

Transaction Profile

Financing in action

GREENWOOD SUSTAINABLE INFRASTRUCTURE (“GSI”)

\$10 million senior-secured revolving credit facility that will be used to finance interconnection processes for a portfolio of community distributed generation solar projects in New York State



GSI will use this facility to finance interconnection costs for a portfolio of community distributed generation solar (and potentially storage in the future) projects sized 5 MW or less that are compensated under the Value of Distributed Energy Resources (VDER) program.

Market Barriers and Solutions

Solar project developers face limits in project deployment with interconnection (IX) financing—an inefficient use of sponsor equity. By providing IX financing, NY Green Bank creates an easier path forward for developers to enable greater and quicker deployment of distributed generation assets throughout New York State.

The market for IX financing remains nascent among **commercial lenders**, as traditional debt capital sources do not typically provide this type of financing due to the small size and relative administrative intensity associated with IX transactions. This facility fills this gap in the market by providing much-needed capital for the interconnection process for solar and potential energy storage assets, which may in turn spur investment from other lenders in the market. With this transaction, NY Green Bank is demonstrating replicability and scale for CDG solar IX loans.

Transaction amount: **\$10.0 million**

Counterparties:

(Project Sponsor) GSI

Product: **Interconnection Loan**

Date closed: **February 2024**

Estimated lifetime metric tons

CO₂e reduced: **1.1 million**

Technology: **Solar**

Location: **Statewide**

End-use segment:

Community Distributed Generation



“Securing this revolving credit facility with NY Green Bank is integral to GSI’s ongoing efforts to expand our renewable energy footprint in New York, while also demonstrating confidence in our approach to navigating its nation-leading clean energy landscape. The continued development and construction of these projects will have a significant and immediate positive economic impact in upstate New York while providing direct economic and environmental benefits to residents of the State for decades to come.”

Joseph Sacks, SFO,
Greenwood Sustainable Infrastructure



TRANSACTION PROFILE

May 2024

\$10 million revolving credit facility to finance interconnection for CDG solar

GREENWOOD SUSTAINABLE INFRASTRUCTURE

On February 9, 2024, NY Green Bank (“NYGB”) closed a \$10.0 million senior-secured revolving credit facility that will be used to finance interconnection processes for a portfolio of community distributed generation (“CDG”) solar projects in New York State.

Transaction Description

GSI will use this facility to finance interconnection costs for a portfolio of community distributed generation solar (and potentially storage in the future) projects sized 5 MW or less that are compensated under the Value of Distributed Energy Resources (“VDER”) program.

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

Form of NYGB Investment

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

Location(s) of Underlying Project(s)

Statewide. Projects will be located across New York State.

Types of Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	Greenwood Sustainable Infrastructure (GSI)	Project Sponsor

¹ Case 13-M-0412.

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

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Solar project developers	Solar project developers face limits in project deployment with interconnection (IX) financing—an inefficient use of sponsor equity.	By providing IX financing, NY Green Bank creates an easier path forward for developers to enable greater and quicker deployment of distributed generation assets throughout New York State.
Commercial lenders	The market for IX financing remains nascent among commercial lenders , as traditional debt capital sources do not typically provide this type of financing due to the small size and relative administrative intensity associated with IX transactions.	This facility fills this gap in the market by providing much-needed capital for the interconnection process for solar and potential energy storage assets, which may in turn spur investment from other lenders in the market. With this transaction, NY Green Bank is demonstrating replicability and scale for CDG solar IX loans.

Technologies Involved

Technology	Measures
Solar	Solar Photovoltaic

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

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

- Estimated distributed solar capacity (MW)

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

Energy/Environmental	Lifetime	Lifetime	Annualized	Annualized
Impact	Low Estimate	High Estimate	Low Estimate	High Estimate
Estimated distributed solar capacity (MW)	48	99	N/A	
Estimated GHG emission reductions (metric tons)	561,609	1,147,586	28,080	57,379

Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occurs when a critical mass of NYGB financing and investment arrangements are in place. Market evaluation activities commenced in 2018 on sectors that NYGB has supported since inception, consistent with the requirement for such assessments approximately three to five years following initial NYGB capital deployments.⁵ NYSERDA collected baseline data for the NYGB portfolio in 2019 and will update the data to

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

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

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

include indicators specific to this transaction. NYSERDA will use baseline data collected for indicators as a comparison point against which to assess market progress in later studies. Progress indicators are defined below for the short, medium and long terms.

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

- Size and location of projects financed by the investment;
- Aggregate expected energy generation for projects financed by the investment.
- The number of projects that finalize construction financing arrangements.

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

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

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

NYSERDA will evaluate the impact this transaction has had on the clean energy finance markets and the energy/environmental benefits it delivers.

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

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

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