



**NY Green Bank**  
A Division of NYSERDA

# NY Green Bank

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## Metrics, Reporting & Evaluation

Quarterly Report No. 4  
(Through June 30, 2015)

Case 13-M-0412

August 14, 2015

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# 1 Introduction

This Quarterly Report (“**Report**”) is filed by NY Green Bank (“**NYGB**”) with the New York State Public Service Commission (the “**Commission**”) pursuant to the Metrics, Reporting & Evaluation Plan developed in consultation with the Department of Public Service (“**DPS**”) and filed with the Commission<sup>1</sup> (the “**Metrics Plan**”). The Metrics Plan reflects the requirements of the order issued by the Commission in connection with the initial capitalization of NYGB (the “**Initial Capitalization Order**”).<sup>2</sup> Both the Initial Capitalization Order and the Metrics Plan define “Quarterly Reports” as “a quarterly [NYGB] status report [filed] within 45 days of the end of each quarter that reports on ... progress in carrying out the organization and business plans provided.”<sup>3</sup>

The metrics reported quarterly are set out in Table 1 (the “**Metrics**”) with respective reporting obligations triggered by signed and closed NYGB financing/investment agreements. Quarterly Reports also include NYGB performance quarter-over-quarter against tracked Metrics for the immediately preceding quarter.

For this Report, unless otherwise indicated, information with respect to both Metrics and operational and risk management milestones (the “**Milestones**”) is provided for the second (calendar) quarter of 2015 and presents the situation as at June 30, 2015. In addition, any material subsequent events occurring in the period from July 1, 2015 through the date of this Report are described in Section 4.

*Table 1. Metrics & Data Collection*<sup>4</sup>

Metric Type	Metric	Data Collection	Timing
Risk Management Metrics <sup>5</sup>	<ul style="list-style-type: none"> <li>▪ Total Capital (authorized and available)</li> <li>▪ Approved Investments<sup>6</sup></li> <li>▪ Committed Funds</li> <li>▪ Deployed Funds</li> <li>▪ Overall portfolio size and concentrations<sup>7</sup></li> </ul>	NYGB records <sup>8</sup>	Reported quarterly (within 45 days after the end of each quarter) as NYGB financing agreements are signed and closed. First quarterly report filed within 45 days after the third quarter 2014

<sup>1</sup> Case 13-M-0412, “New York Green Bank – Metrics, Reporting & Evaluation Plan”, dated June 19, 2014.

<sup>2</sup> Case 13-M-0412, “Order Establishing New York Green Bank and Providing Initial Capitalization”, issued and effective December 19, 2013.

<sup>3</sup> *Ibid*, pages 18 – 19 and 21, including ordering clause 8, page 25. Also, Metrics Plan, Section 4.1, pages 6 – 7.

<sup>4</sup> Capitalized terms used in Table 1 and not otherwise defined in this Report have the meanings given to them in the Metrics Plan.

<sup>5</sup> The Initial Capitalization Order defines risk management metrics as those that assist in defining acceptable capital deployment opportunities.

<sup>6</sup> “**Approved Investments**” represent proposed investments which have moved through NYGB’s transaction process (see Section 2.2.2) – from proposal submission, evaluation, structuring/diligence/negotiation, agreement in principle, to vetting by NYGB’s Investment & Risk Committee (“**IRC**”) and approval by NYSERDA’s President & CEO after considering recommendations made by IRC members. Approved Investments represent an allocation of NYGB’s capital in accordance with the terms of the IRC approval – an interim stage before “Committed Funds” (discussed in Section 3).

<sup>7</sup> NYGB’s risk management protocols include portfolio construction principles, which in turn address diversification and concentration. In particular, these principles require NYGB to identify and monitor concentration risk and exposures including as to technologies, product offerings and clients and counterparties.

<sup>8</sup> NYGB records include information obtained from clients and partners, consistent with usual and customary commercial practice, including confidentiality policies and concerns that apply on a deal-by-deal basis.

Metric Type	Metric	Data Collection	Timing
	<ul style="list-style-type: none"> <li>Portfolio Impairment (percent currently Impaired and projected recoveries)</li> </ul>	NYGB records	Reported annually, consistent with NYGB's fiscal year (April 1 – March 31). First annual report filed within 90 days after March 31, 2015 <sup>9</sup>
Financial & Market Metrics	<ul style="list-style-type: none"> <li>Cumulative Operating Expenses<sup>10</sup></li> <li>Number and type of NYGB-supported projects financed</li> <li>Number and general type of NYGB clients and partners</li> </ul>	NYGB records	Reported quarterly (within 45 days after the end of each quarter) as NYGB financing agreements are signed and closed. First quarterly report filed within 45 days after the third quarter 2014
	<ul style="list-style-type: none"> <li>Audited Financials</li> <li>Mobilization Ratio</li> <li>Return on Investment</li> <li>Capital Redeployment Cycle Time</li> </ul>	NYGB records	Reported annually, consistent with NYGB's fiscal year (April 1 – March 31). First annual report filed within 90 days after March 31, 2015 <sup>11</sup>
	<ul style="list-style-type: none"> <li>Level of awareness, knowledge and confidence of financial institutions and market intermediaries in clean energy investments<sup>12</sup></li> </ul>	Market evaluation <sup>13</sup>	Long-term outcome: Baseline and time series data to be reported as available from periodic evaluation
Energy & Environmental Metrics	<ul style="list-style-type: none"> <li>Lifetime energy saved by fuel type from efficiency projects (MWh/MMBtu)<sup>14</sup> and/or lifetime clean energy generated (MWh)<sup>15</sup></li> <li>Lifetime primary energy saved from CHP (Btu)</li> <li>Clean energy generation installed capacity (MW), if applicable</li> <li>Lifetime greenhouse gas emission reductions (tons)</li> </ul>	NYGB records Impact evaluation	Long-term outcomes: Estimates reported quarterly (within 45 days after the end of each quarter) for Committed Funds and Deployed Funds as NYGB financing agreements are signed and closed, later verified by impact evaluation. First quarterly report filed within 45 days after the third quarter 2014

<sup>9</sup> Timing takes into account the period required for Audited Financials to be prepared and reviewed ahead of being available for public filing.

<sup>10</sup> “Cumulative Operating Expenses” means the aggregate of all NYGB’s Operating Expenses since inception.

<sup>11</sup> Timing takes into account the period required for Audited Financials to be prepared and reviewed ahead of being available for public filing.

<sup>12</sup> Over time, as financing agreements are signed and closed, NYGB will give consideration to the development of specific barriers and market transformation indicators.

<sup>13</sup> As set out in Section 5.2 of the Metrics Plan, the reporting cycle for this Metric will be tied to the timing of the required evaluations.

<sup>14</sup> Energy impacts will generally be based on full savings compared against the baseline of the existing condition and will be reported quarterly based on NYGB results. As these metrics are verified through impact evaluation, those results will be included in Quarterly Reports following completion of corresponding evaluations.

<sup>15</sup> This Metric category includes energy impacts from on-site fuel cells and bio-heat applications.

## 2 Operational & Risk Management Milestones

### 2.1 General

Quarterly Reports are required to address Milestones pursuant to both the Initial Capitalization Order and the Metrics Plan. Since the last Quarterly Report, NYGB's continued execution to plan, together with major milestone achievements, include:

- (a) Ongoing Execution on Robust Pipeline of Transactions: Continued progress towards closing transactions in NYGB's pipeline - see also Section 2.2.
- (b) Incoming Transaction Proposals: On an ongoing basis, receipt, review and evaluation of, and response to, investment proposals received by NYGB from prospective clients and partners pursuant to the open solicitation for investment proposals (the "**Investment RFP**"),<sup>16</sup> as described in Section 2.2.
- (c) Public Reporting & Metrics: Filing of the Quarterly Report for the period ending March 31, 2015 with the Commission on May 15, 2015. In addition, filing of the first Annual Report pursuant to the Metrics Plan for the financial year ended March 31, 2015 with the Commission on June 29, 2015, including annual audited financial statements, also published on NYGB's website at <http://greenbank.ny.gov/About/Public-Filings> under "Audited Financial Statements".
- (d) Continuing Origination Efforts: Ongoing origination meetings with existing and potential clients and partners in connection with projects that meet NYGB's mission and investment requirements.

On a weekly basis, NYGB team members continue to engage in numerous meetings with existing participants in the clean energy markets in the State, together with parties which do not currently have broadly established businesses in New York but are motivated to consider new investments by New York State's integrated energy strategy emphasis on clean technology market developments, including partnering with NYGB. These meetings include full information exchanges on existing and planned initiatives within the context of NYGB's mission and investment processes, all aimed at deepening the understanding of NYGB's investment role and underpinning growing interest in partnering with NYGB to further expand clean energy investments in the State.

Specifically, since April 1, 2015, NYGB team members have presented at ~30 conferences and events. In addition, various articles mentioning NYGB have been published nationally and internationally in the period to which this Report relates.<sup>17</sup>

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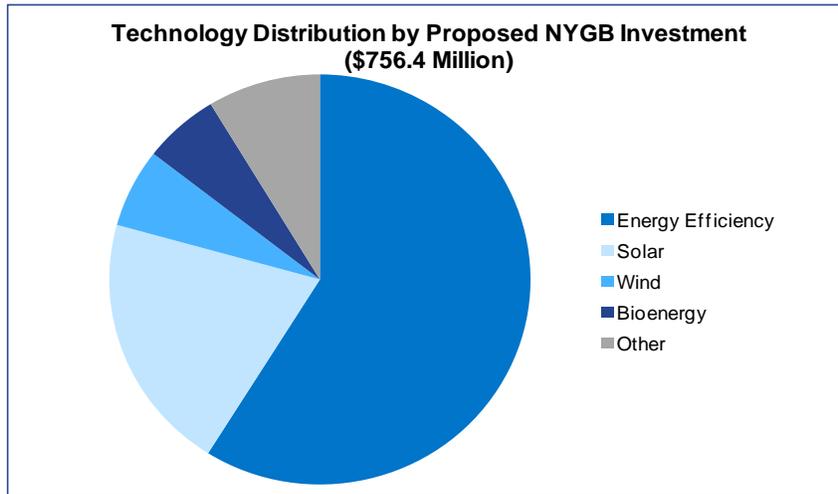
<sup>16</sup> Clean Energy Financing Arrangements – Request for Proposals (RFP) No. 1, available at <http://greenbank.ny.gov/Partnering-With-Us/Propose-an-Investment>.

<sup>17</sup> Audrey Zibelman, "New York's High Goals: Public Service Commission Reforms Policies", EnergyBiz, April 7, 2015; (b) Heather Flourney, "Orange County Creamery Receives First of Groundbreaking Clean Energy Financing from Energize NY", Energy Improvement Corporation, April 13, 2015; (c) "Green is the new black and other ANCA updates", Adirondack North Country Association, May 13, 2015; (d) Joanna Sand, "The 100 People Shaping #Cleantech on Twitter", Wunderblog, June 8, 2015; (e) "New York Energy Financiers: Top Ten", Breaking Energy, June 15, 2015; (f) Gabriel Rom, "CSR Banking, Finance & Insurance

In aggregate, NYGB’s ongoing and multifaceted business development activities continue to generate a strong and growing pipeline of transaction opportunities involving material investment amounts.

Demand for NYGB investments and participation in transactions, in dollar terms and by technology, is evidenced by proposals that have been submitted to NYGB in response to its Investment RFP. Through June 30, 2015, proposals requesting over \$756.4 million of NYGB capital have been received, in connection with total proposed clean energy investments in New York State in excess of an estimated \$3.0 billion<sup>18</sup> (including private sector capital; see [Figure 1](#) and [Figure 2](#)).

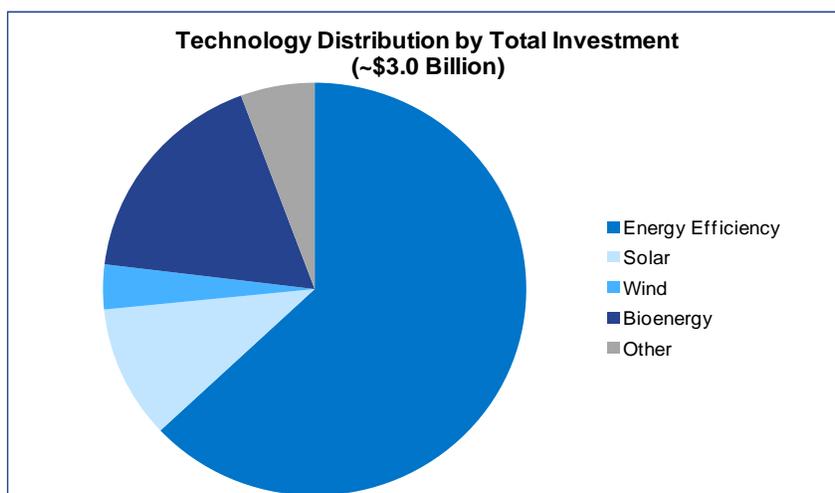
Figure 1. \$756.4 Million Requested NYGB Investment to June 30, 2015 (By Technology)



Honorees Discuss Importance of Corporate Social Responsibility in the Industry”, City & State, June 16, 2015; and (g) William Opalka, “Project Interest Overwhelms New York’s Green Bank”, RTO Insider, June 29, 2015.

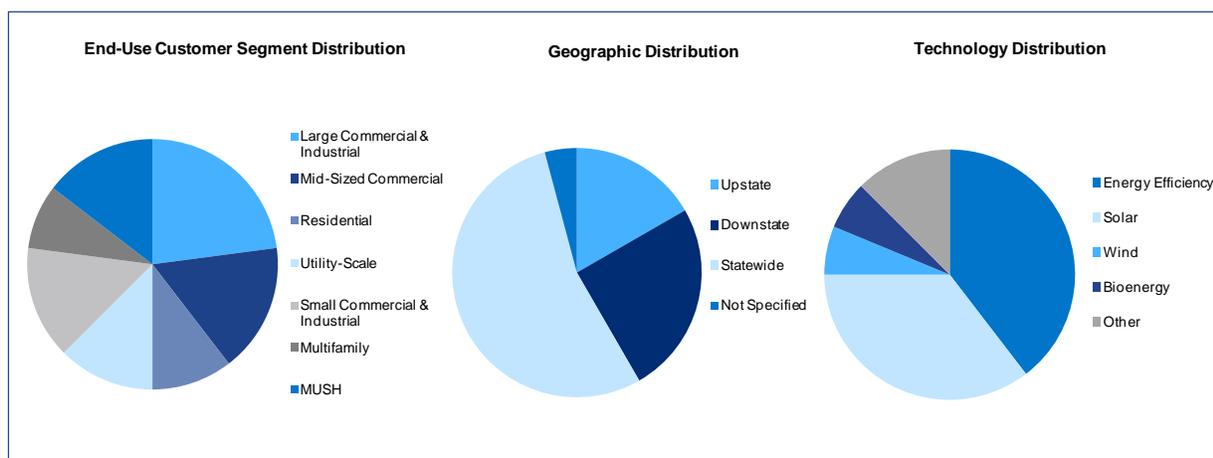
<sup>18</sup> 71% of the proposals received by NYGB identify the total project value of the investments proposed at ~\$2.3 billion. While 29% of the proposals received do not specify the total project value of investments, these have been estimated at ~\$1.0 billion.

Figure 2. ~\$3.0 Billion Proposed Total Investments to June 30, 2015 (By Technology)<sup>19</sup>



The investment proposals received to date are diverse by end-use customer segmentation, location throughout the State and technology as shown in [Figure 3](#).<sup>20</sup>

Figure 3. Diversity of Investment Proposals Received (By Number)



(e) **Continuing Stakeholder Outreach & Communications:** From April through June 2015, NYGB hosted a series of meetings in seven locations around the State (Huntington, Long Island; Syracuse; Rochester; Buffalo; Tupper Lake; Albany; and Binghamton), resulting in the creation of new and growing stakeholder groups for the New York State Energy Research and Development Authority (“**NYSERDA**”)/NYGB. These roundtable meetings commenced the first week of April and were completed by mid-May, providing an opportunity for NYGB President Alfred Griffin to give an overview of NYGB and opportunity

<sup>19</sup> Represents total proposed investment amount, including private capital.

<sup>20</sup> Based on the number of proposals received.

for commercial dialogue. Through these exchanges, NYGB also learned first-hand the types of projects that are of interest in specific regions, along with the financing gaps and market barriers that are preventing those types of projects from being completed on a more widespread basis. Meeting participants included representatives from community and economic development agencies, industry representatives (e.g., installers, harvesters, real estate, engineers, marketing, and universities) as well as private sector capital providers. NYGB continues to work with coordinators in each of the seven locations to determine and implement best next steps forward, which include further briefings in the coming months, individual meetings and webinars for interested geographic area representatives, and working group sessions with NYGB and the local financing institutions. In some cases, projects have been able to access private sector capital more readily as a result of interaction with NYGB and understanding NYGB's approach to structuring and financing clean energy projects.

- (f) Clean Energy Fund & Continued Process to Complete Capitalization: Following filing of the "Petition of the New York State Energy Research and Development Authority to Complete Capitalization of the New York Green Bank" dated October 30, 2014 (the "**Petition to Complete Capitalization**"),<sup>21</sup> together with the NYGB and NYSERDA "Reply Comments - Petition to Complete Capitalization" filed on February 2, 2015 (the "**Reply Comments**"),<sup>22</sup> NYGB has continued to focus on all aspects of its ongoing capitalization process. This has included working closely with NYSERDA colleagues in connection with preparation and finalization of the Clean Energy Fund ("**CEF**") Information Supplement (the "**CEF Supplement**") which was filed with the Commission on June 25, 2015.<sup>23</sup> The CEF Supplement contains details of NYGB's proposed funding in the years 2016 – 2026, as part of the CEF, by way of modification of certain aspects of the Petition to Complete Capitalization. Revisions and modifications to proposed funding sources and mechanics were made to be responsive to the comments and other feedback received in connection with the Petition to Complete Capitalization.
- (g) Annual Strategy Review, Business Plan Update & Filing: As part of its prudent approach and adoption of industry-comparable best practices, NYGB undertakes an annual review of its strategy and operations and this process was completed during the period covered by this Report. The Initial Capitalization Order requires NYGB to file updates to its business plan annually.<sup>24</sup> On June 19, 2015, NYGB filed its current Business Plan with the Commission. In addition to being publicly available on the DPS website, NYGB's Business Plan is accessible at <http://greenbank.ny.gov/About/Public-Filings> under "Organizational Documents".
- (h) Critical Infrastructure & Processes: NYGB released "RFP No. 3: Fund Administrator, Loan/Investment Servicing and Custodial Services" on March 16, 2015 to retain independent and comprehensive services to help meet and manage NYGB's middle and

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<sup>21</sup> Case 13-M-0412.

<sup>22</sup> *Ibid.*

<sup>23</sup> Case 14-M-0094, "Proceeding on Motion of the Commission to Consider a Clean Energy Fund".

<sup>24</sup> Initial Capitalization Order pages 11 and 20, and ordering clause 5 on page 24.

back-office needs consistent with industry best practices for comparable funds (in both the private and public sectors). The closing date for responses to this solicitation was April 20, 2015. During the period covered by this Report, NYGB continued to work with qualified and approved counterparties to reach commercial agreement on terms to provide fund administration and loan servicing support to NYGB. Material developments with respect to putting in place the requisite fund administration and loan servicing support will continue to be noted as they occur in corresponding Quarterly Reports.

Further, NYGB undertakes continuous efforts to ensure excellence in its risk and compliance tools and frameworks, and internal operations and procedures. A number of such internal efforts commenced during the second quarter and will be addressed in Quarterly Reports as they are concluded.

- (i) Contribution to Standardization & Best Practices: As part of its investment process, NYGB continues to develop model business-level and legal term sheets and legal documentation that it expects in time to provide increased transaction efficiencies, demonstrate best practices and contribute to the standardization of the newer types of transactions and asset classes on which NYGB's activities are focused.

## 2.2 Transaction & Pipeline Update

### 2.2.1 Transaction Status

Since inception, NYGB has been actively and consistently working on a large volume of potential transactions within a clear investment framework. As the steward of significant public funds, NYGB has established and adheres to certain investment and business practices – consistent with prudent practice in comparable industries and institutions. These practices are reflected in all aspects of NYGB's business including originating, reviewing, evaluating, diligencing, credit underwriting, risk and mitigants assessments, structuring, negotiating, documenting and closing transactions, as well as ongoing risk and compliance and portfolio management principles – as has been described in NYGB's prior filings with the Commission, including the annual Business Plan<sup>25</sup> and the Petition to Complete Capitalization<sup>26</sup> (together with the corresponding Reply Comments).<sup>27</sup>

Each proposed NYGB investment is categorized by the stage it has reached in NYGB's internal processes. NYGB currently has an active portfolio of \$363.9 million.<sup>28</sup> **“Active Portfolio”** is made up of transactions where: there is agreement in principle between the parties; there is momentum in moving the transaction forward; conditions are expected to be met; and NYGB is

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<sup>25</sup> Case 13-M-0412, filed June 19, 2015.

<sup>26</sup> Case 13-M-0412, filed October 30, 2014.

<sup>27</sup> Case 13-M-0412, filed February 2, 2015.

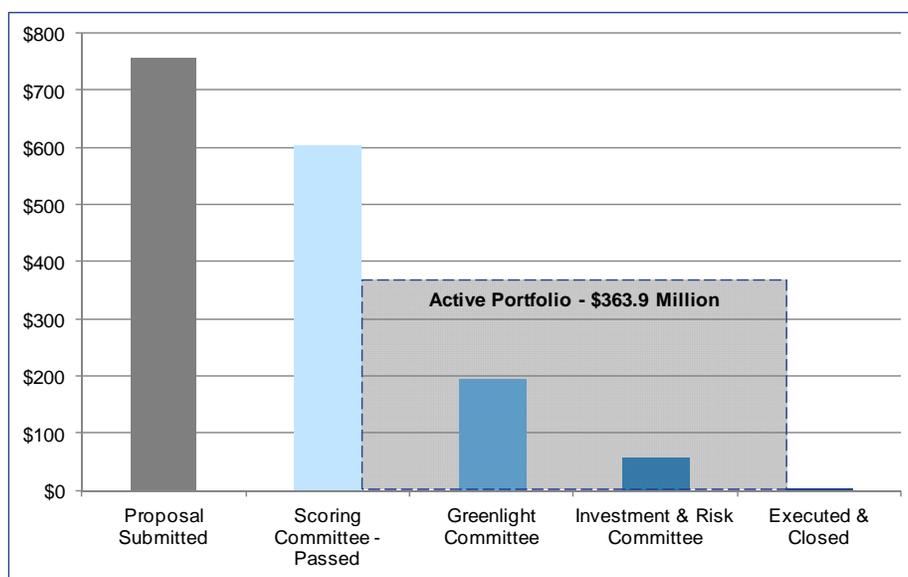
<sup>28</sup> All numbers are on a cumulative basis as of June 30, 2015. Unlike other references which are cumulative since NYGB inception, Active Portfolio is a point-in-time reference. As momentum behind individual transactions fluctuates while advancing towards execution and closing due to various factors, including many not under NYGB's control, these transactions may move in and out of the Active Portfolio at any given time.

dynamically proceeding towards greenlight recommendation, investment and risk approval and execution and closing.

NYGB’s overall transaction status is summarized in Figure 4,<sup>29</sup> showing that since inception:

- (a) \$756.4 million of proposals have been received and evaluated by NYGB’s Scoring Committee (discussed in Section 2.2.2);
- (b) \$603.4 million of transactions have passed Scoring Committee evaluation (discussed in Section 2.2.2);
- (c) \$193.4 million of transactions have received Greenlight Committee recommendation for advancement (discussed in Section 2.2.2);
- (d) \$56.9 million of transactions have been vetted by the IRC and approved by NYSERDA’s President & CEO (discussed in Section 2.2.2); and
- (e) \$0.50 million of transactions have been fully executed and closed.

*Figure 4. Transaction Status (\$ Millions)*



### 2.2.2 Investment Process

NYGB employs various organizational layers and bodies in the origination, evaluation and response to investment opportunities. In addition to NYGB bringing to bear the experience of its staff and management, input and review are required at prescribed points in the investment cycle from internal committees that evaluate and “greenlight” proposals, as well as from the IRC. When NYGB receives proposals in response to an investment solicitation, those proposals are reviewed by the Scoring Committee, the members of which are all NYGB employees and

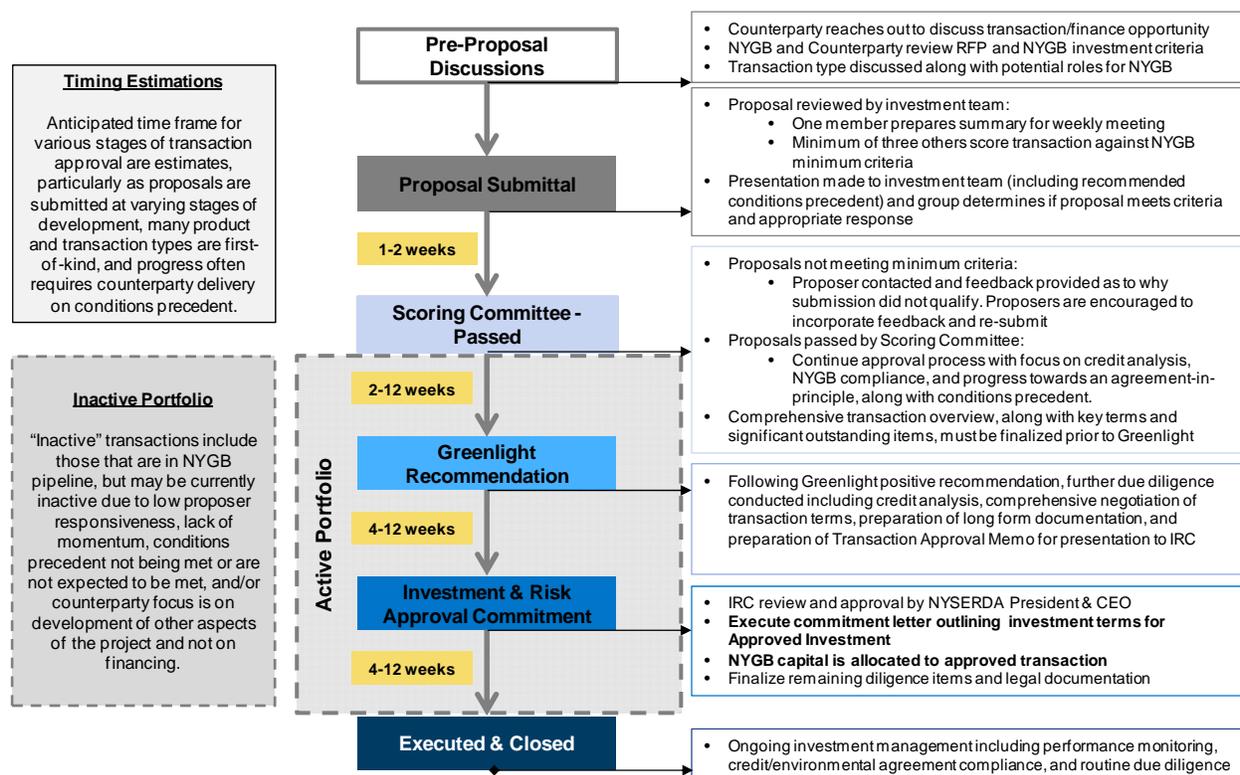
<sup>29</sup> Note that all these amounts are subject to change over time as proposals and transactions evolve.

designated by NYGB's President. The purpose of the Scoring Committee is to review and evaluate all competitive proposals received by NYGB against NYGB selection criteria as described in the Investment RFP. This process is designed to ensure efficiency and standardization in NYGB's approach to evaluating investment opportunities.

No potential investment proceeds to full-scale diligence and negotiation of terms without vetting by the Greenlight Committee, which is made up of senior NYSERDA and NYGB staff. This committee reviews and makes recommendations (including with respect to requiring certain contingencies or conditions) to NYSERDA's President & CEO with respect to a proposed transaction. Before any potential transaction is submitted to the IRC for review, prior issues raised by the Greenlight Committee must be addressed. The "greenlighting" requirement adds another check and balance on potential investments in NYGB's pipeline to ensure that individual transactions meet credit quality standards and all other applicable investment criteria, are consistent with NYGB's mandate and are appropriate from a risk perspective. No commitment of NYGB capital is made without vetting by the IRC and approval by NYSERDA's President & CEO after considering recommendations made by IRC members. The IRC membership is also made up of senior NYSERDA and NYGB staff.

The principal steps involved in the advancement of any investment proposal received by NYGB are represented on [Figure 5](#). As shown in the figure, each transaction goes through a number of critical steps – each in turn involving detailed review, input and other work of the NYGB transaction team, its advisors, committees and clients and partners (including their respective advisors) in an iterative and ongoing process until milestones are reached, culminating in the execution and closing of fully-negotiated transaction documentation.

Figure 5. NYGB Typical Transaction Process



### 2.2.3 Announced Transactions & Approved Investments

In October 2014, Governor Cuomo announced NYGB transactions that had been agreed to in principle (the “**Announced Transactions**”).<sup>30</sup> Other than Announced Transactions which are early successes for NYGB – meaning that NYGB’s participation has already allowed its clients and partners to secure funding from private sector capital providers<sup>31</sup> - three of the Announced Transactions are also Approved Investments. These include transactions with NYGB clients Ameresco, Bank of America Merrill Lynch and Renewable Funding. A fourth transaction, which has not yet been publicly disclosed, is also an Approved Investment. The Approved Investments are currently expected to result in an annual reduction of ~110,000 tons of carbon dioxide. As investment opportunities move through NYGB’s transaction process and the underlying projects become more defined, estimates of corresponding environmental impacts can be expected to become more granular.

<sup>30</sup> “Governor Cuomo Announces First New York Green Bank Transactions”, press release dated October 22, 2014, available at <http://greenbank.ny.gov/News/NYGB-News/2014-10-22-Governor-Cuomo-Announces-First-NYGB-Transactions.aspx>.

<sup>31</sup> See Business Plan filing dated June 19, 2015 at pages 10 – 11.

### 3 Metrics

The Metrics were devised through collaboration between DPS and NYSERDA during the start-up phase of NYGB to provide clear and concise information to the Commission and stakeholders on a quarterly and annual basis. The Metrics focus on transactions that are signed and closed as the principal trigger for the provision of information in the context of NYGB's growing portfolio of investments. This approach builds on and assumes, but without spelling out in detail, the large volume and type of complex and long lead-time activities that are fundamental to the advancement of any clean energy technology investment in the State consistent with NYGB's mission. In addition, since NYGB is focused on mobilizing private capital into investments that are not addressed in the current commercial market, it is by definition operating in new areas, seeking to create precedent where little to none has so far existed – all involving considerable time and effort. Over time, including reflecting constructive feedback received from DPS and other stakeholders, the information reflected in Section 2.2 is being included in Quarterly Reports to provide a more complete view of all activities being engaged in by NYGB.

Required metrics for the period April 1, through June 30, 2015 are set out below in Table 2 below. Note that disclosure of "Total Capital Available" from prior Quarterly Reports has been refined in this Report. Previously, "Total Capital Available" was reported essentially as an indication of funded amounts available to NYGB at the relevant time for its business purposes, net of operating and other expenses. In this Report "Capital" has been bifurcated into:

- (a) "**Authorized Capital**", having the same meaning as "Capital" in the Metrics Plan,<sup>32</sup> and
- (b) "**Available Capital**" which, at the relevant time, means the sum of all capital contributions received by NYGB, investment income (derived from investment of cash on hand), and fees and interest on Committed Funds and Deployed Funds, less operating expenses and any Capital Losses,<sup>33</sup> expressed in dollars.

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<sup>32</sup> That is, "the aggregate capital allocated to NY Green Bank from all public sources at the relevant time, including time-weighted adjustments to account for changes in NY Green Bank's capitalization, expressed in dollars".

<sup>33</sup> As defined in Section 3.2 of the Metrics Plan.

Table 2. Quarterly Metrics

Metric	Status – Q1 2015	Status – Q2 2015
<b>Capital:</b>		
<b>Authorized</b>	\$218.5 million	\$218.5 million <sup>34</sup>
<b>Available</b>	\$216.3 million	\$215.2 million
<b>Cumulative Operating Expenses</b>	\$4.1 million	\$5.3 million
<b>Approved Investments</b>	\$56.4 million	\$56.4 million
<b>Committed Funds</b> <sup>35</sup>	\$500,000	\$500,000
<b>Deployed Funds</b> <sup>36</sup>	\$0	\$0
<b>Overall Portfolio Size</b>	\$500,000	\$500,000
<b>Overall Portfolio Concentrations</b> <sup>37</sup>	100% Energy Efficiency	100% Energy Efficiency
<b>Number &amp; Type of NYGB-Supported Projects Financed</b>	1 – Energy Efficiency	1 – Energy Efficiency
<b>Number &amp; General Type of NYGB Clients &amp; Partners</b>	2 – C-PACE Developer, International Bank	2 – C-PACE Developer, International Bank
<b>Estimated Lifetime Energy Saved by Fuel Type from Energy Efficiency Projects (MWh/MMBtu) and/or Lifetime Clean Energy Generated (MWh) for Committed Funds &amp; Deployed Funds</b>	Not Yet Available	Not Yet Available
<b>Estimated Lifetime Primary Energy Saved from CHP (Btu) for Committed Funds &amp; Deployed Funds</b>	Not Applicable	Not Applicable

<sup>34</sup> NYGB's Authorized Capital is currently made up of \$165.6 million pursuant to the Initial Capitalization Order and \$52.9 million in RGGI funding. This amount does not include: (a) additional authorized capital pursuant to the 2015 Capitalization Order; or (b) \$500,000 of U.S. Department of Energy ("DOE") funds specifically designated for providing loan loss reserve facilities to support commercial property-assessed clean energy ("C-PACE") projects which was transferred to NYGB by NYSERDA in May 2014, given the fit of these types of activities within the broader NYGB portfolio. The DOE funds have been committed by NYGB to the Energy Improvement Corporation transaction announced on May 28, 2014 (see <http://greenbank.ny.gov/News/NYGB-News/2014-05-28--Energy-Improvement-Corporation-Announces-Agreement-with-Bank-of-America-Merrill-Lynch>) and, together with all repayments and related fees over time, must remain segregated and available only for the particular purposes originally intended.

<sup>35</sup> Where "Committed Funds" means, in any period, the aggregate funds to be provided by NYGB pursuant to fully negotiated client and partner financing agreements executed in that period, without such funds having yet been Deployed, expressed in dollars. "Committed" has a corresponding meaning. See Metrics Plan, page 5.

<sup>36</sup> Where "Deployed Funds" means, in any period, the aggregate funds that have been advanced by NYGB subject to the terms of fully negotiated client and partner financing agreements executed in that period, expressed in dollars. "Deployed" has a corresponding meaning. See Metrics Plan, page 6.

<sup>37</sup> Based on signed and closed transactions.

Metric	Status – Q1 2015	Status – Q2 2015
<b>Estimated Clean Energy Generation Installed Capacity (MW), if applicable, for Committed Funds &amp; Deployed Funds</b>	Not Applicable	Not Applicable
<b>Estimated Lifetime Greenhouse Gas Emission Reductions (metric tons) for Committed Funds &amp; Deployed Funds</b>	Not Yet Available	Not Yet Available

In addition to providing the above information on a quarterly basis and making the required annual Metrics filings, as NYGB signs and closes the definitive documentation for each financing transaction, the “**Transaction Profile**” (in the form of the template provided in Appendix A to the Metrics Plan) will be posted on its website and included in the relevant Quarterly Report.<sup>38</sup> This profile will provide additional key data in connection with the attributes of individual NYGB investments demonstrating in particular transaction fit with NYGB’s mandate.

## 4 Subsequent Events

On July 16, 2015, the Commission considered the current requests and proposals of NYSERDA and NYGB in connection with allocation of NYGB’s 2015 capital installment, as set out in the Petition to Complete Capitalization and modified by the CEF Supplement. Pursuant to the “Order Approving Additional Capitalization with Modification for New York Green Bank” issued and effective July 17, 2015 (the “**2015 Capitalization Order**”),<sup>39</sup> the Commission authorized NYSERDA to reallocate uncommitted NYSERDA funds totaling \$150.0 million to support NYGB investments upon demonstration through a compliance filing that NYGB has committed \$150.0 million (representing approximately 75% of its total current Authorized Capital, net of administration, cost recovery fee and evaluation) to fully negotiated, signed and closed agreements (the “**Cash Receipt Trigger**”). The compliance filing shall provide information on the executed financing agreements, inclusive of client/partner, a brief description of the transaction, funding commitment expressed in dollars, and date upon which commitment was made, that cumulatively achieve this milestone. While NYGB will receive the cash representing this additional allocated capital into Available Capital when it satisfies the Cash Receipt Trigger, as of July 17, 2015, NYGB’s Authorized Capital has increased from \$218.5 million to \$368.5 million.

An Advisory Committee meeting was held on July 28, 2015. Information regarding NYGB’s Advisory Committee – including its membership and charter - is accessible on its website at

<sup>38</sup> As required by the 2015 Capitalization Order, page 18.

<sup>39</sup> Case 13-M-0412 and Case 14-M-0094.

<http://greenbank.ny.gov/About/Advisory-Committee>. Advisory Committee meetings occur at least once every six months.

## 5 Defined Terms & Glossary

“**2015 Capitalization Order**” has the meaning given to that term in Section 4.

“**Active Portfolio**” has the meaning given to that term in Section 2.2.

“**Advisory Committee**” means the advisory committee of NYGB.

“**Announced Transactions**” has the meaning given to that term in Section 2.2.

“**Approved Investments**” has the meaning given to that term in footnote 6 to this Report.

“**Authorized Capital**” has the meaning given to that term in Section 3.

“**Available Capital**” has the meaning given to that term in Section 3.

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

“**Business Plan**” means NYGB’s current Business Plan filed with the Commission on June 19, 2015.

“**Cash Receipt Trigger**” has the meaning given to that term in Section 4.

“**C-PACE**” means Commercial Property Assessed Clean Energy.

“**CEF**” means the Clean Energy Fund.

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

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

“**Commission**” means the New York State Public Service Commission.

“**Committed Funds**” has the meaning given to that term in the Metrics Plan.

“**Cumulative Operating Expenses**” has the meaning given to that term in footnote 10 to this Report.

“**Deployed Funds**” has the meaning given to that term in the Metrics Plan.

“**DOE**” means the United States Department of Energy.

“**DPS**” means the New York State Department of Public Service.

“**Greenlight Committee**” means the NYGB committee of that name described in Section 2.2.2.

“**Initial Capitalization Order**” has the meaning given to that term in Section 1.

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

“**IRC**” means the Investment & Risk Committee of NYGB.

“**Metrics**” has the meaning given to that term in Section 1.

**“Metrics Plan”** has the meaning given to that term in Section 1.

**“Milestones”** has the meaning given to that term in Section 1.

**“MMBtu”** means million Btus.

**“MW”** means megawatt, a measure of installed energy generation capacity.

**“MWh”** means megawatt-hour, a measure of energy production.

**“NYGB”** means NY Green Bank.

**“NYSERDA”** means the New York State Energy Research and Development Authority.

**“Petition to Complete Capitalization”** has the meaning given to that term in Section 2.1.

**“Quarterly Reports”** means the quarterly reports filed by NYGB with the Commission as contemplated in both the Initial Capitalization Order and the Metrics Plan as discussed in Section 1.

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

**“Report”** means this “Metrics, Reporting & Evaluation – Quarterly Report No. 4 (Through June 30, 2015), Case 13-M-0412, August 14, 2015”.

**“RGGI”** means the Regional Greenhouse Gas Initiative.

**“Scoring Committee”** means the NYGB committee of that name described in Section 2.2.2.

**“Transaction Profile”** has the meaning given to that term in the Metrics Plan.