



\$50 MILLION

NY GREEN BANK CAPITAL COMMITTED

663,637

LIFETIME CO₂E AVOIDED (metric tons)

equivalent to...

138,299

HOMES' WORTH OF ELECTRICITY
SAVED OVER ONE YEAR

MAY 2025

CLOSE DATE

**CONSTRUCTION-TO-TERM
AND TAX EQUITY BRIDGE**

LOAN TYPE

**Sponsor: Scale Microgrid Solutions, LLC
Borrower: Scale Borrower II, LLC**

Financing for distributed generation solar in upstate New York

The Project

Scale Microgrids (Scale) recently secured \$275 million to finance the construction and operation of a diverse, multi-state portfolio of distributed generation (DG) assets. Assets include microgrids, community-scale solar and storage, and energy storage installations.

The largest share of assets within this portfolio is located in New York State, reflecting 50 megawatts of DG capacity and over \$115 million of investment directed to State projects. These DG solar installations deliver lower-cost clean energy to communities while enhancing grid resilience.

The \$275 million syndication, led by KeyBanc Capital Markets (KeyBanc), included a \$50 million commitment from NY Green Bank.

Why It Matters

While financing for DG projects is becoming more widely available, traditional lenders continue to hesitate due to (i) perceived risks or unfamiliarity with New York State's Value of Distributed Energy Resources (VDER) model and (ii) limited market capacity to underwrite complex DG transactions. NY Green Bank fills this gap and demonstrates the attractive risk return affiliated with earlier stage projects. NY Green Bank also offered a tax equity bridge, which enables continuous project development before tax equity is funded—further strengthening overall project economics.

By working with KeyBanc, NY Green Bank anchored a syndicate that includes multiple lenders new to the DG market. This helps build lender confidence and crowd-in private capital that might otherwise remain untapped, thereby demonstrating the scale and replicability of DG solar investments within the State.

“This transaction demonstrates the continued importance of financial innovation in distributed energy. We're proud to work with NY Green Bank to invest in more affordable, resilient energy solutions for these communities.”

—Julian Torres, Chief Investment Officer, Scale Microgrids



TRANSACTION PROFILE

August 2025

\$50 million construction-to-term and tax equity bridge to finance a multi-state portfolio of distributed generation assets

SCALE MICROGRIDS SOLUTIONS, LLC

On May 13, 2025, NY Green Bank (“NYGB”) closed a \$50.0 million construction-to-term and tax equity bridge facility to Scale Microgrids (“Scale”) as part of a \$275 million syndication led by KeyBanc Capital Markets to finance the construction and operation of a multi-state portfolio of distributed generation assets including microgrids, community-scale solar and storage, and energy storage installations.

Transaction Description

Scale Microgrid Solutions, LLC is an integrated distributed energy company that develops, builds, owns, and operates microgrids, solar, and battery storage projects across the country. NYGB’s \$50 million commitment supports a diverse portfolio of distributed generation projects across New York, Pennsylvania, California, Connecticut, and New Jersey. The largest share of assets within this portfolio is located in New York State, reflecting over 50 megawatts of DG capacity and over \$115 million of investment directed to State projects. These DG solar installations deliver lower-cost clean energy to communities while enhancing grid resilience.

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 Scale transaction entered into in May 2025, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Construction-to-Term; Tax Equity Bridge Facility	\$50.0 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	Scale Microgrid Solutions, LLC	Borrower
	Scale Borrower II, LLC	Sponsor and Guarantor

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
DG developers	DG developers face challenges securing financing from traditional lenders due to (i) perceived risks or unfamiliarity with New York State’s Value of Distributed Energy Resources (VDER) model and (ii) limited market capacity to underwrite complex DG transactions.	By supporting this transaction, NY Green Bank demonstrates the attractive risk return affiliated with earlier stage projects. The tax equity bridge, which enables continuous project development before tax equity is funded—further strengthens overall project economics. NY Green Bank’s participation in the syndication led by KeyBanc helps build lender confidence and crowd-in private capital.

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 gross lifetime and first-year clean energy generated (MWh)
- Estimated gross clean energy generation installed capacity (MW)
- Estimated gross lifetime and first-year GHG emission reductions (metric tons)

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

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annualized Low Estimate	Annualized High Estimate
Estimated clean energy generated (MWh)	1,194,004	1,326,672	59,700	66,334
Estimated clean energy generation installed capacity (MW)	51	57	N/A	
Estimated GHG emission reductions (metric tons)	597,273	663,637	29,864	33,182

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

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.

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 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 (i.e., capacity, duration and expected dollar value) and location of projects financed by the Facility;
- Aggregate expected energy generation for projects financed by the Facility; and
- 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 DER projects;
- Increased general understanding of renewable energy benefits by financial community;
- Increased awareness and use of DER 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 DER 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 Scale 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.

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