

TRANSACTION PROFILE

March 2021

Continued Support of Advancing Community Solar in New York State

Amp Solar Group

In March 2021, NY Green Bank (“**NYGB**”) provided an 18-month senior secured \$10.0 million bridge loan facility (the “**Bridge Loan**”) to Amp Solar Group Inc. (“**AMP**”). Bridge Loan proceeds will finance project interconnection advance payments to National Grid (“**NG**”) and Rochester Gas and Electric Corporate (“**RG&E**”) for community distributed generation (“**CDG**”) solar projects. This transaction is expected to provide New York State (“**NYS**” or the “**State**”) residents and businesses with a greater variety of energy choices and, ultimately, lower-cost clean energy opportunities.

Transaction Description

AMP is developing a portfolio of CDG solar projects in NYS and requested that NYGB provide a \$10.0 million Bridge Loan to finance interconnection advance deposits¹ due to NG and RG&E under the New York State Public Service Commission (the “**Commission**”) Standardized Interconnection Requirements and Application Process.

This transaction is expected to support up to 63.0 MW of solar assets in the State, which in turn are expected to: (i) provide commercial and residential project subscribers access to reliable, clean, low-cost energy; and (ii) reduce up to 916,000 metric tons of greenhouse gas (“**GHG**”) emissions annually in NYS. As there has been an increasingly strong demand for CDG solar throughout NYS, capital providers are recognizing and will continue to recognize the value in providing financing to enable the deployment of these projects. NYGB expects this Bridge Loan product to continue to serve as a template for other capital providers to assess and replicate in the future. Capital providers are expected to increasingly recognize the value in providing financing at various stages of project development to support CDG deployment.

This Transaction Profile is provided pursuant to the “NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.0” (the “**Metrics Plan**”) developed in collaboration with the NYS Department of Public Service and filed with the Commission on June 20, 2016.² This Transaction Profile contains specific information in connection with the AMP transaction entered into in March 2021, as required by the Metrics Plan.

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Bridge Loan	\$10.0 million

Location(s) of Underlying Project(s)

North Country and Capital Region. The first Projects in the Bridge Loan will be in Gouvernour, Schenectady and Clayton, NY.

¹ Under the revised NYS Standardized Interconnection Requirements, within 60 business days of receiving the Coordinated Electric System Interconnection Review (“CESIR”) results, interconnection applicants must pay the applicable utility 25.0% of the interconnection upgrade estimates.

² Case 13-M-0412.

Types of Client & Counterparty Organizations that are Transaction Participants

Name		Participant Type
Sponsor	AMP Solar Group Inc.	Energy Project Developer and Asset Owner/Operator

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Solar Project Developers	Project sponsors are often expected to pay for interconnection advance deposits with equity funds as they finalize construction financing arrangements. This results in a relatively inefficient use of sponsor equity, which limits project deployment efforts and effectively restricts the amount of CDG being deployed in NYS.	This transaction encourages a more efficient use of sponsor equity and supports project development efforts in NYS by bridging the period in which project sponsors need to finalize financing arrangements for projects that have completed the Coordinated Electric System Interconnection Review process. NYGB's financing creates an easier pathway forward for developers and enables greater deployment of community and other distributed generation assets throughout the State.
Capital Markets Participants	As a relatively new form of clean energy project, CDG lacks financing precedents and has limited performance history in NYS. As such, it can be more difficult for private sector capital providers to assess and price the underlying risk exposure associated with CDG project investments.	Projects supported as a result of this transaction will generate project and customer performance data to draw new investors and financial institutions into the marketplace by demonstrating that competitive risk-return profiles can be achieved by CDG-enabled business models.
CDG Subscribers	Due to project siting, property ownership and consumer preference issues, on-site solar project installations may not be viable for many NYS homeowners, renters, and businesses. This limits solar access to those with suitably sited homes or businesses.	These transactions support the deployment of CDG solar projects, which provide those who are not otherwise able to install solar energy generation systems on their property (e.g., homeowners whose rooftops cannot support solar systems, renters and those who cannot afford standalone systems), with increased access to clean, low-cost energy, regardless of where their home or business is located.

Technologies Involved

Technology	Measures
Renewable Energy	Solar photovoltaic systems

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB's minimum investment criteria specifically require that transactions will have the potential for energy savings and/or clean energy generation that will contribute to GHG emission reductions in support of the State's energy policies.³ In addition, the Metrics Plan requires NYGB to report on the following energy and environmental measures, which are applicable to this transaction.⁴

- Estimated gross lifetime and first-year clean energy generated (MWh);

³ Case 13-M-0412, "Order Establishing New York Green Bank and Providing Initial Capitalization" issued and effective December 19, 2013 of the Commission, Ordering Clause 6 at pages 24 – 25.

⁴ See Metrics Plan, Section 2.0, pages 2 - 6.

- Estimated gross clean energy generation installed capacity (MW);
- Estimated gross lifetime and first-year GHG emission reductions (metric tons).

The estimated gross lifetime and annual energy and environmental impacts of the Bridge Loan are as follows:

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annual Low Estimate	Annual High Estimate
Estimated clean energy generation (MWh)	1,740,069	1,831,652	69,603	73,266
Estimated clean energy generation installed capacity (MW)	63	63		N/A
Estimated GHG emission reductions (metric tons)	870,429	916,241	34,817	36,650

Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occur when a critical mass of NYGB financing and investment arrangements have been put in place. Market evaluation activities commenced in 2018 on sectors that NYGB has supported since inception, consistent with the requirement for such assessments approximately three to five years following initial NYGB capital deployments.⁵ NYSERDA collected baseline data for the solar sector in 2019 and will update the data to include indicators specific to this transaction. NYSERDA will use baseline data collected for indicators as a comparison point to assess market progress in the later studies. Progress indicators are defined below for the short, medium and long terms.

NYGB expects that program and/or future market evaluation will demonstrate progress across short-term indicators; including:

- Size (i.e., generation capacity and expected dollar value) and location of projects financed by the Bridge Loan;
- Aggregate expected energy generation for projects financed by the Bridge Loan; and
- The number of projects that finalize construction financing arrangements.

NYGB expects that program tracking and/or future market evaluation will demonstrate progress across medium- and long-term indicators; including:

- Increased market volume of CDG projects;
- Increased general understanding of renewable energy benefits by financial community;
- Increased awareness and use of CDG subscriber performance data by financing entities;
- Increased awareness and use of project/technology performance data by financing entities;
- Demonstration of competitive risk-return profiles for CDG investment;
- Decreased project costs;
- Increased volume of secondary market financing of distributed solar assets; and
- Presence and number of new lending participants.

Proposed Method of Outcome/Impact Evaluation (by NYSERDA) & Timeframe

NYSERDA will evaluate the direct and indirect impacts that the Bridge Loan will have on the clean energy finance markets and the energy/environmental benefits delivered by these loans.

Market evaluation will assess the short, medium and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (e.g., project subscribers, financial community, etc.) to track information including but not limited to: participation rates, project scale information, interest in solar financing (generally and with regard to CDG specifically), and influence of NYGB's participation on financial markets. As noted, NYSERDA collected baseline data on key indicators in its first phase evaluation during 2018 – 19. Later follow-up studies will assess progress against baseline levels for other market segments as those evolve. The specific timing of these efforts may be revised based on experience or other factors as NYGB's investment portfolio

⁵ See Metrics Plan, Section 3.3 at page 7.

further develops and evolves.

Impact evaluation will assess the projects funded under the Bridge Loan. In accordance with the Metrics Plan, NYGB will track AMP projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA programs, etc.) to minimize any double-counting activity on a consolidated basis. As set out in the Metrics Plan, evaluation sampling approaches will also be used as a mechanism to estimate overlap and minimize double counting. NYSERDA and NYGB will attempt to coordinate market and impact evaluation activities for projects that receive support from multiple sources to maximize the efficiency of data collection and avoid participant survey fatigue.