

## Supporting the NYS Clean Energy Market Recovery Following the COVID-19 Crisis

### Paycheck Protection Program

*On March 27, 2020, the U.S. Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”), which provides economic relief to small businesses and others that have been impacted by the COVID-19 pandemic. Among other things, the CARES Act expands the Section 7(a) loan program administered by the Small Business Administration (“**SBA**”) by establishing the Paycheck Protection Program (“**PPP**”). Under the PPP, the SBA is authorized to guarantee loans from banks and certain non-bank lenders to small businesses and other eligible borrowers.*

*After the PPP was established, NY Green Bank (“**NYGB**”), a division of the New York State Energy Research and Development Authority (“**NYSERDA**”), earmarked \$50 million in capital, applied to the SBA, and was approved as a PPP lender to provide PPP loans to small businesses and other eligible borrowers in the clean energy industry of New York State (“**NYS**” or the “**State**”).*

### Transaction Description

In early April 2020, NYGB issued a survey to obtain feedback from stakeholders about the COVID-19 crisis and its effect on their businesses. NYGB received over 140 responses, including over 80 responses from clean energy project developers and operators. Developers expressed concern over missing construction and financing milestones and, to a lesser degree, permitting and interconnection milestones. Over two-thirds of developers anticipated new financing needs, including bridge loans and construction-to-term loans.

NYGB’s mission includes filling clean energy financing gaps for economically viable projects and business models where private capital is unavailable. The COVID-19 crisis has exacerbated financing market gaps; less capital is expected to be available for many clean energy projects and business models, resulting in even greater dependence by market participants on NYGB financing than before the COVID-19 crisis.

As of the date of this transaction profile, NYGB has funded three PPP loans to individual borrowers that, in addition to meeting all SBA criteria, also represented that their PPP loans will potentially reduce greenhouse gas (“**GHG**”) emissions, consistent with NYGB’s key investment criteria. These loans provide financing to clean energy businesses in need.

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 New York Public Service Commission (the “**Commission**”) on June 20, 2016.<sup>1</sup>

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<sup>1</sup> Case 13-M-0412.

## Form of NYGB Investment

NYGB Product	Product Sub-Type	Aggregate Allocated Capital
Asset Loan & Investment	Term Loan	Up to \$50.0 Million

## Location(s) of Underlying Project(s)

Statewide.<sup>2</sup> The PPP Borrowers to date include businesses and contractors that participate in Home Performance with Energy Star and EmPower programs in NYS, support the deployment of electric vehicles and support the installation of energy efficiency measures in New Yorkers' homes.

## Types of Client & Counterparty Organizations that are Transaction Participants

Name	Participant Type
<b>BPTC, LLC.</b>	Contractor, Participant in Home Performance with Energy Star and EmPower Programs
<b>White Oak Power, LLC</b>	Consulting & Advisory: Electric Vehicles, Residential Energy Audits including Low Income Housing
<b>Pivot US Energy Services, Inc.</b>	Consulting & Advisory: Energy Efficiency

## Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
PPP Borrowers	NYGB surveyed the market and found a lack of financial market access for smaller clean energy market participants. Although other banks are also offering PPP loans, they have prioritized loans to counterparties with which they have previously-established relationships. Many small clean energy market participants do not have existing banking relationships with these institutions.	NYGB's participation in the PPP Program allows those smaller companies advancing clean energy initiatives an opportunity to access PPP loans made available through the CARES Act.

## Technologies Involved

Each applicant was evaluated for its potential to reduce GHG emissions. This broad approach allows for any eligible technology to qualify for a NYGB PPP loan. Please see the "Participant Types" above for an understanding of the technologies included in the NYGB PPP loans to date.

## Metrics & Evaluation Plan

### Planned Energy & Environmental Metrics

NYGB's minimum investment criteria require that NYGB-supported transactions have the potential for energy savings and/or clean energy generation that will contribute to GHG reductions in support of the State's energy policies.<sup>3</sup> In addition, the Metrics Plan requires that certain energy and environmental measures, applicable to these transactions, be reported.<sup>4</sup> However, since the PPP loans supported by this program do not directly support projects and the PPP program was administered by NYGB to respond to an explicit market need during a public health crisis NYGB will not

<sup>2</sup> Defined as projects located in four or more regions of the State.

<sup>3</sup> 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.

<sup>4</sup> See Metrics Plan, Section 2.0, pages 2 - 6.

track project performance on an ongoing basis.

## **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 are 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.<sup>5</sup> NYSERDA collected baseline data for the solar sector in 2019 and will update the data to include indicators specific to new transactions.

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<sup>5</sup> See Metrics Plan, Section 3.3 at page 7.