CASE 13-M-0412-	**Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank**
CASE 14-M-0094-	**Proceeding on Motion of the Commission to Consider a Clean Energy Fund**

NYSERDA

Disadvantaged Community and Low- to Moderate-Income Finance Plan

September 30, 2026

Contents

1. Executive Summary and Introduction 3
2. NYGB's Disadvantaged Community and LMI Performance to Date 5
3. Understanding Disadvantaged Community and LMI Market Barriers 11
4. Concessional Lending Strategy 15
5. Community Decarbonization Fund Assessment 20
6. Technical Assistance Strategy 27
7. Community Lender Finance Pool 32
8. Investment Strategy and Coordination 37

1. Executive Summary and Introduction

NY Green Bank ("NYGB"), a division of the New York State Energy Research and Development Authority ("NYSERDA"), is a state-sponsored clean energy investment fund that uses public capital to address financing gaps, mobilize private investment, and advance New York State's clean energy objectives. The New York State Public Service Commission ("PSC" or "Commission") initially capitalized NYGB with $1 billion of ratepayer funds in 2013 and, in 2026, reauthorized NYGB's continued use of ratepayer funds on an indefinite basis.[1,2] NYGB operates as a self-sustaining entity: investment revenues are intended to cover operating expenses and portfolio losses, allowing NYGB to recycle capital for successive rounds of mission-aligned investment without requiring ongoing government funding.

NYGB's mission is to transform financing markets in ways that accelerate New York's clean energy transition. Its role is complementary to the State's grant and incentive programs. By providing structured financing where private capital is insufficient, unavailable, or not appropriately tailored to a project's risks and needs, NYGB helps enable investments that deliver energy savings, clean energy generation, greenhouse gas reductions, affordability benefits, and broader financial market transformation.

This Disadvantaged Communities ("DAC") and Low-to-Moderate Income ("LMI") Finance Plan (the "Plan") responds to the PSC's 2026 Order Modifying New York Green Bank. [3] It describes how NYGB will deploy capital to maximize the sustained delivery of clean energy benefits to DACs and LMI New Yorkers while preserving the financial sustainability and liquidity necessary to serve New York's broader clean energy finance market. For purposes of this Plan, DAC and LMI finance includes investments and financial products that support projects delivering clean energy or energy efficiency benefits to DACs and LMI households.

Forty-six percent (46%) of NYGB's capital deployments since 2020— totaling $787 million—has benefited DACs, exceeding NYGB's 40% investment benefit target under the Climate Leadership and Community Protection Act ("CLCPA"). These investments have supported a diverse set of projects, including community distributed generation ("CDG") solar, affordable housing rehabilitation and decarbonization, energy efficiency and electrification improvements, and clean transportation infrastructure. They have also mobilized substantial additional capital and supported affordability, resiliency, health, and economic benefits.

The Plan recognizes, however, that equitable clean energy investment requires more than capital alone. Stakeholder engagement and market analysis identified persistent barriers across building decarbonization ("EE/BE"),[4] clean energy generation and storage, and clean transportation. These barriers include high upfront costs; deferred maintenance and limited borrowing capacity; fragmented ownership and decision-making; the complexity of combining financing and incentives; limited lender familiarity with smaller or emerging clean energy transactions; and uneven access to trusted capital providers, particularly in rural

[1] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank;* Order Establishing New York Green Bank and Providing Initial Capitalization (issued December 19, 2013).
[2] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026).
[3] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), pages 78-79.
[4] Building decarbonization is used synonymously with energy efficiency and building electrification ("EE/BE") in this Plan.

and upstate communities. In many cases, these are project-development and institutional-capacity barriers as much as financing barriers.

To address these needs, NYGB will continue to use both market-rate and concessional financing. Market-rate lending establishes replicable transactions, demonstrates the viability of clean energy investments, and encourages private-sector participation. Concessional financing can be appropriate where carefully targeted terms—such as lower interest rates, greater debt sizing, lower equity requirements, subordinated capital, or longer maturities—are needed to make highly impactful projects viable. Because concessional capital is limited and can reduce portfolio liquidity, NYGB will prioritize it for projects that benefit Disadvantaged Communities and LMI New Yorkers, advance viable nascent markets, build capacity in priority market segments, or would be unlikely to proceed as proposed without the concession. All investments, including concessional investments, must continue to support NYGB's financial self-sufficiency, market-transformation mission, and clean energy and emissions-reduction objectives.

This Plan also sets out complementary strategies to expand the reach and effectiveness of NYGB capital. NYGB will refine the Community Decarbonization Fund ("CDF") based on its experience and stakeholder feedback, while continuing to use it to provide wholesale concessional capital to community lenders serving historically underserved communities. Through its technical assistance and capacity-building strategy, NYGB will support community lenders with grants, training, expert resources, and referral channels that strengthen clean energy origination, underwriting, reporting, and project development. NYGB will also develop the Community Lender Finance Pool ("CLFP") as a targeted pathway to reach a broader range of trusted, mission-driven lenders—particularly in rural and upstate New York. The CLFP will initially focus on intermediary capital providers serving smaller, local financial institutions such as credit unions.

Finally, NYGB will integrate these strategies with its broader investment approach across EE/BE, clean energy generation and storage, and clean transportation. Coordination with NYSERDA programs, the Department of Public Service ("DPS"), utilities, housing agencies, community lenders, and other market participants will help align financing with incentives, technical assistance, and project pipelines. NYGB will monitor progress through its established metrics, reporting, and annual planning processes, including DAC-benefit tracking on both committed and deployed capital. Taken together, these strategies are intended to deepen clean energy investment in communities that have historically faced the greatest barriers to participation while maintaining NYGB's ability to deliver impact over the long term.

2. NYGB's Disadvantaged Community and LMI Performance to Date

Defining Disadvantaged Communities & LMI Finance

On March 27, 2023, the Climate Justice Working Group ("CJWG") approved and adopted the criteria to identify Disadvantaged Communities, defined as "communities 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."[5] The criteria include geographic Disadvantaged Communities – NYS census tracts identified by the CJWG based on 45 indicators of environmental burdens, climate change risks, population characteristics, and health impacts – as well as low-income households located anywhere in the State.

For the purposes of this document, "Disadvantaged Communities and LMI Finance" refers to any investments and/or financial products supporting projects that deliver clean energy / energy efficiency benefits to Disadvantaged Communities and LMI households.

Measurement and Tracking

The ultimate goal of Disadvantaged Communities and LMI Financing is to ensure that underserved communities benefit from investments in the form of efficient and comfortable buildings, reduced energy costs, improved air quality, increased housing stability, and stronger local economies. In service of this goal, NYGB measures and tracks the amount of funds with Disadvantaged Community benefits. Per the CLCPA, NYGB has a minimum target of investing 40% of its capital toward projects benefiting Disadvantaged Communities. NYGB will track and report Disadvantaged Communities progress on both a deployed and committed funds basis. Calculation and reporting are conducted pursuant to New York State's Department of Public Service's ("DPS") CE-12 and the Statewide Investments and Benefits Reporting Guidance.[6,7] NYGB's Quarterly Metrics Reports reflect the financial, energy/environmental, affordability, and market transformation impacts of NYGB's investments, as well as metrics specific to the impact of NYGB's investments on Disadvantaged Communities and LMI markets, including: committed and deployed funds benefiting Disadvantaged Communities by investment sector ($) and affordable housing units served (#). NYGB's Disadvantaged Communities investments are also reflected in NYSERDA's filing of the Annual Disadvantaged Communities Investments and Benefits Report, in adherence with CE-12.

It is important to note that not all benefits are captured through these Disadvantaged Community accounting methodologies; for example, benefits such as affordability preservation, workforce development, local economic activity, institutional capacity building, and contractor development may not be fully reflected in current reporting frameworks but still remain important outcomes of these investments.

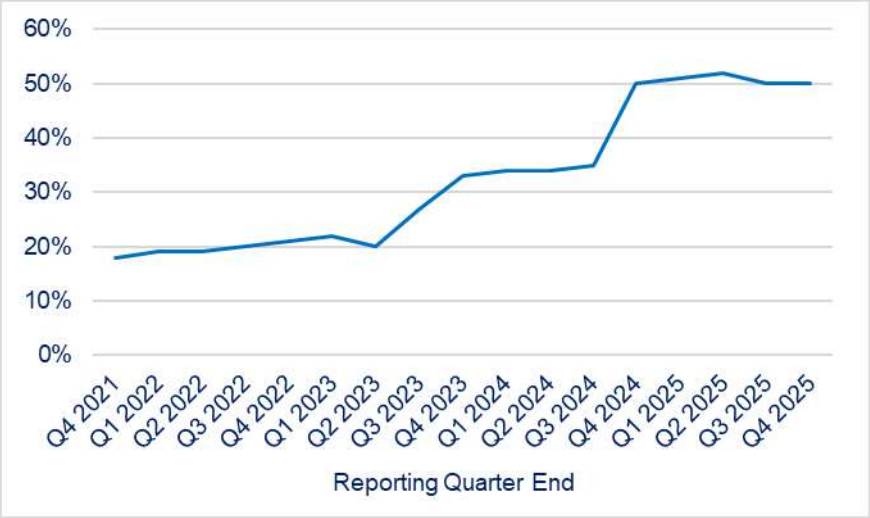
Progress Overview

NYGB has remained steadfast in its commitment to funding projects that serve Disadvantaged Communities. NYGB has tracked and publicly reported its Disadvantaged Community progress by funds committed since the quarter ending December 31, 2021. As demonstrated in Figure 1, NYGB's Disadvantaged Community commitments (as a percent of NYGB's total commitments since January 1, 2020) have grown overtime from 18% in Q4 2021 to 51% in Q1 2026. These commitments have

[5] https://climate.ny.gov/resources/disadvantaged-communities-criteria/.
[6] https://dps.ny.gov/ce-12-clcpa-disadvantaged-communities-investment-and-benefits-reporting-guidance.
[7] https://climate.ny.gov/-/media/Project/Climate/Files/Disadvantaged-Communities-Criteria/Version-1-Disadvantaged-Communities-Reporting-Guidance.pdf.

increased due to additional transaction closings that benefit Disadvantaged Communities as well as changes to accounting and methodology guidance overtime.[8]

Figure 1: NYGB's Reported DAC Progress (% of Committed $ since January 1, 2020 as of each Quarter End)[9]



In terms of funds deployed, at March 31, 2026, 46% of NYGB's total capital deployments since 2020 have benefited Disadvantaged Communities, exceeding NYGB's 40% target. This represents $787 million in deployments across a diverse range of clean energy projects. These projects support outcomes such as the expansion and uptake of clean energy generation, the construction and rehabilitation of more modern, energy efficient, and electrified buildings and affordable housing, and increased access to EV charging infrastructure. As of March 31, 2026, among NYGB's designated Disadvantaged Community sectors, CDG solar (49%) represents the greatest proportion of NYGB's Disadvantaged Communities progress followed by building decarbonization (38%) – of which 11% has been deployed through the Community Decarbonization Fund ("CDF") – then residential solar (3%), clean transportation (6%), and other place-based (4%).

Impact

Capital Mobilized

NYGB's Disadvantaged Community and LMI impact extends beyond financing individual projects. NYGB's investments drive market transformation outcomes by mobilizing capital into clean energy projects that benefit these communities, while helping other organizations gain the experience, expertise, relationships, and confidence to undertake future projects without direct NYGB involvement. NYGB has mobilized 2.9 – 4.0x in capital towards projects that benefit Disadvantaged Communities measured by total deployments as of March 31, 2026. Through these deployments, NYGB has supported up to $5.9B in estimated project costs. In support of projects benefiting Disadvantaged Communities and LMI New Yorkers, NYGB has committed funds alongside key New York partners. Across NYGB's affordable housing transactions, some of these partners include the NYS Department of Environmental Conservation, NYC Housing Development Corporation ("HDC"), NYC Department of Housing

[8] For example, there was a 6% increase in NYGB's Disadvantaged Community progress from Q3 2023 (27%) to Q4 2023 (33%) due to five new transaction closings with Disadvantaged Communities benefits. From Q3 2024 (35%) to Q4 2024 (50%), NYGB's Disadvantaged Community progress increased by 15% mainly due to an update to the CDG solar Disadvantaged Community factor from 24% to 55.6%.

[9] Q4 2021 was the first quarter in which NYGB publicly reported its DAC Progress.

Preservation and Development ("HPD"), NYS Homes and Community Renewal ("HCR"), and New York City Housing Authority ("NYCHA"). Table 1 provides some examples of NYGB affordable housing transactions closed from 2021 to 2026. Such transactions demonstrate NYGB's critical role in mobilizing capital in an under-resourced sector.

Table 1: NYGB Affordable Housing Transaction Examples

Transaction[10]	NYGB Loan Size ($MM)	Loan Type	Est. Total Project Cost ($MM)	Affordability Levels	# of Units	Key Entities
Riseboro (Throop)	$2.6	Pre-development	$90.0	100% below 80% AMI	140	HDC, HPD
Good Carbon Co. (e2i)	$8.0	Term Loan	$102.0	At least 50% below 80% AMI	155	NYSERDA, National Grid
Sam City Collaborative	$12.0	Pre-development	$325.4	100% below 50% AMI	664	NYCHA, HDC, NYSERDA
Reid and Park Rock	$23.0	Pre-development	$615.7	100% below 50% AMI	1,696	NYCHA, HDC
Marine Drive	$3.3	Pre-development	$201.8	95% below 80% AMI; 50% below 60% AMI	295	HCR, DEC
NYCEEC SHF Melrose Concourse	$1.25	Pre-development	$57.5	40% below 60% AMI	72	NYCEEC, HPD, HDC
NYCEEC SHF Coney Island	$1.75	Pre-development	$121.5	100% within 30-80% AMI	172	NYCEEC, HPD
Rangel PACT	$18.7	Pre-development	$575.6	100% below 60% AMI	982	NYCHA, HDC
Good Carbon Co. (e2i) upsizes	$23.0	Bridge; Revolver	$122.2	At least 40% below 80% AMI	1,188	NYSERDA, National Grid
Marcus Garvey Village III	$12.5	Pre-development	$180.0	59% below 80% AMI	221	HPD

Benefits

NYGB's investments help improve the affordability of energy and housing for Disadvantaged Communities and LMI residents. NYGB's support of CDG solar projects has helped ensure Disadvantaged Communities and LMI households can participate in statewide solar adoption and benefit from reduced energy costs without the need for onsite installation. CDG solar projects deliver affordability benefits to NYS residents as customers are typically offered a discounted rate on electricity, often translating to 5-20% savings on their electric bill.[11] Since 2020, NYGB has deployed $378.1 million across 31 transactions to CDG solar projects benefiting Disadvantaged Communities.

[10] Transaction profiles for the transactions listed below can be found at: https://greenbank.ny.gov/Our-Impact/Portfolio

[11] NYSERDA, "Choosing a Project", *Solar Program (NY-Sun)*, https://www.nyserda.ny.gov/All-Programs/NY-Sun/Community-Solar/Choosing-a-Project.

NYGB's lending to residential solar projects has also led to direct benefits for Disadvantaged Communities and LMI residents. These projects enable homeowners to contract for solar, realize immediate reductions on their energy bill, and even receive other cost savings. One NYGB residential solar deal included a $500k construction-to-term loan to support Workforce Housing Group's Brooklyn Restoration to construct solar installations on 18 affordable housing buildings in Brooklyn, NY, 16 of which are in a Disadvantaged Community. Using the savings from solar power, Workforce Housing is providing free Wi-Fi and premium broadband access for the buildings' residents. Workforce Housing also refinanced its portfolio to ensure its apartments remain affordable and stabilized for the next 30 years.

NYGB has also funded housing projects that have resulted in Disadvantaged Community and LMI benefits such as a $12 million commitment to support the rehabilitation of the Frederick Samuel Apartments in Harlem, NY. The Frederick Samuel Apartments include 42 buildings converted to Section 8 housing serving over 1,3000 residents. The rehabilitation project not only upgrades the buildings' systems such as plumbing, heating and cooling, envelope, roof, and apartment grounds, but also includes new EnergyStar appliances, LED lightning, free broadband service, better property management, new security systems and protocols, and dedicated social service staff to serve residents.

Transaction Highlights

NYGB has committed capital supporting Disadvantaged Communities and LMI New Yorkers across a variety of sectors. Table 2 below provides additional examples of transactions in each sector demonstrating the impact of projects across multiple technologies and end-uses.

Table 2: Disadvantaged Community & LMI Transaction Highlights

Sector[12]	Transaction[13]	Overview
Building Decarbonization	Reid and Park Rock	$23MM predevelopment loan to support the rehabilitation of ~1,700 affordable housing units in Brooklyn as a part of the NYCHA Permanent Affordability Commitment Together ("PACT") program.
Community Decarbonization Fund	Leviticus	$18.3MM revolving term loan to support new construction and retrofit of energy efficient affordable housing in New York City. All NYGB-funded Leviticus projects are located in DACs and include affordable housing.
CDG Solar	Catalyze	$100MM term loan supporting CDG solar in New York State. NYGB's first term loan using a sale-leaseback structure to support a CDG portfolio. The transaction required that at least 65% of subscribers on all solar projects in the portfolio be located in DACs.

[12] Sector categories listed in Table 2 align with the NYGB sector categories included in the Annual Disadvantaged Communities Investments and Benefits Report filed by NYSERDA in adherence with CE-12.
[13] Transaction profiles for the transactions listed below can be found at: https://greenbank.ny.gov/Our-Impact/Portfolio

Clean Transportation	Revel	Up to $60MM incentive bridge and construction-to-term loan for new electric vehicle fast charging sites in New York City. The majority of the chargers supported by the transaction are located in DACs providing more accessible charging stations for EV drivers and rideshare workers.
Residential Solar	Sunrun	$159MM in cumulative commitments to Sunrun across five transactions to accelerate the deployment of more than 14,500 solar projects at homes across New York State. Over a quarter of homes are located in DACs.
Other Place-Based	Inclusive Prosperity Capital	$25MM multi-draw credit facility in support of underlying energy efficiency, solar, and other sustainable infrastructure transactions that benefit LMI communities and underserved markets.

Financing Approaches: Market Rate and Concessional Loans

In deploying funds to projects supporting Disadvantaged Communities, such as those described above, NYGB has historically utilized both market rate and concessional financing approaches and will continue to do so, as both approaches provide value to Disadvantaged Communities and LMI markets in different but complementary ways.

As defined in NYGB's Metrics, Reporting, and Evaluation Plan[14], "Market Rate" refers to the prevailing financing terms such as the interest rate, maturity, collateral, security rights, etc. as determined by supply and demand in an open, competitive market for a particular investment opportunity. It represents the financing terms a "buyer"/user of investment capital is willing to agree to, and a "seller"/provider of investment capital is willing to accept without subsidies or special restrictions/conditions imposed on either party. Financing terms considered "Market Rate" vary by use case, risk profile, sector, etc. and fluctuate over time depending on the price and conditions willing buyers and willing sellers of risk consider mutually acceptable.

"Concessional", or "Concessionary", refers to financing terms that are considered below Market Rate, in NYGB's best judgment, for example lower interest rates, higher debt sizing, lower equity contribution, capital stack subordination and longer maturity terms. Concession is nuanced and can take many forms depending on the needs of a particular transaction, borrower, or market segment. Figure 2 below shows various examples of concession as shown through financing terms. These concessional terms may be applied to a transaction either individually or in combination, reflecting the degree and type of support needed to advance project viability, market transformation, or community impact. For further details on NYGB's decision-making process around providing concessional financing, see Section 4.

[14] Case 13-M-0412- Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank; NY Green Bank, *Metrics, Reporting & Evaluation Plan*, Cases 13-M-0412 & 14-M-0094 (filed May 22, 2026).

Figure 2: Examples of Concessional Loan Terms

Concessional loans may be structured with one or multiple of the following terms, as compared to Market Rate loans:

- Lower interest rates
- Longer duration loans (i.e., availability period, tenor)
- Reduced borrower equity requirements
- Reduced personal or corporate guarantees
- Lower or eliminated penalties (e.g., prepayment penalties)
- Higher advance rates – e.g., higher Loan-to-Value ("LTV") and Loan-to-Cost ("LTC") ratios
- Other loan terms providing further flexibility and/or assuming risks that conventional lenders may be unwilling to accept

Concessional finance is a tool for NYGB to use to advance investment and policy objectives, when necessary, prudent, and deeply impactful. Concessional capital is a limited resource reserved for projects benefiting Disadvantaged Communities and LMI New Yorkers or advancing nascent markets. In some cases, federal, state, or local subsidies further support the overall financing structure for concessional loans, allowing projects that deliver significant benefits for Disadvantaged Communities and LMI residents to proceed while maintaining prudent underwriting standards.

As mentioned earlier, both market rate and concessional loans provide value in different but complementary ways to support projects benefiting Disadvantaged Communities and LMI markets. Market-based lending activities create precedents and replicable structures that traditional lenders in the market can adopt and scale, in turn mobilizing private capital. Successfully lending to projects benefiting Disadvantaged Communities and LMI markets on market rate terms can demonstrate the viability and profitability of such projects. On the other hand, concessional lending activities can stimulate the development of deeply impactful projects in underserved or emerging sectors that may otherwise struggle to acquire lending due to insufficient project economics, thereby playing a catalytic role in these markets.

For additional details on NYGB's strategies for concessional lending, see Section 4.

3. Understanding Disadvantaged Community and LMI Market Barriers

NYGB's Market Intelligence Approach

To understand clean energy financing barriers and opportunities relating to Disadvantaged Communities and LMI markets, NYGB utilizes multiple channels and methodologies to engage with market participants and stakeholders. NYGB's structured process for seeking, considering, and acting on stakeholder input was documented in its Stakeholder & Market Engagement Plan ("Engagement Plan")[15], filed on May 22, 2026. While the Engagement Plan covers NYGB's full engagement architecture, its commitments to Disadvantaged Communities and LMI markets are threaded throughout as a priority focus.

NYGB's Investment and Portfolio Management team, Community Development Investment Group and Business Development and Innovation team maintain ongoing dialogue with borrowers, lenders, and market participants. These conversations surface real-time insights on market conditions and capital access challenges. NYGB also hosts multiple Stakeholder Roundtables annually, which offer opportunities to bring representatives serving Disadvantaged Communities together to discuss current financing barriers and potential solutions across NYGB's key investment sectors. Ongoing market observations and third-party evaluations complement NYGB's direct engagement strategies.

NYGB's Advisory Committee plays a key role in this work as well. This group weighs in on NYGB's assessment of stakeholder engagement findings, provides expert perspectives on market trends, and broadly helps identify gaps in NYGB's engagement approach. The recently filed Order explicitly calls for the expansion of NYGB's Advisory Committee to include professionals with expertise in Disadvantaged Communities, LMI markets and affordable housing, further enhancing the climate equity lens NYGB applies to stakeholder input.[16] NYGB is actively evaluating potential new Advisory Committee members who can support those climate equity focus areas.

In addition, as described in subsequent sections of this Plan, NYGB coordinates with other NYSERDA programs and relevant State agencies to leverage existing relationships and partners with organizations focused on supporting New York's historically underserved communities to conduct targeted outreach and gain market insights.

Stakeholder Engagement for Disadvantaged Community and LMI Finance Plan

In addition to NYGB's regular market engagement efforts, NYGB brought on a consulting team of Garrison Associates, Community Sustainability Partners, and Forsyth Street Advisors to conduct targeted stakeholder and market interviews throughout the spring and summer of 2026 to inform the development of this Plan. Thirty-six interviews were conducted with participants selected from various regions across the State, and in a few cases outside of NYS to obtain information on successful precedents in other states. Interviewees represented community development and affordable housing lenders (e.g., Community Development Financial Institutions ("CDFI"), CDFI credit unions, green banks, and commercial banks), a major credit union membership organization, project-level borrowers, and aligned nonprofits (e.g., Regional Clean Energy Hubs, CDFI education/knowledge partners, and advocacy groups). From both the capital borrower and lender side, interviewees brought direct experience with LMI market needs, barriers to clean energy finance deployment, and technical assistance delivery. In

[15] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; NY Green Bank Stakeholder & Market Engagement Plan (filed May 22, 2026).
[16] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), page 37.

conducting these interviews, NYGB placed particular emphasis on understanding rural and underserved markets across NYS and identifying high-impact opportunities that align with the goals outlined in the 2026 Order.

The goal of these interviews was to deepen NYGB's understanding of current clean energy barriers in Disadvantaged Communities and LMI markets and to learn more about how successful community lender financing and technical assistance ("TA") programs can work to overcome these barriers as detailed further in Sections 5, 6, and 7. The CDF assessment, described in Section 5, utilized input from 17 interviews including seven CDF Borrowers, one non-CDF "peer" borrower, four multifamily affordable housing developers, three lenders who did not apply, and two wholesale lenders for market context. To inform the TA approaches (Section 6), stakeholder interviewees assessed priority TA needs across sectors and geographies, gaps in existing offerings that NYGB could address without duplication, and best practices for designing and delivering effective TA. The Community Lender Finance Pool strategy (Section 7), used the interviews to better understanding market barriers and opportunities for community lenders, debt and risk mitigation products commonly used by community lenders, and successful precedents that demonstrate how community lenders can deploy clean energy capital to reach under-resourced communities and achieve benefits for Disadvantaged Communities and LMI New Yorkers.

As financial products and TA programming are developed and released, NYGB will continue to solicit stakeholder input from additional market participants that are active across the State, including rural and upstate geographies. Additional feedback will be solicited from contractors, local economic development entities, Regional Clean Energy Hubs, and additional community lenders.

Key Market Barriers

Based on the input NYGB has received from the market, below are some of the main barriers that remain for sectors and market segments that are intended to benefit Disadvantaged Communities and LMI markets. Identified barriers in this section are not solely financing barriers but rather challenges that limit project development and therefore limit capital deployment opportunities. It also should be noted that fundamental demand barriers exist in rural and underserved areas of the State stemming from limited awareness or trust in existing programs and lack of demand for financing.

Building Decarbonization

Barriers to building decarbonization include high upfront costs, deferred maintenance, and fragmented ownership and decision-making structures. Beyond these project implementation challenges, building owners can be deterred from EE/BE upgrades as the return on investment can be relatively low for some improvements, and assembling sufficient financing and incentives to support comprehensive efficient decarbonization scopes can be challenging. Additionally, it can be difficult to obtain consent from existing lenders to incur additional debt to fund EE/BE improvements.

Informed by stakeholder interviews and the New York State Clean Energy Hubs Regional Assessment and Barriers Analysis,[17] Table 3 outlines the main barriers experienced across four market segments: multifamily affordable housing, community facilities, single-family residential, and small commercial.

[17] Case 25-M-0249- *In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio,* New York State Clean Energy Hubs Regional Assessment and Barriers Analysis (issued January 29, 2026).

Table 3: Key Barriers Identified by Market Segment – Building Decarbonization

Market Segment	Barrier
All	**High Upfront Costs:** Existing incentives and concessional financing does not consistently cover full energy efficiency and/or building electrification scopes for multifamily affordable housing. In single-family residences, these costs remain burdensome even after incentives are applied and residual costs can overwhelm any potential long-term savings. Predevelopment costs also pose a challenge and are often not covered early enough to move projects forward.
All	**Transaction Complexity:** Most projects require complex incentive and financing stacks. Often, small owners or developers and under-resourced portfolios lack the capacity to assemble these resources efficiently and require support to navigate state, municipal, utility, federal, contractor, and community-based channels.
All	**Competing Priorities Limit Demand for Energy Upgrades:** Multifamily and commercial building owners have other expenses (taxes, insurance, repair costs, etc.) that reduce their willingness and ability to invest in energy upgrades. For small commercial buildings, small businesses in Disadvantaged Communities and LMI markets often operate with limited cash reserves and even with the potential for payback overtime, owners prioritize preserving liquidity and avoid taking on new debt. Priorities for homeowners include mortgage payments, taxes, insurance, food, childcare, health costs, and urgent repairs.
All	**Deferred Maintenance Raises Project Costs:** Older buildings often require health, safety, and building-system work that must be addressed before energy efficiency and electrification work can proceed, which are costs not typically covered by existing incentives. In single-family residences, pre-weatherization requirements must also be met. In New York City, these issues are further shaped by Local Law 97 ("LL97") compliance timing, co-op and condo governance, and the need to decarbonize without increasing tenant burden or destabilizing regulated operating economics.
Multifamily Housing & Community Facilities	**Lender Consent:** Existing lenders may resist added project debt where operating outcomes are uncertain or where affordability restrictions or rent regulation limits repayment flexibility.
Multifamily Housing & Small Commercial	**Tenant-Landlord Incentive Misalignment:** Owners are faced with the capital costs of retrofits and upgrades while tenants receive most of the direct energy & potential savings benefits. Additionally, rent regulation limits cost recovery and can reduce owner interest in upgrades even when projects are economically rational over time. Alternatively, outside of regulated affordable housing, there is potential risk of landlords passing on post-installation operating costs to tenants, resulting in a need for electrification affordability tests. In commercial buildings, there can also be confusion around who should pay for the improvements and who realizes the benefits.
Single-Family Residential	**Eligibility and Documentation Constraints**: Access to incentives can be limited for some intended households due to paperwork burdens, income metrics, or geographic qualifications.

Clean Energy Generation and Energy Storage

Below are recent trends in the clean energy investment and broader infrastructure space that highlight some of the current financing barriers for Distributed Energy Resources ("DER"), including CDG solar and battery energy storage systems ("BESS") projects. These challenges are not limited to projects that benefit Disadvantaged Communities and LMI New Yorkers.

- Financing distributed scale systems remains an administratively complex and labor-intensive process, which carries challenges and risk that many private sector lenders are unwilling to take. Lenders that remain willing to lend in this space prioritize larger transactions with investment-grade offtakers, resulting in financing gaps for smaller project portfolios.
- The Investment Tax Credit ("ITC") sunset passed by Congress in July 2025 is diminishing developer pipelines, ultimately making it harder for projects to find financing and meaningfully reducing the number that do.
- Digital infrastructure build-out nationally is constraining human capital and lender interest in DER investment opportunities. NYGB has observed multiple instances of banks who have historically been lead lenders in DER transactions either struggle to fill out syndications for large national solar-plus-storage portfolios or decide to not participate altogether due to "bandwidth constraints."
- With regard to BESS transactions, there are specific barriers due to merchant revenue uncertainty, limited project economics in upstate New York under the current Value of Distributed Energy Resources ("VDER") framework, pre- Notice-to-Proceed ("NTP") financing constraints, and permitting barriers at the local level.

Clean Transportation

Of NYGB's four primary investment sectors (Building Decarbonization, Clean Energy Generation, Energy Storage, and Clean Transportation), clean transportation financing remains the most nascent. Similar to the barriers for clean energy generation and energy storage, the current key market barriers for the clean transportation sector apply generally to both LMI and non-LMI contexts. Some of the main barriers include:

- revenue uncertainty associated with electric vehicle ("EV") charging infrastructure across light-, medium-, and heavy-duty use cases
- higher vehicle cost relative to internal combustion engine ("ICE") vehicles
- residual value risk for EV assets
- limited performance and utilization data across a wide range of clean transportation asset types

Additionally, during NY Green Bank's Clean Transportation Roundtable in March 2026, participants emphasized that clean transportation should not be treated as a single asset class. Public light-duty charging, fleet charging, electric school buses, commercial trucks, alternative mobility operators, and emerging applications such as zero-emission vessels present different revenue, utilization, residual value, technology, and counterparty risks and opportunities. While lessons learned from each of these asset classes can be applied to each other, the variety also highlights the nuances and differences that key market participants (e.g., developers, investors, policymakers, regulators, consumers, etc.) need to account for when seeking to grow each of these market segments and the clean transportation sector as a whole.

4. Concessional Lending Strategy

NYGB's concessional lending strategy is informed by three key considerations (1) the nature of the concessional terms that NYGB considers most effective, (2) the process to prioritize the most useful deployments of this tool, and (3) the processes and limits required to ensure that NYGB preserves the necessary mission-supporting levels of capital and liquidity to serve the broader clean energy finance market including Disadvantaged Communities and LMI market segments.

The Nature of the Concessional Terms NYGB Considers Most Effective

As discussed in Section 2, NYGB utilizes concessional lending as an important tool to advance investment and policy objectives. The terms that NYGB considers to be most effective when providing concessions are 1) lower interest rates, 2) higher debt sizing, 3) lower equity contribution, 4) capital stack subordination, and 5) long maturity terms.

Interest rate concessions create the greatest level of economic benefit to a project and developer. For projects with constrained economics such as those within the affordable housing sector or those associated with earlier stage technologies, the incremental economics associated with concessional pricing can mean the difference between a project "penciling out" or not. The same is true for certain projects involving energy efficiency or building electrification measures – pricing concessions can enable deeper impact outcomes.

Greater debt sizing is another concession highly valued by capital-constrained project developers and sponsors, particularly those with limited ability to contribute equity capital. Conceding on minimum equity contributions can enable underfunded developers and sponsors to move forward on impactful projects.

In other projects where there is some but not enough interest from senior lenders, capital stack subordination (such as agreeing to lend on a subordinated basis to the senior lender) can be very effective in retaining the involvement of senior lenders while supporting the project by accepting greater investment risk.

In certain real estate-oriented use cases, such as EE/BE in affordable or naturally occurring affordable housing, agreeing to longer maturities that amortize debt service over a longer period of time can also be effective to moving impactful projects forward.

As discussed in Section 2, there are a wide variety of concessional terms and approaches that NYGB applies depending on the challenges facing a project deemed eligible for concessional consideration.

The Process to Prioritize the Most Useful Deployments of Concessional Capital

Concessional finance is a valuable tool for NYGB to use to advance investment and policy objectives, when necessary, prudent, and deeply impactful. Concessional capital is a limited resource reserved for projects benefiting Disadvantaged Communities and LMI New Yorkers or advancing nascent markets. As such, NYGB applies a rigorous process to prioritize the most useful deployment of this tool.

All NYGB investments, whether concessional or market rate, must meet NYGB's three minimum investment criteria:

1. Transactions will have expected financial returns such that the revenues of the NYGB, on a portfolio basis, will be in excess of operational expenses and expected portfolio losses;
2. Transactions will be expected to contribute to financial market transformation across sectors and markets, including Disadvantaged Community and LMI markets, in terms of scale, improved private sector participation, level of awareness and confidence in clean energy investments,

and/or other aspects of market transformation, including those that provide affordability benefits to ratepayers as a result of the investment; and
3. Transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas ("GHG") reductions in support of New York's clean energy policies and laws.

In addition, projects eligible for concessional capital consideration must meet one or more of the following incremental criteria:

1. **Benefits Disadvantaged Communities/LMI:** Projects benefiting / serving Disadvantaged Communities or LMI New Yorkers including rural and upstate, with an emphasis on projects that can deliver affordability outcomes.
2. **Advances Nascent Markets:** Emerging clean energy technologies or business models with promising and viable cash flow profiles that are constrained or underdeveloped and where incremental economics can enable highly impactful projects to "pencil out."
3. **Capacity Building in Priority Segments of the Market:** For example, NYGB's CDF was designed to help community lenders such as CDFIs launch or expand clean energy lending to efficiency-first building decarbonization projects focused on building electrification and affordable housing within their local communities. Another example is NYGB's CLFP, which is a new initiative discussed in greater detail in Section 7.
4. **Additionality**: The project would reasonably be unlikely to proceed (as proposed) without concessional investment. This can include the project as a whole, but it is also designed to capture the value of retaining deeply impactful EE/BE measures that might otherwise be eliminated without concessional capital.

The Process and Limits Required to Ensure NYGB Preserves the Necessary Mission-Supporting Levels of Capital and Liquidity to Serve the Broader Clean Energy Finance Market Including Disadvantaged Communities and LMI Market Segments

NYGB was designed and established not as a grant program but as a complementary vehicle alongside other State grant programs and tasked with:

- Addressing gaps and barriers in clean energy finance
- Mobilizing additional capital into NYS clean energy investments; and
- Preserving the ability to fund multiple cycles of clean energy investment.[18]

It was, and remains, essential to achieve the mission and intended benefits of NYGB that capital and liquidity be preserved so as to enable NYGB to operate and contribute on an ongoing basis.[19]

NYGB's Approach to Liquidity Management

In order to ensure that NYGB preserves the necessary mission-supporting levels of capital and liquidity to remain self-sufficient and serve the broader clean energy finance market including Disadvantaged Communities and LMI market segments, NYGB evaluates its liquidity on regular basis utilizing various tools including a liquidity model which tracks and projects NYGB's liquidity based on:

[18] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), pages 74-75.
[19] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), page 75.

- The liquidity demands from our existing portfolio of investments, including NYGB's revolving loan commitments which by nature of the loan terms allow for reborrowing and therefore against which NYGB maintains a $100 million liquidity buffer.
- Transactions in our active pipeline which are being worked on but have not yet closed.
- $225 million in total new loan commitments annually, an amount that NYGB has historically achieved and in some years exceeded. This amount includes transactions in our active pipeline.
- The remaining portion of NYGB's $250 million allocation to the Community Decarbonization Fund of which $67 million remains available.

In addition, NYGB is tracking other demands on liquidity including covering:

- Annual operational expenses.
- Expected annual portfolio losses.
- Annual 0.5% of Net Asset Value ("NAV") TA budget (as further discussed in Section 6).

Based on this analysis, NYGB is able to track the Pipeline Investment Base or "dry powder" it maintains for incremental market or concessional lending before breaching liquidity safeguards. [20] For more information about NYGB's approach to liquidity management please see Appendix A of NY Green Bank's Annual Business Plan 2026 – 2027.[21]

Impact of Concessional Lending on NYGB's Liquidity Enhancement Options & Overall Liquidity Outlook

Through continuous liquidity tracking and monitoring, NYGB is able to anticipate liquidity deficits and pursue liquidity enhancement actions such as:

- Loan Sales: NYGB could sell or otherwise monetize a portion of its performing market rate loans.
- Borrowing Money: NYGB could seek a loan collateralized by NYGB's portfolio of performing market rate loans.

The viability and cost of any such liquidity enhancement action is dependent on market conditions, and it is important to recognize that during periods of significant market disruption, the above options may not be readily available.

In addition, the amount of liquidity that can be raised through either of the above actions is largely limited to the amount of performing market rate loans in NYGB's portfolio at any given time. As a practical matter, only performing market rate loans have the potential to find a buyer in the secondary loan market. Concessional loans are illiquid investments – they are highly unlikely to find a buyer in the secondary loan market. In addition, relative to performing market rate loans, concessional loans have limited value as collateral to secure a loan from a lender. This is because such loans not only generate limited cash flow due to the low interest rates associated with them, but more importantly, they are illiquid and like any illiquid collateral, such loans cannot be sold by a lender to generate cash to repay a defaulted loan.

Concessional loans also tend to remain on NYGB's portfolio longer than market rate loans for the following reasons:

[20] Pipeline Investment Base serves as a measure of NYGB's liquidity level as described in more detail in NY Green Bank's Annual Business Plan 2026-27, see Appendix A: Annual Liquidity Plan.
[21] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; New York Green Bank Annual Business Plan 2026-27 (filed June 6, 2026), page 22.

- Longer Maturities: Concessional loan are often associated with longer maturities compared to market rate loans. CDF loans, for example, carry a 12-year maturity. Assuming that NYGB is able to commit the full $250 million allocated to CDF by the end of the 2027, CDF loans alone would tie up approximately 25% of NYGB's $1 billion of ratepayer capital allocated to NYGB by the PSC in 2013 until such loans mature between 2035 – 2039.
- Unlikely to Be Refinanced or Prepaid: Borrowers of market rate loans often refinance or prepay loans prior to legal maturity because as projects mature, they derisk over time – debt is being repaid and operating track record and performance is established. The more these projects derisk, the greater the potential for a borrower to find a new lender willing to lend at lower interest rates. As a practical matter, concessional loans are unlikely to be repaid or refinanced given that the concessional rate is already below market and likely will always be the most favorable rate available to the borrower regardless of the extent to which the project is derisked over the life of the loan.
- Risk of Maturity Extensions: Concessional loans like CDF are often intentionally structured as non-amortizing or having limited amortization requirements. Instead, the repayment is lump-sum and due at final maturity – often called the "bullet" or "balloon" payment of the loan. Concessional loan borrowers sometimes expect concessional lenders will "roll over" or extend maturity provided that the loan is otherwise performing and the borrower is not facing acute solvency risks. Although CDF is not designed to "roll-over" and NYGB expects full repayment at maturity, borrowers may seek to extend the maturity of their loans; and this is a risk NYGB is monitoring.

Because concessional loans tend to remain on NYGB's portfolio longer than market rate loans, the concentration of illiquid loans in NYGB's portfolio is likely to grow over time as NYGB invests additional concessional capital through the execution of strategies, products and programs described in this Plan. Carefully tracking the mix of performing market rate loans (liquid) vs. concessional (illiquid) loans in NYGB's portfolio is, therefore, critical to fully assess the impact concessional lending is having on NYGB's ability to enhance liquidity through the options described above.

Implementation and Integration of the Concessional Lending Strategy

NYGB will implement its concessional lending strategy through a coordinated set of financing, capacity-building, and partnership activities. This approach is intended to direct concessional capital to the highest-impact opportunities while preserving NYGB's financial self-sufficiency, liquidity, and ability to recycle capital for future clean energy investments.

The strategy is not limited to the pricing or terms of an individual loan. Its effectiveness depends on pairing appropriately structured NYGB capital with the technical assistance, market knowledge, incentives, and programmatic support needed to make clean energy investments feasible and replicable for Disadvantaged Communities and LMI New Yorkers.

Table 4: Summary of NYGB's Concessional Lending Strategy

Strategy Component	Implementation Approach	Intended Outcome
Refine the Community Decarbonization Fund	Proceed with the planned CDF modifications, process improvements, and deployment supports.	Strengthen the CDF as a source of wholesale concessional capital for community lenders and improve deployment into DAC and LMI markets (see Section 5 for more detail).

Launch the Community Lender Finance Pool	Launch the CLFP as a new financing pathway for community lenders, initially emphasizing intermediary capital providers that can reach community lenders, including credit unions. NYGB will continue to launch new financing products, including the CLFP, through competitive RFPs, as appropriate.	Expand NYGB's reach to a broader set of trusted, mission-driven lenders, with particular attention to rural and upstate communities (see Section 7 for more detail).
Pair capital with technical assistance and capacity building	Pair CDF and CLFP lending with NYGB technical assistance focused on lender capacity building and broader data and knowledge sharing activities.	Improve borrower and lender capacity to originate, underwrite, deploy, and report on clean energy financing, thereby increasing the impact and scalability of concessional lending (see Section 6 for more detail.)
Integrate NYGB financing with public programs	Enhance coordination with NYSERDA programs, utilities, other State agencies, and relevant local partners to align NYGB financing with incentives, grants, technical assistance, and project pipelines.	Improve project economics, reduce execution barriers, and ensure NYGB capital complements rather than duplicates other public and private resources (see Section 8 for more detail).
Continue market engagement and product development	Use ongoing stakeholder engagement, transaction experience, and market intelligence to assess emerging barriers and opportunities and to develop additional financing products or refinements as warranted.	Maintain a responsive strategy that can address evolving financing gaps and advance market transformation over time (see Section 3 for more detail on market engagement and Section 8 for more detail on financial product innovations under consideration).

A central feature of this strategy is the coordinated use of NYGB financing alongside other forms of public support. In some cases, NYGB may lend at market-rate terms while NYSERDA, a utility, another State agency, or another public program provides grants, incentives, technical assistance, or other project-level support. Although the NYGB investment remains market-rate based on its own financing terms, the combined capital stack can create a blended financing outcome that materially improves project economics for the borrower. This approach can enable projects to proceed, preserve deeper energy-efficiency or electrification scopes, and deliver affordability or other community benefits while allowing NYGB to preserve concessional capital for circumstances in which direct concession is necessary.

These activities are mutually reinforcing. CDF modifications will enhance NYGB's established community-lender financing platform; the CLFP will extend that platform to additional lenders and geographies; technical assistance and capacity-building grants will help CDF and CLFP borrowers deploy capital effectively; and enhanced coordination will connect these financing tools to the incentives and programmatic supports needed to advance projects from development through construction. Throughout implementation of this strategy, NYGB will continue to apply its minimum investment criteria and liquidity-management practices so that concessional capital is deployed prudently, catalytically, and in support of sustained clean energy benefits while preserving NYGB's financial self-sufficiency, liquidity, and ability to recycle capital for future clean energy investments.

5. Community Decarbonization Fund Assessment

CDF Overview

NYGB's $250 million Community Decarbonization Fund was launched in 2023 as a wholesale concessional funding pathway for eligible community lenders to finance GHG-reducing projects that benefit historically Disadvantaged Communities across the State. CDF is available to third-party financial intermediaries experienced in working with Disadvantaged Communities such as community development financial institutions, credit unions, depository institutions, and not-for-profit, mission-driven loan funds.

NYGB designed CDF with the overarching goals of **establishing CDF as an effective source of concessional, wholesale capital to community lenders and deploying $250 million of CDF capital from 2023 to 2027 in loans ranging from $2 to $25 million.**

NYGB's specific objectives for CDF include funding a diverse group of lenders who can deliver capital throughout NYS and reach underserved communities, delivering efficiency-first building decarbonization projects focused on building electrification and affordable housing, using concession to benefit project developers and residents, and enabling projects that NYGB is unlikely to reach through bilateral financing. Beyond these on-the-ground impacts, NYGB is seeking to drive transformative impacts, namely building community lender capacity, "crowding in" new intermediaries and capital to these sectors, and fostering replicability.

NYGB assessed CDF to analyze the market need for, experience with, and impacts of CDF capital.[22] NYGB also assessed barriers and reasons for lower-than anticipated uptake, and as a result has considered new approaches to increase the beneficial impacts of ratepayer capital programmed through CDF. As described in Section 3, NYGB conducted 17 interviews to gather data for the CDF assessment, including borrowers, lenders, and developers with directly relevant experience with CDF. This section discussed key findings of the CDF assessment and planned modifications to improve CDF.

CDF Outcomes and Impacts

Fund Deployment and Portfolio Characteristics

As of July 2026, NYGB committed $158 million of CDF capital to eight eligible community lenders (the "CDF Borrowers") and deployed $109 million. These funds were primarily used to finance efficiency-first decarbonization in affordable multifamily residential projects. Interest rates for CDF borrowers are set at 1.5% for a term of 12 years. Projects include technologies such as weatherization, HVAC electrification, energy efficiency, on-site solar, and EV charging.

CDF Borrowers range in size from $18.8 million in net assets to $304 million in net assets and primarily include national, regional and New York-focused CDFI loan funds, representing a diverse group of CDFI loan funds. However, neither credit unions nor upstate lenders are currently represented. As a result, the project portfolio is concentrated downstate and has not been effective in reaching all regions of NYS. NYGB plans to address this primarily through new investment strategies offered, such as the CLFP (Section 7).

[22] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), pages 76-77.

Four CDF Borrowers deployed 100% of their funding, with a fifth borrower still in its deployment period and on track to fully deploy. The $109 million of capital deployed to date represents a 69% deployment rate. Including projects in the pipeline now, current CDF Borrowers are on track to deploy at least $124 million in total (a 78% deployment rate). There have been no losses on this program to date. At the time of this report, two prospective borrowers are in NYGB's CDF pipeline.

The CDF project portfolio is comprised of 29 projects supported by 30 CDF-funded loans (two lenders co-lent to a single project). Twenty-five projects are located in geographically defined Disadvantaged Communities. All projects benefit LMI New Yorkers.

Seventy-seven percent (77%) of deployed CDF capital supports multifamily residential housing projects (including 61% being affordable housing), and 23% supports charter schools.[23] Ninety-four percent (94%) of these projects are located downstate. Sixty-seven percent (67%) are new construction, while 33% are rehabilitations and retrofits of existing buildings. Forty-six (46%) of the project loans are "mini-perms",[24] with pre-development loans comprising 28%, and construction and acquisition loans each comprising 11%. The predominant technology is energy efficiency such as weatherization at 57%, with electrification at 43%. Twenty-seven (27%) of all CDF projects include solar. These project characteristics align well with NYGB's objective of delivering efficiency-first building decarbonization projects focused on affordable housing and Disadvantaged Communities.

CDF Borrower and Project-Level Developer Feedback

The overall interview feedback from both CDF Borrowers and project-level borrowers was very positive. CDF Borrowers appreciated that NYGB provided strong outreach and easy-to-access information on CDF. CDF facility terms are generally viewed quite favorably. **The 1.5% interest rate is viewed very favorably by all borrowers, and the 12-year term is viewed favorably by the majority of CDF Borrowers.** A minority of CDF Borrowers – who typically fund 30-year mortgages – noted that CDF term is not perfectly aligned with their business models because funding a 30-year loan with 12-year capital results in duration mismatch. Many CDF Borrowers would seek additional CDF capital if it were available to them; however, NYGB has intentionally maintained a cap of $25 million per CDF borrower to ensure it supports a broad range of lenders and the communities they serve.

CDF Borrowers generally use "tried-and-true" loan products by incorporating eligible decarbonization scopes of work into these products, rather than developing new products for CDF deployment. This trend is positive because developing new products is resource-intensive and "silos" green lending as a separate practice. The innovation spurred by CDF is the ability to modify familiar products to include new project design considerations, broader work scopes, and specialized energy-focused use of loan proceeds.

One of NYGB's objectives for CDF is that the 1.5% concessional interest rate provided to CDF Borrowers benefit Disadvantaged Communities (not primarily or exclusively the lenders). **All CDF Borrowers report that they "passed through" some rate concession to project-level borrowers.** Borrowers and project developers both reported that the concession enabled or expanded green scopes and helped make electrification projects financially viable. To validate these findings, NYGB's consultants analyzed CDF Borrowers' published borrowing rates relative to the CDF rate and project loan interest rates relative to comparable market rates. Although there is notable variance in individual cases,

[23] All percentages in this paragraph are calculated based on original loan balance.
[24] "Mini-perm" refers to a loan type that typically combines a construction loan with a short-term permanent loan allowing the project to achieve stabilized cash flows; mini-perms are designed to be taken out by full-term permanent mortgage loans.

the results indicate that on average across the CDF portfolio, roughly 2% in concession has accrued to end-use borrowers.

The project-level developers interviewed for the CDF assessment reported a positive experience of working with CDF capital. CDF capital helped them make ambitious decarbonization projects work. These developers would access additional CDF capital if that opportunity were provided to them. No significant negatives were reported.

Some elements of the CDF program are not working as well as intended. **CDF Borrowers provided constructive input on potential modifications that may ease some friction around deployment and improve outcomes.** Feedback included requests for longer deployment and recycling periods, greater flexibility in loan administration, and streamlined, clearer reporting requirements. Some CDF Borrowers would like to see NYGB deepen its understanding of CDFIs generally and calibrate its risk practices. Some prospective borrowers working in upstate and underserved markets indicated a need for complementary grant funding, and some requested targeted technical assistance.

Portfolio Level and Market Transformative Impacts

CDF's capital mobilization ratio of up to 8.1:1 largely mirrors NYGB's overall ratio of up to 10.4:1 (as of Q4 2025). This level of mobilization for CDF is a notable success, considering that capital mobilization is a cumulative metric. CDF has been deployed over roughly three years exclusively to Disadvantaged Community and LMI-benefitting projects which often face longer execution timeframes; whereas NYGB's overall capital mobilization rate has been achieved over 10+ years. Blending CDF funds with other funding sources – a form of "crowding in" capital – was common among CDF Borrowers.

In the interviews, **several CDF Borrowers said that CDF allowed them to build clean energy lending capacity,** including establishing or expanding clean energy strategies, adding staff, advancing new products or product modifications, and establishing related metrics. One borrower described CDF as "jet fuel," giving their team more confidence and bandwidth in the clean energy lending space while learning along the way. Another CDF Borrower called CDF funding "foundational" and "the cornerstone" of their clean energy lending practice.

Loan origination was collaborative across the CDF Borrower network. Some CDF Borrowers received referrals from peer lenders funded through CDF; some co-lent with each other or with a NYGB-funded community lender with climate expertise.[25] One CDF Borrower initially relied on co-lending to deploy capital and now anticipates originating loans directly going forward. This is a clear example of successful capacity building.

The affordable multifamily project developers interviewed for the CDF assessment see opportunities to replicate CDF-funded projects. They believe that **CDF helped advance project replication opportunities** and they have additional CDF-eligible projects in their pipelines. This feedback validates a key market transformative objective of the fund.

Assessment of Lower than Anticipated CDF Uptake

NYGB's volume of CDF capital commitments is lower than expected; $92 million of concessional capital remains uncommitted three years after CDF's launch. Reasons for this are discussed below.
Many large, sophisticated CDFIs operating in New York's affordable housing markets are experienced with clean energy lending and are successfully participating in CDF. Many of these Borrowers would

[25] Co-lending occurred with another experienced community lender funded by NYGB on similar terms to CDF, though not technically a CDF Borrower.

seek additional CDF capital if it were available to them; however, NYGB has intentionally maintained a cap of $25 million per CDF borrower to build broad community lender capacity by including smaller-scale borrowers new to building decarbonization.

A significant factor complicating uptake was CDF's timing, which coincided with the federal Greenhouse Gas Reduction Fund ("GGRF") program. GGRF's Clean Communities Investment Accelerator ("CCIA") offered large non-repayable TA grants to help lenders build clean energy lending knowledge, capacity and pipelines. When CCIA was frozen in early 2025, lenders anticipating grant funding to build capacity lost out. This set the industry back and likely depressed previously anticipated demand for CDF. Further, the CDFI industry has come under unanticipated federal scrutiny – causing some CDFIs to curtail new strategies. The most consistent demand drivers for CDF capital are NYS and NYC housing agency subsidy requirements and NYC's decarbonization laws which are going into effect with staggered timelines, as compared to the "big bang" effect of GGRF, possibly slowing uptake.

Finally, low-cost balance sheet debt works well for larger CDFI loan funds but is not always an optimal design for credit unions, depository institutions and smaller loan funds with low net assets. This came through in several interviews and suggests that innovations outside of the current CDF "design box" are worth exploring. Product innovations are planned for NYGB's new CLFP to address this need (See Section 7).

CDF remains a viable, impactful program. NYGB continues to accept applications for CDF capital through a continuous solicitation accessible on its website.[26] Two lenders are currently in NYGB's CDF pipeline. NYGB plans to modify CDF to increase its effectiveness discussed further below.

Lessons Learned

With a dramatic shift in federal climate policy in early 2025, **CDF stands out as a key resource supporting decarbonization in community finance.** There is a dearth of other opportunities of similar scale and design. CDF is highly appreciated by its borrowers.

In general, CDF concession allows lenders to close more clean energy projects, more quickly, with improved decarbonization scopes and better financials. CDF deployment is concentrated in markets that are responding to specific mandates. NYS HCR and NYC HPD increasingly require decarbonization as a condition of accessing subsidy. NYC is phasing in various building decarbonization laws. CDF is supporting the financial viability of projects responding to these drivers. CDF is also incentivizing some projects outside of this policy framework.

CDF's concessional capital complements NYGB's overall investment portfolio to effectively serve Disadvantaged Communities and LMI households. The wholesale structure of CDF provides an essential new pathway for NYGB to address the needs of underserved communities across NYS. Although NYGB offers bilateral real estate loans through CDIG, NYGB is not likely to reach the smaller projects exemplified in the CDF portfolio. CDF is complementary to NYGB's larger portfolio strategy, not competitive or duplicative.

Planned Modifications to CDF

Based on the findings of NYGB's CDF assessment, NYGB intends to modify some aspects of CDF and the current Request for Proposal ("RFP") 23 to improve the deployment and effectiveness of the fund. The CDF assessment has also informed NYGB's planned TA offerings and new approaches planned for the CLFP, as discussed in more detail in Sections 6 and 7.

[26] https://portal.nyserda.ny.gov/CORE_Solicitation_Detail_Page?SolicitationId=a0r8z000000CXHrAAO

Planned CDF modifications fall into three categories: Design Modifications and Deployment Supports; Process Modifications; and Capacity Enhancements.

Design Modifications:

Table 5: Modifications to CDF Design and Related Deployment Supports

Barrier/Issue	Modification	Proposed Implementation	Expected Outcome
New and existing borrowers need greater deployment time to incorporate CDF requirements, build pipelines and close transactions.	Increase 2-year deployment period to 3 years for new CDF Borrowers. Re-open or extend deployment periods for existing CDF Borrowers.	Modify credit agreements and amend RFP.	Improve deployment outcomes for current and future borrowers.
CDF deployment is concentrated downstate and has not been effective in reaching all regions of NYS.	Develop new offering for better relevance in upstate, rural, and low-income markets. Consider innovations such as combined loan and grant proceeds to support greater uptake of clean energy measures in economically distressed regions of the State.	Launch the Community Lender Finance Pool (see Section 7).	Better address the needs of smaller community lenders and LMI and rural New Yorkers.
Unlock greater level of additionality and DAC benefits.	Consider limiting and/or requiring justification for projects with unclear additionality or DAC benefits. NYGB may limit eligibility for projects mandated by law or required by subsidy.	NYGB will further assess and consider limiting and/or requiring justification for certain use cases with unclear additionality and DAC benefits.	Prioritize concession for projects and use cases with demonstrable need and greatest benefits.
Knowledge gaps exist within the borrower community	Create peer exchange and learning opportunities for borrowers such as periodic convenings.	NYGB is implementing periodic borrower convenings.	Improve deployment, standardization, replication and adoption.
Identifying eligible projects and building project pipelines is time consuming and resource intensive for borrowers.	Strengthen project referral pathways for referrals between CDF borrowers and access to referrals from NYSERDA and/or NYC Accelerator.	NYGB will consider possible solutions as part of its technical assistance strategy (see Section 6).	Improve deployment outcomes for current and future borrowers.

Process Modifications:

Table 6: CDF Process Improvements

Barrier/Issue	Modification	Proposed Implementation	Expected Outcome
Certain CDF terms, timelines and procedures are administratively burdensome and challenging to some borrowers.	Make certain drawdown, disbursement and recycling procedures more flexible such as: - 3-month disbursement window - quarterly draw cadence - $2MM minimum draw requirement - drawdown request timeframe - redeployment timeframes - capital recycling mechanics	Modify credit agreements and amend RFP.	Reduce friction; improve deployment; foster best practices based on lessons learned.
Certain CDF reporting requirements are administratively burdensome and challenging to some borrowers.	Collaborate with borrowers to identify areas of friction and improve data collection and reporting processes.	Improve reporting efficiencies and provide additional support and responsiveness to troubleshoot specific issues.	Reduce borrower and project-level administrative burden.

Capacity Enhancements to better support the effectiveness and impact of CDF are described below; more details are provided in Section 6 on TA.

Table 7: CDF Capacity Enhancements

Barrier/Issue	Modification	Proposed Implementation	Expected Outcome
Some borrowers lack the wherewithal to fully invest the resources needed to optimally build and grow clean energy lending practices.	Provide Lender Capacity Enhancement ("LCE") grants to borrowers to continue building clean energy lending capacity, improve deployment, drive replication, and support critical TA needs at the project level. Preference to borrowers with emerging clean energy lending practices, limited access to capital, high-impact strategies and commitments to growing clean energy lending. Further described in Section 6.	NYGB plans to implement LCE grants as a new TA offering.	Build clean energy lending capacity, reduce friction, improve deployment; foster best practices based on lessons learned.
Certain CDF risk provisions including affirmative and negative covenants caused friction	Continue to strengthen NYGB CDFI industry knowledge and risk assessment capacity through dialogue and engagement with borrowers and risk professionals at other lending institutions that have historically supported the CDFI industry.	Work with any borrower to review covenants and evaluate potential modifications.	Reduce friction for borrowers with still prudently preserving and protecting ratepayer capital.

with some borrowers.			
Borrowers (and their customers) can benefit from technical assistance to strengthen their ability to optimize their clean energy lending impact.	Provide targeted technical assistance to enhance borrowers' and their customers' decarbonization expertise. Description of several planned TA offerings are provided in Section 6.	NYGB plans to implement various TA supports to improve outcomes – see Section 6.	Build clean energy lending capacity, reduce friction, improve deployment; foster best practices based on lessons learned.

NYGB intends to execute planned modifications with existing CDF borrowers on a direct basis, as those modifications require mutually agreed upon changes to existing loan agreements. NYGB will also update RFP 23 to reflect all necessary modifications.

6. Technical Assistance Strategy

Technical assistance, knowledge sharing and capacity building will play an increased role in NYGB's efforts to transform clean energy finance markets. While NYGB's primary focus remains addressing financing gaps through structured investments, NYGB will dedicate an annual budget for TA equal to 0.5% of its NAV, meaning approximately $5.6 million for Fiscal Year 2026-27 based on FY2025 NAV.[27] TA budgets for future fiscal years will be shared in corresponding Annual Business Plans.

Many community lenders face barriers to successful deployment, replication and expansion of clean energy financing – including knowledge barriers, demand barriers, limited or evolving organizational capacity, and insufficient market data and financing precedents. Addressing these barriers is beneficial to expanding clean energy financing in Disadvantaged Communities and LMI markets across NYS. NYGB plans to focus its TA strategies in two broad areas to support this market transformation: (1) lender capacity building, e.g., building the capacity of community lenders that may lack the in-house expertise or resources needed to shape their clean energy lending practices and (2) data transparency and knowledge sharing, e.g., building familiarity, confidence and capacity amongst the finance and developer communities.

Technical Assistance Needs Assessment

Building on experience with the CDF and comprehensive stakeholder input, detailed in Sections 3 and 5, NYGB has developed a stronger understanding of the role of TA in successful deployment of capital in Disadvantaged Communities and LMI markets. Several broad trends emerged from insights shared throughout those engagements:

- **Rural and underserved markets require tailored TA approaches.** Rural areas and upstate markets face barriers to clean energy implementation, including fewer experienced developers, limited technical expertise, and lower market awareness. Targeted TA can increase demand for clean energy projects and support local community lenders.
- **TA is particularly important for community lenders new to clean energy lending.** Community lenders identified the need for support in evaluating project technologies and scopes as many community lenders have not done clean energy lending and have historically focused on affordable housing, small business lending or economic development lending. Support in adapting underwriting and risk management practices for clean energy, and building the internal expertise needed to confidently originate, underwrite, and manage clean energy loan portfolios is beneficial.
- **TA can strengthen project pipelines and increase demand by helping projects become finance-ready.** Community lenders identified a need for targeted support for lower-capacity project sponsors to optimize project scopes, understand energy incentives, and incorporate clean energy elements into financial models ,as this is new for many developers.
- **TA sidecar grants complementing NYGB loan offerings, e.g., the Lender Capacity Enhancement (LCE) grants introduced in Section 5, can support lower capacity community lender participation.** Some rural or smaller community lenders may require additional support beyond concessional loans to successfully administer clean energy lending. Suggestions included blended grant/loan structures and credit enhancement mechanisms.

Based on these findings, NY Green Bank plans to deliver TA through a flexible set of tools tailored to the needs and capacities of different market participants. As NYGB implements TA initiatives, it will continue to evaluate and refine its approach to ensure resources are deployed effectively, complement

[27] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; New York Green Bank Annual Business Plan 2026-2027 (filed June 6, 2026), pages 18-19.

existing market offerings, and address the evolving needs of mission-driven lenders and the communities they serve.

NYGB Technical Assistance Delivery Framework

NYGB's TA strategy is designed to address both lender needs for capacity building and broader market needs for data, transparency and knowledge sharing. In each case, NYGB will fund a mix of TA supports based on criteria such as organizational capacity, market gaps, and alignment with investment and impact objectives. To avoid duplication and ensure NYGB's TA strategies add value to the market, NYGB will coordinate with existing TA providers, including fellow NYSERDA programs, wherever feasible and appropriate. TA is expected to be delivered through two complementary channels:

- **In-Kind NYGB Technical Assistance** both for specific lender-focused support for cohorts of NYGB borrowers (e.g., CDF borrowers and CLFP participants) and for broader market-focused initiatives (e.g., case studies).
- **Financial Technical Assistance,** including**:**
  - **Third-Party Technical Assistance** from specialized providers to deliver TA to lenders funded by NYGB.
  - **Capacity-Building Grants** for eligible community lenders to assist with internal capacity building for clean energy finance.

Technical Assistance Approaches

In the first year, NYGB will prioritize TA tools and grants for existing CDF borrowers, leveraging established relationships to build delivery systems and refine TA offerings. As these capabilities are established, support will expand to additional CLFP participants and potentially lenders who are smaller, local and/or newer to clean energy lending. This phased approach will enable NYGB to serve institutions across the market, initially helping larger, more experienced lenders more effectively deploy clean energy-specific capital at scale and subsequently supporting smaller and emerging community lenders that may require more intensive initial capacity-building. Sequencing TA in this manner balances near-term deployment objectives with longer-term market development goals, allowing program priorities to evolve as NYGB's TA experience, market knowledge, and delivery capacity grows.

Each section below is organized into priority strategies for NYGB over the next year; which include "high impact" - indicating market transformative potential, and "near-term" - indicating feasibility of implementation within the next year. This section also includes other potential TA opportunities that merit further research by NYGB.

Lender Capacity Building

NYGB intends to help build the capacity of community lenders through a broad-based TA strategy: ***direct capacity grants*** to community lenders (which can come in the form of sidecar grants to CDF or CLFP loans to strengthen implementation), targeted ***training*** to develop clean energy underwriting and origination expertise, and ***peer exchange opportunities*** to engage with clean energy experts and fellow community lenders on current industry trends. By addressing these constraints, NYGB can equip a wider network of lenders to deploy clean energy capital at scale, extending the market impact of its work well beyond its own individual transactions and advancing its core mission of transforming the market for clean energy finance. TA interventions in this category will primarily support CDF Borrowers and CLFP participants. Below outlines the details for each of the potential TA offerings to support lender capacity building.

Near-Term + High Impact Approaches:

Lender Capacity Enhancement Grants

- ***Barrier Addressed:*** Many community lenders may have limited or no experience with "intentional" clean energy lending and may be capacity constrained to fully integrate clean energy finance into their lending strategies or effectively deploy NYGB-supplied capital.
- ***Benefit/Impact:*** This is a high impact approach that can be implemented in the near-term, providing direct, flexible grant funding for borrower-specific capacity needs.
- ***How It Works:*** NYGB will provide capacity-building grants to CDF borrowers, CLFP participants and other eligible community lenders who are NYGB borrowers. Grant funds can be used for a range of purposes for priority needs and impactful uses as specified by grantees. Examples of eligible uses may include:
    - **Workshops/education/training/member fees/legal fees** (support community lender internal staff expertise).
    - **Hiring staff** (add dedicated clean energy lending capacity).
    - **Fees to 3rd parties for reporting, vetting technical scopes and other critical-path needs** (access specialized expertise).
    - **Tools to support eligibility and underwriting assessments** (streamline and standardize clean energy loan origination and underwriting).
    - **Management & credit frameworks/ strategic planning for expansion** (build institutional infrastructure to scale clean energy lending over time).
    - **Direct project TA for developers** (improve project readiness to strengthen pipeline).
    - **Fund internal reserves and support capital needs** (strengthen balance-sheet capacity to originate clean energy loans).
    - **Accessibility improvements** (build language access assistance to remove barriers to program participation).
- ***Delivery:*** NYGB-funded capacity-building grants.

Lender Capacity Trainings

- ***Barrier Addressed:*** Lack of community lender knowledge and familiarity with clean energy and building decarbonization projects, loan products, and product enhancements.
- ***Benefit/Impact:*** This TA approach is high impact as it can utilize existing education platforms in this space to educate lenders to establish new clean energy products (or modify existing products) and integrate them effectively into their lending businesses. This is an effective way to build staff knowledge and capacity within community lenders and is a common best practice in the CDFI industry.
- ***How It Works:*** NYGB can subsidize community lender participation in existing clean energy finance training programs on topics including lending practices by market segment (e.g., single family, multifamily, small commercial, etc.) as well as information about clean energy technologies and origination and underwriting strategies.
- ***Delivery:*** Third-party delivered TA.

Convening and Peer Exchange Opportunities

- ***Barrier Addressed:*** Community lenders may lack access to clean energy industry experts and opportunities to engage with peer institutions regarding new program offerings, technological advances, and current market gaps and opportunities.
- ***Benefit/Impact:*** Community lenders gain access to NYGB's network of industry experts and leaders by participating in sector and/or topic-specific convenings.
- ***How It Works:*** NYGB organizes convenings with sessions and/or presentations focused as learning opportunities for community lenders, bringing in experts from within NYGB, fellow

NYSERDA programs, and NYGB's network for leading clean energy finance, legal, and technical firms.
- ***Delivery:*** Third-party delivered TA / in-kind NYGB TA.

Additional lender capacity building technical assistance offerings NYGB to explore further and consider include the following:

- **Direct Project TA to Lenders:** NYGB to consider setting up or providing access to a panel of third-party technical experts to help community lenders who may lack the in-house capacity or expertise to assess projects including clean energy technologies.
- **Data Aggregation Services:** Manual reporting is a friction point for many CDF borrowers; this will be a similar barrier for smaller, rural lenders. Providing access to digital tools that facilitate and improve the collection and reporting of impact data could be beneficial to developers, lenders, and the broader market.

Data and Knowledge Sharing

Access to reliable, transparent information on the financial and energy performance of clean energy investments builds financier and developer confidence and in turn, supports market transformation. Currently, limited visibility on the performance of projects and loans that benefit Disadvantaged Communities and LMI markets can leave (i) many lenders unfamiliar with the revenue streams and risk mitigation strategies that enable such projects and (ii) developers and building owners with viable projects unable to connect with capital providers.

NYGB is considering solutions to lower these systemic market barriers such as aggregating and publishing NYGB loan performance data, enhancing its efforts to standardize and share replicable deal structures, and strengthening the referral channels and pipeline tools that connect eligible projects with community lenders. By increasing transparency and improving the flow of information across the market, NYGB can help build confidence among lenders, foster replication of successful deal structures, and catalyze demand beyond its own individual investments.

Near-Term + High Impact Approaches:

Data Sharing

- ***Barrier Addressed:*** Limited confidence across lenders and developers regarding the financial and energy performance of clean energy and energy efficiency investments.
- ***Benefit/Impact:*** Enhanced data sharing from NYGB's portfolio could improve market understanding of the financial and environmental performance of clean energy investments.
- ***How It Works:*** NYGB, potentially with the support of a third-party, aggregates and publishes data on project and loan performance, including financial, energy/environmental, and affordability features and impacts. Potential work products include reports, project case studies, product term sheets, and/or other web publications.
- ***Delivery:*** NYGB in-kind and/or third-party delivered TA.

Project Referral Channels

- ***Barrier Addressed:*** Awareness gap between developers / building owners with project pipelines and lenders with access to financing capital.
- ***Benefit/Impact:*** Bridging this awareness gap between eligible projects and capital providers can catalyze further clean energy project development and relationship building.
- ***How It Works:*** NYGB to provide financial TA to organizations that focus on strengthening the referral channels between eligible projects and capital providers, including but not limited to NYGB, commercial lenders, and CDF borrowers and other community lenders. This could include facilitating referrals from fellow NYSERDA programs, utility-administered programs,

Regional Clean Energy Hubs, NYC Accelerator, etc. as well as collaborating with existing training and networking programs created by CDFIs or other community lenders.

- ***Delivery:*** Third-party delivered TA.

Technical Assistance Objectives and Milestones

NYGB is prioritizing two TA objectives articulated in its 2026-27 Annual Business Plan, which encompass many of the approaches outlines above, to achieve by March 31, 2027: 1) develop and deliver at least two in-kind forms of technical assistance (i.e. template term sheets, performance data, case studies, trainings, etc.) and 2) provide $5.6 million in lender capacity enhancement grants to existing CDF borrowers to further expand their clean energy finance capacities.[28] Going forward, future TA objectives will be presented in NYGB's 2027-28 Annual Business Plan and subsequent business plans thereafter.

[28] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; New York Green Bank Annual Business Plan 2026-27 (filed June 6, 2026), page 19.

7. Community Lender Finance Pool

In furtherance of the impact that NYGB seeks for LMI and underserved households across NYS, NYGB is developing a Community Lender Finance Pool that will provide low- or no-cost capital to community lenders, with a priority on lenders in traditionally underserved areas, such as rural or upstate parts of the State.[29] The goal of the CLFP is to address clean energy financial market gaps experienced by small, local financial institutions (such as credit unions and community banks), enabling or expanding their ability to deliver the benefits of clean energy investments in their respective communities.

The CLFP is expected to represent 5% of NYGB's total investment over the next five years, equating to roughly $7.5 to $15.0 million annually.[30] NYGB's CLFP investment target for Fiscal Year 2026-27 is to commit $7.5 million by March 31, 2027.

Role of Community Lenders

Community lenders are mission-driven organizations that provide financial services to underserved or under-resourced communities. For the purposes of this Plan, community lenders broadly includes but is not limited to community banks, credit unions, loan funds, mission-driven investment funds, and localized economic development entities such as Economic Development Corporations ("EDCs"), Industrial Development Agencies ("IDAs"), Local Development Corporations ("LDCs") and Community Development Corporations ("CDCs"). Relatedly, several of these types of institutions can also be certified as a CDFI.

- CDFIs are mission-driven organizations that are certified by the U.S. Treasury's CDFI Fund.[31] They can include community development banks, credit unions, and loan funds. Community development banks and credit unions are depository institutions. Loan funds typically raise capital through grants and various forms of borrowing and do not take deposits.
- There are also mission-driven lenders working in the clean energy space that do not have a CDFI certification, such as New York City Energy Efficiency Corporation ("NYCEEC") and Inclusive Prosperity Capital, which are both non-profit loan funds. These lenders tend to focus on the intersection of clean energy and underserved communities and on promoting equitable access to clean energy.
- In NYS, localized economic development entities (e.g., EDCs, IDAs, LDCs, CDCs) act as specialized financial and legal bridges to enhancing community wellbeing by intervening where the traditional private market may fail to invest. While each differ in their legal structures, funding sources, and specific areas of focus, they collectively seek to promote regional growth, job creation, and attract investment into the communities they serve.

Community Lender Finance Pool Strategy

To inform the CLFP strategy, as described in Section 3, NYGB conducted interviews with 36 stakeholders and experienced community lending practitioners. NYGB conducted several of these interviews with stakeholders in rural and underserved markets to ensure that the challenges facing these communities are

[29] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), pages 66-67 and 78.
[30] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), page 67.
[31] In order to be certified as a CDFI, a financial institution must meet the following seven criteria at the time of their CDFI Certification Application: Be a legal entity; Have a primary mission of promoting community development; Be a financing entity; Primarily serve one or more Target Markets; Provide Development Services in conjunction with its financing activities; Maintain accountability to its defined target market; and Be a non-government entity and not be under control of any government entity (tribal governments eligible).

well-understood and fully considered in the capital deployment strategies for the CLFP. This step was essential because NYGB's deployment of concessional capital through CDF to date has been concentrated downstate. With the CLFP, NYGB is making a concentrated effort to serve a broader range of community lenders, primarily those who can help deliver the benefits of clean energy investments in upstate and rural regions of the State.

CLFP Capital Deployment Structures

NYGB has initially identified three capital deployment strategies for the CLFP: (1) capitalizing intermediary capital provider(s) with access to networks of community lenders, (2) providing credit enhancements to mitigate risk associated with clean energy lending, and (3) direct concessional loans to community lenders. These three strategies are based on the interviews mentioned above, analysis of successful precedents, NYGB's experience with CDF to date, and input from NYGB's consulting team. The strategies were evaluated based on demand and impact potential, execution feasibility, and fit with NYGB's investment parameters.

In Fiscal Year 2026-27 NYGB will focus on its primary strategy of capitalizing intermediary capital provider(s) to networks of community lenders. As shown in Table 8, in Fiscal Year 2027-28 and beyond, NYGB will further assess the market demand, viability, and benefits of additional offerings such as credit enhancements, direct concessional loans to community lenders, and other potential strategies to enhance the CLFP's effectiveness and impact.

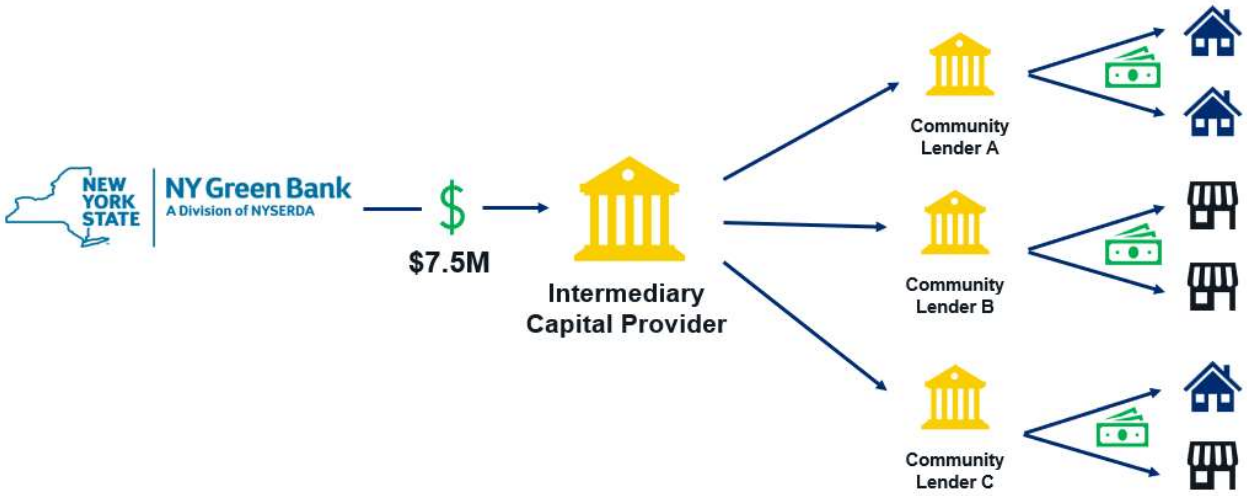
Capitalizing Intermediary Capital Provider(s) to Networks of Community Lenders

Some community lenders need specialized capital products that fit their capitalization models and regulatory frameworks; and some community lenders may need specialized underwriting approaches that accommodate their unique business models and/or smaller scale of operations. Recognizing these needs, NYGB is considering working with one or more intermediary lenders/membership organizations to efficiently deploy capital to reach these smaller, more "difficult to bank" organizations. NYGB may also explore partnering with commercial banks that have a strong presence in rural or upstate parts of New York.[32]

For this deployment strategy, NYGB would provide a loan to an intermediary membership organization with a proven track record of deploying capital to community lenders in New York. The intermediary would deploy NYGB's capital to its NY-based members, using proven capital products tailored to the needs of its members and borrowers. Community lenders receiving NYGB-supplied capital would be required to use these funds to finance clean energy projects within a range of eligible use cases. See Figure 3 for an indicative structure of how NYGB-supplied capital through the CLFP would ultimately reach end-borrowers such as single-family residences and small businesses.

[32] Many commercial banks have specialized departments focused on community lending with a mandate that includes compliance with the federal Community Redevelopment Act.

Figure 3: Indicative Community Lender Finance Pool Structure



Credit unions are a good example of a cohort of community lenders with specialized capital requirements. Credit unions are a priority for the CLFP because they have strong networks of members and are trusted lenders in rural and underserved communities across the State. In the case of credit unions, an intermediary would deploy NYGB-supplied capital to its credit union members for targeted clean energy loans (e.g., consumer, housing, small business) using established financial products such a deposits, jumbo deposits or subordinated debt tailored to meet regulatory requirements for federally insured credit unions.

The benefits of using an intermediary for CLFP capital deployment include:

- A mission-aligned intermediary can deploy capital in transaction sizes that are sub-scale for NYGB, e.g., from $250,000 to $3 million.
- Different types of community lenders may require product features and tailored credit provisions which specialized lenders are familiar with and set up to do.
- An intermediary has trusted relationships with its members and is more familiar with the capital deployment capacities of its members/borrowers.
- Trusted intermediaries can reach organizations that may be less known to NYGB and will have relationships with members serving rural and underserved communities.
- Some intermediaries provide training and education for their members, which could fit nicely with NYGB's TA strategies as further described in Section 6.
- Some intermediaries were active in and received awards through GGRF; they have clean energy expertise and have woven climate into their missions.

Working with a mission-aligned community lender-focused intermediary may be the quickest, most effective way to serve credit unions and other types of community lenders with an upstate or rural footprint. ***This is NYGB's primary and initial strategy for the CLFP.***

Risk Mitigation Strategies for Community Lenders

Offering risk mitigation to community lenders can encourage participation in clean energy lending. Lenders may be more inclined to offer clean energy products with the benefit of additional risk protection. Credit enhancement can help lenders gain management or board buy-in and can minimize impact of defaults on core capital. In some cases, credit enhancement can enable lower interest rates for homeowners and small businesses.

In this approach, NYGB would provide guarantees or loan loss reserves ("LLRs") to de-risk lenders serving hard to reach markets. Two options are mentioned below:

A. **Credit enhancement of eligible clean energy loan portfolios**: NYGB would provide a guarantee or a LLR on a specific sub-portfolio of eligible projects with risk exposure shared with the originating lender.
B. **Project level credit enhancements:** NYGB would provide a guarantee or an LLR on a specific loan with shared risk exposure.

Credit enhancement is often used in the community lender field, and NYGB has analyzed precedents in several states. Well-designed credit enhancements generally result in high capital mobilization. However, program design is crucial; poorly designed credit enhancements have had little uptake and limited utility, whereas well-designed programs can attract new lenders to clean energy lending and deliver considerable impact. With these considerations in mind, NYGB intends to undertake further demand assessment, particularly amongst lenders serving rural or upstate markets, in Fiscal Year 2027-28 to determine whether a credit enhancement offering would advance the goals of the CLFP.

Concessional Loans to Community Lenders

A third strategy for the CLFP builds directly on NYGB's experience with CDF. NYGB will consider offering direct concessional loans through the CLFP to reach community lenders that are not currently represented in the CDF borrower portfolio. If NYGB is to use this CLFP strategy, it would prioritize lenders serving communities in upstate and rural areas of New York.

The following key characteristics under consideration for concessional loans are based on direct lender feedback and are intended to increase the likelihood of reaching community lenders in rural and upstate New York.

- **Size:** Loans in the $2 to $5 million range. This sizing takes into consideration project-level demand barriers in underserved areas and the CLFP investment target, anticipated at roughly $7.5 to $15.0 million per annum (5% overall investment allocation).
- **Structure:** Consideration of further rate concession below the 1.5% CDF (RFP 23) rate, tenor at or within the 12-year term of CDF transactions to date, and/or an Equity Equivalent-style (EQ2) structure.[33]
- **Design:** Deployment periods, disbursement mechanics, eligibility criteria, and reporting supports appropriately structured to attract targeted borrowers and ensure they can successfully deploy funds.
- **Technical Assistance:** Access to "sidecar" TA / lender capacity enhancement grant funds for pipeline development, capacity needs and other uses deemed necessary for successful deployment.

In Fiscal Year 2027-28, NYGB will assess initial CLFP uptake, performance, and market demand to determine if offering direct concessional loans to community lenders would strengthen the CLFP's impact.

[33] An EQ2 is a subordinated loan structure that functions like equity, enabling non-profit CDFIs to expand lending capacity and leverage additional debt. https://www.occ.gov/publications-and-resources/publications/community-affairs/community-developments-insights/pub-insights-oct-2014.pdf

CLFP Implementation Plan

Table 8: Community Lender Finance Pool Implementation Plan

Activity	Timing
Launch and promote new RFP for Community Lender Finance Pool	Q4 2026
Receive initial CLFP proposal(s) and conduct due diligence	Q4 2026 – ongoing
Propose CLFP investment target for FY 27-28 in NYGB's FY27-28 Annual Business Plan	March 1, 2027
Close $7.5 million in initial CLFP transaction(s)	By March 31, 2027*
Assess initial CLFP uptake, performance, and market demand to determine expansion of initial CLFP offering(s) and/or to provide additional products	Fiscal Year 2027-28 (April 1, 2027 – March 31, 2028)
Propose updated CLFP investment strategies as needed as part of subsequent NYGB Annual Business Plans	Annually on March 1

* NYGB's goal is to close $7.5 million in initial CLFP transaction(s) by March 31, 2027, however the size and timing of transaction(s) closing is subject to many factors including but not limited to investment due diligence, borrowers' capacity and execution-readiness, and broader market conditions.

8. Investment Strategy and Coordination

As shown in Section 2, NYGB's investments provide benefits to Disadvantaged Communities and LMI New Yorkers across each of its priority investment sectors. In addition to the proposed CDF modifications and new TA and CLFP strategies outlined in Sections 5, 6, and 7, this section highlights NYGB's overall investment strategy, current offerings, and coordination efforts with NYSERDA and utility administered incentive programs that benefit Disadvantaged Communities and LMI New Yorkers.[34]

NYGB Investment Strategy

In support of the three minimum investment criteria (Section 4), NYGB seeks to address financing gaps and drive financial market transformation across each of its priority investment sectors. NYGB utilizes a wide variety of approaches to achieve this market transformation, including:

- Create replicable, scalable and innovative investment products that enable financing of newer business models and less familiar structures to be adopted and deployed more widely in NYS.
- Structure and price investments to achieve mission-oriented outcomes and ensure continued financial self-sufficiency of NYGB, including offering concessional terms in transactions that contribute to financial market transformation but cannot currently support market rate terms.
- Employ liquidity management strategies that enable NYGB to recycle funds to maximize impact, operate as a self-sustaining entity, and continue to make mission-aligned investments without needing additional or ongoing government funding.
- Refrain from participating in investment opportunities for which there is evidence of an adequate amount of private capital available to meet capital demand.

Investment Targets for 2026–2031

NYGB has sector-specific investments targets and a portfolio-wide 40% Disadvantaged Communities investment benefit target to pursue through March 31, 2031. Thus, as NYGB seeks to deploy capital as impactfully as possible for the sustained delivery of clean energy benefits for Disadvantaged Communities and LMI New Yorkers, it does so across all its investment sectors. Table 9 below shows NYGB's investment targets, and the rest of this section outlines how its investment strategies in each of these sectors provide a wide range of benefits to the State's broader clean energy system, Disadvantaged Communities, and individual ratepayers.

[34] NYSERDA-administered incentive programs include ratepayer-funded programs and programs funded by other sources, such as the Regional Greenhouse Gas Initiative.

Table 9: NYGB Investment Targets 2026-2031

Investment Sector	2026-2031 Targets
Building Decarbonization ***Affordable Housing*** ***Energy Efficiency***	**40%** *20%* *10%*
Energy Storage	**25%**
Clean Transportation	**15%**
Clean Energy Generation	**15%**
Community Lender Finance Pool[35]	*5%*
Total	**100%**
Portfolio-wide Disadvantaged Community and/or LMI Investment Benefits Target[36]	*40%*

Building Decarbonization

Table 10: Summary of Finance Offerings – Building Decarbonization

Market Segment	Type of Financing	Borrower Type	Team
Multifamily Housing – Affordable & Market Rate	Acquisition & Predevelopment; Construction & Construction-to-Mini-Perm Loans	Building Owner or Sponsor	NYGB
Commercial Real Estate	Acquisition & Predevelopment; Construction & Construction-to-Mini-Perm Loans	Building Owner or Sponsor	NYGB
Community Facilities	Acquisition & Predevelopment; Construction & Construction-to-Mini-Perm Loans	Building Owner or Sponsor	NYGB
Multifamily & Commercial Real Estate	Revolving Term Loans; Borrowing Base Loans	Project Developer or Sponsor	NYGB
Community Lenders	Senior Unsecured Balance Sheet Facilities; Asset-Secured Loan Facilities	Community Lenders (e.g., CDFIs, Credit Unions, Community Banks, etc.)	NYGB
Single-Family Residential	Smart Energy Loans; On-Bill Recovery Loans	Consumer / Retail	GJGNY
Small Commercial	On-Bill Recovery Loans	Consumer / Retail	GJGNY

As discussed in Section 3, market barriers in efficiency-first building decarbonization remain across multiple market segments including multifamily housing, commercial real estate, community facilities, single-family residential, and small commercial buildings. These barriers include high capital costs, deferred maintenance and related supporting scope, fragmented ownership and decision-making

[35] The Community Lender Finance Pool is a pathway through which capital is deployed, while the four other investment sectors represent end-use sectors that the capital is ultimately deployed into. Thus, a dollar deployed through a community lender into an end-use sector, such as building decarbonization, will be reported as such.
[36] NYGB's Disadvantaged Communities and/or LMI Investment Benefits target is on a portfolio-wide and cumulative basis dating back to January 1, 2020. NYGB will report its progress against this target on an annual and cumulative basis in its Quarterly Metrics Reports, filed in Case 13-M-0412.

structures, limited incremental borrowing capacity, and the complexity of assembling technical expertise and financing and incentive sources sufficient to support comprehensive EE/BE measures. While financing solutions cannot fully address these broader market barriers, the finance offerings summarized above are intended to help advance EE/BE through a combination of direct project lending, wholesale lending to community lenders, and consumer-oriented financing pathways that together support a broad range of borrowers, uses of proceeds, project sizes, and financing needs.

For multifamily housing, commercial real estate, and community facilities, acquisition and predevelopment loans and construction or construction-to-mini-perm loans are intended to address financing gaps that arise before permanent long-term financing is available and at the point when sustainability measures can still be mandated or anchored by the financing and incorporated into project design and delivery. These offerings are structured to foster more standardized and replicable building decarbonization transactions over time. In practice, these offerings help building owners and sponsors, including Minority and Women Owned Business Enterprises ("M/WBE") incorporate energy efficiency, electrification, and related supporting measures into projects that serve LMI New Yorkers, including affordable housing projects, community-serving facilities, and commercial and industrial buildings located in geographically defined Disadvantaged Communities.

Loans to community lenders, such as the financing offered through the CDF, serve a distinct but complementary role to deploy capital into EE/BE projects benefiting Disadvantaged Communities and LMI markets. This structure is particularly important where direct bilateral lending is not the most efficient means of reaching smaller projects (NYGB direct loans are typically greater than $5 million), local sponsors, or community-based borrowers. In this way, the offerings support both project-level deployment and longer-term market development by expanding the clean energy finance capacity of community lenders serving historically underserved communities.

In addition to building owners or real estate developers, NYGB also supports companies that enhance energy efficiency and other building decarbonization measures specifically targeting existing real estate assets, including existing affordable housing properties or other building types located within Disadvantaged Communities. NYGB solutions in this sector may take the form of revolving term loans or borrowing base loans secured by long-term efficiency-as-service contracts. They can also take the form of construction and construction to mini-perm financing for new construction or retrofits.

For single-family residential and small commercial segments, NYSERDA's Green Jobs - Green New York ("GJGNY") Smart Energy Loans and On-Bill Recovery Loans provide a retail-oriented financing pathway that complements larger-scale project finance and wholesale lending approaches. These offerings extend financing access to smaller borrowers and smaller project scopes that would not typically be addressed through NYGB's direct project finance structures. They therefore serve an important market-complementing function within the broader EE/BE financing ecosystem by supporting energy efficiency, electrification, and renewable energy improvements for households, small businesses, and not-for-profit entities that may otherwise face limited access to affordable capital for clean energy improvements. Additionally, as highlighted in Section 7, capital deployed through the CLFP is expected to result in additional offerings provided by community lenders that benefit the single-family and small commercial market segments.

Finally, in addition to existing offerings and the new TA and CLFP strategies currently in development, NYGB is exploring a range of new finance offerings or strategies to help advance energy efficiency and building electrification. Below are examples, many of which require continued coordination with fellow market participants such as NYS or city agencies and private lenders:

- **J-51 Bridge / Gap financing:** For eligible affordable residential buildings, the product could provide interim or gap financing supported in part by the expected J-51 abatement stream,

enabling owners to undertake eligible rehabilitation and electrification work without waiting for tax benefits to be realized over time.

- **Mid-Cycle Retrofit Financing with HPD:** Explore a potential two-phase loan structure that combines incentive-bridge and mini-perm loans to finance LL97 upgrades in buildings funded and managed by HPD. Potential collaborators in this initiative could include NYC Accelerator to help identify a pipeline of buildings and a community lenders with clean energy finance expertise to provide project-level financing.
- **Loan funds for senior and subordinated debt:** NYGB is considering providing debt financing to a loan fund alongside other capital providers, with the funds intended to be used to provide senior and subordinate debt that would enable energy efficiency and building electrification measures to be incorporated into multifamily housing buildings.
- **Strengthen collaboration with long-term financiers**: Given the need for NYGB to recycle its capital, NYGB is working on developing stronger and more strategic relationships with leading affordable housing permanent mortgage lenders to better align NYGB's earlier-stage capital (e.g., predevelopment, construction, bridge financing, etc.) with long-term take-out financing for multifamily affordable housing buildings.

Taken together, NYGB's existing offerings and potential new strategies offer multiple financing pathways that support the delivery of benefits to Disadvantaged Communities and LMI New Yorkers across the building decarbonization sector.

Coordination

As mentioned in NYGB's 2026-27 Annual Business Plan, NYGB has been working with fellow NYSERDA programs, DPS, and the Joint Utilities as part of the LMI and Non-LMI EE/BE proceedings to 1) explore potential financing solutions that can support EE/BE measures across a wide range of market segments and 2) determine which entities are best positioned to provide such financing solutions. Below are updates on how NYGB is coordinating with the EE/BE Program Administrators, by program offering, as both a thought partner and potential capital provider.

For the Affordable Multifamily Program Upstate ("AMP Up"), NYGB is working with fellow NYSERDA teams to help determine potential financing solutions based on the AMP Up program's two dedicated pathways—the Low-Rise Pathway serving smaller multifamily buildings (5-20 unit, 1-3 story buildings) and the Larger Buildings Pathway (serving buildings over four stories and/or over 20 units).[37] The Low-Rise Pathway accounts for approximately 80 percent of upstate multifamily buildings, each of which on an individual basis would likely have financing needs and capacity well below NYGB's $5 million typical minimum investment amount. For this pathway, NYGB and NYSERDA teams are assessing what other lenders, including but not limited to community lenders and/or commercial lenders with strong presences upstate, could be well suited to offer financing to individual buildings of this size and/or portfolios of small multifamily buildings. For larger multifamily buildings, NYGB is taking a similar approach of assessing what other lenders could be best suited to support this segment, with itself being included as a potential direct lender. Given that project-level incentives can cover up to 85 percent of overall project costs for Low Rise Pathway projects and up to 70 percent for Larger Buildings Pathway projects, and that the project milestone incentive structure is designed to help alleviate building owners and contractors from having to carry the costs until completion, incentive-bridge loans is a financing structure that should continue to be explored to support the AMP Up program.

[37] Case 25-M-0249, *In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio,* Low- to-Moderate Income Energy Efficiency and Building Electrification Portfolio Implementation Plan (filed June 1, 2026), page 53.

For the utility administered Downstate Affordable Multifamily Energy Efficiency Program ("AMEEP"), NYGB plans to build on the efforts it is undertaking with DPS and the downstate utilities to conduct market sizing for buildings anticipated to be served by the downstate utilities through their Non-LMI EE/BE incentive programs. By better understanding the types of buildings (e.g., small commercial, multifamily, etc.), the total projected costs, and projected incentive levels and structures, NYGB can work with DPS and the downstate utilities to explore viable financing structures and potential capital providers to help address those gaps. NYGB, following DPS' leadership, plans to collaborate with the downstate utilities to conduct a similar exercise focused on existing downstate multifamily buildings once the AMEEP Program Administrators have codified the incentive levels in the AMEEP Program Manual.

Lastly, in the new construction space, where NYSERDA intends to provide technical assistance, NYGB will continue to work with fellow NYSERDA teams to ensure that recipients of TA are aware of, and referred to as appropriate, NYGB's RFP 18: Financing Arrangements for High-Performance Affordable Housing.[38]

Clean Energy Generation and Energy Storage

Table 11: Summary of Finance Offerings - Clean Energy Generation and Energy Storage

Market Segment	Type of Financing	Borrower Type	Team
Distributed Solar & Energy Storage; Bulk Storage	Interconnection & Development Financing; Tax Equity / Incentive Bridge Loans; Construction or Construction-to-Term Loans; Manufacturing and Equipment Facilities	Project Developer / Sponsor	NYGB
Geothermal / Thermal Energy Networks	Tax equity / Incentive Bridge Loans; Construction or Construction-to-Term Loans	Project Developer / Sponsor	NYGB
Single-Family Residential (Solar; Solar + Storage)	Smart Energy Loans; On-Bill Recovery Loans	Consumer / Retail	GJGNY
Small Commercial (Solar; Solar + Storage)	On-Bill Recovery Loans	Consumer / Retail	GJGNY

As previously stated in Section 2, NYGB's support of CDG solar projects deliver affordability benefits to NYS residents as customers are typically offered a discounted rate on electricity, often translating to 5-20% savings on their electric bill.[39] Relatedly, it is estimated that 55.6% of CDG solar project subscribers in NYS are Disadvantaged Communities subscribers, meaning addressing financing gaps in CDG solar projects is one of NYGB's most effective and meaningful ways to deliver affordability benefits to residents of Disadvantaged Communities and LMI New Yorkers.

[38] Case 25-M-0249, *In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio,* Low- to-Moderate Income Energy Efficiency and Building Electrification Portfolio Implementation Plan (filed June 1, 2026), page 65.
[39] NYSERDA, "Choosing a Project", *Solar Program (NY-Sun)*, https://www.nyserda.ny.gov/All-Programs/NY-Sun/Community-Solar/Choosing-a-Project.

In the 2026 Order, the PSC limited NYGB's ability to finance CDG solar projects except for projects that are "exclusively benefitting LMI customers or residents of Disadvantaged Communities."[40] In compliance with the 2026 Order, going forward NYGB seeks to verify during due diligence that CDG projects seeking NYGB financing are enrolled in Statewide Solar for All or are eligible for NY-Sun's Inclusive Community Solar Adder and then sizes its investment to eligible projects accordingly. NYGB's interconnection financing for CDG solar projects is not held to the "exclusively benefit LMI/DAC" requirement given that the early-stage timing of the investment precedes reliable visibility on a project's expected subscriber composition. Similarly, projects that combine CDG solar with another sector or technology, such as solar-plus-storage or solar and building decarbonization, are not held to this requirement due to the relative nascency of energy storage markets in NYS and the need for building decarbonization financing.

While the Disadvantaged Communities investment benefits and reporting methodology and guidance for energy storage investments have yet to be finalized, below are characteristics of energy storage projects that are expected to provide benefits to Disadvantaged Communities and/or LMI New Yorkers:

- Increasing grid resiliency and reliability within Disadvantaged Communities and LMI markets.
- Reducing reliance on "peaker" fossil fuel power plants that run during periods of high power demand by providing utilities with zero-carbon power capacity in the form of stored energy.[41]

Coordination

NYGB coordinates regularly with relevant NYSERDA and utility incentive programs that support the development of clean energy generation and energy storage projects. Typically, when a developer seeks financing from NYGB, they include details in their proposal regarding which various incentive programs they may have already been awarded or anticipate pursuing and/or being eligible for, which NYGB then evaluates as a key part of due diligence and structuring a transaction. This streamlines the incorporation of incentives into NYGB-funded projects, including those that benefit Disadvantaged Communities and LMI markets, because the incentives strengthen the overall cashflow profile of the investment, allowing NYGB to size its investment accordingly, which NYGB is able to do efficiently and prudently given its deep understanding of the incentive programs in this sector.

More broadly as it relates to coordination with utilities, as most recently documented in NYGB's 2026-27 Annual Business Plan, NYGB is recognized as an eligible issuer of standby letters of credit ("SLOC") as an acceptable form of financial security for distribution upgrades with the Joint Utilities.[42] The use of SLOCs to finance interconnections is expected to reduce costs borne by developers, which in turn supports their ability to advance distributed clean energy generation and storage projects that have the potential to benefit Disadvantaged Communities and LMI New Yorkers. NYGB's participation in the PSC proceeding (Case 24-E-0414) that resulted in the authorization of SLOCs is an example of how coordination with DPS and the utilities can lead to streamlined outcomes for project developers and the broader market.[43]

---

[40] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; Order Modifying New York Green Bank (issued January 23, 2026), page 66.

[41] Case 18-E-0130, *In the Matter of Energy Storage Deployment Program,* NYSERDA Residential and Retail Energy Storage Market Acceleration Incentives (filed March 19, 2026), page 20.

[42] Case 13-M-0412- *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank*; New York Green Bank Annual Business Plan 2026-2027 (filed June 6, 2026), page 18.

[43] Case 24-E-0414, *Petition of New York Solar Energy Industries Association Seeking Modifications to the New York State Standardized Interconnection Requirements to Allow Use of Alternative Forms of Financial Security for*

Clean Transportation

Table 12: Summary of Finance Offerings - Clean Transportation

Market Segment	Type of Financing	Borrower Type	Team
Zero Emissions Vehicles	Light-Duty and Medium- and Heavy-Duty Fleet Financings	Project Developer / Sponsor	NYGB
Electric Vehicle Charging Infrastructure	Incentive Bridge Loans; Construction or Construction-to-Term Loans; Manufacturing and Equipment Facilities	Project Developer / Sponsor	NYGB
Alternative Mobility	Micromobility Fleet Financings; Construction / Construction-to-Term Loans	Project Developer / Sponsor	NYGB
Maritime Infrastructure & Mobility	Tax Equity / Incentive Bridge Loans; Fleet Vessel Term Loans; Port Infrastructure Construction / Construction-to-Term Loans	Project Developer / Sponsor	NYGB

NYGB's clean transportation investments primarily benefit Disadvantaged Communities and LMI New Yorkers through the following ways:

- Increasing access to EV charging infrastructure located in Disadvantaged Communities and LMI markets.
- Supporting companies that provide or operate zero emission vehicles or clean alternative mobility options to New Yorkers living in Disadvantaged Communities and LMI markets.

Coordination

NYGB's ability to accelerate clean transportation outcomes across the State is strengthened by its familiarity with NYSERDA and utility incentive programs that support the sector. In addition to NYGB's frequent and recurring coordination meetings with NYSERDA's Clean Transportation team, below is an overview of NYSERDA's clean transportation incentive programs that in whole or in part are intended to benefit Disadvantaged Communities and/or residents of underserved communities. NYSERDA's Clean Transportation Prize and Clean Mobility incentive programs typically cater to earlier-stage developers and demonstration projects, which are typically not at a mature enough stage of development to sustain debt financing.[44,45] In addition to the value that these programs deliver to their respective awardees and the communities they serve, NYGB is made aware of emerging business models and businesses active in NYS that could become eligible NYGB borrowers at a later stage.

Further, NYSERDA's NY School Bus Incentive Program, Truck Voucher Program, and Charge Ready NY 2.0 Program provide additional opportunities for coordination. Whenever a prospect qualifies for these programs, NYGB and NYSERDA's Clean Transportation team communicate to discuss if and/or how NYGB financing may be needed to further support a business plan depending on the scale and type of applicant under consideration. In sum, whether it is monitoring the progress of earlier-stage projects or assessing the potential need for financing for later-stage initiatives, NYGB and relevant NYERDA teams maintain frequent engagement to explore how both incentives and financing can advance clean

Distribution Upgrades in Excess of $500,000 for New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems, Order Granting Petition with Modifications (issued February 14, 2025).

[44] https://www.nyserda.ny.gov/All-Programs/New-York-Clean-Transportation-Prizes-Initiative.

[45] https://www.nyserda.ny.gov/All-Programs/Clean-Mobility-Program.

transportation across the State, including within Disadvantaged Communities and to the benefit of LMI New Yorkers.

Regarding coordination with utility incentive programs in the clean transportation sector, historically NYGB has been successful in financing bridge loans to projects receiving EV Make Ready Program incentives. As such, this type of coordination is typically deal-specific as NYGB diligences a potential borrower's ability to develop projects in a manner that can meet the incentive program's requirements as an important element of the transaction's overall credit profile and structure. This type of coordination is equally applicable for projects that do and do not benefit Disadvantaged Communities, however the incentives for projects located in Disadvantaged Communities typically cover a higher percentage of overall project costs.

Metrics, Reporting, and Milestones

The Metrics, Reporting, and Evaluation Plan filed on May 22, 2026 outlines metrics to be reported in NYGB's Quarterly Metrics Reports which reflect the financial, energy/environmental, affordability, and market transformation impacts of NYGB's investments as a whole. Among these, there are metrics specific to the impact of NYGB's investments on Disadvantaged Communities and LMI markets, including: committed and deployed funds benefiting Disadvantaged Communities by investment sector ($) and affordable housing units served (#).

Regarding milestones, NYGB sets annual objectives and deliverables in its Annual Business Plan, which will be filed annually by March 1 ahead of the corresponding fiscal year starting on April 1. In alignment with the 2026 Order, the strategies outlined in this Disadvantaged Communities and LMI Finance Plan will be incorporated into subsequent Annual Business Plans as relevant and reported against in Quarterly Metrics Reports.