

NY Green Bank

Annual Plan 2023-24

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Section 1: Introduction

NY Green Bank (“**NYGB**”) is a state-sponsored investment fund that operates as a division of the New York State Energy Research and Development Authority (“**NYSERDA**”). NYGB is 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 the State’s Clean Energy Fund (“**CEF**”), 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**”).^{1,2} The CEF is an approximately \$6B commitment over ten years to advance clean energy growth and innovation, drive economic development across NYS and reduce ratepayer collections. Each investment made by NYGB contributes to the primary CEF outcomes of greenhouse gas (“**GHG**”) emissions reductions, customer bill savings, energy efficiency, clean energy generation and mobilization of capital. In accordance with the CEF Order, NYGB publicly files a review and plan each year to inform the Commission and other interested stakeholders of previous year activity and performance, as well as NYGB’s strategic direction and goals for the upcoming fiscal year.³

In this document, NYGB presents its Annual Review & Plan (“**Annual Plan**”) which includes an overview of the activity which took place over the course of the year starting April 1, 2022, and ending March 31, 2023 (“**2022 – 23 Plan Year**”), along with the goals and deliverables for the fiscal year starting April 1, 2023, and ending March 31, 2024 (“**2023 – 24 Plan Year**”).

2022 – 23 Investment Update

During the 2022 – 23 Plan Year, NYGB committed \$252MM to investments within the State’s clean energy and sustainable infrastructure markets, exceeding its goal of \$225MM. As shown in Figure 1, 22% of NYGB’s commitments over the period from January 1, 2020 to March 31, 2023, are expected to benefit disadvantaged communities (“**DACs**”), including \$85MM of commitments made during the 2022 – 23 Plan Year. NYGB also made progress on its 2025 public commitment targets to deploy capital into affordable housing, building decarbonization, clean transportation, and energy storage technologies, including closing its first transaction incentivizing the widespread adoption of electric vehicles (“**EVs**”). During the third quarter of the 2022 – 23 Plan Year (October 1, 2022, to December 31, 2022), NYGB had its second strongest quarter since inception, closing nine transactions, representing more than \$188MM in capital commitments. This demonstrates the continued need for NYGB capital, even as some technologies have seen increasing access to financing from other sources. The 2022 – 23 Plan Year represented a volatile year in global financial markets, and NYGB remained a stable source of capital for NYS sustainable infrastructure and clean energy projects.

During the 2022 – 23 Plan Year, NYGB earned more income than in any other fiscal year period since inception and maintained a record volume of deployed funds, with an average balance of \$563MM. NYGB is currently managing a Portfolio of \$858MM, nearly 85% of the \$1B it was initially capitalized with. Due to an increase in the average capital deployed and higher interest rate environment, NYGB earned \$35MM in net income, which is now available for reinvestment into new clean energy and sustainable infrastructure projects in NYS.

NYGB saw \$205MM of total repayments during the 2022 – 23 Plan Year. Of those, \$46MM (or 22%) of loans were repaid because of changes of control, where developers or owners sold their interest in the project companies; and \$133MM (or 65%) of loans were repaid because the borrowers were able to refinance and take out NYGB financing. Most of this refinancing occurred after the project construction was completed and the project entered the operating phase. This demonstrates that other investors are

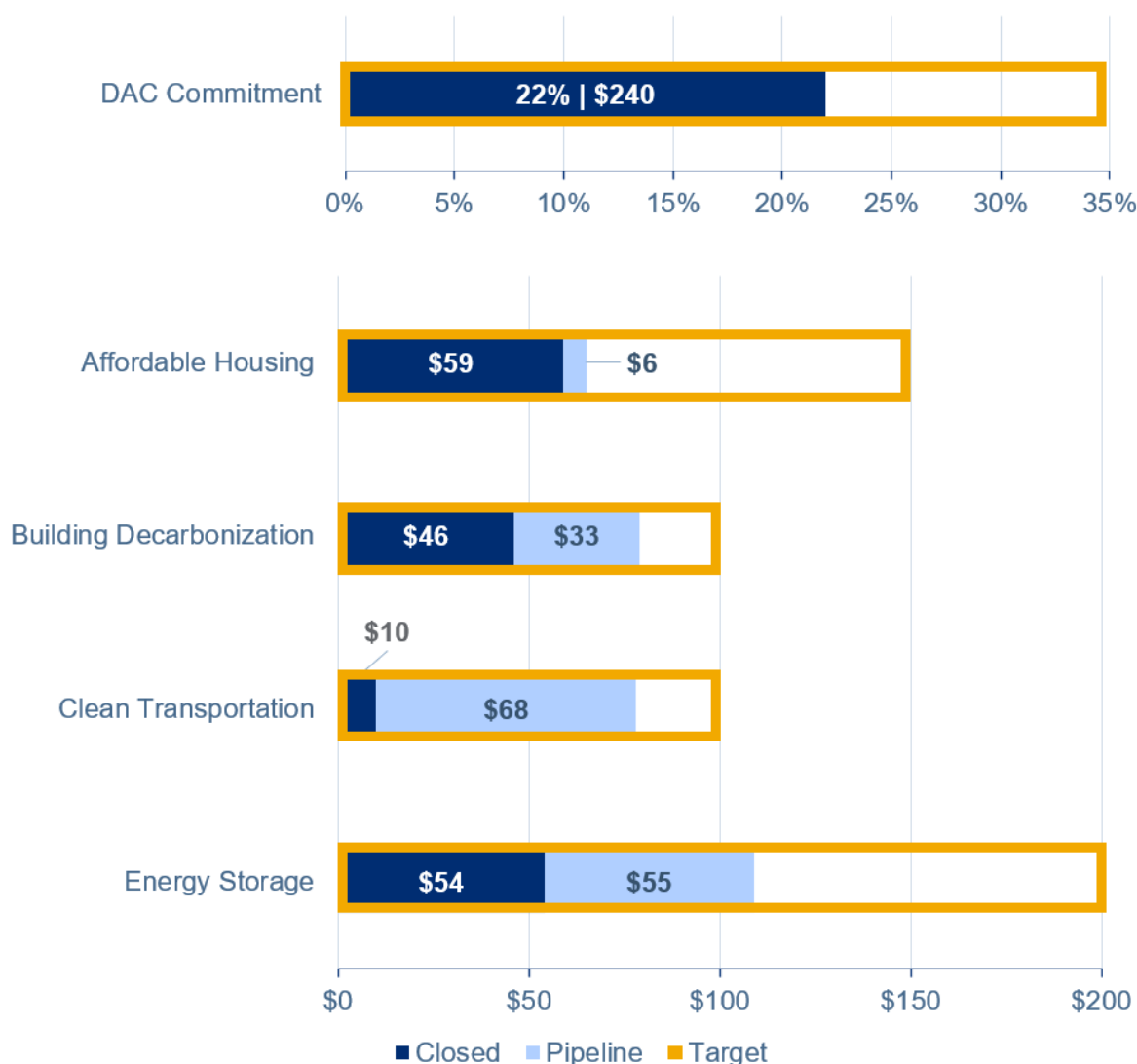
¹ Case 13-M-0412, “Order Establishing New York Green Bank and Providing Initial Capitalization,” issued December 19, 2013.

² Case 14-M-0094, “Order Authorizing the Clean Energy Fund Framework,” issued January 21, 2016.

³ Case 13-M-0412, “NY Green Bank | 2021 Annual Plan, Annual Impact Report and Annual Financial Metrics Report,” filed June 29, 2021.

becoming more comfortable with these assets, particularly in the community distributed generation (“CDG”) technology segment, where NYGB saw most of this activity occur. This refinancing activity was also driven by low interest rates, robust lending market conditions and strong risk appetite among banks. This trend has been disrupted by rising rates and turmoil in the banking sector, which has and could continue to limit refinancing activity. Prolonged uncertainty within regional banking markets has the potential to tighten credit markets and reduce lending activity. Tightened credit markets and reduced lending activity may slow clean energy development. In this tightening credit environment, NYGB financial solutions may be especially important for closing financing gaps for clean energy and sustainable infrastructure projects and businesses.

Figure 1: Progress Toward Public Commitments (\$MM, from January 1, 2020, to March 31, 2023)⁴



⁴ NYGB’s DAC Commitment is measured using the final DAC criteria adopted by the Climate Justice Working Group in March 2023. The percentage of NYGB’s DAC commitment is calculated by dividing the dollars committed toward projects supporting DACs (\$240MM) by the total dollars committed (\$1,085MM) between January 1, 2020 and March 31, 2023.

2022 – 23 Transaction Highlights

NYGB closed into new transactions in each technology segment where there was a public commitment during the 2022 – 23 Plan Year. Some examples are highlighted below.

Reid and Park Rock: In January 2023, NYGB closed the Reid and Park Rock transaction which commits up to \$23MM to finance predevelopment expenses to support the rehabilitation of approximately 1,700 affordable housing units in Brooklyn as part of the New York City Housing Authority’s (“NYCHA”) Permanent Affordability Commitment Together (“PACT”) program. This represents NYGB’s second transaction with the NYCHA PACT program and supports NYGB’s public commitment to invest \$150MM in affordable housing projects by December 31, 2025.

The Arlington at Poughkeepsie: In December 2022, NYGB closed a \$21MM construction-to-term loan to PAZ Management, Inc. PAZ Management, Inc. will use NYGB’s facility to finance the construction and operation of an efficiently electrified, mixed-use property. Phase 1 of this facility will finance the renovation of a former school building and new construction. With this investment, NYGB continues to support the decarbonization of the State’s buildings sector, and advances NYGB’s public commitment to invest \$100MM in building decarbonization projects that benefit DACs by December 31, 2025.

Hecate Energy: In December 2022, NYGB closed a \$60MM participation in a \$250MM term loan to Hecate Energy, LLC. NYGB’s participation in the term loan will support Hecate Energy, LLC in selling solar and battery storage projects in the early stages of development. This transaction supports NYGB’s public commitment to invest \$200MM in energy storage projects by December 31, 2025.

Tenet: In November 2022, NYGB closed a \$10MM revolving credit warehouse facility with Tenet. This facility contains an accordion feature, providing up to an additional \$15MM of capital to support the financing of electric passenger vehicles in NYS. This represents the first clean transportation transaction in support of NYGB’s public commitment to invest \$100MM in clean transportation projects between January 1, 2020, and December 31, 2025, and is a precedent setting and market transforming transaction that can be replicated and scaled to mobilize private sector capital to fund the energy transition.

NYCEEC Subordinated Loan: In June 2022, NYGB closed a \$5MM loan to NYCEEC to support energy efficiency and building decarbonization projects in DACs in NYS. This transaction represents NYGB’s first concessionary loan to an experienced lender in DACs; this is a model that will be expanded with the Community Decarbonization Fund, which seeks to lend to Community Development Finance Institutions (“CDFIs”) and other specialty finance organizations active in DACs. This transaction supports NYGB’s public commitment to invest \$150MM in affordable housing projects by December 31, 2025.

2022 – 23 Annual Commitments Update

NYGB had three overarching objectives in the 2022 – 23 Plan Year: 1) Identify and close funding gaps in alignment with state policies and public commitments; 2) Strengthen NYGB’s capital position; and 3) Continuously improve and enhance NYGB operations and portfolio management. Under these objectives, NYGB advanced several important initiatives over the course of the 2022 – 23 Plan Year, including:

- **Targeted Business Development:** NYGB dedicated a full-time coordinator for business development efforts across the organization. This coordinator also worked to update business development materials for priority technology segments and define NYGB’s approach to identifying which companies and events to target for business development purposes and opportunities to engage with stakeholders.
- **Website Enhancements:** NYGB worked with NYSERDA’s Communications and Marketing teams to develop website enhancements that will make the website easier to navigate so stakeholders can find important information. These enhancements were ongoing throughout the year, with a new

website launched on May 31, 2023, and there are further changes to be implemented during the 2023 – 24 Plan Year.

- **Marketing and Communications Plan:** NYGB worked with NYSERDA’s Communications and Marketing teams to develop a comprehensive plan for implementation, including enhanced approaches to NYGB’s marketing, communications, and event strategies. These efforts will be ongoing throughout the 2023 – 24 Plan Year.
- **Portfolio Monetization Strategy:** NYGB issued a new rolling solicitation, RFP 21, which invites parties to apply to join a pool of approved investors that can bid to purchase investments that NYGB may periodically put up for sale to raise liquidity to support future investment activity. This provides NYGB with an efficient process to sell loans in its portfolio and manage liquidity.
- **London Interbank Offered Rate (“LIBOR”) to Secured Overnight Financing Rate (“SOFR”) Reference Rate Transition:** New floating rate transactions closed during the 2022 – 23 Plan Year have been using SOFR as a reference rate, following guidance from the Alternative Reference Rates Committee.⁵ Several portfolio transactions have been transitioned to SOFR. This transition is expected to conclude with LIBOR’s retirement as a reference rate on June 30, 2023.

There was one deliverable that was completed during the first month of the 2023 – 24 Plan Year.

- **Community Decarbonization Fund (“CDF”) Launch:** Development and design work for the CDF occurred during the 2022 – 23 Plan Year, but the launch was executed early in the 2023 – 24 Plan Year to accommodate approval timelines and planning for the public relations and communications aspects of the launch. The CDF was announced and the Request for Proposals (“RFP”) was launched on April 28, 2023, via a press release from Governor Hochul’s office. Following the press release, NYGB has continued to engage with communities and community lenders to discuss the opportunities available under the CDF to encourage eligible entities to apply. NYGB held an informational webinar on the CDF on May 11, 2023 that was attended by more than 200 people from different types of organizations (e.g., CDFIs, credit unions, minority depository institutions) who raised nearly 50 questions for discussion. The themes that emerged from this dialogue will be turned into a Frequently Asked Questions (“FAQ”) document to share with the public. This RFP is responsive to significant stakeholder engagement efforts in the 2021 – 22 Plan Year, where NYGB heard from the market that low-cost capital was needed to help CDFIs and other specialty lenders increase or build their programs to finance greenhouse gas reducing projects in DACs. NYGB will be participating in a series of events throughout the State during the 2023 – 24 Plan Year to meet with stakeholders and promote this opportunity.

The full list of 2022 – 23 Plan Year deliverables and outcomes can be found in [Section 4](#).

10 Years of NYGB Impact

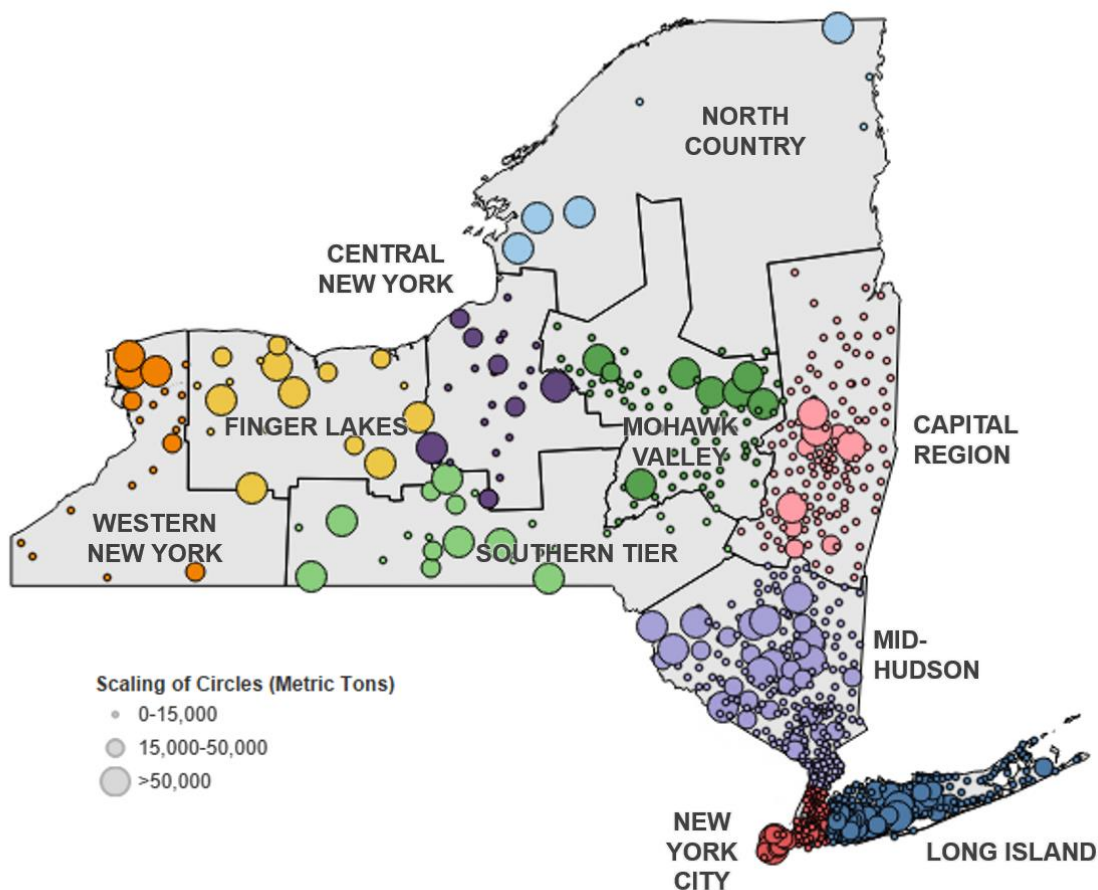
2023 marks NYGB’s tenth year of investing in the State’s clean energy and sustainable infrastructure markets in support of NYS climate goals, including the Climate Leadership and Community Protection Act (“CLCPA” or “Climate Act”). On May 17, 2023, with the closing of its first transaction of the 2023 – 24 Pan Year, NYGB surpassed \$2.0B in cumulative financial commitments since inception. The achievement of this important milestone reflects a demonstrated need in the marketplace for the type of gap-filling, dynamic and flexible capital NYGB is able to provide. Throughout this tenth anniversary year, NYGB will highlight market sector case studies from key transactions in the past decade through various media channels and highlight how investments are providing benefits to communities in regions across the state.

⁵ Alternative Reference Rates Committee guidance on the transition from LIBOR to SOFR: <https://www.newyorkfed.org/arrc/sofr-transition>.

NYGB's investment portfolio has evolved significantly over the years, and now includes a diverse set of transactions in support of building decarbonization, clean energy, energy storage, sustainable transportation, and other sustainable infrastructure, which are expected to spur up to \$5.5B in total project costs across NYS. Each investment opportunity supported by NYGB, since inception, has required a thoughtful, proactive, and creative approach to solving financing gaps that were prevalent in a specific market area, requiring specialized financing support to overcome.

NYGB has also supported clean energy benefits in the State's disadvantaged communities at an increasingly rapid pace. This is reflected in our market-rate lending and concessionary rate lending through the newly launched CDF. This work will inform NYGB's investment strategy in the years ahead as NYGB continues working to advance NYS's critical infrastructure and equity goals and targets.

Figure 2: Lifetime GHG Emission Reductions by NYGB-Financed Project (MT CO2e)



The figure above shows the geographic spread and scale of GHG emission reductions for projects supported through NYGB transactions as of the end of the 2022 – 23 Plan Year. Since inception, NYGB has financed projects in all ten regions across NYS, which are expected to result in lifetime GHG emissions reductions of over 41MM metric tons.

Section 2: Overview of 2023 – 24 Plan Year Objectives

NYGB has identified three key objectives for the 2023 – 24 Plan Year, which build upon progress achieved during previous years.

1. Identify and close funding gaps in alignment with CEF, the Climate Act, and other State policies and public commitments;
2. Develop pathways to access new sources of capital to support demand for NYGB financing; and
3. Continuously improve and enhance NYGB’s operations and portfolio management capabilities.

These three overarching objectives have been consistent over the last several years and support NYGB’s mission to, “Alleviate financing gaps in New York’s sustainable infrastructure markets to accelerate clean energy investments that combat climate change and deliver benefits equitably for all.”

To support this mission, NYGB commits capital to a variety of climate change-mitigating technologies that meet the primary investment criteria of a) demonstrating potential for greenhouse gas reductions in support of NYS clean energy policies; b) demonstrating contribution to market transformation in terms of mobilization of private capital and additionality; and c) being economically and technically feasible.

By identifying and closing funding gaps, NYGB directly supports the acceleration of clean energy investments that reduce greenhouse gas emissions and mobilize private capital. By developing pathways to access new sources of capital, NYGB seeks to maintain liquidity to support demand for this gap-filling financing. And by continuously improving operations, NYGB identifies opportunities to manage the portfolio more efficiently and effectively, which can lead to further investments in greenhouse gas reducing technologies – for example, by issuing solicitations for new types of investments, or by improving the reach of NYGB communications to identify new potential borrowers.

The remainder of this Annual Plan will outline specific deliverables that NYGB will track and report on in its Quarterly Metrics Report filed pursuant to the Metrics, Reporting, and Evaluation Plan, Version 3.1 (the “**Metrics Plan**”).

Section 3: Activities Underway to Deliver on 2023 – 24 Plan Year Objectives

Activities to Meet Plan Year Objective 1: Identifying and Closing Funding Gaps

NYGB's first Plan Year Objective is to identify and close funding gaps in alignment with State policies and public commitments. Within this goal, NYGB intends to invest at least an additional \$225MM over the course of the 2023 – 24 Plan Year and set specific targets for priority technology segments. Concurrently, NYGB will continue to work to ensure that at least 35% of total commitments made between January 1, 2020 and December 31, 2025 will be to projects that provide benefits for DACs, in alignment with the Climate Act.⁶ The remainder of this section describes the specific activities NYGB will undertake to meet this objective.

Committed Funds

Deliverable	Metric of Success	Target Completion
Deliver at least \$225MM of incremental commitments in the 2023 – 24 Plan Year	Total capital committed	March 31, 2024

NYGB will target incremental capital commitments of at least \$225MM in the 2023 – 24 Plan Year. NYGB is well positioned to meet this deliverable, demonstrated by the robust pipeline of more than \$400MM across a diversified mix of technology types. \$225MM is consistent with NYGB's base case for annual capital commitments, and consistent with the 2022 – 23 Plan Year investment target.

The pipeline is expected to continue to grow due to a mix of internal and external factors. Internally, NYGB is actively working to grow its pipeline through targeted business development activities such as speaking engagements, relationship building, and attendance at industry conferences and events. Externally, market conditions such as rising interest rates and market volatility have the potential to increase demand for clean energy and sustainable infrastructure loans from entities such as NYGB, which is viewed as a stable source of capital.

Under this \$225MM annual incremental commitment target, NYGB will provide capital to a variety of technology and project types, including projects that provide benefits to DACs. In addition to the CDF, which NYGB launched in April 2023 and has a sole focus on providing benefits to DACs, NYGB reaches owners and developers of DAC projects through regular business development efforts. All DAC benefits from NYGB investments over the period from January 1, 2020 to March 31, 2023, have been achieved by extending well-structured, market rate loans to projects. These existing efforts will continue, and the CDF is another avenue by which NYGB can increase DAC investments over time.

Committed Funds – Disadvantaged Communities

Deliverable	Metric of Success	Target Completion
Execute three loans under RFP 23: Community Decarbonization Fund during 2023 – 24 Plan Year	Number of loans NYGB executes to a CDFI or other specialty lender under the Community Decarbonization Fund	March 31, 2024

In support of NYGB's goal that at least 35% of total commitments made between January 1, 2020 and December 31, 2025 will be made to projects that provide benefits to DACs, NYGB launched the CDF under RFP 23 on April 28, 2023. The CDF is anticipated to deploy \$250MM of capital into projects (especially

⁶ The CLCPA mandates that a minimum of 35%, with a goal of 40%, of benefits from NYS clean energy investments go to DACs.

building decarbonization and affordable housing) that provide benefits to DACs over a five-year period from 2023 to 2027.

NYGB laid the foundation for the CDF during the 2022 – 23 Plan Year, and during the 2023 – 24 Plan Year, intends to execute three loans to CDFIs or other specialty lenders. NYGB anticipates that it will take more time to close the first few transactions than it will for subsequent transactions as replication and standardization typically occurs over time and after having closed several transactions.

As part of the design process for the CDF, NYGB spoke with more than 20 CDFIs and specialty lenders to get feedback on lending needs and identify potential borrowers. This laid the groundwork for pipeline development, which will be supplemented by a series of events throughout the 2023 – 24 Plan Year, described further below under [Stakeholder Engagement](#). As of this Annual Plan filing date of June 30, 2023, NYGB has received one proposal for CDF financing, totaling \$10MM under RFP 23.

Committed Funds – Sector Specific

Deliverable	Metric of Success	Target Completion
Execute \$30MM of affordable housing transactions in the 2023 – 24 Plan Year	Total capital committed to affordable housing projects	March 31, 2024
Execute \$20MM of building decarbonization transactions that benefit disadvantaged communities in the 2023 – 24 Plan Year	Total capital committed to building decarbonization projects	March 31, 2024
Execute \$30MM of clean transportation transactions in the 2023 – 24 Plan Year	Total capital committed to clean transportation projects	March 31, 2024
Execute \$50MM of energy storage transactions in the 2023 – 24 Plan Year	Total capital committed to energy storage projects	March 31, 2024

In addition to the target to commit at least \$225MM in the 2023 – 24 Plan Year, NYGB seeks to deploy funds into its target technology segments. As laid out in the CEF, NYGB has the following investment goals to reach from January 1, 2020 to December 31, 2025:

- \$150MM in affordable housing;
- \$100MM in building decarbonization projects that benefit DACs;
- \$100MM in clean transportation; and
- \$200MM in energy storage.

NYGB demonstrated progress on each of these commitments during previous plan years. In the 2023 – 24 Plan Year, NYGB commits to specific targets in each of these technology segments to advance progress toward the December 31, 2025 goals.

- **Affordable Housing:** NYGB plans to commit \$30MM to affordable housing projects during the 2023 – 24 Plan Year. As of March 31, 2023, the affordable housing pipeline represented \$6MM of transactions. NYGB expects the pipeline to grow with the recently launched \$250MM CDF, which has a focus on efficient building electrification and supporting measures and is expected to include applications to deploy capital into affordable housing projects. To promote the CDF and continue to grow this pipeline, NYGB will be organizing and participating in a series of events that are expected to reach potential borrowers in each region of NYS over the course of the year, with a mix of virtual and in-person events. More information about this stakeholder engagement effort can be found below under [Activities to Meet Plan Year Objective 3](#). In addition to the series of events

on the CDF, NYGB is expected to participate in at least two affordable housing industry events over the course of the 2023 – 24 Plan Year.

- **Building Decarbonization:** NYGB plans to commit \$20MM to building decarbonization projects during the 2023 – 24 Plan Year. As of March 31, 2023, the building decarbonization pipeline represented \$33MM of transactions. Similar to affordable housing, building decarbonization is expected to be represented in applications to the \$250MM CDF, and promotion efforts around this RFP will help to grow the pipeline and awareness of NYGB's offering to CDFIs and specialty lenders. In addition to the series of events on the CDF, NYGB is expected to participate in ten building decarbonization industry events over the course of the 2023 – 24 Plan Year.
- **Clean Transportation:** NYGB plans to commit \$30MM to clean transportation projects during the 2023 – 24 Plan Year. As of March 31, 2023, the clean transportation pipeline represented \$68MM of transactions. To continue to grow this pipeline, NYGB is expected to participate in five clean transportation industry events over the course of the 2023 – 24 Plan Year and continue to develop relationships with potential borrowers and other stakeholders. NYGB received significant press coverage after closing a transaction with Tenet Energy in November 2022, which is the first transaction NYGB has executed under its commitment to invest \$100MM in clean transportation between January 1, 2020, and December 31, 2025. Through this transaction and other business development activities, NYGB is positioning itself as an active and highly knowledgeable clean transportation investor in NYS.
- **Energy Storage:** NYGB plans to commit \$50MM to energy storage projects during the 2023 – 24 Plan Year. As of March 31, 2023, the energy storage pipeline represented \$55MM of transactions. To continue to grow this pipeline, NYGB is expected to participate in four energy storage industry events over the course of the 2023 – 24 Plan Year and continue to develop relationships with potential borrowers and other stakeholders.

Activities to Meet Plan Year Objective 2: Ensuring Capital Adequacy

NYGB's second Plan Year Objective is to ensure adequate capital is available for NYGB to invest in new clean energy and sustainable infrastructure opportunities. While RFP 21, described on page 6, offers an opportunity to monetize a portion of NYGB's portfolio in exchange for cash when market conditions are optimal, permanently expanding NYGB's capital base remains a preferred solution to capital constraints. Federal funding programs represent opportunities for NYGB to expand its balance sheet and continue to fund greenhouse gas reducing projects in NYS without putting additional financial burden on the State. The remainder of this section describes the activities NYGB will undertake to meet this objective.

Federal Funding

Deliverable	Metric of Success	Target Completion
Apply for federal dollars under relevant programs <u>Interim Deliverable:</u> Apply for NYS's allocation under the DOE's Energy Efficiency Revolving Loan Fund	Submission of an application to the Greenhouse Gas Reduction Fund and Energy Efficiency Revolving Loan Fund Capitalization Grant Program either individually or part of one or more consortia	December 31, 2023 <u>Interim Deliverable Date:</u> June 30, 2023

During 2021 and 2022, several relevant programs were announced at the federal level, though the Infrastructure Investment and Jobs Act ("IIJA") and the Inflation Reduction Act ("IRA"). During the 2023 – 24 Plan Year, NYGB is targeting applications to the Energy Efficiency Revolving Loan Fund ("EE RLF") Capitalization Grant Program administered by the U.S. Department of Energy ("DOE") and the Greenhouse Gas Reduction Fund ("GGRF") administered by the U.S. Environmental Protection Agency ("EPA").

In November 2022, DOE announced that the EE RLF – a new program that will provide \$242MM to State Energy Offices to capitalize revolving loan funds to provide loans and grants for commercial and residential energy audits, energy efficiency upgrades, and retrofits as well as technical assistance – was open for applications. NYS has been allocated approximately \$4MM under this program, and in May 2023, NYSERDA completed and submitted an application to gain access to this allocation of funds. NYGB will manage these funds on behalf of NYSERDA, increasing balance sheet liquidity and available funds to advance public commitments to support energy efficiency projects.

Announced in August 2022 with the signing of the IRA into law, the \$27B GGRF will provide competitive grants to mobilize financing and leverage private capital for clean energy and climate projects that reduce greenhouse gas emissions with an emphasis on projects that benefit low-income and disadvantaged communities. This opportunity has received a significant amount of attention from green banks, CDFIs and other specialty lenders across the U.S. as a tool to access additional capital for greenhouse gas reducing projects that benefit DACs and support the continued development of an ecosystem of lenders that understand how to provide financing to clean energy and sustainable infrastructure projects. Applications for this program are expected to open in July 2023, and NYGB is coordinating across NYSERDA, other NYS agencies, and the broader clean energy and sustainable infrastructure lending community to ensure that the outcome of its application to this program is successful and beneficial to NYS, DACs, and the market overall. There are three separate competitions under this program, and NYGB, in coordination with NYSERDA, intends to apply for all three in some capacity. A cross-NYSERDA working group has been formed to develop this application. Applications are expected to be submitted in Fall 2023, and EPA will begin to distribute funds in 2024. NYGB does not expect EPA to deploy funds under the GGRF until the 2024 – 25 Plan Year.

Activities to Meet Plan Year Objective 3: Improving Operational and Portfolio Management

NYGB’s third Plan Year Objective is to continuously improve and enhance operations and portfolio management. This includes strengthening operations to reflect the growing responsibility of managing a Current Portfolio of \$858MM, which creates a significant volume of portfolio administration and business origination activities. The remainder of this section describes the activities NYGB will undertake to meet this objective.

Process Enhancement

Deliverable	Metric of Success	Target Completion
Add features to existing portfolio management tools	Number of new features added to existing portfolio management tools that will decrease administrative burden for NYGB and borrowers	March 31, 2024
Launch a new solicitation for a customer relationship management ("CRM") platform	Selection of a CRM platform	March 31, 2024

NYGB strives to identify opportunities to enhance processes. During the 2023 – 24 Plan Year, NYGB will focus process enhancement efforts on portfolio management tools – including improvements to an existing portfolio management platform to best meet NYGB’s needs, and a new contract with a CRM platform.

Optimization of Portfolio Management Tools: During the 2022 – 23 Plan Year, in tandem with a broader NYSERDA effort, NYGB conducted a self-assessment of processes and procedures, and identified efficiency as an area to prioritize. An internal working group has been formed to find opportunities to improve operational efficiency, and one area that will be addressed in the 2023 – 24 Plan Year is pursuing greater

optimization in portfolio management tools by adding features to existing platforms. NYGB is working together with existing portfolio management software providers to identify features that can optimize how NYGB collects and stores required reporting from borrowers, seeking to reduce the duplication of work to allow teams more time to focus on strategic and operational tasks, and reduce administrative burden between NYGB and borrowers.

Selection of a CRM Platform: To ensure NYGB is receiving a high quality, competitively priced range of services, NYGB solicits competitive bids for service providers every five years through a public procurement process.⁷ In the 2023 – 24 Plan Year, NYGB will reissue an RFP to select a CRM platform to support the needs of NYGB’s evolving business over the next five-year period. NYGB will work internally to draft the RFP and establish evaluation criteria against which to measure proposals, seeking to sign a contract to adopt a CRM tool that can help NYGB streamline internal processes, enable expansion of portfolio analysis capabilities, and reduce time spent on administrative tasks.

Professional Development

Deliverable	Metric of Success	Target Completion
Enhance training and industry relationship building opportunities for team members	Adoption of a standardized training program for new staff members	September 30, 2023

NYSERDA’s self-assessment of processes and procedures and employee engagement survey data identified employee training and professional development as an area of focus. NYGB is prioritizing this as part of NYSERDA’s broader focus to enhance training tools to build staff expertise and effectiveness, including identifying opportunities to build industry relationships by participating in conferences and business development meetings. In the 2023 – 24 Plan Year, as part of a NYSERDA-wide initiative, NYGB will design and adopt a standardized onboarding and training program for new team members and pilot the program with summer interns.

Risk Management

Deliverable	Metric of Success	Target Completion
Retain a third-party to complete a resiliency assessment of assets financed by NYGB <u>Interim Deliverable:</u> Complete scope of work for resiliency assessment	Recommendations received from a completed third-party assessment and evaluated	March 31, 2024 <u>Interim Deliverable Date:</u> September 30, 2023

The Scoping Plan, issued under the direction of the Climate Action Council in December 2022, includes recommendations to meet the Climate Act’s goals and requirements. The Scoping Plan identifies adaptation and resilience as areas where NYS must take action and recommends identifying options for financing adaptation actions and reducing or shifting risk. To establish a baseline assessment of this risk for NYGB, an internal team will define a scope of work and retain a third-party to complete a resiliency analysis of completed and planned assets financed by NYGB. The internal team will coordinate with NYSERDA groups that are also advancing resiliency workstreams to identify opportunities for collaboration and knowledge sharing.

⁷ See <https://its.ny.gov/nys-procurement-rules-and-guidelines>

Stakeholder Engagement

Deliverable	Metric of Success	Target Completion
Launch Website 2.0 to improve infrastructure and align with NYSERDA's updated website	Adopt changes recommended by NYSERDA to improve underlying website infrastructure and enhance user experience	March 31, 2024
Track and measure metrics to assess effectiveness of NYGB communications and marketing activities	Regular receipt and assessment of key performance indicators ("KPIs") dashboard to track metrics available through third parties (e.g., LinkedIn) and existing NYGB website	September 30, 2023
Publish sector highlights as part of the 10-year anniversary campaign to demonstrate NYGB's impact since inception	Sector case studies published and promoted	December 31, 2023
Engage with stakeholders in every region of NYS to give information about NYGB's available programs and seek feedback	Host or participate in a meeting in each of the 10 regions of New York, either in person or virtually	March 31, 2024
<u>Interim Deliverable:</u> Complete meetings in half of the regions		<u>Interim Deliverable Date:</u> December 31, 2023

To support NYGB's mission, NYGB regularly engages with stakeholders to seek input and feedback on new programs and promote existing financing opportunities. During the 2023 – 24 Plan Year, NYGB seeks to advance four specific deliverables related to stakeholder engagement:

- NYGB Website:** Starting in the 2022 – 23 Plan Year, NYGB worked with NYSERDA's Communications and Marketing teams to design an improved NYGB website. A version of this redesigned website was launched in May 2023, and sought to simplify the website by reorganizing and reducing the number of pages. NYGB is now working to design Website 2.0, which will replace the outdated website infrastructure and align with NYSERDA's updated website interface. This will also serve as an opportunity to improve the user interface and user experience for stakeholders that are navigating the website. Throughout the 2023 – 24 Plan Year, NYGB will drive toward implementing the Website 2.0 changes, with the goal of driving more traffic to the website and making it easier for stakeholders to find information that is relevant to them.
- Engagement Metrics:** Also starting in the 2022 – 23 Plan Year, NYGB worked with NYSERDA's Marketing team to identify KPIs that will allow NYGB to track success or areas of improvement related to its online presence, e.g., site visitors, unique visitors, time spent on website, etc. The metrics have been established, and in the 2023 – 24 Plan Year, NYGB will begin tracking them via a regular report and using them to evaluate progress over time. Through tracking these metrics, NYGB can identify areas where there is more engagement and use that knowledge to more effectively promote available financing products and broaden the network of people that see NYGB content.
- 10-Year Anniversary Sector Highlights:** The 2023 – 2024 Plan Year represents NYGB's tenth year in existence. To demonstrate NYGB's impact over this period, NYGB plans to publish four technology sector case studies on energy storage, clean transportation, building decarbonization, and community distributed generation. These are four technology segments where NYGB has seen shifts in the market over the past ten years, in part due to financing offered by NYGB. During this time NYGB has seen these sectors grow and attract more capital from private sector providers. These case studies will be publicized on NYGB's website and social media throughout the 2023 –

24 Plan Year (starting in Summer 2023), to demonstrate NYS's leadership in climate financing and serve as a tool to provide lessons learned that can be adopted by other green banks or lenders that are operating in these markets.

- Stakeholder Engagement Meetings:** Over the course of the 2023 – 2024 Plan Year, NYGB plans to engage with stakeholders in every region of the State through a mix of virtual and in person meetings. The purpose of these events is to: a) identify potential borrowers for the CDF; b) broadly share NYGB's financing capabilities; and c) gather stakeholder feedback on available RFPs, especially the CDF (RFP 23). NYGB intends to partner with relevant groups such as the NYS Regional Economic Development Councils ("**REDCs**") and Regional Clean Energy Hubs to identify and reach communities, developers, and lenders that could benefit from CDF financing. NYGB will work in coordination with the NYSERDA Communications and Events teams to organize the events, establish contacts in each region, and develop content applicable to each audience.

Program Coordination

Deliverable	Metric of Success	Target Completion
Increase integration with NYSERDA through program design, implementation, and evaluation	Number of opportunities to collaborate with NYSERDA on initiatives	December 31, 2023

NYGB is a unique program within the Clean Energy Fund and offers a distinct perspective for program and policy design. NYGB typically plays the role of a lender to the beneficiaries of NYSERDA and utility incentives. As a lender, NYGB offers a different perspective from the investors or developers that traditionally work with NYSERDA program staff; most of these regular collaborators represent the equity interest in clean energy and sustainable infrastructure projects. Since private and public debt markets are expected to make up the predominant source of the capital required to fuel the clean energy transition, NYGB is a critical instrument to the achievement of the State’s clean energy goals.

During the plan year, NYGB will work to integrate itself with NYSERDA processes to better collaborate with program design, implementation, and evaluation. To start, NYGB’s President will participate in the program lead coordination calls led by the Chief Program Officer of NYSERDA. Additionally, NYGB will assign more staff and transactors to participate in regular check-ins with NYSERDA program staff. As a final step toward increased integration, NYGB will coordinate with NYSERDA to participate in the Agency-wide Annual Planning process, a process, which to-date, NYGB has not had much involvement in due to its own, separate Annual Planning process. These integration steps should foster more meaningful collaboration between NYGB and other NYSERDA programs.

Section 4: 2023 – 24 Plan Deliverables

Category	Deliverable	Target Completion
Identify and Close Funding Gaps in Alignment with State Policies and Public Commitments		
Committed Funds	Deliver at least \$225MM of incremental commitments	March 31, 2024
Committed Funds – DAC Specific	Execute three loans under the Community Decarbonization Fund	March 31, 2024
Committed Funds – Sector Specific	Execute \$30MM of affordable housing transactions	March 31, 2024
	Execute \$20MM of building decarbonization transactions that benefit disadvantaged communities	March 31, 2024
	Execute \$30MM of clean transportation transactions	March 31, 2024
	Execute \$50MM of energy storage transactions	March 31, 2024
Mobilize Capital: Strengthen NYGB's Capital Position		
Federal Funding	Apply for federal dollars under relevant programs	December 31, 2023
	<u>Interim Deliverable:</u> Apply for the NYS allocation under the DOE's Energy Efficiency Revolving Loan Fund	<u>Interim Deliverable Date:</u> June 30, 2023
Continuously Improve and Enhance NYGB Operations and Portfolio Management		
Process Enhancement	Add features to existing portfolio management tools	March 31, 2024
	Launch a new solicitation for a customer relationship management (CRM) platform	March 31, 2024
Professional Development	Enhance training and industry relationship building opportunities for team members	September 30, 2023
Risk Management	Retain a third-party to complete a resiliency assessment of assets financed by NYGB	March 31, 2024
	<u>Interim Deliverable:</u> Complete scope of work for resiliency assessment	<u>Interim Deliverable Date:</u> September 30, 2023
Stakeholder Engagement	Launch Website 2.0 to improve infrastructure and align with NYSERDA's updated website	March 31, 2024
	Track and measure metrics to assess effectiveness of NYGB communications and marketing activities	September 30, 2023
	Publish sector highlights as part of the 10-year anniversary campaign to demonstrate NYGB's impact since inception	December 31, 2023
	Engage with stakeholders in every region of NYS to give information about NYGB's available programs and seek feedback	March 31, 2024
	<u>Interim Deliverable:</u> Complete meetings in half of the regions of NYS	<u>Interim Deliverable Date:</u> December 31, 2023
Program Coordination	Increase integration with NYSERDA through program design, implementation, and evaluation	December 31, 2023

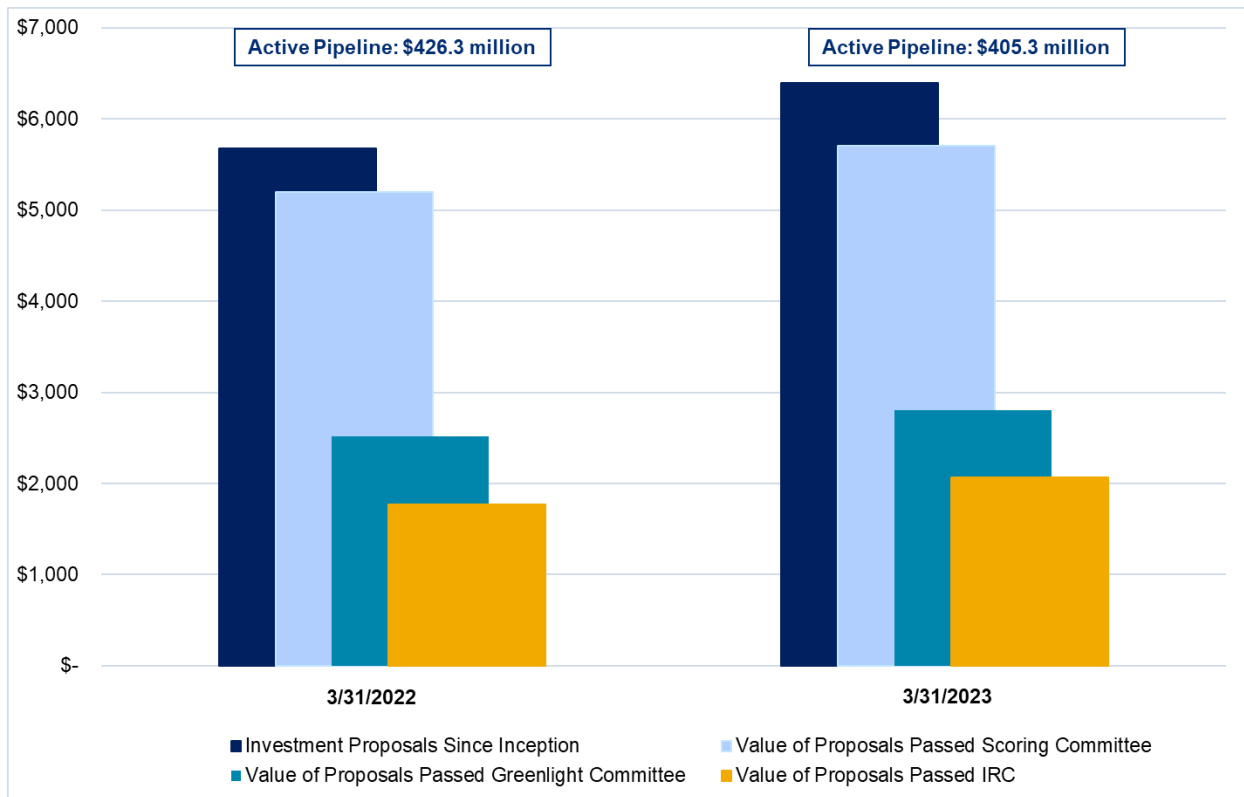
Appendix A: Supplementary Tables and Figures

Table 1: Investment Performance At-a-Glance as of March 31, 2023

Stimulating New Clean Energy Proposals in NYS	NYGB has received over \$6.4B in investment proposals since inception.
Strong Active Pipeline	Active Pipeline of potential investments proceeding to close is \$405MM . NYGB maintained an Active Pipeline of \$461MM per quarter on average during the 2022 – 23 Plan Year.
Driving Material Clean Energy Investments Across NYS	NYGB closed 16 new transactions in the 2022 – 23 Plan Year, totaling \$252MM in additional commitments and an average of \$63MM in closings per quarter.
Supporting Disadvantaged Communities	NYGB committed \$85MM towards projects benefiting DACs in the 2022 – 23 Plan Year. Since January 1, 2020, 22% of NYGB's total capital commitments have supported DACs.
Mobilizing Capital	NYGB's investment portfolio represents continuing progress toward mobilizing capital into clean energy and sustainable infrastructure projects in NYS, currently at up to \$5.5B .
Maintaining Self Sufficiency	NYGB has increased its capital position by \$90MM since inception. These additional funds will be reinvested into future projects and insulate NYGB's original capital allocations from future losses.
Contributing to CEF & CLCPA Objectives	NYGB's investments to date have driven estimated gross GHG emissions reductions of between 30 and 41 million metric tons , equivalent to removing between 297,611 and 414,666 cars from the road for a period of 24 years . ⁸

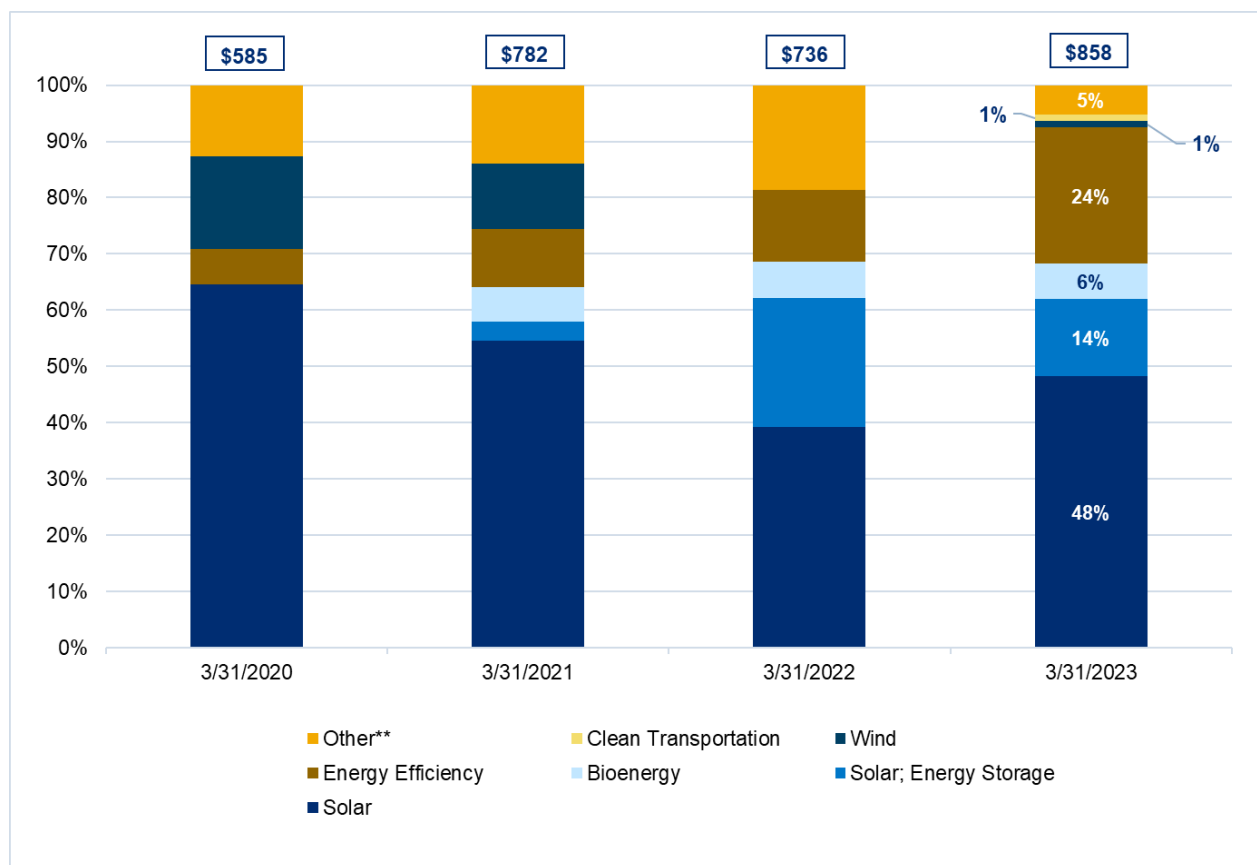
⁸ NYGB's GHG emissions reductions values reflect the estimated effect of both direct and indirect impact benefits.

Figure 3: Pipeline Year-over-Year (\$MM)



The figure above shows the cumulative value of all transactions that have gone through NYGB’s four investment approval stages. During the 2022 – 23 Plan Year, NYGB received over \$720MM in investment proposals, resulting in a cumulative total of \$6.4B in investment proposals since inception. As of the end of the 2022 – 23 Plan Year, NYGB had \$405MM of transactions in the Active Pipeline.

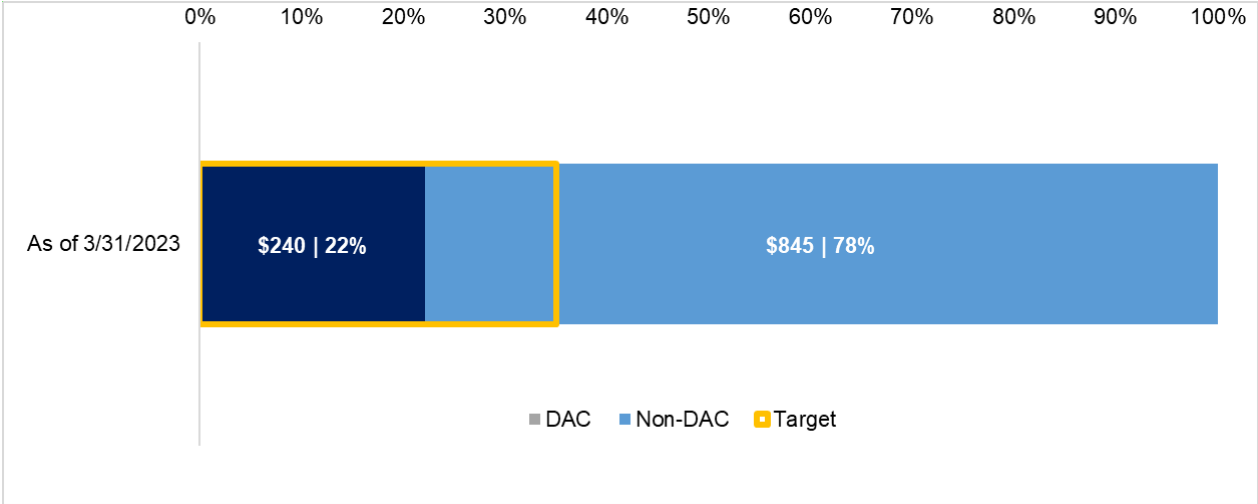
Figure 4: Portfolio Year-over-Year (\$MM)



**Other includes Fuel Cell and Sustainable Agriculture.

NYGB has continued to support the State's evolving clean energy policies by investing across a wide array of technology segments. At the end of the 2022 – 23 Plan Year, NYGB managed its most diverse portfolio to date, totaling \$858MM.

Figure 5: Progress Toward DAC Target (\$MM)



Since January 1, 2020, 22% of NYGB's capital commitments have supported projects benefiting DACs.

Table 2: 2022 – 23 Plan Deliverables

OBJECTIVE CATEGORY	DELIVERABLE	PROGRESS
IDENTIFY AND CLOSE FUNDING GAPS IN ALIGNMENT WITH STATE POLICIES AND PUBLIC COMMITMENTS		
Financing Solutions to Support Disadvantaged Communities	Develop and launch the Community Decarbonization Fund, a concessionary wholesale funding pathway to support financiers in making sustainable infrastructure and decarbonization investments in DACs	<input checked="" type="checkbox"/> Achieved for the Plan Year: Development and design work for the Community Decarbonization Fund occurred during the 2022 – 23 Plan Year, and the program was officially launched a few weeks into the 2023 – 24 Plan Year, on April 28, 2023.
	Simplify existing RFP 18 to reduce the time and cost to affordable housing sponsors seeking NYGB financing	<input checked="" type="checkbox"/> Achieved for the Plan Year: NYGB has reviewed RFP 18 and has developed a template response to reduce the time and complexity of filling out a proposal. This template was published after NYGB’s new website went live in May 2023. In regular discussions with potential RFP 18 counterparties, NYGB will solicit feedback on this template and determine if further RFP simplifications are warranted.
	Reduce administrative burden for counterparties from DACs, and those seeking to develop or finance such projects	<input checked="" type="checkbox"/> In Progress: Reducing administrative burden for counterparties, especially from DACs, remains an ongoing priority for NYGB in the normal course of business. Website enhancements will help users more easily find relevant information on open solicitations. NYGB decommissioned several RFPs (7, 8, 10, 13, and 19) over the course of the year, based on inactivity. This will help proposers in identifying which solicitation is right for them.
	Engage directly with service providers (e.g., legal, independent engineers, etc.) with market knowledge and experience within DACs	<input checked="" type="checkbox"/> Achieved for the Plan Year: NYGB has identified a) market evidence to support the benefits of having DAC projects work with service providers that have experience in these areas, and b) a list of service providers with this experience. This list can be shared with DAC projects in need of experienced service providers.
Targeted Business Development	Update business development outreach strategy and materials to reflect NYGB’s latest and most informed approaches to supporting all technology segments, and particularly priority areas of clean transportation, energy storage, building electrification and affordable housing	<input checked="" type="checkbox"/> Achieved for the Plan Year: NYGB has updated business development materials for priority technology segments and has updated its approach to identifying which companies and events to target as business development opportunities. NYGB has dedicated a full-time resource to coordinate business development efforts across the organization.
Enhanced Communications Channels	Implement enhancements to NYGB’s web site	<input checked="" type="checkbox"/> Achieved for the Plan Year: In addition to routine website enhancements throughout the year, NYGB’s developed and launched a new website, which went live on May 31, 2023, in tandem with the combined \$2.0B milestone /

OBJECTIVE CATEGORY	DELIVERABLE	PROGRESS
		10-year anniversary campaign kickoff.
	Develop and implement comprehensive marketing and communications plan to stimulate additional awareness and drive transaction volume	<input checked="" type="checkbox"/> Achieved for the Plan Year: A comprehensive marketing and communication plan has been developed and is in implementation mode, including enhanced approaches to NYGB's marketing, communications, and event strategies. These efforts will be ongoing throughout the 2023 – 24 Plan Year.
	Advance ongoing efforts to engage with, and build on feedback from, key stakeholders to establish trust and identify actionable investment opportunities	<input checked="" type="checkbox"/> Achieved for the Plan Year: In Summer 2022, NYGB re-engaged environmental justice and community organizer groups that were part of the DAC stakeholder engagement process in late 2021/early 2022 to share an update on the commitments NYGB has made to investing in financing solutions to support DACs and solicit feedback.
Committed Funds	Deliver at least \$225 MM of incremental commitments in the 2022 – 23 Plan Year with a focus on advancing NYGB progress against public commitment goals in clean transportation, energy storage, building electrification and affordable housing	<input checked="" type="checkbox"/> Achieved for the Plan Year: NYGB committed \$252MM during the 2022 – 23 Plan Year, including committing \$85MM to projects that benefit DACs.
MOBILIZE CAPITAL: STRENGTHEN NYGB'S CAPITAL POSITION		
Portfolio Monetization	Evaluate and recommend pathways for additional portfolio monetization(s) to enhance and optimize liquidity	<input checked="" type="checkbox"/> Achieved for the Plan Year: Under RFP 21, NYGB approved more than ten qualifying parties into the eligible purchaser pool for potential future NYGB loan sales.
Mobilize Capital	Identify opportunities to crowd private sector capital providers into NYGB-led transactions and/or opportunities for NYGB to invest alongside private sector-led transactions in priority market segments	<input checked="" type="checkbox"/> Achieved for the Plan Year: NYGB closed into its second transaction alongside a Property Assessed Clean Energy ("PACE") loan, which demonstrates precedent and will help to create the market for private sector capital providers to similarly make these types of loans.
CONTINUOUSLY IMPROVE AND ENHANCE NYGB OPERATIONS AND PORTFOLIO MANAGEMENT		
Risk and Impact Monitoring and Reporting	Enhance NYGB's risk evaluation processes by incorporating expanded ESG and resiliency considerations into NYGB's underwriting and portfolio management processes	<input checked="" type="checkbox"/> In Progress: NYGB has developed a draft scope of work for a climate risk assessment, which will be launched in the 2023 – 24 Plan Year. Throughout the year, NYGB coordinated with NYSERDA on authority-wide resiliency efforts.
	Update Metrics Plan to reflect management and disclosure of DAC progress	<input checked="" type="checkbox"/> In Progress: NYGB began reporting progress toward its DAC public targets after filing Metric Plan 3.1. ⁹ The Climate Justice

⁹ Case 13-M-0412, "NYGB Metrics Reporting Evaluation Plan V3.1" filed on May 2, 2022.

OBJECTIVE CATEGORY	DELIVERABLE	PROGRESS
		Working Group finalized the definition of disadvantaged communities in late March of the 2022 – 23 Plan Year.
Operational Excellence	Issue RFP for third-party fund administration	☑ Achieved for the Plan Year: This RFP was issued, and a third-party fund administrator was selected by a scoring committee.
	Manage smooth transition of Active Pipeline and Current Portfolio from LIBOR to SOFR reference rate	☑ Achieved for the Plan Year: New floating rate transactions have been using SOFR as a reference rate, following guidance from the Alternative Reference Rates Committee. Several portfolio transactions have opportunistically been transitioned to SOFR, and NYGB will continue this transition.
	Identify and implement process improvements to enhanced efficiency and productivity	☑ Achieved for the Plan Year: NYGB conducted a self-assessment of processes and procedures. The team identified three key areas to prioritize (Efficiency, Training, Risk & Return). Working groups have been formed to provide recommendations during the 2023 – 24 Plan Year. These working groups were consulted as the team developed the 2023 – 24 Plan Deliverables, specifically the deliverables “Add features to existing portfolio management tools”, “Enhance training and industry relationship building opportunities for team members”, and “Retain a third-party to complete a resiliency assessment of assets financed by NYGB”.

Table 3: 2022 – 23 Transactions

Transaction	Description	NYGB Commitment	Closing Date
NYCEEC Subordinated Loan	NYGB entered into a subordinated loan facility, originated through RFP 19, that will enable NYCEEC to make loans to finance energy efficiency projects in NYS that benefit DACs.	\$5.0MM	6/2/2022
Sealed Upsize	NYGB increased its existing senior-secured revolving credit facility with Sealed Inc, an energy service provider, by \$7.5MM. This transaction will enable Sealed to expand its current operations and complete additional energy-saving improvements in homes in NYS.	\$7.5MM incremental (\$25.0MM aggregate)	6/29/2022
Albany Hyatt	NYGB entered into a construction-to-term facility alongside Commercial Property Assessed Clean Energy (“C-PACE”) to support the construction of an all-electric hotel at a recovered brownfield site in downtown Albany.	\$12.0MM	8/2/2022
CGE Upsize	NYGB increased its existing construction-to-term facility with CGE by \$2.6MM to support a landfill gas (“LFG”) to renewable natural gas (“RNG”) project in Chautauqua County.	\$2.6MM incremental (\$21.0MM aggregate)	8/26/2022
RUDARPA Upsize	NYGB increased its existing construction-to-term facility with RUDARPA, Inc. by \$3.5MM to support the first LFG-to-RNG project in RUDARPA’s to-be-built portfolio of projects.	\$3.5MM incremental (\$33.0MM aggregate)	9/6/2022
Energy Impact Partners – Upsize	This upsize will finance the construction and operation of six CDG projects in NYS, adding to the two CDG projects funded under NYGB’s original facility which closed in June 2021.	\$50.9MM	10/13/2022
Sam City Collaborative	NYGB’s predevelopment facility will support the rehabilitation of 664 affordable housing units in Harlem as part of NYCHA PACT.	\$12.0MM	11/4/2022
Tenet Energy	NYGB’s facility will lend against EV auto loans originated by Tenet, providing them with additional capital to provide financing to EV owners in NYS.	\$10.0MM	11/10/2022
Wildflower Farms – Upsize	This upsize to NYGB’s existing facility will continue to support the construction of Wildflower Farms, a 65-room energy efficient hotel in Gardiner, NY.	\$4.0MM	11/17/2022
NYCEEC Subordinated Loan – Upsize	This upsize will support NYCEEC in continuing to make loans to finance clean energy and energy efficiency projects located in NYS that benefit disadvantaged communities.	\$5.0MM	11/28/2022
Saranac Lake Resort – Upsize	NYGB’s upsize to its existing facility will continue to support Saranac Waterfront	\$4.5MM	12/2/2022

	Lodge, an energy efficient hotel registered under the LEED green building program on the shores of Lake Flower.		
Arthur May	The construction-to-term loan will finance the construction and operation of an electrified, mixed-use property; the Phase 1 facility will finance the renovation of a former school building and new construction.	\$21.0MM	12/19/2022
Hecate Energy – Galaxy	NYGB’s participation in a \$250MM term loan will support Hecate Energy LLC in selling solar and battery storage projects in the early stages of development.	\$60.0MM	12/19/2022
Sunrun Safe Harbor – Upsize	This upsize brings the total amount that NYGB has committed to Sunrun facilities to \$140MM. NYGB’s participation in these facilities alongside various lenders support Sunrun’s distributed energy project portfolio for homeowners across NYS.	\$21.0MM	12/19/2022
Reid & Park Rock	NYGB committed \$23MM to finance predevelopment expenses to support the rehabilitation of approximately 1,700 affordable housing units in Brooklyn as part of NYCHA PACT.	\$23.0MM	1/27/2023
Sealed Upsize	NYGB increased its existing senior-secured revolving credit facility with Sealed Inc, an energy service provider, by \$10.0MM. This transaction will enable Sealed to expand its current operations and complete additional energy-saving improvements in homes in NYS.	\$10.0MM	2/9/2023
Total		\$252.0MM	

Table 4: Fiscal Year 2022 – 23 Financial Summary

			% Change
	March 31, 2023	March 31, 2022	2023-2022
Operating revenues:			
Fees	\$5,667	\$10,387	(45.4)%
Loans and financing receivables interest	34,842	19,016	83.2%
Provision for losses on loans and financing receivables	(141)	(5,205)	(97.3)%
Gain (loss) on sale of loans and financing receivables	920	(13,543)	(106.8)%
Total operating revenues:	<u>41,288</u>	<u>10,655</u>	<u>287.5%</u>
Operating expenses:			
Salaries and benefits	9,919	8,399	18.1%
Investment related expenses	812	454	78.9%
Other operating costs	1,832	2,245	(18.4)%
General and administrative expenses	1,806	2,139	(15.6)%
Depreciation	958	177	441.2%
NY State assessments	157	136	15.4%
Interest expense	36	-	100%
Total operating expenses	<u>15,520</u>	<u>13,550</u>	<u>14.5%</u>
Operating income (loss)	<u>25,768</u>	<u>(2,895)</u>	<u>(990.1)%</u>
Non-operating revenues:			
Program contributions	-	44,252	(100.0)%
Investment income (loss)	9,808	(9)	109,077.8%
Total non-operating revenues	<u>9,808</u>	<u>44,243</u>	<u>(77.8)%</u>
Non-operating expenses:			
Program evaluation	293	94	211.7%
Total non-operating expenses	<u>293</u>	<u>94</u>	<u>211.7%</u>
Change in net position	35,283	41,254	(14.5)%
Net position, beginning of year	<u>1,001,278</u>	<u>960,024</u>	<u>4.3%</u>
Net position, end of year	<u>\$1,036,561</u>	<u>\$1,001,278</u>	<u>3.5%</u>
Net Income (Loss)	\$35,283	\$(2,998)	1,276.8%

Source: NYGB Financial Statements; NYGB Analysis

Table 5: Actual and Forecast Revenues, Expenses and Net Income (Loss)

	Actual	Actual	Actual	Actual	Actual	Forecast
	FY 2018 - 19	FY 2019 - 20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Revenues	\$26.0	\$28.2	\$29.6	\$10.7	\$41.3	\$49.0
Operating Expenses						
Direct Expenses ¹⁰	5.5	6.9	7.8	8.7	9.7	15.5
Indirect Expenses ¹¹	3.6	3.8	4.9	4.9	5.8	3.0
Total Operating Expenses	9.1	10.7	12.7	13.6	15.5	18.5
Net Income, Prior to Non-Operating Expenses	16.9	17.5	16.9	(2.9)	25.8	30.5
Non-Operating Expenses ¹²	1.6	0.2	0.5	0.1	0.3	0.0
Total Expenses	10.7	10.9	13.2	13.7	15.8	18.5
Net Income	\$15.3	\$17.2	\$16.4	\$(3.0)	\$35.3	\$30.5

¹⁰ Direct Expenses include: Salaries & Direct Benefits; Transaction Expenses; Sales, General & Administrative.

¹¹ Indirect Expenses include: NYSERDA allocations.

¹² Non-Operating Expenses include: Evaluation, Third-Party Capital Legal & Strategic Advisory Services.

Appendix B: Additional Resources

Case 13-M-0412, “Order Establishing New York Green Bank and Providing Initial Capitalization,” issued and effective December 19, 2013:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BBBD3AAFB0-FAA2-4DA6-B56B-0FF22EE34EDF%7D>.

NY Green Bank Organizational Plan:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B643D622C-6E1F-4BD1-A489-DD146F26E8A4%7D>.

“Order Authorizing the Clean Energy Fund Framework” issued and effective January 21, 2016:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B23BE6D8-412E-4C82-BC58-9888D496D216}>.

All other relevant public filings: <https://greenbank.ny.gov/Resources/Public-Filings>.