



NY Green Bank
A Division of NYSERDA

Strategic Advisory & Capital Arranger Services

Request for Proposals | Webinar for Potential Proposers

December 15, 2017

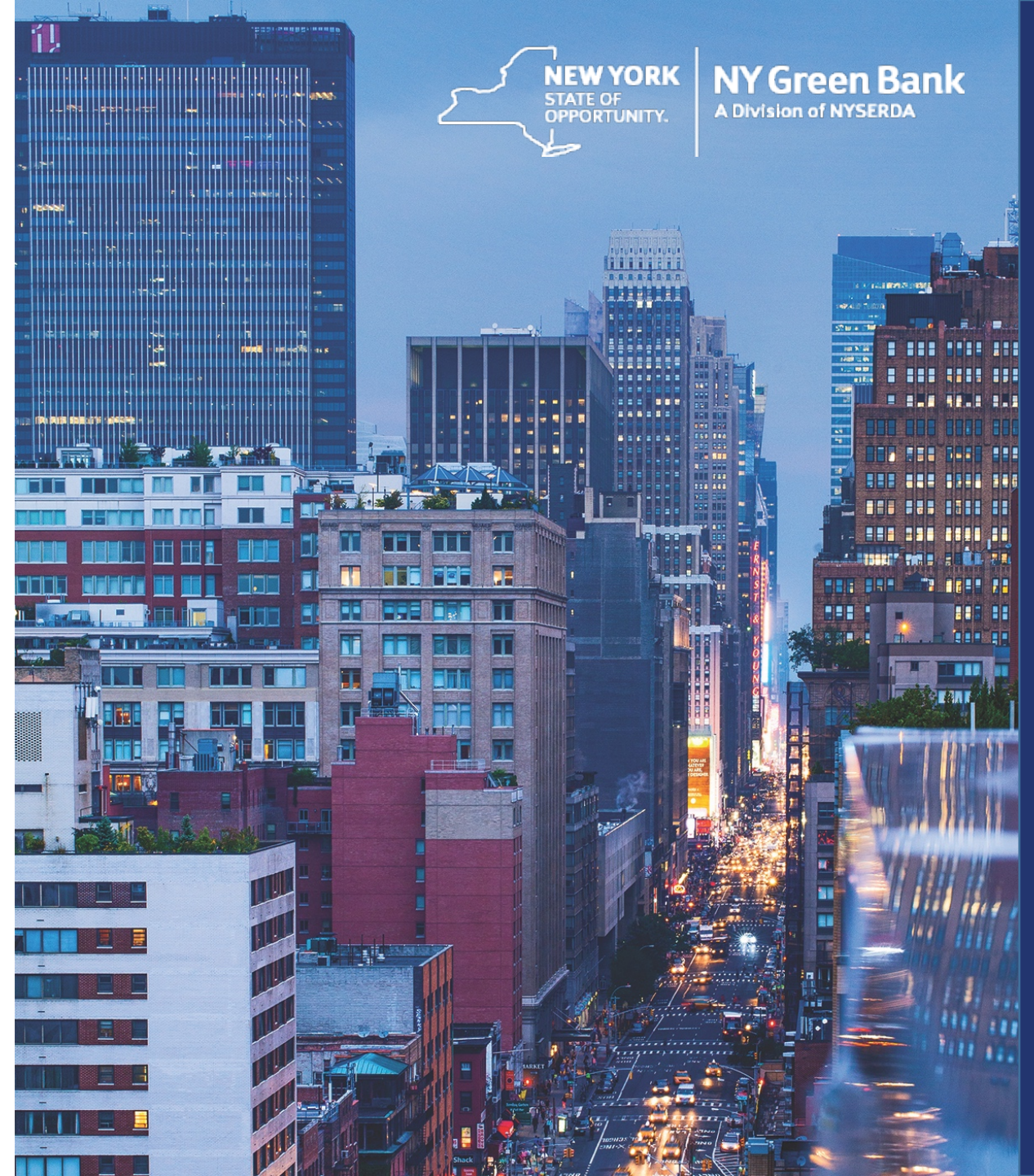
New York, NY

Housekeeping Matters

- Your lines are muted. Questions can be submitted during this webinar via the chat function
- If you are unable to chat (i.e., call-in only), please email additional questions to sarah.davidson@greenbank.ny.gov
- Responses to frequently asked questions will be periodically posted to the NY Green Bank (“**NYGB**”) website: www.greenbank.ny.gov under “Work With Us” and “Service Providers”, so keep checking the website

Agenda

- Background & Context
- RFP Process Overview
- Advisor Selection Process
- Recap of Key RFP Information
- Q&A



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OPPORTUNITY.

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A nighttime photograph of Rochester, NY, featuring a city skyline with illuminated buildings and a prominent waterfall in the foreground. The scene is captured in a long-exposure style, giving the waterfall a soft, blurred appearance. The sky is a deep blue, and the city lights create a warm glow against the dark background.

Background & Context



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Rochester, NY

NYGB Fundamentals

Mission:

To accelerate clean energy deployment in New York by working in collaboration with the private sector to transform financing markets

- **What:** A \$1 billion State-sponsored investment fund created in December 2013 and commencing business operations summer 2014; the steward of \$1 billion of NY rate-payer funds
- **How:** By participating in structured transactions to mobilize greater private sector activity, in turn increasing the availability of capital for Sustainable Infrastructure projects
- **Why:** To alleviate financing gaps in New York's Sustainable Infrastructure markets and create a cleaner, more resilient and affordable energy system, while building a commercial and financially self-sufficient organization

Expansion Plans Announced by Governor Andrew M. Cuomo

September 20, 2017

Governor Cuomo and U.S. Climate Alliance Announce States are on Track to Meet or Exceed Targets of Paris Climate Agreement

North Carolina Joins Climate Alliance, Bringing Total Membership to 14 States and Puerto Rico

Alliance Represents 41% of American GDP and 117 Million Americans, Enough to Be World's Third Largest Economy

Independent Report Shows that Economies of Climate Alliance States Are Growing Faster than Non-Alliance States, Demonstrating that Fighting Climate Change and Creating Jobs Go Hand-in-Hand

Report Available [Here](#) and Executive Summary Available [Here](#)

Governor Cuomo Announces Ambitious Expansion of NY Green Bank to Grow Sustainable Infrastructure Financing and Combat Climate Change

Governor Andrew M. Cuomo today announced that the members of the [U.S. Climate Alliance](#) - a growing coalition of 14 states and Puerto Rico committed to reduce greenhouse gas emissions - are collectively on track to meet and possibly exceed their portion of U.S. commitment under the Paris Agreement. The announcement was made after the release of an independent report showing that U.S. Climate Alliance states are on track to reach a 24 to 29 percent reduction in emissions from 2005 levels by 2025, fulfilling their contribution to the Paris Agreement targets.

"These additional funds to be raised from third-party investors will enable NY Green Bank to deliver even greater environmental and cost benefits to New Yorkers and broaden the scope of investable projects beyond the boundaries of New York State."

Governor Andrew M. Cuomo, October 27, 2017

"Building on the success of its \$400 million in commitments across 21 projects and robust pipeline of deals, NY Green Bank is today committing to work with the private sector to raise new funds, assist other states in the establishment of new Green Bank offices, and provide capacity for those Green Banks for back-end services including due diligence, underwriting and general technical support."

Governor Andrew M. Cuomo, September 20, 2017

October 27, 2017

Governor Cuomo Announces NY Green Bank to Raise at Least \$1 Billion From Private Sector to Accelerate Clean Energy Solutions and Combat Climate Change

Lieutenant Governor Hochul Hosts Summit in Partnership with Climate Jobs NY and The Worker Institute at Cornell

Climate Jobs NY Milestones Include Ongoing Development of Large-scale Renewable Energy Projects, Accelerated Energy Efficiency and Solar, and New Steps on Environmental Justice and Workforce Development

State Releases New Report on Clean Energy Industry Showing Nearly 150,000 Green Jobs Statewide and Detailing Future Growth

Governor Andrew M. Cuomo today announced that NY Green Bank seeks to raise at least an additional \$1 billion in private sector funds to expand financing availability for clean energy projects. These additional funds to be raised from third-party investors will enable NY Green Bank to deliver even greater environmental and cost benefits to New Yorkers and broaden the scope of investable projects beyond the boundaries of New York State.



Proposed Expansion

NYGB Focus

- Leverage NYGB's expertise in origination, diligence, structuring, credit underwriting, execution, operations and finance, risk management and asset management
- Continue to execute on current mandate, which includes a broad selection of eligible technologies

Key Driver

- Any path that NYGB considers must involve benefit to New Yorkers as well as maintain focus on delivering the benefits of clean energy to New York ratepayers as effectively as possible: "Original-Mission-Plus"

Expected Benefits

- Ability to access a greater volume of attractive and diverse investment opportunities
- Additional investment activity across the US will accelerate greater scale, diversification, and standardization of clean energy and Sustainable Infrastructure projects, delivering commercial returns alongside energy, environmental and economic development benefits

NYGB Sustainable Infrastructure Technologies



CLEAN ENERGY GENERATION



CLEAN ENERGY STORAGE



ENERGY EFFICIENCY



SUSTAINABLE AGRICULTURE

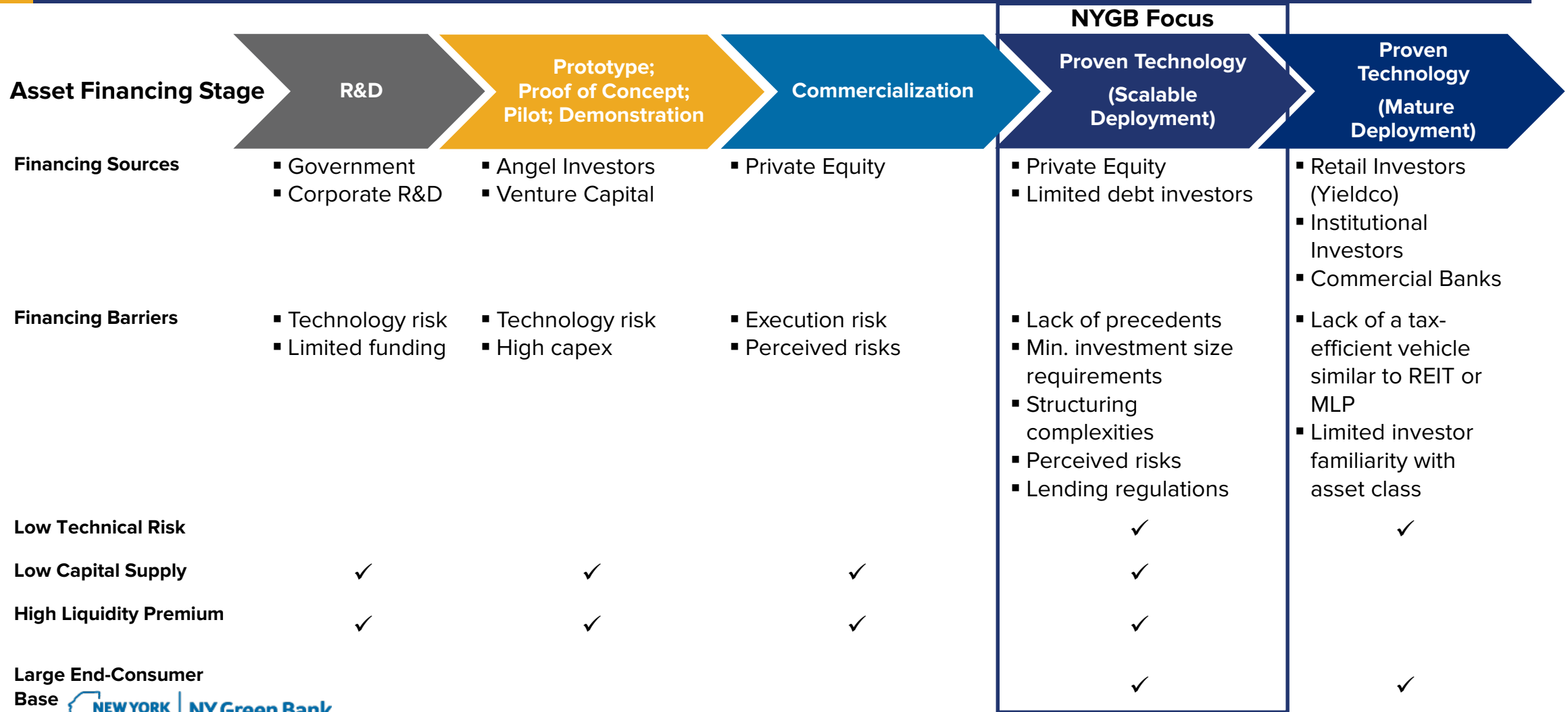


**SUSTAINABLE
TRANSPORTATION**



SUSTAINABLE WATER

At "Near-Frontier" of Sustainable Infrastructure Capital Markets

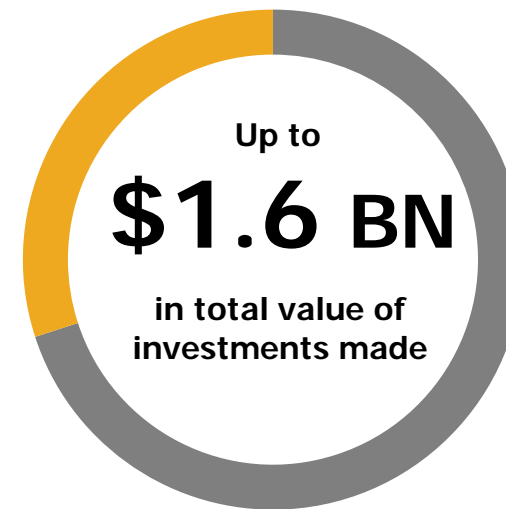


Establishing New Sustainable Infrastructure Asset Classes & Liquidity

Through continuous, ongoing conversations with thousands of participants in New York's clean energy marketplace, NYGB and its counterparties identify specific market barriers and financing gaps, together with potential capital solutions

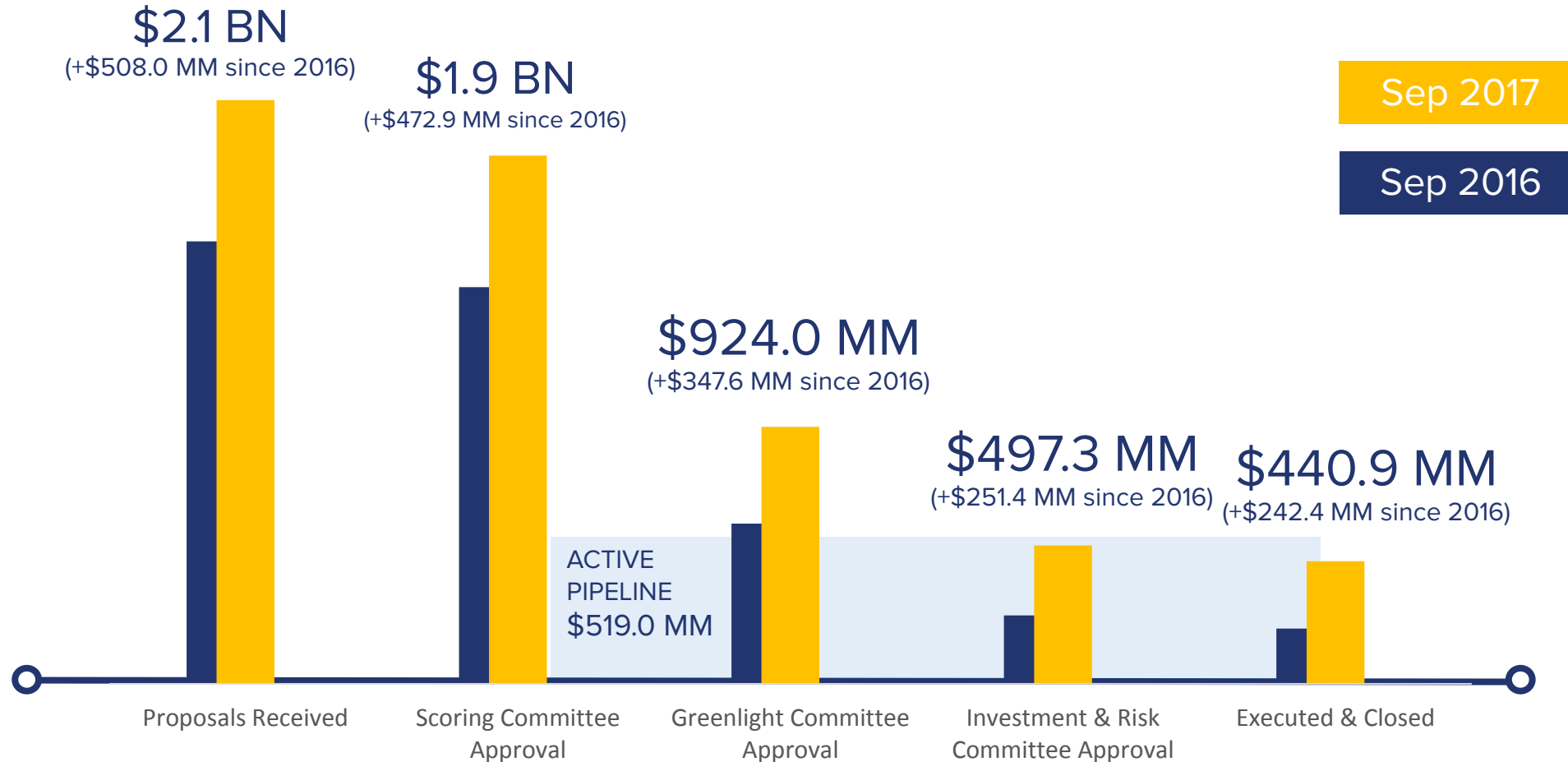
Investments & Current Portfolio

33%
of funds
invested

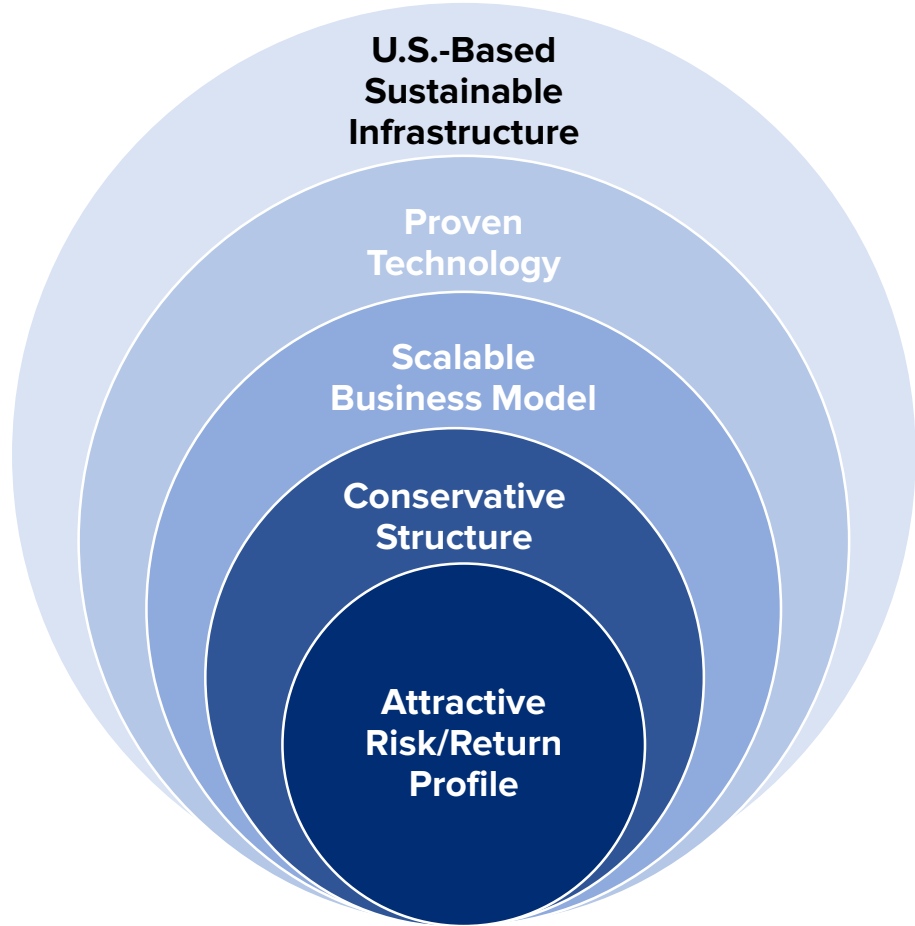


≥3:1
mobilization
ratio

Robust Deal Flow, Active Pipeline & \$440.9 MM Investments-to-Date



Investment Criteria & Characteristics



Investment Characteristic		Benefit to Investor
Low volatility, free cash-flow	➔	Current income
Conservative financing structure	➔	Protection against downside risk
Low correlation to stock market	➔	Portfolio diversification
Proven technology	➔	Low technology risk
Based in regions with strong regulatory support in the U.S.	➔	Low regulatory risk
Structured for ongoing viability even during a sponsor bankruptcy event	➔	Protection against sponsor risk
Sustainability-focused	➔	ESG investment objectives

RFP Process Overview



NY Green Bank
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Buffalo, NY

RFP & Phased Expansion

Selection of Advisor

Select strategic advisor and capital arranger to facilitate NYGB expansion

- RFP issuance (December 1, 2017)
- Evaluation of Proposals (Through February 2018)
- Advisor Selection (Expected by end February 2018)

Definition of Investment Vehicle/Structure

Choose investment vehicle that maximizes probability of successful NYGB expansion

- Review and assessment of NYGB
- Market assessment and evaluation of third-party investment structures
- Organizational design
- Key investment vehicle characteristics, terms and conditions

Capital Placement

Secure capital commitments and execute successful closing

- Pre-marketing
- Fund raising and closing
- Assistance with post-closing investor servicing

Two Work Streams within RFP Scope

Strategic Advisory Services

- Evaluate a range of potential investment vehicles/structures, including potentially pooling existing NYGB investments with new/future investments
- Prepare business case that maximizes the probability of successful execution
- Identify organizational risks to successful execution and describe necessary changes
- Define key investment vehicle terms and conditions, target size and timing of closure

Capital Arranger/Placement

- Develop marketing narrative, define marketing approach and identify qualified investors
- Initiate contact, evaluate interest and coordinate follow-up activities with prospective investors
- Deliver and close on investor commitments
- Advise on internal processes/enhancements to expand and evolve NYGB in-house investor relations activities

A composite image featuring a blurred waterfall in the foreground and a city skyline at night in the background. The city lights are reflected in the water. A semi-transparent blue rectangle is overlaid on the image, containing the title text.

Advisor Selection Process



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Niagara, NY

Evaluation Approach & Timing

- An evaluation committee comprising NYGB leadership and external advisors will review submissions from proposers
- Committee will conduct initial review in the second half of January 2018
- Proposals to be scored and ranked along nine key dimensions, as described in RFP Section 4.2 (Proposal Evaluation Criteria)
- Top proposers may be: (a) provided additional information pursuant to non-disclosure; and (b) invited to make presentations to the evaluators in early February 2018
- Contract award expected by end of February 2018; select contract terms described in RFP Section 5 (General Conditions)

9 Key Evaluation Criteria

Quality of Proposal

- Organization and completeness of proposal
- Proposer's ability to differentiate itself from peer institutions
- Inclusion of relevant additional services not contemplated by NYGB

Team Experience with Requested Services

- Extent of proposer experience with similar or analogous mandates
- Experience, cohesiveness and tenure of team

Technical Capabilities

- Strength of proposer expertise across a range of investment strategies and vehicles/structures

Quality of Investor Universe

- Size of accessible investor universe
- Evidence of proposer ability to raise capital across a range of investor types

Other Relevant Experience

- Extent of ESG experience and alignment with proposer firm strategy
- Previous experience with managers and similar risk/return profiles to NYGB
- Demonstrated ability to align services to market conditions and investor interest

9 Key Evaluation Criteria (cont.)

Fees & Payment Terms

- Competitiveness of fee proposal with confidence in quality of proposer service delivery

Service & Support Model

- Extent of resources committed to conducting high quality work in a timely manner
- Level of assurance of data integrity and confidentiality

Client References

- Relevance and quality of proposer references

Strategic Alignment & Organizational Fit

- Alignment of skills, experience and proposal with NYGB

Recap of Key RFP Information

Dates

- Proposals due by **5.00 p.m. EST, Tuesday, January 16, 2018**
- Online submission required
- Instructions to Submit Service Provider Proposals will be posted on NYGB's website ("Work with Us"/"Service Providers") by **9.00 a.m. EST, Tuesday, January 2, 2018**
- Submission portal will be open from **9.00 a.m. EST, Tuesday, January 2, 2018** through **5.00 p.m. EST on Tuesday, January 16, 2018**

Contacts

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Q&A



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Brooklyn, NY