



NY Green Bank
A Division of NYSERDA

NY Green Bank

Metrics, Reporting & Evaluation Plan

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1.0 Introduction

1.1 Overview

NY Green Bank (“**NYGB**”), a division of the New York State Energy Research and Development Authority (“**NYSERDA**”), is a state-sponsored investment fund dedicated to alleviating financing gaps in New York State (“**NYS**” or the “**State**”) clean energy and sustainable infrastructure markets by mobilizing greater private investment activity in these sectors. NYGB, as a portfolio of New York’s Clean Energy Fund (“**CEF**”) ¹, maintains alignment with the State’s strategic direction as provided by the New York Public Service Commission (the “**Commission**”) in the “Order Authorizing the Clean Energy Fund Framework” issued and effective January 21, 2016 (the “**CEF Order**”).²

NYGB’s mission is to work in collaboration with the private sector to transform financing markets in ways that accelerate clean energy investments to combat climate change and deliver benefits equitably to all.

The key elements of NYGB’s mission are to collaborate with private participants and implement solutions that overcome market barriers with the goal to attract private sector investment in clean energy by enabling greater scale, new and expanded asset classes, and increased liquidity.

NYGB follows certain important operating principles to increase private sector market participation:

- (a) Focusing on wholesale capital markets (that is, providing structured financial products to developers and specific projects that result in clean energy benefits for all New Yorkers at scale – rather than funding consumers/homeowners directly);
- (b) Structuring financial products to foster replicable and scalable sustainable infrastructure investments;
- (c) Pricing financial products consistently with commercial approaches to credit quality and risk;
- (d) Collaborating with, rather than competing against, market participants that can engage, or are already engaging, the financial markets, but where that engagement or progress is constrained by a lack of available financing; and
- (e) Recycling its capital into new sustainable infrastructure investments, thereby maximizing the impact of its capital through multiple deployments.

NYGB contributes to the primary CEF objectives of greenhouse gas (“**GHG**”) emissions reductions, customer bill savings, energy efficiency, clean energy generation and mobilization of private sector capital.³ In turn, the CEF objectives support the State’s clean energy targets, including under the Green New Deal, which mandates a significant increase in the State’s Clean Energy Standard (“**CES**”) with a goal of 70% energy generation from renewable sources by 2030 and 100% carbon-free electricity by 2040.⁴ The CEF objectives also support the Climate Leadership and Community Protection Act (“**Climate Act**”),⁵ which puts NYS on a road to economy-wide carbon neutrality, through a target of reducing GHG emissions from all anthropogenic sources 85% over 1990 levels by the year 2050, a plan to offset remaining emissions, and an interim mandate of 40% GHG emission reductions by 2030.⁶ Additionally, the Climate Act required a Climate Action Council be formed and policy roadmap developed to ensure that at least 35% of clean energy program resources benefit disadvantaged communities (“**DACs**”) and individuals working in conventional energy industries are provided with training and

¹ See www.nyserda.ny.gov/About/Clean-Energy-Fund for more information about the CEF.

² Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund, Order Authorizing the Clean Energy Fund Framework, (issued January 16, 2016)

³ As set out in the CEF Order (Cases 14-M-0094 etc.) issued and effective on January 21, 2016, page 40.

⁴ Announced in the 2019 State of the State NYS.

See www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/2019StateoftheStateBook.pdf.

⁵ Senate Bill S6599 became law on July 18, 2019. See legislation.nysenate.gov/pdf/bills/2019/a8429.

⁶ The Climate Act codified and expanded New York’s Green New Deal and other nation-leading clean energy and climate targets for the State, including: (a) 9,000 MW of offshore wind by 2035; (b) 6,000 MW of distributed solar deployment by 2025; (c) 3,000 MW of energy storage deployment by 2030; (d) more than doubling new large-scale land-based wind and solar resources through the CES; (e) maximizing the contributions and potential of New York’s existing renewable resources; (f) expanding and enhancing the Solar For All Program to increase access to affordable and clean energy for low-income, environmental justice and other underserved communities; and (g) initiatives to achieve carbon neutral building stock statewide, including through the energy efficiency target to reduce energy consumption by 185 trillion Btus below forecasted energy use in 2025.

opportunities in the growing clean energy economy.

NYGB is committed to being market-focused and market-responsive. Private sector participants — including financial institutions and other third-party capital providers, as well as developers, energy service companies, project and property owners/operators, equipment manufacturers, and others — work with NYGB to identify market barriers and financing gaps for otherwise economically and technically feasible projects. For more information, including on NYGB’s mission, Business Plan, growing Investment Portfolio and more, please see: www.greenbank.ny.gov.

Defined terms used, but not separately described, in the text of this document have the meanings respectively given to them in Schedule 1.

1.2 Objective

As a steward of considerable public capital, NYGB periodically reports its progress and performance to allow all stakeholders, including the Commission and the general public, to assess NYGB’s achievement of its overall mission. Reporting occurs pursuant to this Metrics, Reporting & Evaluation Plan (“**Metrics Plan**”). The background to this version of the Metrics Plan, and the process for its development are included in Schedule 2.

2.0 Metrics Reporting

2.1 Overview & Reporting Schedule

Under this Metrics Plan, the metrics and information identified in this Section 2.0 (collectively, “**Metrics**”) will be delivered on the following schedules:

- (a) Quarterly, within 60 days after the end of each calendar quarter, for information relating to:
- i. Capital position (including Authorized Capital, Authorized Administrative Expenses, Authorized Evaluation Expenses and Available Capital);
 - ii. Operational matters (including Cumulative Revenues, Cumulative Operating Expenses, Direct Operating Expenses, Allocated Expenses and Credit Facility (if any));
 - iii. Investment Portfolio (including Committed Funds, Deployed Funds, Current Portfolio, Overall Investments to Date, Total Project Costs (Cumulative), Mobilization Ratio, Portfolio Concentrations, number and type of investments and counterparties, and estimated gross energy and environmental benefits);
 - iv. Active Pipeline;
 - v. Investment process (including Proposals Received – Value (Cumulative) and Total Project Cost (Cumulative), and Approvals – Scoring, Greenlight and Investment & Risk Committees (Cumulative)); and
 - vi. Progress toward public commitment targets:
 - a) At least 35% of NYGB capital from January 1, 2020, to the end of the CEF period invested in projects that benefit Disadvantaged Communities (“**DAC**” or “**DACs**”)⁷;
 - b) \$200 million toward energy storage-related investments;
 - c) \$150 million for clean energy improvements in affordable housing properties;
 - d) \$100 million in financing to help clean transportation businesses locate or expand in New York; and
 - e) Up to \$100 million in support of port infrastructure projects.
- (b) Annually, within 60 days after the end of the fourth calendar quarter for information relating to installed energy and environmental benefits.⁸

⁷ As outlined in the Climate Act (ECL § 75-0111), DACs will be identified “...based on geographic, public health, environmental hazard, and socioeconomic criteria.”

⁸ The first report of installed energy and environmental was filed for 2016 in the February 2017 Quarterly Metrics Report.

- (c) Annually, by July 1st after the end of each fiscal year (i.e., April 1 – March 31), for information relating to:
 - i. Financial position (including Audited Financials);⁹
 - ii. Investment quality & risk (including Portfolio Impairment); and
 - iii. Investment portfolio benefits (including Return on Investment and Capital Redeployment Cycle Time).
- (d) Longer-Term Outcomes, upon the completion of various evaluation studies and reports, including with respect to:
 - i. Financial market transformation;
 - ii. Energy and environmental impact benefits; and
 - iii. Other relevant matters pursuant to Section 3.0.
- e) CEF Reporting, in addition to the reporting requirements outlined in this Metrics Plan, NYGB reports progress towards the broad CEF objectives through its CEF reporting obligations, summarized below, and outlined in Clean Energy Fund Reporting Guidance.¹⁰
 - i. Quarterly,
 - a. NYGB provides performance data to NYSERDA, which is aggregated into CEF online dashboard.
 - ii. Annually,
 - a. NYGB provides a narrative summary of its progress, highlighting noteworthy items.
 - b. NYGB provides portfolio level funding and financial metrics, which include: Cumulative Principal Deployed, Cumulative Principal Repaid, Available Capital, Progress towards CEF 10-Year Investment Goal.

The Metrics constitute the ongoing key success measures that are regularly tracked and publicly reported to gauge NYGB progress and achievements. In addition, NYGB also tracks important factors identified by the Initial Capitalization Order such as geography, technology, type of end-user segment and fuel diversity in the transactions in which it invests.

It is important to note that NYGB counterparties remain eligible to receive funding or grants for their transactions from State, utility and other programs, as well as those funded with Regional Greenhouse Gas Initiative¹¹ (“**RGGI**”) proceeds. Regular reporting of energy and environmental benefits are inclusive of all transactions that receive NYGB funding, regardless of whether these transactions also receive support from ratepayer or other programs. In terms of assessing the extent of overlap and common benefits, NYSERDA will modify intake information received on incentive programs to determine whether NYGB capital is involved for incentive program customers. Evaluation sampling of NYGB clients will also seek to identify transactions that involve funding from both within and outside of NYGB, including other ratepayer-funded programs to the extent possible. These two sources of information will allow NYSERDA to estimate a reasonable overlap value for energy and environmental benefits, so they are not double counted when NYGB impacts are included in statewide CEF results.

2.2 Tracking Benefits to Disadvantaged Communities

On December 13, 2021, the Climate Justice Working Group (“**CJWG**”) voted to release the draft DAC criteria for public comment, along with an interactive map and a list of DACs statewide.¹² March 9, 2022, marked the beginning of a 120-day public comment period for New Yorkers to provide feedback on the draft before the criteria are finalized. The draft definition included parameters to qualify both specific census tracts and low-income earning individuals as DACs. Census tracts that “...bear burdens of negative public health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high-concentrations of low- and moderate- income households...” were considered disadvantaged. The criteria for DAC included any individuals that earn less than 60% of their State Median Income or participate in assistance programs, regardless of where they live.

⁹ Timing takes into account the period required for Audited Financials to be prepared, reviewed and approved ahead of being available for public filing.

¹⁰ See Clean Energy Fund Reporting Guidance issued on December 16, 2021, [CE-11 CEF Reporting Guidance 12.16.2021](#).

¹¹ See <https://www.rggi.org/>.

¹² See <https://climate.ny.gov/Our-Climate-Act/Disadvantaged-Communities-Criteria>.

NYSERDA, along with an inter-agency team, is working to establish a benefits framework and reporting methodology which will be used to consolidate information across State entities. NYGB will work alongside NYSERDA to update this Metrics Plan to ensure it is following best practices outlined by NYSERDA. Until that work is completed, NYGB will determine what percentage of an investment will contribute toward its DAC commitment targets by calculating the proportion of business activity or project costs located in a census tract that qualifies as a DAC.

Additionally, NYGB will determine what percentage of an investment will contribute toward its DAC commitment targets by calculating the proportion of DAC beneficiaries to non-DAC beneficiaries supported by business or project activity. NYGB will only use this approach if it can directly trace benefits of the business or project activity to low-income earning households and all other customer types located in a census tract¹³ that result from NYGB investment terms specifically aimed at supporting investment that benefits DACs.

2.3 Quarterly Metrics Reports

2.3.1 Metrics Reported Every Quarter

Each Quarterly Metrics Report will include the following key components:

- (a) A NYGB business update for the quarter, including:
 - i. Information on the Investment Portfolio, Active Pipeline and operational matters (incorporating appropriate summary narrative and illustrative figures as needed);
 - ii. The information required in [Table 1](#) and [Table 2](#); and
 - iii. Progress against the specific deliverables set out in the then-current Business Plan.
- (b) Transaction Profiles (see [Section 4.0](#)) for each investment that closed during the period covered by the Quarterly Metrics Report.

Table 1. Quarterly Investment Portfolio Metrics

| Quarterly Metric | Quarter Ended Previous | Quarter Ended Current |
|--|------------------------|-----------------------|
| Capital Position | | |
| Authorized Capital (\$) | [•] | [•] |
| Authorized Administrative Expenses (\$) | [•] | [•] |
| Authorized Evaluation Expenses (\$) | [•] | [•] |
| Operational Matters | | |
| Cumulative Revenues (\$) ¹⁴ | [•] | [•] |
| Cumulative Operating Expenses (\$) ¹⁵ | [•] | [•] |
| Direct Operating Expenses (\$) | [•] | [•] |
| Allocated Expenses (\$) | [•] | [•] |
| Investment Portfolio | | |
| Undrawn Committed Funds (\$) | [•] | [•] |
| Deployed Funds (\$) ¹⁶ | [•] | [•] |
| Current Portfolio (\$) ¹⁷ | [•] | [•] |

¹³ The census tract must qualify as a DAC under the prevailing CJWG definition.

¹⁴ Cumulative Revenues include quarterly fair market value adjustments related to NYGB capital held in U.S. Treasury securities, consistent with U.S. generally accepted accounting principles. In addition, Cumulative Revenues are always stated net of impairments.

¹⁵ Cumulative Operating Expenses currently include evaluation expenses.

¹⁶ Deployed Funds as presented in Table 1 are net of all capital repaid to the reporting date.

¹⁷ Current Portfolio, means, at any time, the sum of Committed Funds and Deployed Funds and represents the dollar value of the Investment Portfolio. The dollar value of the Current Portfolio is expected to fluctuate from quarter to quarter, including to reflect any increases or decreases in Committed Funds and/or Deployed Funds. Committed Funds increase when new transactions are executed with commitments that have not yet been funded, and/or in connection with existing transactions, where repaid amounts may be available to be redrawn pursuant to the terms of investment agreements. Deployed Funds increase where the total dollars funded into investments exceed amounts repaid in the same period. Decreases in Committed Funds occur, for example, in connection with the release of undrawn funds at the end of an availability period or otherwise consistent with the terms of an investment, while decreases in Deployed Funds occur

| Investment Pipeline | | |
|---|--|--|
| Active Pipeline (In the Quarter) (\$) | | |
| Investment Process | | |
| Proposals and Approvals | | |
| Proposals Received – Value (Cumulative) (\$) | | |
| Approvals - Scoring Committee (Cumulative) (\$) | | |
| Approvals - Greenlight Committee (Cumulative) (\$) | | |
| Approvals - IRC (Cumulative) (\$) | | |
| Investment Characteristics | | |
| Overall Investments to Date (\$) | | |
| Total Project Costs (Cumulative) (\$) ¹⁸ | | |
| Mobilization Ratio | | |
| Portfolio Concentrations (%) ¹⁹ | | |
| Number & Type of NYGB Investments | | |
| Number & General Type of NYGB Counterparties ²⁰ | | |
| Public Commitments | | |
| Percentage of Disadvantaged Communities Commitments (%) ²¹ | | |
| \$200 million toward energy storage-related investments (%) | | |
| \$150 million for clean energy improvements in affordable housing properties (%) ²² | | |
| \$100 million in financing to help clean transportation businesses locate or expand in New York (%) | | |
| Up to \$100 million in support of port infrastructure projects (%) | | |

Table 2 Estimated Energy & Environmental Benefits

| Quarterly Metric | Quarter Ended Previous | Quarter Ended Current |
|---|------------------------|-----------------------|
| Direct Impact Benefits ²³ | | |
| Lifetime | | |
| Total Energy Savings (MMBtu equivalent) | | |
| Electricity Savings (MWh) | | |
| Natural Gas Fuel Savings (MMBtu) | | |
| Other Fuel Savings (MMBtu) | | |
| Distributed Solar Capacity (Renewable MW) | | |
| Annual | | |
| Total Energy Savings (MMBtu equivalent) | | |
| Electricity Savings (MWh) | | |
| Natural Gas Fuel Savings (MMBtu) | | |
| Other Fuel Savings (MMBtu) | | |
| Indirect Impact Benefits ²⁴ | | |
| Lifetime | | |
| Total Energy Savings (MMBtu equivalent) | | |
| Electricity Savings (MWh) | | |
| Natural Gas Fuel Savings (MMBtu) | | |
| Other Fuel Savings (MMBtu) | | |
| Distributed Solar Capacity (Renewable MW) | | |

primarily when NYGB investments are repaid from time to time, allowing those monies to be recycled into new clean energy investments in the State, generating further benefits for ratepayers. Note that due to rounding for the purposes of presentation in this Report, the sum of Committed Funds and Deployed Funds may not be identical to Current Portfolio. In addition, Current Portfolio is always stated net of any portfolio losses.

- ¹⁸ Fair Market Value (“FMV”) is an estimated market valuation of fully installed energy projects provided by NYGB’s counterparties and is often required for federal income tax purposes by institutional investors and for certain grant program purposes unconnected with NYGB. As projects progress and the cost of installed equipment and labor are known and reported to NYGB by its counterparties, NYGB seeks to adjust reported values and replace FMV in its aggregated data sets and periodic reporting with reported actual costs.
- ¹⁹ Based on executed transactions and reflecting dollar values invested by NYGB in renewable energy and energy efficiency transactions, each as a proportion of the Current Portfolio.
- ²⁰ In reporting the number and type of NYGB counterparties, NYGB seeks to reflect counterparties that are discrete (i.e., where NYGB is involved in different transactions with the same counterparty, that party is counted only once for the purposes of this metric); and directly in the transaction with NYGB (i.e., vendors or other counterparties to NYGB’s clients or expected future transaction participants are not counted).
- ²¹ As described in Section 2,1, NYGB’s goal is to commit at least 35% of capital to projects benefiting DACs from January 1, 2020 to the end of the CEF period.
- ²² As of January 1, 2020.
- ²³ For Committed and Deployed Funds.
- ²⁴ NYGB reports and tracks indirect impact benefits to reflect the contribution to NYS clean energy goals made by NYGB activities and related incremental value for all NYS consumers.

| Annual | | | |
|--|--|-----|-----|
| Total Energy Savings (MMBtu equivalent) | | [●] | [●] |
| Electricity Savings (MWh) | | [●] | [●] |
| Natural Gas Fuel Savings (MMBtu) | | [●] | [●] |
| Other Fuel Savings (MMBtu) | | [●] | [●] |
| Lifetime Emissions Reductions | | | |
| Direct (metric tons CO _{2e}) | | [●] | [●] |
| Indirect (metric tons CO _{2e}) | | [●] | [●] |

2.3.2 Actual Installed Energy & Environmental Benefits

NYGB will report on actual installed energy and environmental benefits associated with the Investment Portfolio²⁵ annually in the form of Table 2, with such reporting included in the Quarterly Metrics Report for each quarter ending December 31.

Table 3. Annual Actual Installed Energy & Environmental Benefits (Calendar Year)

| Impact Metric | Calendar Year Ended Previous | Calendar Year Ended Current | |
|--|------------------------------|-----------------------------|-----------------------|
| | Reported | Reported | Year over Year Change |
| Annual Benefits | | | |
| Total Energy Savings (MMBtu equivalent) | [●] | [●] | [●]% |
| Electricity Savings (MWh) | [●] | [●] | [●]% |
| Natural Gas Fuel Savings (MMBtu) | [●] | [●] | [●]% |
| Other Fuel Savings (MMBtu) | [●] | [●] | [●]% |
| Distributed Solar Capacity (Renewable MW) | [●] | [●] | [●]% |
| GHG Emissions Reductions (metric tons CO _{2e}) | [●] | [●] | [●]% |
| Lifetime Benefits | | | |
| Total Project Costs (\$ million) | [●] | [●] | [●]% |

2.4 Annual Financial Metrics Reports

Each Annual Financial Metrics Report will report on the information presented in Table 3.

Table 4. Annual Financial Metrics (Fiscal Year)

| Annual Metric | Prior Fiscal Year | Current Fiscal Year |
|---------------------------------|--|---|
| Financial Position | | |
| Audited Financials | See "Audited Financial Statements" available at www.greenbank.ny.gov/About/Public-Filings | [Included in the Appendix to the Annual Financial Metrics Report] |
| Investment Quality & Risk | | |
| Portfolio Impairment | [●]% | [●]% |
| Investment Portfolio Benefits | | |
| Return on Investment | | |
| Annual ROI ²⁶ | | |
| Gross | [●]% | [●]% |
| Net | [●]% | [●]% |
| Cumulative ROI | | |
| Gross | [●]% | [●]% |
| Net | [●]% | [●]% |
| Capital Redeployment Cycle Time | [●] Years | [●] Years |

²⁵ Reports are expected to reflect: (a) performance data periodically received from NYGB's counterparties for clean energy installations made pursuant to, and with the benefit of, NYGB investments, as required by transaction documents; (b) the amount of Committed Capital and Deployed Capital from time to time; and (c) technology performance and conversion factors, consistent with NYSERDA's overall reporting practices, all as applicable.

²⁶ Annual ROI calculations cover each fiscal year – from April 1 through the following March 31.

3.0 Evaluation Plan & Reporting

3.1 Overview

Certain aspects of NYGB's mission relate to the achievement of longer-term outcomes – for example clean energy financing market transformation and delivery of energy and environmental benefits that contribute to Reforming the Energy Vision (“**REV**”) objectives. To assess longer-term outcomes, NYSERDA will conduct periodic impact, market and process evaluations, as a coordinated part of NYSERDA's evaluation activities for the CEF as a whole. Such evaluations will utilize, to the extent possible, third-party independent evaluators. The primary goals of evaluation carried out with respect to NYGB are to:

- (a) Assess and verify energy and environmental impacts;
- (b) Assess the overall progress of NYGB toward meeting its financial market transformation goals, including addressing market barriers and financing gaps, increasing investor confidence and achieving scale in clean energy financing; and
- (c) Provide information to help enhance the uptake, deployment and effectiveness of NYGB's product offerings.

The impact, market and process evaluation activities, described in the following Sections, will support these goals.

3.2 Impact Evaluation

Impact evaluation will validate the overall energy and environmental impacts attained through investment of NYGB funds. Impact evaluation will ensure appropriate accountability for these key metrics and will use the most cost-effective and least burdensome methods (for both NYGB and its counterparties).²⁷ Where data needs to be collected on NYGB investments and underlying businesses to fulfill the objectives of impact evaluation, sampling will be used, especially regarding distributed projects.

Impact evaluation will follow industry standard approaches as defined by the International Performance Measurement & Verification Protocol (“**IPMVP**”) and other industry standards/best practices and will be conducted in a manner consistent with other ratepayer funded programs. IPMVP offers current best-practice techniques to quantify the energy savings performance of energy efficiency measures for various types of projects. Best-practice approaches generally applicable to NYGB projects can be described in two categories: retrofit isolation and whole facility. The retrofit isolation approach examines certain equipment or systems that have been impacted by the energy-efficiency project. The whole facility approach more broadly considers change in total energy for a building, with reduced ability to quantify individual measure or system performance. For renewable energy projects, namely solar photovoltaic (“**PV**”) and wind, metering is expected to be in place in the majority of cases and will be used to determine electricity production (either through meter reads or through utility bill analysis), to the greatest possible extent. Where such meter readings or bill analysis are not possible, requisite data will be extrapolated from a sample of projects.

3.3 Market Evaluation

Market evaluation will establish baseline levels for key indicators of market change (e.g., addressing market barriers and financing gaps, and awareness, knowledge, and investor confidence related to financing clean energy projects) as NYGB continues to grow its Investment Portfolio and activity in the market. Market evaluation will help identify the effect of NYGB on transforming the clean energy finance market and will provide data to inform decisions about future NYGB product offerings.

Market evaluation will employ a social science approach to address additional effects of NYGB above and beyond changes that would have independently occurred. The establishment of market baseline levels and tracking of progress over time for key indicators of market change will be accomplished using secondary data and primary data sources, and will be conducted in a manner consistent with other ratepayer funded programs. Secondary

²⁷ Where NYGB transactions are also utilizing certain NYSERDA incentive programs, there may be no need for additional evaluation. Likewise, where meter data is readily available for renewable energy installations, such data may be relied upon to verify impact.

data will be sought wherever possible and supplemented with primary data collection. Primary data collection will mainly use social science methods (e.g., surveys, interviews, and sampling approaches) to collect data on the current and evolving state of the market.

A market evaluation will occur when a critical mass of financing/investment arrangements have been put in place and will help inform the evolving areas of product offerings and clean energy transaction emphasis.²⁸ Follow-up studies will focus on measuring changes to those indicators in market sectors where NYGB has been active for a period of time sufficient to enable a meaningful assessment of market transformation. Market evaluation will be conducted on sectors that NYGB has supported and will occur approximately three to five years following initial NYGB capital deployments. Market evaluation may also seek to characterize any lasting, post-participation impact of NYGB on key market sectors. This will be done through continued, longitudinal data collection via interviews and other methods.

3.4 Process Evaluation

Process evaluation will be undertaken periodically to gain insights from systematic interviews with NYGB counterparties and other relevant parties. Process evaluation will be designed on an as-needed basis, in consultation with NYGB staff. Process evaluations will evaluate the effectiveness of NYGB's process for investing ratepayer funds.

3.5 Defining Evaluation Elements

While general evaluation areas and objectives can be identified, schedules for all elements of future evaluations remain reliant on the timing of other NYSERDA program evaluations, and so it is not possible to outline specific approaches in this Plan. Evaluation plans must align to the specific NYGB investment activities and pace and will therefore be further developed as more information becomes available on specific financial products provided and investments made as the Investment Portfolio continues to grow.

3.6 Evaluation Costs & Activities

Up to \$4.0 million has been allocated at the date of this Metrics Plan for NYGB evaluations,²⁹ including both internal (NYSERDA) and external costs, a budget for which is, in each case, subject to the prior approval of the President of NYGB before any engagement is entered into or work commenced. To ensure independent review and accountability, evaluation activities will be largely undertaken by expert, third party contractors in consultation with NYSERDA, NYGB and New York State Department of Public Service ("DPS") staff.

4.0 Transaction Profiles

To support evaluation design and other information needs, as NYGB financing/investment agreements are executed, a standard profile broadly in the form of Schedule 3 (the "**Transaction Profile**") will be populated with summary information, plans and methods about each transaction covering:

- (a) A description of the transaction, including identification of the key parties and the type of investment made by NYGB;
- (b) Market objectives and barriers being addressed;
- (c) Estimated energy and environmental benefits;
- (d) Plan for collecting associated requisite data; and

²⁸ Market evaluation baselining activities commenced in 2018, and follow up evaluations are scheduled for 2019 and 2020.

²⁹ See Initial Capitalization Order, Ordering Clause 1, page 23.

(e) Proposed method of outcome/impact evaluation by NYSERDA.

Transaction Profiles serve a number of purposes, including:

- (a) Providing visibility of the key aspects of NYGB investments (subject to usual and customary commercial and confidentiality practices);
- (b) Allowing all stakeholders and other interested parties access to specific details of the underlying projects, including geographic locations, end-user segments and extent of projected impacts (e.g., number of households able to access renewable energy or energy efficiency solutions);
- (c) Helping align market evaluation to address the most pertinent indicators of market change in baseline and follow-up studies;
- (d) Providing an early indication of the types of market change/transformation anticipated prior to actual market evaluation;
- (e) Helping assess the level of expected outcome/impact evaluation that will be needed and possible approaches; and
- (f) Helping to operationalize the necessary data collection/tracking at NYGB consistent with usual and customary investor/lender practices.

5.0 Process for Updates to this Metrics Plan

NYGB, together with NYSERDA, has made a best effort to compile appropriate metrics, reporting and evaluation plans based on NYGB experience and in compliance with Commission Orders. Any significant changes will be made in consultation with DPS staff and will be documented as updates to this Metrics Plan.

Definitions

For the purposes of calculating and reporting the Metrics and providing all requisite information in Quarterly Metrics Reports and Annual Financial Metrics Reports, the following terms have the meanings indicated:

“Active Pipeline” means, at any time and for any period, the sum (expressed in dollars) of the proposed NYGB investment amount in all NYGB active transactions in the Pipeline where, in relation to each transaction:

- (a) There is agreement in principle between the parties;
- (b) There is momentum in moving the transaction forward;
- (c) Conditions to investment are expected to be met; and
- (d) NYGB is dynamically proceeding towards and through Greenlight recommendation, IRC approval and transaction execution.

Unlike other Metrics that are cumulative measures since NYGB Inception, “Active Pipeline” is a point in time measure. As momentum behind individual transactions fluctuates while advancing towards execution due to various factors, including many not under NYGB’s control, transactions may move in and out of the Active Pipeline at any given time.

“Allocated Expenses” means the aggregate of all costs allocated quarterly to NYGB by NYSERDA, generally based on the proportion which NYGB’s direct salary costs bear to the total salary costs of all NYSERDA program staff, expressed in dollars. Allocated Expenses fall into the following categories:

- (a) Indirect salary allocations, a pro rata portion of all NYSERDA full-time non-program staff (e.g., executive, operations, regulatory, energy analytics, IT, legal, finance, marketing and communications, etc.);
- (b) Employee benefits allocation, a fringe benefits allocation including healthcare, pensions etc. in relation to NYSERDA’s indirect labor described in the preceding Clause (a);
- (c) Indirect cost allocation, compensating NYSERDA for NYGB’s pro rata portion of all non-program consultants, facilities, office equipment, software and IT upgrades, and similar items that are expensed;
- (d) Depreciation allocation, compensating NYSERDA for depreciation on all of its capital assets (e.g. owned real estate) and other capitalized items; and
- (e) New York State Cost Recovery Fee³⁰, a charge levied by the State of New York on all of NYGB expenses (including Allocated Expenses).

“Annual Financial Metrics Report” means each Metrics report required to be filed by NYGB with the Commission in respect of each fiscal year as set out in Section 2.1, addressing the matters identified in Section 2.4.

“Approvals” means the cumulative value of all investment proposals received by NYGB that have received approvals since Inception as part of NYGB’s investment process variously from, as the context requires, the

³⁰ The New York State Cost Recovery Fee is imposed on public authorities and public benefit corporations pursuant to Section 2975 of the Public Authorities Law. The fee is intended to reimburse the State for the cost attributable to provision of government services to authorities and public benefit corporations. The amount of the fee imposed on NYSERDA is periodically revised by the State and in general rises in rough proportion to the funds NYSERDA administers, so whenever the Commission calls upon NYSERDA to administer more funding for a program, the fee tends to rise. NYSERDA allocates the cost of the fee to each program it administers as a pass-through overhead cost. Currently, the fee is allocated among the programs in proportion to each program’s expenditures (including allocations).

Scoring Committee, the Greenlight Committee and the IRC, expressed in dollars.

“Approved Investments” means proposed investments that have moved through NYGB’s transaction process – from proposal submission, evaluation, structuring/diligence/negotiation, agreement in principle, to vetting by the IRC and approval by NYSERDA’s President & CEO after considering recommendations made by IRC members. Approved Investments represent an allocation of NYGB’s capital in accordance with the terms of the IRC approval – an interim stage before “Committed Funds” or “Deployed Funds”. Once an Approved Investment has been fully negotiated and executed, it becomes “Committed” and/or “Deployed” and no longer represents a current Approved Investment. Equally, if an Approved Investment becomes dormant for any reason for a continuous period of one year prior to being fully negotiated and executed and at the end of that period the probability of that investment moving forward towards execution is regarded as low, it may also be removed from the category of Approved Investments. In that event, all capital amounts corresponding to that investment are released and available for other NYGB investments.

“Audited Financials” means annual audited financial statements prepared in accordance with applicable accounting standards by a reputable, experienced and independent accounting firm, in consultation with NYGB and NYSERDA staff.

“Authorized Capital” means, at any time or for any period as the context requires, the aggregate amount of capital allocated to NYGB from all sources, expressed in dollars. Authorized Capital does not include \$500,000 of U.S. Department of Energy (“DOE”) funds specifically designated for providing loan loss reserve facilities to support property-assessed clean energy projects which was transferred to NYGB by NYSERDA in May 2014, given the fit of these types of activities within the Investment Portfolio. The DOE funds, together with all repayments and related fees over time, must remain segregated and available only for the particular purposes originally intended.

“Authorized Administrative Expenses” means the amount of Authorized Capital that is allocated towards paying for Direct Operating Expenses and Allocated Expenses pursuant to Commission Orders from time to time, expressed in dollars, and includes up to \$17.48 million of Authorized Capital reserved for administration expenses, pursuant to the Initial Capitalization Order.

“Authorized Evaluation Expenses” means the amount of Authorized Capital that is allocated towards paying for evaluation expenses pursuant to Commission Orders from time to time, expressed in dollars, and includes up to \$4.0 million of Authorized Capital reserved for evaluation costs pursuant to the Initial Capitalization Order.

“Available Capital” means, at any time or for any period as the context may require, the aggregate amount of capital (expressed in dollars) that is both allocated to NYGB and fully available to it for investment at such time or during such period (i.e., not subject to the occurrence of any funding triggers, milestones or other contingencies). “Available Capital” includes Cumulative Revenues and any Capital Gains, and is net of Cumulative Operating Expenses, any Capital Losses, and Deployed Funds, all at the relevant time.

“Btu” means British thermal unit, a measure of heat energy in fuels.

“Business Plan” means, at any time, NYGB’s then-current annual business plan, filed with the Commission.

“Capital Gains” means, in any year, the aggregate of all increases in Available Capital that are derived from realized gains on NYGB investments that occur in that year, expressed in dollars.

“Capital Losses” means, in any year, the aggregate amount of funding that has been Deployed by NYGB and become due and payable but that has not been repaid to, or recovered by, NYGB pursuant to the terms of the relevant transaction documents, expressed in dollars, and in respect of which NYGB has undertaken commercially reasonable legal remedies and other means of recovery.

“Capital Redeployment Cycle Time” means, for any period, the average length of time that it is expected to take for a dollar of Committed Funds or Deployed Funds to be made available to, and repaid from, one NYGB investment and further Committed or Deployed to a subsequent NYGB investment, measured across the

Current Portfolio in that period. “Capital Redeployment Cycle Time” is a point-in-time measure calculated based on the weighted average of the expected durations of each investment in the Current Portfolio at the end of the relevant period.

“**CEF**” has the meaning given to that term in Section 1.1.

“**CEF NYGB Incremental Collections**” means the schedule of annual allocations of ratepayer collections to NYGB over the 10-year term of the CEF as set out in the CEF Order.

“**CEF Order**” has the meaning given to that term in Section 1.1.

“**CHP**” means combined heat and power.

“**Commission**” has the meaning given to that term in Section 1.1.

“**Commission Orders**” means, any rule, regulation, or order of the Commission, as in effect from time to time, and any interpretation thereof by the Commission or its staff.

“**Committed Funds**” means, in any period, the aggregate funds to be provided by NYGB pursuant to executed investment and financing agreements which remain in force during that period, without such funds having been Deployed, expressed in dollars. “**Committed**” has a corresponding meaning.³¹

“**Credit Facility**” means, collectively, all capital and/or liquidity facilities, backed by the CEF NYGB Incremental Collections and consistent with the CEF Order³², that are made available to NYGB by one or more third-party capital providers, the purpose of which are to ensure that NYGB retains the requisite liquidity to fully meet and service market demand for its investment and participation in transactions.

“**Cumulative Operating Expenses**” means, in any period, the aggregate of all Direct Operating Expenses and Allocated Expenses since Inception.

“**Cumulative Revenues**” means, in any period, the aggregate of all Revenue since Inception.

“**Current Portfolio**” means, at any time, the sum of Committed Funds and Deployed Funds and represents the dollar value of the Investment Portfolio.

“**Cumulative Principal Deployed**” means the aggregate Deployed Funds advanced by NYGB since inception.

“**Cumulative Principal Repaid**” means the aggregate Deployed Funds advanced and repaid to NYGB since inception.

“**DACs**” has the meaning given to that term in Section 1.1.

“**Deployed Funds**” means, in any period, the aggregate funds that have been advanced by NYGB pursuant to the terms of executed investment and financing agreements which remain in force during that period, expressed in dollars. “**Deployed**” has a corresponding meaning.³³

“**Direct Operating Expenses**” means, during any period, the direct costs incurred by NYGB in day-to-day

³¹ Many NYGB investments involve product types where funds are Committed to support NYGB’s contingent obligations to clean energy projects and which, by their nature, are not intended to be drawn upon other than in specifically identified circumstances. Thus, not every dollar of Committed Funds will be Deployed.

³² See further explanation and discussion of the Credit Facility in the CEF Order, pages 77 – 79.

³³ Deployed Funds reflect only funds actually advanced. Many transactions involve provision of credit enhancements by NYGB that, by their nature, are contingent obligations not generally intended to be fully drawn against or funded. In addition, many NYGB investments are “delayed draw” in that funds are not Deployed until project sponsors meet certain development milestones over a time period necessary to originate, develop and construct a large number of smaller, distributed, clean energy projects.

operations, including all business development, transaction, and general and administrative expenses, expressed in dollars.

“**DPS**” has the meaning given to that term in Section 3.6.

“**GHG**” Gases that trap heat in the atmosphere are called greenhouse gases. GHGs include carbon dioxide (CO₂), methane (CH₄), nitrous oxides (N₂O), and fluorinated gases. For more information about GHGs see: <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>.

“**Greenlight Committee**” means the committee of that name in NYGB’s investment process. No potential investment proceeds to full-scale diligence and negotiation of terms without vetting by the Greenlight Committee. All IRC members are eligible to participate in the Greenlight Committee, which is made up of at least three IRC members, including both NYSERDA and NYGB personnel (but excluding NYGB personnel directly involved in execution of the subject transaction). The Greenlight Committee reviews and makes recommendations (including the requirement of certain contingencies or conditions) to NYSERDA’s President & CEO with respect to a proposed transaction. Before any potential transaction is submitted to the IRC for review, prior issues raised by the Greenlight Committee must be addressed. The “greenlighting” requirement adds another check and balance on potential investments in the Pipeline to ensure that individual transactions meet credit quality standards and all other applicable investment criteria, are consistent with NYGB’s mission and are appropriate from a risk perspective.

“**Gross ROI**” refers to NYGB’s overall return on investment and for any period is calculated as follows:

$$\frac{\text{Revenue} + \text{Capital Gains} - \text{Capital Losses}}{\text{ROI Capital (weighted average)}}$$

“**Impaired**” refers to any NYGB asset where:

- (a) That asset has become non-performing, such that NYGB is no longer receiving all principal, interest, fees and other revenue due in connection with that asset in accordance with the terms of the applicable transaction documentation; and
- (b) NYGB reasonably expects to incur a Capital Loss on recovery of the amount of Deployed Funds representing that investment asset and has reserved in its accounts accordingly.

“**Inception**” means the inception of NYGB pursuant to, and as of the date of, the Initial Capitalization Order.

“**Initial Capitalization Order**” has the meaning given to that term in Schedule 2.

“**Investment Portfolio**” means, at any time, collectively, the investment transactions that NYGB has executed with its counterparties that have not yet matured or otherwise expired in accordance with their respective terms.

“**IPMVP**” has the meaning given to that acronym in Section 3.2.

“**IRC**” means the Investment & Risk Committee of NYGB. The IRC ultimately provides risk management oversight at NYGB, with respect to both investment and enterprise risks. The IRC is made up of senior NYSERDA officers who each possess financial and investment capabilities and experience, as well as senior NYGB personnel. The IRC meets regularly to consider, review, and provide recommendations for consideration by NYSERDA’s President & CEO principally in connection with the review, evaluation and approval of proposed NYGB investments.

“**Metrics**” has the meaning given to that term in Section 2.1.

“**Metrics Plan**” means this Metrics, Reporting & Evaluation Plan, as amended and in effect from time to time.

“**MMBtu**” means million Btus.

“Mobilization Ratio” represents the number of dollars of Total Project Costs (Cumulative) mobilized for each dollar committed to investments by NYGB and comprises the ratio of the quotient of Total Project Costs (Cumulative) divided by Overall Investments to Date, to one. In the case where Overall Investment to Date exceeds \$1 Billion in investments, NYGB will be recycling the same dollars into the portfolio therefore Overall Investments to Date for the purposes of this calculation will be limited to the total capitalization of \$1 Billion.

“MW” means megawatt, a measure of installed capacity (Power).

“MWh” means megawatt hour, a measure of energy, represented as either energy generation or energy savings.

“Net ROI” refers to NYGB’s return on investment net of Direct Operating Expenses and Allocated Expenses and for any period is calculated as follows:

$$\frac{\text{Revenue} + (\text{Capital Gains} - \text{Capital Losses}) - (\text{Direct Operating Expenses} + \text{Allocated Expenses})}{\text{ROI Capital (weighted average)}}$$

“NYGB” has the meaning given to that term in Section 1.1.

“NYSERDA” has the meaning given to that term in Section 1.1.

“Overall Investments to Date” means, at any time, the aggregate of all Committed Funds since Inception (but excluding Approved Investments that have not been executed at the relevant time), expressed in dollars.

“Pipeline” means, at any time, collectively, the investment transactions that are under development and negotiation between NYGB and its prospective counterparties but not yet closed, following NYGB’s receipt of an investment proposal that meets the requirements of its process (including, without limitation, the terms of any applicable investment solicitation issued by NYGB and in effect from time to time).

“Portfolio Concentrations” based on executed transactions and reflecting dollar values invested by NYGB in technology segments, each as a proportion of the Current Portfolio.

“Portfolio Impairment” means, at any time with respect to all assets within the Investment Portfolio, the dollar value that is recorded in NYGB’s books of all such assets that are Impaired, expressed as a percentage of the Current Portfolio at that time.

“Project Costs” means, at any time, any expenditure incurred by the counterparty to develop, construct and achieve operational status for the clean energy asset. Examples of such costs include, but are not limited to, hardware and material costs, permitting, inspection, interconnection, engineering, construction, procurement, installation labor, electrical balance of system, structural balance of system, supply chain, logistics, customer acquisition, sales tax, overhead and markup (margin), “Project Costs” are expressed in dollars.

“Proposals Received – Value (Cumulative)” means, at any time, the cumulative value of all investment proposals received by NYGB from potential counterparties since Inception, expressed in dollars.

“PV” has the meaning given to that term in Section 3.2.

“Quarterly Metrics Report” means each Metrics report required to be filed by NYGB with the Commission in respect of each calendar quarter as set out in Section 2.1 and addressing the matters identified in Section 2.3 as applicable.

“Return on Investment” or **“ROI”** represents stakeholders’ and investors’ return on investment in NYGB and measures return on ROI Capital, expressed as a percentage, including Gross ROI and Net ROI. Both Gross ROI and Net ROI are calculated on a fiscal year basis and include:

- (a) ROI for the relevant year (gross and net of Direct Operating Expenses and Allocated Expenses); and
- (b) Cumulative ROI (gross and net of Direct Operating Expenses and Allocated Expenses).

“**ROI Capital**” means, at any time, for the purposes of calculating ROI, the following:

$$\text{ROI Capital} = \text{Available Capital} + (\text{Deployed Funds} + \text{Cumulative Operating Expenses} + \text{any Capital Losses}) \\ - (\text{Cumulative Revenues} + \text{any Capital Gains})$$

Where: (x) the values for the identified components of ROI Capital are all as at the end of the relevant period for which ROI is being calculated; and (y) Available Capital will reflect any necessary time-weighted adjustments to account for the timing of changes to NYGB’s Available Capital as a result of actual receipt of further installments of authorized capital during the relevant period.

“**REV**” New York is actively spurring clean energy innovation, bringing new investments into the State and improving consumer choice and affordability. In its role, the PSC is aligning markets and the regulatory landscape with the overarching state policy objectives of giving all customers new opportunities for energy savings, local power generation, and enhanced reliability to provide safe, clean, and affordable electric service.

“**Revenue**” means, in any period, NYGB revenue from all sources, including without limitation all fees, interest, penalties, dividends and other receivables related to Committed Funds and Deployed Funds (inclusive of such amounts as may be capitalized, accrued or paid-in-kind) due to NYGB during that period as remuneration for providing financial facilities in transactions and also includes interest received on cash held by NYGB³⁴, all expressed in dollars. “Revenue” excludes fair market value adjustments (either increases or decreases) relating to Available Capital held in U.S. Treasury securities from time to time.

“**RGGI**” has the meaning given to that term in [Section 2.1](#).

“**Scoring Committee**” means the committee of that name in NYGB’s investment process. When NYGB receives investment proposals, those proposals are reviewed by the Scoring Committee, the members of which are all NYGB employees, designated by NYGB’s President. The purpose of the Scoring Committee is to review and evaluate all competitive proposals received by NYGB for completeness and against applicable evaluation and selection criteria. This process is designed to ensure efficiency and standardization in NYGB’s approach to evaluating, and responding to, investment opportunities.

“**State Median Income**” means the most recent total median family income for New York issued by the federal Department of Housing and Urban Development (“HUD”).

“**Stakeholder Input & Disposition**” has the meaning given to that term in [Schedule 2](#).

“**Total Project Costs (Cumulative)**” means, in any period, the aggregate of all amounts required to deploy clean energy project(s) and/or increase in clean energy benefits, comprising each (past and present) NYGB investment for the corresponding term of that investment. “Total Project Costs (Cumulative)” captures all capital for the relevant investment irrespective of source (including, without limitation, sponsor equity, tax equity, other equity interests, all categories and types of debt or hybrid interests and incentives), including any assumed rollover of revolving facilities. “Total Project Costs (Cumulative)” can refer to the fair market value of clean energy projects when Project Costs are not available. NYGB will supersede the use of FMV in all cases when Project Costs are reported by the counterparty. “Total Project Costs (Cumulative)” is measured since Inception and expressed in dollars. Refer to “Project Costs” definition above for further details on what is considered a Project Cost.

“**Transaction Profile**” has the meaning given to that term in [Section 4.0](#).

“**Weighted Average Commitments to Date**” means, at any time, the aggregate of all weighted Committed Funds since Inception including adjustments made to Committed Amounts during the tenors of the transactions, expressed in dollars.

³⁴ It is NYGB’s practice to invest cash balances in low risk instruments.

Metrics Plan – Initial Milestones, Background & Development

Initial Milestones

In the Initial Capitalization Order, the Commission required NYSERDA to “design appropriate metrics for judging [NYGB’s] effectiveness, as well as data collection and reporting requirements that will support [the Commission’s] ability to assess, in the future, New Yorkers’ return on this investment.”³⁵ The Commission further directed that NYSERDA should design “metrics to help the Commission and the public evaluate how well [NYGB] is achieving our clean energy goals, including the objectives of market transformation and reducing the need for future ratepayer collections.”³⁶

Earlier versions of the Metrics Plan included the requirement to report on certain milestones deemed to be important early indicators of progress in terms of establishing NYGB’s operations. Completion of each milestone was documented as it occurred and reported as required in the Initial Capitalization Order. The initial milestones – together with their corresponding dates of completion - are set out in Table 5 below.

Table 5. Initial Operational & Risk Management Milestones

| Milestone Type | Milestone Event | Date Completed |
|-------------------|--|-------------------|
| ▪ Operational | ✓ Organizational structure established/plan filed | February 18, 2014 |
| | ✓ Establishment of Advisory Committee | August 2014 |
| | ✓ Establishment of Investment & Risk Committee | June 2014 |
| | ✓ Initial leadership and staff of NYGB hired | 2013 & 2014 |
| | ✓ Initial Business Plan filed | June 19, 2014 |
| | ✓ Metrics, Reporting & Evaluation Plan Version 1.0 filed | June 19, 2014 |
| ▪ Risk Management | ✓ Risk framework, mitigation principles and oversight in place | June 2014 |

In addition, on July 24, 2014 NYGB provided required certifications to the Commission, pursuant to the Initial Capitalization Order, to the effect that NYGB had: adopted criteria, processes and procedures for evaluation and selecting investment proposals; implemented risk management protocols; and formed its IRC.

Background to this Version of the Metrics Plan

In the Order Approving Clean Energy Fund Modifications³⁷, NYGB was required to conduct a process, with input from relevant stakeholders, to assess NYGB’s offering to ensure they meet the needs of, and deliver benefits to, Disadvantaged Communities. NYGB was also required to document the results of its stakeholder engagement in an update to this document, its Metrics Plan and a supplement to its 2021 Annual Plan. As described in Section 2.1 of this plan, NYGB introduced public commitments to support specific market segments or technologies, including committing funds to support business activity and projects in DACs.

The original Metrics Plan was created shortly after NYGB’s inception, in collaboration with DPS. Reflecting NYGB’s growing operating experience since that time, feedback received from DPS and other stakeholders and interested parties, and improvements made to successive quarterly reports, this version of the Metrics Plan has been materially restructured. Reorganization, simplification and clarification of the Metrics Plan has sought to preserve the key informational attributes of prior versions, while both making the data presented more accessible, and supplementing it to give a complete picture of performance. The revised Metrics Plan also seeks to maintain a focus on the core areas identified by the Commission in the “Order Establishing New York Green Bank and

³⁵ At page 21.

³⁶ At page 22.

³⁷ Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund, Order Approving Clean Energy Fund Modifications, (issued September 9, 2021).

Providing Initial Capitalization”, issued and effective December 19, 2013 (the “**Initial Capitalization Order**”)³⁸, namely operational deliverables, risk management, financial and market metrics and energy and environmental benefits.

The Metrics Plan was initially developed in collaboration with DPS in accordance with the requirements of the Initial Capitalization Order. The Initial Capitalization Order directed that:

“NYSERDA shall collaborate with DPS Staff to develop metrics for the evaluation of [NYGB’s] performance in meeting the State’s clean energy and energy efficiency goals, as well as metrics for evaluating operational performance, risk management, and financial and market metrics, and a proposal for reporting [NYGB’s] performance against those metrics. NYSERDA and Department of Public Service Staff should also provide an opportunity for other parties to offer input. NYSERDA shall file these metrics no later than six months after the date of this Order.”³⁹

Public input was sought and incorporated into the first version of the Metrics Plan, as required by the Initial Capitalization Order. Public input was gathered through a Technical Conference held on May 29, 2014. Before the Technical Conference, notice was sent directly to the party list in Commission Case 13-M-0412 and was also made publicly available on the Commission website for the case. Materials were posted on the Commission website for interested individuals to review as a way of preparing questions and comments for the Technical Conference. All input was reviewed and addressed to the greatest possible extent in version 1.0 of the Metrics Plan that was filed with the Commission on June 19, 2014. Since that date, there have been additions to, and clarifications of, the information that NYGB periodically provides in its public filings – particularly in Quarterly Metrics Reports. These changes to reporting have been made over time to enhance transparency and reflect:

- (a) NYGB’s business and experience since Inception, and particular improvements and clarifications stemming therefrom; and
- (b) Ongoing feedback from both DPS and stakeholders particularly related to investment process and better visibility into the size and composition of NYGB’s Active Pipeline and Investment Portfolio in each reporting period.

A second version of the Metrics Plan was filed on February 22, 2016 in compliance with the CEF Order requiring that within 30 days of the date of the CEF Order, an updated version of the Metrics Plan be filed with the Commission “which shall include first year energy savings, in addition to lifetime energy savings”, in all Transaction Profiles and Quarterly Metrics Reports.⁴⁰

In requiring this third version of the Metrics Plan, the CEF Order provides that in consultation with DPS staff, NYGB and NYSERDA “shall review the [Metrics Plan] to determine if other revisions are needed to properly track and assess NYGB progress on an ongoing basis”.⁴¹ This review is to include input from stakeholders with a further revised version of the Metrics Plan being filed on June 20, 2016.⁴²

To provide maximum opportunity for interested parties to give input into this revised Metrics Plan, in Spring 2016 NYGB organized and hosted a number of focus group sessions in Albany and New York City. NYGB issued invitations to participate in these sessions to stakeholders and entities that have been active in the NYGB and CEF proceedings, as evidenced by their comments in connection with NYGB metrics, reporting and transparency issues⁴³, as well as to other interested parties. In addition, NYGB organized and hosted a public meeting and webinar on May 6, 2016, notice of which was posted on the [DPS website](#) and sent directly to the party list in Commission Cases 13-M-0412 and 14-M-0094, as well as being available on [NYGB’s website](#). DPS staff were invited to, and attended, each outreach session. Before each meeting, potential attendees were provided with links to the publicly filed February 22, 2016 version of the Metrics Plan, together with Quarterly Report No. 1

³⁸ Case 13-M-0412.

³⁹ Ordering Clause 7, page 25.

⁴⁰ See Ordering Clause 35, page 112.

⁴¹ See Ordering Clause 36, page 112.

⁴² *Ibid.*

⁴³ In the public record for Cases 13-M-0412 and 14-M-0094.

(Through September 30, 2014) and Quarterly Report No. 6 (Through December 31, 2015) as suggested preparation for the meeting. NYGB provided confirmed attendees with a presentation designed to both aid the discussion of NYGB's Metrics at the various meetings and encourage feedback. NYGB solicited further input on the issues during meetings as well as in writing, with any additional written comments due by May 9, 2016. No written comments were received.

Following the Spring 2016 focus group and outreach sessions, NYGB collated and reviewed all comments and inputs received by theme. NYGB then sought to assess the thematic issues raised and conclude upon whether such issues were properly addressed in the revised Metrics Plan, taking into account all relevant concerns and seeking to balance key needs around stewardship of public funds, organizational mission, transparency, accountability and confidentiality, among other factors. All input received was considered by NYGB in preparing this version 3.0 of the Metrics Plan. To provide transparency to all parties, NYGB has prepared a separate document, filed contemporaneously with this revised Metrics Plan ("**Stakeholder Input & Disposition**"). The Stakeholder Input & Disposition document identifies by theme all feedback received from the Spring 2016 stakeholder meetings and broadly indicates how comments have been addressed during the process of revising this Metrics Plan.

This version 3.0 has been designed to, among other things, bring the Metrics Plan up-to-date with the actual structure and content of periodic metrics reporting and filings as they have evolved since June 2014, as well as improve upon and simplify information provided, including in direct response to stakeholder feedback.

Process for Developing the Metrics Plan

Following both the Initial Capitalization Order and the CEF Order, NYGB, together with NYSERDA personnel, has developed this Metrics Plan in collaboration with DPS staff, including the processes and activities described above.

The Metrics contained in this document reflect revisions, taking into account a number of factors, including:

- (a) NYGB's particular mandate and specific goals and objectives within New York State, including its contribution to REV;
- (b) NYGB's experience since Inception;
- (c) Needs and input of stakeholders;
- (d) The needs and input of the diverse private sector counterparties with which NYGB deals – from large public companies, to smaller, private ones;
- (e) Key performance indicators and disclosures made by comparable organizations in both the public and private sectors; and
- (f) Usual and customary commercial practices.

In particular, NYGB is focused on the requirement that to be effective and engage its private sector counterparties, it must conform with private sector practices so that dealing with NYGB:

- (a) Is no more bureaucratic than dealing with a comparable specialty finance company or investment fund;
- (b) Occurs on time frames that are comparable to doing business with private sector participants accustomed to fast turnarounds and decisions; and
- (c) Requires only disclosures, reporting and other conditions that are usual, customary and commercial in the normal course of similar private market transactions and which do not compromise proprietary or confidential information, subject to the NYS Freedom of Information Law, Public Officers Law, Article 6.

NYGB and NYSERDA have also based this Metrics Plan on research of best practices related to measuring effectiveness of public financing initiatives and analogous public-private partnership models. These include investment funds led by the Green Investment Bank in the United Kingdom, the Australian Clean Energy Finance Corporation, the Connecticut Green Bank, and the Overseas Private Investment Corporation of the United States.

Striking a reasonable and practical balance between accountability and transparency and the principles outlined above remains a priority in the implementation of this Metrics Plan and is central to NYGB's success. NYGB's ability to secure and retain the trust and engagement of its potential counterparties, in addition to all other stakeholders, underpins its ability - as a prudent steward of considerable public funds – to accelerate and grow the deployment of clean energy in the State, transform financing markets and deliver value to ratepayers.

Transaction Profile Template

Transaction Description

1. Form of NYGB Investment (e.g., NYGB Financial Product provided).
2. Location(s) of Underlying Project(s).
3. Types of Client & Counterparty Organizations that are Transaction Participants (e.g., Financial Institution, Developer, Energy Service Company etc.).
4. Summary of Financing Market Objectives & Barriers Addressed.
5. Description of how the transaction is serving Disadvantaged Communities.
6. Technologies Involved (e.g., Solar Photovoltaic, Energy Efficiency, Other).

Metrics & Evaluation Plan

7. Planned Energy & Environmental Metrics (e.g., estimated gross lifetime and first year clean energy generation or savings resulting from energy efficiency, and estimated gross lifetime GHG reductions as proposed by transaction sponsors).
8. Planned Market Characterization Baseline & Market Transformation Potential.
9. Proposed Method of Outcome/Impact Evaluation (by NYSERDA) & Timeframe.

[This template will be modified from time to time as needed to reflect the nature of transactions in which NYGB is involved as it responds to market needs and demands, with a view to providing comparable information to the greatest extent possible, but taking into account evolving transaction structures and forms, as well as usual and customary commercial practice surrounding confidentiality and the treatment of competitive data].