

Transaction Profile

Financing in action

NORBUT SOLAR FARM, LLC

Revolving credit facility to finance interconnection payments that will support community distributed generation solar and solar-plus-storage projects in New York State.



NY Green Bank's \$8 million senior-secured revolving credit loan will support the development of community distributed generation solar and solar-plus-storage projects in New York State.

This transaction marks NY Green Bank's first interconnection (IX) finance transaction that supports solar-plus-storage projects, contributing to NY Green Bank's strategic goal of enhancing energy storage in New York State. Additionally, by supporting Norbut, a locally headquartered developer, with IX finance, it enhances their ability to invest in other projects that might not otherwise be possible.

Market Barriers and Solutions

New York State-focused developers face challenges securing IX finance deposits because traditional bank lenders have limited interest due to the small transaction size and highly involved administrative processes typically associated with IX products.

By supporting this transaction, NY Green Bank continually demonstrates the **replicability and financial viability** of IX products. This not only fills a market gap but also enhances developers' financial capacity to invest in additional clean energy projects. Such support is crucial because IX deposits typically demand fully paid equity capital from traditional lenders, making it unlikely for developers to access funds otherwise.

Transaction amount: **\$8 million**

Counterparties:

(Sponsor and Guarantor):

Norbut Solar Farm, LLC

(Borrower): NSF IX, LLC

Product: **Revolver**

Date closed: **May 2024**

Estimated lifetime metric tons

CO₂e reduced: **1.3 million**

Technologies: **Solar; Solar + Storage**

Location: **Upstate**

End-use segment: **Community distributed generation**



"We are excited to partner with NY Green Bank in continuing to expand our community solar and battery storage development in New York State. We thank the NY Green Bank team for their dedication to our shared mission and their responsiveness to us."

Anthony Cicotta, CPA, Controller



TRANSACTION PROFILE

August 2024

\$8 million revolving credit facility supporting community distributed generation solar and solar-plus-storage in NYS

NORBUT SOLAR FARM, LLC

On May 29, 2024, NY Green Bank (“NYGB”) closed an \$8 million revolving credit facility to Norbut Solar Farms to finance interconnection payments for community distributed generation (“CDG”) solar and solar-plus-storage projects in NYS.

Transaction Description

This transaction marks NY Green Bank’s first interconnection finance transaction that supports solar-plus-storage projects, contributing to NY Green Bank’s strategic goal of enhancing energy storage in New York State. Additionally, by supporting Norbut, a locally headquartered developer, with IX finance, it enhances their ability to invest in other projects that might not otherwise be possible.

This Transaction Profile is provided pursuant to the updated NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.1 (the “**Metrics Plan**”) developed in collaboration with the NYS Department of Public Service and filed with the NYS Public Service Commission (the “**Commission**”) on May 2, 2022.¹ This Transaction Profile contains specific information in connection with the Norbut transaction entered into in January 2024, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Revolving Credit Facility	\$8.0 million

Location(s) of Underlying Project(s)

Statewide. Projects will be located across New York State.

Types of Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	NSF IX, LLC	Borrower
	Norbut Solar Farm, LLC	Sponsor and Guarantor

¹ Case 13-M-0412.

² See Section 4.0 at page 8 - 9 and Schedule 3.

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
NYS-focused developers	New York State-focused developers face challenges securing IX finance deposits because traditional bank lenders have limited interest due to the small transaction size and highly involved administrative processes typically associated with IX products.	By supporting this transaction, NY Green Bank continually demonstrates the replicability and financial viability of IX products. This not only fills a market gap but also enhances developers' financial capacity to invest in additional clean energy projects. Such support is crucial because IX deposits typically demand fully paid equity capital from traditional lenders, making it unlikely for developers to access funds otherwise.

Technologies Involved

Technology	Measures
Solar; Energy Storage	Solar Photovoltaic, Solar Plus Storage

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB's minimum investment criteria require that "transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas ("**GHG**") emission reductions in support of New York's energy policies".³ In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported:⁴

- Estimated distributed solar capacity (MW)

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

Energy/Environmental	Lifetime	Lifetime	Annualized	Annualized
Impact	Low Estimate	High Estimate	Low Estimate	High Estimate
Estimated distributed solar capacity (MW)	107	112	N/A	
Estimated GHG emission reductions (metric tons)	1,257,869	1,325,237	62,893	66,262

Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occurs when a critical mass of NYGB financing and investment arrangements are 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 NYGB portfolio 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

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 at pages 2 - 6.

⁵ See Metrics Plan, Section 3.3 at pages 7 - 8.

point against which to assess market progress in 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 and location of projects financed by the investment;
- Aggregate expected energy generation for projects financed by the investment.
- 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 impact this transaction has had on the clean energy finance markets and the energy/environmental benefits it delivers.

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., financial community) to track information including but not limited to: project scale information 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 further develops and evolves.

Impact evaluation will assess which of the projects funded under the investment raised construction financing and were completed, commissioned, and placed in service.

In accordance with the Metrics Plan, NYGB will track Norbut projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA programs) 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 in order to maximize the efficiency of data collection and avoid participant survey fatigue.