NY Green Bank
COVID-19 Impacts Webinar
June 2, 2020
COVID-19 Survey Results
140+ responses from C-suite and other senior executives representing all clean energy and sustainable infrastructure segments

Survey Respondents

80+ Developers/Operators
- CEA
- Biogas
- Distributed Generation
- Energy Storage
- Energy Efficiency
- LSR
- Clean Transportation

35+ Other Respondents
- Consultants
- Engineers
- Industry Associations
- Investors
- Law Firms
Survey respondents outlined the following concerns arising from the COVID-19 crisis:

- Missing Key Milestones
- Supply Chain Issues
- Revenue Pressures
- Changes in Credit Terms
- Availability of Project Capital
- Availability of Corporate Capital
Developer/Operator Feedback

Concern about missing key milestones as a result of COVID-19

- Permitting Milestones: 38
- Interconnection Milestones: 30
- Construction Milestones: 50
- Financing Milestones: 50
- Other: 5
Developer/Operator Feedback

Supply Chain issues as a result of COVID-19

- Delays in Equipment Sourced from Affected Areas: 32
- Delays in Other Materials Sourced from Affected Areas: 24
- Disruption in Contractors/Labor Needed for Project Implementation: 59
- Other: 3

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A Division of NYSERDA
Revenue Pressures as a result of COVID-19

- Reduction in Sales/Business Development: 57%
- Revenue Delays due to Inability to Complete Projects and Commence Billing: 56%
- Offtaker Credit Risk or Payment Delays: 30%
- Utility Price Risk: 17%
- Other: 7%
38% of respondents have already seen changes in credit terms as a result of COVID-19.
New Financing Needs as a result of COVID-19

Over two-thirds of respondents will have new financing needs

<table>
<thead>
<tr>
<th>Financing Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridge Loan</td>
<td>26</td>
</tr>
<tr>
<td>Construction-to-Term</td>
<td>25</td>
</tr>
<tr>
<td>Senior Secured Term Loan</td>
<td>16</td>
</tr>
<tr>
<td>Project Common or Preferred</td>
<td>14</td>
</tr>
<tr>
<td>HoldCo, Subordinated, Mezzanine Debt</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
</tr>
</tbody>
</table>
30 respondents see opportunity arising from COVID-19

Market Opportunities 74%
General Opportunities 13%
Policy Opportunities 13%
Revenue 35%
Expense 30%
M&A 9%
39 respondents anticipate post-PAUSE financing needs

Project Capital Needs

- Project Capital: 8
- Tax Equity: 5
- Bridge Financing: 3
- Project Grants/Incentives: 2
- Development Capital: 2
- Project Equity: 1
- Safe Harbor Financing: 1
- Equipment Loan: 1
- Construction Loan: 1
- Perm Debt: 1
39 respondents anticipate post-PAUSE financing needs

Corporate Capital Needs

- Working Capital: 7
- Corporate Equity: 3
- Corporate Debt: 3
- Other Short Term Financing: 2
35 respondents were not developers/operators, yet represent clients in the clean energy market.
Clients expressed new financing needs or barriers as a result of the COVID-19 crisis
Other Respondent Feedback: Financing Needs & Barriers

> Financing Barriers:
  • Lack of available tax equity
  • Low liquidity - private investors are pulling back or slowing deals
  • Higher pricing on deals
  • Uncertain terms and high credit barriers
  • Lenders requiring more certainty of execution due to the lack of syndication market
  • Uncertainty around construction timelines make lenders apprehensive

> Top Financing Needs:
  • Lines of credit
  • Bridge financing
  • Working capital
NY Green Bank’s Activities during COVID-19
Since NYS “PAUSE” on March 16, NY Green Bank has provided liquidity to market participants and will continue to do so in a relationship driven manner

- 4 transactions closed NYS “PAUSE”

- 10 fundings for previously closed transactions
- New transaction discussions continue at a strong pace
### NY Green Bank Financing Solutions

**39 respondents anticipate post-PAUSE financing needs**

<table>
<thead>
<tr>
<th>Financing Need</th>
<th>NY Green Bank Solutions</th>
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<tbody>
<tr>
<td>Tax Equity/Project Equity</td>
<td>• Better understand current concerns of their tax-equity partners and ways NYGB can potentially help address</td>
</tr>
<tr>
<td>Corporate Debt</td>
<td>• Continue to provide corporate liquidity via asset-backed debt finance approaches</td>
</tr>
<tr>
<td>Development Capital, Project Debt and Long-Term Financing</td>
<td>• Continue to offer Long Term Debt, Construction Financing, Project Development Capital</td>
</tr>
<tr>
<td>Short-Term Financing</td>
<td>• Continue to offer interconnection financing, construction financing, aggregation financing and safe harbor financing, where applicable</td>
</tr>
<tr>
<td>Capital for Unrated Counterparties</td>
<td>• Continue to utilize internal shadow ratings to establish rating and related pricing for unrated counterparties</td>
</tr>
<tr>
<td>Capital for Small-to-Mid Size Transactions</td>
<td>• Continue to support small to mid size transactions ($1 – 50 million) were there is the ability to replicate and scale</td>
</tr>
</tbody>
</table>
Financing Approach to Address COVID-19

NY Green Bank is a relationship driven partner in working with borrowers to overcome COVID-19-related issues

- Deferral on interest and/or debt service payments for borrowers in good standing that represent hardship related to COVID-19 and represent they will use best efforts to use added liquidity for payroll purposes
  - Deferred amounts to be added to debt principal and debt tenor
- Provide liquidity via interconnect deposit financing to credible LSR and CDG participants with sufficient “skin in the game” via corporate guarantees and / or pledge of assets as collateral
- Flexible and creative in restructuring debt as needed for COVID-19 and PAUSE-related financial issues
- Flexible in terms of permitting existing borrowers to secure federal or state stimulus funding
- Structuring construction milestones to be contingent upon the date upon which PAUSE is ended and construction can begin
- Discussions welcome as to other creative and prudent ways to provide liquidity and flexibility related to PAUSE and post-PAUSE support
Contact us at info@greenbank.ny.gov to discuss potential investment ideas.