

Local Energy Resources Network



Meeting 7
April 12, 2022

*Let's LERN Together – Featuring a
Conversation with CAEATFA*



Welcome!

Purpose

Interactive 1-hour meetings designed to be a regular space where local governments - and those who work with them - can help each other learn about (and possibly inform) available opportunities to advance their energy and climate goals.

TODAY'S AGENDA

- Opportunity Roundtable + Spotlight
- Featured Discussion:
California Hub for Energy Efficiency Financing (CHEEF) at CAEATFA
- BPC Workshop



Opportunity Roundtable

Opportunities for...

1

Funding

- [USDA Rural Energy Pilot Program](#) **NEW** (Letter of Intent 4/18/22)
 - [CEC: CalSHAPE](#) **NEW** (5/31/22)
 - [SGC: Transformative Climate Communities](#) (7/1/22)
- COMING SOON:**
- [EPIC - Storage](#) (April 2022)
 - [OPR: Community Economic Resilience Fund](#) NOFA (Week of May 23 - July 25, **8 week solicitation window**)
 - [SGC: Regional Climate Collaborative NOFA](#) (Spring 2022)

2

Other Assistance

- [CivicSpark](#) **NEW** (partners apply now!)
- [PG&E Community Microgrid Enablement](#) **NEW** (ongoing)
- [DOE C-PACE Toolkit](#)

3

Input

- [CERF Round 2 Public Comment](#)
 - Guidelines (mid April)
 - Regional workshops (April 26,27 & May 3,5)

On the horizon...

Federal

-[Infrastructure Law \(2021\)](#)

- [Guidebook](#)
- [Program Spreadsheet](#)
- **EECBG (Fall 2022)**
- **Storage demo grants**
- **Energy Futures Grants**

-[Biden 2022-2023 Budget](#)

-[Build Back Better Bill \(hold\)](#)

State

- [CA Proposed State Budget 2022-23](#)
- [State Adaptation Strategy](#)
- [OPR Climate Adaptation and Resilience Planning Grant \(\\$25M\)](#)
- [CPUC Microgrid Incentive Program \(\\$200M\)](#)



Opportunity Spotlight

Cost Share for Federal Clean Energy Funding Opportunities (CEC EPIC)

Applicants that apply for and receive an award under an eligible federal funding opportunity can obtain cost share funding

Eligibility:

- All public and private entities with the exception of local publicly owned electric utilities;
- Demonstration projects located and benefiting disadvantaged and/or low-income communities will be considered under the scoring criteria for this GFO.
- Projects must provide benefits to IOU ratepayers.
- Check Section II of solicitation for eligible federal funding requirements

IMPORTANT DATES		
<u>Application deadline</u> Ongoing	<u>Expected award announcement</u> On going	<u>Period of performance</u> Four years

FUNDING DETAILS		
<u>Total estimated available funding</u> \$20,000,000	<u>Expected number of awards</u> Dependent	<u>Estimated amount per award</u> Dependent
<u>Letter of Intent Required?</u> No		
<u>Requires Matched Funding?</u> 20%		
<u>Funding Source:</u> Federal and State		



Featured Guests



CALIFORNIA
STRATEGIC
GROWTH
COUNCIL



Program Analyst
Kelly Delaney



Energy Efficiency Specialist
Jonathan Verhoef



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GoGreen Financing

State-Run Energy Efficiency Financing Programs

Local Energy Resources Network (LERN)

April 12, 2022

Public Private Partnership Financing for Energy Efficiency Retrofits

- Facilitates attractive financing options by **leveraging private capital**
- California has aggressive climate goals including reduction in gas and electricity consumption
- **Supports efficiency measures in existing buildings** in residential, small business and affordable multifamily sectors
- Works to **remove the upfront cost barrier** preventing customers from making energy efficiency retrofits
 - Energy projects using financing tend to have deeper energy savings and greater scopes of work
 - 75% of energy improvement projects over \$10,000 and 90% of projects over \$15,000 are financed.





California State Treasurer's Office houses CAEATFA



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California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) administers the CHEEF

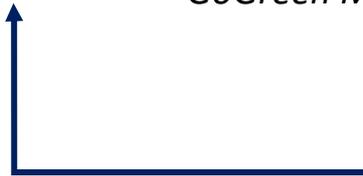


California Hub for Energy Efficiency Financing (CHEEF)



Public facing platform

- *GoGreen Home, GoGreen Business, and GoGreen Multifamily*



California Public Utilities Commission authorized the CHEEF to bring private capital into the energy efficiency marketplace and asked CAEATFA to be administrator

Credit enhancement leverages private capital for energy efficiency



Lenders receive a loan loss reserve contribution on every loan enrolled, and are able to claim up to 90% of any defaulted amount. amount

Program provides finance companies with credit enhancement

Finance companies offer better terms and approve a wider group of customers

Contractors present financing options to their customers

Attractive financing allows more customers to start or complete deeper EE upgrades

Customers reduce energy use; state and local govts. make progress toward goals

What Finance Companies Offer in Exchange for the Credit Enhancement

	<i>Market-Rate Product</i>	<i>GoGreen Home Loan</i>
Lower rates:	As high as 21%	2.95% - 8.12%
Longer repayment terms:	Often limited to 5 years	Up to 15 years
Larger amounts of financing:	Typical maximum of \$25,000-\$35,000	Up to \$50,000 per loan
Broader approval criteria:	640 minimum credit score	580 minimum credit score
	Unsecured or equipment secured – no property liens Able to be used in combination with utility rebates, incentives, and programs	

Hundreds of millions of \$ in private capital



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A broad range of projects are eligible

- Get started quickly - Customers can apply for financing directly or work with participating contractors on their project scope
- Flexibility to finance most energy-saving measures
 - Prequalified list of eligible energy efficiency measures
 - Any measure that is part of an IOU, REN or CCA energy efficiency program is eligible to be financed
 - “To code” measures and projects eligible
- Legally or practically necessary to install measure included
- 30% of credit-enhanced financed amount can be spent on non-energy measures, like renovations, landscaping, wheelchair ramps
- **Distributed generation and storage can be included at lenders’ discretion, but isn’t credit-enhanced**



Supporting California's Decarbonization Goals

GoGreen Financing supports California's ambitious goals to increase heat pump space and water heating technology adoption.

Related costs such as electrical panel upgrades, water heater relocation, permits, etc. can also qualify for financing.





GoGreen Business

Requirements

- Must save gas or electricity for an IOU
- \$5,000 - \$5MM
- Small and medium businesses (≤ 100 employees or \$15MM annual revenue)

Works for:

- **Borrowers who don't own their property**
- **Industries typically considered "risky" to finance** (e.g. restaurants, houses of worship, cannabis businesses)
- **Borrowers seeking access to a variety of financing structures**, including loans, leases, and energy service agreements
- **Borrowers who also have non-energy upgrade needs**, such as wheelchair ramps or outdoor seating
- **Borrowers seeking rapid approval for credit**; as fast as 24 – 48 hours

Additional benefits:

- **Reduced interest rates**, lower by 50 – 700 basis points
- **Extended terms out to ten years** for significantly lower payments
- **Pay off Energy Service Agreements (ESAs) more quickly**



Energy efficiency upgrades are challenging for small businesses

- Small businesses are still feeling the impacts of COVID
- IOU programs – a key driver of demand for financing – transitioned to third-party implementers between 2019-2021, and re-starting them has been slow and difficult
- New **On-Bill Repayment feature** can help facilitate new projects through GoGreen Business

GoGreen Business metrics as of 4/5/22:

\$1.69MM total amount financed	8 participating finance companies	88 participating contractors
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Bakery Project in Los Angeles County



- \$145,000 financed
- Equipment Finance Agreement
- HVAC duct sealing, oven ventilation, and more
- Extensive remodeling included in financing



GoGreen Multifamily

Requirements

- Must save gas or electricity for an IOU
- \$10MM maximum
- At least 50% of the units are income-restricted
- 5 years remaining on affordability covenant

Works for:

- **Property owners looking for in-unit upgrades**, not just common area measures
- **Properties who also have non-energy upgrade needs**, such as needed repairs or playground equipment
- **Property owners who would like to use their own contractors** and/or project developers
- **Property owners seeking to fill gaps** left by or are otherwise unable to access rebates and grants such as LIWP/ESA funds



Interest Rate Buy Down promotion now available to bring down the cost of financing

- New promotional Interest Rate Buy Down brings the interest rate for financing energy upgrades down to or near 0%
- Total of \$50,000 is available
- Reservations are “first come, first served” until funds are exhausted or June 30, 2022
- Contact kelly.delaney@treasurer.ca.gov

	Without Promotion	With Promotion
Interest Rate (ex.)	8.31%	0%
Term (months)	84 months	84 months
Monthly Payment	\$787	\$595
Total Interest Paid	\$16,112	\$0

Sample equipment financing agreement for \$50,000



GoGreen Home

Works for:

- **Borrowers who don't want to place a lien on their property** or who are renters
- **SoCal Gas customers (and soon SoCal Edison customers)** purchasing efficient appliances through their utility marketplaces
- **LMI borrowers** who have the cash flow to repay their loan
- **Borrowers with lower credit scores** who may not qualify for traditional financing products at affordable rates
- **Borrowers who need an extended term** beyond what traditional unsecured loans provide (which helps reduce the monthly payment)

Requirements

- Single family home, apartment units, mobile homes, etc
- **Receives gas or electricity from an IOU**
- \$50,000 loan maximum

What's new? Program eligibility expansion



Geographic expansion resolves complexity for financing projects in joint IOU/POU territories and allows for easier financing of heat pump technologies

Partnership with statewide TECH initiative will support financing for electric and decarbonization measures for joint IOU/POU customers. Eg:

- SMUD, LADWP
- Municipal utilities (Anaheim, Roseville, Redding, and Pasadena)
- Irrigation districts (Imperial County, Modesto, Turlock)



What this means for local governments

Multiple ways to help your community reach decarbonization/electrification goals:

- GoGreen Home: POU/MUNI customers can now finance up to \$50,000 in decarbonization measures such as heat pumps
- GoGreen Business: On-Bill Repayment makes financing for small businesses more advantageous than ever
- GoGreen Multifamily: Interest-Rate barrier is now reduced for Multifamily Projects



Can we collaborate?

How can we help get GoGreen Financing in front of your constituents and customers?

- How do local governments typically alert constituents to energy efficiency financing opportunities? (e.g. – through the RENs?)
- CAEATFA can provide marketing support, e.g. flyers, copy for websites and newsletter blurbs, utility bill inserts, etc.
- Access to local contractors?
- Access to local lenders / credit unions?

What is the best approach CAEATFA can take to raise awareness of GoGreen Financing with the POUs?



Looking forward

As part of Financing Proceeding (R. 20-08-022), CAEATFA will propose:

- Expansion of GoGreen Financing to include comprehensive technologies (e.g. solar and storage)
- Re-authorization of a Nonresidential Program (e.g. MUSH market)
 - Allow large public buildings to finance energy efficiency + comprehensive clean energy tech – repaid on bill

We are seeking additional sources of funding to further support statewide eligibility

- Funding relationships with POU's, municipalities, etc. are possible. Contact us to discuss.

Thank You

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Staff Services Manager

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For more information, please visit:

- GoGreenFinancing.com
- treasurer.ca.gov/caeatfa/cheef

Or, Subscribe to [Watts Happening](#), the GoGreen Financing Newsletter



✓ 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@traviscu.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.



Equipment finance agreements

Equipment leases, service agreements¹, and loans

Equipment leases

Efficiency service agreements

Contact

James Miller
(713) 634-4819
jamesmiller@ascantiumcapital.com

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
Up to 84 months if required for project cash flow

12 - 84 months
Up to 120 months if required for project cash flow

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

- Payments as low as \$29 / month for the first 3 or 6 months of the term

- DLL can bill for and collect regular service and maintenance charges for contractor

- Cannabis operations may qualify
- Lease reamortization option after 5 years

- 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



Minimum months in business

12 months (up to \$100,000)
Greater amounts require 18+ months in business

18 months

12 months (up to \$300,000)
Greater amounts require 36+ months in business

36 months

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.



GoGreen Home Standard Loan Outcomes

Q3 2016 – Feb 2022

1,804
loans enrolled

\$31.2MM
total amount
financed

106 months
average term length

\$16,966
average loan size

5.5%
average interest rate

\$6.53
private capital
leverage ratio

500+
participating
contractors

9
participating
finance companies

Top Measures Installed:



HVAC

Equipment and ductwork



Building envelope

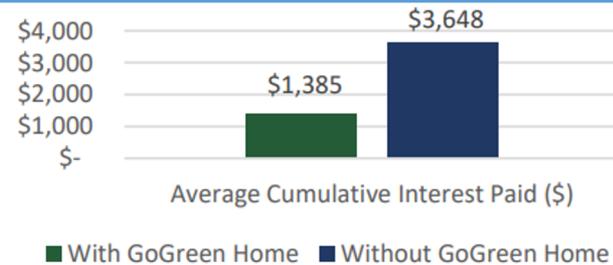
*Air sealing, insulation,
cool roofs, windows*



Water heating

*Water heaters, low-flow
fixtures*

Average Cumulative Interest Paid for loans with terms up to and including 60 months



Average Monthly Payment Reduction Due to Extended Terms for GoGreen Home loans with terms >60 months

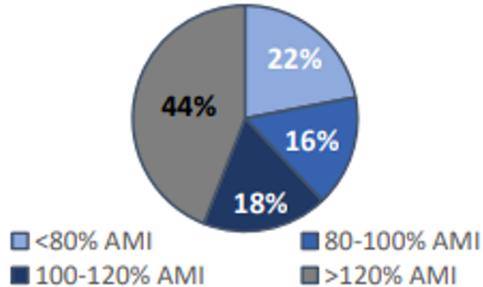


Appendix: How GoGreen Home Serves Underserved Borrowers

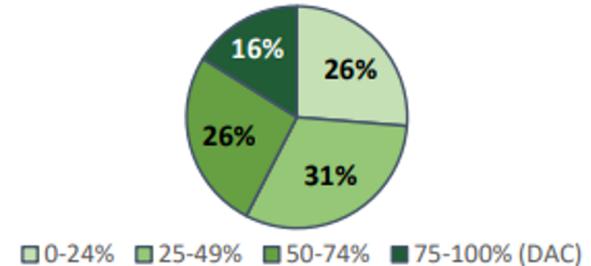


GoGreen Home
metrics as of
12/31/21

Percentage of Loans Made to Upgrade Properties by **Census Tract Income**



Percentage of Loans Made to Upgrade Properties by **CalEnviroScreen Score**

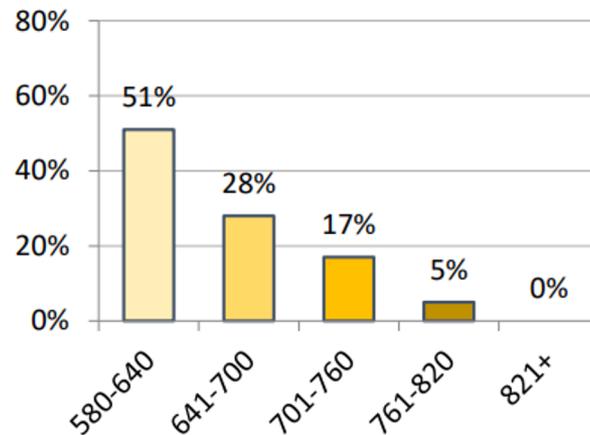




Appendix: Marketplace microloans for efficient appliances are reaching underserved borrowers

- Starting in Q3 2021, GoGreen Home finances appliances purchased via online IOU marketplaces
 - Currently available in SoCalGas territory, SoCal Edison projected to launch in Q3 2022
- Early outcomes show significant interest from property renters and credit-challenged borrowers

Percentage of Microloans Enrolled by Borrower Credit Score



475
microloans
enrolled

\$1,428
average
microloan size

27%
microloans made
to property
renters

72%
microloans made
to properties in
LMI census tracts



CCEC Forum!

13th Annual
California
Climate & Energy
Forum



*Save
the
Date*

September 21 - 22, 2022
San Diego, CA

ecoordinator.info

-  NETWORK WITH PEERS
-  CONNECT WITH STATE LEADERS
-  LEARN NEW STRATEGIES



13th Annual California
Climate & Energy Forum

SUBMIT A SESSION PROPOSAL!

Deadline: April 27th

ecoordinator.info

The Call for **Session Proposals** (CFSP) for the **13th Annual California Climate and Energy Forum** has officially launched! We welcome you to submit a **proposal by Wednesday, April 27th** and help shape the 2022 forum!

The theme for the 13th Annual **CCEC** Forum is **Accelerating Climate Action & Advancing Justice**. The consequences of an extractive fossil fuel industry are here, but so are the solutions. As we work to implement climate solutions, there are dual needs: an urgency to meet our goals and so in an inclusive, conscientious way without leaving anyone behind. How can we accelerate climate and energy action with new strategies and tech? How can we create time for the tough and meaningful discussions? How do we ensure that solutions advance justice and include and presently disadvantaged communities? Through this forum, we want to engage local governments, state agencies, organizations, and interested practitioners to facilitate sharing best practices, tools and how to approach our statewide and local goals effectively.

Submit a Proposal!

We are accepting proposals for breakout sessions, implementation workshops, posters and mobile workshops (tours)!

Step 1: Read the Guidance

Step 2: Fill out the form!

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What's Next?

- Next meeting **May 10, 2022**
 - **TBD**
- Share [invitation](#) with others
- What agencies or programs would you like to invite to an upcoming LERN discussion?



CCEC Serves Local Needs



wEEKly Update



CURRENTS Quarterly



Webinars



Annual Forum



Active Funding Opportunities



Funding Program Database



Technical Assistance



Technical Assistance Directory



Local Government Roundtables



Best Practice Database



Interviews and Case Studies