NY Green Bank
Financing Community Distributed Generation for Low-to-Moderate Income Communities

Webinar | July 11, 2019
Agenda

I. NY Green Bank Overview

II. LMI-Inclusive Transactions

III. NYGB-Financed Residential Solar Installations in LMI Census Block Groups

IV. LMI-Inclusive CDG Project Financing

V. How to Work with Us

VI. Q&A
NY Green Bank Overview

Mission:
To accelerate clean energy deployment in New York by working in collaboration with the private sector to transform financing markets

- **What:** A $1 Billion State-sponsored investment fund that is a division of NYSERDA
- **Why:** To alleviate financing gaps in New York’s clean energy markets and create a cleaner, more resilient and affordable energy system
- **How:** By mobilizing greater private sector activity to increase the availability of capital for clean energy projects

During the 2018 – 19 Plan Year, NYGB took action to implement financing approaches that are supportive of an LMI customer base
LMI-Inclusive Transactions

NYGB seeks to continue facilitating increased opportunities for LMI customers to participate in, and benefit directly from, NYS’s growing distributed energy market.

NYGB committed $278.8 million in total to these transactions.
From NYGB inception to August 2017, **11.2%** of a sample set of NYGB-financed residential solar projects installed in NYC were located in LMI census block groups.
From NYGB inception to August 2017, **18.9%** of a sample set of NYGB-financed residential solar projects installed outside NYC were located in LMI census block groups.
LMI-Inclusive CDG Project Financing

- NYGB’s project financing approach for CDG projects (outlined in RFP 10*) supports the application of LMI-inclusive, subscription-based revenue models presenting:
  - Short or long-term contract durations
  - Low or no early termination fees
  - Indexed or fixed price structures
  - Alternatives to FICO requirements

- NYGB’s loan underwriting and due diligence for CDG projects accounts for factors including:
  - O&M Strategy & Contractual Arrangement(s)
  - Subscriber Acquisition/Mgmt Strategy & Contractual Arrangement(s)
  - Service Provider Qualifications & Track Record
  - Risks & Mitigants (Repayment, Operational, Environmental, etc.)

- NYGB has executed and continues to originate and underwrite LMI-inclusive CDG transactions

*See RFP 10: “Construction & Aggregation-to-Term Financing for Community Distributed Generation Projects Including Projects Paired with Energy Storage”
LMI-Inclusive CDG Project Financing (cont’d)

- NYGB will evaluate the Transaction with the assumption that remarketing of banked and/or unallocated Bill Credits is a credit mitigant if a subscriber were to default

- We provide a pricing discount against Solar for All subscription contracts

- To structure around price risk attributed to index-rate contracts, short term contracts, and/or potential defaults, the NYGB loan will be subject to a borrowing base methodology, whereby, on a quarterly basis, NYGB will compare the present value of the forecasted cash available to debt service, determined using a price forecast generated by an independent third party, to the outstanding NYGB loan balance
  - In cases where the loan-to-value ratio (“LTV”) is outside required levels, distributions at the borrower level will be blocked and excess cash may be used to pay down the NYGB Loan until the required LTV is achieved

*See RFP 10: “Construction & Aggregation-to-Term Financing for Community Distributed Generation Projects Including Projects Paired with Energy Storage”*
RFP 1: Clean Energy Financing Arrangements – NYGB invites market participants to propose financial transactions through its open proposal process.

Approval Process*

- **Scoring Committee**
  - Screening Process
  - 1 week from proposal submission

- **Greenlight Committee**
  - Initial Diligence
  - 1 - 3 months from proposal submission

- **Investment & Risk Committee**
  - Final Approval
  - 1 - 3 months from proposal submission

*Please note: estimated timing varies on counterparty readiness and project development (including availability of diligence materials)
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Q&A