

Accelerating Clean Energy Investment in New York State

Generate Capital, Inc.

In November, 2019, NY Green Bank (“**NYGB**”) provided a senior secured \$35.0 million term loan facility (the “**Facility**”) to Generate PPL SPV I (“**Borrower**”), which is owned by Generate Lending, LLC (“**Parent**”), a limited liability company that is owned by Generate Capital, Inc. (“**Sponsor**” or “**Generate**”). Loan proceeds will refinance a portion of a senior secured term loan (“**Underlying Loan**”) between the Parent and Plug Power, Inc. This transaction is expected to result in increased Sponsor investment in New York State (“**NYS**” or the “**State**”) clean energy projects that amount to at least \$35.0 million.

Transaction Description

Generate operates as a specialty finance company that builds, owns and operates sustainable infrastructure in the United States. NYGB entered into this \$35.0 million Facility to support Generate and leverage its illiquid position in a senior secured loan with Plug Power.

Generate Capital has a NYS portfolio and pipeline that includes rooftop solar, community solar, anaerobic digesters, and fuel cells. The Facility provides liquidity to Generate to invest in these NYS projects that have the potential to reduce greenhouse gas emissions. Generate plans to invest at least \$35.0 million in NYS clean energy projects and will report to NYGB its investment activity in the State. Given its pipeline, Generate expects to invest in 17.0 MW of clean energy generating projects which will deliver environmental and economic development benefits to New Yorkers across the State. By demonstrating to investors that Generate can monetize their interests in business models with limited liquidity, NYGB expects this transaction to attract more investors looking into clean energy investments in NYS. This transaction serves as a precedent and signal to this critical market need.

This Transaction Profile is provided pursuant to the “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 Commission on June 20, 2016.¹ This Transaction Profile contains specific information in connection with the Generate transaction entered into on December 3, 2019, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset & Investment	Term Loan	\$35.0 million

Location(s) of Underlying Project(s)

Multiple Regions. The rooftop solar projects are located in New York City. Other investment opportunities in Generate’s pipeline are located in other Regions of the State.

¹ Case 13-M-0412.

² See Section 4.0, page 8 and Schedule 3.

Types of Client & Counterparty Organizations that are Transaction Participants

	Name	Participant Type
Client	Generate PPL SPV I	Borrower
Counterparties (current)	Generate Lending, LLC	Parent
	Generate Capital, Inc.	Sponsor

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Clean Energy Project Developers	Clean energy developers face difficulties receiving cost-effective financing for their clean energy projects.	NYGB's support of private capital investors encourages more investing activity in the NYS clean energy market.
Capital Market Participants	Many capital market participants are not comfortable underwriting clean energy investments with structural features that result in illiquid positions.	NYGB's participation sets an important precedent for investors that NYGB will support investors seeking to expand and accelerate NYS investment opportunities.
New Yorkers	There continues to be a shortage of precedent clean energy project investments to attract private capital.	By catalyzing investment in clean energy in NYS, NYGB is providing New Yorkers with greater choices and access to clean energy.

Technologies Involved

Technology	Measures
Renewable Energy	Solar photovoltaic systems
Bioenergy	Anaerobic digesters
Other	Energy Storage Fuel Cells

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 [('GHG')] 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 on⁴:

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

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

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, pages 2 - 6.

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annualized Low Estimate	Annualized High Estimate
Estimated clean energy generated (MWh)	434,934.00	492,925.20	17,391.36	19,717.01
Estimated clean energy generation installed capacity (MW) ⁵	15.00	17.00	Not Applicable	
Estimated GHG emission reductions (metric tons) ⁶	217,565.62	246,574.37	8,702.62	9,862.97

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 on sectors that have been supported by NYGB since its inception, and the data set will be updated going forward to include indicators specific to this and other transactions. 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.

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 which it delivers.

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 developers, financial community) to track information including but not limited to NYS investment. As noted, baseline data was collected on key indicators in the 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 the performance of the projects invested in by Generate Capital located in NYS. As with all NYGB investments, Generate investments that received 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.

⁵ Installed clean energy generation capacity at full deployment of funds is the same for first-year and lifetime duration.

⁶ As of January 1, 2016, the New York State Energy Research and Development Authority (“NYSERDA”) utilizes a 1,160 lbs./MWh conversion factor to estimate GHG emissions reductions for electric generation and energy efficiency savings across all components of the Clean Energy Fund. NYSERDA previously utilized a 625 lbs./MWh conversion factor.