TRANSACTION PROFILE
Revised June 2020

Supporting Commercial Energy Efficiency in New York State

Ecosave – Commercial Energy Efficiency

In June 2019 NY Green Bank (“NYGB”) committed $15.0 million to finance a portfolio of energy efficiency projects operated by Ecosave Inc. On June 4, 2020, NYGB increased the loan size to $30.0 million. 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 institutional customers, a market segment that historically has had difficulty accessing capital for otherwise technically and economically feasible efficiency projects.

Transaction Description

Ecosave is a Philadelphia-based energy services company that provides turnkey design, engineering, procurement, construction, utility management and maintenance solutions for building energy efficiency (“EE”) and Distributed Energy Resources (“DER”) projects. NYGB established a financing relationship with Ecosave through NYGB’s previous $2.0 million participation in a construction-to-term loan for the Hebrew Home project with NYCEEC. The company opened a New York office in April 2019 with the goal of developing and completing over $30.0 million in EE and DER projects in New York by 2029.

Ecosave is expected to use the proceeds of the $30 million credit facility (the “Term Loan”) to support the deployment of new EE or DER projects in New York.

The Term Loan is supported by receivables from EE projects completed under Energy Savings Agreements (“ESAs”) and Energy Performance Contracts (“EPCs”). NYGB’s participation in the Term Loan will facilitate the growth of the NYS energy efficiency market by supporting growing market confidence in ESA and EPC cash flows. This investment involves a replicable transaction structure that enables Ecosave’s portfolio to scale and ultimately attract private sector investment. Ecosave’s pipeline has been financed on a project-by-project basis to date. The structure of the Term Loan should decrease the time necessary to secure financing for new projects.

This Transaction Profile is provided pursuant to the updated “NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.0” (the “Metrics Plan”) developed in collaboration with the NYS Department of Public Service and filed with the NYS Public Service Commission (the “Commission”) on June 20, 2016.1 This Transaction Profile contains specific information in connection with the Ecosave transaction entered into on June 27, 2019 and amended and restated on June 4, 2020, as required by the Metrics Plan.2

Form of NYGB Investment

<table>
<thead>
<tr>
<th>NYGB Product</th>
<th>Product Sub-Type</th>
<th>Committed Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Loan &amp; Investment</td>
<td>Multi-Draw Term Loan</td>
<td>$30.0 million</td>
</tr>
</tbody>
</table>

Location(s) of Underlying Project(s)

Statewide.3 Subsidiaries of Ecosave will acquire projects throughout NYS.

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1 Case 13-M-0412.
2 See Section 4.0, page 8 and Schedule 3.
3 Defined as projects located in four or more regions of the State.
Types of Client & Counterparty Organizations that are Transaction Participants

<table>
<thead>
<tr>
<th>Name</th>
<th>Participant Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client</td>
<td>Ecosave Contract Assets, LLC</td>
</tr>
<tr>
<td>Sponsor(s)</td>
<td>Ecosave Holdings Inc.</td>
</tr>
</tbody>
</table>

Summary of Financing Market Objectives & Barriers Addressed

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>Market Barrier</th>
<th>Financing Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Developers</td>
<td>Many energy efficiency providers must seek project-by-project construction finance. This consumes limited time and resources and creates higher transaction costs for each project, diverting funds that might otherwise be used to grow and scale.</td>
<td>NYGB’s participation provides funding to construct new projects that meet pre-defined criteria, avoiding the need for separate loan documentation for each project. These transaction efficiencies allow for greater project scalability while lowering transaction costs for the Sponsor.</td>
</tr>
<tr>
<td>Capital Market Participants</td>
<td>Capital market participants may be interested in owning or financing commercial energy efficiency but are unable to find portfolios of similar project types at a scale large enough to justify diligence and transaction costs.</td>
<td>NYGB’s participation enables aggregation of commercial efficiency projects into a larger pool that can be refinanced with institutional capital.</td>
</tr>
<tr>
<td>New Yorkers</td>
<td>While interest and activity in commercial and institutional building energy efficiency projects is marked and continues to increase in NYS, certain inefficiencies may exist in financing that limit the number of projects that are completed.</td>
<td>By providing financing for guaranteed savings projects, NYGB is encouraging more primary commercial and institutional building efficiency development in the State. Ultimately this is expected to provide New Yorkers with a more efficient building stock and access to clean energy at a lower cost.</td>
</tr>
</tbody>
</table>

Technologies Involved

<table>
<thead>
<tr>
<th>Technology</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency &amp; Distributed Energy Resources</td>
<td>Various: LEDs; HVAC; Solar; CHP; etc.</td>
</tr>
</tbody>
</table>

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB’s minimum investment criteria specifically require that “transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas reductions in support of New York’s energy policies”. In addition, the Metrics Plan requires that the following energy and environmental measures, applicable to this transaction, be reported on:

- Estimated gross lifetime and first-year electricity (MWh);
- Estimated gross lifetime and first-year fuel savings (MMBtu);
- Estimated gross lifetime and first-year greenhouse gas (“GHG”) emission reductions (metric tons).

The estimated gross lifetime and first-year energy and environmental impacts of the Term Loan are as follows:

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5 See Metrics Plan, Section 2.0, pages 2 - 6.
<table>
<thead>
<tr>
<th>Energy/Environmental Impacts</th>
<th>Lifetime Low Estimate</th>
<th>Lifetime High Estimate</th>
<th>Annual Low Estimate</th>
<th>Annual High Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity savings (MWh)</td>
<td>158,471</td>
<td>198,089</td>
<td>10,565</td>
<td>13,206</td>
</tr>
<tr>
<td>Natural Gas savings (MMBtu)</td>
<td>486,108</td>
<td>607,635</td>
<td>32,407</td>
<td>40,509</td>
</tr>
<tr>
<td>GHG emission reductions (metric tons)</td>
<td>105,114</td>
<td>131,393</td>
<td>7,008</td>
<td>8,760</td>
</tr>
</tbody>
</table>

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 put in place, approximately three to five years following initial NYGB capital deployments. Market evaluation activities commenced in 2018 to collect baseline data on key market indicators for the sectors that have been supported by NYGB since its inception, and the dataset will be updated in 2019 to include indicators specific to this transaction. Baseline data will be used as a comparison point against which to assess market progress in the later studies. Progress indicators are defined below for the short, mid and long-terms.

Short-term progress indicators will identify early activity levels and will be regularly tracked for the duration of the transaction. These include, but are not limited to:

- Number of new energy efficiency projects completed by Ecosave or similar market participants;
- Average and aggregate dollar value of projects;
- Number and location of projects;
- Size of projects;
- Energy savings and GHG emission reductions (in metric tons).

Outcome indicators are expected to show progress through program tracking or market evaluation over time. These include, but are not limited to:

- Favorable financial performance data;
- Favorable technology performance data;
- Increasing market volume of commercial and industrial energy efficiency projects (both development and primary/secondary financings);
- Investment risk/default rates become increasingly attractive to investors, as a result of positive financial performance data;
- Increasingly positive view of banks and institutional investors on investment value of energy efficiency projects;
- Amount and scale of energy efficiency investment increases, together with increased end-use market demand;
- Decreased project technology costs/increasing output and efficiency;
- Decreased financing costs based on higher liquidity and price discovery; and
- Increased number of financial participants participating in EE/DER investments and financings.

Proposed Method of Outcome/Impact Evaluation (by NYSERDA) & Timeframe

NYSERDA will evaluate the direct and indirect impacts that this transaction has on the clean energy finance markets and the energy/environmental benefits delivered by this transaction.

Market evaluation will address the short, mid and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (project subscribers, financial community) to track information including but not limited to: participation rates, project scale information, interest in EE/DER in the industrial and commercial sectors, and influence of NYGB’s participation on financial markets. As noted, baseline data was collected on key indicators in the first phase evaluation during 2018 – 2019. Subsequent studies will assess progress against baseline levels for other market segments as those evolve. The specific timing of these efforts will be developed (and may be revised) on an ongoing basis based on experience or other factors as NYGB’s investment portfolio continues to grow and evolve.

Impact evaluation will use actual performance data to understand energy and environmental outcomes. Impact evaluation is expected to include annual review and analysis of actual energy savings data collected by Ecosave.
Actual energy savings performance will be monitored and documented against expected performance. Impact evaluation will help provide verification of performance, in turn aiding the clean energy finance community in understanding the risks and rewards in this clean energy area.

As with all NYGB investments, Ecosave projects that receive an incentive or funding from other entities (e.g., utility, other NYSERDA program) will, in accordance with the Metrics Plan, be tracked in order 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. Attempts will be made to coordinate market and impact evaluation activities for these projects that receive support from multiple sources in order to maximize the efficiency of data collection and avoid participant survey fatigue.