

# **NY Green Bank**

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Annual Plan 2021-22

CONTENTS

- 1 Introduction ..... 3**
- 2 Plan Year Objectives..... 5**
- 3 Activities Underway to Deliver on Plan Year Objectives..... 6**
  - 3.1 Activities to Meet Plan Year Objective 1: Effectively Manage a Strong and Growing Portfolio.6**
    - 3.1.1 Financing Solutions to Support Disadvantaged Communities.....6
    - 3.1.2 Targeted Business Development Activities .....7
    - 3.1.3 Improvement of Existing Pathways for Market Engagement.....8
    - 3.1.4 Committed Funds and Active Pipeline .....9
  - 3.2 Activities to Meet Plan Year Objective 2: Continue to Mobilize Private Capital .....9**
    - 3.2.1 Portfolio Monetization .....9
  - 3.3 Activities to Meet Plan Year Objective 3: Continuously Improve and Enhance NYGB Risk Management, Operations and Portfolio Management ..... 11**
    - 3.3.1 Develop Environmental, Social, & Governance Framework and Implementation Plan .....11
    - 3.3.2 Process Standardization .....12
- 4 Plan Deliverables .....13**
- 5 Appendix A: Supplementary Tables and Figures .....15**
- 6 Appendix B: Additional Resources .....23**

FIGURES

- Figure 1: Plan Year Objectives.....5
- Figure 2: Changes in RFP 1 .....9
- Figure 3: Explanation of Mobilization Ratio ..... 10
- Figure 4: Leveraging Ratepayer Funds ..... 11
- Figure 5: Investment Performance At-a-Glance as of March 31, 2021 ..... 15
- Figure 6: Pipeline Year-Over-Year ..... 16
- Figure 7: Progress Toward CEF Goals ..... 16

TABLES

- Table 1: 2021-22 Plan Deliverables ..... 13
- Table 2: 2020-21 Plan Deliverables ..... 17
- Table 3: 2020-21 Transactions..... 18
- Table 4: Fiscal Year 2020 – 21 Financial Summary (\$ thousands).....21
- Table 5: Actual & Forecast Revenues, Expenses & Net Income (Loss) (\$ millions) .....22

# 1 Introduction

NY Green Bank (“**NYGB**”), a division of the New York State Energy Research and Development Authority (“**NYSERDA**”), is a state-sponsored investment fund dedicated to alleviating financing gaps in New York State (“**NYS**” or the “**State**”) clean energy and sustainable infrastructure markets by mobilizing greater private investment activity in these sectors. NYGB, as a portfolio of New York’s Clean Energy Fund (“**CEF**”)<sup>1</sup>, maintains alignment with the State’s strategic direction as provided by the New York Public Service Commission (the “**Commission**”) in the “Order Authorizing the Clean Energy Fund Framework” issued and effective January 21, 2016 (the “**CEF Order**”).<sup>2</sup> As part of Governor Cuomo’s Reforming the Energy Vision (“**REV**”) strategy<sup>3</sup>, the CEF is a \$5.3 billion commitment over 10 years to advance clean energy growth and innovation, drive economic development across NYS and reduce ratepayer collections.<sup>3</sup> Each investment made by NYGB contributes to the primary CEF outcomes of greenhouse gas (“**GHG**”) emissions reductions, customer bill savings, energy efficiency, clean energy generation and mobilization of capital. As per the CEF Order, NYGB publicly files a review and plan each year (“**Annual Review & Plan**”)<sup>4</sup> to inform the Commission and other interested stakeholders of previous year activity and performance, as well as NYGB’s strategic direction and goals for the upcoming fiscal year.

NYGB is implementing a redesigned filing format for its review of the year ended March 31, 2021 (“**Previous Plan Year**” or “**2020 – 21 Plan Year**”) and plan for the fiscal year ending March 31, 2021 (“**Current Plan Year**” or “**2021 – 22 Plan Year**”). The forward-looking component (previously known as Part III) of NYGB’s Annual Review & Plan filing for the Current Plan Year (“**Annual Plan**”) presents the objectives, activities NYGB will undertake to accomplish those objectives, and specific deliverables for which NYGB will be accountable. The Annual Plan is complemented by NYGB’s 2021 audited financial statement<sup>5</sup> and inaugural Impact Report for the Previous Plan Year (“**Impact Report**”)<sup>6</sup>, a review of NYGB’s investment activities, financial performance, strategic achievements, and impact during the Previous Plan Year and cumulatively as of March 31, 2021 (replacing what was previously known as Part II of the Annual Review & Plan filing). NYGB overview materials and historic context (previously known as Part I of the Annual Review & Plan filing), which largely remain static from year to year, are now available on NYGB’s website under [Founding & Organizational Documents](#).<sup>7</sup>

NYGB’s Previous Plan Year was marked by unprecedented challenges, as the global community and economy reeled from disruptions due to the COVID-19 pandemic. In spite of these challenges, NYGB saw a greater need for its financing solutions than ever before from both new and existing borrowers. These market participants met the challenges raised by COVID-19 and continued to deliver projects and solutions that will help the State meet its clean energy policy goals. Now, as vaccines are becoming more readily available and “normal” life begins to resume in NYS, another challenge lies ahead – how to build back in a way that is more sustainable, equitable and resilient.

During the Previous Plan Year, NYGB provided flexible, dynamic financing solutions and committed \$349.0 million of capital to clean energy and sustainable infrastructure investments, more than in any previous fiscal year since its inception. By devoting significant time, effort, and investment dollars to capital-constrained areas of the clean energy market such as residential and Community Distributed Generation (“**CDG**”) solar – sectors that now benefit from ample private capital availability – NYGB has demonstrated its ability to transform financing markets in New York. In turn, the fund has begun to focus on other areas experiencing financing barriers. Building upon its work financing sustainable infrastructure in Disadvantaged Communities (“**DACs**”) in the Previous Plan Year (see Impact Report pages 23 and 36-37 for more information), NYGB aims to deepen its focus and increase its investments in this segment

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<sup>1</sup> See [www.nyserda.ny.gov/About/Clean-Energy-Fund](http://www.nyserda.ny.gov/About/Clean-Energy-Fund) for more information about the CEF.

<sup>2</sup> See <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B23BE6D8-412E-4C82-BC58-9888D496D216}>.

<sup>3</sup> See [www.rev.ny.gov](http://www.rev.ny.gov) for more information about the REV strategy.

<sup>4</sup> See Annual Business Plans section at <https://greenbank.ny.gov/Resources/Public-Filings> for previous Annual Review & Plan filings.

<sup>5</sup> See comprehensive review of 2020-21 financials at <https://greenbank.ny.gov/-/media/greenbanknew/files/2021-NYGB-Audited-Financials.pdf>.

<sup>6</sup> See 2021-22 Impact Report at <https://greenbank.ny.gov/-/media/greenbanknew/files/2020-21-NYGB-Impact-Report.pdf>.

<sup>7</sup> See Founding & Organizational Documents section at <https://greenbank.ny.gov/Resources/Public-Filings>.

even further going forward. To handle the record volume of business during the Previous Plan Year and efficiently manage a growing portfolio of transactions, NYGB enhanced its risk, operations, and finance functions (e.g., by streamlining funding checklists and internal approval processes). See NYGB's inaugural Impact Report and *Appendix A: Supplementary Tables and Figures* in Section 5 of this Annual Plan for more about NYGB's Previous Plan Year performance.

During the Current Plan Year, NYGB will proactively engage market participants to better understand their financing gaps and barriers and will develop scalable, replicable solutions to address those issues. NYGB will continue to put ratepayer capital to work prudently. With a Current Portfolio ("**Current Portfolio**") over \$782.2 million at the end of the Previous Plan Year, in the Current Plan Year NYGB intends to close a transaction to expand its capital base, which will enable NYGB to continue investing in the state's clean energy markets without seeking additional ratepayer funds. In addition, NYGB will continue to improve and enhance its operations and process management, ensuring NYGB will remain a dynamic sustainable infrastructure fund with leading-edge investment, operational and risk management practices.

## 2 Plan Year Objectives

NYGB has identified three key objectives for the Current Plan Year, which build upon progress achieved during previous periods. Figure 1 summarizes NYGB's key objectives for the Current Plan Year ("**Plan Year Objectives**").

*Figure 1: Plan Year Objectives*

### 2021 – 22 Plan Year Objectives

1. Effectively manage a strong and growing portfolio of clean energy and sustainable infrastructure investments across a number of targeted market segments, including those that can benefit Disadvantaged Communities.
  - a. Put ratepayer money to work, prudently: Target \$1.5 billion (cumulative) in investments over the fiscal year ending March 31, 2022, involving at least an additional \$225.0 million for the year.
  - b. Work toward committing at least 35% of total capital commitments between January 1, 2020 and December 31, 2025 to projects that provide benefits for Disadvantaged Communities per alignment with New York's Climate Protection and Community Protection Act ("**CLCPA**" or the "**Climate Act**").
2. Continue to mobilize private capital, including by expanding NY Green Bank's capital base, to enable further investment into clean energy and sustainable infrastructure in the State without additional NYS or ratepayer support.
3. Continuously improve and enhance NYGB risk management, operations and portfolio management. Strengthen operations to reflect the growing responsibility of managing a Current Portfolio of over \$782.2 million, including significant increase in back-office activities such as fundings, loan servicing, etc.

The remainder of this Annual Plan presents the activities NYGB will undertake to meet its Plan Year Objectives and specific deliverables presented in Section 4 that NYGB will track and report in its Quarterly Metrics Reports<sup>8</sup> filed pursuant to the Metrics, Reporting & Evaluation Plan Version 3.0<sup>9</sup> (the "**Metrics Plan**").

<sup>8</sup> **Quarterly Metrics Reports** means each Metrics report required to be filed by NYGB with the Commission in respect of each calendar quarter as set out in Section 2.1 of the Metrics Plan and addressing the matters identified in Section 2.2 of the Metrics Plan as applicable. Quarterly Metrics Reports and webinars can be found at [www.greenbank.ny.gov/Resources/Public-Filings](http://www.greenbank.ny.gov/Resources/Public-Filings) and [www.greenbank.ny.gov/Resources/Publications-and-Events](http://www.greenbank.ny.gov/Resources/Publications-and-Events), respectively.

<sup>9</sup> NYGB's current metrics and periodic reporting plan was filed with the Commission in its Metrics, Reporting & Evaluation Plan Version 3.0. See: <https://greenbank.ny.gov/-/media/greenbanknew/files/Metrics-Reporting-Evaluation-30.pdf>.

### 3 Activities Underway to Deliver on Plan Year Objectives

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*Plan Year Objective 1:  
Effectively Manage a Strong and Growing Portfolio*

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#### 3.1 Activities to Meet Plan Year Objective 1: Effectively Manage a Strong and Growing Portfolio

NYGB’s first Plan Year Objective is to effectively manage a strong and growing portfolio of clean energy and sustainable infrastructure investments across a number of targeted market segments, including those that can benefit Disadvantaged Communities.<sup>10</sup> This includes targeting cumulative investments of at least \$1.5 billion, or an additional \$225.0 million during the Current Plan Year. Concurrently, during the Current Plan Year NYGB will work toward committing at least 35%<sup>11</sup> of total capital commitments between January 1, 2020 and December 31, 2025 to projects that provide benefits for Disadvantaged Communities, in alignment with the Climate Act. The remainder of this section describes the activities NYGB will undertake to meet this objective.

##### 3.1.1 Financing Solutions to Support Disadvantaged Communities

NYGB’s DAC investment activity aims to provide gap-filling and market transformative financing solutions that deliver the best clean energy outcomes in New York State, particularly for those in historically marginalized communities.

In support of the climate justice component of the Climate Act NYGB will make at least 35% of total capital commitments between January 1, 2020 and December 31, 2025 to projects that provide benefits for DACs. NYGB estimates that it will commit<sup>12</sup> approximately \$400.0 million and will deploy<sup>13</sup> at least \$350.0 million to such projects by 2025. As initial steps in accelerating investment towards this goal, NYGB has announced several initiatives focused on specific DAC-related market segments NYGB has identified as ripe for market-transformative financing. These initiatives include, but are not limited to, NYGB’s targets of:

- a. Investing \$150.0 million in affordable housing projects by 2025; and
- b. Investing \$100.0 million in building electrification and energy efficiency in DACs by 2025.

Reducing the energy use of buildings is critical to the State meeting its decarbonization objectives. Moreover, high-quality resilient housing has the potential to deliver cost, health, and equity benefits to the residents of the State’s DACs. While focusing on energy efficiency, NYGB will also continue to invest in other technologies that have the potential to deliver benefits to DACs and the households that comprise them.

During the Current Plan Year, NYGB will:

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<sup>10</sup> The definition of a Disadvantaged Community under the [Climate Act](#) is expected from the [Climate Justice Working Group](#) in mid-2021. Until that time, NY Green Bank applies the NYSERDA and NYS Department of Environmental Conservation [interim definition](#) to qualify and track its investing activities. See: <https://www.nyserdera.ny.gov/ny/disadvantaged-communities>.

<sup>11</sup> The CLPA mandates that a minimum of 35%, with a goal of 40%, of benefits from NYS clean energy investments go to disadvantaged communities.

<sup>12</sup> NYGB estimates that it will close approximately \$400.0 million in transactions that benefit DACs between January 1, 2020 and December 31, 2025. Committed funds are those that NYGB agrees to make available, per certain conditions, to a counterparty at the time of transaction close.

<sup>13</sup> NYGB estimates that, of the approximately \$400.0 million it expects to commit to transactions benefitting DACs between January 1, 2020 and December 31, 2025, approximately \$350.0 million will be deployed (i.e. drawn down and used by counterparties).

- Launch Request for Proposals (“RFP”) 18: *Financing Arrangements for High-Performance Affordable Housing*<sup>14</sup> (“RFP 18”), a purpose-built proposal and evaluation pathway for affordable housing electrification/electrification-readiness projects, which invites property owners and developers, energy service companies and equipment manufacturers, capital providers, and other market participants to submit proposals for NYGB investment in the construction or retrofit of multifamily affordable housing buildings to high levels of energy performance. This bespoke solicitation – including thresholds, product structures, and indicative terms customized for the needs of affordable housing electrification projects – is intended to support the prioritization of DAC transactions in NYGB’s pipeline and portfolio, align with affordable housing industry practices, and send a strong signal of NYGB’s DAC focus to the market.
- Support the clean energy and sustainable infrastructure lending market through a preferred equity investment into other financiers of projects benefitting DACs. NYGB will issue an RFP for the investment opportunity targeting community development financial institutions (“CDFIs”), non-profits and other specialty finance companies that are focused on DACs. Through market sounding over the past year, NYGB has identified investment in these financiers as an opportunity to deploy NYGB capital into DACs efficiently, as they have deep lending expertise and on-the-ground relationships in NYS’ historically underserved communities but often face capital constraints. Preferred equity investment by NYGB will strengthen these counterparties’ balance sheets and enable them to expand their lending activities in areas of the market (e.g., smaller transactions) where NYGB cannot efficiently invest;
- Work with other NYSERDA programs and NYS Homes and Community Renewal (“HCR”) to develop the Raise the Green Roof program to enable electrification/energy efficiency and clean energy measures across HCR’s affordable housing portfolios by coordinating subsidized NYSERDA technical assistance and NYGB loans with HCR’s financing products;<sup>15</sup>
- Weigh impact to disadvantaged community residents as a key investment goal in transaction screening and proposal scoring as part of the capital allocation decision-making process across all potential NYGB financing products; and
- Expand NYGB Advisory Committee and senior leadership to include a greater breadth and depth of familiarity with NYS’ historically underserved communities, including DAC and affordable housing transaction expertise.

### 3.1.2 Targeted Business Development Activities

NYGB was designed to focus on areas of the market that are expected to become more attractive to private sector capital providers once a demonstrated track record for financings in those market segments has been established. As specific areas of the market become increasingly liquid – in large part as a result of NYGB financing – NYGB moves on to repeat this transformative impact in other areas of the market where, despite using commercially-proven technology and being financially viable, clean energy projects struggle to access appropriately-priced financing. To this end, the NYGB team will maintain a consistent approach to working collaboratively with market participants to determine where and how its capital can be most impactful and then stimulate increased investment activity in those sectors. In the Current Plan Year, target areas are expected to include projects benefitting DACs; sustainable transportation, including electric vehicles (“EVs”) and supporting infrastructure; and energy storage, focusing on paired solar-plus-storage projects.

As a direct result of efforts made by NYSERDA’s NY-Sun program and NYGB, community solar has become a far more liquid market than it was when NYGB made its first interconnection loan in 2017. Significant new capacity has been added across approximately 800 projects and private investment activity has surged in this segment of NYS’s clean energy economy. As commercial capital is now widely

<sup>14</sup> As of the time of filing, NYGB has issued RFP 18 (released May 2021) with corresponding published selected indicative terms and scoring criteria in which beneficial impact to residents of disadvantaged communities is weighed as a key investment goal.

<sup>15</sup> For more details of Raise the Green Roof as announced in the January 2021 State of the State Address, see pages 136-137 here: [https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/SOTS2021Book\\_Final.pdf](https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/SOTS2021Book_Final.pdf).

available for standalone market-rate community solar projects, NYGB will narrow its focus in the Current Plan Year to support more innovative projects, specifically those that pair solar with storage and/or benefit DAC subscribers. These are subsegments of the CDG solar sector where market catalyzation is still required to increase liquidity and enable deployment of inclusive, resilient community solar capacity at scale.

Through the ongoing development and improvement of internal strategy playbooks, enhanced and targeted marketing collateral materials, expanded social media and email communications (including targeted surveys to better understand financing gaps), and more deeply integrated strategic activities with NYSERDA programs, NYGB expects to enhance and improve its business development activities to drive more clean energy and sustainable infrastructure market activity. Specifically, NYGB will:

- a. Streamline the format and standardize usage of internal strategy playbooks, which reflect market conditions, relevant agency/utility programs, NYGB investment approaches and product offerings, and potential investment leads in each target market segment. By ensuring that playbooks are updated quarterly with full input from NYGB and NYSERDA team leads, NYGB will facilitate greater alignment and collaboration on business development both within and across agencies;
- b. Update its marketing collateral to reflect NYGB's latest and most informed approaches to clean energy financing in target segments;
- c. Increase the frequency of curated email and social media communications to target segments;
- d. Redesign its website to streamline engagement and more clearly communicate NYGB's investment offerings; and
- e. Expand ongoing communications with NYSERDA teams to include more structured business development coordination and collaboration in target market segments.

### **3.1.3 Improvement of Existing Pathways for Market Engagement**

During the Current Plan Year, NYGB will streamline and simplify its engagement process to stimulate a higher volume of relevant and qualified investment proposals from market participants. NYGB will update its primary investment solicitation, *RFP 1: Clean Energy Financing Arrangements* ("**RFP 1**"), the vehicle through which the majority of NYGB's transactions are formally proposed. NYGB's investment evaluation process has not materially changed since it was first designed. Changes will make the submission process more streamlined for counterparties, and the review of proposals more efficient for NYGB, while providing a structured forum for the NYGB team to weigh strategic considerations when evaluating a potential transaction. If successful, NYGB anticipates that this initiative will increase the rate at which transactions move from its Active Pipeline<sup>16</sup> into its Portfolio and will focus NYGB's activity on closing transactions that make progress toward NYS' key strategic goals.

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<sup>16</sup> "**Active Pipeline**" means, at any time and for any period, the sum (expressed in dollars) of the proposed NYGB investment amount in all NYGB active transactions in the Pipeline where, in relation to each transaction: (a) there is agreement in principle between the parties; (b) there is momentum in moving the transaction forward; (c) conditions to investment are expected to be met; and (d) NYGB is dynamically proceeding toward and through recommendation by the Greenlight Committee, IRC approval and transaction execution.



Figure 2: Changes in RFP 1

### **How is RFP 1 changing?**

Procedurally, a key update to RFP 1 will be the implementation of a new scoring methodology that better differentiates between applications through robust consideration of portfolio fit. As NYGB now has a substantial portfolio of clean energy transactions, it will include considerations such as concentration risk in its investment decisions, with a rotating Managing Director assigned to lead portfolio fit evaluation and decision-making during each proposal's scoring process.

The updated RFP will also more clearly define what constitutes a substantially complete application and present NYGB's investment criteria and required documentation in a more direct and succinct manner, making it easier for potential counterparties to understand how to demonstrate a project's eligibility for NYGB financing. In addition, investment proposers will now be required to provide an index that not only identifies the pages for each section/topic of the application but also identifies the pages of each attachment that are responsive to each section/topic. This exercise should help NYGB locate and identify key information and encourage the Applicant to select attachments that are relevant and responsive.

Finally, NYGB will provide greater detail regarding its evaluation process, including review by a Scoring Committee, potential outcomes, and immediate next steps. Where the original version simply listed various transaction credit, financial and risk/return considerations, the revised RFP 1 will further frame these criteria within the overall context of execution-readiness. This revised version will also elaborate on the portfolio fit evaluation criteria.

### **3.1.4 Committed Funds and Active Pipeline**

NYGB's ongoing origination activities (including those described throughout Section 3.1 above) are expected to support an Active Pipeline of at least \$450.0 million per quarter on average throughout the Current Plan Year. This volume of pipeline activity should give rise to overall investment activity of at least \$225.0 million of incremental annual commitments.

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*Plan Year Objective 2:  
Continue to Mobilize Private Capital*

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### **3.2 Activities to Meet Plan Year Objective 2: Continue to Mobilize Private Capital**

NYGB's second Plan Year Objective is to continue to mobilize private capital, including by expanding NY Green Bank's capital base to enable further investment into clean energy and sustainable infrastructure in the state without additional NYS or ratepayer support. The remainder of this section describes the activities NYGB will undertake to meet this objective.

#### **3.2.1 Portfolio Monetization**

NYGB experienced an increase in demand for its financing throughout the global COVID-19 pandemic and closed its strongest year since inception. As of the end of its Previous Plan Year, NYGB's Current Portfolio exceeded \$782.2 million. Considerably more investment into clean energy and sustainable infrastructure projects in NYS is needed to meet the ambitious targets of the Climate Act. However,

maintaining its pace of support for transaction commitments will require NYGB to develop new sources of capital that do not rely on additional ratepayer funds.

In September 2020 NYGB reengaged its strategic advisor, Moelis, to explore options to raise new sources of capital through a portfolio monetization (debt issuance). Working collaboratively, Moelis and NYGB conducted a broad market sounding and ultimately identified a list of 10 highly reputable institutions from a cross-section of financial sectors (including commercial banks, pension funds, specialty finance companies and insurance companies) each of which showed strong interest in NYGB as a proven manager of Environmental, Social and Governance (“ESG”) investments.

NYGB launched a roadshow, provided preliminary diligence, and ultimately received indicative terms from several parties. NYGB determined one counterparty offered the strongest proposal and, at the time of the drafting of this Annual Plan, negotiations for an initial portfolio monetization are nearing completion. NYGB expects to close its first private capital portfolio monetization transaction during the summer of 2021, which is estimated to provide approximately \$300.0 million of incremental capital.

Portfolio monetization is a new means by which NYGB will mobilize private capital. Prior to implementing this strategy, NYGB could only recycle funds into new investments once its loans matured or were repaid early. Under this new strategy, NYGB will raise private funds against its Current Portfolio before the underlying loans mature. By leveraging its portfolio, NYGB will demonstrate that private investors expect the heterogeneous pool of NYS clean energy and sustainable infrastructure investments that make up NYGB’s Current Portfolio to generate attractive risk-adjusted returns. This new approach to portfolio management has the potential to increase NYGB’s portfolio mobilization ratio (“**Mobilization Ratio**”) at a faster rate than it could without leveraging its Current Portfolio (see [Figure 3](#) for an explanation of NYGB’s Mobilization Ratio).

*Figure 3: Explanation of Mobilization Ratio*

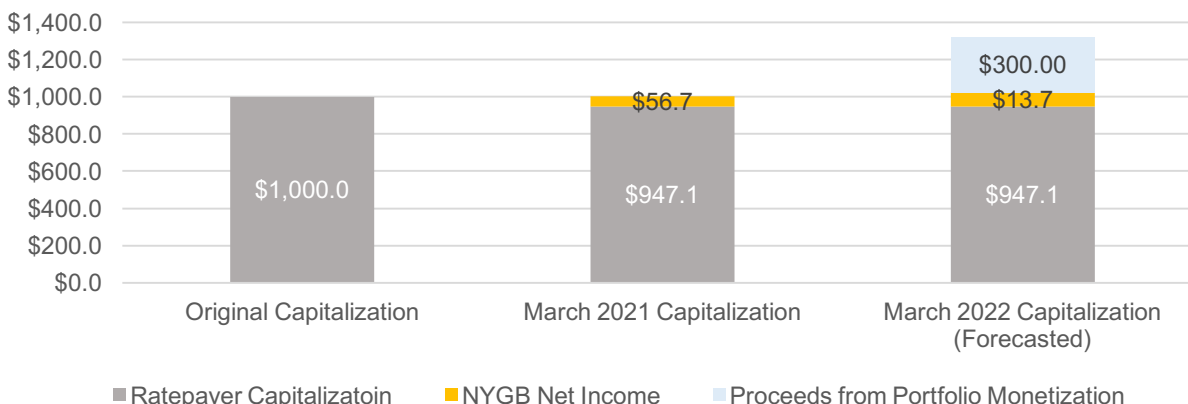
**What is NYGB’s Mobilization Ratio?**

NYGB uses a Mobilization Ratio to show how efficiently it has attracted private investment to the State’s clean energy and sustainable infrastructure market using ratepayer funds. NYGB calculates Mobilization Ratios for individual investments and for its overall portfolio. For each investment, the Mobilization Ratio is the quotient of the cumulative costs incurred by NYGB counterparties to develop, construct or purchase projects and NYGB’s total capital commitment to an investment. NYGB sums the total project costs incurred by its counterparties across all its investments then divides that total by \$1.0 billion, NYGB’s initial capitalization, to calculate its portfolio mobilization ratio.

Figure 4 illustrates NYGB’s original capitalization, its capital base as of March 31, 2021 and its projected capitalization at the end of the Current Plan Year. NYGB’s initial capital base comprised its ratepayer capitalization of \$1.0 billion. As of March 31, 2021, NYGB’s capital base included \$56.7 million of net income in addition to \$947.1 million of ratepayer capitalization.<sup>17</sup> Through its portfolio monetization strategy, NYGB projects its capital base to exceed \$1.3 billion by the end of the Current Plan Year, which will enable it to support more clean energy and sustainable infrastructure projects in the State without additional ratepayer support.

<sup>17</sup> In February 2019, ~\$52.9 million of Regional Greenhouse Gas Initiative funds that were part of NYGB’s initial capitalization were repurposed to support other clean energy programs in NYS.

Figure 4: Leveraging Ratepayer Funds



*Plan Year Objective 3:  
Continuously Improve and Enhance NYGB Risk  
Management, Operations and Portfolio Management*

**3.3 Activities to Meet Plan Year Objective 3: Continuously Improve and Enhance NYGB Risk Management, Operations and Portfolio Management**

NYGB's third Plan Year Objective is to continuously improve and enhance NYGB risk management, operations, and portfolio management. This includes strengthening operations to reflect the growing responsibility of managing a Current Portfolio of over \$782.2 million, including significant increase in back-office activities such as funding's, loan servicing, etc. The remainder of this section describes the activities NYGB will undertake to meet this objective.

**3.3.1 Develop Environmental, Social, & Governance Framework and Implementation Plan**

NYGB has an opportunity to address the themes of equity and resiliency through an enhanced set of Environmental, Social, & Governance (ESG) practices – both organizationally and related to its portfolio of investments. Introducing these practices will enable NYGB to maintain its position as a leading green bank, given its proven leadership in climate-related investing coupled with the increasing prominence of ESG in mainstream investing. Expansion beyond the environmental prong into formal consideration of social and governance risks and opportunities will be complementary to NYGB's core mission of promoting clean energy and sustainable infrastructure deployment and financing market transformation in alignment with NYSERDA's expanded mission regarding equity and resiliency.

NYGB's investment processes are designed to screen for environmental factors, which supports the fund's ability to make investments with the potential to deliver strong environmental benefits to New Yorkers. In addition, under the CLCPA, state authorities and entities are required to direct funding in a manner designed to achieve a goal for DACs to receive 40% of overall benefits of spending on clean energy and as such, integrating expanded screening methodologies for potential investments will be a core part of its investment processes and a primary goal of NYGB's ESG work. By adopting additional disclosure and seeking higher levels of performance around social and governance risks and opportunities, NYGB can play a leadership role in encouraging strong ESG practices among our counterparties, driving improved climate equity and enhanced ratepayer capital risk management (e.g., through engaging with counterparties that demonstrate strong governance practices, such as supply chain management). By becoming a formal ESG leader among private/structured debt investors, NYGB

also seeks to demonstrate the value of incorporating ESG practices to other clean energy financiers as well as to potential future investors.

During the Current Plan Year, NYGB will conduct preliminary research around relevant methodologies to design, implement, monitor, and report on newly codified ESG factors both for NYGB as well as for counterparties. In addition, NYGB will recommend an ESG framework and develop an implementation plan to achieve its targets and goals. NYGB plans to codify an expanded set of ESG metrics in an updated version of its Metrics Plan. The development of an ESG framework during the Current Plan Year, coupled with the establishment of a final DAC definition, will prepare NYGB to update its Metrics Plan to include impact metrics related to DAC investments and ESG risks and opportunities.

### **3.3.2 Process Standardization**

With each new transaction, the NYGB team manages a growing and increasingly diverse portfolio of investments. During the Previous Plan Year, the team conducted 101 loan modifications, including 63 non-material and 38 material, and took on management of 58 new control accounts (beyond the 90 already under management at the beginning of the Previous Plan Year). In the year ahead, NYGB will implement financial technology (“FinTech”) solutions, developed both internally and externally, to drive continued improvement across operations and administrative processes wherever possible. For the Current Plan Year, NYGB will focus on enhancing its processes for advancing funds, receiving loan payments, and managing ongoing counterparty reporting in order to mitigate risk while reducing the person-hours and expense required to accomplish these activities at a high level of precision. If successful, NYGB anticipates that it will reduce the operational burden of any single transaction, thereby enabling NYGB’s team to manage a growing transaction portfolio more efficiently. Specific process enhancements include the following:

- Implement third-party software to enable a similar number of employees to maintain and optimize funding activity for an increasing volume of construction loans, one of NYGB’s more operationally demanding financing products;
- Create a more efficient process for routine reporting from portfolio companies. This will include the development of a new system that is tailored for NYGB’s portfolio and will enhance NYGB’s productivity so less staff is required to manage an increasingly large portfolio. NYGB has identified a new Software-as-a-Service solution to automate tracking and management of all covenant financial reporting from counterparties, which is expected to result in annual savings of up to \$150,000.0 and over 1,400 person-hours;
- Streamline funding checklist processes and communication between management, transaction teams and operational teams to find efficiencies and to more deftly handle a record volume of business. NYGB will continue improving its coordination and collaboration within and across teams in the Current Plan Year, aiming to optimize platform integration, file management, and the standardized use of modular, centralized datasets. Specifically, these operational improvements will serve to create a data-optimized environment for transaction tracking and calendaring. Key portfolio management activities and milestones, including those with complex contingencies and interdependencies – such as the scheduling of advances and withdrawals, loan agreement approvals and modifications, loan payment processing, and the management of a large network of controlled accounts – are extremely time- and resource-intensive but can be significantly streamlined and standardized to minimize operational burden and the risk of error inherent in more manual processes; and
- Embark on a number of process innovations related to NYGB’s internal counsel activities, aimed at maintaining meticulous legal contract negotiation as NYGB moves into new strategic frontiers. For example, the legal team will create and implement new documentation and procedures to support NYGB’s borrowing activity and ongoing relationship with a third-party capital provider, as well as develop a suite of form legal documentation to minimize transaction burden and cost when working with counterparties in the affordable housing sector.

## 4 Plan Deliverables

Each year, NYGB identifies specific measurable activities (“**Plan Deliverables**”) it can execute to achieve its Plan Objectives. [Error! Reference source not found.](#) presents NYGB’s 2021 – 22 Plan Deliverables.

Progress against Plan Deliverables will be reported in Quarterly Metrics Reports, together with a brief narrative (as appropriate) of status and an explanation of any material variances relative to expectations. This is in addition to the normal scope of quarterly reporting, including with respect to impact benefits, and together will inform all NYGB stakeholders of NYGB’s activities and projects.

Table 1: 2021-22 Plan Deliverables

Objective Category	Deliverable
<b>Effectively Manage a Strong and Growing Portfolio</b>	
Financing Solutions to Support Disadvantaged Communities	<ul style="list-style-type: none"> <li>Launch <i>RFP 18: Financing Arrangements for High-Performance Affordable Housing</i>, a purpose-built proposal and evaluation pathway for electrification/electrification-readiness projects in multifamily affordable housing, accompanied by custom scoring criteria and published selected indicative terms to align with industry practice.</li> </ul>
	<ul style="list-style-type: none"> <li>Host “Get to Know RFP 18” webinar in July 2021 to engage with potential proposers.</li> </ul>
	<ul style="list-style-type: none"> <li>Launch preferred equity investment RFP targeting CDFIs, non-profits, and specialty finance companies investing in DACs.</li> </ul>
	<ul style="list-style-type: none"> <li>Expand impact measurement and reporting to reflect the broader benefits of DAC transactions.</li> </ul>
	<ul style="list-style-type: none"> <li>Hire Managing Director to focus specifically on underwriting DAC transactions.</li> </ul>
	<ul style="list-style-type: none"> <li>Expand NYGB Advisory Committee targeting expertise in DAC transactions and access to advocacy community.</li> </ul>
	<ul style="list-style-type: none"> <li>Update NYGB mission statement to reflect recent changes to NYSERDA mission statement.</li> </ul>
Targeted Business Development	<ul style="list-style-type: none"> <li>Update and distribute marketing collateral to reflect NYGB’s latest and most informed approaches to energy storage and clean transportation.</li> </ul>
Improve Existing Pathways for Market	<ul style="list-style-type: none"> <li>Launch redesigned website.</li> </ul>

Engagement	<ul style="list-style-type: none"> <li>Revise and re-launch RFP 1 to more clearly define what constitutes a substantially complete application, clarify information requests and provide more transparency around how NYGB evaluates applications, while implementing a scoring methodology that better differentiates between applications, including robust consideration of portfolio fit.</li> </ul>
Committed Funds	<ul style="list-style-type: none"> <li>Deliver at least \$225.0 million of incremental commitments in the Current Plan Year.</li> </ul>
Active Pipeline	<ul style="list-style-type: none"> <li>Maintain an Active Pipeline of at least \$450.0 million per quarter on average throughout the Current Plan Year.</li> </ul>
<b>Mobilize Capital: Strengthen NYGB's Capital Position</b>	
Finalize Initial Portfolio Monetization	<ul style="list-style-type: none"> <li>Close initial portfolio monetization transaction.</li> </ul>
Mobilize Capital	<ul style="list-style-type: none"> <li>Demonstrate capital mobilization by managing a Current Portfolio in excess of \$1.0 billion initial capitalization.</li> </ul>
<b>Continuously improve and enhance NYGB operations and portfolio management</b>	
ESG Monitoring and Reporting	<ul style="list-style-type: none"> <li>Expand NYGB's risk evaluation processes by incorporating expanded ESG considerations for NYGB as a financing entity, as well as for its potential and existing borrowers.</li> </ul>
Process Standardization	<ul style="list-style-type: none"> <li>Deploy FinTech solutions for enhanced efficiency and productivity.</li> </ul>
Streamline Legal Documentation	<ul style="list-style-type: none"> <li>Implement new legal documentation and processes to support relationship with third-party capital provider(s).</li> </ul>
	<ul style="list-style-type: none"> <li>Develop suite of form legal documents to minimize transaction burden and cost when working with counterparties in the affordable housing sector.</li> </ul>

## 5 Appendix A: Supplementary Tables and Figures

Figure 5: Investment Performance At-a-Glance as of March 31, 2021



<sup>18</sup> NYGB monitors its counterparties' clean energy project installations throughout the duration of each investment through the receipt and review of periodic reports as well as updated impact benefit calculation factors advised by DPS. Based on information received, NYGB continually manages the actual and expected energy and environmental impact benefits across its portfolio. As new information becomes available informing NYGB of NYS market uptake of clean energy projects, NYGB may correspondingly adjust (up or down) the overall portfolio's high and low estimated Total Project Costs and energy and environmental metrics (identified at closing of each investment, working with the relevant clients and counterparties and reflected in Transaction Profiles). Consistently monitoring and refining expected outcomes improves the accuracy of NYGB's portfolio-level estimate of impact benefits as it works toward meeting the CEF objectives to support the State's clean energy goals. Given such periodic adjustments, the aggregate estimated benefits reported in Quarterly Reports are the most up-to-date estimates. (and so no longer will reflect the sum of the low and high estimated benefits specified in the Transaction Profiles at the time of each transaction close).

<sup>19</sup> NYGB's GHG emissions reductions values reflect the estimated effect of both direct and indirect impact benefits.

Figure 6: Pipeline Year-Over-Year

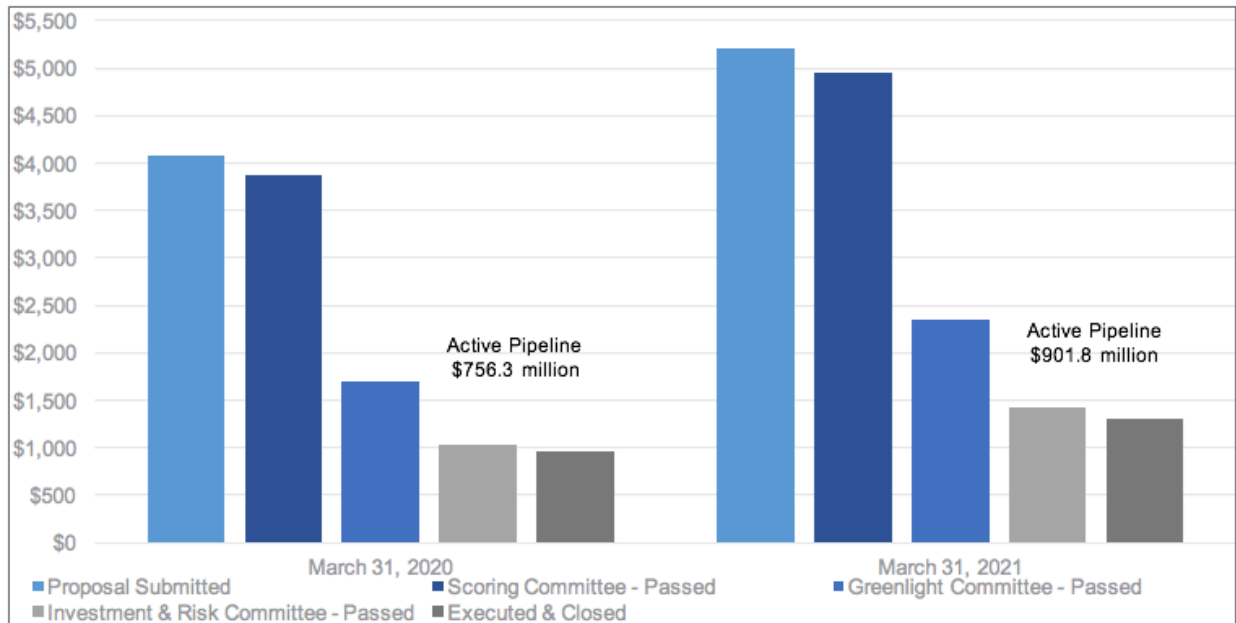


Figure 7: Progress Toward CEF Goals

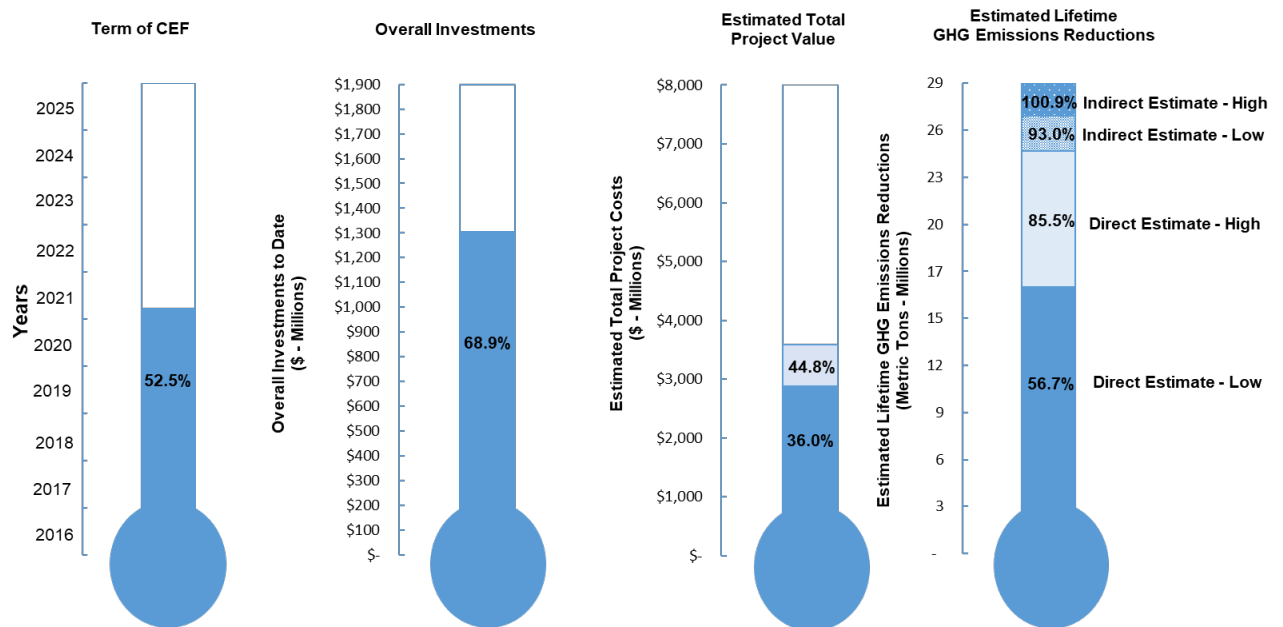




Table 2: 2020-21 Plan Deliverables

Category	Deliverable	Status in Quarter Ended March 31, 2021
<b>Support Post-COVID-19 Crisis Economic Recovery</b>		
<b>Market Engagement</b>	<ul style="list-style-type: none"> <li>Develop and implement survey to understand COVID-19 impact and post-PAUSE stakeholder financing needs. Convene market participants via Webinar to communicate NYGB's specific approaches to provide liquidity to clean energy financing markets.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> On April 14, 2020, NYGB issued the <i>COVID-19 Impact Survey</i> and over 140+ clean energy market participants responded. The respondents identified financing gaps and near-term financing challenges faced by the clean energy industry. NYGB presented financing solutions to the market during the <i>COVID-19 Impacts Webinar</i> on June 2, 2020.</p>
<b>Liquidity Solutions</b>	<ul style="list-style-type: none"> <li>Develop and implement financing structures to provide liquidity to clean energy market participants during and following the NY Forward reopening of the State's economy.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> In the <i>COVID-19 Impacts Webinar</i>, NYGB outlined various financing solutions to address financing needs emerging as a result of COVID-19. In addition, on July 15, 2020, NYGB issued <i>PON-1: Paycheck Protection Program Loans</i> ("PON-1"). Under PON-1 eligible applicants could apply to NYGB for a Paycheck Protection Program loan to cover payroll costs and certain other expenses. In order to satisfy NYGB's mandate, PPP loans were required to have the potential to enable borrowers to reduce GHG emissions in NYS. In the third quarter, NYGB executed three transactions under PON-1.</p>
<b>Strong and Growing Portfolio Driving Material Clean Energy Investments Across NYS</b>		
<b>Committed Funds</b>	<ul style="list-style-type: none"> <li>Deliver at least \$225.0 million of incremental commitments in the 2020 – 21 Plan Year (at an average rate of \$56.25 million in closed transactions per quarter).<sup>20</sup></li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> NYGB committed \$96.2 million during the last quarter of the Plan Year (bringing total commitments to \$349.0 million during the Plan Year).</p>
<b>Active Pipeline</b>	<ul style="list-style-type: none"> <li>Maintain an Active Pipeline of at least \$450.0 million per quarter on average throughout the 2020 – 21 Plan Year.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> NYGB's average Active Pipeline during the Plan Year was \$901.8 million.</p>
<b>Clean Energy for Disadvantaged Communities</b>	<ul style="list-style-type: none"> <li>Design and launch an initiative to deploy capital at scale into low-and-moderate income ("LMI") and other disadvantaged communities including as appropriate, modified goals, metrics and investment criteria.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> With extensive input from environmental justice advocacy organizations, as well as agencies, lenders, and service providers with experience and expertise delivering benefits to DACs in NYS, NYGB designed and launched an initiative to deploy capital at scale into LMI and other disadvantaged communities in line with the Climate Act.</p>
<b>Large-Scale Renewables</b>	<ul style="list-style-type: none"> <li>Assist NYSERDA in evaluating offshore wind port infrastructure projects to help achieve the State's \$200.0 million goal of supporting port infrastructure investment.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> On July 21, 2020 NYSERDA, with the support of NYGB, Empire State Development and the New York State Department of Transportation, issued a combined solicitation for investing in the state's port infrastructure, ORECRFP20-1. NYGB participated in the evaluation of RFP responses.</p>
	<ul style="list-style-type: none"> <li>Coordinate outreach to awardees of the NYSERDA approved land-based renewable projects to communicate NYGB's financing approach.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> NYGB conducted outreach to the awardees of the NYSERDA approved land-based renewable projects and outlined its financing approach.</p>
<b>Energy Storage</b>	<ul style="list-style-type: none"> <li>Convene tax equity providers and other lenders interested in providing capital to projects that include energy storage to explain NYGB's financing approach and demonstrate how tax equity providers could access projects.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> In collaboration with the NYSERDA Energy Storage Program, NYGB held a webinar on March 18, 2021 highlighting energy storage investment opportunities for tax equity providers.</p>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>Contribute to NYSERDA's Advanced Efficiency Solutions Program's initiatives as applicable to describe NYGB's approach to financing energy efficiency projects in commercial buildings.</li> </ul>	<p>☑ <b>Achieved for the Plan Year:</b> NYGB shared its approach to financing energy efficiency projects in commercial buildings by presenting its on-lease tenant financing product through various NYSERDA initiatives.</p>

<sup>20</sup> The extent to which COVID-19 may impact NYGB's accomplishments, including meeting its capital deployment target, is uncertain.

Category	Deliverable	Status in Quarter Ended March 31, 2021
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>Participate in a webinar with EV100 to raise awareness of NYGB's clean transportation financing approach and outline the financing structures NYGB has developed to address the challenges associated with EV and EV infrastructure financing.</li> </ul>	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> On August 18, 2020, NYGB presented in the EV100 Webinar: <i>Funding Your Company EV Fleet Conversion and Deploying Charging</i> . NYGB presented its capital solutions for financing company fleet conversions of fossil fuel to electric vehicles and for charging infrastructure deployment.
<b>Technology &amp; Business Innovation</b>	<ul style="list-style-type: none"> <li>Host a webinar in conjunction with NYSERDA's Technology to Business Innovation Program to articulate how NYGB can help finance emerging business models at the commercial deployment stage.</li> </ul>	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> On March 29, 2021, NYGB hosted a webinar in collaboration with the NYSERDA Technology to Business Innovation Program, "Financing for Commercial-Ready Clean Energy Projects." NYGB highlighted financing options, the elements of a viable transaction, and when to engage with NYGB.
<b>Mobilizing Capital in Support of CEF and Climate Act Goals</b>		
<b>Mobilization Ratio</b>	<ul style="list-style-type: none"> <li>Continue progress toward mobilizing capital into clean energy and sustainable infrastructure projects in the State through NYGB activity by the end of the CEF in 2025. Reassess original CEF \$8.0 billion capital mobilization target as part of CEF triennial review.</li> </ul>	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB continued progress toward mobilizing capital into clean energy and sustainable energy projects in the State; investments made in the 2020-21 Plan Year are expected to mobilize up to \$1.0 billion of project costs in NYS. NYGB reassessed the original CEF \$8.0 billion capital mobilization target and contributed to the CEF triennial review petition, in which a comprehensive target of \$20.0 billion was proposed across all four CEF portfolios. NYGB will continue to monitor and track its mobilization ratio.
<b>Debt Facility</b>	<ul style="list-style-type: none"> <li>Put in place a debt financing (e.g., bank facility, bond issuance or other structure) if prudent decision-making supports, taking into consideration the pace of capital commitment and the time expected to complete the debt financing, to ensure the ability to continue funding clean energy assets at the point that investments are expected to exceed NYGB's current capitalization.</li> </ul>	<input checked="" type="checkbox"/> <b>In Progress:</b> NYSERDA's Board approved a monetization facility in April 2021. The transaction is being finalized and NYGB expects to close the facility in Summer 2021.
<b>LMI Initiative</b>	<ul style="list-style-type: none"> <li>Develop mobilization and impact goals related to dedicated commitment to transactions supporting LMI and disadvantaged communities to meet the goals of the Climate Act.</li> </ul>	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB developed mobilization and impact goals for transactions supporting LMI residents and DACs more broadly, including investment targets of \$150.0 million in affordable housing and \$100.0 million in building electrification in DACs, as first steps toward meeting the goals of the Climate Act.

Table 3: 2020-21 Transactions

New Transactions	Description	Newly Committed Amounts	Closing Date
<b>Valcour OpCo Upsize</b>	In response to favorable market conditions and the transaction's deleveraged credit profile, NYGB committed additional funds to six wind farms located in the State's North Country and Western NY regions, over 600 MW of wind capacity.	\$7.3 million	April 13, 2020
<b>Generate Capital Term Loan</b>	The first of NYGB's two back-leveraged credit facilities to finance the acquisition of 14 CDG solar projects sponsored by Generate Capital, Inc. in New York State	\$5.6 million	April 23, 2020
<b>BQ Energy - Mt. Kisco</b>	The sixth installation of a larger portfolio of projects financed in collaboration with NYGB, BQ received a construction-to-term loan to complete a CDG 550-kilowatt solar array paired with a battery storage system to be located on a brownfield site in the Town of Mt. Kisco, NY.	\$2.3 million	April 30, 2020

<b>Generate Capital Term Loan Upsize</b>	The second of NYGB's two back-leveraged credit facilities to finance the acquisition of 14 CDG solar projects sponsored by Generate in New York State.	\$21.3 million	April 30, 2020
<b>East Light Partners</b>	NYGB provided a bridge loan facility to support projects developed by East Light Partners. This Bridge loan will finance late stage development costs for a mix of community solar and utility scale projects.	\$3.0 million	May 4, 2020
<b>Ecosave Upsize</b>	NYGB has committed to finance at least five energy efficiency or distributed generation projects in NYS. NYGB's participation in this transaction provides a scalable financing model and establishes performance history for financing involving energy efficiency for medium sized, unrated commercial and industrial customers, a market segment that historically has had difficulty accessing capital for otherwise technically and economically feasible efficiency projects.	\$15.0 million	June 4, 2020
<b>Distributed Sun – Sun X</b>	Expansion of NYGB's investment in the solar development pipeline of Distributed Sun, LLC as part of its ongoing efforts to participate in sustainable infrastructure investments in NYS.	\$3.8 million	June 23, 2020
<b>NineDot Bridge Loan</b>	Providing a bridge loan facility to support the development of a portfolio of fuel cell projects. This bridge loan will finance development costs for 12.5 MW of CDG fuel cells.	\$19.9 million	June 30, 2020
<b>Saranac Waterfront Lodges</b>	NYGB committed \$5.0 million in September 2019 to finance the construction and operation of an energy efficient lodging property seeking LEED® certification at completion. When the Project's construction and operational delays resulted in a short-term \$2.0 million liquidity requirement, NYGB increased its funding commitment in July 2020 with \$2.0 million of additional preferred equity units to finance incremental construction costs and support the opening and extended ramp-up of the property.	\$2.0 million	July 17, 2020
<b>Generate Capital Upsize</b>	In November 2019, NYGB provided a senior secured \$35.0 million term loan facility to Generate PPL SPV I, which is owned by Generate Lending, LLC a limited liability company that is owned by Generate Capital, Inc. In July 2020, NYGB increased the facility by an additional \$29.8 million and extended the maturity date to July 2023. Loan proceeds refinanced a portion of a senior secured term loan between Generate Capital and Plug Power, Inc. This transaction is expected to result in increased Sponsor investment in NYS clean energy projects that amount to at least \$60.0 million.	\$29.8 million	July 17, 2020
<b>Sunrun Mars</b>	NYGB has entered into five transactions to accelerate the deployment of more than 20,000 solar projects at homes across NYS developed by Sunrun Inc. Sunrun is a national solar provider that markets and develops residential solar energy systems. In August 2020, NYGB closed a \$19.0 million commitment to participate in an aggregation-to-term loan facility. The transaction was part of a \$265.0 million financing arranged by SVB and Investec.	\$19.0 million	August 14 <sup>th</sup> , 2020
<b>PPP Loan 1</b>	NYGB entered into three loans to eligible borrowers in the State's clean energy industry as an approved lender to the Small Business Administration's Paycheck Protection Program.	\$9,605.9	August 17, 2020
<b>PPP Loan 2</b>		\$1,724.0	August 17, 2020
<b>PPP Loan 3</b>		\$14,613.2	August 24, 2020
<b>Eden 2<sup>nd</sup> Upsize</b>	In November 2019, NYGB provided a 24-month senior secured \$2.5 million bridge loan facility to Eden Devco Borrower LLC, which is owned by Eden Devco LP, a limited partnership that is managed by Eden Renewables LLC. In March 2020, NYGB increased the Bridge Loan size to \$4.3 million. In August 2020, NYGB further increased the bridge loan size to \$6.3 million. Loan proceeds will finance project interconnection deposits to National Grid for community distributed generation solar projects.	\$2.0 million	August 28, 2020
<b>Oya Solar</b>	In September 2020, NYGB committed \$35.0 MM to a construction and interconnection facility to finance the development of 5 community distributed generation solar projects in NYS. These transactions are expected to provide NYS residents and businesses a greater variety of energy choices and, ultimately, lower-cost clean energy opportunities.	\$35.0 million	September 4, 2020
<b>Agbotic -Restructuring</b>	In 2019 NYGB committed \$6.0 million to finance the construction and operation of a cluster of energy efficient robotic greenhouses developed by Agbotic, Inc. In October 2020, NYGB amended the transaction and increased its commitment amount by \$1.0 million to fund short-term working capital needs in response to business disruptions caused by COVID-19. The project is located in Sackets Harbor, NY and grows certified organic produce for sale into local markets, while the Project's energy efficiency measures and on-site generation are expected to reduce GHG emissions.	\$1.0 million	10/29/20

<b>CCR/Investec</b>	NYGB entered into agreements with affiliates of Cypress Creek Holdings, LLC to provide a \$15.0 million participation in a syndicated term loan to refinance a portfolio of 211 operating assets across 12 states. This transaction is expected to support the deployment of up to 26 megawatts of solar in NYS providing residents and businesses with a greater variety of energy choices and, ultimately, lower-cost clean energy opportunities.	\$15.0 million	10/30/20
<b>Green Jobs – Green New York Companion Loan</b>	NYGB committed up to \$5.0 million to purchase individual residential loans through NYSERDA's Green Jobs – Green New York Program. These loans will finance the installation of energy efficiency and other eligible technologies for residential customers in NYS for projects exceeding current program loan limits. This transaction is expected to provide NYS residents a greater variety of energy choices and, ultimately, lower-cost clean energy.	\$5.0 million	11/16/20
<b>Eden 3<sup>rd</sup> Upsize</b>	In November 2019 NYGB provided a 24-month senior secured \$2.5 million bridge loan facility to Eden Devco Borrower LLC, which is owned by Eden Devco LP, a limited partnership that is managed by Eden Renewables LLC. In March 2020, NYGB increased the Bridge Loan size to \$4.3 million. In August 2020, NYGB further increased the bridge loan size to \$6.3 million. Loan proceeds will finance project interconnection deposits to National Grid for community distributed generation solar projects.	\$1.4 million	12/15/20
<b>RED Rochester</b>	NYGB provided \$25.0 million to participate in a syndicated loan facility to RED Rochester, LLC, a company sponsored by Ironclad Energy Partners LLC, a portfolio company of funds managed by Stonepeak Infrastructure Partners. This transaction is part of a \$100.0 million credit facility that includes financing from National Bank of Canada and East West Bank. The transaction demonstrates NYGB's commitment to support energy efficiency projects and marks NYGB's first financing of a district energy system with a pipeline of industrial energy efficiency projects.	\$25.0 million	12/17/20
<b>OYA Solar – Greenbacker Development Opportunities Fund</b>	In December 2020 NYGB committed \$13.0 million to a development facility with Greenbacker Development Opportunities Fund as a co-lender to finance the development of up to 109 MW of CDG solar projects in NYS. This transaction is expected to provide NYS residents and businesses a greater variety of energy choices and, ultimately, lower-cost clean energy.	\$13.0 million	12/22/20
<b>Daroga Power</b>	In December 2020 NYGB provided an up to \$26.5 million senior secured construction-to-term loan facility to DARE Management, LLC, a subsidiary of Daroga Power LLC. Loan proceeds will finance construction for CDG fuel cell projects in New York City. The projects supported by this transaction are expected to provide NYS residents and businesses with lower-cost clean energy.	\$26.5 million	12/23/20
<b>CGE</b>	NYGB provided an up to \$17.4 million construction-to-term loan and \$1.0 million letter of credit to Chautauqua Green Energy, LLC, a subsidiary of CGE Ventures, LLC, a joint venture of Vireo Energy, LLC, Emkey Gathering, LLC and Sumiya Investment Management. Loan proceeds will be used to secure long-term rights to landfill gas at the Chautauqua Landfill in Jamestown, NY and construct improvements at the landfill that will upgrade the landfill gas LFG for transportation and sale as renewable natural gas.	\$18.4 million	1/15/2021
<b>Rudarpa</b>	NYGB entered into an agreement with Rudarpa North Country, LLC, an indirect subsidiary wholly owned by Rudarpa, Inc., to provide a \$29.5 million construction-to-term loan for the first LFG-to-RNG" project in Rudarpa's to-be-built portfolio of LFG-to-RNG projects. RNC will be Rudarpa's first project and is located in Bethlehem, NH. Rudarpa is expected to deploy at least \$29.5 million for LFG-to-RNG projects in New York State.	\$29.5 million	2/04/2021
<b>Nexamp</b>	NYGB provided \$25.0 million to participate in a syndicated term loan facility to a portfolio of distributed solar projects developed by Nexamp, Inc. The financing was led by MUFG Bank, LTD. The loan proceeds are anticipated to finance 95 distributed generation solar projects in NY, MA, IL, MD and GA. Of those projects, 30 will be in New York State including CDG and Power Purchase Agreement projects.	\$25.0 million	2/21/2021
<b>CIT Upsize</b>	In December 2019, NYGB committed up to \$20.0 million to participate in a syndicated term loan facility to a portfolio of CDG solar projects owned and operated by subsidiaries of True Green Capital Fund III, L.P., an investment fund managed by True Green Capital Management LLC. In March 2021, NYGB increased its commitment to up to \$28.6 million to finance additional CDG solar projects. The term loan proceeds are anticipated to support the development of 16 community solar projects in New York State.	\$10.3 million	3/05/2021
<b>Amp Solar</b>	NYGB provided an 18-month senior secured \$10.0 million bridge loan facility to Amp Solar Group Inc. The loan proceeds will finance project interconnection advance payments to National Grid and Rochester Gas and Electric Corporate for CDG solar projects.	\$10.0 million	3/05/2021

Sealed Upsize	On May 6, 2016, NYGB closed a \$5.0 million revolving credit facility that enabled Sealed to introduce a new financial product for homeowners interested in making their residences more comfortable and energy efficient. On March 11, 2021, NYGB consented to expand the Facility size to \$7.5 million to further support Sealed's continued growth. With the increased Facility size, Sealed is expected to be able to complete energy-saving improvements in more than 600 homes in New York State.	\$2.5 million	3/11/2021
Workforce Housing Group	NYGB provided a \$500.0 thousand subordinated, multi-draw construction-to-term facility to WFHA Brooklyn L.P., which is managed by J Cubed Residential LLC C/O Workforce Housing Group. J Cubed will construct solar installations on 18 affordable housing buildings in Brooklyn, NY that will benefit low- and moderate-income New Yorkers and their communities.	\$0.5 million	3/31/2021
<b>Total</b>		<b>\$349.0 million<sup>21</sup></b>	

Table 4: Fiscal Year 2020 – 21 Financial Summary (\$ thousands)

	March 31, 2021	March 31, 2020	% Change 2021-2020
Operating revenues:			
Fees	\$5,284	\$3,347	57.9%
Loans and financing receivables interest	24,327	18,612	30.7%
Total operating revenues:	29,611	21,959	34.8%
Operating expenses:			
Salaries and benefits	8,510	7,484	13.7%
Investment related expenses	585	399	46.6%
Other operating costs	1,761	1,277	37.9%
General and administrative expenses	1,571	1,247	26.0%
Depreciation	147	189	(22.2)%
NY State assessments	149	112	33.0%
Total operating expenses	12,723	10,708	18.8%
Operating income	16,888	11,251	50.1%
Non-operating revenues:			
Capital contributions <sup>22</sup>	336,981	20,678	1,529.7%
Investment income	216	6,224	(96.5)%
Total non-operating revenues	337,197	26,902	1,153.4%
Non-operating expenses:			
Capital expansion	410	44	831.8%
Program evaluation	45	170	(73.5)%
Total non-operating expenses	455	214	112.6%

<sup>21</sup> Note that due to rounding for the purposes of presentation in this Review and Plan, the sum of each Newly Committed Amount may not be identical to the Total Newly Committed Amounts.

<sup>22</sup> As part of U.S. generally accepted accounting standards, the Governmental Accounting Standards Board requires capital contributions made to NYGB from NYSERDA's available cash and investment balances to be treated as transfers, while those derived directly from the Bill-As-You-Go ("BAYG") approach be accounted for as nonoperating revenues to NYGB. As a result, additions to NYGB's capital during the fiscal year equal the sum of "Capital contributions" under Non-operating revenues and "Transfers in", of which there were none in the 2020-21 fiscal year.

Income before transfers	353,630	37,939	832.1%
Change in net position	353,630	37,939	832.1%
Net position, beginning of year	606,394	568,455	6.7%
Net position, end of year	960,024	\$606,394	58.3%
<b>Net Income (Loss)</b>	<b>\$16,649</b>	<b>\$17,261</b>	<b>(3.5)%</b>

Source: NYGB Financial Statements; NYGB Analysis

Table 5: Actual & Forecast Revenues, Expenses & Net Income (Loss) (\$ millions)

	Actual	Actual	Actual	Forecast
	FY 2018 - 19	FY 2019 - 20	FY 2020-21	FY 2021 - 22
Revenues	\$26.0	\$28.2	\$29.8	\$30.1
Operating Expenses				
Direct Expenses <sup>3</sup>	5.5	6.9	[7.8]	9.1
Indirect Expenses <sup>4</sup>	3.6	3.8	[4.9]	5.7
Total Operating Expenses	9.1	10.7	12.7	14.8
Net Income, Prior to Non-Operating Expenses	16.9	17.5	16.9	15.3
Non-Operating Expenses <sup>5</sup>	1.6	0.2	0.5	0.6
Total Expenses	10.7	10.9	13.2	15.4
Net Income	\$15.3	\$17.2	\$16.6	\$14.7 <sup>23</sup>

<sup>23</sup> This projection was developed prior to closing NYGB's portfolio monetization transaction. As dictated in the transaction structure, loan repayments from certain portfolio assets are pledged to the third-party investor, which will likely result in lower NYGB revenues during the 2021-22 fiscal year and thus lower net income than originally estimated.

## 6 Appendix B: Additional Resources

Case 13-M-0412, “Order Establishing New York Green Bank and Providing Initial Capitalization,” issued and effective December 19, 2013:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BBD3Aafb0-faa2-4da6-b56b-0ff22ee34edf%7D>.

NY Green Bank Organizational Plan:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B643D622C-6E1F-4BD1-A489-DD146F26E8A4%7D>.

“Order Authorizing the Clean Energy Fund Framework” issued and effective January 21, 2016:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B23BE6D8-412E-4C82-BC58-9888D496D216}>.

All other relevant public filings: <https://greenbank.ny.gov/Resources/Public-Filings>.