreen Business Energy Financing

The GoGreen Business Energy Financing Program (GoGreen Business) provides financing to help small business property owners and tenants upgrade their equipment or buildings. Financing through GoGreen Business is available to small businesses, nonprofits and market rate multifamily properties (5 or more units) that meet at least one of the following business size requirements: Employ 100 or fewer individuals; receive annual revenue of less than \$15 million; and/or fall within SBA size guidelines (annual revenue limits up to \$41.5 million, depending on industry).

Business owners are able to finance 100% of project costs and may finance a single measure project or a comprehensive and deep energy retrofit. There are three methods of project qualification for GoGreen Business:

1. The Program has published a searchable and downloadable [list of pre-qualified energy saving measures \(ESMs\)](#). Measures on the ESM list can be financed without any additional approval. This includes any measure that qualifies for an IOU, REN or CCA program.
2. Any measure approved by an IOU, REN, or CCA custom incentive program for the property within the last 24 months is eligible.
3. For any measures that are not listed on the ESM list or tied to a custom incentive program, an Energy Professional can certify that the installation of the measure will result in energy savings compared to existing conditions. For GoGreen Business, an eligible Energy Professional is a California licensed Professional Engineer (PE) or an Association of Energy Engineers Certified Energy Manager (CEM).

As with all CHEEF Programs, eligibility requires that the property receive electric or natural gas service from at least one of the IOUs: PG&E®, SDG&E®, SCE® or SoCalGas®. Properties in areas served by community choice aggregators (CCAs) or electric service providers (ESPs) located within IOU territories qualify. Those in areas served by publicly owned utilities (POUs) qualify only if they also receive energy service from an IOU.

To best accommodate the small business energy efficiency market, GoGreen Business facilitates a variety of financing instruments for potential customers to consider, including loans, equipment leases, service agreements and savings-based payment agreements; each participating Finance Company offers products from this menu of authorized instruments. Small business owners may finance up to \$5 million. Available financing options are viewable on the [GoGreen Financing website](#).

For participating finance companies, up to \$1 million of the financed amount is eligible to receive a credit enhancement in the form of a loss reserve contribution, as follows:

- The first \$50,000 of claim-eligible financing will receive a loss reserve contribution at 20%
- Remainder (up to an additional \$950,000) will receive a loss reserve contribution at 5%
- Maximum loss reserve contribution per agreement will be \$57,500

Lenders are able to access up to 90% of the claim-eligible charged-off principal amount in the event of a default provided they have the funds in their loss reserve account.

GoGreen Business launched in July 2019, and current Program regulations went into effect in July 2021. Program regulations may be viewed on [the CAEATFA website](#).

GoGreen Affordable Multifamily Energy Financing

GoGreen Affordable Multifamily Energy Financing (GoGreen Multifamily) seeks to facilitate energy efficiency retrofits in multifamily properties of five or more units where at least 50% of the units are income-restricted at low to moderate (80-120% of area median income). To be eligible, properties must remain affordable for at least five years.

GoGreen Multifamily will fund any energy efficiency or demand response measure approved for rebate and incentive by any IOU, REN or CCA, as well as any measure from the Energy Saving Measures list developed for use in GoGreen Business. In-unit as well as common area measures are eligible. The financed amount may include non-energy efficiency improvements; solar photovoltaic and distributed generation may be financed but will not receive a credit enhancement.

Key GoGreen Multifamily features include:

- No minimum or maximum financing size
- The first \$1 million of each financed project will be credit enhanced at 15% of the claim-eligible amount
- Fixed or variable rates allowed
- No underwriting requirements imposed on the Finance Company; underwriting is based on participating Finance Company requirements
- Designed to integrate with existing affordable multifamily housing energy programs such as the Low-Income Weatherization Program (LIWP) and Solar On Multifamily Affordable Homes (SOMAH)

Like GoGreen Business, GoGreen Multifamily supports traditional loans and leases as well as energy service agreements and savings-based payment agreements. Available financing options are viewable on the [GoGreen Financing website](#).

As with all CHEEF Programs, eligibility requires that the property receive electric or natural gas service from at least one of the IOUs: PG&E®, SDG&E®, SCE® or SoCalGas®. Properties in areas served by community choice aggregators (CCAs) or electric service providers (ESPs) located within IOU territories qualify. Those in areas served by publicly owned utilities (POUs) qualify only if they also receive energy service from an IOU.

GoGreen Multifamily regulations went into effect in June 2020. Program regulations may be viewed on [the CAEATFA website](#).

Nonresidential Program

Like all the CHEEF financing programs, the Nonresidential Program is intended to encourage growth in private market lending to support energy efficiency improvements, in this case for public and large commercial buildings. Though a credit enhancement will not be provided, the Program will be designed to provide financing, which will be repaid on the utility bill, for building energy efficiency, distributed generation, battery storage and demand response projects. The flexibility of the program will allow the combination of financing with IOU rebates and other incentives.

The Nonresidential Program is not being developed at this time. Launch of the Nonresidential Program is dependent on the development of On-Bill Repayment (OBR) functionality. With OBR expected to launch in 2022, CAEATFA is considering requesting that the CPUC re-authorize the development of this Program to allow large commercial and nonresidential entities to access the OBR infrastructure for their energy upgrades.

Appendix 8: Customer-Facing Products

Customer-facing products are discussed throughout this report, but this Appendix functions as a summary.



Designed and implemented by the Marketing Implementer, the Center for Sustainable Energy (CSE), with input and direction from CAEATFA and the IOUs, GoGreen Financing (www.gogreenfinancing.com) serves as the primary customer-facing platform for the financing programs. The platform was translated into Spanish in November 2020 (www.gogreenfinancing.com/es).

GoGreen Financing contains information for end users (customers), contractors, finance companies and partners for each of the programs. Some of the resources on the website include:

- Pages that allow potential GoGreen Home borrowers to find a local participating Contractor, review the rates of participating Lenders and apply for a GoGreen Home loan online through the participating Lender’s website
- Pages that allow potential GoGreen Business customers to find a participating Contractor or Project Developer, review the products offered by participating Finance Companies and apply for a GoGreen Business finance agreement through the participating Finance Company’s website
- Program descriptions and benefits of GoGreen Multifamily and information about products offered by participating Finance Companies
- Partner resources for interested contractors, finance companies, local governments and nonprofits (some of which are available to these organizations to co-brand), including:
 - Customer-facing flyers, available in both English and Spanish
 - Finance company comparison charts
 - PowerPoint Presentations
 - Partner talking points
 - GoGreen Home case studies

The image shows two screenshots from the GoGreenFinancing.com website. The left screenshot is a 'GoGreen Home Energy Financing' lender chart. It features a table with columns for 'Lending Area', 'APR (6.99-12.99)', 'Loan Size', 'Maximum Credit Score', 'Pre-Approval', and 'Contact Info'. The table lists various lenders such as CALIFORNIA COAST, MICHIGAN COMMERCIAL CREDIT UNION, and others, along with their respective APR ranges and loan sizes. The right screenshot is the 'Find a contractor' tool, which includes a search bar for 'Search by Name', a dropdown for 'Service Type', and another dropdown for 'Other Languages'. Below these fields is a green 'Search' button and a small 'Find a contractor' banner with a photo of three people.

Screenshots of the GoGreen Home lender chart and Find a Contractor tool from GoGreenFinancing.com

Appendix 9: Reporting Requirements

CPUC Decision 21-08-006 requires CAEATFA to report on metrics and key performance indicators from the CHEEF Programs, including performance metrics previously adopted for financing evaluations in Attachment 1 of Resolution E-4900. While most of the requested reporting has been included in these reports for several years prior to these requirements being issued, some aspects require significant capacity to implement and will need to be incorporated into quarterly reports on a rolling basis through Q4 2022. The tables below outline these reporting requirements and CAEATFA’s compliance with them.

Table 33: CHEEF Program Reporting Requirements from Resolution E-4900, Attachment 1

| | Current Reporting Status | Target Reporting Timeframe | Notes |
|---|--|--|---|
| Number of loans issued: <ul style="list-style-type: none"> Monthly growth Total amount financed Geographic distribution of loans | Included in quarterly reports and monthly data summaries | Reporting pre-dates requirement | New reporting requirements from D.21-08-006 are intended to provide insights into how the Programs serve underserved populations. View current reporting on how GoGreen Home serves the underserved on pages 15-16. |
| Private capital participation: <ul style="list-style-type: none"> Number of participating lenders Types of financial institutions participating Amount of private capital attracted | Included in quarterly reports and monthly data summaries | Reporting pre-dates requirement | |
| Reach to underserved Californians: <ul style="list-style-type: none"> Credit scores of loan recipients Payback term length Percentage of participants deemed “underserved” by CalEnviroScreen data Whether participants would have qualified for or been able to accept loans from existing programs | Included in quarterly reports and monthly data summaries | Reporting pre-dates requirement; additional data on participant qualification added in Q3 2021 | New data has been added to the quarterly reports and monthly data summaries as of September 2021 to provide insight into whether financing would have been feasible for borrowers without the program and the products borrowers would have been able to qualify for from participating lenders without the CHEEF Programs. |
| Energy savings²⁵: <ul style="list-style-type: none"> Through customer meter data Through NMEC analysis Comparison of energy savings from other loan programs | Not currently reported | Q2 2022 | Staff plan to publish an initial deemed energy savings report in the first half of 2022 (ahead of schedule) covering loans enrolled in GoGreen Home through December 2021. CAEATFA will not be able to provide an NMEC analysis without the IOUs sharing energy consumption data with a vendor who will calculate savings. |

²⁵ D.21-08-006 allows for flexibility in how CAEATFA reports on this metric; while all three metrics adopted in Resolution E-4900 are required for formal evaluations of the Programs, D.21-08-006 asks CAEATFA to report on “annual estimated energy savings from installed measures.”

Table 34: CHEEF Program Reporting Requirements from D.21-08-006

| | Current Reporting Status | Expected Reporting Timeframe | Notes |
|---|--|---|--|
| Customer participation | Included in quarterly reports | Reporting pre-dates requirement | Several data points are provided, including loan volume and enrollment maps. |
| Loan performance statistics | Included in quarterly reports and monthly data summaries | Reporting pre-dates requirement | Currently reported for GoGreen Home, as other programs have not yet experienced any defaults or recoveries. |
| Costs associated with service of non-IOU customers | Not currently reported | TBD | Reporting will begin when a non-IOU funding source is successfully secured. Reporting will include the ratepayer funding spend percentage for all Programs and for shared fuel measures. |
| Administrative costs of the CHEEF (in nominal dollars and as a % of program spending) | Included in quarterly reports | Reporting pre-dates requirement for nominal dollars; improvements coming in 2022 | Administrative costs have been reported as part of the budget table in Appendix 1. Administrative costs as a percentage of Program spending can be derived from the budget table, but will be shown more clearly as new budget reporting is developed. |
| Annual estimated energy savings from installed measures | Not currently reported | Q2 2022 | Staff plan to publish an initial deemed energy savings report in the first half of 2022 (ahead of schedule), covering loans enrolled in GoGreen Home through December 2021. |
| Annual estimated non-energy benefits from installed measures | Financial benefits are currently reported | Q2 2022 | Interest rate savings and monthly payment reductions due to the credit enhancement are currently reported for GoGreen Home (see table 11). Staff plan to launch a post-project customer survey to collect information about other non-energy benefits in 2022. |
| Geographic breakdown of financing that includes, to the extent possible, ethnicity and socioeconomic data of loan recipients | Not currently reported | Q3 2022 | Staff plan to launch a post-project customer survey to collect this data (to the extent possible) beginning in 2022. |
| Mean and median loan values | Included in quarterly reports and monthly data summaries | Reporting pre-dates requirement for mean values; median values included as of Q3 2021 | |
| Mean and median Annual Percentage Rates (APRs) | Included in quarterly reports and monthly data summaries | Reporting pre-dates requirement for mean values; Q3 2021 for median values | GoGreen Home interest rates are currently equivalent to the APR as no additional fees are charged by participating lenders for these loans. |