



GoGreen Home Energy Financing Program

Fiscal Year 2022-2023 Summary

Introduction and Fiscal Year 2022-2023 Highlights

This report has been produced to supplement the [CHEEF's quarterly reports and monthly data summaries](#) and to provide an update on the activity and progress of the GoGreen Home Energy Financing Program (GoGreen Home) for the 2022-2023 fiscal year (July 1, 2022 to June 30, 2023, or "FY 22-23").

Values presented are rounded to the nearest thousand or million. All values pertain to FY 22-23 unless otherwise specified. To learn more about GoGreen Home, please visit the [CAEATFA website](#).

Introduction

The end of the 22-23 fiscal year found the GoGreen Home Energy Financing program riding a wave of unprecedented momentum. Not only did the program close out the fiscal year with the highest number of loans enrolled in any single quarter (411 loans in Q2 2023) since program inception, but loan activity throughout the entirety of the year reflected accelerating growth. The number of standard loan enrollments in FY 22-23 (1,396) marks a 76% increase over FY 21-22 (793), which in turn marked a healthy 32% increase over FY 20-21. Although the program did not meet its goal of reaching 2,000 loans in FY 22-23, the total amount financed for standard loans reached \$27.57 million – nearly double the amount financed in the previous 12 months and just \$5 million shy of the program goal – and makes up 43% of the all-time amount financed throughout the program's lifetime.

Throughout the fiscal year, GoGreen Home not only enrolled more standard loans than in any other year to date, but the number of projects including decarbonization measures such as heat pump HVACs and heat pump water heaters grew by 176%. The program strives to complete decarbonization projects, as these types of upgrades contribute to the State's progress toward reaching its climate goals and have a greater impact on greenhouse gas emission reductions than other efficiency measures. Staff has begun analyzing potential reasons for the uptick in decarbonization measures to glean any understandings that may help direct future program promotion or functionality.

To gain context for the fiscal year loan activity, particularly the increase in the number of loans, and strategize how to serve more Californians in FY 23-24, staff identified specific factors that warranted further examination in this report, including availability of heat pump HVAC and heat pump water heater rebates, contractor promotion of the program, new marketing efforts, and partnerships between select regional credit unions and GoGreen Home contractors.

Upon reflection of the previous fiscal year report, perhaps most striking is the ongoing success of regional credit unions First U.S. Community Credit Union and Travis Credit Union. In the 21-22 fiscal year report, staff theorized that these regional credit unions have the potential to drive energy upgrades and related loan volume by forging strong relationships with specific GoGreen Home contractors. FY 22-23 data supports this theory as First U.S. and Travis have formed nearly exclusive partnerships with the Program's top three highest performing contractors, yielding loan enrollment totals that rival their statewide lending counterparts.

Just before the end of the fiscal year, Enervee resumed offering its Eco Financing product along with new lender Lewis & Clark Bank. The Eco Financing product, also referred to as marketplace microloans, returned in June 2023 with expanded eligibility for Southern California Gas and Southern California Edison customers.

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Fiscal Year 2022-2023 Highlights

Standard loan volume growth

- Of the 3,513 standard loans enrolled throughout the program's lifetime (July 2016 - June 30, 2023), the number enrolled in **FY 22-23 (1,396) accounts for 40% of all-time loan enrollments**. The total financed amount for the fiscal year, \$27.57M, makes up 43% of the all-time total amount financed. Standard loans are those enrolled by credit unions using the program's standard underwriting guidelines; microloans, which use a streamlined process, are tracked separately.

Greenhouse gas emission reductions from decarbonization projects nearly tripled

- GoGreen Home projects that included decarbonization measures and were completed in the 22-23 fiscal year contributed to an estimated **413 tons in greenhouse gas (GHG) emission reductions per year**, almost triple the estimated emissions reductions for decarbonization projects reported for the prior fiscal year (148 tons). The combined GHG emission reductions from decarbonization and energy efficiency projects doubled year over year, to 675 tons.

Increase in heat pump technology projects across California

- **Heat pump technology projects increased by 170% over the previous fiscal year.** In FY 22-23, 359 heat pump HVACs or heat pump water heaters were installed. Of these projects, 71 were made possible by the agreement reached between GoGreen Home and the TECH Clean California Initiative in February 2022, which allows GoGreen Financing to facilitate 100% financing on electric-only measures such as heat pump technologies for borrowers who receive gas service from an Investor-Owned Utility (IOU) and electric service from a Publicly Owned Utility (POU). Previously these Californians would have been restricted to primarily gas upgrades, with only 30% of the financed amount available for electric measures.

Regional credit unions dominate standard loan enrollments

- Travis Credit Union and First U.S. Community Credit Union led the pack of regional credit unions in FY 22-23 in terms of both loan enrollment and total amount financed. **Together they made up 56% of standard loan enrollments and 52% of total dollars financed in FY 22-23.**

Great rates persist despite recent national rate increases

- Amid rising interest rates prompted by no fewer than seven fund rate increases by the Federal Reserve, GoGreen Home participating lenders continued to offer interest rates that were significantly below market. While GoGreen Home lenders did increase their rates in FY 22-23, the credit enhancement allowed them **to offer interest rates that were on average 5.8 percentage points lower** than their equivalent standard loan rates for loans up to and including 60-month terms, resulting in a projected average savings of \$2,514 to GoGreen Home customers over the lifetime of the loan.¹

New marketing implementer launches million-dollar marketing campaign

- **Advertising and marketing agency Riester assumed the role of new Marketing Implementer for the CHEEF programs.** The firm's contract with SoCalGas marks the first time a full-service marketing firm has been engaged on behalf of GoGreen Financing and paved the way for an ambitious marketing campaign in terms of budget and approach. Riester's "Green Means Go" campaign includes paid search, audio advertising, paid social and digital ads, a website makeover, and more.

¹ Throughout fiscal year 22-23, on average, GoGreen Home borrowers with loan terms up to and including 60 months received a 3.6% interest rate, which is 5.8 percentage points lower than the average of the participating lenders' signature product interest rate of 9.4%. Savings estimates are based on timely repayment of the loan.

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Marketplace microloan product relaunched

- After pausing operations in 2022, **platform provider Enervee relaunched its Eco Financing credit-enhanced microloan product with new lending partner Lewis & Clark Bank in Q2 2023**. Eco Financing is now available through the SoCalGas and Southern California Edison online marketplaces, allowing customers with credit scores as low as 580 to access financing with lower interest rates for energy-efficient appliances instantly at the point of sale.

Standard Loan Activity²

Reporting is for standard GoGreen Home loans enrolled through the eight participating credit union lenders.³ Reporting on marketplace microloans can be found on page 17.

Private Capital Leveraged

Total Amount Financed in millions			Loss Reserve Contributions in millions		
\$14.15 FY 21-22	\$27.57 FY 22-23	\$63.98 All Time	\$2.20 FY 21-22	\$4.49 FY 22-23	\$10.08 All Time
For every \$1 of credit enhancement allocated, \$6.14 in private capital was leveraged in FY 22-23. ⁴					

Financing Activity

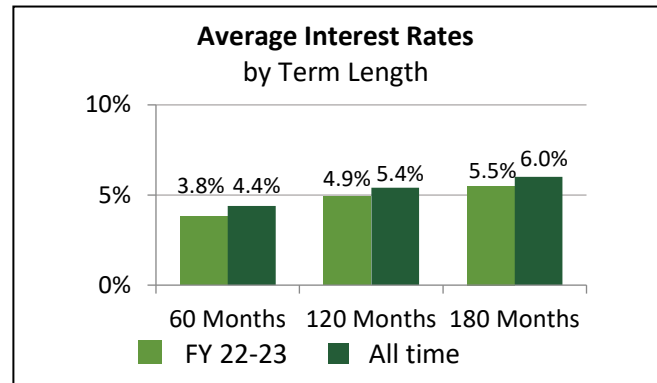
Loans Enrolled		
793 FY 21-22	1396 FY 22-23	+76% <i>Change in Activity</i>

Credit Enhancement Funds Recaptured ⁵		
\$506,268 FY 21-22	\$322,144 FY 22-23	-36% <i>Change in Amount Recaptured</i> ⁶

Loan Characteristics⁷

Interest Rate			
4.3% <i>Average</i>	3.99% <i>Median</i>	4.6% <i>Average</i>	4.49% <i>Median</i>
FY 21-22		FY 22-23	

Loans Enrolled per IOU			
1106 <i>PG&E</i>	200 <i>SCE</i>	56 <i>SDG&E</i>	239 <i>SoCalGas</i>
FY 22-23			



² "All time" refers to characteristics of loans enrolled by participating lenders FY 2016 – 2023.

³ In Q1 2023, Eagle Community Credit Union made the decision to pause its GoGreen Financing loan product. Eagle now only services loans.

⁴ GoGreen Home uses a credit enhancement in the form of a loan loss reserve to leverage private capital at reduced rates and allow lenders to improve terms for borrowers. The credit enhancement is provided by utility ratepayer funds.

⁵ Throughout FY 22-23, 218 GoGreen Home standard loans were repaid in full, allowing the recapture of loss reserve contributions for those loans, totaling \$503,873, to be returned to the GoGreen Home Program Holding Account. In addition, 63 marketplace microloans were repaid in full, allowing the recapture of \$14,523 in loss reserve contributions to be returned to the GoGreen Home Program Holding Account. Values in the table represent the combined dollar amount of recaptured funds from fully repaid standard loans and marketplace microloans that became available to be re-deployed as loss reserve contributions for new borrowers.

⁶ Credit enhancement funds recaptured in FY 22-23 were 36% less than the funds recaptured in the previous fiscal year. This change is due to an overall higher standard loan claim amount (\$228,806) this fiscal year compared with the previous year (\$90,668).

⁷ 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 per IOU are reported regardless of what measures are installed.

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Loan Size			
\$17,841 <i>Average</i>	\$15,000 <i>Median</i>	\$19,748 <i>Average</i>	\$17,604 <i>Median</i>
FY 21-22		FY 22-23	






Term Length in Months			
101 <i>Average</i>	120 <i>Median</i>	109 <i>Average</i>	120 <i>Median</i>
FY 21-22		FY 22-23	

GoGreen Home Loans Enrolled by Lender

Lender	FY 2021-22	FY 2022-23	All Time
California Coast Credit Union	348	473	1592
Desert Valleys Federal Credit Union	15	15	56
Eagle Community Credit Union	1	0	12
First U.S. Community Credit Union	196	405	694
Matadors Community Credit Union	108	120	607
Pasadena Service Federal Credit Union	0	0	3
Travis Credit Union	120	382	510
Valley Oak Credit Union	5	1	39
Total Loans	793	1396	3513

The table above reflects the significant increases in loan enrollments that were accomplished by regional credit unions First U.S. and Travis from FY 21-22 to FY 22-23. Despite having smaller service territories, they have kept pace with the leading statewide lender, and together their combined share of enrollments makes up the majority (56%) of GoGreen Home projects completed this fiscal year. This suggests that there is some merit to the theory posed in the [previous GoGreen Home fiscal year report](#) that regional credit unions have the potential to drive energy upgrades and related loan enrollments due to strong partnerships with contractors. Read more about how relationships between regional credit unions and select contractors are emerging as a contributing factor to overall loan enrollment growth on page 13.

Measures Installed

Top 5 Energy Efficiency Measures Installed FY 22-23				
				
HVAC Equipment 964 Projects	Windows 229 Projects	Cool Roofs 212 Projects	HVAC Ductwork 160 Projects	Insulation 117 Projects

Heat Pump Projects Financed					
Space Heating			Water Heating		
126 FY 21-22	348 FY 22-23	586 All Time	27 FY 21-22	42 FY 22-23	80 All Time

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Decarbonization

Decarbonization measures contribute to the State's goal of greenhouse gas emissions reductions by substituting carbon-emitting equipment, such as natural gas-fueled measures, with electric-fueled measures (i.e., heat pumps HVACs, heat pump water heaters, and induction ranges) that can more readily take advantage of clean power sources. By switching fuel types from natural gas to electricity, GoGreen Home borrowers cut down the amount of greenhouse gas emissions that are released into the atmosphere and reduce their carbon footprint. Currently, GoGreen Home offers decarbonization measures including heat pump HVACs, heat pump water heaters and induction ranges or cooktops. In an effort to make financing for these all-electric upgrades accessible to more Californians, the Program signed an agreement in February 2022 with Energy Solutions, the implementer of the TECH Clean California Initiative, to provide the first source of non-IOU Public Purpose Program ratepayer funding for GoGreen Home credit enhancements. TECH funds are used when a property receives gas service from an IOU and electric service from a POU and allow those residents to fully participate in decarbonization efforts with access to 100% financing.

Throughout the fiscal year, 348 heat pump HVACs and 56 heat pump water heaters were installed. This represents a 176% and 107% increase in the number of projects from the previous year, respectively. Reaching 359 in overall heat pump projects for the fiscal year marks a sizable jump, nearly triple the number of heat pump projects reported for FY 21-22. Of the total heat pump technology projects completed in the fiscal year, TECH funds made 71 of them possible for California households that otherwise would not have been eligible for 100% financing through GoGreen Home.

Analysis of heat pump HVAC and heat pump water heater projects quarter on quarter throughout the fiscal year shows a correlation between project volume and availability of rebates. The quarters in which heat pump HVACs and heat pump water heater project enrollments were at their peak coincided with the release of new rebates and incentives for these measures.⁸ While rebates and incentives do not necessarily *cause* project volume to increase, staff posits that California residents and contractors may be more likely to pursue projects that require fuel switching when prompted by outside incentives, such as those deployed by TECH Clean California, BayREN, and utilities such as PG&E and SMUD. Of note, in May 2023, TECH announced the relaunch of incentives for heat pump HVAC systems (\$1,000 per system for single-family households converting from a gas furnace). The announcement took place during the fiscal year's highest-enrolling quarter for these kinds of projects (Q2 2023). Similarly, in February 2023 TECH announced a new incentive for contractors (\$50 bonus for helping customers enroll in a Load Shifting or Demand Response program) when installing a heat pump water heater. The launch of this bonus incentive coincides with peak enrollment of heat pump water heater projects (Q1 2023).

Peak heat pump technology project quarters also overlapped with the highest levels of unique contractor activity, as the graphs below show. "Unique contractors" refers to the number of GoGreen Home contractors who completed at least one project within a given timeframe. The increase in unique contractors installing heat pump technologies, particularly heat pump HVACs, again suggests that contractors may be more likely to promote these types of upgrades, or may be more successful at selling them, when incentives are available to them and/or their customers.

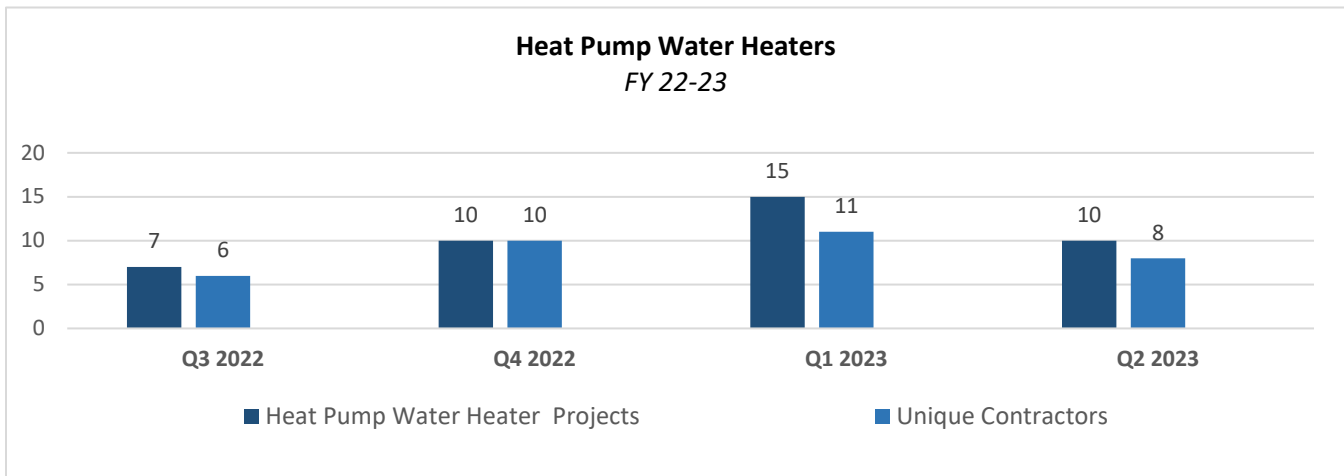
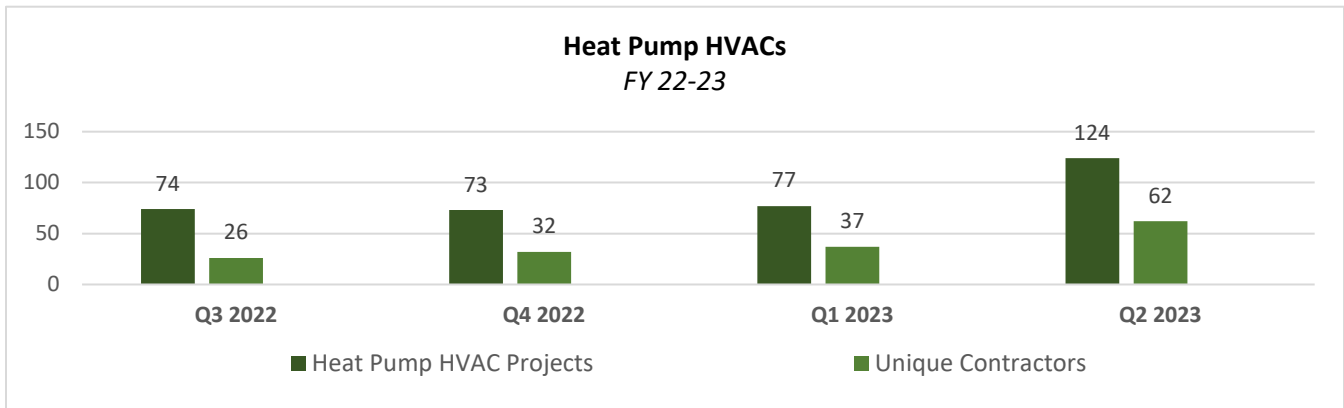
GoGreen Financing staff take from this analysis the importance of customers and contractors being able to layer rebates and incentives with financing, and the value of a well-maintained and nurtured contractor network. As we continue to promote decarbonization projects and strive to meet California's ambitious climate goals⁹, framing financing as a resource that can be used to cover leftover costs after use of rebates and incentives as well as cross-promoting with external incentive programs and contractor networks will be essential to future outreach efforts to contractors and customers.

⁸ The GoGreen Home program tracks usage of rebates on the Certificate of Completion. The highest quarters of reported rebates and incentives align with the quarters wherein the highest number of these projects were completed. However, reporting usage of rebates is a voluntary data point collected from participating contractors. For that reason, rebate data is not formally presented in the heat pump HVAC or heat pump water heater graphs in this section.

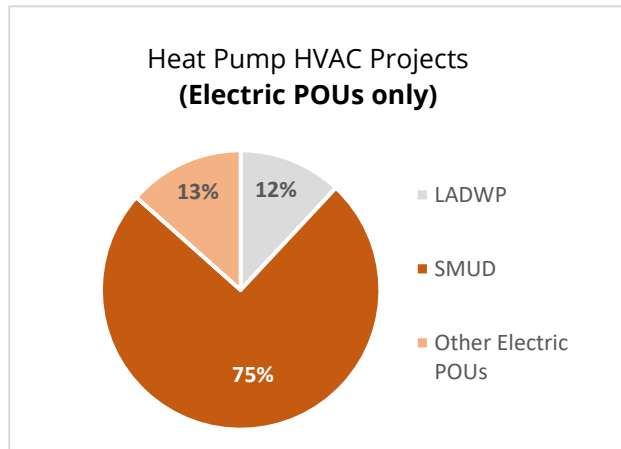
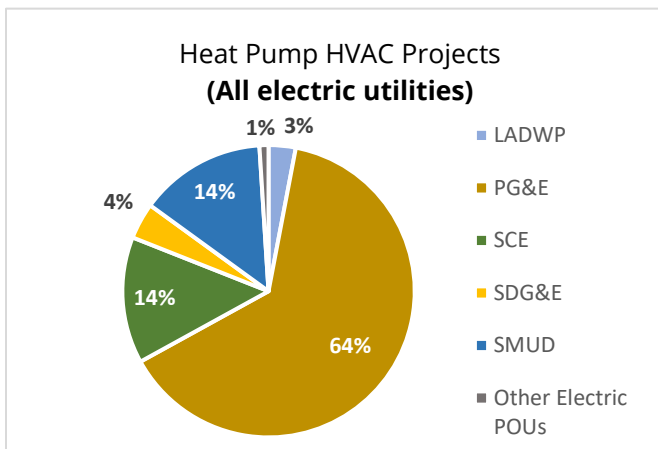
⁹ As of December 2022, California state climate goals aim to reach a [48% reduction of GHG emissions below 1990 levels by 2030](#).

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Another interesting pattern has emerged in SMUD territory. Of all heat pump HVAC projects in electric POU's, 75% occurred in SMUD territory, and SMUD heat pump HVAC projects continue to make up a growing percentage of all GoGreen Home projects across the state. This may be because SMUD is one of the few utilities in California that continues to maintain a contractor network and offers generous incentives (up to \$3,500 for heat pump HVAC systems) when the heat pump is installed by a SMUD contractor.



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Deemed Energy Savings and GHG Emissions Reductions¹⁰

Greenhouse gas (GHG) emissions reductions from all projects totaled 675 tons in FY 22-23, roughly double the previous year and slightly outstripping the pace of growth in number of projects. This is due mainly to the robust growth in decarbonization projects financed through GoGreen Home during FY 22-23 and detailed above; while all efficiency measures help to avert GHG emissions, decarbonization measures have an outsized impact on GHG emissions reductions because decarbonization involves fuel switching from carbon-emitting natural gas to electricity. This fiscal year, GHG emissions reductions achieved through decarbonization measures nearly tripled from the previous year: 413 tons in FY 22-23 compared with 148 tons in FY 21-22.

Because decarbonization measures provide an electric alternative to natural gas-fueled equipment, the deemed annual electric savings (in kWh), gas savings (in Therms), and GHG emissions reductions (in tons of CO₂e) for decarbonization measures are reported separately, as they always result in negative electric savings and positive gas savings, which skews the overall data significantly when counted with other measures.

Total Annual Energy Savings Projects						
	Efficiency Measures		Decarbonization Measures		Efficiency + Decarb Measures	
	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23
Number of Projects	696	1,301	129	372	825	1,673

Total Annual Energy Savings and GHG Reductions ¹¹					
	Efficiency Measures		Decarbonization Measures		Efficiency + Decarbonization
	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 22-23
Electric Savings (kWh)	284,572	495,712	-189,237	-522,467	-26,755
Gas Savings (Therms)	22,267	31,388	29,349	80,772	112,160
GHG Reductions (Tons of CO₂e)	189	262	148	413	675
Peak Demand Savings (kW)	392.8	665.9			

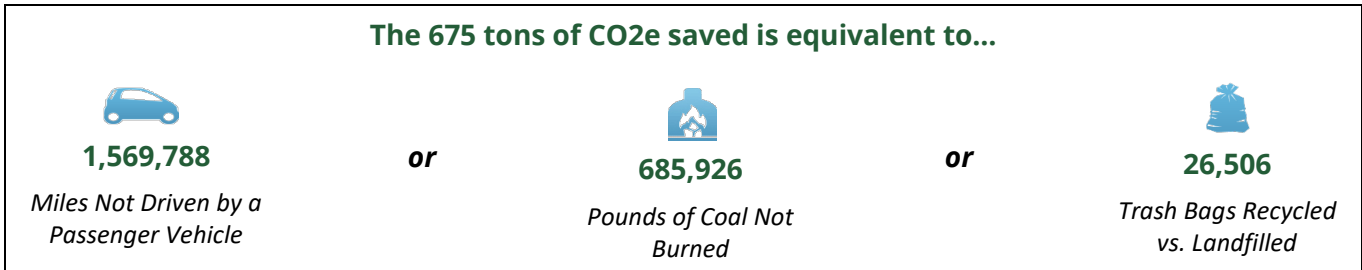
¹⁰ The Total Annual Energy Savings and GHG Reductions table below separates efficiency measures from decarbonization/fuel switching measures installed throughout FY 22-23. The efficiency measures column reports on deemed annual electric savings (in kWh), gas savings (in Therms), greenhouse gas (GHG) emission reductions (in tons of CO₂e), and peak demand savings (in kW) for projects that were not marketplace microloans and did not include decarbonization/fuel switching measures. For more information on deemed energy savings through GoGreen Home, please refer to the [Deemed Energy Savings Reports](#).

¹¹ Data in this table reflects the net value of GHG emissions reductions resulting from eliminated gas consumption from decarbonization measures minus the GHG impact from new electric consumption generated by those measures. Throughout the 22-23 fiscal year, GoGreen Home enrolled 372 projects that included installation of decarbonization measures such as heat pump HVACs, ductless mini splits with heat pumps, heat pump water heaters, and induction ranges.

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Cumulative GHG Reduction Equivalencies¹² (All measures, FY 22-23)



How GoGreen Home Makes Financing Feasible

<p>Access to Credit: <i>Borrower Credit Score of 580-640</i> 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		
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; border-right: 1px solid black;"> 30 <i>FY 21-22</i> </td> <td style="width: 50%; text-align: center;"> 32 <i>FY 22-23</i> </td> </tr> </table>	30 <i>FY 21-22</i>	32 <i>FY 22-23</i>
30 <i>FY 21-22</i>	32 <i>FY 22-23</i>		
<p>Affordable Monthly Payments: <i>Term Lengths >5 Years</i> 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 Years¹³		
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; border-right: 1px solid black;"> 338 <i>FY 21-22</i> </td> <td style="width: 50%; text-align: center;"> 539 <i>FY 22-23</i> </td> </tr> </table>	338 <i>FY 21-22</i>	539 <i>FY 22-23</i>
338 <i>FY 21-22</i>	539 <i>FY 22-23</i>		
<p>Access to Capital: <i>Loan Amounts >\$25,000</i> Most lenders are able to offer up to \$50,000 for all borrowers for deeper energy retrofits through GoGreen Home.</p>	Loans Enrolled to Borrowers with Total Financed Amount >\$25,000		
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; border-right: 1px solid black;"> 138 <i>FY 21-22</i> </td> <td style="width: 50%; text-align: center;"> 311 <i>FY 22-23</i> </td> </tr> </table>	138 <i>FY 21-22</i>	311 <i>FY 22-23</i>
138 <i>FY 21-22</i>	311 <i>FY 22-23</i>		

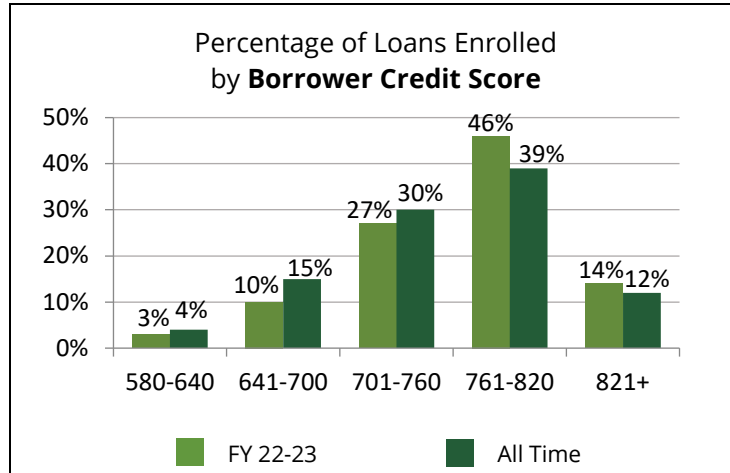
Across the lifetime of the Program (2016-23), 19% of loans enrolled have gone to borrowers with FICO credit scores under 700. Throughout the 22-23 fiscal year, loans to borrowers in the under 700 FICO score category made up 13% of loan enrollments. There is no clear programmatic reason for this decline, as the more generous credit enhancement for lenders offering loans to credit-challenged borrowers has not changed and lender credit approval rates have trended upward over time. Staff will continue to analyze this trajectory, as the program aims to reach credit-challenged borrowers provided they have the cash flow to repay their loan.

¹² GHG reduction equivalency values are calculated via the [U.S. Environmental Protection Agency’s Greenhouse Gas Equivalencies Calculator](#), based on 675 U.S. tons of CO₂e savings (combined GHG reduction estimates for electric and gas savings, including decarbonization measures).

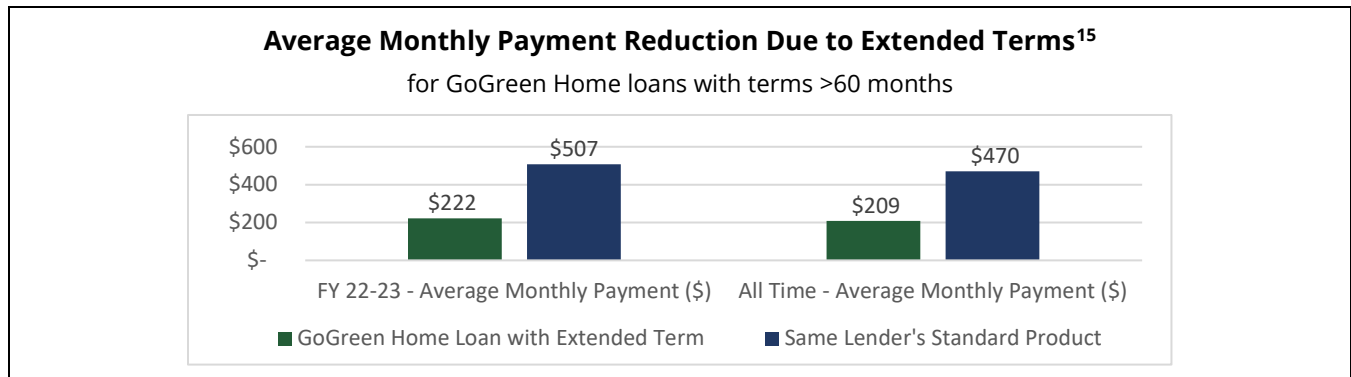
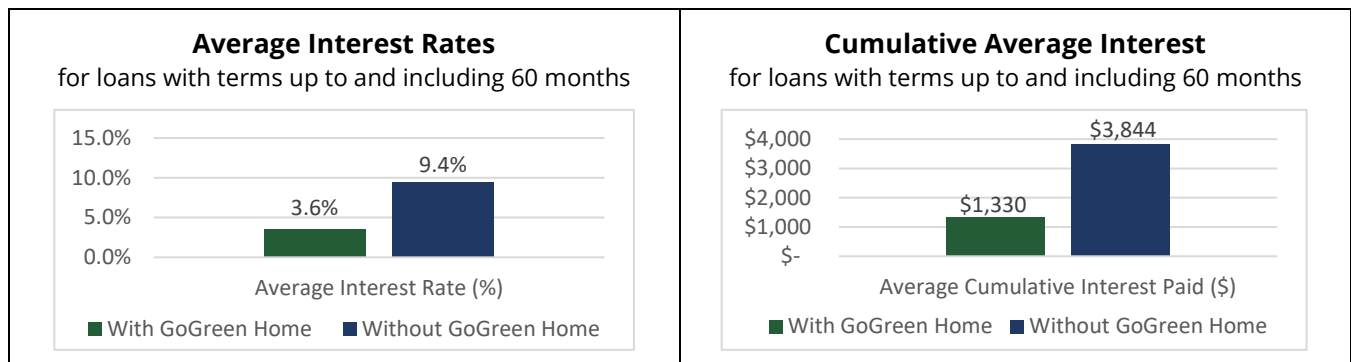
¹³ Loans from one participating lender who currently offers signature products with terms greater than 60 months are excluded from this data point.

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Borrower Benefits for Loans Enrolled FY 22-23¹⁴



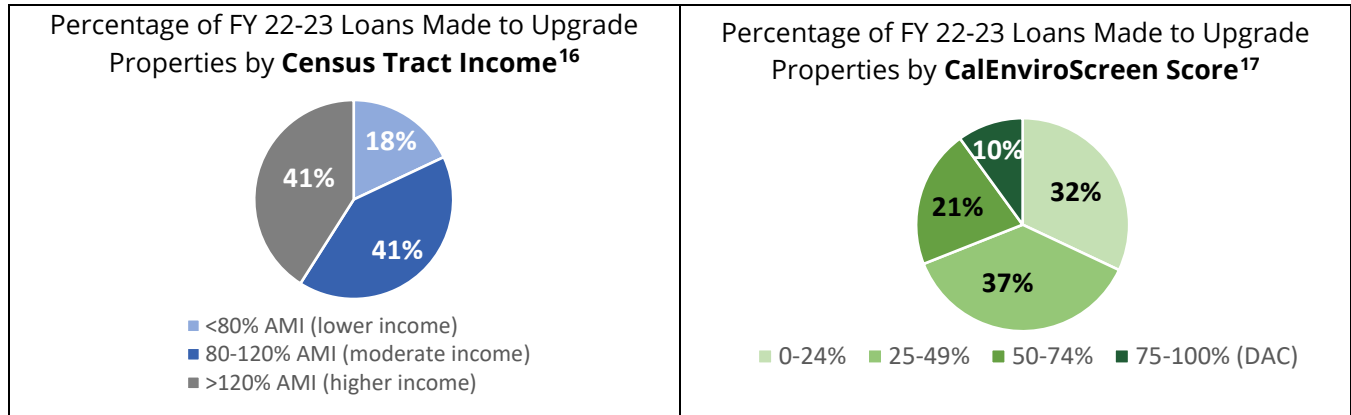
¹⁴ These charts compare actual interest rates of GoGreen Home loans and the interest rates of equivalent non-GoGreen Home signature products offered by the Program’s participating lenders (as reported by the lenders to CAEATFA), using a data set for loans with terms up to 60 months for borrowers who would have qualified for non-GoGreen Home loans.

¹⁵ This chart compares monthly payments for 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. Signature product terms from participating lenders are updated quarterly.

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How GoGreen Home Serves Underserved Borrowers



GoGreen Home Post Project Survey

Total Surveys Sent	Total Number of Responses & Response Rate	Number & Rate of Very Satisfied + Satisfied
2,373	339 (14.29%)	318 (93.81%)

CAEATFA staff finalized the GoGreen Home Post Project Survey in the first quarter of 2023 and sent it to borrowers shortly after the quarter’s end to gather customer data from program inception in 2016 through March 31, 2023. The survey, which is voluntary, gathers demographic and socioeconomic data requested by the California Public Utilities Commission in [Decision 21-08-006](#), as well as information on project motivation and satisfaction that will inform marketing efforts. It is sent to all customers who provide an email address (an optional data point) on the borrower form.

The first survey went to customers who had financed a project through GoGreen Home’s predecessor program, the Residential Energy Efficiency Loan (REEL) Program, from Q3 2016 through Q3 2021, when the program name changed. The second survey was sent to GoGreen Home borrowers who enrolled in the program from Q4 2021 through Q1 2023. Thereafter, a monthly cadence was established for issuing surveys to borrowers.

As noted previously, demographic information such as race and ethnicity as well as socioeconomic status presented in the graphs below is collected at the request of the CPUC. Of the borrowers who responded to the surveys thus far, the majority (57%) identified as White or Caucasian, 16% identified as Hispanic/Latino, 6% as Asian or Asian American, and 5% as Black or African American. Socioeconomic status is categorized by reported annual household. Currently, 24% of respondents are reporting a household income of \$100,000 - \$149,000, 31% report income under \$100,000, and 31% report above \$150,000.

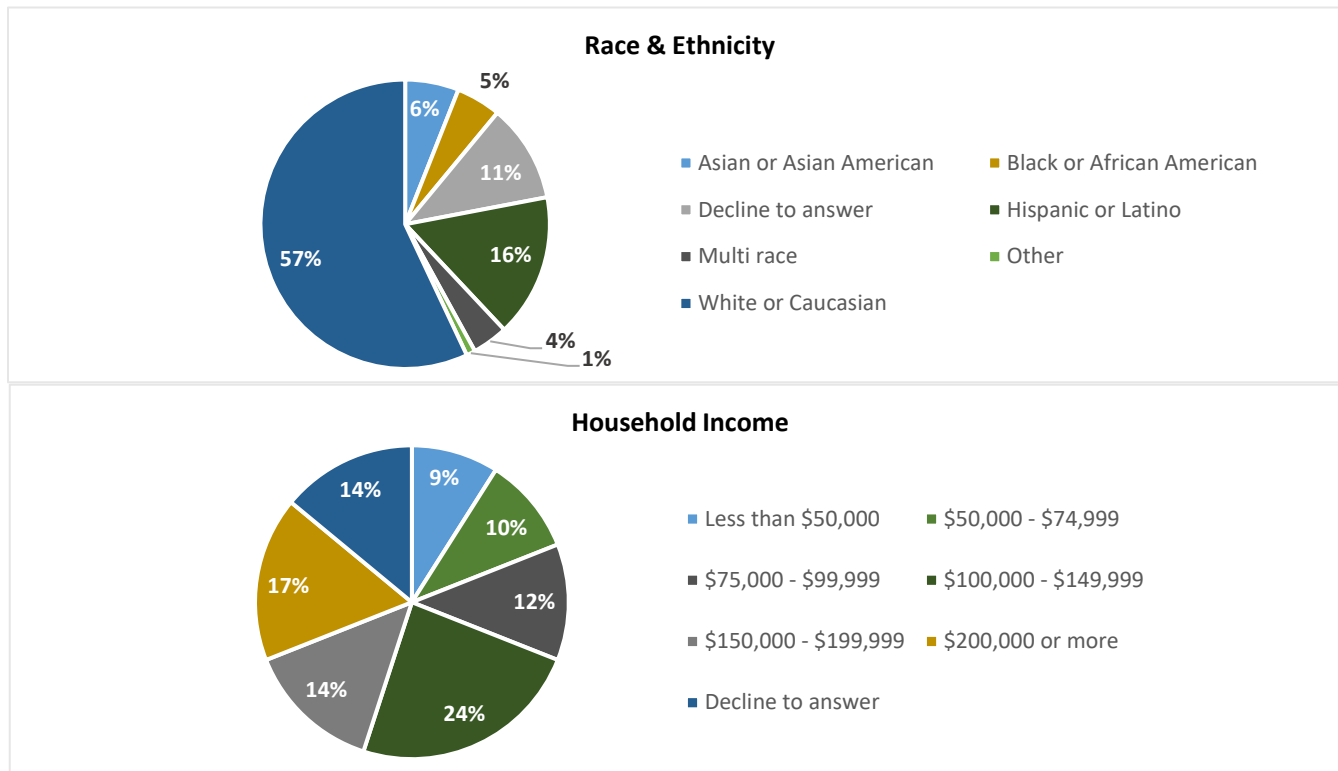
¹⁶ Low-to-Moderate Income (LMI) census tracts, for the purpose of this reporting and providing a 20% loss reserve contribution for the lender, includes tracts with median income that falls below 120% of the Area Median Income (AMI). In FY 22-23, 59% of loans were made to properties in LMI census tracts and 57% of total loan capital went to properties in LMI census tracts.

¹⁷ 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 highest 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.

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GoGreen Home Customer Demographic Information, Q3 2016 – Q2 2023



As shown below, of the 339 respondents thus far, representing a 14.29% response rate, 318 (93.81%) described themselves as “Very satisfied” or “Satisfied” with the program when asked “Overall, how satisfied are you with your GoGreen Home experience?” Respondents also reported updating old equipment and saving on energy bills as the most common motivations for undertaking a GoGreen Home project.

GoGreen Home Customer Satisfaction, Q3 2016 – Q2 2023¹⁸

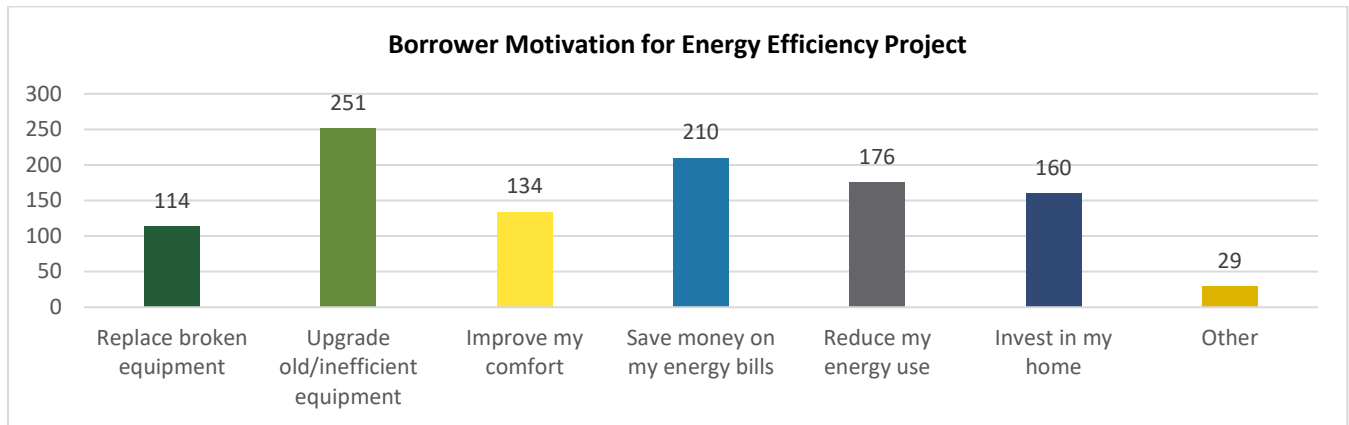


¹⁸ Staff will begin outreach efforts to respondents who reported they were “Dissatisfied” or “Very dissatisfied” with their experience using GoGreen Home to improve program functionality and resolve any outstanding issues. Staff will begin contacting these borrowers in Q1 2024.

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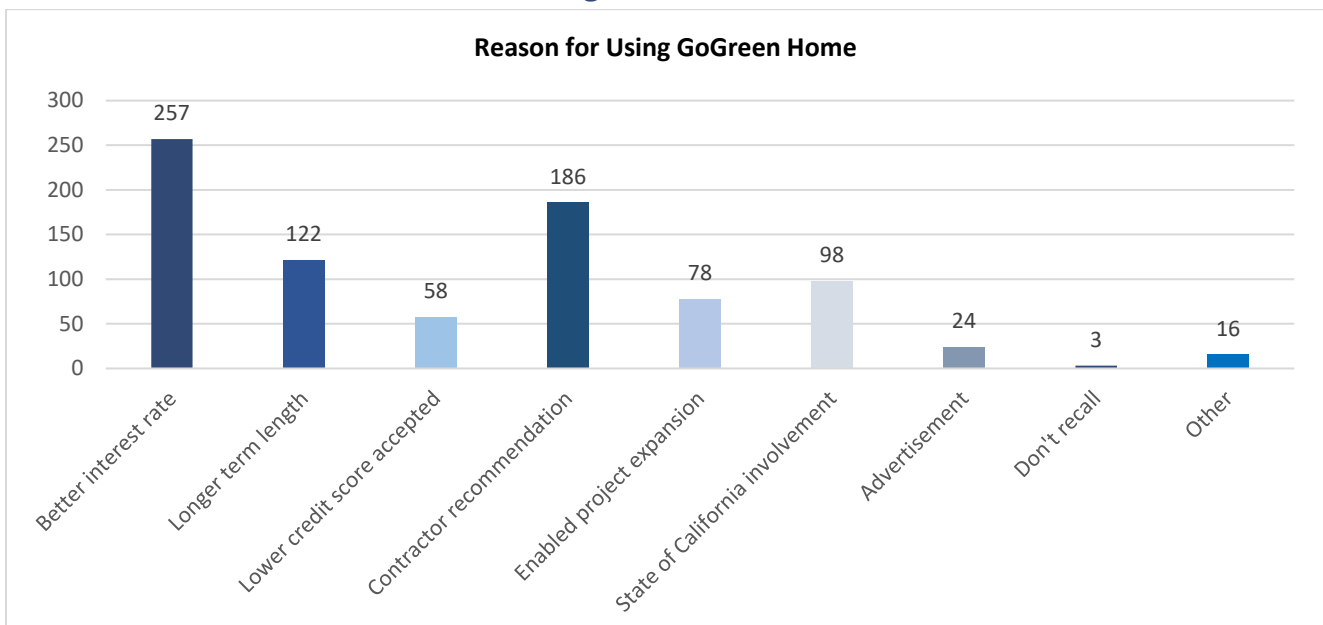
GoGreen Home Borrower Motivation, Q3 2016 – Q2 2023



Of particular interest to staff is understanding the driving factors behind program growth. One theory has been that organic growth is driven by contractor promotion and participation in the programs. The survey results below, though from a small sample, support this theory, as “Contractor recommendation” is the second most common reason participants cited as to why they chose GoGreen Home (after “Better interest rates”). Supplementary to borrower responses, contractor data over the 22-23 fiscal year shows that the number of projects completed by unique contractors (266) was the highest in program history, and 53.8% greater than in FY 21-22 (173). This is also the highest rate of growth in unique contractor activity year over year since FY 18-19.

In Q1 2023, CAEATFA also began asking contractors at enrollment how they heard about the program. Of the 42 responses to date, customer or client referral was the most common answer at 33% (14 responses) followed by online search at 24% (10 responses). Small sample size notwithstanding, staff notes that although contractor referral is currently the leading source of program awareness according to the post project survey, contractors in turn report that customers are influencing them to sign up for the program in the first place. Staff looks forward to continuing analysis of these responses as the sample sizes grow, and especially as Riester continues gaining insights on user behavior and optimizing content to engage consumers.

GoGreen Home Borrower Reason for Using GoGreen Home, Q3 2016 – Q2 2023



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Contractor Activity & Statewide Reach

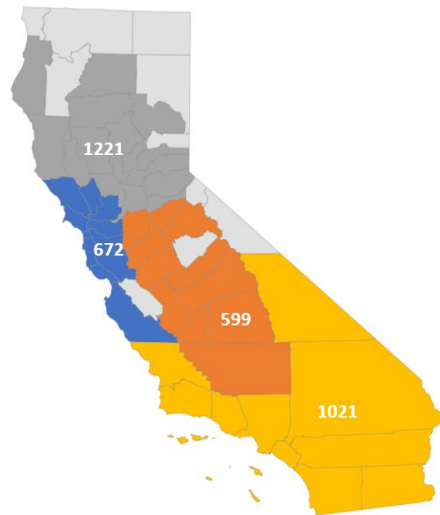
Contractor Activity		
Participating Contractors All Time ¹⁹	Contractors who enrolled in GoGreen Home FY 22-23	Contractors who enrolled a project FY 22-23
742	203	266

New contractor enrollment throughout the fiscal year doubled at 203 enrollments compared with the previous fiscal year, which had 101 new contractor enrollments. Roughly one-third (63) of these newly enrolled contractors have used the program at least once. While growth in the contractor network is beneficial to program expansion and helps to serve more Californians, the boost in the number of projects financed during FY 22-23 (up 76% from the previous FY) can be in large part attributed to the contractors who use the program frequently. Overall, the top 10 highest performing contractors throughout FY 22-23 were responsible for 671 projects, nearly half of the total projects submitted during the fiscal year.

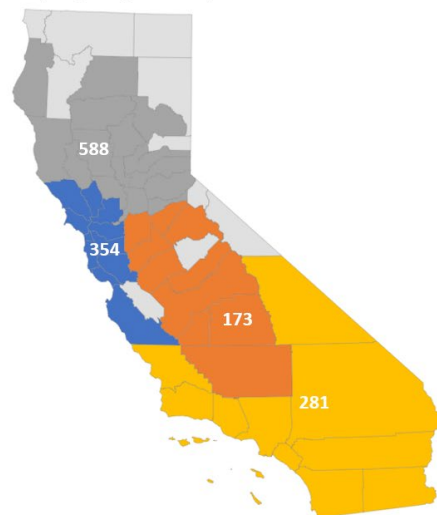
More specifically, the data shows that relationships between contractors and certain lenders, particularly regional lenders First U.S. Community Credit Union and Travis Credit Union, were key to contractor success and loan volume growth. The top three highest performing contractors within GoGreen Home were responsible for 31% of overall standard loan volume, with 429 projects completed collectively amongst them. The first, second and third highest performing contractors over FY 22-23 will be referred to as Contractor 1, Contractor 2, and Contractor 3, respectively. Contractor 1 completed 172 projects throughout the fiscal year, 99% of them funded by First U.S.; Contractor 2 completed 158 projects, 99% of them funded by Travis; and finally, Contractor 3 completed 99 projects during the fiscal year, securing funding for 88% of those projects through First U.S. This data suggests that relationships between specific lenders and contractors were one of the main drivers of loan volume growth achieved in FY 22-23 and points to the tremendous potential for regional credit unions to serve more Californians moving forward.

Map of GoGreen Home Loans Enrolled by Region

Loans by Region (Q3 2016 – Q2 2023)



Loans by Region (FY 22-23)



¹⁹ Represents the number of contractors currently enrolled in GoGreen Home. Over time, some contractors are suspended or removed from the Program as part of routine quality checks for reasons such as license expirations. The total participating contractors all time as of FY 21-22 has changed from our fiscal year previous report, 610, to 539 because of voluntary contractor removals as well as suspensions that have occurred since publishing the GoGreen Home Fiscal Year 21-22 Report. Contractors are suspended from the program on a quarterly basis due to an expired license from the Contractor State License Board or other disciplinary actions putting them in bad standing. When a contractor reactivates their CSLB, they are automatically re-enrolled in GoGreen Home upon proof of a valid license.



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Marketing Activity and Customer-Facing Products

In July 2022, advertising and marketing agency Riester assumed the role of new Marketing Implementer for the CHEEF following a solicitation process in Spring 2022 for a contract through June 30, 2025.²⁰ Within its role as Marketing Implementer, Riester is responsible for leading statewide marketing campaigns and administering the CHEEF programs' primary customer-facing platform, GoGreenFinancing.com.

The contract with Riester, the program's first full-service marketing firm, represents an unprecedented marketing venture for GoGreen Financing in terms of both budget and scope. Following a two-month "interim" media campaign in November and December 2022, Riester launched a one-million-dollar marketing campaign in Q1 2023 for the calendar year, with the initial goal of increasing program awareness. Paid search and Google display network optimizations were the initial strategies for generating awareness of the GoGreen Financing programs and driving qualified traffic to GoGreenFinancing.com. Staff observed significant growth in traffic to lenders from GoGreenFinancing.com and in the number of loan applications in Q4 2022 and Q1 2023.

GoGreenFinancing.com Financing Engagement (Outbound clicks) YoY					
Q4 2021	1,214 <i>clicks to lenders</i>	 +83% <i>Change in Number of Clicks</i>	Q1 2022	1,559 <i>clicks to lenders</i>	 +139% <i>Change in Number of Clicks</i>
Q4 2022	2,222 <i>clicks to lenders</i>		Q1 2023	3,722 <i>clicks to lenders</i>	

GoGreen Home Loan Applications (Q4 YoY & Q1 YoY)					
Q4 2020	344 <i>applications</i>	 -13.4% <i>Change in Number of Applications</i>	Q1 2021	343 <i>applications</i>	 +19.8% <i>Change in Number of Applications</i>
Q4 2021	298 <i>applications</i>		Q1 2022	411 <i>applications</i>	
Q4 2022	527 <i>applications</i>	 +76.8% <i>Change in Number of Applications</i>	Q1 2023	972 <i>applications</i>	 +136.5% <i>Change in Number of Applications</i>

Outbound clicks to lenders are tracked when a user clicks to either begin an application or directly contact a GoGreen Home participating lender on the Find Financing page. These outbound clicks, as shown in the second table above, are used to measure financing engagement and are the metric used to track conversions, as reaching out to a lender is one of the strongest indications that a borrower is interested in pursuing financing facilitated by the GoGreen Home program and will submit an application. Early evidence of the impact of paid search can be seen in the first table above. Outbound clicks were 83% higher in Q4 2022 than in Q4 2021 and a substantial 139% higher in Q1 2023 than in Q1 of the previous fiscal year. Congruent with the increase in outbound clicks, the number of applications submitted during those quarters also escalated quarter on quarter.

In addition, Riester marketing efforts incorporated streaming and smart audio in the form of 15 and 30 second ads and a long-form interview (:15 minutes) featuring SDG&E's Josh Thompson and GoGreen Financing Marketing Specialist Traci Hukill. These interviews ran on public service programs. The audio ads began airing in Q2 2023 and were played on 50 traffic and weather radio stations statewide as well as targeted streaming audio placements. Audio segments provided a

²⁰ 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.

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brief description of the GoGreen Home and GoGreen Business programs with the call to action directing listeners to visit GoGreenFinancing.com to explore projects, find a contractor, and select a lender. This audio content is scheduled to run through November and is projected to garner roughly 80 million in impressions and direct search traffic to the GoGreen Financing website.

To mitigate some of the complexity of communicating how the GoGreen Home program works and improve the user experience, GoGreen Financing and Riester teamed up with world-renowned artist and sustainability advocate Jeremy Ville of Studio Jeremyville to launch the “Green Means Go” campaign in May 2023. Ville’s work has previously appeared in campaigns for Google, Apple, *The New York Times* and more. The “Green Means Go” campaign utilizes illustrations and animation provided by Studio Jeremyville as the foundation for a vibrant and friendly online look and feel, which aims to stand apart from other platforms in the energy efficiency landscape. The assets created from Ville’s artwork include new program landing pages, paid digital and social media ads, and upcoming animated videos. Paid social media ads appeared on platforms such as Facebook, Instagram, YouTube and Nextdoor, and digital display ads appeared as banners in both English and Spanish.

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Assets for Paid Social, Digital Display Ads, and Landing Page



Facebook



Digital Display



Instagram



GoGreen Home landing page

While Riester’s initial objective was to spread awareness of the programs via “top of the funnel” tactics, in July they plan to shift to a middle-of-the-funnel, conversion-focused effort by collaborating with Unified Partnerships and iHeartMedia to optimize paid social and digital display ad campaigns. Through this collaboration, Riester successfully negotiated over 68 million added value impressions. These impressions represent additional (bonus) reach for the campaign with an estimated value of \$1.1 million.

To create campaign cohesion and a more visually consistent user journey, the GoGreen Financing website is also in the process of a redesign to better align it with the Studio Jeremyville stylings used in the paid digital and social ads. The redesigned version of GoGreenFinancing.com is set to launch in October 2023.

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Marketplace Microloan Activity

This section reports on microloans, which are loans limited to \$5,000 enrolled through IOU online marketplaces operated by platform provider Enervee. Microloans are reported on separately so as not to skew data presented for full-size loans, also referred to as standard loans. From Q3 2021 to Q2 2022, microloans were enrolled by Enervee and One Finance, which together offered a product, Eco Financing, to customers for financing purchases from the SoCalGas marketplace. At that time, the Eco Financing product had a 60-month term length and a single interest rate of 9.82%.²¹ In Q2 2022, Enervee paused microloan financing to onboard a new lender, Lewis & Clark Bank, which replaced One Finance. Microloan enrollments resumed in late Q2 2023 when Enervee and Lewis & Clark began offering the Eco Financing product with a 60-month term, single interest rate of 9.99%, and expanded availability to include both the SoCalGas and Southern California Edison utility marketplaces. During FY 22-23, 71 microloans were enrolled for an all-time total of 567.

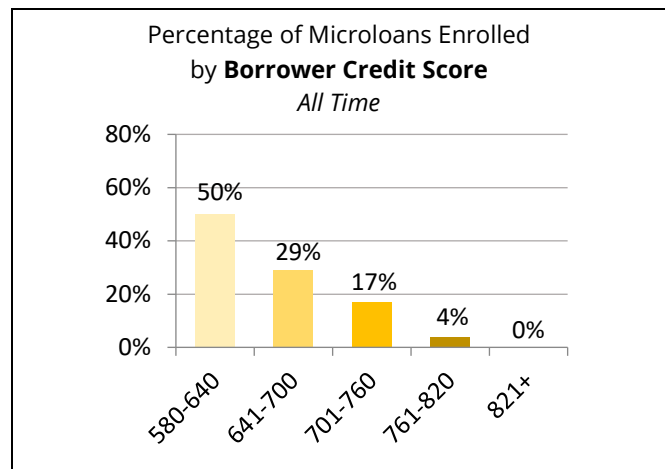
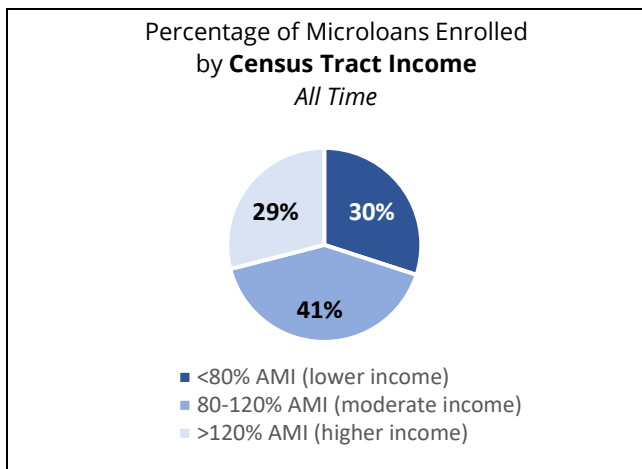
Resuming marketplace microloan enrollments in Q2 2023 revitalized the ability of the Program to serve more Californians. As seen in the graphs below, 71% of all-time microloans have been made to borrowers deemed underserved based on low-to-moderate income census tract. Renters make up almost half of the borrowers who received financing via marketplace microloans, and of particular note, 79% of marketplace microloans enrolled were for borrowers with a credit score below 700. Per the [GoGreen Home Regulations](#), borrowers within this FICO score range are categorized as credit-challenged and generally experience greater difficulty when trying to obtain financing.

Loan Activity and Loan Characteristics

Microloans Enrolled	71 <i>FY 22-23</i>	567 <i>All Time</i>
Total Amount Financed	\$123,630 <i>FY 22-23</i>	\$849,209 <i>All Time</i>

Loan Size <i>All Time</i>	\$1,498 <i>Average</i>	\$1,204 <i>Median</i>
Borrower Relationship to Property <i>All Time</i>	169 <i>Renters or Lessees</i>	398 <i>Owners</i>

How The Marketplace Microloan Product Serves Underserved Borrowers



²¹ One Finance's offer of marketplace microloans ended in June 2022. Enervee's loan enrollments resumed in June 2023 through a new lender, Lewis & Clark Bank.

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Measures Installed

Top 3 Appliances Purchased (All Time)		
Clothes Dryer 232	Clothes Washer 229	Gas Oven/Range 178

Deemed Energy Savings

Marketplace microloans for gas appliances purchased through the SoCalGas marketplace launched in Q3 2021 and were operational until Q2 2022. In Q2 2023 microloans were relaunched for the purchase of gas appliances through the SoCalGas marketplace, and electric measures became eligible for financing for the first time. Staff expects to see an increased proportion of energy savings from electricity in the coming months and years.

Total Annual Energy Savings and GHG Reductions (All Time)		
	Electric Savings	Gas Savings
Energy Savings	17,642 kWh	2,607 Therms
GHG Reductions	4 Tons of CO ₂ e	15 Tons of CO ₂ e