

Transaction Profile

Financing in action

CATALYZE

Up to \$100 million term loan supporting community distributed generation solar in New York State



NY Green Bank's \$100 million facility will enable First American Equipment Finance (FAEF) to purchase equipment at fair market value and to lease such equipment to Catalyze Holdings, LLC (Catalyze). The equipment is part of a 79 megawatt (MW) community distributed generation (CDG) portfolio in New York State.

This is NY Green Bank's first term loan using a sale-leaseback structure to support a CDG portfolio. Additionally, this transaction aims to advance New York State's climate equity goals by requiring 65% of subscribers on all solar projects in the portfolio be located in disadvantaged communities (DACs).

Market Barriers and Solutions

Borrowers and developers are not always able to secure necessary construction financing until long-term financing for the project is secured. Not only does NY Green Bank's commitment unlock the construction financing, but it enables the **Construction Lenders** to increase their financing commitments.

Low- and moderate-income New Yorkers face barriers accessing low-cost, clean energy. NYGB's involvement in this transaction will drive subscribers in disadvantaged communities (DAC) in the state through a minimum DAC subscriber level on all solar projects in the portfolio.

Transaction amount: **\$100.0 million**

Counterparties:

(Sponsor and Guarantor)

Catalyze Holdings, LLC

(Borrower and Lessor)

First American Equipment Finance

Product: **Term loan**

Date closed: **March 2024**

Estimated lifetime metric tons

CO₂e reduced: **871,619**

Technologies: **Solar**

Location: **Statewide**

End-use segment: **Community distributed generation**



"We are excited to leverage our extensive community solar expertise to ensure the success of NY Green Bank's term loan supporting a community distributed generation (CDG) portfolio. CDG is one of the most effective means of making solar energy more accessible to low-to-moderate income communities, and we look forward to how this partnership will support both the goals of NY Green Bank and New York State."

Jared Haines, CEO of Catalyze

TRANSACTION PROFILE

May 2024

\$100 million term loan supporting community distributed generation solar in NYS

CATALYZE

On March 28, 2024, NY Green Bank (“**NYGB**”) closed a \$100 million term loan to support a community distributed generation (“**CDG**”) solar portfolio in New York State. This facility will enable First American Equipment Finance (“**FAEF**”) to purchase equipment at fair market value and to lease such equipment to Catalyze Holdings, LLC (“**Catalyze**”).

Transaction Description

NY Green Bank’s \$100 million facility will enable FAEF to purchase equipment at fair market value and to lease such equipment to Catalyze; the equipment is part of a 79 megawatt (MW) CDG portfolio in New York State.

This is NY Green Bank’s first term loan using a sale-leaseback structure to support a CDG portfolio. Additionally, this transaction aims to advance New York State’s climate equity goals by requiring 65% of subscribers on all solar projects in the portfolio be located in disadvantaged communities (“**DACs**”).

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 Catalyze transaction entered into in March 2024, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Term Loan	\$100.0 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	Catalyze Holdings, LLC	Project Sponsor and Guarantor
	First American Equipment Finance	Borrower and Lessor

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
Borrowers and developers	Borrowers and developers are not always able to secure necessary construction financing until long-term financing for the project is secured	Not only does NY Green Bank's commitment unlock the construction financing, but it enables the Construction Lenders to increase their financing commitments.
Low- and moderate-income New Yorkers	Low- and moderate-income New Yorkers face barriers accessing low-cost, clean energy.	NYGB's involvement in this transaction will drive subscribers in disadvantaged communities in the state through a minimum DAC subscriber level on all solar projects in the portfolio.

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)	67	75	N/A	
Estimated GHG emission reductions (metric tons)	778,400	864,889	38,920	43,244

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 include indicators specific to this transaction. NYSERDA will use baseline data collected for indicators as a comparison

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.

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 Catalyze 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.