PARITY INC.

Revolving credit facility and term loan to finance the deployment of Parity’s HVAC optimization software solution to improve energy efficiency in NYS.

A $3.0 million revolving credit facility will fund equipment procurement and installation for Parity’s HVAC optimization Software as a Service (SaaS) solution in New York, and a $1.0 million term loan will be used to refinance existing debt and support general corporate purposes. Parity Inc. is a fast-growing company that reduces energy consumption in multi-family residential and hospitality buildings. It helps reduce exposure to Local Law 97 fines by remotely and automatically controlling a building’s HVAC systems.

Market Barriers and Solutions

A key market barrier stems from the lack of precedent and limited appetite from traditional commercial debt providers to finance transactions tied to utility incentives. Utility incentives may not fit into any one asset class or may be too small individually to generate sufficient interest from traditional debt investors. NY Green Bank’s transaction addresses this gap in the market by bridging the utility incentive payments and freeing up capital for the borrower to focus on business expansion and accelerating deployment of its SaaS solution. This transaction can serve as a market precedent for traditional third-party lenders and debt providers, demonstrating the viability of treating a utility’s incentive offer letter as an asset, spurring additional investments into the New York State energy efficiency market.

Another market barrier is the hesitancy of traditional commercial debt providers to finance transactions with early-stage companies. This transaction provides support to a high-growth, early-stage company that will benefit from having access to additional capital to fuel faster growth in its key target market of New York State.

“This is a significant partnership for us with a U.S. lender. Our organization’s goals, when it comes to reducing GHG emissions from buildings in New York City, are very closely aligned. We look forward to leveraging this partnership and capital facility to help building managers and asset owners implement the necessary technology to minimize wasted energy in buildings and build a greener, more sustainable future.”

Brad Pilgrim, CEO of Parity