An upsize to NY Green Bank’s existing loan will increase Sealed’s ability to offer an innovative financing option to cover the costs of home energy efficiency and HVAC electrification measures. This will enable Sealed to expand its current operations and complete additional improvements that reduce energy waste and implement clean heating and cooling for homes in New York State.

**Market Barriers and Solutions**

High upfront costs and limited financing options make home efficiency upgrades seem burdensome for **NYS Homeowners**. This transaction provides homeowners with a new performance-based financing mechanism that is accountable to reducing home energy consumption.

**Capital Market Participants** are hesitant to provide financing for residential energy efficiency financing services due to limited precedent. This transaction will help establish a track record for this type of performance-based financing and demonstrate the ability of these projects to achieve competitive risk-return profiles.

“NY Green Bank backing accelerates the number of homes we are weatherizing and electrifying across New York State. 20% of all greenhouse gases in the U.S. come from heating and cooling our homes. We are transforming homes to be efficient, comfortable, healthy, and cleaner for the planet.”

Lauren Salz,
CEO and co-founder of Sealed
Providing Energy-Saving Home Improvements for New York State Residents

SEALED, INC.

In February 2023, NY Green Bank ("NYGB") provided a $10.0 million upsize to its revolving credit facility to Sealed. An upsize to NYGB’s existing loan will increase Sealed’s ability to offer an innovative financing option to cover the costs of home energy efficiency measures. This will enable Sealed to expand its current operations and complete additional energy-saving improvements in homes in New York State ("NYS").

Transaction Description

Sealed is a NYS-based energy software company that provides home efficiency upgrades – from new insulation, to sealing air leaks, to installing new boilers and furnaces – utilizing a first-of-kind, user friendly financing solution. On May 6, 2016, NYGB closed a $5.0 million revolving credit facility that enabled Sealed to introduce a new financial product for homeowners interested in making their residences more comfortable as well as more energy efficient. On March 11, 2021, NYGB expanded the Facility size to $7.5 million to further support Sealed’s continued growth. The Facility size was further expanded to $17.50 million on December 21, 2021, $25.0 million on June 29, 2022, and $35.0 million on February 9, 2023.

To date, most energy efficiency financing products have been loans where the homeowner is obligated to make a predetermined payment regardless of actual savings. Sealed’s offering allows homeowners to make payments derived from actual energy savings. Sealed’s signature analytics software enables accurate and reliable calculations of expected energy savings which translates into a user-friendly billing process.

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 Sealed transaction entered into in May 6, 2016, as required by the Metrics Plan.²

Form of NYGB Investment

<table>
<thead>
<tr>
<th>NYGB Product</th>
<th>Product Sub-Type</th>
<th>Committed Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehousing/Aggregation</td>
<td>Revolving Credit</td>
<td>$10.0 million ($35.0 million aggregate)</td>
</tr>
</tbody>
</table>

Location(s) of Underlying Project(s)

Statewide. Projects will be located across NYS.

Types of Organizations that are Transaction Participants

<table>
<thead>
<tr>
<th>Name</th>
<th>Participant Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterparty</td>
<td>Sealed</td>
</tr>
</tbody>
</table>

¹ Case 13-M-0412.
² See Section 4.0 at page 8 - 9 and Schedule 3.
Summary of Financing Market Objectives & Barriers Addressed

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>Market Barrier</th>
<th>Financing Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYS Homeowners</td>
<td>High upfront costs and limited financing options make home</td>
<td>This transaction provides homeowners with a new performance-based financing mechanism that is accountable to reducing home energy consumption.</td>
</tr>
<tr>
<td></td>
<td>efficiency upgrades seem burdensome for NYS Homeowners.</td>
<td></td>
</tr>
<tr>
<td>Capital Market</td>
<td>Capital Market Participants are hesitant to provide financing for</td>
<td>This transaction will help establish a track record for this type of performance-based financing and demonstrate the ability of these projects to achieve competitive risk-return profiles.</td>
</tr>
<tr>
<td>Participants</td>
<td>residential energy efficiency financing services due to limited precedent.</td>
<td></td>
</tr>
</tbody>
</table>

Technologies Involved

<table>
<thead>
<tr>
<th>Technology</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency /</td>
<td>Boiler replacement, air sealing, duct sealing, insulation, LED lighting,</td>
</tr>
<tr>
<td>Electrification</td>
<td>and smart thermostat, heat pumps, etc.</td>
</tr>
</tbody>
</table>

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”. In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported:

- Estimated lifetime and annual total energy savings (MMBtu equivalent)
- Estimated lifetime and annual natural gas fuel savings (MMBtu equivalent)
- Estimated lifetime and annual electricity savings (MWh)

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

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4 See Metrics Plan, Section 2.0 at pages 2 - 6.
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 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. 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 point against which to assess market progress in later studies. Progress indicators are defined below for the short, medium and long term.

Short-term progress indicators will identify early activity levels and will be regularly tracked for the duration of the transaction. These include, but are not limited to:

- Number of projects in development and completed;
- Average and aggregate dollar value of projects in development and completed;
- Location of projects;
- Number of small service providers (contractors);
- Consumer payment defaults;
- Number and types of measures installed;
- Market volume of energy efficiency projects increases;
- Favorable financial performance data; and
- Favorable technology performance data.

Mid and long-term indicators will be expected to show progress through program tracking or market evaluation over time. These include, but are not limited to:

- Decreased project cost for Sealed due to increased experience;
- Geographic coverage of Sealed activities extends beyond Long Island;
- General understanding of energy efficiency benefits increases among homeowners and financial institutions;
- Demonstration of competitive risk/return profiles;
- Increased awareness and use of financial performance data by financing entities;
- Increased awareness and use of technology performance data by financing entities;
- Financing entities emerge to assume NYGB's position in transaction;
- Instances of similar financing models emerge;
- Residential homeowner financing costs for energy efficiency improvements decrease;
- Scale of energy efficiency investment by NYS homeowners increases;
- Number of residential energy efficiency refinancings increase;
- Number of banks offering similar warehouse lines of credit increases; and
- Increased energy savings and emissions reductions.

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5 See Metrics Plan, Section 3.3 at page 7 - 8.
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 address the short, mid and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (e.g., homeowners, financial community) to track information including but not limited to: participation rates, project scale information, interest in residential energy efficiency financing, and influence of NYGB’s participation on financial markets. As noted, baseline data will be collected on most key indicators in 2017 and subsequent follow-up studies will assess progress against baseline levels. The specific timing of these efforts may be revised based on experience or other factors as the investment evolves.

Impact evaluation is expected to include retail electric and gas utility billing analysis to verify initial consumption estimates and assess impacts related to installation of energy efficient measures. Releases for billing data will be requested of all financing recipients at closing allowing NYSERDA and third party evaluators access to utility data prior to and following measure installation. Billing analysis will be conducted beginning in 2018 and be updated annually to align initial estimates of energy savings with actual savings. On-site verification of measure installations and performance may be conducted as resources allow. This is expected to occur on a less frequent basis to support ongoing billing analyses over time, as greater experience is gained. Billing analysis is a generally accepted and cost-effective method to validate energy savings on projects involving several measures and aggregate savings levels. Should the Project makeup indicate that billing analysis is not a viable method for certain segments of the participants, other methods will be considered. All customer data will be anonymized and/or aggregated prior to being reported or published.

As with all NYGB investments, Sealed Projects that receive an incentive or funding from other entities (e.g., utility or other NYSERDA program) will, in accordance with the Metrics Plan, ideally be tracked in order 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. Attempts will also be made to coordinate market and impact evaluation activities for these Projects that receive support from multiple sources in order to maximize the efficiency of data collection and avoid participant survey fatigue.