



gogreen
FINANCING™

OBR Program Guide

GoGreen Business Energy Financing Program

Administered by the State of California

Supported by California's Investor-Owned Utilities (IOUs)

PART 1 – OVERVIEW

PART 2 – ELIGIBILITY

PART 3 – GETTING A LOAN ON THE BILL

PART 4 – CHANGES TO ON-BILL LOANS

PART 5 – ORF

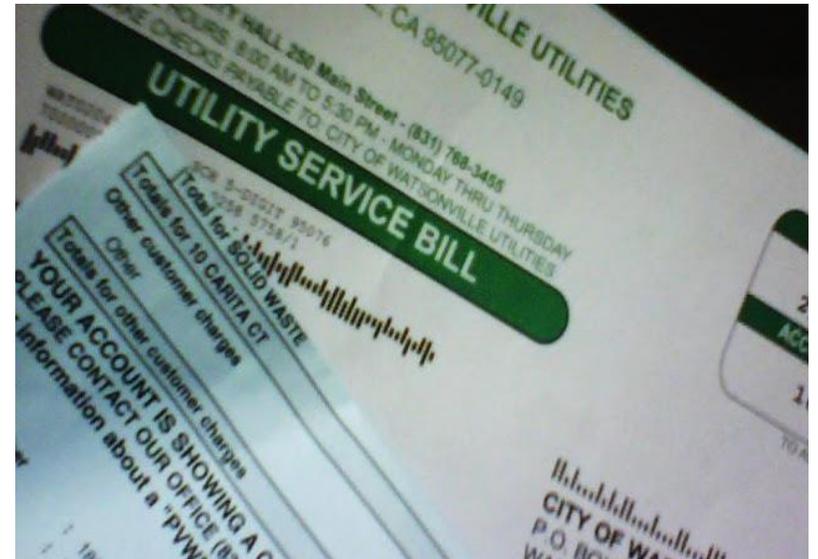
PART 6 – DQs, PARTIAL PAYMENTS, AND DISCONNECTION

PART 7 – GOVERNANCE AND CONTROL

PART 8 – APPENDIX

What is OBR?

On-bill repayment is a mechanism by which a Financing Customer repays their private financing charges through their utility bill.



Key OBR Principles

OBR is an add-on option to the existing GoGreen Business Financing Program

1. Participating Financing Companies can opt-in and decide if they want to offer OBR through GoGreen Business
2. Existing rules for GoGreen Business still apply. For reference, view the GoGreen Business [Program Guide](#)
In some cases, the OBR requirements are stricter, and are explained in the next section
3. Several rules refer to the “OBR Tariff” which are filed by the Investor-Owned Utilities and approved by the California Public Utilities Commission
4. Any financial product eligible for GoGreen Business (loans, leases, service agreements, and savings-based payment agreements) can be repaid through OBR
5. There is potential for energy service disconnection for non-payment of OBR charges, for non-residential customers
6. An Operation Reserve Fund (ORF) is used to smooth the flow of repayments and mitigate effects of delayed billing, or returned payments

Party Roles in OBR

CAEATFA

- Issues regulations, enrolls finance companies and procures a Master Servicer

The Customer

- Executes agreement with finance company
- Makes single payment for both energy and financing charges to their utility

The Finance Company

- Underwrites, originates, and acts as primary servicer
- Calculates and transmits customer and financing data to the Program

The Investor-Owned Utility (IOU)

- Is not a party to the finance agreement
- Bills the customer, and receives energy and financing payments
- Sends remittance file to MS identifying which Customer has paid
- Deposits finance payment to Remittance Deposit Bank

The Master Servicer (MS)

- Exchanges files with the IOUs to enroll customers in OBR and communicate financing charges to be placed on the bill
- Reconciles IOU remittance file and RDB account information, then directs RDB to transfer funds to the appropriate finance company
- Provides reports to finance companies

Remittance Deposit Bank (RDB)

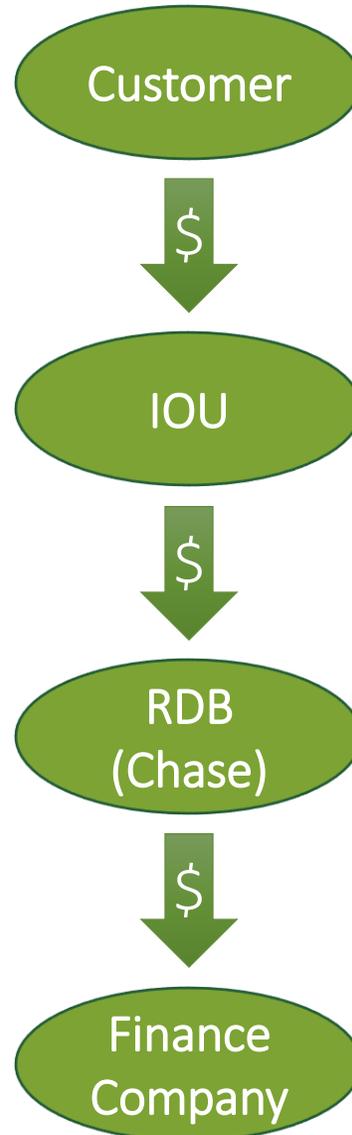
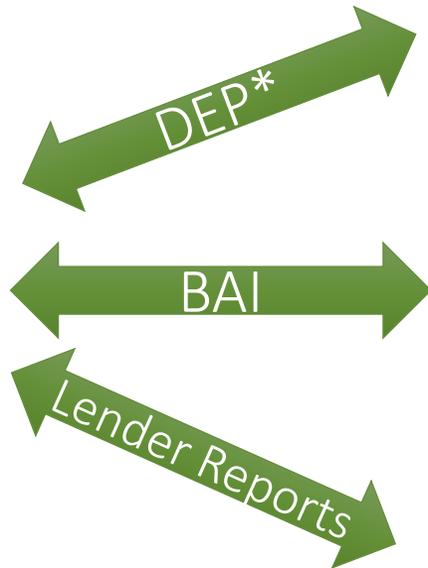
- Provides information on Utility deposits made to the remittance accounts
- Transfers funds to finance companies upon instructions from the MS

Visual Representation of Party Roles and Process

Master Servicer (MS):

- Processes customer data and funds from IOUs
- Initiates a directive for Remittance Deposit Bank to transfer funds to finance company

Master Servicer (Concord)



Customer:

- Makes single payment for both energy and financing charges

Investor-Owned Utility:

- Receives Customer's financing payment
- Deposits financing payment amount to Remittance Deposit Bank

Remittance Deposit Bank (RDB):

- Receives Customer payment amount from IOU
- Provides notice of utility remittances to MS
- Transfers funds to finance company per directive from MS

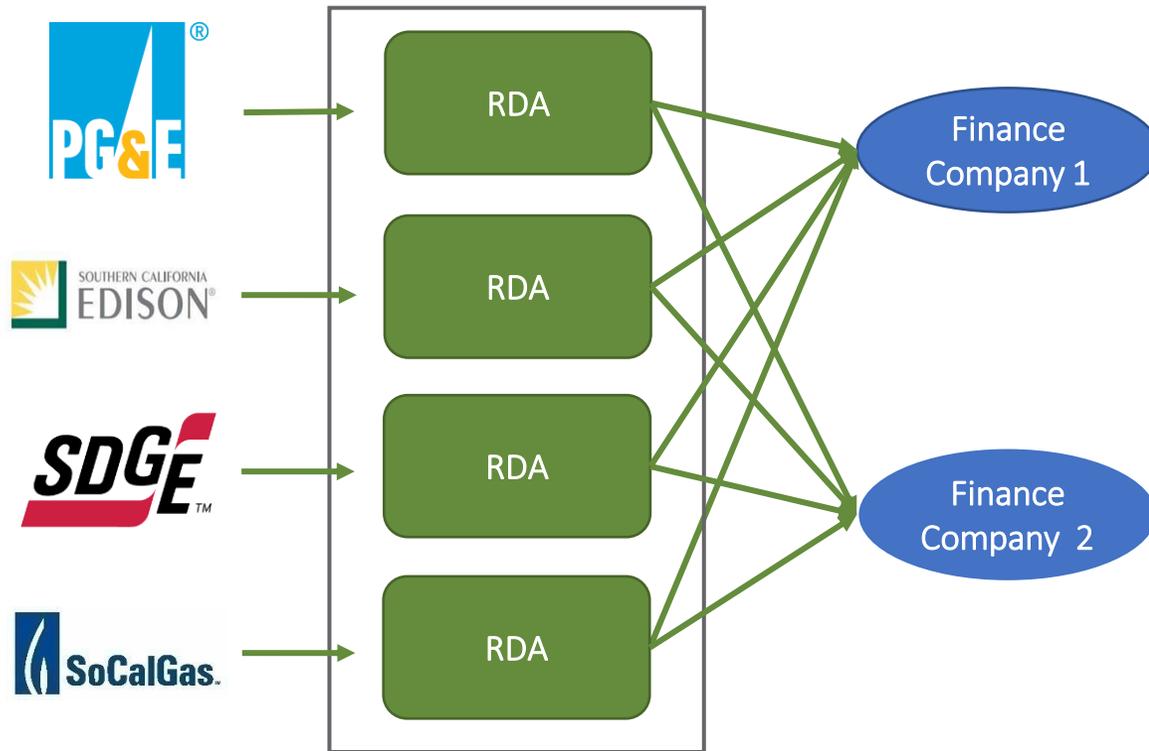
Finance Company:

- Receives payment from RDB
- Receives Remittance Report from MS

*Data Exchange Protocol (DEP):

The DEP is a system of semi-automated file transfers, which communicate data between the Master Servicer and the IOUs

Basic OBR Repayment process



1. Each utility makes daily deposits to a single Remittance Deposit Account (RDA) for each IOU.
2. Each Utility sends a Remittance File to the Master Servicer (MS) that details which payments are made on behalf of which Finance Company (FC)
3. The Master Servicer directs the Remittance Deposit Bank to transfer funds to the appropriate finance company

- CAEATFA named "Account Owner" of the RDAs
- "Third Party Agreement" between CAEATFA and Master Servicer allows the MS limited access to the RDAs for the purpose of transferring payments to Participating Finance Companies
- Both the Utility Remittance File and an RDA Bank BAI file are available to audit if there is a disagreement about transfers

Finance companies will have multiple interactions with GoGreen Business and OBR

1. Initial enrollment of a loan in the Program and in OBR

- Finance companies supply some additional OBR-specific data (beyond what is already supplied for off-bill GoGreen Business) to the Program for each OBR enrollment

2. Monthly reporting to the Program on loan performance

- Just like the off-bill Program, Finance Companies provide a simple, monthly Excel report showing the financing status, current outstanding amount, and sale or transfer details (if applicable) for all enrolled financing agreements

3. Receiving Regular OBR reports from the Master Servicer

- The Master Servicer will provide human or machine-readable CSV reports showing current OBR status (e.g. whether the utility has enrolled the customer's account in OBR, adverse events (e.g. overdue payments) and customer payments made

4. Changing amounts to be billed or changing what displays on the bill

- Finance companies can change these details for any OBR finance agreements using the OBR Change Template

5. Removing a finance agreement from OBR

- Finance Companies can initiate remove from OBR at any time using the OBR Change Template.

Finance Company Tools for OBR Interaction

1. Project Platform

Finance company users will be given a unique user ID to log into the Project Platform and submit projects for pre-approval and enroll projects, just as with the off-bill Program

Project (Two Birds Bakery) - Overview

EXIT PROJECT SAVE CHANGES

Inputted Project costs as of 02-03-2022

Customer: Maria Orozco	ESM and Related Cost	\$56,112.00
Project ID: P112	Non-Energy Component Cost	\$14,839.00
Project Status: New	ESM + Non-Energy Total Cost	\$70,951.00
Project Name: <input type="text" value="Two Birds Bakery"/>	Distributed Generation Costs	\$0.00
Repayment Method: <input type="radio"/> On-Bill <input checked="" type="radio"/> Direct Bill	Total Project Cost	\$70,951.00

2. OBR Change Template

This template is for finance companies to communicate updates of the following OBR information for their financing agreements to the Master Servicer:

- Next OBR Charge
- Finance Company Servicing Name
- Finance Company Servicing Phone Number
- Requesting removal of the finance agreement from OBR

Lender's Program-assigned ID	Lender Financing ID (optional)	CHEEF Financing ID (required)	Next OBR Charge (only if changing)	Servicing Name (only if changing)	Servicing Phone Number (only if changing)	Remove Financing Agreement from OBR?
Please enter the Program-assigned 3-digit identification number for your Finance Company	Please enter the unique number or ID that your Finance Company assigned to each Financing Agreement	Please enter the 11-digit CHEEF ID#. The CHEEF ID# can be found on the Trustee Funding Memo that was provided at the time of enrollment, and on your OBR Reports	This is the next charge that will be communicated to the IOU for placement on the bill. The charge should be inclusive of any fees	This is the name of the entity servicing the financing agreement that will appear on the customer's bill. This is the customer service contact name, not necessarily the CHEEF Financing Company of record	This is the phone number of the entity servicing the Financing Agreement that will appear on the customer's bill. This is the customer service contact number, not necessarily the CHEEF Financing Company of record	Only populate if you wish to remove a Financing Agreement from On-Bill Repayment

Finance Company Tools for OBR Interaction Continued

3. OBR Reports

The Master Servicer reports data to each finance company on all financing agreements currently enrolled in OBR, to keep finance companies informed on billing, customer payments, OBR status, etc.

The Master Servicer generates three different regular reports for finance companies:

1. Account Status Report
2. Account Events Report
3. Remittance Report

During our initial soft launch, these reports will be emailed to finance companies from the Master Servicer, only when there is reportable content.

After full program launch, these reports will be transmitted once per business day. Files will be stored on a “rolling retention” basis, meaning that only the last seven reports of each type will be visible online through a [secure FTP server](#) hosted by the Master Servicer.

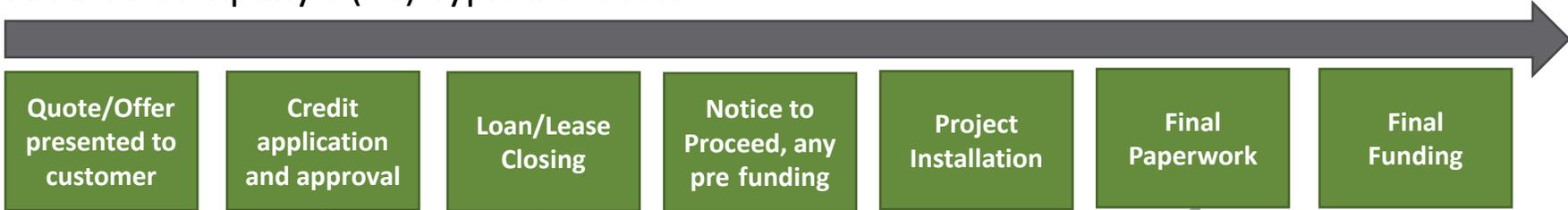
OBR Report Details

Report Name	Purpose	Full-Launch Frequency/ Trigger	Content
Account Status Report	A snapshot of the current status of all financings enrolled in On-Bill Repayment	Transmitted once per business day by 8:00am Pacific Time	<ul style="list-style-type: none"> • Current OBR billing status • Next OBR charge to be placed on bill • Last payment date • Utility confirmation/notification dates
Account Events Report	To report adverse Activity such as a delayed bill, overdue notice sent to customer or customer may be disconnected	Transmitted once per business day by 8:00am Pacific Time	<ul style="list-style-type: none"> • Date of event • Event description
Remittance Report	To report all payments remitted on the previous business day from the utility on behalf of customers	Transmitted once per business day by 1:00am Pacific time	<ul style="list-style-type: none"> • Customer financing payment amount • Date posted to utility account

Finance Company Interaction with Program

Indicates OBR layer

Finance Company's (FC) Typical Process



Program Pre Approval

Program Enrollment

Staff recommend FCs not release final funding until contractor & customer have completed **Program documentation***

Contractor enters measure info into project platform.
FC enters basic financing data. Staff confirm eligibility for Program and value of loss reserve contribution

- OBR Eligibility Check:**
- IOU bill is current, and for a non-residential rate class
 - Summary bill if project has multiple sites
 - No more than 30% Non-Energy Saving Measures

FC enters all financing data into Project Platform.
FC, Contractor, and Borrower complete certifications

Staff direct Trustee to fund FC's Loss Reserve Account, and enroll loan/lease in GoGreen Business

OBR enrollment with utility begins
 OBR Reporting from the MS begins

- *Program Documentation**
- Contractor uploads:
 - Final Customer Invoice
 - Customer signs (DocuSign):
 - Certification of Project Completion
 - Privacy Rights Disclosure
 - **OBR Authorization Form**



Incorporation of GoGreen Business Program Processes



Finance Company ability to affect repayment

Finance Companies Can:

- Adjust the charge amount that appears on the utility bill on a monthly basis
- Request the removal of an account from OBR at any time, at their discretion
- Still receive their loss reserve contribution if charges are not able to be placed on the utility bill. The financing agreement will be enrolled in GGB as "off-bill" and the FC can directly bill the customer

Finance Companies Cannot:

- Remove or change a charge that has already been placed on the bill
 - *The FC can modify the charge amount for the following month, including submitting a bill amount of \$0, but once a charge has been placed on a bill, the IOUs cannot remove it*
- Accelerate repayment of a financing agreement while it is being repaid through OBR, consistent with the relevant OBR Tariff
 - *If an FC needs to accelerate repayment of the financing agreement, the customer will first need to be removed from participation in OBR and then the FC can accelerate directly with the customer*

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Utility Account Requirements

In addition to the GoGreen Business project eligibility rules, the Customer's IOU account:

- cannot be past due*
- cannot be in a payment arrangement for past due payments
- needs to be for a non-residential IOU account
- must receive a single bill for service to all addresses, if the project includes installations at more than one service address**
- must be billed on a monthly basis

**Customers who are already behind on utility charges are at risk for disconnection and adding financing charges to their bill increases that risk*

***OBR is set-up as a monthly billing program and practically, charges for multiple sites need to be aggregated on a single bill*

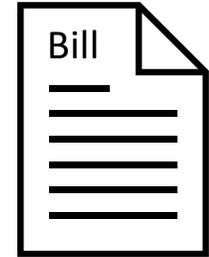
OBR Charges for customers served by multiple IOUs

If an OBR Customer receives service from more than one IOU, financing charges will appear on the bill provided by the IOU whose fuel source (electric or gas) accrued the greatest Energy Savings Measure installation costs

Why:

This was identified as the simplest method to determine on which bill financing charges should appear when multiple IOUs deliver service to a customer

The contractor is to provide the breakdown of costs by fuel



Financing Agreement Requirements

The individual or entity named on the IOU bill on which the OBR charges appears must also be named on the financing agreement

Why:

The IOUs are authorized to collect financing payments from their utility customers. The IOUs need to tie their customer back to a financing agreement

Example 1: Name on utility bill is a subsidiary

- Name on IOU bill is “Joe’s Pizza LLC”
- Finance Company’s legal counterparty is “JP Holdings LLC”
- Lease agreement needs to include “Joe’s Pizza LLC”

Example 2: Name on utility bill is a shortened company name or DBA

- Name on IOU bill is “Sam’s Bikes”
- Finance Company’s legal counterparty is “Sam Torres”
- Lease agreement needs to include “Sam Torres dba Sam’s Bikes” *(if applicable)* or “Sam’s Bikes”

Financing Product Requirements

Term:

The GoGreen Business Program does not restrict Financing Agreement term length, though an Enrolled Financing Agreement may be repaid through OBR for up to 15 years from enrollment in the Program

Note that per GoGreen Business Program regulations, Enrolled Financing Agreements are considered claim-eligible for 10 years from their enrollment in the Program

Customer OBR Authorization Form

Purpose of Form: In order to be able to place financing charges on a utility bill, the IOUs require that their customers sign an OBR Authorization form, acknowledging:

1. They are the utility customer, or an authorized representative
2. The utility company may add financing charges to their bill

An example authorization form can be found [here](#). CAEATFA is working with the IOUs to create a statewide authorization form that will be consistent for all IOUs for the full launch.

Process:

- After the Finance Company has electronically submitted the financing agreement to the Program for enrollment, CAEATFA will obtain the OBR Authorization form from the customer along with the Customer Project Certifications and Privacy Rights Disclosure documents through the Project Platform.
- This is a condition of enrollment in the Program and finance companies have the option of obtaining it themselves, along with the other program forms, prior to releasing prefunding

AUTHORIZATION TO ADD CHARGES TO UTILITY BILL

ACCOUNT INFORMATION

SERVICE ADDRESS DETAILS

Utility Name: _____

Service Address: _____

STREET

_____ CA _____

CITY

STATE

ZIP

TELEPHONE NUMBER

Utility Account Number: _____ Service Agreement Number / CSAID: _____

PARTICIPATING FINANCE COMPANY AND ELIGIBLE AGREEMENT INFORMATION

Name of Participating Finance Company: _____

Initial OBR Charge amount*: _____

**Note that the initial OBR Charge amount is merely the first monthly charge to appear on your Bill and may reflect a discount or promotion. As stated in Section 1. (Authorization to Bill Financing Charges), above, OBR Charges may increase or decrease from month to month based on the terms of your Eligible Agreement, the inclusion of late charges and interest in accordance with your Eligible Agreement, and variations in the periods of time covered by each Utility billing cycle.*

By signing below, you hereby authorize the Utility to add Financing Charges to your Bill for the Service Address and Utility Account Number shown above.

You certify that you are the Utility's Customer financially responsible for charges to the Utility account represented by the Utility Account Number shown above, or an officer, representative, or agent authorized to act on behalf of the Utility's Customer, and hereby direct Financing Charges to be placed on the Bill.

Customer Name: _____
(ENTITY or INDIVIDUAL)

Individual Signatory Name (your name, if different): _____
FIRST LAST

Executed this _____ day of _____
SIGNATURE MONTH YEAR

Costs Eligible to Be Repaid through the Utility Bill

1) The Entire Claim-Eligible Financed Amount

- *The claim-eligible financed amount is capped at \$1 million*
- *Non-energy components may comprise up to 30% of this amount*
- *While the off-bill program allows for non-energy measures beyond the 30% to be included in the financing (while not receiving a credit enhancement), the IOUs want to ensure that charges on their bill are reasonably linked to energy project. Therefore, an on-bill financing agreement is limited to what non-energy measures can be included*

2) Additional Energy Savings Measures not included in the Claim-Eligible Financed Amount

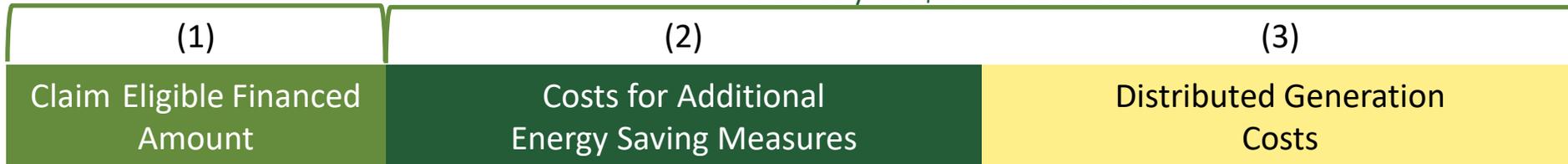
3) Distributed Generation

- *Costs are not claim-eligible but can still be repaid through OBR*

Click here to view sample projects in the Appendix section

- At least 70% Energy Saving Measures
- Up to 30% non-Energy Saving Measures

Additional financed amounts can include
ESMs beyond \$1 million and DG costs



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IOU Billing Cycles and Timelines

It may take multiple IOU billing cycles after CAEATFA directs charges to appear on the bill before the first charges appear on the customer's IOU bill due to variations in IOU billing cycle intervals.

Each IOU has varying timeframes for on-time payment

A Customer's **IOU Bill Day** can be any day of the month and is individual to that customer. The **IOU Bill Cutoff** and **OBR Charge Modification Cutoff** days are calculated based on the IOU Bill Day

In this section in the slides that follow, we show the basic on-bill enrollment and remittance steps in a list, then in a process flow, and then in timeline format.

3-8
Calendar
Days

IOU Bill Day

- The day of the month that the IOU sends the bill to the customer. This day varies for every customer depending on when they started utility service.

IOU Bill Cutoff Day

- The last day on which the IOU can make changes to a bill before it is generated. IOUs provide this day to the Master Servicer, giving themselves a buffer to add the charge to the bill

8
Calendar
Days

OBR Charge Modification Cutoff Day

- This is the last day of the month that the Finance Company can submit an OBR Change Template to the Master Servicer for updating an OBR financing agreement. This day is derived from the IOU Bill Cutoff Day

On-bill enrollment and repayment steps

Enrollment in the GoGreen Program

1

- Finance Company submits finance agreement for enrollment in GoGreen Business and OBR through Project Platform
- CAEATFA reviews and approves the finance agreement for enrollment in the program
- Finance Company notified of GoGreen Business program enrollment through Project Platform

Enrolling a Customer in OBR and placing charges on the bill

2

- Master Servicer directs IOU to enroll the customer in On Bill Repayment
- IOU confirms that customer's account is eligible for OBR
- Master Servicer reports to Finance Company that customer's account has been enrolled in OBR and provides the monthly billing cut-off day

3

- Master Servicer provides IOU with financing Charge and Finance Company Servicing name and phone # to be placed on customer's bill
- IOU confirms that charge has been placed on the bill
- Master Servicer reports to Finance Company that charge has been placed on the bill

Financing Repayment and Remittance

4

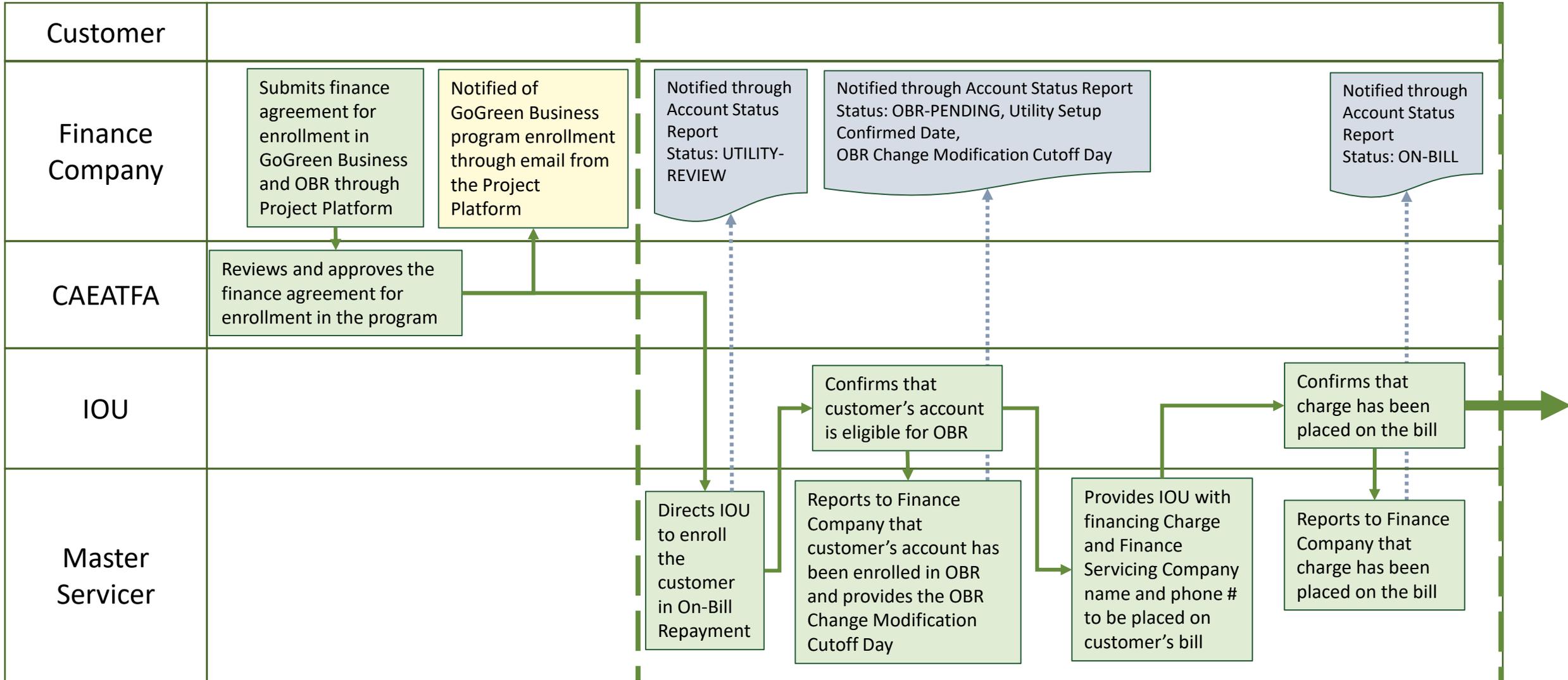
- IOU sends bill with energy and financing charges to customer
- Customer pays their utility bill
- IOU reports to Master Servicer the date and amount of customer payment
- Master Servicer reports to Finance Company the date and amount of customer payment

5

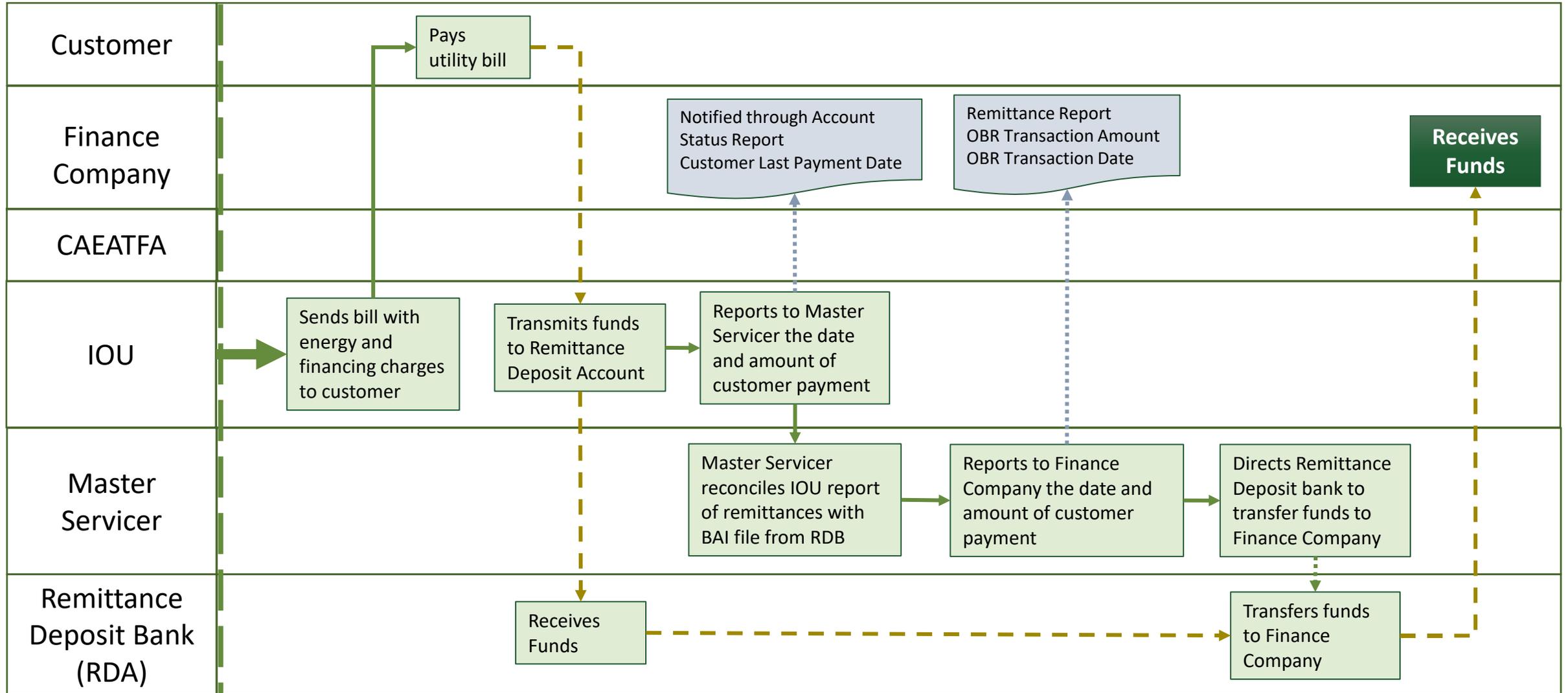
- IOU transmits funds to Remittance Deposit Account
- Remittance Deposit Bank notifies Master Servicer that IOU has deposited funds
- Master Servicer directs Remittance Deposit bank to transfer funds to Finance Company

Enrollment in the GoGreen Business Program

Enrolling a Customer in OBR and placing charges on the bill



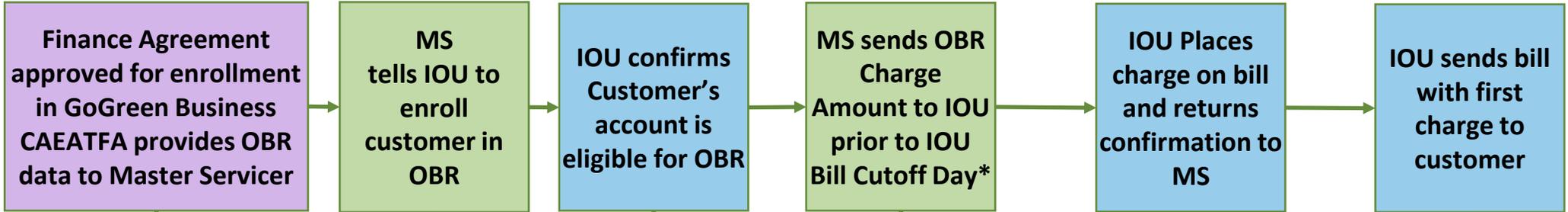
Financing Repayment and Remittance



On Bill Repayment steps with timeline: first charge billed

Actions Performed by:

IOU	Program
MS	RDB
Customer	



Finance Company submits data and certifications for finance agreement enrollment in GoGreen Business

Business Day 1 Bus Day 2 Bus Day 3 Bus Day 4 ~ Bus Day 5 ~ Bus Day 7-12
~ Cal Day 9-18

Fastest Scenario

Variability:
The MS transmits OBR Charge Amount to IOUs once per month for each loan. A customer's IOU Bill Day can occur on any day of the month and is specific to each customer

Continued next slide

Slowest Scenario

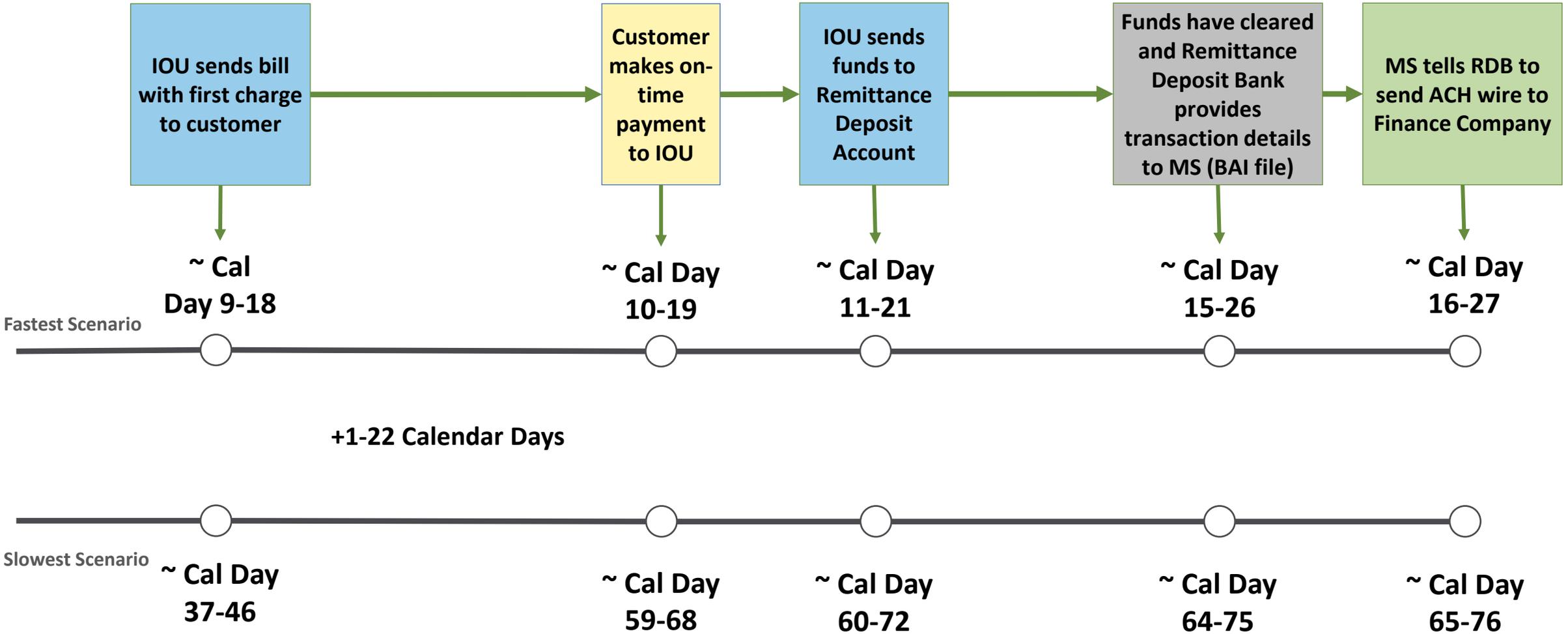
~ Calendar Day 34 ~ Cal Day 35-37 ~ Cal Day 37-46

*IOU Bill Cutoff Day:
The last day on which the IOU can make changes to a bill before it is generated

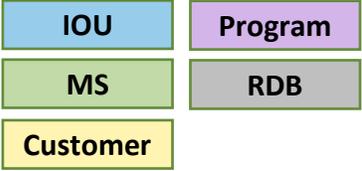
On Bill Repayment steps with timeline: first charge paid and remitted

Actions Performed by:

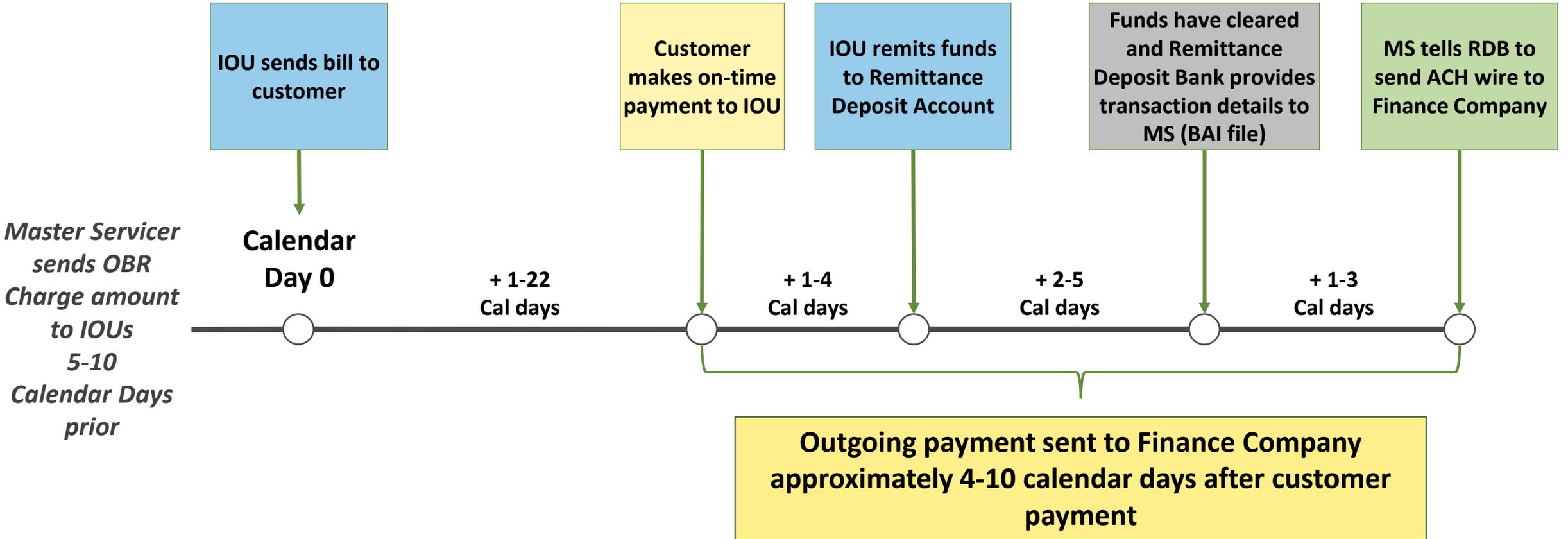
IOU	Program
MS	RDB
Customer	



Actions Performed by:



On Bill Repayment steps with timeline: second charge and beyond



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Changes to what appears on the bill - Process

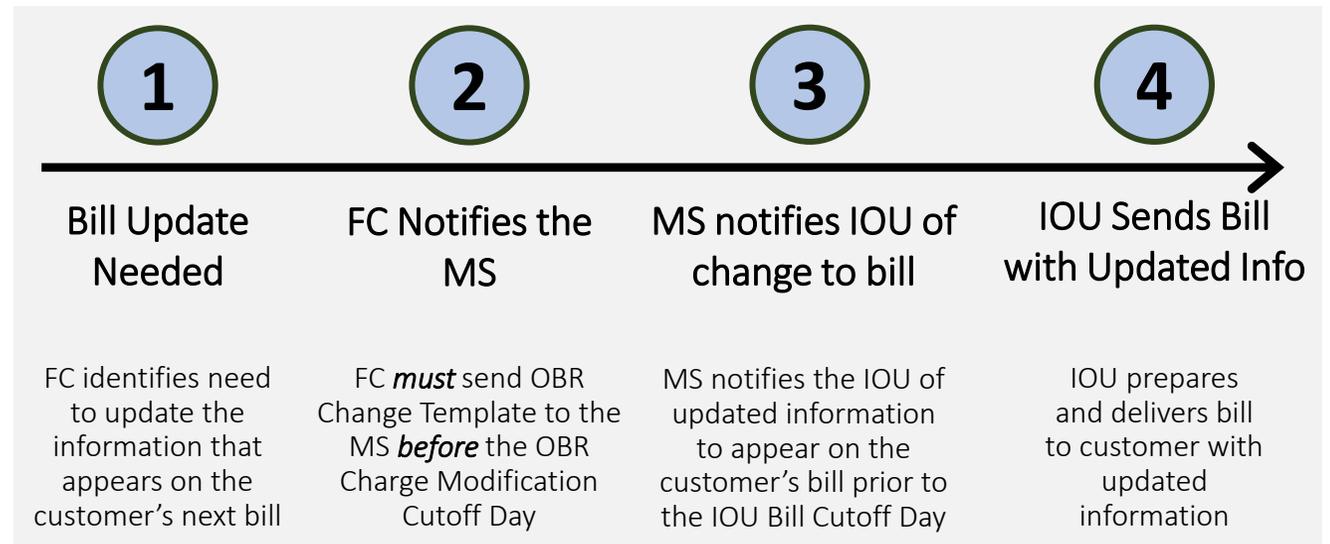
Finance Companies can make updates to OBR information for a Financing Agreement by filling out an **OBR Change Template** and providing it to the MS before the **OBR Charge Modification Cutoff Day** for that Financing Agreement (*reported on field 11 of Account Status Report*)

Finance Company can update:

- Next OBR Charge amount
- Finance Company Servicing Name
- Finance Company Servicing Phone Number

Finance Company can also:

- Remove a financing agreement from OBR



Reminder: Once a charge has been placed on a bill, the charge cannot be removed

OBR Change Template

Financing Agreement Identifying Information			Monthly Charge Amount	Servicing Company Contact Information		Option to Remove Financing Agreement from OBR
Lender's Program-assigned ID	Lender Financing ID (optional)	CHEEF Financing ID (required)	Next OBR Charge (only if changing)	Servicing Name (only if changing)	Servicing Phone Number (only if changing)	Remove Financing Agreement from OBR?
Please enter the Program-assigned 3-digit identification number for your Finance Company	Please enter the unique number or ID that your Finance Company assigned to each Financing Agreement	Please enter the 11-digit CHEEF ID#. The CHEEF ID# can be found on the Trustee Funding Memo that was provided at the time of enrollment, and on your OBR Reports	This is the next charge that will be communicated to the IOU for placement on the bill. The charge should be inclusive of any fees	This is the name of the entity servicing the financing agreement that will appear on the customer's bill. This is the customer service contact name, not necessarily the CHEEF Financing Company of record	This is the phone number of the entity servicing the Financing Agreement that will appear on the customer's bill. This is the customer service contact number, not necessarily the CHEEF Financing Company of record	Only populate if you wish to remove a Financing Agreement from On-Bill Repayment

This template is a simple Excel document. Finance Companies can make changes to multiple financing agreements using a single template, by filling in one row per agreement

The fields labelled “(only if changing)” only need to be populated if those data points are being updated from the information on file

Updating the Servicing Company Contact Information

Why might a Financing Company want to update the Servicing Company contact information? A Finance Company may have:

- Transferred the servicing role to another entity
- Changed their contact phone number
- Changed how they want their name displayed

The OBR financing charge line item on a customer’s SDG&E or SCG utility bill, displays the name and phone number a customer would call with any questions about their financing charges

SCE will store the Servicing Company phone number in case they receive customer service calls. They are not initially able to add this information to their customer’s utility bills.

Lender's Program-assigned ID	Lender Financing ID (optional)	CHEEF Financing ID (required)	Next OBR Charge (only if changing)	Servicing Name (only if changing)	Servicing Phone Number (only if changing)	R
Please enter the Program-assigned 3-digit identification number for your Finance Company	Please enter the unique number or ID that your Finance Company assigned to each Financing Agreement	Please enter the 11-digit CHEEF ID#. The CHEEF ID# can be found on the Trustee Funding Memo that was provided at the time of enrollment, and on your OBR Reports	This is the next charge that will be communicated to the IOU for placement on the bill. The charge should be inclusive of any fees	This is the name of the entity servicing the financing agreement that will appear on the customer's bill. This is the customer service contact name, not necessarily the CHEEF Financing Company of record	This is the phone number of the entity servicing the Financing Agreement that will appear on the customer's bill. This is the customer service contact number, not necessarily the CHEEF Financing Company of record	
200	123456-L10	12260000001		Loan Wolf Servicing FC	(555) 456-1123	

Enter data in these fields to update the Servicing Company’s customer service contact information

Changing a monthly payment amount

Why might a charge amount be updated?

- Service Agreements or Savings Based Payment Agreements where the monthly fee that the customer pays changes periodically
- Updated payment amount due to interest deferrals or late payment fee

Payments are structured as “set and forget”. That means, the Master Servicer will retain your modified payment as the ongoing monthly OBR charge until you send a new, updated charge

Lender's Program-assigned ID	Lender Financing ID (optional)	CHEEF Financing ID (required)	Next OBR Charge (only if changing)	Servicing Name (only if changing)	Servicing Phone Number (only if changing)	Remove Financing Agreement from OBR?
Please enter the Program-assigned 3-digit identification number for your Finance Company	Please enter the unique number or ID that your Finance Company assigned to each Financing Agreement	Please enter the 11-digit CHEEF ID#. The CHEEF ID# can be found on the Trustee Funding Memo that was provided at the time of enrollment, and on your OBR Reports	This is the next charge that will be communicated to the IOU for placement on the bill. The charge should be inclusive of any fees	This is the name of the entity servicing the financing agreement that will appear on the customer's bill. This is the customer service contact name, not necessarily the CHEEF Financing Company of record	This is the phone number of the entity servicing the Financing Agreement that will appear on the customer's bill. This is the customer service contact number, not necessarily the CHEEF Financing Company of record	Only populate if you wish to remove a Financing Agreement from On-Bill Repayment
200	123456-L10	12260000001	\$250.00			
200	123789-L10	12260000002	\$375.00			

Reminder: unpaid charges stay on the customer's account and will continue appearing on the bill. There is no need for the Finance Company to alert the MS to unpaid charges from a prior month

Pulling a loan back to direct-bill

Why might a Financing Agreement be removed from OBR?

- The finance company may not want the customer to risk being disconnected from utility service for non-payment of charges
- The customer asks the Finance Company to be removed from OBR and the Finance Company concurs

FCs may initiate this by sending a copy of the Lender OBR Change Template to the MS with the Financing Agreement identifying information filled out, and selecting “Remove from On-Bill” in Column H

Selecting this option will highlight that row red as a warning to the FC user that they have opted to remove that loan from OBR

Lender's Program-assigned ID	Lender Financing ID (optional)	CHEEF Financing ID (required)	Next OBR Charge (only if changing)	Servicing Name (only if changing)	Servicing Phone Number (only if changing)	Remove Financing Agreement from OBR?
Please enter the Program-assigned 3-digit identification number for your Finance Company	Please enter the unique number or ID that your Finance Company assigned to each Financing Agreement	Please enter the 11-digit CHEEF ID#. The CHEEF ID# can be found on the Trustee Funding Memo that was provided at the time of enrollment, and on your OBR Reports	This is the next charge that will be communicated to the IOU for placement on the bill. The charge should be inclusive of any fees	This is the name of the entity servicing the financing agreement that will appear on the customer's bill. This is the customer service contact name, not necessarily the CHEEF Financing Company of record	This is the phone number of the entity servicing the Financing Agreement that will appear on the customer's bill. This is the customer service contact number, not necessarily the CHEEF Financing Company of record	Only populate if you wish to remove a Financing Agreement from On-Bill Repayment
200	123456-L10	12260000001				Remove from On-Bill

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Operational Reserve Fund

CAEATFA has identified challenges in the IOU billing and OBR operational mechanisms that could negatively affect the flow of funds from the customer to a Finance Company. These challenges can arise when two types of events occur:

1. Delays which affect when an IOU sends a bill to a customer (and therefore delays when a customer pays a bill)
2. Returned payments (insufficient funds in customer checking accounts, unsigned checks, etc.) from one or more customers which would potentially affect the remittance stream to Finance Companies other than the Finance Companies with the account(s) which contain the returned item

In these cases, the Operational Reserve Fund will be used to pay Finance Companies

Further explanation of Returned Payments

IOUs send payments to the Remittance Deposit Bank without waiting for customer funds to clear.

In the event of a returned payment, the Finance Company will have received funds from an initially posted customer payment that ultimately was returned.

The IOUs will hold future remittances back until they are made whole. If an IOU holds back payments, the ORF will be used to make sure other Finance Companies receive their funds.

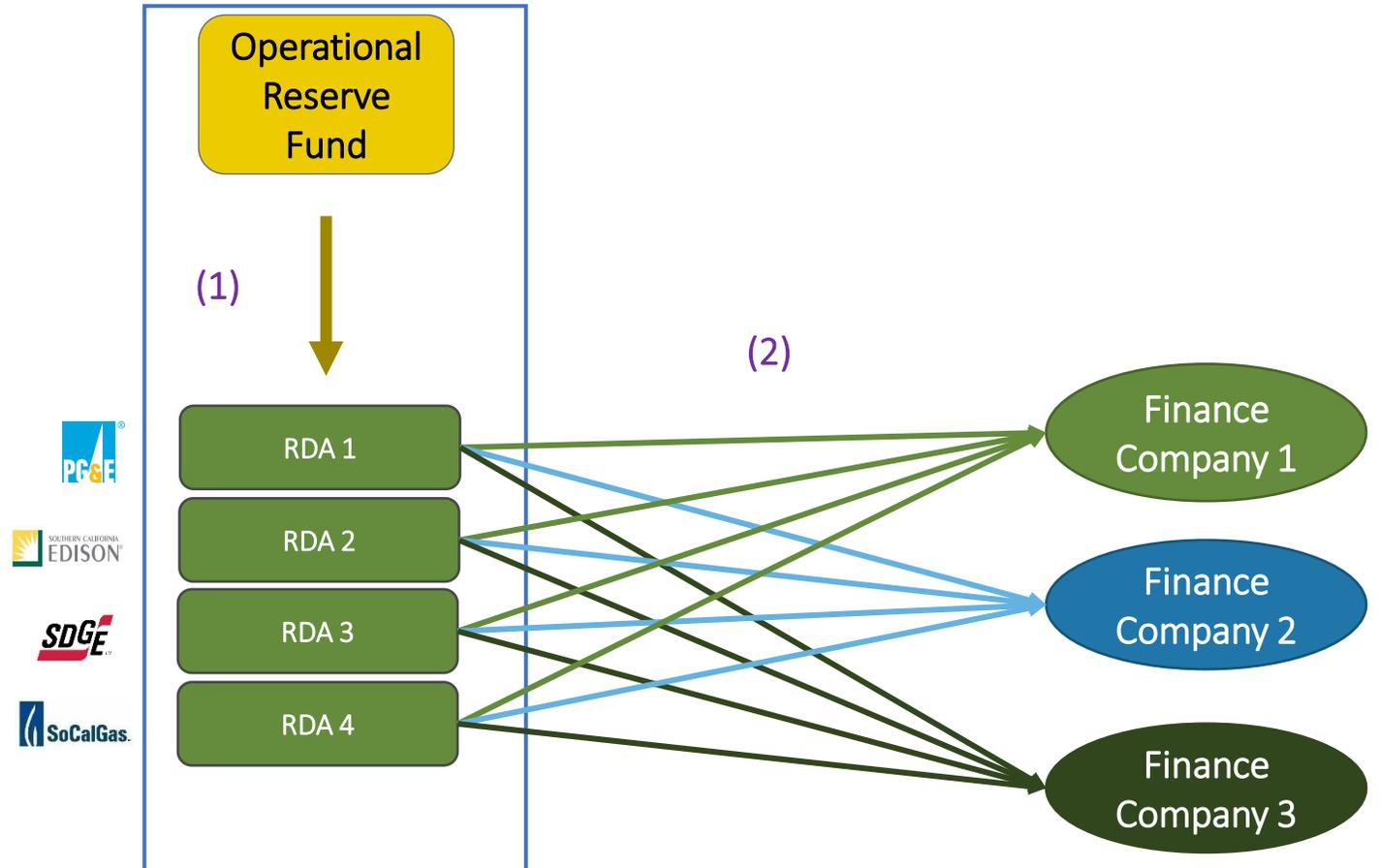
A Finance Company will know that their customer had a returned payment because the Remittance Report will indicate a show a leading negative sign in the **OBR Transaction Amount** field.

CHEEF Financing ID - L016	Lender Financing ID - L015	Program Name - L001	Finance Customer Name - OBR005	OBR Utility Name - OBR002	OBR Utility Account Number - OBR003	OBR Transaction Amount - OBR032	OBR Transaction Date - OBR029
12260000093	2711156	GoGreen Business OBR	Bridget Thames	SCE	994584356465	-250.00	5/5/2022

Receiving payment from the ORF

Master Servicer Directs:

- (1) Transfer from ORF to IOU's Remittance Deposit Account (RDA)
- (2) ACH or wire transfer from RDA to Finance Company



What happens with a Delayed Bill

1. In the event of a Delayed Bill, the ORF will be used to transfer the current **OBR Next Total Charge** on file to the Finance Company
2. Because the customer has not at this time made a payment, the **Customer Last Payment Date** on the Account Status Report would not be updated, showing the date of the previous posted payment. You will still receive a Remittance Report showing the **OBR Transaction Date** (date the ORF funds were transferred), and the **OBR Transaction Amount** (amount transferred)
3. When that customer eventually receives their bill, and makes a payment, the ORF will be reimbursed, and the **Customer Last Payment Date** on the Account Status Report will be updated
4. If the customer is removed from OBR prior to repayment of the ORF Balance associated with its Delayed Bill, the ORF Balance becomes due from the Finance Company within 90 days of the date the customer was removed from OBR

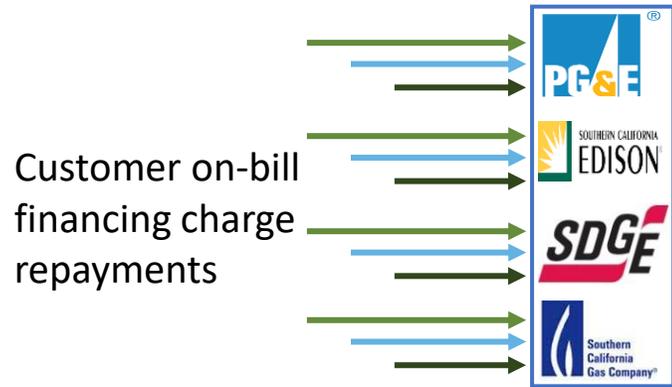
Repaying an ORF Balance after a returned payment

Use of the ORF creates an “ORF Balance” that must be repaid through one of three ways:

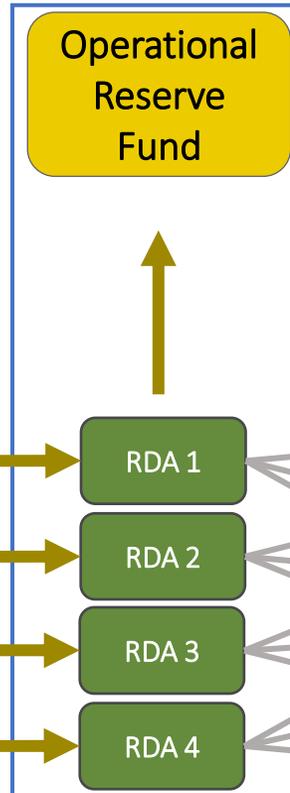
1. The Master Servicer will redirect remittances received from any of the Finance Company’s OBR Customers to reimburse the ORF for an ORF Balance due from that Finance Company’s customer’s returned payment
2. If the Finance Company charges off the finance agreement and files a claim, the ORF balance will be paid from the claim amount prior to any payment to the Finance Company
3. If a Finance Company no longer has any financing agreements being repaid through OBR, the Finance Company’s outstanding ORF Balance becomes due to the Authority within 30 days.

Finance Company reimbursement to the ORF

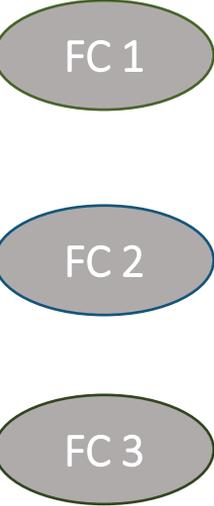
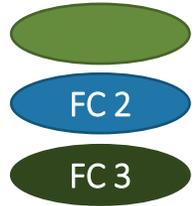
Master Servicer Directs:
 (3a) reimbursement to ORF from RDA
 or
 (3b) reimbursement to ORF from a Finance Company's loss reserve account



(3a)
 new payment
 from Customer



(3b)
 from FC's Loss Reserve Account
 in the event of a claim



If a Finance Company no longer has any financing agreements being repaid through OBR, the FC's outstanding ORF Balance becomes due within 30 days and the FC will reimburse the ORF directly.

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Understanding partial payments, past due charges and disconnection

- Each utility has timelines and policies for when:
 - Bills are due
 - Overdue notices get sent for nonpayment
 - Customers may be disconnected from energy service
 - Customer accounts may be closed
- Unpaid OBR charges will remain on the customer's account until paid
- Customers may be disconnected from energy service and their utility accounts may be closed due to non-payment of their OBR finance charges.
- Disconnection is at the utility's ultimate discretion
- Finance Companies may wish to remove customers from OBR prior to utility disconnection, if possible
- Utilities will initiate removal from OBR either immediately after a customer has been disconnected from energy service or after a period of days, depending on the utility

Individual IOU disconnection timelines are shown in the Appendix section

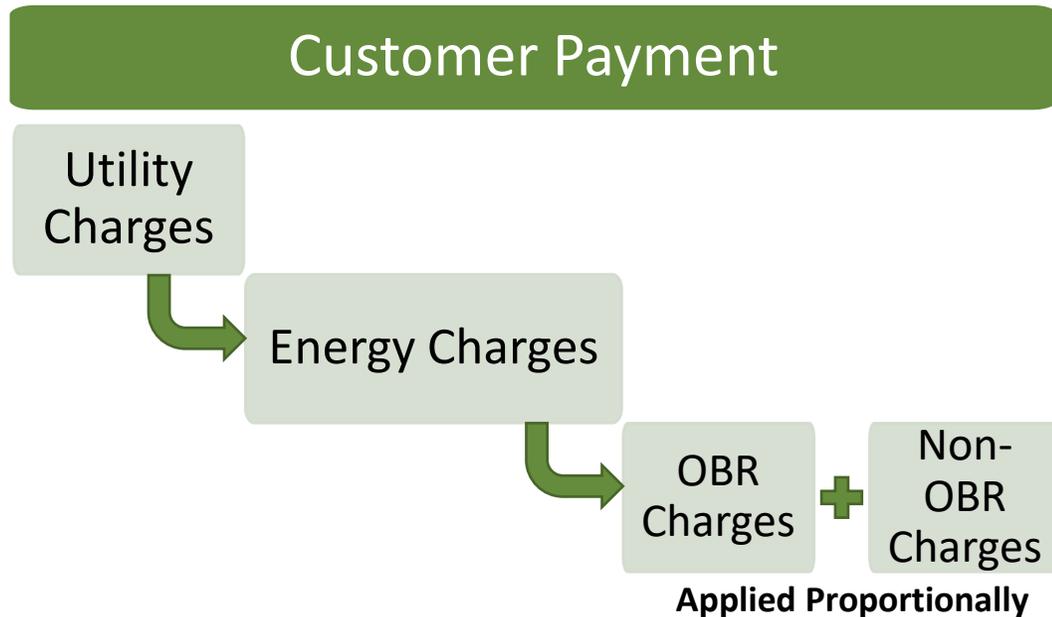
Partial Payments

Utilities use two different methodologies for how partial payments are applied to outstanding balances: Waterfall and Pari Passu (pro-rata).

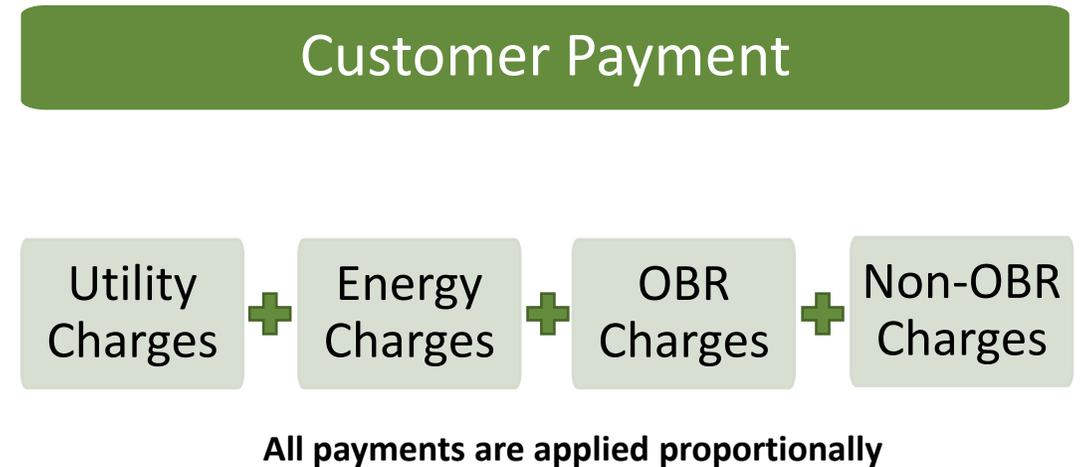
In each case, partial payment or non-payment can result in service disconnection and removal from OBR.

Application of Partial Payment of Financing Charges (per OBR Tariffs)

Waterfall Payments: SDG&E and SoCalGas



Pro Rata Payments: PG&E and SCE



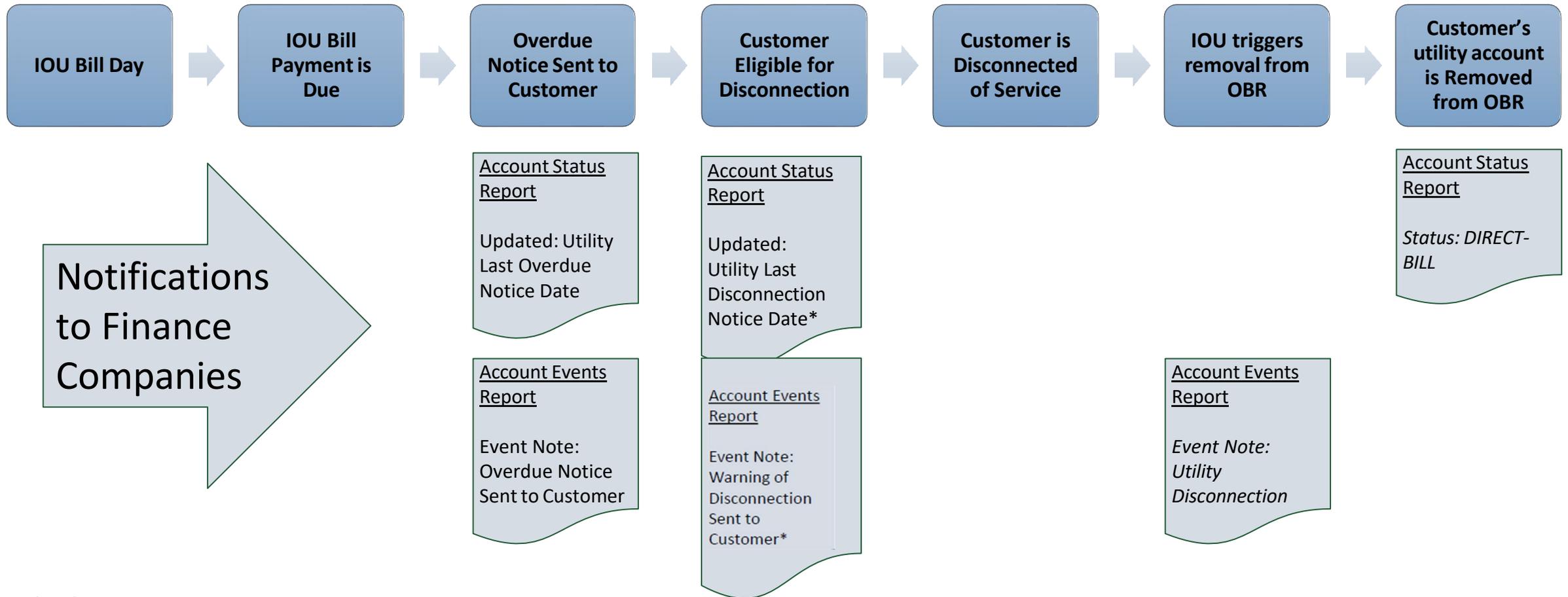
Utility Charges Include utility service and credit establishment charges

Energy Charges include charges based on energy consumption

Non-OBR Charges include all other services billed by the IOU

Payments are applied to past-due OBR charges prior to current charges under both partial payment structures.

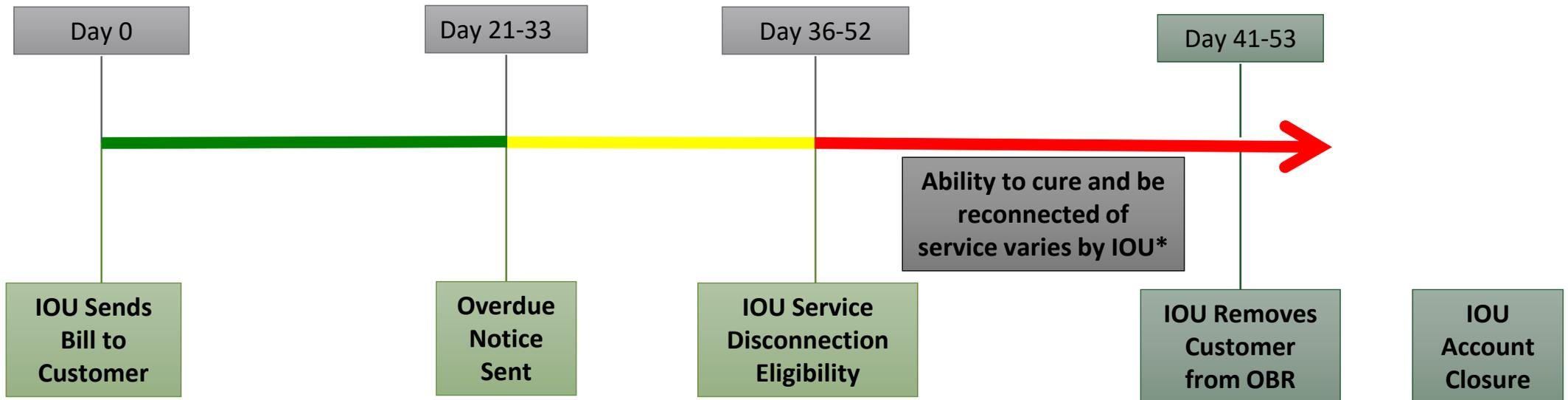
Key Events of Delinquency and OBR Removal



*For SCG customers, these notifications signal that the customer has already been disconnected

IOU OBR Delinquency & Termination Timeline

IOU delinquency policies vary & fall within the date ranges below



FCs may choose their own delinquency tolerance, stop OBR, and directly bill their customer

** 5 days for SDG&E, 10 days for SCG. No cure period for SCE; customer is removed from OBR immediately at service disconnection. Individual IOU timeline slides in Appendix provide specific dates and details on notifications.*

Interpreting the Account Events Report (AER) - Event Note definitions by IOU

IOU	AER – Event Note says “Overdue Notice Sent to Customer” <u>What it means</u>	AER – Event Note says “Warning of Disconnection Sent to Customer” <u>What it means</u>
SDGE	No payment received by Day 21-33 <i>Varies by customer, based on SDGE internal scoring system</i>	“Projected” disconnection date. Customer is in dunning (disconnection strategy), and may cure by paying past due balance
SCE	No payment by Day 22	Customer has been disconnected of service <u>and</u> removal from OBR triggered
SCG	No payment received by Day 21	Customer has been disconnected of service, will remain in “not billed” status for 10 calendar days before being removed from OBR

Disconnection Processes

IOU	Conditions for a bill being considered “Delinquent” and the IOU sending an overdue notice	Disconnection Process
SDGE	Customer has a delinquent balance > \$50	Customer is in dunning (disconnection strategy) for 5 days, this begins between Day 36 and 48 which depends on SDGEs capacity to disconnect the Customer. Once Customer is in dunning, they have 5 days to pay past due balance before SDGE processes a “Move-Out”.
SCE	Customer has a delinquent balance > \$25	Customer has been disconnected of service <u>and</u> removal from OBR triggered on Day 52. Customer can pay 90% of past due balance to reconnect service, but Finance Agreement cannot be placed back on the bill.
SCG	Customer has a delinquent balance. Each account has a Minimum Collection Amount	Customer is disconnected of service on Day 42. Customer account is in “Not Billed” status for 10 days, customer may pay past due balance and have service reconnected. Billing account is closed on Day 52 and Financing Agreement is removed from OBR.

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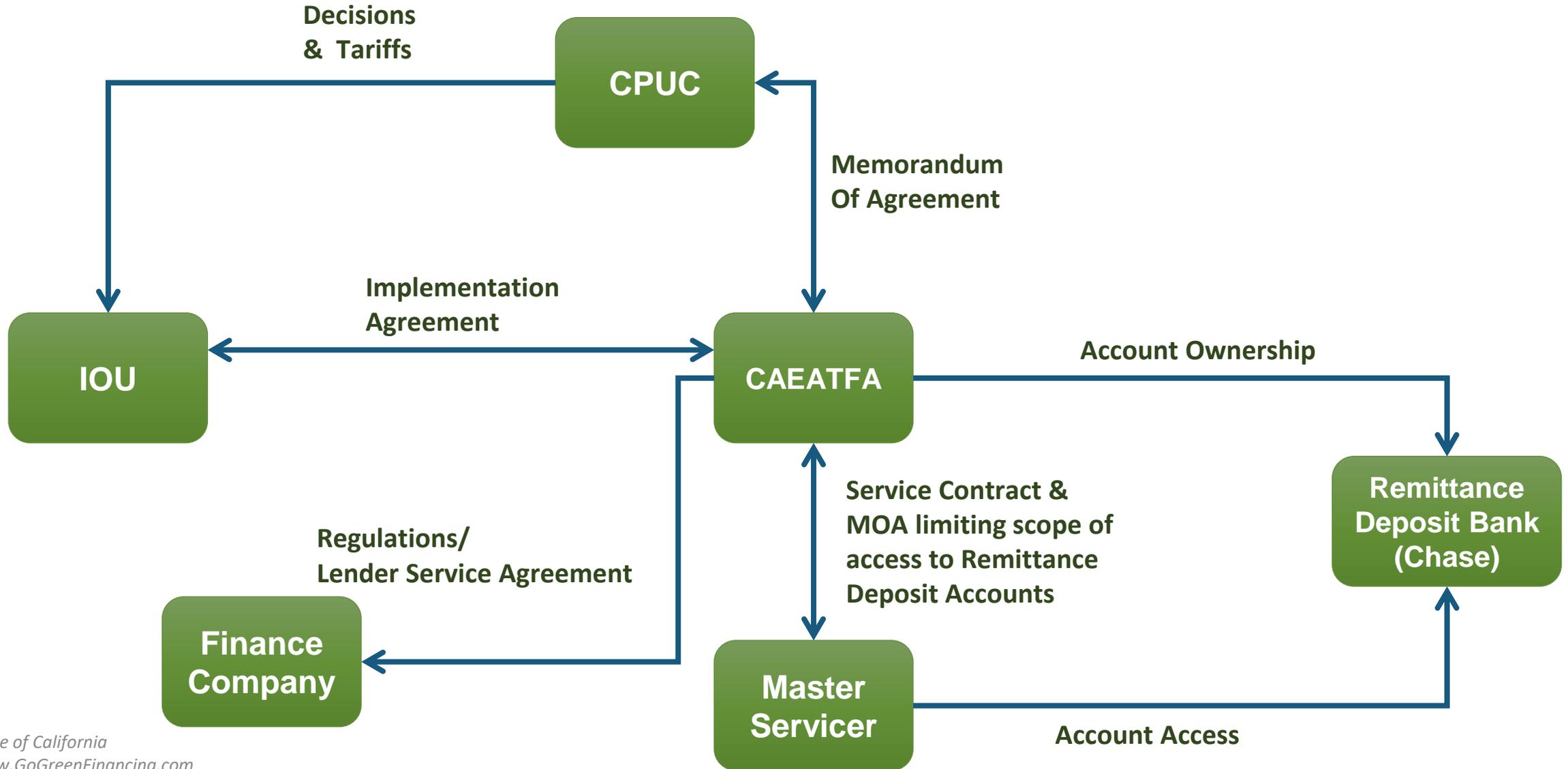
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OBR Governance and Agreement Structure



Controls around funds owed to finance companies

Funds received in the Remittance Deposit Accounts (RDAs) are not considered IOU funds nor public funds. They are not the property of the Master Servicer and will not be co-mingled with Master Servicer funds at any time.

Account set-up

- CAEATFA owns the accounts at Chase Bank and has granted the Master Servicer limited access, to direct the Bank to send funds to Participating Finance Companies

Fund Management

- Daily files sent from IOUs to the Master Servicer detail payments received from specific customers and owed to specific finance companies
- Transfer of funds out of RDAs to finance company accounts will be restricted through CAEATFA pre-approved templates, established only for participating Finance Companies
- IOU data files and BAI files from the bank provide an auditable record in the event of a dispute

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IOU Tariffs

What is a Tariff?

- A Tariff governs interactions between the IOUs and their customers
- Tariffs are approved by the CPUC
- Each IOU has an OBR Tariff for each fuel they deliver. The OBR Tariffs define the rules governing their billing process and more

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P.U.C. SHEET NO. 58555-G
LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 51825-G

Rule No. 43 <u>ON-BILL REPAYMENT</u>	Sheet 1
D	
A. <u>APPLICABILITY</u>	
This Rule is applicable to natural gas service to non-residential End-Use Customers, and to residential multi-family End-Use Customers, who meet the criteria specified in Section E (CUSTOMER ELIGIBILITY), below, and receive service under SoCalGas Utility gas rate schedule.	D,N D,N
On-Bill Repayment (OBR) is designed to facilitate billing for an Eligible Agreement on the Customer's Bill to finance Qualified Measures and their installation at the Customer's Premises.	D,N D,N
OBR is available for Eligible Agreements funded by Participating Finance Companies as directed by the California Public Utilities Commission (CPUC).	D,N
B. <u>DEFINITIONS</u>	
The definitions of capitalized terms used in this Rule are defined below. If a capitalized term used in this Rule is not defined below, it is defined in Rule No. 01, Definitions.	D,N D,N D N
<u>Bill</u> : The Customer's utility bill.	
<u>California Hub for Energy Efficiency Financing (CHEEF)</u> : A central enabling entity through which energy users, finance and/or service companies, energy efficiency providers, and Participating Utilities can participate in a program to help finance the installation of Qualified Measures. The CHEEF may act through agents or third-party service providers.	D,N,T
<u>Customer</u> : The individual or entity that takes service from SoCalGas.	D N
<u>Eligible Agreement</u> : An agreement between the Customer and Participating Finance Company that satisfies the requirement for participation in OBR pursuant to OBR Rules.	D,N N
<u>Financing Charge(s)</u> : Amounts due to a Participating Finance Company during a repayment period for an Eligible Agreement, including any late fees, late payments, or any other fees as calculated by the Participating Finance Company pursuant to the Eligible Agreement.	D,N N D D
<u>On-Bill Repayment</u> : A process whereby OBR Charges are billed through the Customer's Bill, and collected OBR Charges are forwarded to the Participating Finance Company.	L,D,N L,D,N
<u>OBR Charge(s)</u> : Finance Charge relating to an Eligible Agreement for the financing of Qualified Measures and their installation at the premises associated with the Customer's account and included on a Bill pursuant to the Eligible Agreement and OBR Rules.	L,D,N L,N L,D,N L
(Continued)	
(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 5766 DECISION NO. D.15-06-008	ISSUED BY Dan Skopec Vice President Regulatory Affairs
	(TO BE INSERTED BY CAL. PUC) SUBMITTED <u>Feb 19, 2021</u> EFFECTIVE <u>Mar 21, 2021</u> RESOLUTION NO. _____

Rule No. 43 On-Bill Repayment Tariffs

San Diego Gas & Electric

- <http://regarchive.sdge.com/tm2/pdf/ELEC ELEC-RULES ERULE 43.pdf>
- <http://regarchive.sdge.com/tm2/pdf/GAS GAS-RULES GRULE 43.pdf>

Pacific Gas & Electric

- <https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS SCHEDS G-OBR.pdf>
- <https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC SCHEDS E-OBR.pdf>

Southern California Edison

- <https://library.sce.com/content/dam/sce-doctr/lib/public/regulatory/tariff/electric/schedules/other-rates/ELECTRIC SCHEDULES OBR.pdf>

SoCal Gas

- <https://www2.socalgas.com/regulatory/tariffs/tm2/pdf/43.pdf>

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P.U.C. SHEET NO. 58555-G
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Customer: The individual or entity that takes service from SoCalGas.		
Eligible Agreement: An agreement between the Customer and Participating Finance Company that satisfies the requirement for participation in OBR pursuant to OBR Rules.		
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(Continued)		
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Project example 1: Two IOUs

Eligible to go on bill: **Yes**

Why: **Project consists of Claim-eligible amount + solar**

Which bill: **SoCal Edison**

Why: **Electric measures for project cost more**

Electric service:

Gas service:



Measure	Type	Fuel	Cost	Notes
Lighting + ceiling repair	ESM	Electric	\$30,000	<i>The charges go on the bill for the IOU with the greatest installation costs related to the fuel type. In this case it is SCE's bill as the cost of electric measures are greater.</i>
Furnace	ESM	Gas	\$12,000	
ESM Total			\$42,000	<i>ESMs must comprise at least 70% of the claim-eligible amount.</i>
Resurface parking lot	Non-ESM	N/A	\$18,000	
Non-ESM Total			\$18,000	<i>Up to 30% of the claim eligible amount can be for non-ESMs. In this example, \$18,000.</i>
Claim-eligible amount			\$60,000	<i>\$42,000 ESM + \$18,000 Non-ESM</i>
Solar water heater	DG	N/A	\$5,000	<i>DG does not receive a credit enhancement</i>
Project Grand Total			\$65,000	

[Click here to return to Eligible Costs slide](#)

Project example 2: IOU & POU, eligible for OBR

Eligible to go on bill: **Yes**

Why: **Claim-eligible (POU measures are Non-ESMs)**

Which bill: **PG&E**

Why: **PG&E is the only IOU providing service**

Electric service:

Gas service:



Measure	Type	Fuel	Cost	Notes
Gas ovens	ESM	Gas	\$70,000	<i>ESMs must represent at least 70% of the claim-eligible amount.</i>
ESM Total			\$70,000	<i>PG&E is providing gas service for these ESMs.</i>
Refrigerated cases	Non-ESM	Electric	\$20,000	<i>Electric measures in a Muni territory such as SMUD may be included in the 30% of non-ESMs which are claim-eligible.</i>
New flooring	Non-ESM	N/A	\$10,000	
Non-ESM Total			\$30,000	<i>Up to 30% of the credit-enhanced financing can be for non-ESMs. In this example, \$30,000.</i>
Financing receiving credit enhancement			\$100,000	<i>\$70,000 ESM + \$30,000 Non-ESM</i>
Project Grand Total			\$100,000	

[Click here to return to Eligible Costs slide](#)

Project example 3: IOU & POU, NOT eligible for OBR

Eligible to go on bill: **No**

Why: **Non-ESM costs exceed 30% of claim-eligible**

Which bill: **N/A**

Why: **N/A**

Electric service:



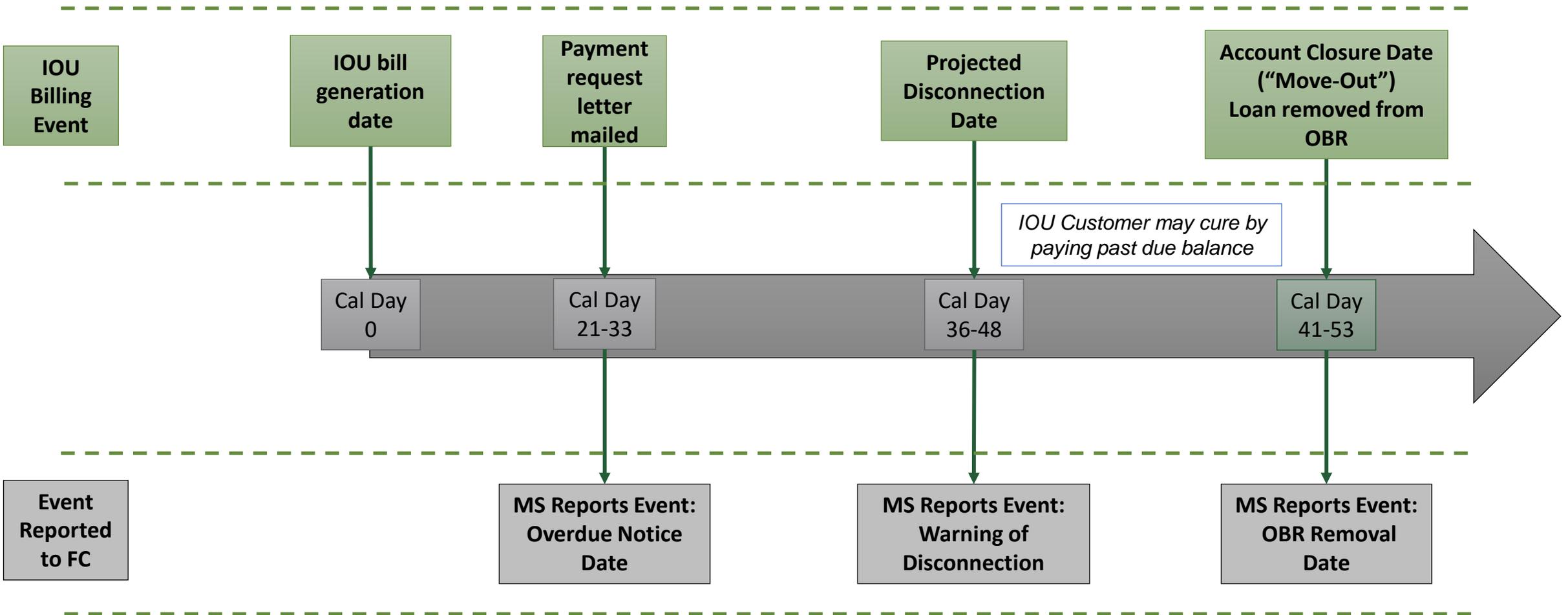
Gas service:



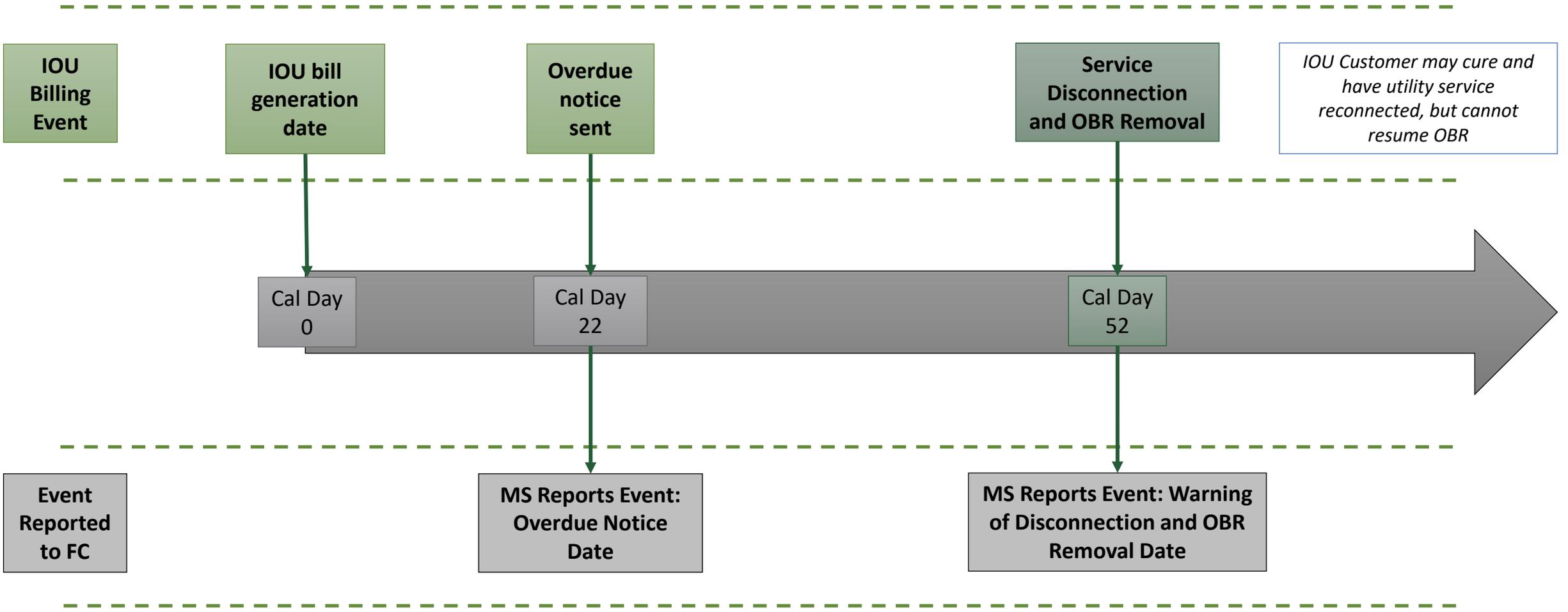
Measure	Type	Fuel	Cost	Notes
HVAC system	ESM	Gas & Electric	\$70,000	<i>This system saves both gas and electricity so counts as a qualifying ESM because PG&E supplies the gas</i>
ESM Total			\$70,000	
Lighting + ceiling repair	Non-ESM	Electric	\$50,000	<i>Electric-only measure in SMUD territory counts as a non-ESM</i>
Non-ESM Total			\$50,000	<i>This exceeds 30% of the claim-eligible amount</i>
Claim-eligible amount			\$100,000	<i>\$70,000 ESMs + \$30,000 of the Non-ESMs</i>
Project Grand Total			\$120,000	

[Click here to return to Eligible Costs slide](#)

SDG&E Delinquency, Disconnection & Account Termination



SoCal Edison Delinquency, Disconnection & Account Termination



SCG Delinquency, Disconnection & Account Termination

