

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

- CASE 13-M-0412 - Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank.
- CASE 14-M-0094 - Proceeding on Motion of the Commission to Consider a Clean Energy Fund.

ORDER MODIFYING NEW YORK GREEN BANK

Issued and Effective: January 23, 2026

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on January 22, 2026

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

CASE 13-M-0412 - Petition of New York State Energy Research and
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BY THE COMMISSION:

INTRODUCTION

On September 15, 2022, the Public Service Commission
(Commission) issued the Order Initiating the New Efficiency: New
York Interim Review and Clean Energy Fund Review,¹ which
directed, among other things, that the New York State Energy
Research and Development Authority (NYSERDA) file a petition
summarizing the performance to date of the New York Green Bank
(NYGB), including data trends, lessons-learned, findings from

¹ Cases 14-M-0094 et al., Order Initiating the New Efficiency:
New York Interim Review and Clean Energy Fund Review (issued
September 15, 2022).

relevant evaluations, and proposals for any necessary modifications of NYGB to further support and align with the Climate Leadership and Community Protection Act (CLCPA) or otherwise improve the effectiveness of NYGB. Following two extensions, on October 31, 2024, NYSERDA filed a petition summarizing the performance of NYGB and requesting authorization for certain modifications (the Petition).²

With this Order, the Commission approves the Petition, with modifications, including NYGB investment targets through 2030 and adopts administrative procedures for ongoing operations of NYGB and parameters to guide NYGB investments.

BACKGROUND

As a division of NYSERDA, NYGB is a state-sponsored clean energy investment fund aimed at mobilizing private sector capital to support New York State's clean energy transition and the development of a more cost-effective, resilient, and clean energy system. NYGB accelerates the deployment of clean energy solutions through a variety of financing tools, such as credit enhancements, construction financing, warehousing and aggregation, preferred equity, and specialized term loans and investments.³ NYGB seeks to develop replicable transaction structures and methodologies that overcome barriers to investment in clean energy and energy efficiency by public and private financial institutions. These barriers include limited

² NYSERDA filed requests for extensions on May 31, 2024, and August 9, 2024, which were granted by the Secretary to the Commission (Secretary) on June 12, 2024, and August 20, 2024, respectively.

³ For more information visit <https://greenbank.ny.gov/Investment-Opportunities/Open-Solicitations>.

precedent, small deal sizes, technology risk, lack of familiarity with business models, underwriting complexities, volatile market conditions, and general risk aversion.

On December 19, 2013, the Commission authorized the establishment of NYGB to support the development of robust markets for clean energy technologies through the leveraging of public and private financing and provided NYGB with its initial capitalization of \$165.6 million, including \$13.2 million for administration and Cost Recovery Fee and \$4 million for Evaluation.⁴ The Initial Capitalization Order also established minimum investment criteria by which all potential NYGB transactions must be evaluated against, including:

- (1) transactions will have expected financial returns such that the revenues of the NYGB, on a portfolio basis, will be in excess of expected portfolio losses;
- (2) transactions will be expected to contribute to financial market transformation in terms of scale, improved private sector participation, level of awareness and confidence in clean energy investments, and/or other aspects of market transformation; and
- (3) transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas reductions in support of New York's clean energy policies.

In 2015, the Commission authorized the allocation of an additional \$150 million in ratepayer funds to increase the

⁴ Case 13-M-0412, Order Establishing New York Green Bank and Providing Initial Capitalization (issued December 19, 2013) (Initial Capitalization Order).

capitalization of NYGB.⁵ In 2016, the Commission issued the CEF Framework Order, which authorized a ten-year, \$5.322 billion Clean Energy Fund (CEF) commitment to clean energy programs and incorporated NYGB as one of the four distinct portfolios of the CEF, along with the Market Development, Innovation and Research, and NY-Sun portfolios.⁶ The CEF Framework Order authorized an additional \$631.5 million to capitalize NYGB and set an expectation that all of the CEF portfolios shall work in tandem with one another to support the State's clean energy policy objectives.

The CEF Framework Order also required periodic reviews of the CEF, the most recent of which was conducted in 2021, culminating in the Commission's September 2021 CEF Modifications Order, which adjusted the goals and metrics framework under which the CEF operates to further align with State policy objectives, including the CLCPA, and to enhance the performance of the CEF.⁷ Specifically, in regard to NYGB, the CEF Modifications Order noted that, as articulated in the existing investment criteria, the Commission has not specifically identified the minimum rate of return that must be achieved by NYGB in use of the ratepayer funds allocated to it by the Commission. The Commission noted that NYGB had dutifully maintained a conservative level of risk in its investments to date. The Commission stated it did not believe these investment

⁵ Case 14-M-0094, Order Approving Additional Capitalization with Modification for New York Green Bank (issued July 17, 2015) (Additional Capitalization Order).

⁶ Case 14-M-0094, Order Authorizing the Clean Energy Fund Framework (issued January 21, 2016) (CEF Framework Order).

⁷ Case 14-M-0094, Order Approving Clean Energy Fund Modifications (issued September 9, 2021) (CEF Modifications Order).

criteria limit NYGB's undertaking of transactions, as part of a diverse portfolio, in sectors that it hasn't been particularly active within to date. The Commission anticipated NYGB would need to broaden its approach and proactively seek new market partners to further develop transformative financing opportunities, specifically in pursuit of its goal of investing at least 35% of its investments to benefit Disadvantaged Communities. It suggested, for example, NYGB may need to offer lower interest rates than it seeks from other sectors, to facilitate meaningful investment and market transformation of financial markets servicing Disadvantaged Communities and Low-to Moderate-Income (LMI) customers.

The Commission's July 2023 Order Directing Energy Efficiency and Building Electrification Proposals⁸ and the May 2025 Orders addressing Energy Efficiency and Building Electrification (EE/BE) for Non-Low- to Moderate-Income (Non-LMI) and LMI customers⁹ reinforced NYSERDA's role in providing technical assistance to affordable multifamily market actors, working directly with affordable housing agencies to provide incentives and technical assistance related to clean energy upgrades, and connecting projects being served by utilities with financing opportunities offered through NYGB.

⁸ Cases 14-M-0094 et al., Order Directing Energy Efficiency and Building Electrification Proposals (issued July 20, 2023).

⁹ Case 25-M-0249, 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio, Order Authorizing Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026-2030 (issued May 15, 2025) (LMI EE/BE Order); Case 25-M-0248, 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios, Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030 (issued May 15, 2025).

THE PETITION

In its Petition, NYSERDA provides a qualitative and quantitative performance review of the NYGB Portfolio from inception through June 30, 2024. The Petition includes requests for reaffirmation or modifications to current NYGB administration and operational practices, investment strategies, and proposes goals for January 2026 through its fiscal year end March 31, 2031. NYSERDA describes NYGB as playing a critical role in supporting the State's energy and climate policies through its focus on mobilizing clean energy investment and use of ratepayer funds to generate sufficient capital returns, such that, NYGB's transactions are expected to have financial returns exceeding operating expenses and expected portfolio losses.

The Petition details that NYGB was designed to be a self-sustaining financial institution, redeploying investments in new clean energy projects as initial financing vehicles mature and return capital. The Petition discusses NYGB self-sufficiency in terms of its financial performance, revenue generation, and liquidity management. It highlights NYGB's ability to cover operating expenses, reinvest earnings, and attract private capital. According to NYSERDA, NYGB's ability to maintain self-sufficiency and expand its capital base helps ensure it is well positioned to offer a wide range of financial products that support New York's climate and equity goals over the long term.

NYGB Performance

Since inception, NYSERDA states that NYGB has received and evaluated \$7.7 billion in investment proposals and has made cumulative investments totaling \$2.4 billion, with \$687.1 million deployed across multiple sectors and technology areas. These activities have resulted in cumulative earnings of \$268

million for NYGB. By fiscal year 2016-2017, NYGB achieved a net income of \$2.7 million, an indicator that the operation had become self-sufficient and one year earlier than was expected. NYSERDA cites this as a key milestone, demonstrating NYGB’s ability to grow revenues and manage costs effectively. As of the end of fiscal year 2023-2024, NYGB earned \$53.0 million in net income, which is earmarked for reinvestment into new clean energy and sustainable infrastructure projects in New York State. NYGB asserts that its cumulative loss rate has been low compared to industry standards.

NYGB Investments

The Petition includes a summary of NYGB progress towards the sector-specific investment commitment targets established in the CEF Modifications Order, which directed investment targets for 2020 through 2025. As outlined in Table 1, when considering the value of closed transactions and transactions in the pipeline, NYGB has surpassed the targets for commitments in both the building decarbonization within Disadvantaged Communities and energy storage sectors and has nearly reached the target for clean transportation.

Table 1: NYGB Progress Toward CEF Modifications Order Investment Targets, as of June 30, 2024

Sector	Investment Commitment Target (\$ millions)	Closed Transactions (\$ millions)	Pipeline Commitments (\$ millions)
Affordable Housing	\$150	\$70	\$24
Clean Transportation	\$100	\$19	\$80
Energy Storage	\$200	\$109	\$122
Building Decarbonization in Disadvantaged Communities	\$100	\$78	\$60

Between 2019 and 2024, NYGB expanded its investments from four technology areas to nine, including affordable housing and a focus on disadvantaged communities. As of June 30, 2024, NYGB was managing the most diverse portfolio since its inception, with \$1.066 billion in investments across eight technology areas, as follows:

Table 2: NYGB Investment by Technology Since Inception

Technology/Market Segment	Number of Transactions	Percent of Overall Funds Committed
Building Decarbonization	39	16%
Clean Transportation	4	3%
Combined Solar and Energy Storage	5	7%
Energy Efficiency	2	2%
Energy Storage	2	2%
Other (Bioenergy, Fuel Cells, and Sustainable Agriculture)	20	17%
Solar	68	49%
Wind	5	5%
Total	139	100%

In its assessment of NYGB performance related to clean energy generation, NYSERDA concludes that NYGB has facilitated market transformation of the solar and wind industries within the state, including the community solar financing market. Since inception, NYGB has financed over \$830.0 million of community solar transactions supporting an estimated capacity of over 1 GW total, helping drive down the cost of capital for project developers in this sector.

In addition, the Petition describes NYGB increasing its climate equity focus and prioritizing investments within disadvantaged and underserved communities with the 2023 launch of the Community Decarbonization Fund (CDF), a \$250 million wholesale concessionary funding pathway for Community Development Financing Institutions, housing authorities,

specialty finance institutions, non-profits, and other aggregators with strong relationships and footprints in the segment. The CDF is described as enabling these entities to offer expanded or new lending products and ensuring that capital provided is appropriately priced for projects incorporating decarbonization measures within their respective borrowing communities. As of October 2024, NYGB had made \$133.3 million in commitments to CDF borrowers, with \$59 million, or 44% of total commitments deployed.

Within the Petition, NYSERDA states that, in alignment with the CLCPA, NYGB's goal is to commit at least 35% of its capital by the end of 2025 towards projects benefitting disadvantaged communities. According to NYSERDA, through June 2024, NYGB had committed \$445.5 million to such projects since 2020, representing 34% of its capital committed since 2020. The Petition signifies that NYGB intends to support lenders to deploy capital into efficiency-first building decarbonization projects that consider energy affordability and benefit disadvantaged communities and affordable housing in the State. Of the capital commitments to projects benefitting disadvantaged communities, building decarbonization and energy efficiency projects represented \$197.6 million, or 44.3% of overall disadvantaged community commitments. This is followed by community solar, with \$142.7 million; storage, with \$50 million; residential solar, with \$23.9 million; and other place-based projects, with \$31.6 million in capital commitments.

1. Portfolio Management

As described in the Petition, NYGB subjects each proposed investment to a rigorous internal credit underwriting and transaction execution process that includes successive assessment through a Scoring Committee, a Greenlight Committee, and an Investment & Risk Committee before being approved by the

NYGB President. In development and management of its portfolio, NYGB views its role as a prudent steward of ratepayer capital and identifies risk evaluation and management as a core competency of NYGB. NYGB describes that it anticipates a certain risk of loss and seeks to mitigate risk exposure.

The Petition describes liquidity management, or the process by which NYGB manages its cashflow to ensure that it can meet short- and long-term obligations, as crucial. According to NYSERDA, NYGB actively monitors its liquidity position and access to capital, performing routine forward-looking analysis of sources and uses of funds, including comprehensive financial modeling, event-triggered analysis, liquidity enhancements, market monitoring, and evaluates alternatives to enhance liquidity, such as external credit facilities and loan sales.

As identified in the Petition, NYGB successfully securitized a group of portfolio loans, monetizing \$314 million through a transaction with Bank of America in 2021. According to NYGB, this transaction represented the largest portfolio monetization completed by a green bank in the United States to date. The Petition describes this transaction as having accelerated NYGB's ability to continue to meet demand for its capital, provided opportunity to demonstrate the marketability of NYGB's wholesale capital portfolio and increased its liquidity to allow for reinvestment of ratepayer capital.

In preparation of needing additional liquidity to satisfy market needs for NYGB capital, NYGB created a Diversified Funding Pool through an open Request For Proposals (RFP) process in 2022. NYGB states it approved more than a dozen qualifying parties into a pool of pre-qualified institutional investors that would be eligible to competitively bid for and purchase NYGB-originated loans and investments to further enhance liquidity management flexibility. NYGB

estimates the following execution timelines for various liquidity solutions identifying that internal bridging solutions would provide capital for approximately three months; external credit support may provide short term capital for three-to-six months; and long-term capital through the sale of receivables may provide capital for longer durations over six months. When evaluating available solutions, NYGB states that it considers several factors, including, but not limited to, timing, flexibility, cost, certainty of execution, and overall implications for addressing NYGB's mission and other prioritized objectives.

2. Market Transformation

NYSERDA states that NYGB investments are intended to demonstrate financial viability to private sector investors and are structured in a manner that can be replicated and adopted by the private sector, thereby advancing market transformation in target financial markets. According to NYSERDA, NYGB can assess its impact on market transformation in three ways: gaining direct knowledge from potential borrowers about the funding gaps they are facing; observing and monitoring the volume and frequency of funding requests; and engaging with the market directly during transactions or through conversations with other lenders.

NYGB undergoes independent, third-party evaluations to assess the level of actual market transformation. The Petition describes that data on indicators of market transformation is gathered through surveys, semi-structured interviews with clean energy financiers and developers, data on clean energy trends, and public reports. NYSERDA cites the last independent evaluation of NYGB impacts from 2019-2022 published in 2023, indicating that NYGB has helped to scale the residential and community solar markets and that there is evidence of increasing

maturity in the clean energy sector and transformation since the first NYGB evaluation in 2019. The Petition further states that NYGB is currently undergoing its third independent evaluation, which includes process evaluation elements that delve into NYGB's investment approach, transaction processes, and counterparty experience. This evaluation, according to NYSERDA, aims to connect NYGB's internal processes to its market transformation outcomes and propose potential improvements.

3. Outcomes and Key Metrics

In addition to investment and revenue metrics outlined above, the Petition states it had completed 145 individual transactions as of June 30, 2024, and has met key milestones. NYGB claims that it reached its self-sufficiency goal in 2017, with net income of \$2.7 million; it met the ten year CEF commitment goal of \$1.9 billion in 2022; and reached the anticipated mobilization ratio of 8:1 in June 2024, when NYGB reported an estimated mobilization ratio in the range of 6.9:1 to 8.8:1. NYGB measures the estimated lifetime greenhouse gas (GHG) emissions reductions for each transaction and its cumulative historic portfolio. NYGB also reports metrics, such as total energy savings, electricity savings, natural gas fuel savings, and distributed solar capacity. NYGB tracks estimated benefits on a lifetime basis, meaning energy savings/usage metrics are calculated using the cumulative energy estimates associated with the measures' duration of useful life. The approach that NYGB takes to track and report on metrics and outcomes is outlined in its Metrics, Reporting and Evaluation Plan, which is updated as needed to reflect the evolving needs of New York's clean energy marketplace and NYGB's effort to

provide a transparent account of its impacts.¹⁰ The Petition summarizes energy and environmental benefits associated with these transactions, which are outlined in Table 3.

Table 3: Estimated Energy & Environmental Benefits

Quarterly Metric	Quarter Ended June 30, 2024
Energy Efficiency	
<i>Direct Impact Benefits (Lifetime)</i> ¹	
Total Energy Savings (MMBTue) ²	Up to 48,708,000 MMBTue
Electricity Savings	610,000 - 1,110,000 MWh
Natural Gas Fuel Savings	42.6 - 65.1 million MMBtu
<i>Direct Impact Benefits (Annual)</i>	
Total Energy Savings	Up to 1,907,000 MMBtu
Electricity Savings	41,000 - 68,000 MWh
Natural Gas Fuel Savings	2,458,000 - 3,686,000 MMBtu
<i>Indirect Impact Benefits (Lifetime)</i> ³	
Total Energy Savings (MMBTue)	0 MMBTue
Renewable Energy	
<i>Direct Impact Benefits (Lifetime)</i> ⁴	
Distributed Solar Capacity	1,405 - 1,797 MW
<i>Indirect Impact Benefits (Lifetime)</i> ⁵	
Distributed Solar Capacity	9 - 26 MW
Lifetime Emission Reductions	
Direct	33.9M - 44M metric tons
Indirect	2.2M - 4.5M metric tons
Mobilize Clean Energy Investment	
Mobilization Ratio	Tracking at least 6.9:1
Equity for Disadvantaged Communities	
Portfolio % Benefiting Disadvantaged Communities ⁶	34%
¹ For Committed and Deployed Funds. ² Total Energy Savings measures the combined electricity and fuel savings net of usage; therefore, may not sum to the total of individual electric and fuel savings	

¹⁰ Case 13-M-0412, Metrics, Evaluation & Reporting Plan Version 3.1 (filed May 22, 2022).

values. Projects not dedicated to building energy efficiency, including fuel cell projects, are excluded from Total Energy Savings, Electricity Savings, and Natural Gas Fuel Savings.

³ NYGB reports and tracks indirect impact benefits to reflect the contribution to NYS clean energy goals made by NYGB activities and related incremental value for all NYS consumers.

⁴ For Committed and Deployed Funds.

⁵ NYGB reports and tracks indirect impact benefits to reflect the contribution to NYS clean energy goals made by NYGB activities and related incremental value for all NYS consumers.

⁶ NYGB's goal is to commit at least 35% of capital to projects benefitting disadvantaged communities from January 1, 2020 to the end of the CEF period.

NYGB Proposed Modifications and Reaffirmations

In the Petition, NYSERDA requests reaffirmation or modifications to current NYGB administration and operational practices, investment strategies, and the establishment of goals for January 2026 through its fiscal year end March 31, 2031. These requests are detailed below.

1. Increase Disadvantaged Communities targets

NYSERDA proposes to increase the NYGB target of investing in projects that benefit disadvantaged communities from 35% to 40% of capital, to be achieved by fiscal year end 2031 and maintained thereafter. The target would be on a portfolio-wide, cumulative basis for all investments since January 1, 2020, and investment and benefit accounting would align with NYS Climate Act Disadvantaged Communities Investment and Benefits Reporting Guidance and DPS Clean Energy Guidance 12: CLCPA Disadvantaged Communities Investment and Benefits Reporting Guidance (CE:12).¹¹

¹¹ Case 13-M-0412, CLCPA-Disadvantaged Communities Investment and Benefits Reporting Guidance (filed September 27, 2023).

2. Establish sector-specific investment commitment targets

NYSERDA proposes new sector-specific investment commitment targets from January 1, 2026, through March 31, 2031, the end of NYGB's fiscal year. These targets include both capital commitment targets and a minimum number of transactions closed for each priority sector, including:

- \$250 million committed, or a minimum of 25 transactions closed, for building decarbonization investments, with 40% of this target (\$100 million or a minimum of 10 transactions) dedicated to supporting building decarbonization measures in affordable housing;
- \$150 million committed, or a minimum of 10 transactions closed, for clean transportation investments;
- \$250 million committed, or a minimum of 10 transactions closed, for energy storage investments; and
- \$350 million committed, or a minimum of 20 transactions closed, for clean energy generation investments.

3. Evaluation, Measurement, and Verification (EM&V) Funding

NYSERDA proposes to fund future EM&V work, beyond the initial \$4.0 million ratepayer funding allocation provided in the Initial Capitalization Order, from the proceeds of its earned income. This includes expanding and enhancing the evaluation of financial market transformation, aligning EM&V with new NYGB activities, and adding a quantitative analysis of clean energy capital inflows to New York State.

4. Advisory Committee

NYSERDA requests that the Commission support the current NYGB Advisory Committee selection process and existing role it serves, as described in NYGB's Organizational Plan, with an update to the Committee's focus to help NYGB advance

financial market transformation.¹² NYGB states that it will stay within the original guidelines set forth in the Initial Capitalization Order, and identified within its filed Organizational Plan, it proposes modifying the focus of Committee meetings by moving from semi-annual meetings with general program and operational updates to more targeted meetings. For example, Committee meetings could be structured to prioritize and address market barriers identified through stakeholder roundtables, to plan for stakeholder roundtables, to discuss NYGB progress in addressing identified funding gaps, to provide input on evaluation of NYGB progress and strategic priorities. Lastly, the Petition identifies NYGB's intent to expand the Advisory Committee from six to ten members.

5. Continued use of ratepayer funds

NYSERDA requests that the Commission authorize the continued use of previously allocated ratepayer collections to NYGB for the Fiscal Year 2026-2030 period. The Petition identifies that NYGB is not requesting additional ratepayer funds.

6. Funding for administration and cost recovery fee

NYSERDA requests to maintain funding for NYGB administration costs, including the NYS Cost Recovery Fee, and authorize the use of NYGB revenue for funding these costs.

7. Maintain the three minimum investment criteria

NYSERDA requests to maintain the original NYGB minimum investment criteria for evaluating potential financial transactions, including:

- (1) transactions will have expected financial returns such that the revenues of the NYGB, on a portfolio basis, will

¹² Case 13-M-0412, NYGB Organizational Plan (filed February 18, 2014).

be in excess of operating expenses and expected portfolio losses;

- (2) transactions will be expected to contribute to financial market transformation; and
- (3) transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas reductions in support of New York's clean energy policies and laws.

8. Maintain the current reporting structure and cadence

NYSERDA requests to maintain the current NYGB reporting structure and cadence, as follows:

- the Metrics, Reporting, and Evaluation Plan will continue to be updated as needed, in collaboration with DPS Staff and other NYSERDA programs, and be kept available on the NYGB website;
- the quarterly metrics reports will continue to be filed within 60 days after the end of each quarter;
- the Annual Business Plan will continue to be filed by July 1 of the plan year and will describe in a reasonable level of detail, the activities that NYGB intends to undertake over the planning period and will summarize actions taken by NYGB in the prior plan year;
- audited financial statements and annual financial metrics reports for the previous plan year will continue to be filed by July 1;
- an organizational plan will continue to be posted publicly; and
- Commission briefings on the status of NYGB will be held annually.

9. Greenhouse Gas Reduction Fund and Planned use of Federal Funds

In the Petition, NYSERDA also included an update on the planned use of federal funds by NYGB, including the Greenhouse Gas Reduction Fund. At the time of the Petition, NYGB was identified as one of 18 subgrantees, as part of the Coalition for Green Capital award for the National Clean Investment Fund, under the Greenhouse Gas Reduction Fund. However, according to NYSERDA, due to an ongoing dispute between an unsuccessful National Clean Investment Fund applicant and the U.S. Environmental Protection Agency (EPA), it is uncertain what amount NYGB may receive as a subgrantee and when it would receive it. In addition, NYSERDA states that the terms of the potential NYGB subgrant had not been finalized as of the date of the Petition, however NYGB is aware of federal conditions that may limit the use and/or application of the funds. Regardless, NYSERDA states that NYGB anticipates deploying any funds it may receive in a manner consistent with its mission, State climate goals, and fully compliant with the EPA, Coalition for Green Capital, and any other applicable requirements. NYGB will provide more detail on its use of National Clean Investment Fund awards, as they are finalized.

PUBLIC NOTICE

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking (SAPA Notice) was published in the State Register on February 5, 2025 [SAPA No. 13-M-0412SP4]. The time for submission of comments pursuant to the SAPA Notice expired on April 7, 2025.

In addition, on January 13, 2025, the Secretary issued a "Notice Soliciting Comments Regarding the Performance of NY Green Bank and Authorization for Modifications" (Secretary's

Notice). Pursuant to the Secretary's Notice, initial comments were solicited by March 10, 2025, with reply comments due March 24, 2025. The Secretary's Notice posed a series of questions related to NYGB's 2026-2030 goals, targets, and metrics. Commenters were requested to provide comments on (1) NYGB's proposal to modify its investment targets related to sector-specific investment targets and projects benefiting disadvantaged communities, (2) NYGB's proposal to use earned income proceeds for ongoing administrative expenses, (3) authorization to continue to use previously authorized ratepayer collections for NYGB, (4) reaffirming the role of New York Green Bank's advisory committee, (5) reaffirming NYGB's investment criteria for evaluation of financial transactions, (6) whether to reaffirm the current reporting structure and cadence, as outlined in the Petition, and (7) whether to address any modifications deemed necessary for the effective design implementation and Commission oversight of NYGB operations.

SUMMARY OF COMMENTS

Three sets of initial comments were received, including: (1) joint comments by the Alliance for Clean Energy New York and Advanced Energy United (collectively, ACE NY et al.); (2) the City of New York (NYC); and (3) joint comments by New Yorkers for Clean Power, inclusive of 350Brooklyn, Alliance for a Green Economy, Association for Energy Affordability, Bright Power, Building Decarbonization Coalition, Enterprise Community Partners, Inc. FrackBustersNY, Natural Resources Defense Council, Network for a Sustainable Tomorrow, New Yorkers for Clean Power, NYC 2030 District c/o Fund for NYC of NY, NY-GEO, NYPAN environmental committee, Regional Plan Association Rewiring America, Sane Energy Project, Urban Green Council, Urbecon LLC, and WE ACT for Environmental Justice (collectively,

New Yorkers for Clean Power et al.). Reply comments were also submitted by NYGB.

Comments received primarily pertained to matters involving: the performance of NYGB towards existing targets and goals; considerations pertaining to disadvantaged communities targeted investments as well as NYGB's concessionary lending proposal; proposed modification suggestions for reporting of outcomes and metrics; recommendations for market transformation activities; additional oversight and advisory of NYGB; and finally, the investment strategies proposed in the Petition. Commenters advocate for NYGB to enhance its investment strategy to provide financing that is unavailable from traditional lenders, with a focus on concessional and longer-term products that are necessary to drive uptake in the affordable housing and disadvantaged communities market segments. Other comments suggest that NYGB focus on new market transformation strategies and enhance reporting to better track NYGB contributions to CLCPA objectives. Specific comments are addressed in the Discussion section below.

LEGAL AUTHORITY

The Commission has the responsibility and authority under the Public Service Law (PSL) to ensure that utilities carry out their public service responsibilities with economy, efficiency, and care for the public safety, the preservation of environmental values and the conservation of natural resources.¹³ Pursuant to the State Energy Law, the Commission is required to consider actions to effectuate State energy policy and the New York State Energy Plan,¹⁴ which includes increased energy

¹³ PSL §5(2); see also PSL §66(3).

¹⁴ State Energy Law §§3-103 and 6-104.

efficiency as a major contributor to New York's energy future. In fulfilling the mandates of the PSL and the State Energy Law, the Commission has directed the development and implementation of a number of programs to increase the deployment of energy efficiency resources in New York State, including the NY Green Bank. The activities directed and authorized in this Order continue and build upon the progress made through those programs. Furthermore, these actions are in accordance with the CLCPA, which specifically authorizes the Commission, as well as other state agencies, to take actions to contribute to achieving the statewide GHG emission limits.

DISCUSSION

As part of the Additional Capitalization Order, the Commission noted that the mission of the NYGB was to transform markets in ways that accelerate New York's clean energy transition, stating that "NYGB represents a key component of New York's integrated energy policy and strategy focused on addressing gaps and barriers in the clean energy finance markets in partnership with the private sector, including the ability to effectively leverage and recycle public dollars into subsequent investments in support of [the Commission's] clean energy objectives."¹⁵ With its ability to expand private investment in clean energy by addressing gaps and barriers in the clean energy finance markets and its ability to leverage and recycle public dollars into subsequent clean energy investments, NYGB is a key component to achieving the Commission's clean energy objectives. In addition, its market transformational approach plays a crucial role in advancing New York State's clean energy transition, where scale is necessary. Equally important for the

¹⁵ Additional Capitalization Order, p. 9.

Commission is the ability of NYGB to facilitate investment in and adoption of clean energy solutions, at a lower cost to ratepayers. However, since the inception of NYGB, market dynamics have evolved with an increased focus on support for traditionally underserved markets, including disadvantaged communities, affordable housing, and customers served by community lenders. Specifically, the CLCPA, which was enacted in 2019, required that State agencies, authorities, and entities direct a minimum of 35%, with a goal of 40%, of the overall benefits on clean energy and energy efficiency programs, projects, or investments to Disadvantaged Communities. As the Commission contemplates the role of NYGB beyond 2025, it is essential that we consider the evolving clean energy landscape in New York State.

Accordingly, the Commission restates that is incumbent on NYSERDA and the NYGB to pursue this strategy of clean energy finance market transformation in support of New York's clean energy objectives for both the broader cleaner energy finance sector, as well as specifically for the cleaner energy finance sector that serves New York's Disadvantaged Communities, as well as LMI customers in New York. In both sectors, the difficult but critical task remains to address gaps and barriers to clean energy finance in a manner that transforms these markets to support increased capital flows to clean energy deployment, that mobilizes further non-ratepayer sources of capital (private and other), and that ensures NYGB's ability to take the proceeds from its activities and recycle them into subsequent additional activities to support subsequent additional clean energy deployment for the benefit of New Yorkers broadly and at the rate of 40% for the benefit of New York's Disadvantaged Communities and LMI households and businesses. These priorities

underlie the Commission's assessment of the NYSERDA Petition, as discussed below.

NYGB Performance

In determining the role that NYGB will play in 2026 and beyond, it is important for us to not only consider the proposals made in the Petition, but to also examine the overall performance of NYGB to date. As described in the Initial Capitalization Order, the performance of NYGB should be examined according to four primary considerations: (1) operational competence; (2) ability to appropriately manage risk and preserve ratepayer funds; (3) mobilization of the private financial market in the clean energy sector; and (4) results in increasing renewable energy generation and energy efficiency and decreasing greenhouse gas emissions. In addition, in accordance with the CLCPA, the CEF Modifications Order adopted an aggregate goal for 40% of the benefits of spending on energy efficiency and clean energy programs, including NYGB, reach disadvantaged communities. Further, the CEF Modifications Order directed NYGB to identify financial products and target investment types that would benefit Disadvantaged Communities.

1. Operational Competence

As described in its founding and organizational documents, NYGB employs a rigorous approach to investments, ensuring due diligence in all financial transactions. This includes NYSERDA's establishment of investment principles, outlined in its Internal Control Manual¹⁶ as well as NYGB's

¹⁶ <https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/About/Board-Governance/Internal-Control-Manual.pdf>.

Organizational Plan¹⁷ and Operational Supplement.¹⁸ NYGB deploys a rigorous risk management and oversight framework, further discussed below, to minimize and control losses and to aid in strategic planning, portfolio construction, and investment management.¹⁹ These diligent processes translate into effective investments that have a good track record of achieving their intended outcomes. These processes have also been shown to result in a relatively low cumulative loss rate, as detailed below. The Commission finds that NYGB has a strong operational foundation. Additional considerations for the administration and operations of NYGB are outlined later in the discussion.

2. Risk Management and Preservation of Ratepayer Funds

The ability for NYGB to invest and recycle ratepayer funds and ultimately remain self-sufficient and transform financial markets is highly dependent on their approach to managing risk. As NYGB's Operational Supplement describes, NYGB utilizes an Advisory Committee, a Greenlight Committee, and an Investment Risk Committee to review, score, and assess each proposed project. The President of NYGB may enter into agreements, upon review and approval of each of these review committees. This risk management framework considers risk related to NYGB investments and organizational or enterprise risks and details the process by which NYGB assesses and seeks to manage these risks.

¹⁷ Case 13-M-0412, NYGB Organization Plan (filed February 18, 2014).

¹⁸ Case 13-M-0412, NYGB Operational Supplement to Annual Plan and Impact Report (filed May 2, 2022) (Operational Supplement).

¹⁹ NYGB Operational Summary (filed May 2, 2022).

a. Impairments and Losses

NYGB tracks and reports impaired assets and capital losses in its Annual Financial Metrics reports. While the Petition does not identify NYGB's impairment ratio, or loss provision ratio, NYSERDA states that NYGB's cumulative loss rate has been low compared to industry standards. NYGB's 2025 Audited Financial Metrics Report reflects an incremental impairment of \$33.7 million, equating to about 3.3% of NYGB's net asset value as of March 31, 2025, \$1.17 billion.²⁰ Cumulatively, NYGB has reported impairments totaling nearly \$55 million since inception, representing 2.2% of cumulative investments through the end its 2025 Fiscal Year (\$2.5 billion).

Losses are initially defined as impairments and reported impairments may ultimately be repaid following a devaluation of a loan product, while others may become realized losses to the portfolio, in part or in whole. Loan losses to date have been charged against revenues. As detailed in NYGB's initial Business Plan, it has been the objective of NYGB to attract senior, private equity, through the use of credit enhancements, which may result in NYGB taking the position of first loss.²¹ With NYGB's focus on transforming clean energy finance markets, the Commission appreciates that it is necessary to accept some level of risk to demonstrate the viability of financing clean energy projects across sectors, including traditionally underserved markets. The Commission finds that the current impairment ratio of 3.3% is indicative of a well-managed investment process that appropriately balances the

²⁰ Case 13-M-0412, NYGB Annual Financial Metrics Report (filed July 1, 2025).

²¹ Case 13-M-0412, NYGB 2015 Annual Business Plan (filed June 19, 2015), p. 26.

growth of transactions with the management of risk and expects NYGB to continue to approach financial transactions with the rigor necessary to mitigate impairments and potential losses. To provide continuous monitoring of NYGB's recovery of impairments, NYGB is directed to create a net-charge-off ratio identifying the recovery of loan-loss provisions reported, within the Annual Business Plan.²²

b. Liquidity Management

In the Petition, NYSERDA outlines NYGB's approach to liquidity management, which includes regular monitoring and estimating of expected cash inflows and outflows to ensure it will have access to capital to meet financial obligations and to fund new transactions. NYGB also undertakes long-term financial projections to identify potential liquidity constraints in advance and with sufficient time to employ a liquidity solution. NYGB primarily creates liquidity through return of capital deployed and through revenues earned on loan origination fees and interest on debt or security backings. Additionally, the Petition explains that NYGB can increase liquidity through the sale of its accounts receivables or borrowing funds itself to relend to the market within its capacity. For example, NYGB released an RFP to create a pool of pre-qualified institutional investors that would be eligible to bid for and purchase NYGB-originated loans and investments, and more than a dozen parties have been qualified for the pool.

The Commission concurs with NYGB's planned avenues to increase liquidity, should there be sufficient demonstration of need to do so. Further, returns on ratepayer capital are

²² A net-charge-off is the ratio that identifies the actual dollar amount of bad debt after recoveries are factored in (gross charge-off less recoveries).

expected to cover the expenses related to such borrowing. At the point in time when NYSERDA and NYGB have determined it is necessary to execute an agreement to secure additional liquidity, NYSERDA shall make a compliance filing that demonstrates the near-term need for such liquidity, inclusive of a summary of the transaction, identifying, at a minimum, a summary of the transaction type, such as securitization or loan and any associated benefits that will result, such as improved timeliness to acquire projects towards stated policy objectives, or to leverage available grant capital. This demonstration must also address the total amount of remaining available capital, the dollar value of the active pipeline of transactions, and the aggregate dollar value and descriptions, protecting necessary confidentiality, of transactions anticipated to close during the six months needed to establish the demonstrated need. All considerations for borrowing against ratepayer capital should consider the overall expected impact, including expected costs of borrowing, recycle rate, and co-benefits expected to result. In addition, NYGB shall include details on its liquidity position as part of its Annual Business Plan, with detail sufficient to demonstrate that annual investment targets are supported by available capital or identification of the expectation of need for additional capital.

3. Mobilization of Private Capital

The ability to mobilize private capital is essential to the market transformational role of NYGB. As outlined in the Petition, NYGB has received and evaluated \$7.7 billion in investment proposals and has made cumulative investments totaling \$2.4 billion, with \$687.1 million deployed across multiple sectors and technology areas. These activities have resulted in cumulative earnings of \$268 million for NYGB. By fiscal year 2016-2017, NYGB achieved a net income of \$2.7

million, an indicator that the operation had become self-sufficient, one year earlier than was expected. The Commission recognizes this key milestone, demonstrating NYGB's ability to grow revenues and manage costs effectively. As of the end of Fiscal Year (FY) 2023-2024, NYGB earned \$53 million in net income, which was earmarked for reinvestment into new clean energy and sustainable infrastructure projects.

As of December 31, 2024, NYGB had over \$2.5 billion in new investment opportunities, with \$2.6 billion in funding deployed and \$1.9 billion of the deployed principal repaid and made available for recycling into subsequent transactions.²³ While there is no current Commission-imposed mobilization ratio target, NYSERDA initially anticipated NYGB would facilitate an 8:1 mobilization ratio by 2025, as documented in its 2014 Petition to Complete Capitalization and recognized in the Initial Capitalization Order.²⁴ At the time of NYSERDA's 2024 NYGB Petition, NYGB had reported its mobilization ratio was trending between 6.9:1 to 8.8:1, meaning that for each dollar of ratepayer contribution it was expecting to be recycled nearly seven to nine times through 2025, consistent with expectations set forth in the Initial Capitalization Order. As of September 30, 2025, NYGB reported the lower limit of its mobilization ratio had improved to 7.9:1, which is indicative of the careful and strategic operations of NYGB.²⁵

²³ Case 14-M-0094, Clean Energy Fund Annual Report (filed March 31, 2025).

²⁴ Case 13-M-0412, Petition to Complete Capitalization, (filed October 31, 2014).

²⁵ Case 13-M-0412, NYGB Quarterly Report (filed November 25, 2025).

4. Increased Renewable Energy Generation, Energy Efficiency, and GHG Reductions

With respect to increasing the adoption of clean energy solutions, it is pertinent to note that NYGB was originally one of four CEF portfolios that were intended to work in a complementary manner towards the achievement of the Commission's objectives. As outlined in the Petition, NYGB estimates that its transactions have resulted in a range of direct and indirect energy impacts, including up to 48,708 of direct lifetime Tbtu-equivalents in energy efficiency gains, between 1,405 to 1,797 MW of distributed solar capacity, and an estimated 33.9 to 44 million metric tons of direct GHG emission reductions. The intentional interaction between the CEF portfolios introduces some challenges related to attributing savings between NYGB and other CEF portfolios, such as NY Sun, given the reliance of solar developers on both NYGB finance products and other forms of solar incentives.

While direct and indirect energy savings, renewable generation, and emissions reduction savings are important indicators of performance and should continue to be tracked and reported, the Commission does not view resource acquisition as the primary focus of NYGB, rather the inherent value of NYGB in its ability to transform markets and increase private sector investment in clean energy solutions.

5. Disadvantaged Communities Investments and Benefits

Following the adoption of the CEF Modifications Order, the Commission directed additional ratepayer funded programs to prioritize sector-specific investments towards the intention of providing direct benefits to Disadvantaged Communities,

including the 2024 Energy Storage Roadmap Order²⁶ and the 2024 NY Sun Solar For All Order.²⁷ NYGB has facilitated private investment within bulk storage projects within load zones that include Disadvantaged Communities and community solar projects that serve lower-income New Yorkers.

From January 1, 2020, through December 31, 2024, based on NYSERDA's 2020-2024 Disadvantaged Communities Investments & Benefits Report, NYGB has made the following investments intended to benefit Disadvantaged Communities:

- EE/BE: NYGB had made \$759 million eligible place-based investments. Of that total, \$332.5 million benefitted Disadvantaged Communities, equating to nearly 44% of EE/BE investments through 2024.
- Community Decarbonization Fund: Of the \$759 million EE/BE investments, NYGB deployed \$37.4 million of the \$133 million committed, or 28%, of its Community Decarbonization Fund towards Disadvantaged Communities.
- Community Solar: NYGB made \$593.6 million in total commitments towards community solar projects. Of that, NYSERDA calculates that \$298 million have been directed to Disadvantaged Communities LMI Customers, equating to 50%.
- Energy Storage: NYGB has made \$50 million in commitments to retail energy storage transactions located in New York Independent System Operator, Inc. Zone J.

In addition, NYGB created the CDF in 2023 to facilitate such investments. Finally, NYGB was also required to

²⁶ Case 18-E-0130, Energy Storage Deployment Program, Order Establishing Updated Energy Storage Goal and Deployment Policy (issued June 20, 2024).

²⁷ Cases 21-E-0629 et al., Advancement of Distributed Solar, Order Approving Statewide Solar for All Program with Modifications (issued May 16, 2024).

submit an updated Metrics, Reporting, and Evaluation Plan and supplement to its 2021 Annual Business Plan, to identify associated financial metrics and tracking, articulating the sector strategies it would pursue through 2025 to comply with CLCPA goals and directives. DPS Staff is directed to update CE:12 to reflect investments specifically identified by the Commission as providing direct financial investment or direct environmental benefits, to specific customers and/or geographic locations.

NYGB Administration and Operations

In the Petition, NYSERDA requests that the Commission reaffirm several elements of NYGB's core operational and administrative functions because they are integral to the ability of NYGB to execute and report on its activities, as discussed below.

1. Continued Use of Ratepayer Funds

NYSERDA requests that the Commission authorize the continued use of previously collected ratepayer funds for the 2026 through 2030 timeframe. The Initial Capitalization Order, which authorized NYGB's establishment and utilizing ratepayer funds as its primary capital source, did not set an end date for the utilization of such funds or identify a process to recall ratepayer contributions. As discussed elsewhere in this Order, NYGB has demonstrated its ability to successfully deploy ratepayer capital, mobilize private investment, and contribute to the transformation of clean energy finance markets, as evidenced by its success in Community Distributed Generation (CDG) financing. The achievement of New York State's clean energy objectives will continue to require a multifaceted approach to increase adoption of clean energy resources beyond traditional subsidy programs and heavy reliance on ratepayers to

fund the clean energy transition. As such, NYGB will remain a key component in advancing the Commission's clean energy objectives for the foreseeable future.

The Commission hereby authorizes NYGB's continued use beyond 2025 of the \$947.1 million of previously authorized ratepayer funds, on an indefinite basis, subject to the conditions outlined herein. The Commission notes that, since these funds have already been collected from ratepayers, there is no incremental bill impact to customers to allow for the continued use and recycling of these funds. Further, the Commission reinforces that any proceeds resulting from the \$947.1 million of ratepayer sourced capital shall also remain subject to the Commission's oversight.

The Commission declines to establish a sunset date for the use of ratepayer funds and the proceeds of ratepayer funds by NYGB at this time, in acknowledgment of the progress towards achievement of New York State's energy and climate goals and that the transformation of clean energy markets requires sustained commitment of resources and focus. Further, NYGB's investment strategies are multi-year in nature and the evolving policy landscape in New York requires NYGB to be flexible in the utilization of funds to address ongoing shifts in technologies and financial market gaps. Introducing an arbitrary deadline for NYGB's use of ratepayer funds at this time would be counterproductive to the Commission's commitment to market transformation. To ensure NYGB compliance with Commission objectives, the Commission directs NYSERDA to manage NYGB operations and investment strategies pursuant to the guidelines outlined herein and directs DPS Staff to monitor NYGB progress and compliance with Commission objectives on an ongoing basis.

The Commission does not expect to conduct a formal review of NYGB until FY-End March 31, 2031, or sooner if either

NYGB performance and/or policy and market developments warrant a review and potential modification to NYGB operations. NYSERDA is hereby directed to file a petition no later than June 30, 2031, outlining the performance of NYGB and identifying potential modifications to improve performance and set forward-looking goals. If DPS Staff determines that modifications are warranted before 2031, DPS Staff shall file a report with the Commission along with recommended actions. The Commission authorizes NYGB to continue to administer and recycle previously collected ratepayer capital and operate in the ordinary course, until modified by future Commission action. NYSERDA is directed to reflect this determination in updates to NYGB organizational documents, operating procedures, and reporting, as necessary.

In addition to ratepayer capital, the Commission expects NYGB to pursue additional capitalization from non-ratepayer sources as opportunities arise, to support continued financial market transformation for clean energy solutions and increase leverage for ratepayers. With respect to the deployment of non-ratepayer capital, NYGB should strive to earn sufficient revenue and interest proceeds to cover associated administrative and operating costs. In cases where additional capital is leveraged by NYGB, the Commission expects that proceeds resulting from investments that leverage ratepayer funds, regardless of origination of such capital, will remain under the purview of the Commission and subject to the conditions outlined in this Order. Second, should non-ratepayer capital providers require operating expense covenants that restrict administrative costs to a lower expense ratio than directed herein, NYGB's allowable expense ratio of ratepayer funded capital shall be adjusted to the same limitations, ensuring ratepayers receive parity with non-ratepayer sources of capital.

2. Funding for Administration and Operating Costs

In the Petition, NYSERDA requests that the Commission reaffirm the ability for NYGB to maintain funding for administration costs, including the New York State Cost Recovery Fee and to use NYGB revenue for these purposes. In addition, NYSERDA states that NYGB proposes to keep administrative costs down by seeking economies of scale by leveraging NYSERDA shared services for most administrative functions.

NYGB efforts to seek administrative efficiencies is a welcome and prudent measure to optimize the use of ratepayer funds. In addition, the use of revenues to fund administrative and operating costs is a hallmark of self-sufficiency, and the Commission is supportive of this request. As outlined previously, NYGB had earned \$268 million in cumulative revenues through June 2024, and the Commission expects NYGB to continue to ensure self-solvency and manage administrative and operating costs to maximize the impact of ratepayer capital in further advancing the clean energy financial markets. Therefore, the Petition's request to fund future administrative and operating costs utilizing returns on investment from ratepayer capital is approved, with modification, as outlined below.

Given the priority for NYGB to maximize the deployment of ratepayer capital for the greatest impact, the Commission finds that setting expectations for NYGB's administrative budget is a prudent measure to ensure that proceeds resulting from ratepayer backed investments can have the greatest impact. Therefore, the Commission elects to set an annual cap for NYGB operating expenses at no greater than 2% of calculated Net Asset Value (NAV), as reflected in NYGB's Annual Audited Financial Statements. Qualifying administrative and operational expenses consist of categories allowable under NYGB's existing financial reporting construct and Generally Accepted Accounting Principles

(GAAP) consisting of salaries and benefits, including other post-employment benefits (OPEB); other operating costs, general and administrative expenses; depreciation expenses; and applied New York State assessments, such as the Cost Recovery Fee. The expense items "Investment related expenses" and "Interest expense" from NYGB Annual Audited Financials would not count toward the cap on NYGB operating expenses as these are necessary programmatic and/or business-related expenses. For purposes of the calculation, operating expenses will be compared to the NAV balance as stated in the most current available annual audited financial statements for NYGB. If NYGB NAV and/or operating expenses were to materially change, following realized, prudent actual expenses, not budgets, such that the 2% cap on operating expenses would no longer allow NYGB to execute on its mission of driving financial market transformation, NYSERDA is directed to notify and work with DPS Staff to make any potential adjustments.

3. NYGB Advisory Committee

In the Petition, NYSERDA proposes to maintain the selection process and role of the NYGB Advisory Committee, which is outlined in the NYGB Organizational Plan, originally filed on February 18, 2014. As outlined in the NYGB Organizational Plan, the NYGB Advisory Committee is composed of a group of external experts that will deliver guidance on an ongoing basis to NYGB's management team regarding matters including business planning, strategy, business development, market intelligence, and product development. Members are selected by the President of NYGB and their recommendations are not binding, but will be considered by NYGB and the NYSERDA Board in making final decisions.²⁸ The

²⁸ <https://greenbank.ny.gov/About/Advisory-Committee>.

Petition also includes a proposal to expand the number of Committee members from six to ten, and to structure meetings to address specific topics and issues.

In response to the proposal, commenters including New Yorkers for Clean Power et al. expressed the need for an oversight committee with members appointed by the Commission and with relevant expertise. According to New Yorkers for Clean Power et al., the goal of this committee would be the development of investment strategies designed to transform markets and explain how those strategies fit into the larger ecosystem of the state's clean energy programs, policies, and investments. In reply comments, NYGB states that NYGB benefits greatly from its existing Advisory Committee and that the existing committee is adequate to meet its assessment needs at this time. NYGB also maintains that it should retain the right to determine appropriate Advisory Committee members, as afforded in the Initial Capitalization Order. NYGB further notes that it has historically expanded the expertise represented in its Advisory Committee to ensure that it can support the evolving priorities of the State's clean energy policies.

The Commission does not agree with New Yorkers for Clean Power et al. on the need for an oversight committee for NYGB, as the Commission and DPS Staff are ultimately responsible for ensuring NYGB is achieving its objectives. NYGB's Investment Risk Committee is an additional layer of oversight that facilitates review of NYGB's approval and portfolio management practices and reviews and recommends any material amendments to the Advisory Committee Charter. However, the Commission agrees with New Yorkers for Clean Power et al. on the need for NYGB investment strategies to be informed by insights from those that have direct experience in addressing barriers to accessing clean energy solutions and delivering energy

affordability in underserved communities. The Commission also supports the expansion of the Advisory Committee from six to ten members, with the expectation that any addition of Advisory Committee members will fill gaps in technology or market sector expertise that currently exists on the Advisory Committee, including Disadvantaged Communities or the LMI market segment, including affordable housing. Therefore, NYSERDA is directed to develop a plan outlining a structured approach for seeking, considering, and acting on input from stakeholders representing the finance community, Disadvantaged Communities, the LMI market segment, and other market actors that can identify gaps, barriers, and improvement opportunities for the NYGB. This plan is subject to DPS Staff approval, and may include amendments to the Advisory Committee, and/or it may include alternative strategies and structures. Priorities for stakeholder engagement are further discussed later in this Order.

4. Reporting and Plans

The Initial Capitalization Order required NYSERDA to establish reporting metrics and filing timelines for NYGB. NYGB develops performance and financial reports to comply with Commission directives and the Public Authorities Law. The Metrics Reporting & Evaluation Plan was updated in 2022, following direction within the CEF Modifications Order, to update the Plan to account for metrics necessary to track and assess NYGB's impact on Disadvantaged Communities.²⁹ The table below summarizes the existing reports and associated schedule.

²⁹ Case 13-M-0412, NYGB Metrics Reporting Evaluation Plan (filed May 2, 2022).

Table 4: NYGB Public Filings & Reports

Name	Purpose	Frequency
Annual Business Plan	Pursuant to Initial Capitalization Order, provides an overview of the activity which took place over the course of the previous fiscal year, along with the goals and deliverables for the following fiscal year	Annual; July 1 st
Metrics, Reporting & Evaluation Quarterly Report	Pursuant to the metrics, reporting, and evaluation plan, details NYGB business updates, key performance metrics, and progress against plan deliverables over the past quarter.	Quarterly; 60 days after quarter end
Annual Financial Metrics Report	Pursuant to the Metrics, Reporting, and Evaluation plan, provides information about NYGB's financial performance in its most recent fiscal Year; incorporates NYGB's audited annual financial statements, including Management Discussion and Analysis.	Annual; July 1 st
Impact Report	Voluntary report, detailing NYGB's achievements for the fiscal year	Annual; late summer / early fall
Disadvantaged Communities Investments & Benefits Reporting	Pursuant to CE:12 Disadvantaged Communities Investments & Benefits Reporting	Annual, March 12
Commissioner Briefings	Provide Commissioners with updates on NYGB progress.	Annual

Within the Petition, NYSERDA requests to maintain the current NYGB reporting and plan structure and cadence, as outlined in Table 3. The administration of ratepayer funds requires the utmost transparency and accountability to support

effective management, public awareness, and DPS Staff oversight. The Commission-imposed reporting requirements have generally been based on a calendar year basis. However, other requirements imposed on NYSERDA and therefore NYGB, as a division of NYSERDA's through the State Legislature or State operations, are based on a fiscal year basis. This has introduced inconsistency in the timing and frequency of filings and resulted in overlaps of reporting periods that can make information presented across filings redundant and/or inconsistent, increasing the potential for confusion about reported information and inaccuracies in how reported information is used. Therefore, the Commission directs modifications, as discussed herein, to planning documents and reporting requirements, to harmonize NYGB's filings.

a. Annual Business Plan

The Initial Capitalization Order directed NYSERDA to develop and file an Annual Business Plan that describes the activities that NYGB intends to undertake over the planning period and summarize actions taken by NYGB before the filing of the plan. It also provides a summary of the results against the previous year's plan. The Annual Business Plan is filed on July 1 of each year, and represents a fiscal year planning, which runs April 1 through March 31.

While the Annual Business Plan will remain as the primary plan for NYGB investments and outcomes for each fiscal year, the Commission finds that the filing of a plan following the start of the compliance period removes the ability for the plan to be reviewed for consistency with Commission and State policy objectives. Therefore, to allow for adequate review of the Annual Business Plan before the commencement of investment activities, the Commission adopts a review and approval process for the Annual Business Plan. For FY 2026-2027, NYGB is

directed to file its Annual Business Plan no later than June 1, 2026, for DPS Staff approval. Beginning with FY 2027-2028, NYGB is directed to file the Annual Business Plan for the prospective fiscal year, no later than 30 days in advance of the start of the fiscal year, or April 1, for DPS Staff approval.

Relatedly, Annual Business Plan filings have historically lacked specificity on revenue estimates and investment goals anticipated for the forthcoming fiscal year. To aid in public transparency and support DPS Staff review, NYGB is directed to, in consultation with DPS Staff, enhance the information on NYGB planning and activities in the Annual Business Plan. These enhancements are expected to include, but not be limited to, incorporation of a multi-year forecast, providing at least two years of projected revenues; anticipated investment commitments and deployments, broken down by sector; planned technical assistance offerings and/or events, and ongoing and upcoming evaluation activities; and other details that may provide the Commission and stakeholders insight into NYGB's financial position and its progress towards Commission and State policy objectives. In addition, the Annual Business Plan shall include, as an attachment, an Annual Liquidity Plan laying out expected sources, uses, and levels of liquidity, as well as intended measures and actions to manage that liquidity, in a manner that supports the ability to fund the operations and transactions set forth in the Annual Business Plan.

It is also expected that Annual Business Plans will reflect stakeholder input received over the course of the previous year and include documentation of what input was received and how it was addressed in the Annual Business Plan. Following approval of Annual Business Plans, developments that require a material change to the plan, such as modifications to investment strategies, liquidity expectations, or budgeted

expenditures change by +/- 20%, NYGB will provide notice to DPS Staff and refile the plan for subsequent review and approval.

b. Quarterly and Annual Reports

NYGB currently files its Annual Financial Metrics Report by July 1 each year, in conjunction with the completion of its audited financial statements, required by Public Authorities Law. As identified in Table 3, NYGB files several additional financial and metric reports annually. While these reports provide important insights toward NYGB performance, the timing of the filings varies between calendar year and fiscal year, which can lead to overlap of key metrics, confusion for the reader, and administrative redundancy. The Commission seeks to streamline NYGB reporting and finds that aligning NYGB planning and reporting with its fiscal year reporting obligations would create the greatest administrative efficiency and reduce the potential for overlap and confusion.

NYGB is directed, in consultation with DPS Staff, to identify any reporting modifications necessary to reduce redundant reports and streamline reporting of metrics and progress towards targets and include such revisions in the revised Metrics, Reporting & Evaluation Plan, as discussed below. NYGB's contributions towards the CEF for investments made through December 31, 2025, will continue to be reflected within required CEF Reporting through the close out of CEF activities in 2030, with progress towards NYGB specific targets and investments reflected in NYGB specific reporting.

c. Disadvantaged Communities Reporting

In the Petition, NYSERDA proposes to increase the NYGB target of investing in projects that benefit Disadvantaged Communities from 35% to 40% of NYGB capital on a cumulative basis for all investments since January 1, 2020. NYSERDA also proposes to modify the basis for reporting from committed funds

to deployed funds and to report on these investments in alignment with the NYS Disadvantaged Communities Investment and Benefits Reporting Guidance and DPS Clean Energy Guidance 12-Disadvantaged Communities Investment and Benefit Reporting Guidance (CE:12).³⁰

The Commission supports the increase in the Disadvantaged Communities investment target, and further discusses this in the Investment Strategies discussion below. However, the Commission rejects the proposal to measure the target solely on a cumulative basis dating back to January 1, 2020. The presentation of investment data solely on a cumulative basis removes the ability for the Commission and stakeholders to understand the performance of investment strategies as they unfold and as markets and technology evolve. Annual accounting of Disadvantaged Community investments will also provide a basis for feedback to inform modifications to NYGB investment strategies.

The Commission also supports a change in how NYGB measures progress towards the Disadvantaged Communities investment goal, from committed funds to deployed funds. This change will better reflect the actual impact that NYGB has within Disadvantaged Communities, as there is a chance that committed funds do not get fully deployed. The Commission hereby directs NYSERDA to measure the impact of NYGB investments on Disadvantaged Communities based on funds deployed. To provide a complete picture of NYGB's impact in these market

³⁰ As described in NYGB's Metrics, Evaluation & Reporting Plan, Deployed Funds reflect only funds that have actually been advanced. Many transactions involve provision of credit enhancements by NYGB that, by their nature, are contingent obligations not generally intended to be fully drawn against or funded.

segments, NYSERDA shall track and report deployed and committed investments, on both an annual and cumulative basis. In consultation with DPS Staff, NYGB is directed to identify all funding activities that should be included in the Disadvantaged Communities investment accounting.

With respect to Disadvantaged Community reporting guidance, as of the date of this Order, the Statewide Disadvantaged Communities Investment & Benefits Reporting Guidance is in draft form and has not been finalized.³¹ DPS Staff issued CE:12 in September 2023 to guide the reporting on investments and benefits of ratepayer funded programs within Disadvantaged Communities. All program administrators are required to adhere to this reporting guidance, and DPS aggregates reporting on all ratepayer funded programs to measure progress of the total ratepayer funded portfolio towards this goal. While NYSERDA and NYGB may report out on their Disadvantaged Communities investments in multiple reports, these reports are not a substitute for reporting required under CE:12 and the process that DPS Staff undertakes to review and vet the reported metrics.

Lastly, the Commission notes that all NYGB revenues derived from ratepayer capital are considered ratepayer funds and will be included in reporting pursuant to CE:12. Should NYGB receive and manage non-ratepayer capital, the tracking of finances, transactions, and benefits of that funding shall be reported separately from, but identically to, the tracking for ratepayer capital, notwithstanding reporting and tracking standards specified by providers of non-ratepayer capital. The

³¹ The draft Statewide Disadvantaged Communities Investment & Benefits Reporting Guidance is available online at: <https://climate.ny.gov/Resources/Disadvantaged-Communities-Criteria/Investments-and-Benefits-Reporting-Guidance>.

shift to deployed funds as the basis for Disadvantaged Communities investment and benefit reporting shall commence in 2026 and all previously reported commitments towards Disadvantaged Communities through calendar year 2025 will remain as reported.³² DPS Staff is hereby directed to update CE:12 guidance to incorporate the modifications discussed herein.

d. Metrics

In the Petition, NYSERDA states that all existing metrics will be maintained and that enhanced metrics will be used for analysis and reporting to more effectively measure NYGB's impact on financial market transformation. These include measuring market change related to NYGB interventions and a quantification of clean energy capital inflows to New York State. In response to the Petition, stakeholders commented that NYGB should track and report metrics related to greenhouse gas emission reductions, energy affordability, improved health and air quality, and the number of buildings supported. NYC also recommends that the Commission direct NYSERDA and NYGB to report on the number of housing units benefitted by each loan, the amount financed per unit, the amount of private capital leveraged per unit, and any other environmental and health benefits associated with each loan. New Yorkers for Clean Power et al. further requests that the Commission direct NYGB to distinguish its reported metrics between market rate and Disadvantaged Communities investments.

Within its reply comments, NYGB agrees with commenters that it will benefit from expanded market transformation metrics, both in terms of enhancing its own investment

³² Reporting towards CLCPA goals will be based on calendar year metrics, all other NYGB reporting will be based on fiscal year.

strategies and highlighting the impact NYGB has on NYS clean energy markets. NYGB disagrees with comments suggesting separating metrics out by market sector, opining that it should not be required to establish separate metrics for Disadvantaged Communities and market rate investments. NYGB also commits to working with state entities, including DPS Staff, to identify methodologies to account for a wider range of co-benefits related to clean energy investments, and to consider relevant stakeholder feedback to ensure that updates to its reporting framework effectively provide insights into NYGB's impact.

As directed by the Initial Capitalization Order and subsequent Additional Capitalization Order, NYGB engaged stakeholders and coordinated with DPS Staff to determine the specific metrics and frequency of its portfolio reporting, consistent with the objectives required by the Commission. The Commission directed that metrics were to be developed in four categories: 1) operations metrics pertaining to organizational structure, establishment of advisory and investment committees, policies and procedures, and overall management; (2) risk management metrics that assist in defining acceptable capital deployment opportunities; (3) financial and market metrics, such as leverage ratio, return on investment, and redeployment cycle time; and (4) energy and environmental metrics, such as greenhouse gas emission reductions, energy saved, and clean energy generated. NYGB also tracks factors identified by the Initial Capitalization Order, such as geography, technology, type of end-user segment, and fuel diversity, and reports them within quarterly metrics reports and annual impact reports. In addition to numerous financial metrics, NYGB currently provides several energy savings and greenhouse gas emission metrics within regular reported metrics reports on both a quarterly and

annually annual basis.³³ Co-benefits, such as CO₂ savings, are currently reported within CEF reporting requirements, in accordance with DPS Staff Guidance CE:10 Data Dictionary and Scorecard Reporting Guidance.³⁴

The Commission agrees with New Yorkers for Clean Power et al. regarding the need for additional metrics to track NYGB progress towards Commission and State policy objectives. In addition to metrics currently tracked and reported, NYSERDA is expected to modify NYGB reporting to include the number of housing units served with NYGB finance products and track and report on energy savings, energy bill savings, and affordability impacts that result from NYGB interventions. With respect to reporting metrics between market rate and Disadvantaged Communities, the Commission agrees with New Yorkers for Clean Power et al. and directs NYSERDA to distinguish NYGB reported metrics for capital deployments affecting Disadvantaged Communities versus non-Disadvantaged Communities, or market rate projects. Further, NYSERDA is expected to distinguish metrics for projects benefitting the LMI market segment, to the extent possible.

In addition, the Commission seeks greater transparency on NYGB's preservation, leverage, and recycling of ratepayer capital. As such, the Commission requires NYSERDA to identify leveraged funds metrics and liquidity metrics for inclusion in future reporting to provide clarity to the Commission on NYGB's capital position for the continual oversight of NYGB's use of

³³ A summary of metrics reported by NYGB is included in Appendix A of this Order.

³⁴ Clean Energy Guidance: 10- Data Dictionary and Scorecard Reporting Guidance can be found online at <https://dps.ny.gov/ce-10-data-dictionary-and-scorecard-guidance>.

ratepayer capital and related proceeds. In doing so, NYGB shall identify and report informative leverage and mobilization metrics including distinguishing among private capital, other non-ratepayer capital and non-NYGB ratepayer capital. NYGB shall further identify and report expanded capitalization metrics, such as the receipt of non-ratepayer capital, uses of borrowing or debt securitization to increase liquidity, and mobilization ratio.

In consultation with DPS Staff, NYGB is directed to incorporate the metrics discussed herein as part of a revised Metrics, Reporting & Evaluation Plan and file this revised plan within 120 days of this Order, for DPS Staff approval. DPS Staff is directed to revise reporting guidance CE:10, as necessary to reflect the directives included herein.

e. Organizational Plans

Following the CEF Modifications Order, NYGB issued its "NYGB Operational Supplement to Annual Plan and Impact Report" in 2022. This Operational Supplement contains information specifically regarding NYGB's structure, operations, and core processes, that does not typically change year-over-year. This document serves as a standing resource to complement the Impact Report and Annual Plan, and NYGB is directed to amend this Operational Supplement as needed to ensure that the document remains a current reflection of NYGB processes, procedures, and operations. Going forward, each time the Operational Supplement is updated, NYGB should ensure that it is filed consistently within the DPS Document and Matter Management (DMM) System.

While NYGB currently identifies its leadership team on its website, the presentation of such information does not provide efficient means for market participants and interested stakeholders to identify the applicable points-of-contacts for specialized financial sectors. NYGB shall supplement the

organizational information available online by identifying the key personnel responsible for the following priority market segments: 1) LMI and Disadvantaged Communities financing, including affordable housing; 2) building decarbonization; 3) clean energy, including energy storage; and 4) clean transportation.

f. Commissioner Briefings

The Commission supports NYSERDA's proposal to hold annual briefings for Commissioners on the status of NYGB. These briefings will include discussions around NYGB's investment strategy and market impacts, to facilitate ongoing monitoring and oversight of NYGB activities. This will allow a more dedicated discussion on NYGB, its impact, and ongoing business strategy as policy objectives evolve over time. Any briefing material used for these Commissioner briefings shall be filed in Case 13-M-0412.

g. Evaluation, Measurement, & Verification

The Initial Capitalization Order allocated \$4.0 million in ratepayer funds to be utilized to evaluate NYGB's impact with respect to transforming the financial markets with respect to clean energy and energy efficiency technologies. As of FY end 2025, NYGB had not yet fully expended the \$4.0 million previously authorized for EM&V. However, it is anticipated that current evaluation activities underway will exhaust this initial allocation of ratepayer funds. In the Petition, NYSERDA requests to fund future NYGB EM&V activities, beyond the \$4.0 million originally allocated, through earned revenues.

Commenters were generally accepting of this proposal, and the Commission agrees with the proposal and grants this request. Further, the Petition recommends that the new EM&V budget be identified and adjusted as needed in future iterations of the Metrics, Reporting & Evaluation Plan. The Commission

rejects this proposal because the Metrics, Reporting & Evaluation Plan is filed infrequently and EM&V budgets should be routinely reviewed and calibrated, in the same manner as other operating budgets. Instead, NYGB shall identify an incremental EM&V budget and timeline in the 2026-2027 Annual Business Plan, and annually thereafter. NYGB shall continue to file EM&V workplans and Final Reports as required by DPS Staff-issued Clean Energy Guidance.

Beyond the funding of evaluation work, the Commission received comments from stakeholders on the need for more timely and frequent evaluations and case studies on NYGB activities to educate the market and improve the likelihood that NYGB deals can be replicated. New Yorkers for Clean Power et al. request that the Commission direct annual third-party evaluations of NYGB performance against outcome-based metrics. The Commission agrees with New Yorkers for Clean Power et al. in that regular and timely evaluations are essential to not only measuring the impact of NYGB, but also to managing its performance. Since inception, NYGB has undertaken three EM&V efforts, consisting of case studies and a multi-round market transformation study.³⁵

Within the Petition, NYSERDA indicates that NYGB had initiated the third independent evaluation to assess transactions closed since 2022. The Petition identified that the intent of the evaluation was to (1) identify how NYGB's investments have supported Disadvantaged Communities across the State, (2) assess NYGB's impact on priority sectors including energy storage and clean transportation, and (3) identify

³⁵ Matter 16-02180, Clean Energy Program Evaluation, Measurement and Verification, NYGB Case Studies (filed May 10, 2019); NYSERDA.NYGB. Market Transformation Evaluation 2019-2022 (phase 1 filed May 10, 2019, and phase 2 filed March 13, 2024).

process evaluation elements to facilitate improved operational and processes components of NYGB transaction process and counterparty experience.

NYSERDA filed a NYGB Market Transformation workplan on November 13, 2025 for the third round of its Market Transformation Evaluation.³⁶ Within the November 2025 Workplan, a 2022-2024 NYGB evaluation study was identified, stating the evaluation activity commenced in 2024, with the goal of measuring NYGB-induced transformation across clean energy sectors or markets, following the parameters of the baseline Market Transformation Studies completed in 2019. As identified in the November 2025 workplan, this study was expected to be completed by January 2025, however as of the date of this Order, NYSERDA has indicated the evaluation is not yet complete.

EM&V activities should be planned and prioritized no differently than other NYGB operational and investment activities and managed to stay on schedule. As required by Clean Energy Guidance CE:05 Evaluation, Measurement & Verification Guidance,³⁷ workplans are to be filed timely and evaluations undertaken are to provide results that inform program and portfolio design in a timely manner. Had the study been completed as planned, it would have been informative to stakeholders, DPS Staff and the Commission in assessing NYGB performance as part of this review. Nevertheless, following completion of the ongoing 2022-2024 Market Transformation Market

³⁶ Matter 16-02180, supra, NYSERDA NYGB Financial Market Evaluation Transformation Plan Year 2 - November 2025, (filed November 13, 2025).

³⁷ Case 14-M-0094, Evaluation, Measurement & Verification Guidance (issued November 1, 2016). CE:05 can be found at <https://dps.ny.gov/system/files/documents/2022/11/ce-05-emv-guidance.pdf>.

Study, NYGB shall ensure the Study is filed promptly and identify any necessary process modifications to NYGB strategies reflecting the findings and recommendations included within that study, in consultation with DPS Staff. Further, if evaluation activities identify the potential for new metrics to improve the ability to measure NYGB impact, the Metrics, Reporting and Evaluation Plan is to be updated in a timely manner to reflect additions and/or modifications to reported metrics.

5. Additional Considerations

In addition to the proposals outlined by NYSERDA in the Petition, stakeholder comments touched on the role of NYGB in providing technical assistance to the finance community, stakeholder engagement, and the need for improved communication and transparency on the organizational structure of NYGB. These considerations are all complementary to an effective market transformation strategy and with the right execution, will help to further increase the impact of NYGB.

a. Technical Assistance to Facilitate Market Transformation

As discussed herein, NYGB has been successful in mobilizing private investment and recycling ratepayer capital. However, the transformation of financial markets to facilitate clean energy lending at scale will require NYGB to help to reduce barriers faced by the broader finance community by helping to build capacity of smaller lenders and foster replication of successful finance transactions. In their comments on the Petition, New Yorkers for Clean Power et al. expresses that NYGB investments have had little impact on the market beyond its individual transactions and calls on NYGB to develop and socialize investment strategies that can address market barriers, beyond discrete transactions. Further, New Yorkers for Clean Power et al. request NYGB help replicate clean

energy investment strategies by increasing the availability and transparency of transaction data to get financiers more familiar with revenue streams to de-risk newer technologies. In comments specifically related to the Transportation sector, New Yorkers for Clean Power et al. request NYGB refocus from direct investment to socializing lessons learned with private financiers.

The value of technical assistance and capacity-building in transforming clean energy financial markets had previously been recognized by NYSERDA. In fact, the 2024-2025 NYGB Annual Business Plan identified that it intended to share aggregated and anonymized transaction data from NYGB's investments in priority market segments on NYGB's website to increase transparency in the market regarding key terms. However, in its 2025-2026 Annual Business Plan, NYGB stated that it could not provide this information as originally projected. This deficiency needs to be addressed.

The value of this work is broadly recognized. A study by Booz Allen commissioned by NYSERDA prior to its formation, and intended to inform the development of NYGB, among other things, articulated the role of technical assistance.³⁸ The Booz Allen Study outlined the potential for aggregated information and data on payments and performance track records of funded projects, and education to help drive demand for energy efficiency and renewable energy projects. Further, the Booz Allen Study identified it as a priority for NYGB to provide information highlighting how deal structures could be replicated in the market. During stakeholder engagement sessions undertaken by NYGB to inform the development of the Petition,

³⁸ Case 13-M-0412, Green Bank Final Report "Booz Allen Study" (filed September 9, 2013).

representatives of the finance community identified the potential for replicable deal structures to streamline the burden of transactions. The Commission notes that this can also be an effective tool to increase investor knowledge and confidence in clean energy investments, provide insights on models of transactions, and the potential for replicability.

While NYGB has not yet offered technical assistance through a programmatic offering, NYGB has worked with Community Development Financing Institutions and other CDF borrowers and lenders to provide climate finance guidance and support on an ad hoc basis. Nonetheless, the Commission concurs with the overall points raised by New Yorkers for Clean Power et al. and notes that there are opportunities for NYGB to reduce transaction costs for financiers by standardizing documents and procedures; to build confidence and capacity amongst the finance and developer communities by aggregating and publishing data available on project and investment performance, subject to all commercial confidentiality practices and the protection of competitive information. As evidenced by the 2019-2022 NYGB evaluation, issued in 2023, awareness of clean energy finance strategies, and ultimately the availability of clean energy finance products, could be increased with better insight on information on NYGB transactions. NYGB can also extend its impact by helping to build capacity of small or local lenders who may not have technical expertise or access to resources to inform their lending practices related to clean energy projects. The sharing of data and insights on transaction structured, as well as tailored support for lenders, would further support the transformation of financial markets.

As discussed, an increased effort to provide technical assistance to the market on clean energy finance is warranted, as a core element in NYGB's mission to transform the market for

clean energy finance and to mobilize private and other non-ratepayer capital. NYGB is hereby directed to incorporate a dedicated effort to provide technical assistance to the finance community, including data transparency and knowledge sharing on financial characteristics of clean energy assets, effective and replicable financing strategies and structures, and data on NYGB transactions, all in a manner that is as useful as possible to potential partners. NYGB is further required to support capacity building of smaller lenders to aid in the expansion of clean energy financing beyond individual NYGB transactions. The development and deployment of technical assistance and capacity building activities should be informed by input from the finance community and stakeholders, and should include consideration of the activities highlighted within this discussion. Further, NYGB is directed to establish and spend to a budget for these efforts, equal to 0.5% of NAV, annually. The budget should be identified in the Annual Business Plans.

b. Stakeholder Engagement

As previously discussed, NYGB held six topical stakeholder roundtable discussions to obtain input on NYGB operations and opportunities for NYGB to increase its impact to inform the Petition. The summary of the stakeholder engagement in the Petition reflects those stakeholders participating in these roundtables and in one-on-one meetings with NYGB provided robust feedback and insights. The Commission notes that this level of stakeholder engagement is necessary to help ensure that NYGB is receiving input and hearing about market realities from those working in finance, clean energy industries, and in underserved communities.

To inform ongoing operations of NYGB, the Commission directs NYSERDA and NYGB to conduct no fewer than two stakeholder engagement activities annually, with a focus on

stakeholders that represent the finance and developer communities in the primary sectors or markets that NYGB is investing in. Details on stakeholder engagements shall be outlined in a dedicated section of the Annual Business Plan titled Market Engagement, and NYGB shall file, in Case 13-M-0412, a summary of stakeholder input received, along with a discussion on whether and how NYGB will incorporate the input received or an explanation as to why it will not do so.

Further, NYGB conducts quarterly Metrics Report webinars reviewing its progress, as reported in NYGB Quarterly Reports. NYGB currently provides notice within the NYGB DMM case number to alert constituents of these meetings and to further engage stakeholders. The Commission commends NYGB for this voluntary practice. To solidify these actions, the Commission directs NYGB to provide notifications by filing in DMM (Case 13-M-0412) notice of all stakeholder meetings, at least two weeks in advance of each scheduled event.

c. Organizational and Operational Transparency

To continue to foster effective and useful engagements with the market and stakeholders, NYGB is expected to ensure that its website and other public facing communication channels provide clear and useful information on contacts at NYGB, on available products, and other pertinent information, so that market participants and stakeholders know who at NYGB to connect with about their specific interest, as well as how NYGB products might support their work. This extends to providing information on how NYGB products leverage or otherwise interact with other publicly subsidized clean energy financing offered through NYSERDA, and technical assistance and incentive programs offered by NYSERDA and the utilities. NYGB's Organizational Plan should

be updated, as necessary, and be available to market actors and stakeholders.

NYGB Investment Strategy

NYGB's ability to transform financial markets to facilitate increased adoption of clean energy solutions is underpinned by its investment strategies. As outlined herein, NYGB has had success recycling ratepayer capital and in advancing financial markets for clean energy technologies, as evidenced by the growth of the CDG market in New York State. Since the founding of NYGB, New York State and Commission policy objectives have evolved, with an increased emphasis on underserved markets, including Disadvantaged Communities and the LMI market segment. Over this time, New York State's climate agenda has also grown, further emphasizing the need to scale adoption of clean energy solutions to decarbonize New York State's economy and the need to leverage private sector investment. In the Petition, NYSERDA seeks reaffirmation of NYGB investment criteria, approval of sector-specific investment targets, and proposes to increase its target of investing in projects that benefit Disadvantaged Communities.

In response to the Petition, stakeholders commented that NYGB should reduce its focus on crowding in capital and place a lower emphasis on capital recycle rate, while shifting investment focus to markets that require concessional lending. In reviewing comments to the Petition, we observe that there is a perception that there needs to be a tradeoff between supporting hard to serve markets and the recycling of ratepayer capital. The Commission rejects this notion and asserts that NYGB can and must approach these objectives in a balanced manner. The Commission must take a holistic view of ratepayer-funded initiatives and their relative contribution to our clean

energy objectives. NYGB operates alongside other ratepayer funded initiatives authorized by the Commission, including Energy Efficiency and Building Electrification, Innovation and Research, NY Sun, Energy Storage, and Electric Vehicle Make Ready. It is paramount that we seek to achieve our objectives of advancing affordability, increasing access to, and adoption of, clean energy solutions, ensuring reliability and safety of our electric and natural gas infrastructure, and decarbonizing our grid infrastructure, at as low of a cost to ratepayers as possible. This is where NYGB plays a unique role, in that NYGB provides the primary mechanism in New York State for mobilizing private capital and influencing financial markets to invest in clean energy solutions. For this reason, it is paramount for NYGB to approach its investments with the goals of self-sufficiency and market transformation. The Commission reasserts here that these objectives remain as critical to NYGB's mission today as they were when the Commission authorized the initial capitalization of NYGB.

However, as discussed further within this section, NYGB has the opportunity to build on its foundation of success over the last ten years in achieving self-sufficiency and introducing finance products to support underserved markets, to lean in further to explore opportunities for increasing access to capital to support clean energy adoption within the LMI market segment and Disadvantaged Communities. This progression requires consideration of NYGB investment criteria, its approach to sector-specific investments and Disadvantaged Communities, as well as consideration of finance products specifically directed at underserved markets.

1. Investment Criteria

In the Petition, NYSERDA requests that the Commission reaffirm the minimum criteria by which NYGB will evaluate all

potential financial transactions. Those criteria, outlined above and originally established in the Initial Capitalization Order, remain prudent guideposts to help ensure optimal performance of NYGB. These criteria help to ensure that NYGB investments lead to the continued self-sufficiency of NYGB operations, including the recycling of capital for ongoing impact, market transformation, and the achievement of energy savings and emission reductions. However, as indicated in multiple comments received in response to the Petition, and in feedback received by NYGB during the stakeholder roundtables, markets that have been underserved, such as Disadvantaged Communities and the LMI market segment, require targeted support to access capital for clean energy solutions including Disadvantaged Communities.

In their comments, New Yorkers for Clean Power et al. state that NYGB's mission should be modified to shift away from maximizing capital recycle rates toward a focus on supporting implementation of CLCPA objectives, by advancing the transition to clean energy in the segments of the market that are most challenging to finance. Further, NYCP suggest that NYGB needs to develop new approaches to financial market transformation, beyond engaging in underbanked sectors with a goal of crowd-funding private investment. NYCP asserts that the evolving policy priorities for New York State should be explicitly identified within the minimum investment criteria for NYGB. The Commission agrees with the sentiment that NYGB needs to support the clean energy transition in markets that have been challenging to finance, but reinforces the value in NYGB focusing on maximizing the recycling of capital, as without capital returning for reinvestment the ability for NYGB to remain self-sufficient and to earn revenues that can then be reinvested in a concessional manner will quickly erode.

While we reaffirm the expectation that NYGB preserve its initial capital and continue to recycle capital, we seek to enhance these objectives by elevating the priority for increasing access to capital within underserved markets. We therefore adopt a modification to the minimum investment criteria to emphasize that the financial market transformational goals of NYGB must extend to Disadvantaged Community and LMI market segments, as follows:

transactions will have expected financial returns such that the revenues of NYGB on a portfolio basis will be in excess of operating expenses and expected portfolio losses;

- (1) transactions will be expected to contribute to financial market transformation across sectors and markets, including disadvantaged community and LMI markets, in terms of scale, improved private sector participation, level of awareness and confidence in clean energy investments, and/or other aspects of market transformation, including those that provide affordability benefits to ratepayers as a result of the investment; and
- (2) transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas reductions in support of New York's clean energy policies and laws.

Accordingly, NYSERDA is hereby directed to update NYGB's minimum investment criteria, as outlined above, and incorporate the criteria into NYGB processes and all governing and operational documents, including the Annual Business Plan.

2. Sector-Specific Investment Targets

As discussed previously, the Petition outlines modifications to NYGB sector-specific investment commitment

targets for the period of January 1, 2026, to fiscal year end 2031, for decarbonization, clean transportation, energy storage, and clean energy generation. NYSERDA proposes to set commitment goals based on total funds committed or a minimum number of transactions. In total, NYSERDA proposes sector-specific commitment targets totaling \$1 billion, inclusive of investments made through discrete NYGB finance products, such as the CDF, as follows:

- Building decarbonization: \$250 million committed or a minimum of 25 transactions closed, with 40% of this commitment target dedicated to decarbonization of affordable housing (\$100 million or a minimum of 10 transactions).
- Clean transportation: \$150 million committed, or a minimum of 10 transactions closed.
- Energy storage: \$250 million committed, or a minimum of 10 transactions closed.
- Clean energy generation: \$350 million, or a minimum of 20 transactions closed.

Comments received on the Petition present a varied response to the proposed investment targets. In its comments on the Petition, New Yorkers for Clean Power et al. suggest that NYGB must structure its investment strategy to support CLCPA objectives, noting that NYGB will be required to scale up targeting some investment areas and scale back others. ACE NY et al. support the targets as proposed but recommend a more aggressive investment pace than what NYGB proposed. NYC and ACE NY et al. express that NYGB should focus on developing transformative investment strategies and shift away from "crowding in" private capital to developing investment strategies designed to transform markets.

New Yorkers for Clean Power et al. opine that while the Petition notes that there are financial barriers that prevent widespread investment in various clean energy technologies, NYGB fails to explain how its investments help overcome those barriers or shape the market beyond the value of each discrete transaction. New Yorkers for Clean Power et al. also suggest NYGB should demonstrate how each incremental new project is additive to what financial markets would be able to deliver absent NYGB and be required to show how a collection of investments have an impact on the market that is greater than the sum of the individual projects.

The Commission concurs with New Yorkers for Clean Power et al. that NYGB will need to prioritize investments in order to support CLCPA objectives, and to a broader extent, achievement of Commission objectives. Considerations for the prioritization of NYGB investments are discussed later in this section. The Commission appreciates the urgency reflected by ACE NY et al. in their comments on the need for a more aggressive investment pace, but notes that the investment pace is largely influenced by the rate at which NYGB can recycle funds. This is why it is important for NYGB to balance its investment strategy, as outlined in the discussion on NYGB investment criteria above. The Commission also supports the notion that NYGB must focus on investment strategies that can be transformative, as discussed in the technical assistance discussion above. Lastly the Commission rejects the notion that NYGB must shift away from "crowding in" of private capital. The concept is central to the successful operation of NYGB, as stimulating private investment enables NYGB to recycle capital for reinvestment and remain self-sufficient.

With respect to comments from New Yorkers for Clean Power et al. on the need to articulate the investment strategy,

or theory of change for NYGB investments, the Commission agrees with the need for clear articulation on how NYGB investments are expected to help transform markets. NYSERDA is directed to describe in the NYGB Annual Business Plan how its investment strategy and sector-specific investments are intended to transform markets and lead to scaling of adoption of clean energy solutions. Comments and discussion on the sector-specific investment targets proposed by NYGB for 2026-2030 are summarized below by topic.

a. Building Decarbonization

With respect to the proposed investment targets for building decarbonization, the Commission received several perspectives on how NYGB should approach the decarbonization of buildings. ACE NY et al. express support for the proposed investment target of \$250 million committed, with 40 percent dedicated to affordable housing. New Yorkers for Clean Power et al. propose that the Commission increase the total buildings sector investment to \$700 million, with particular focus on affordable housing. NYC also emphasizes the need for increased funding for building decarbonization measures, noting that the \$100 million investment target for affordability housing is a reduction from the \$150 million target that had been in place. NYC recommends rejecting this element of the proposal and increasing available funding for both building decarbonization measures and the CDF. According to NYC, a reduction of funding from current levels for building decarbonization efforts in affordable housing and the CDF will have a negative impact on decarbonization and sustainability projects in Disadvantaged Communities and affordable housing. NYC recommends funding for building decarbonization for affordable housing and the CDF should be increased from current levels.

In addition, New Yorkers for Clean Power et al. suggest that NYGB is too small to drive market transformation in any segment of the housing market on its own, but that it can partner with housing-finance agencies, such as NYS Housing and Community Renewal, or housing-focused Community Development Finance Institutions that are already in the business of financing, developing, or managing large building portfolios. They continue that NYGB can co-design capital facilities and work jointly to demonstrate the transformative potential of its facilities. Commenters mention that NYGB can partner with major building lenders, developers, and owners to help permanently transform segments of the buildings market, especially affordable housing, but that doing so may require 30-year loan terms or other highly concessionary forms of financing that align with those markets. Further, NYC urges the Commission, NYSERDA, and NYGB to place more emphasis on overcoming barriers and financing gaps that are inhibiting energy efficiency and electrification investments in affordable housing.

In its reply comments, NYGB notes that the investment targets for building decarbonization are expected to primarily support building decarbonization projects, including affordable housing and support residents of disadvantaged communities. NYGB also comments that it would be supportive of increasing the affordable housing share to \$200 million of the \$250 million building decarbonization target.

The Commission shares the view that decarbonizing affordable housing requires a focused effort on the part of NYGB and acknowledges that coordination with housing agencies, developers, and Community Development Financing Institutions should be pursued. Concessionary finance products may be necessary to support the decarbonization of hard-to-serve markets, such as affordable housing. In fact, with the launch

of the CDF in 2023, affordable housing was highlighted as a priority market by NYGB, which also structured the CDF to offer lower cost capital to financiers. As discussed later in this section, NYGB should assess the CDF to determine whether it is meeting the needs of affordable housing developers and owners and propose modifications as part of the Annual Business Plan filings. In addition, NYGB will be required to assess other opportunities to provide capital on concessional terms.

b. Clean Transportation

With respect to investments in clean transportation, ACE NY et al. identify that NYGB plays a vital role in identifying untapped market potential in the transportation electrification space and facilitates the State's goals to increase the proliferation of medium-and heavy-duty vehicles and charging infrastructure. In addition, their comments state that NYGB should invest in medium-and heavy-duty charging infrastructure across the State as it will play a crucial role in easing the transition for school districts. ACE NY et al. explain that NYGB's impact will facilitate New York's achievement of the Advanced Clean Trucks (ACT) rule (6 NYCRR Subpart 218-4), adopted in December 2021, which requires manufacturers that certify Class 2b-8 chassis or complete vehicles with combustion engines to sell an annually increasing quantity of zero-emission trucks from 2025 through 2035. Further, ACE NY et al. state that NYGB should expand financing opportunities to private school bus contractors and school bus fleet owners, which would play a key role in the transition to electric school buses.

New Yorkers for Clean Power et al. recommend reducing the proposed transportation sector investment and shifting those dollars to the housing portfolio. According to New Yorkers for Clean Power et al., NYGB has not been able to successfully

commit substantial funds towards its existing clean transportation goal, identified as 19% in the Petition, and the Petition did not put forth specific strategies for transforming the clean transportation market segment. Therefore, according to New Yorkers for Clean Power et al., NYGB should reduce its investment target for clean transportation and allocate an additional \$150 million funds towards building decarbonization.

The Commission appreciates the perspectives shared on the level of support needed to advance adoption of clean transportation across New York State. We concur with the comments from ACE NY et al. on the role that NYGB can play with respect to medium-and heavy-duty infrastructure, as well as any other role that NYGB thinks that they can play to support electric vehicle adoption, including fleet vehicles such as school buses. With respect to the comments from New Yorkers for Clean Power et al. regarding current NYGB commitments to clean transportation, the Commission notes that the clean transportation market is still nascent in many respects, which may present some early challenges for NYGB to identify and execute transactions. However, decarbonizing transportation, in particular medium-and heavy-duty and fleet vehicles, offers the potential for significant emissions reductions that will help to improve air quality and drive benefits to Disadvantaged Communities. For these reasons, we remain supportive of NYGB's proposed investment target in this sector. As discussed later in this section, NYGB will be expected to monitor uptake across its portfolio and will have the flexibility to adjust sector-specific investment targets, in consultation with DPS Staff.

c. Energy Storage and Clean Energy Generation

New Yorkers for Clean Power et al. argue that the Commission should direct NYGB to downsize its direct investment

in clean generation and instead socialize its interventions in the community solar market and set performance goals around creating private investment in community solar projects in which the bank itself does not directly invest. New Yorkers for Clean Power et al. further state that the Commission should direct NYGB to limit direct investment largely to solar-plus-storage and community solar projects that include robust criteria to ensure they serve LMI customers over the long-term.

The Commission agrees with the commentators that NYGB investments to support the general CDG market is not warranted at the proposed levels. As identified in the Petition, NYGB has been successful in helping to transform the market for CDG financing, hence additional support to CDG projects is not justified, except for projects that are exclusively benefitting LMI customers or residents of Disadvantaged Communities. Further, the nascency of the market for energy storage presents an opportunity for NYGB to identify models to de-risk financing for storage and help to develop replicable financing transactional models.

d. Modified Investment Targets

The Commission declines to adopt commitment targets based on dollars invested, as proposed by NYSERDA, as this presumes that NYGB will have the liquidity to make \$1 billion in commitments between 2026-2031. Instead, the Commission opts to set investment commitment targets as a percentage of overall investments during the 2026-2031 timeframe. The Commission also elects to modify the sectors identified to include a category for community lenders, which is intended to provide low- or no-cost capital to community lenders across the State, with a priority on lenders in traditionally underserved areas. Based on a review of NYGB's transactions to date and listed

counterparties within Transaction Profiles, it appears that there has been limited engagement by NYGB with local community lenders, such as credit unions and community banks.³⁹ To achieve the impact that we seek for LMI and underserved households, NYGB is required to develop offerings that address clean energy financial market gaps experienced by small, local financial institutions, as a complement to the CDF. These offerings shall be informed by stakeholder input and filed as part of the Annual Business Plans.

The sector-specific investment targets for 2026-2031 are as follows:

- Building Decarbonization: 40% of overall investment, including a minimum of 20% of overall investment to building decarbonization for affordable housing. In addition, 10% of investments should be directed towards energy efficiency improvements, including efficiency and weatherization across all sectors including commercial, industrial, and residential.
- Clean Transportation: 15% of overall investment.
- Energy Storage: 25% of overall investment.
- Clean Energy Generation: 15% of overall investment.
- Community Lender Finance Pool: 5% of overall investment.

Any returned or recycled capital is subject to these investment targets. Should NYGB identify market dynamics that warrant a calibration to the investment targets, including increasing or decreasing the overall investment target, or adding a new investment category, they are directed to incorporate modifications into Annual Business Plans, in consultation with DPS Staff.

³⁹ <https://greenbank.ny.gov/Our-Impact/Portfolio>.

NYGB is hereby directed to pursue these minimum sector-specific investment commitment targets through the 2026-2031 performance period.⁴⁰ Performance toward investment targets should be measured and reported on an annual and cumulative five-year basis through NYGB quarterly and annual reporting mechanisms.

e. Management of Investment Targets

The clean energy economy is continually evolving, influenced by technological advances, emerging and maturing markets, supply chain dynamics, and policy at multiple levels of government. Sector-level investment targets notwithstanding, NYGB must actively manage its portfolio, assess potential transactions, and identify opportunities to maximize its impact and achieve its operational and policy objectives, as reinforced herein. The establishment of investment targets is intended to provide a starting point, although it is incumbent upon NYGB to monitor market trends and the composition of its portfolio to help ensure right sizing. Here, we note that lack of traction in a given sector requires NYGB to assess its approach to working with that sector, including its finance products and processes, to determine if modifications to NYGB strategy and offerings are warranted. Further, any modification to sector-level targets must be made in consultation with DPS Staff.

f. Measuring Market Transformation and Prioritizing Investment

To inform NYGB management and calibration of investment targets, it is pertinent that NYGB can: (1) determine when markets for certain technologies, sectors, or finance

⁴⁰ A comparison between the sector-specific investments targets proposed in the Petition and the approved investment targets is provided in Appendix B.

products are sufficiently transformed such that they no longer require NYGB investment; and (2) actively assess markets, technologies, and sectors to understand the relative opportunity for impact with NYGB investments. NYGB's 2022-2024 Market Transformation EM&V Workplan included an objective to identify market exit indicators. However, at the time of this Order, this EM&V activity has not yet been completed. The Commission views this assessment as a foundational component to managing a successful market transformation initiative and expects NYSERDA to prioritize the development of market transformation indicators and process to assess the transformation of markets to inform NYGB investment priorities. Annual business planning should include considerations for an exit strategy from markets, technologies, or sectors that have been sufficiently transformed. NYSERDA is directed to develop market transformation indicators and a process for assessing markets and investments for NYGB in consultation with DPS Staff, within 120 days of this Order. These market transformation indicators shall be filed within the Metrics, Evaluation, and Reporting Plan.

g. Coordination

In their comments, New Yorkers for Clean Power et al. explain that NYGB sits in a larger ecosystem of New York State clean energy programs, policies, and investments. Indeed, coordination across these programs, policies, investments, and markets is a must. A successful market transformational approach must include effective coordination with market actors across the sectors that NYGB seeks to impact. This expands beyond finance entities to include developers, state agencies, utilities, industry representatives, and other program administrators.

The Commission's May 2025 LMI EE/BE Order directed NYSERDA to continue its role in providing technical assistance to affordable multifamily market actors and connecting projects being served by utility incentive programs with financing opportunities offered through NYGB. NYSERDA is expected to ensure that affordable and market rate multifamily building owners and developers are made aware of the continuum of supports that are being made available to support the decarbonization of multifamily buildings, from technical assistance, to incentives, and financing. Further, NYGB must work in coordination with NYSERDA-administered financing initiatives including Green Jobs, Green New York to collaborate and streamline access to available financing solutions. The Commission expects NYGB to build on its extensive stakeholder engagement , to include a focus on coordination with organizations, as described herein.

Within 90 days of this Order, NYSERDA is hereby directed to develop a market-friendly summary and explanation for how its ratepayer and publicly subsidized clean energy finance interventions relate to one another, and which finance product or intervention is appropriate for customers and/or finance institutions across sectors, including identification of applicable funding sources. This summary should be publicly available and filed in DMM, in each applicable matter, such as LMI EE/BE⁴¹, Non-LMI EE/BE⁴², Clean Transportation, Energy Storage⁴³, and NY-Sun⁴⁴, as well as any other active Commission proceedings which incorporate NYGB or NYSERDA financing

⁴¹ Case 25-M-0249, supra.

⁴² Case 25-M-0248, supra.

⁴³ Case 18-E-0130, supra.

⁴⁴ Case 21-E-0629, supra.

opportunities. In addition, NYGB is directed to supplement its Annual Business Plan to include a section that outlines how it is coordinating with state and local agencies and utilities that are responsible for finance and development across the multiple sectors that NYGB seeks to transform.

3. Investments in Underserved Markets

Multiple comments on the Petition indicate a need for increasing the support available to underserved markets, which include Disadvantaged Communities and the LMI market segment affordable housing. Transforming financial markets, thereby increasing access to capital for clean energy solutions in underserved sectors, is a priority for the Commission. As highlighted by parties in their comments, modifications to NYGB investment strategy to increase concessional lending could address the needs of underserved markets. Relatedly, NYGB currently administers the CDF, which is intended to address capital needs for underserved markets. In addition, within the Petition, NYSERDA proposes to increase its commitment level for investments benefitting Disadvantaged Communities from 35% to 40%. Each of these opportunities is further discussed, below.

a. Disadvantaged Communities

In the Petition, NYSERDA proposes to increase the NYGB investment target for projects that benefit Disadvantaged Communities from 35% to 40% of committed NYGB capital, on a portfolio-wide and cumulative basis, dating back to January 1, 2020. NYC and New Yorkers for Clean Power et al. stress the importance of investments benefitting Disadvantaged Communities and both support an increase to the target investment level for Disadvantaged Communities. The Commission supports the proposal to increase the investment goal to Disadvantaged Communities and further includes investments benefitting LMI households and

affordable housing to ensure that these market segments remain a priority for NYGB investment.

b. Community Decarbonization Fund

As mentioned previously, the CDF was established by NYGB in 2023 to increase access to capital to support the adoption of clean energy projects within underserved communities and in affordable housing. Funded at \$250 million, or one quarter of NYGB's initial capitalization, the CDF is a dedicated funding pool that provides wholesale capital on concessionary terms to third party financial intermediaries experienced in working with Disadvantaged Communities, such as credit unions and Community Development Financing Institutions. Interest rates for CDF borrowers are set at 1.5% for a term of up to twelve years for financial institutions. CDF borrowers may deploy proceeds for two-years following receipt of a NYGB award, as such, eligible loans may have up to a 10-year maturity. NYGB does not dictate borrowing rates established by CDF borrowers.

While NYGB does not dictate the terms of subsequent loans, including establishing interest rates or terms and conditions, NYGB reviews and authorizes the use of its funds on a project-by-project basis. NYGB issued initial awards under the CDF in 2023 and, as of September 30, 2025, \$59 million (or 44%) of the \$133.3 million commitments made to CDF borrowers have been deployed across 10 projects supporting decarbonization measures for varied uses such as rehabilitation as well as new construction of affordable housing and schools serving residents of historically marginalized communities.⁴⁵

⁴⁵ Case 13-M-0412, NYGB Quarterly Report (filed November 25, 2025).

In response to the Petition, commenters indicate low interest rates, such as those provided for in the CDF, are not available from financial markets and that the CDF fills a much-needed gap in the affordable housing market segment. In their comments, NYC recommends that NYSERDA and NYGB adjust their priorities to refocus on eliminating market barriers and providing financing unavailable from traditional lenders, such as long-term loans. NYC opines that to accelerate clean energy uptake in the affordable housing sector, building owners must have access to low-cost financing and the current five- to seven-year loan terms with market rates, identified in NYGB Annual Business Plan, do not provide value to the affordable housing market segment.

New Yorkers for Clean Power et al. posit that NYGB can improve its performance by working through lenders who are experienced in these markets, and by expanding the CDF. According to New Yorkers for Clean Power et al., this requires concessionary terms, which NYGB can offer without undermining financial self-sustainability, since the earnings from the market rate portfolio are more than sufficient to cover the entirety of NYGB's operating expenses. NYC and New Yorkers for Clean Power et al. advocate for long duration, potentially up to 30 years, and low-cost capital lending through the CDF to support the needs of the affordable housing market.

NYC also proposes that NYGB should double the funding for the CDF, bringing the total budget to \$500 million. NYC requests that the Commission direct NYGB remove the \$25 million cap on a single CDF borrower. NYC also urges the Commission to not accept claims from NYGB that it is not well-suited to make long-term, low interest loans, as if it were a profit-driven, private financier, and contends that NYGB should be prioritizing loans of this type over loans that developers and others can

easily and equally obtain from private lenders. Further, NYC requests that the Commission direct NYGB to fund an examination of green leasing loan products.

In its reply comments, NYGB responds that commenters' requests for a large volume of 30-year term loans at interest rates between two and three percent, to support the building and affordable housing sectors, would reduce the ability for NYGB to recycle capital, due to the long term of the product. NYGB emphasizes that increasing the CDF budget to \$500 million, or half of NYGB's \$1 billion capitalization, would be unsustainable from a liquidity standpoint. In addition to the length of the terms being requested, NYGB states having half of its capital dedicated to longer-term products would further limit its ability to transform finance markets and support the State's policy objectives.

The Commission recognizes that concessionary lending (whether defined in terms of lower interest rates, longer tenor, or other favorable conditions) can provide valuable, inexpensive "missing money" to key sectors, notably including Disadvantaged Communities and the LMI market segment. The Commission also notes that it has authorized substantial levels of ratepayer funding for grant programs administered by NYSERDA and the major investor-owned utilities designed to directly address this need. For instance, with the LMI EE/BE Order, the Commission authorized over \$800 million towards incentive and technical assistance programs targeting affordable multifamily housing in New York State for 2026-2030. Additionally, ratepayer funded programs supporting solar, storage, and electric vehicle charging infrastructure also support affordable housing projects. The Commission further notes that the NYGB was designed and established not as a grant program but as a complementary vehicle, part of a broader integrated State clean

energy policy and strategy, alongside the Commission-authorized grant programs and tasked with addressing gaps and barriers in clean energy finance and mobilizing additional capital into clean energy investments and preserving the ability to fund multiple cycles of clean energy investment. It was, and remains, essential to achieving the mission and intended benefits of the NYGB that capital and liquidity be preserved so as to enable the NYGB to operate and contribute on an ongoing basis.

Within the CEF Modifications Order, the Commission noted that it had not specifically identified a minimum rate of return that must be achieved by NYGB in use of the ratepayer funds allocated to it by the Commission, noting that NYGB had dutifully maintained a conservative level of risk in its investments to date. As stated throughout this Order, the Commission seeks to ensure that NYGB can remain self-sufficient and can recycle capital at a necessary rate to allow for the reinvestment of ratepayer capital and delivery of ratepayer benefits. The Commission also reaffirms that there is no impediment in principle to NYGB's lending at lower or concessionary rates, provided that NYGB always retains an appropriate ability to reinvest, in furtherance of its mission.

The Commission accordingly concludes that concessionary lending can be a critical and valuable tool to achieving NYGB's mission and intended benefits, especially for Disadvantaged Communities and the LMI market segment, subject to two constraints. First, that deployment of concessionary lending should be focused on the opportunities that are most market-transformational (in the market for clean energy finance to serve Disadvantaged Communities and LMI customers) and can unlock the greatest level of benefits resulting from the increased mobilization of finance. Second, that the amount of

concessionary lending and the degree of concession remain within the limits that preserve the levels of capital and liquidity that put NYGB in the position to continue its work and to deliver on a continuous and uninterrupted basis in the Disadvantaged Communities and LMI sectors, and also more broadly.

Performance reporting on the CDF indicates that the CDF is having difficulty attracting potential borrowers. While the Commission does not agree with the notion that NYGB must dedicate half of its capital to highly concessional terms, the Commission does see a role for concessional lending in the NYGB portfolio, and notes that the CDF is already structured for such an approach. Further, the Commission does expect NYSERDA and NYGB to continue to work to improve the success and effectiveness of the CDF. The Commission emphasizes that lack of demand for NYGB products requires NYGB to assess reasons for lower than anticipated uptake and consider new approaches to meet the needs of the market.

The Commission declines to require NYGB to modify its approaches to the Disadvantaged Community and LMI sectors, including modifying the CDF at this time, primarily because further assessment of the CDF is necessary to understand why uptake has been relatively slow and how CDF-backed financing has impacted end use customers, whether affordable housing owners and developers, lower-income residents, or Disadvantaged Communities. NYSERDA is hereby directed to conduct an assessment of the CDF, in consultation with DPS Staff, within 120 days of this Order. The assessment should include an analysis of market need for, and experience with, CDF capital; potential barriers to accessing and deploying CDF capital; an evaluation of stakeholder feedback on potential modifications to the CDF, including removal of the \$25 million borrower cap; an

assessment of the impact of CDF capital on end-use customers, and proposed modifications to the CDF to increase its impact with respect to benefitting LMI households and Disadvantaged Communities. Further, the assessment should include an overview of how the CDF aligns with the remainder of NYGB's portfolio to address the needs of underserved communities; an assessment of green financing products, as requested by NYC; and outline proposed modifications to the CDF to increase the effectiveness and quantity of CDF deployments and improve the impact of ratepayer capital programmed through the CDF.

To facilitate transparency on CDF activities and to inform the evolution of the CDF and the broader NYGB portfolio, the Commission takes this opportunity to instruct some additional administrative modifications to the NYGB. Going forward, the CDF shall be included as a discrete component of NYGB's Annual Business Plan filing. Additionally, the Annual Business Plan shall describe the activities that NYGB intends to undertake over the planning period to transform financial markets to the benefit of Disadvantaged Communities and customers within the LMI market segment, including affordable housing. Further, in an effort to ensure awareness among market participants, any modifications to in-market CDF product offerings between Annual Business Plan filings shall be documented in a filing to DPS Staff no less than 30 days before the change is to be made. Finally, NYGB shall identify the loan-loss provision of all concessional loans as a discrete metric going forward. While loan-loss provisions will continue to be assessed in totality, understanding the loan-loss ratio for concessional loans will be informative to the evolution of the CDF and the overall NYGB portfolio.

c. Concessional Lending

The discussion on the CDF highlights a tension between the ability for NYGB, within its portfolio, to deliver on its objectives of mobilizing private and other non-ratepayer investment and recycling ratepayer capital and the level of concessional lending, or products that feature below-market interest rates or longer terms that many commenters and sector representatives seek. To resolve these questions and achieve further progress on market transformation in clean energy finance for Disadvantaged Communities and the LMI market segments, NYSERDA is hereby directed to file a Disadvantaged Community and LMI Finance Plan that outlines strategies for deploying NYGB capital as impactfully as possible for the sustained delivery of clean energy benefits to these New Yorkers. The plan shall, without limitation, address the following topics:

- Findings of the CDF review, including steps that the NYBG could take to improve its achievement of its intended impact, inclusive of how NYGB support of technical assistance and capacity build could contribute to that achievement.
- NYGB's approach and intended implementation program of the Community Lender Funding Pool, with the goal of increasing access to lower-cost capital to financiers in underserved areas of New York State, such as rural parts of the State.
- NYGB's strategy for concessionary lending (whether within the CDF or otherwise), including (1) the nature of the concessionary terms that NYGB considers most effective, (2) the process to prioritize the most useful deployments of this tool, and (3) the processes and limits required to ensure that NYGB preserves the necessary mission-supporting

levels of capital and liquidity to serve the broader clean energy finance market and specifically also clean energy finance for Disadvantaged Communities and LMI market segments.

- NYSERDA's plan to streamline the incorporation of funds from NYSERDA-administered ratepayer-funded incentive programs into NYGB-supported projects for the benefit of the Disadvantaged Community and LMI market segments, recognizing that such an approach can achieve many of the benefits of concessionary lending. The plan shall lay out NYSERDA's and NYGB's approach for engaging as effectively as possible with the major investor owned utilities to seek opportunities for similar streamlined incorporation with their programs, and should include early results from these engagements.⁴⁶ NYSERDA shall further lay out their approach for achieving similar results with respect to NYSERDA's programs that are not ratepayer funded, such as those funded through the Regional Greenhouse Gas Initiative.
- Identification for how NYGB can best support direct lending to projects and project portfolios that benefit LMI and Disadvantaged Community customers. Options to be examined should include NYGB providing direct lending, and additional programs providing capital support (potentially including impactful grants) to organizations that are especially effective in direct lending to projects and

⁴⁶ The major investor owned utilities include Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

project portfolios that benefit Disadvantaged Communities and the LMI market segment.

The plan shall be submitted within 180 days from the date of this Order and will be subject to review and approval by DPS Staff and the results of which incorporated in the Annual Business Plans.

CLCPA and Environmental Compliance

The Commission finds its decisions in this Order are neither inconsistent, nor will they interfere, with the attainment of statewide greenhouse gas emissions limits.⁴⁷ Similarly, the decisions in this Order will not disproportionately burden disadvantaged communities, consistent with CLCPA §7(3).⁴⁸ The NYGB activities that are the subject of this Order are designed to promote clean and renewable energy technologies that will reduce greenhouse gas emissions. Moreover, NYGB activities are intended to avoid disproportionate impacts on disadvantaged communities. As also discussed above, the NYGB will earmark funding to benefit disadvantaged communities.

The Commission conducted a comprehensive environmental review, pursuant to the State Environmental Quality Review Act (SEQRA), in conjunction with establishing the NYGB portfolio and

⁴⁷ Section 7(2) of the CLCPA requires that State agencies, in considering and issuing permits, licenses, and other administrative approvals and decisions, "consider whether such decisions are inconsistent with or will interfere with the attainment of the statewide greenhouse gas emissions limits" established by DEC.

⁴⁸ Section 7(3) of the CLCPA requires that State agencies, in considering and issuing permits, licenses, and other administrative approvals and decisions, "shall not disproportionately burden disadvantaged communities" as identified pursuant to ECL §75-0101(5).

associated funding, as part of the Initial Capitalization, Additional Capitalization, and CEF Framework Orders. The action taken in this Order recalibrates the NYGB portfolio to ensure it will continue to advance the objectives of promoting clean and renewable energy technologies and markets, while no further funding is being authorized for NYGB. We find that the directives of this Order are within the overall actions previously examined by the Commission in Cases 10-M-0457, 07-M-0548, 05-M-0900, 03-E-0188, 13-M-0412, and 14-M-0094 and will not result in any different environmental impact than those previously examined.⁴⁹ The SEQRA findings of the November 19, 2010 Notice in Case 10-M-0457, the March 24, 2008 Order in Case 07-M-0548, the September 21, 2005 Notice in Case 05-M-0900, the August 26, 2004 Order in Case 03-E-0188, the July 17, 2015 Order in Cases 13-M-0412 and 14-M-0094, and the January 21, 2016 Order in Cases 14-M-0094 et al., are incorporated herein by reference and we certify that: (1) the requirements of SEQRA, as implemented by 6 NYCRR part 617, have been met; and (2) consistent with social, economic, and other essential considerations from among the reasonable alternatives available, the action being undertaken is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable.

CONCLUSION

NYGB is a key component of the Commission's portfolio to support the clean energy transition by spurring third-party investment and reducing dependence on ratepayer funding. The

⁴⁹ Case 10-M-0457, System Benefit Charge (SBC) IV Notice; Case 07-M-0548, Energy Efficiency Portfolio Standard Generic Environmental Impact Statement (GEIS) Order; Case 05-M-0900, SBC III Notice; Case 03-E-0188, Renewable Portfolio Standard GEIS Order.

Commission finds that NYGB has a strong operational foundation that positions NYGB to continue to invest ratepayer capital in a prudent manner, with appropriate levels of investment oversight and risk management. The modifications to NYGB operations and investment strategies made through this Order will provide needed support to underserved markets and bolster its ability to transform markets with additional emphasis on technical assistance and improved insights on NYGB operations.

The Commission orders:

1. The New York State Energy Research and Development Authority shall continue to utilize previously authorized ratepayer capital to maintain the operations of the New York Green Bank and make investments in accordance with the discussion in the body of this Order. All proceeds resulting from original investments of ratepayer funds shall be subject to the Public Service Commission's (Commission) oversight. The Commission authorizes New York Green Bank to continue to administer and recycle previously collected ratepayer capital and operate in the ordinary course, until future Commission action on the New York Green Bank, as discussed in body of this Order.

2. The New York State Energy Research and Development Authority shall modify New York Green Bank's investment criteria and its portfolio for future commitments and investments, as described in the body of this Order, and shall target investments as prescribed in the body of this Order.

3. The New York State Energy Research and Development Authority shall adopt the sector-specific investment targets for the New York Green Bank for the period 2026 through 2031, as discussed in the body of this Order.

4. The New York State Energy Research and Development Authority shall conduct an assessment of the Community Decarbonization Fund, in consultation with Department of Public Service Staff, within 120 days of this Order.

5. The New York State Energy Research and Development Authority shall file the Disadvantaged Community and Low- to Moderate-Income Finance Plan within 180 days of this Order, as discussed in the body of this Order. This plan shall be subject to review and approval by Department of Public Service Staff.

6. The New York State Energy Research and Development Authority shall incorporate a dedicated technical assistance effort to the finance community and support capacity building of smaller lenders to aid in the expansion of clean energy finance beyond individual New York Green Bank transactions, as described in the body of this Order.

7. The New York State Energy Research and Development Authority shall file an Annual Business Plan in case 13-M-0412, subject to Department of Public Service Staff review and approval, as discussed in the body of this Order. In addition, the New York State Energy Research and Development Authority shall revise the New York Green Bank Annual Business Plan to incorporate modifications to New York Green Bank operations, investment strategies, and supplemental information, as discussed in the body of this Order.

8. The New York State Energy Research and Development Authority shall develop market transformation indicators and a process for assessing markets and investments for New York Green Bank in consultation with Department of Public Service Staff, within 120 days of this Order. These market transformation indicators shall be filed within the Metrics, Evaluation, and Reporting Plan, as discussed in the body of this Order.

9. The New York State Energy Research and Development Authority shall develop a market-friendly summary and explanation for how the New York State Energy Research and Development Authority and New York Green Bank clean energy finance interventions relate to one another, and which finance product or intervention is appropriate for customers and finance institutions across sectors, within 90 days of this Order. This summary shall be publicly available and filed under Cases 13-M-0412, 25-M-0248, 25-M-0249, 18-E-0138, 18-E-0130, and 21-E-0269.

10. The New York State Energy Research and Development Authority shall revise the New York Green Bank Metrics, Reporting, and Evaluation Reporting Plan, within 120 days of this Order, as described in the body of this Order, subject to Department of Public Service Staff approval.

11. The New York State Energy Research and Development Authority shall file, no later than June 30, 2031, a petition outlining performance of the New York Green Bank identifying potential modifications to improve performance and set forward-looking goals, as discussed in the body of this Order.

12. Department of Public Service Staff shall modify the Disadvantaged Communities Investments & Benefits Reporting Guidance CE:12 to reflect the directives discussed within the body of this Order.

13. The New York State Energy Research and Development Authority shall develop a plan outlining a structured approach for seeking, considering, and acting on input from stakeholders to identify gaps, barriers, and improvement opportunities, as discussed in the body of this Order. The plan shall be filed within 120 days of this Order and is subject to Department of Public Service Staff approval.

14. To inform ongoing operations of New York Green Bank, the New York State Energy Research and Development

Authority shall conduct no fewer than two stakeholder engagement activities annually, as discussed in the body of this Order.

15. The New York State Energy Research and Development Authority shall provide annual briefings to Commissioners, as discussed in body of this Order.

16. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

17. These proceedings are continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

APPENDIX A: METRICS

Category	Frequency	Metrics
Capital Position	Quarterly	<ul style="list-style-type: none"> • Authorized Capital (\$) • Authorized Administrative Expenses (\$) • Authorized Evaluation Expenses (\$)
Operational Matters	Quarterly	<ul style="list-style-type: none"> • Cumulative Revenues (\$), Cumulative Operating Expenses (\$) • Direct Operating Expenses (\$) • Allocated Expenses (\$)
Investment Portfolio	Quarterly	<ul style="list-style-type: none"> • Undrawn Committed Funds (\$) • Deployed Funds (\$) • Current Portfolio (\$). • Overall Investments to Date, Total Project Costs (Cumulative) • Mobilization Ratio • Portfolio Concentration by sector • Number and type of investments and counterparties • Estimated gross energy and environmental benefits
Investment Pipeline	Quarterly	<ul style="list-style-type: none"> • Active Pipeline (\$) • Pipeline by Sector (%)
Investment Process	Quarterly	<ul style="list-style-type: none"> • Proposals Received - Value (Cumulative) (\$)

		<ul style="list-style-type: none"> • Approvals - Scoring Committee (Cumulative) (\$) - Greenlight Committee (Cumulative) (\$) - Investment & Risk Committees (Cumulative) (\$)
Public Commitments	Quarterly	<ul style="list-style-type: none"> • Percentage of Disadvantaged Communities Commitments (%) • Progress towards sector-specific targets
Energy & Environmental Benefits (Estimated)	Quarterly	<ul style="list-style-type: none"> • Lifetime & Annual Total Energy Savings (MMBtu equivalent) • Electricity Savings (MWh) • Natural Gas Fuel Savings (MMBtu) • Other Fuel Savings (MMBtu) • Distributed Solar Capacity (Renewable MW), • Lifetime Emissions Reductions (CO2e)
Energy & Environmental Benefits (Actual Installed)	Annually	<ul style="list-style-type: none"> • Total Energy Savings (MMBtue) • Electricity Savings (MWh) • Natural Gas Fuel Savings (MMBtu) • Other Fuel Savings (MMBtu) • Distributed Solar Capacity (Renewable MW)

		<ul style="list-style-type: none"> • GHG Emissions Reductions (CO2e) • Total Project Costs (\$)
Financial Position/Investment Quality & risk	Annually	<ul style="list-style-type: none"> • Audited Financials • Portfolio Impairment (%) • Return on Investment • Capital Redeployment Cycle Time (Years)
Longer-Term Outcomes	Upon Completion of Evaluation Studies	<ul style="list-style-type: none"> • Financial market transformation • Energy and environmental impact benefits

APPENDIX B: PROPOSED AND APPROVED INVESTMENT TARGETS

NY Green Bank FY 2026-2031 Investment Targets		
Investment Sector	Proposed Targets (in millions)¹	Approved Targets
Building Decarbonization (Total)	\$ 250.00 (25%)	40%
Building Decarbonization within Disadvantaged Communities	<i>\$ 100.00 (10%)</i>	<i>N/A</i>
Building Decarbonization Affordable Housing	<i>\$ 150.00 (15%)</i>	<i>20%</i>
Building Decarbonization Energy Efficiency	<i>N/A</i>	<i>10%</i>
Clean Transportation	\$ 150.00 (15%)	20%
Energy Storage	\$ 250.00 (25%)	25%
Clean Energy Generation	\$ 350.00 (35%)	15%
Community Lender Finance Pool	N/A	5%
Total	\$ 1,000.00 (100%)	100%
¹ NYGB Proposed Target reflect modifications to original Affordable Housing sub-target identified within NYGB's Reply Comments.		