



**NY Green Bank**  
A Division of NYSERDA

# NY Green Bank Impact Report

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*For the fiscal year ended March 31, 2022*

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JULY 2022

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*“Over the 2021–22 fiscal year, NY Green Bank committed \$438 million across 17 transactions — our strongest year since NY Green Bank’s inception — resulting in a total of \$1.7 billion in overall investments to date”*

Andrew Kessler, President

# PRESIDENT'S LETTER

On behalf of NY Green Bank, I am pleased to share our second annual Impact Report, which highlights our accomplishments during the year ended March 31, 2022 and lays out our strategic focus for the year ahead.

Over the 2021-22 fiscal year, NY Green Bank committed \$438 million across 17 transactions — our strongest year since NY Green Bank's inception — resulting in a total of \$1.7 billion in overall investments to date. During the year we also completed the largest portfolio monetization by any green bank in the United States, resulting in cash proceeds of \$314 million, which NY Green Bank will use to meet the demand for our financing of sustainable infrastructure projects.

During the recently ended fiscal year, we responded to an expanding set of priorities, which includes contributing to an equitable energy transition. We updated our mission statement to reflect our broadening focus on supporting projects that deliver benefits to historically marginalized and under-resourced communities. We brought on three new investment team members and two new Advisory Committee members with affordable housing expertise and deep experience working with and in frontline communities. We piloted transactions in several new product areas to support greater lending activity and made an exciting announcement about a wholesale pathway we plan to launch this year to get our capital into the hands of other lenders already active in such communities. Finally, we have established a sustained effort to interact with stakeholders from across the environmental justice community in an ongoing dialogue to help inform our approach going forward. While we know there is still significant work to be done to advance our investment activity in an equitable manner, our efforts over the past year are bearing fruit as this Impact Report goes to print. As of the end of our fiscal year we are pleased to report that we had committed \$50.3 million to projects meeting New York State's interim definition of disadvantaged communities. We remain deeply committed to this work and look forward to sharing our continued progress in the months ahead.

We have also played a catalytic financing role across other priority market segments, with a focus on advancing battery storage, electric vehicles and infrastructure, and efficient building decarbonization. We are particularly encouraged by the opportunities we are seeing in the



paired solar-plus-storage market, where we supported two transactions totaling \$133.6 million during the last fiscal year. In addition, we have also accelerated our work to support efficient building decarbonization projects by committing \$48.1 million across five transactions during the last fiscal year, including several that support high performance affordable housing.

I am grateful to work with an exceptional team of committed investment professionals. Over the past year, our team has successfully adjusted to a hybrid mode of work — allowing flexibility for our employees while ensuring we are providing meaningful opportunities to be together in person to collaborate whenever possible and appropriate. At the end of another year marked by global disruptions — from the war in Ukraine to the ongoing COVID pandemic to the unfolding global economic crisis — we recognize the key role that a public institution like NY Green Bank can play in promoting stability in the financing markets that support the clean energy transition. At NY Green Bank, we will continue to progress our work even as the global economy adjusts to ongoing labor shortages, supply chain issues, rising prices and inflation rates, and other challenges that are impacting our counterparties, financing partners and the markets in which we operate.

I look forward to another strong year in which we advance our mission and ensure New York achieves its climate goals.

Sincerely,

A handwritten signature in black ink that reads "Andrew C. Kessler". The signature is fluid and cursive.

Andrew Kessler, President







# Mission & Priorities

*A race to net zero*

## Mission & Priorities

A race to net zero

### WHO WE ARE AND WHAT WE DO

#### LARGEST

green bank  
in the nation

#### 2013

year established

#### \$1 BILLION

capitalization with  
funding from  
New York

#### \$10–50 MILLION

typical investment size

*We are a team of mission-driven, solutions-oriented investment professionals with deep credit, project finance, and technical experience and unique expertise in New York energy and environmental policy.*

## OUR MISSION

To work in collaboration with the private sector to transform financing markets in ways that accelerate clean energy investments to combat climate change and deliver benefits equitably to all.

*In the 2021–22 fiscal year, we updated our mission statement to reflect an expanded focus on climate equity.*

*We recognize that overburdened and under-resourced populations — particularly Black, Indigenous, and People of Color (BIPOC), as well as low-income communities — suffer disproportionate and inequitable impacts from climate change and have been systematically harmed by and excluded from environmental decision-making.*

*We continue to work with these communities, per the Climate Act and in alignment with NYSERDA and other State agencies, to ensure that NY Green Bank investments are informed by and beneficial to New Yorkers on the frontlines of the climate crisis.*



Scan to learn more about climate justice in New York or visit:

> [climate.ny.gov/Draft-Scoping-Plan](https://climate.ny.gov/Draft-Scoping-Plan)

> [climate.ny.gov/21-35-report](https://climate.ny.gov/21-35-report)

### What we do

Through our transactions, NY Green Bank leverages public funds to mobilize greater private investment in the deployment of clean energy and sustainable infrastructure in New York State in support of New York's ambitious energy and climate goals.

We invest in financially and technically feasible projects that lack access to appropriately priced capital. Specifically, NY Green Bank

steps in to fill gaps in the market where financing might not be available from conventional lenders, potentially due to barriers such as limited precedent, small deal sizes, challenges in evaluating technology risk, lack of familiarity with business models or deal structuring and underwriting complexities. In addition to filling those specific gaps, we work to ensure that, in time, these gaps can be filled by the private sector rather than by public funds.



We do this by approaching transactions with the following principles in mind:

- Structuring financial products to foster replicable and standardized sustainable infrastructure investments that in time will be complemented and scaled by more traditional private sector financiers and investors
- Pricing financial products consistently with a sector's standard credit and risk approaches, thus meeting the unique needs and diverse borrowing capacities of various market segments while, on a portfolio basis, earning a return on investment to preserve and grow our capital base
- Collaborating with, rather than competing against, market participants that can or already

do engage financial markets but are constrained by a lack of available financing

- Recycling our capital into new clean energy projects when income is generated and, as investments mature or are realized, maximizing the impact of our capital across multiple deployments
- Lending at the wholesale rather than retail level in order to create clean energy benefits at scale

Through structuring and deploying standardized and replicable financing products, NY Green Bank enables private capital providers to “crowd in” to areas within the sustainable infrastructure landscape, allowing NY Green Bank to move on to other areas where private sector interest and activity have yet to be spurred.

### The Green Bank model

At their core, green banks are mission-driven institutions that use financing to accelerate the clean energy transition. Green banks use public capital to mobilize investment into underserved green and resilient financing markets to fill market gaps and advance public climate targets, with the goal of enabling private capital providers to expand their sustainable infrastructure investment activity at scale.

The green bank model has been active and growing for over a dozen years, with green banking institutions operating at the local, state, regional, and national levels, including as government-affiliated agencies and as independent non-profits.

### NEW YORK STATE'S AMBITIOUS ENERGY & CLIMATE GOALS

**10,000 MW**

of distributed solar by 2030

**70%**

electricity from renewable energy by 2030

**6,000 MW**

of energy storage by 2030

**9,000 MW**

of offshore wind by 2035

**100%**

zero-emission electricity by 2040

**85% REDUCTION**

in greenhouse gas emissions from 1990 levels by 2050

**35% MINIMUM**

with a goal of 40% of benefits from clean energy investments will go to disadvantaged communities

## Mission & Priorities

A race to net zero

# OUR STRATEGIC INVESTMENT TARGETS

BY 2025, NY GREEN BANK WILL INVEST:

**\$100 MM**

clean transportation

**\$100 MM**

decarbonization of buildings located in and/or serving disadvantaged communities

**\$150 MM**

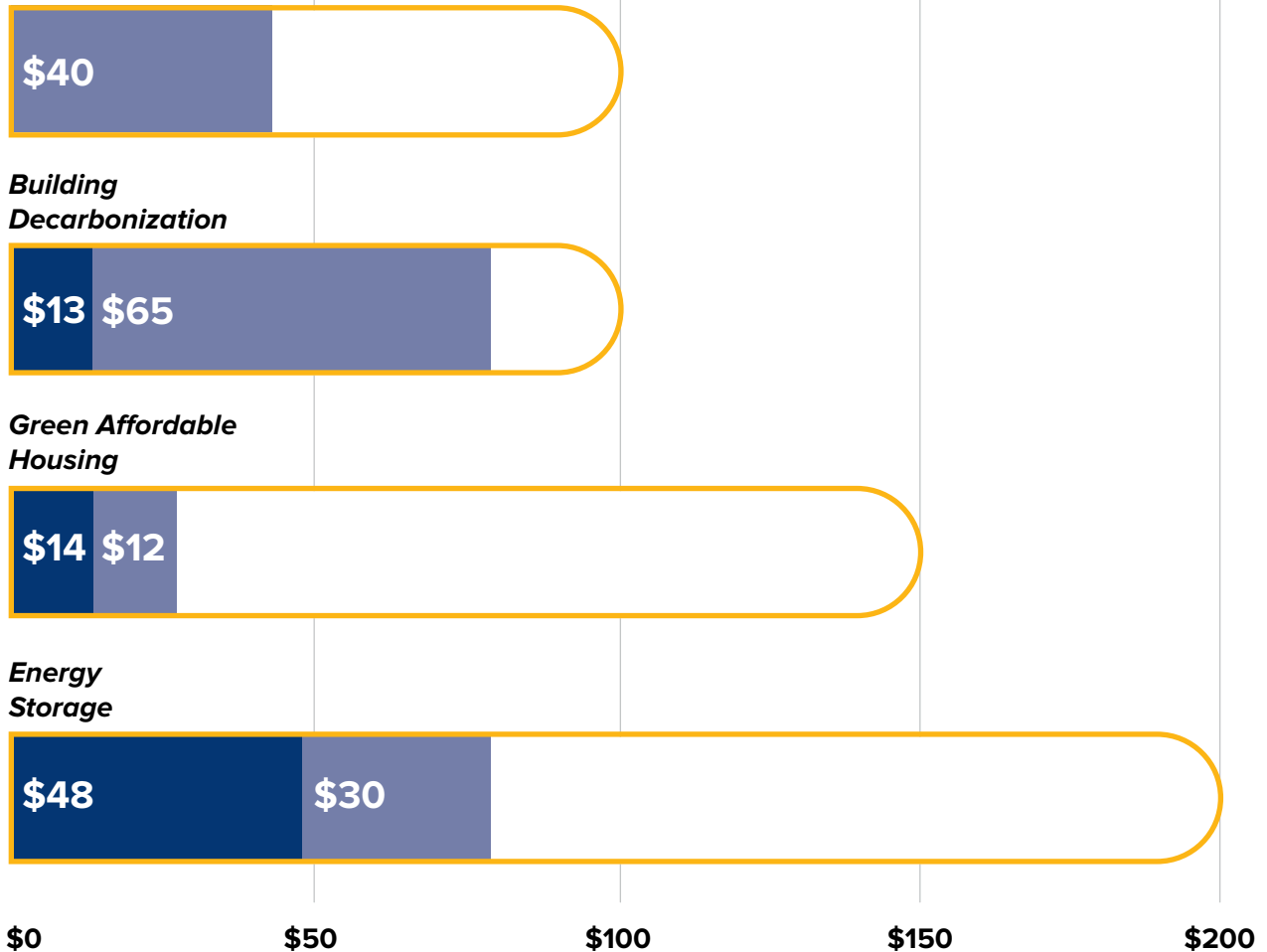
green affordable housing

**\$200 MM**

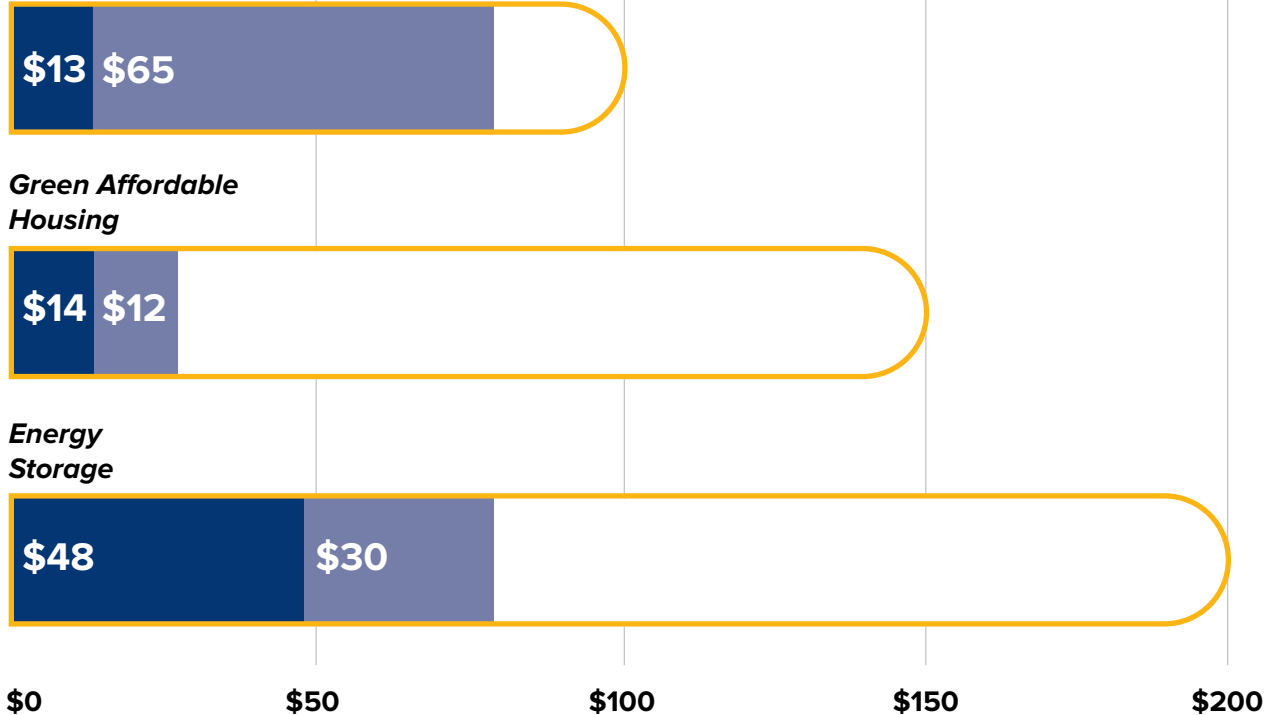
energy storage

## PROGRESS TOWARD TARGETS AS OF MARCH 31, 2022

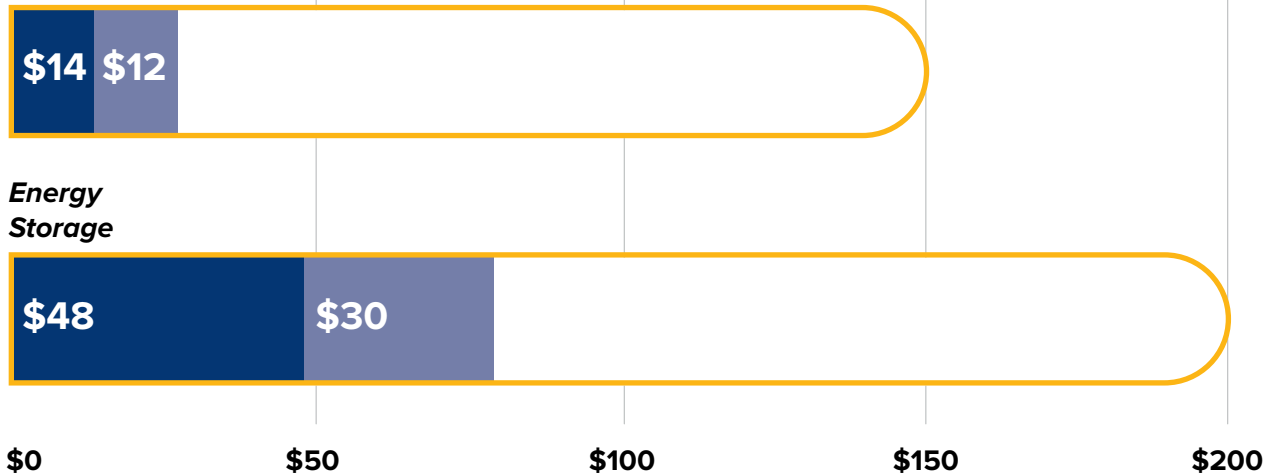
### Clean Transportation



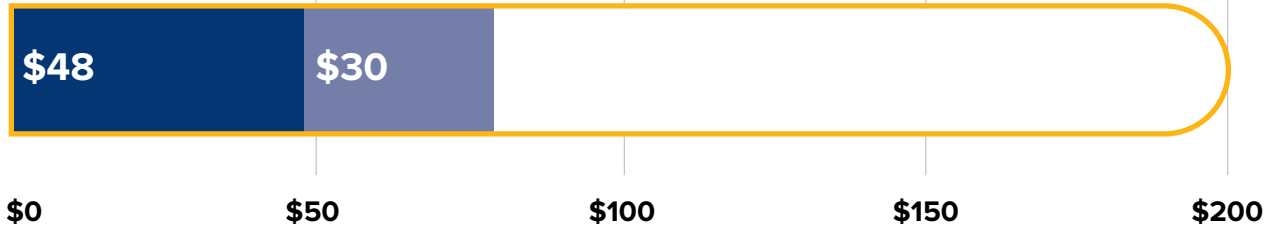
### Building Decarbonization



### Green Affordable Housing



### Energy Storage





## Primary investment criteria

To be a fit for NY Green Bank's mandate, a transaction must:

- Demonstrate potential for greenhouse gas reductions in support of New York State clean energy policies
- Demonstrate how it contributes to market transformation in terms of:
  - Mobilization of private capital
  - Additionality in proposed investments
- Be economically and technically feasible, and have expected financial returns such that revenues of NY Green Bank on a portfolio basis will exceed operating costs and expected portfolio losses

## NY Green Bank's goals for the fiscal year ended March 31, 2022

In the remainder of this Impact Report, we detail our progress against three goals that we established at the start of our 2021–22 fiscal year and against our mission more broadly.

1

Identify and close funding gaps in alignment with State policies and public commitments, with a targeted focus on those that can benefit disadvantaged communities.

2

Continue to mobilize private capital into clean energy and sustainable infrastructure projects in New York State and develop pathways to access private sector sources of capital to support demand for NY Green Bank financing.

3

Continuously improve and enhance NY Green Bank risk management, operations and portfolio management.



Scan to learn more about NY Green Bank, or visit [greenbank.ny.gov/Public-Filings](https://greenbank.ny.gov/Public-Filings)

# At a Glance

*Since Inception*

**\$1.7 BILLION** Capital Committed

**\$1.7  
BILLION**

Capital Deployed

**\$1.3  
BILLION**

Capital Repaid

**UP TO \$4.5  
BILLION**

Capital Mobilized

**105** TRANSACTIONS ACROSS

**8** TECHNOLOGY SEGMENTS

ELECTRICITY SAVINGS

**2.3 MILLION MWh**

FUEL SAVINGS

**45.2 MILLION MMBtu**

CO<sub>2</sub>e AVOIDED

**UP TO 30.6 MILLION  
METRIC TONS**

INVESTMENT EFFICIENCY

**17,561 METRIC TONS**

average greenhouse gas emissions  
reduced per \$1 million invested



# 2021–22 Fiscal Year

*Another record-breaking  
year for NY Green Bank*

# At a Glance

## 2021–2022 Fiscal Year

*For the second consecutive year, we committed more capital than ever before.*

### Year-over-year investment activity



**17** transactions executed

**13** co-lenders

**\$437.8 MILLION** capital committed

**\$50.3 MILLION** capital committed to projects in disadvantaged communities

**\$1.0 BILLION** total investment expected to be mobilized

**1.3 MILLION METRIC TONS** CO<sub>2</sub>e avoided

**UP TO 300 MW** distributed solar financed

### IN THE 2021–22 FISCAL YEAR, WE:

- Provided our first loan alongside Property Assessed Clean Energy (PACE) financing
- Launched our affordable housing electrification lending activities
- Completed the largest portfolio monetization by an American green bank to date
- Supported the first solar-plus-storage system to provide non-wires alternative services in New York

## WILDFLOWER FARMS Leveraging innovative financing structures

Closed: **April 2021**

Transaction Size: **\$25 million**

Product: **Construction loan**

### PACE FINANCING

In states and municipalities with PACE programs, property owners can finance efficiency and clean energy improvements with capital from certified lenders, repaid over a set time period — typically 10 to 20 years — through property tax assessments, as an addition to the owners' property tax bills. The debt is tied to the property as opposed to the property owner. Thus, the repayment obligation can transfer to a new owner if the property is sold before the loan is repaid.

NY Green Bank provided financing to complement Property Assessed Clean Energy (PACE) financing, supporting the construction of a 65-room deeply energy efficient hotel in Gardiner, NY.

PACE financing can be attractive to property owners with long hold periods because of its ability to be repaid via property tax payments. However, senior lenders hesitate to lend alongside PACE financing because PACE loans have priority repayment. Thus, projects receiving PACE financing frequently struggle to secure a mortgage lender to provide the remainder of the capital stack. NY Green Bank is willing to step into that role, hoping to demonstrate to conventional mortgage lenders the viability of the financing structure.



*“NY Green Bank’s financing enabled Wildflower Farms to also access private market capital via the PACE financing structure. As a senior lender, NY Green Bank brought thoughtfulness and creativity to the table at a time when other lenders were hesitant to tackle the complexity of a relatively new financing structure.”*

*Phillip Rapoport, Managing Partner, SY Holdings*



Scan to learn about  
PACE financing, or visit  
[nyscrda.ny.gov/  
PACE-programs](https://nyscrda.ny.gov/PACE-programs)

## 2021–22 Fiscal Year

Sustainable development goals

### Mapping our year to the Sustainable Development Goals (SDGs):

#### 2021–22 fiscal year investments by sustainable development goals

NY Green Bank’s mission is strongly aligned with the United Nations (UN) Sustainable Development Goals (SDGs), and NY Green Bank supports the advancement of the SDGs through all investments made in the 2021–22 fiscal year.

Learn more about the SDGs at [www.un.org/sustainabledevelopment/](http://www.un.org/sustainabledevelopment/).



**SDG GOAL 9:**  
**BUILD RESILIENT  
INFRASTRUCTURE, PROMOTE  
INCLUSIVE AND SUSTAINABLE  
INDUSTRIALIZATION, AND  
FOSTER INNOVATION**

#### TRANSACTIONS

- e2i
- NYCEEC
- Sealed, Inc.
- RiseBoro Community Partnership & United Jewish Organizations of Williamsburg
- Wildflower Farms



**SDG GOAL 10:**  
**REDUCE INEQUALITY WITHIN  
AND AMONG COUNTRIES**

#### TRANSACTIONS

- e2i
- NYCEEC
- RiseBoro Community Partnership & United Jewish Organizations of Williamsburg

#### TECHNOLOGY SUPPORTED

- Efficient building decarbonization





**SDG GOAL 7:**  
**ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE, AND MODERN ENERGY FOR ALL**



**SDG GOAL 11:**  
**MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT, AND SUSTAINABLE**



**SDG GOAL 13:**  
**TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS**

**TRANSACTIONS**

- Amp Solar Group, Inc.
- BQ Energy Development, LLC
- Convergent Energy + Power
- Distributed Sun - SunX
- e2i
- East Light Partners, Fund II
- Eden Renewables, LLC
- Edgewise Energy
- Energy Impact Partners
- Generate Capital, Inc.
- NYCEEC
- OYA Solar
- RiseBoro Community Partnership & United Jewish Organizations of Williamsburg
- Sealed, Inc.
- Sunrun, Inc.
- Wildflower Farms

**TECHNOLOGY SUPPORTED**

- Efficient building decarbonization
- Fuel cell
- Paired solar-plus-storage
- Photovoltaic solar

*The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.*

# Investment Portfolio

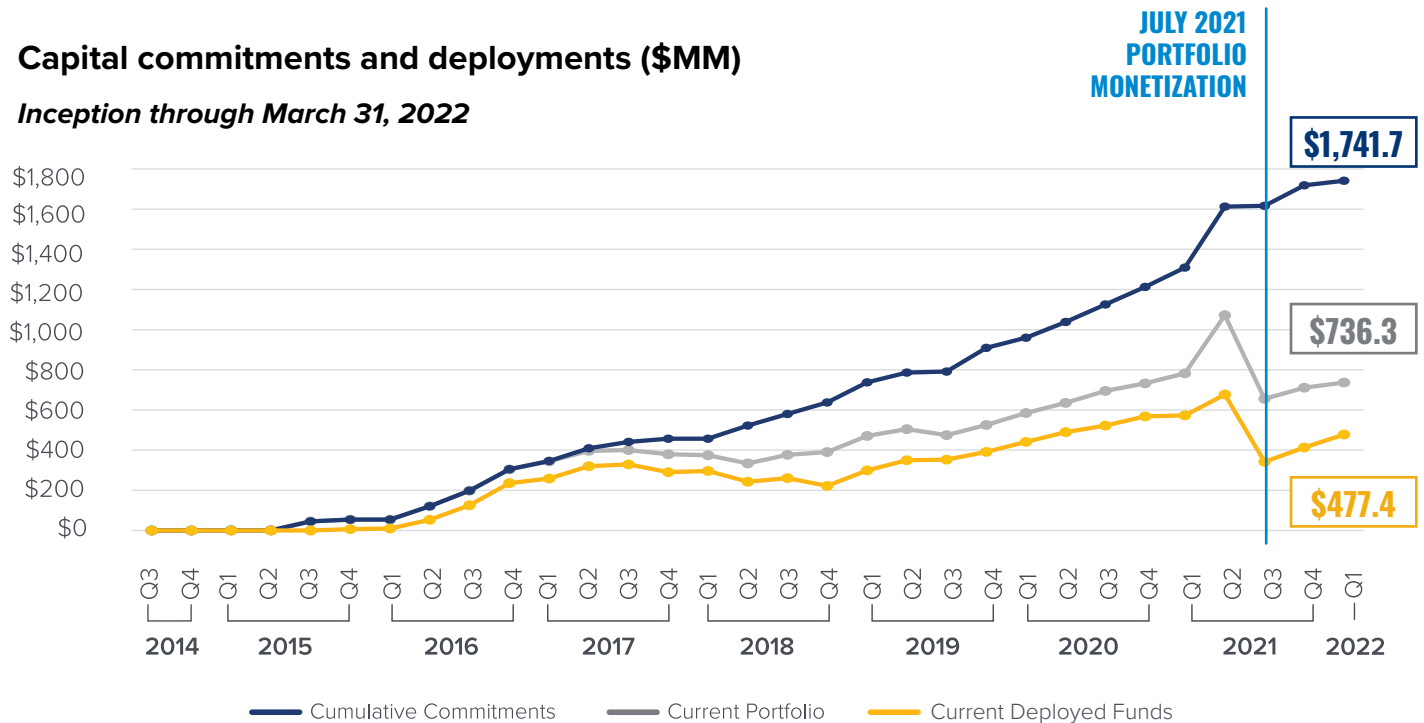
*NY Green Bank investments span a wide range of climate change-mitigating technologies, from building efficiency to grid-scale energy storage to clean transportation*

# CAPITALIZING DECARBONIZATION

Since inception, NY Green Bank has grown its portfolio of investments as we continue to identify and fill gaps in New York State’s clean energy and sustainable infrastructure markets.

## Capital commitments and deployments (\$MM)

Inception through March 31, 2022



**IN JULY 2021, OUR PORTFOLIO MONETIZATION RESULTED IN THE CORRESPONDING DROPS IN CURRENT PORTFOLIO AND DEPLOYED FUNDS THAT ARE VISIBLE ON THE CHART IN Q3 2021.**



### How we recycle capital

Over time, our transactions mature or are pre-paid by borrowers. When we receive capital repayments, we can redeploy those funds and make loans to additional projects — which explains how NY Green Bank has been able to make more than \$1.7 billion of cumulative investments to date with our initial capitalization of \$1.0 billion of public capital.

### Committed vs. deployed capital

When we make a loan, we may require our borrowers to meet certain milestones to access the capital we have committed. For this reason, our current portfolio (which represents capital we have committed to loans that have not yet been repaid) exceeds our deployed funds. The chart above shows our cumulative investments, current portfolio and current deployed funds.

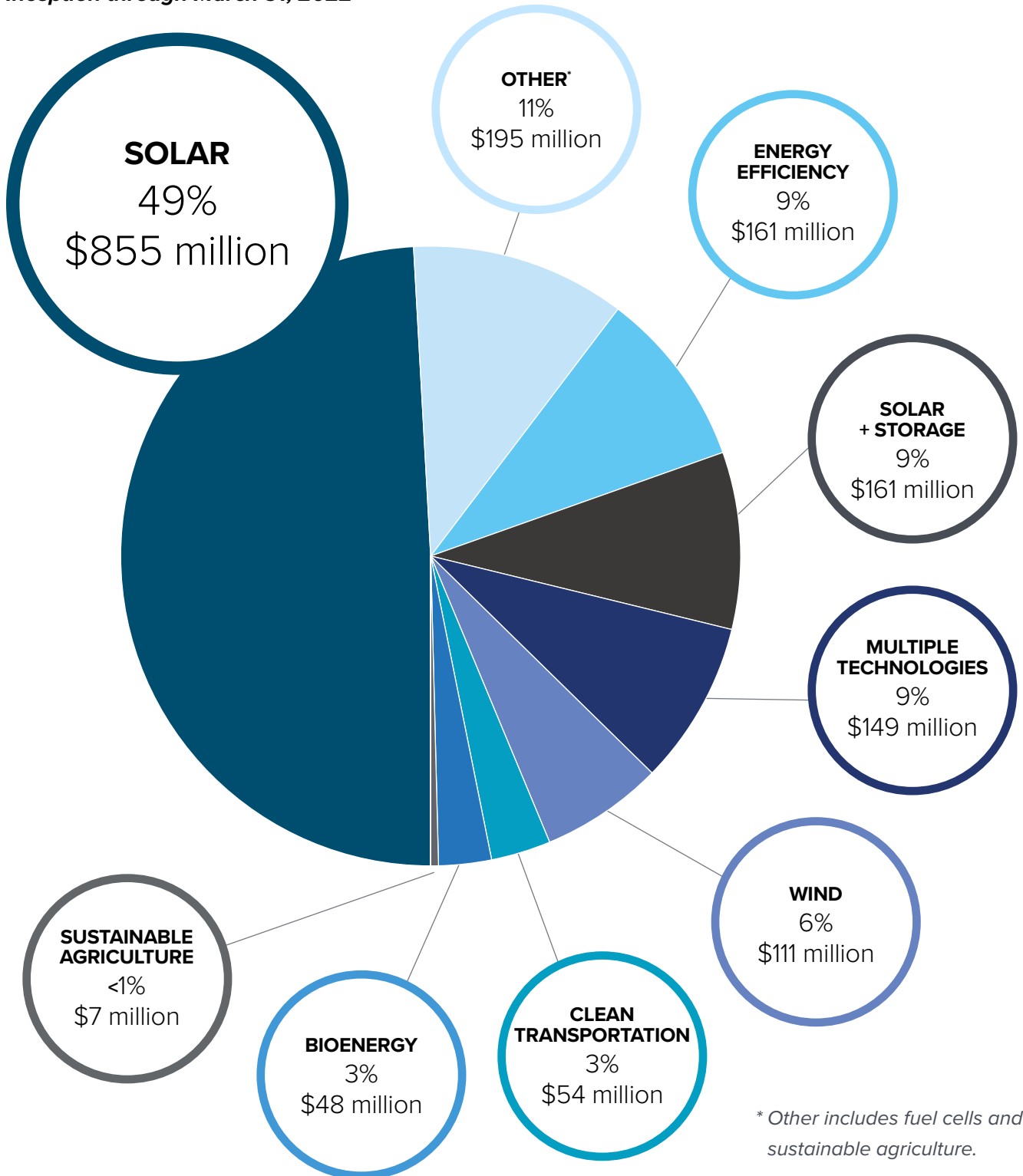
# Investment Portfolio

Catalyzing deployment across market sectors and technology types

## INVESTING ACROSS TECHNOLOGIES & SECTORS

### Investments to date: distribution by technology

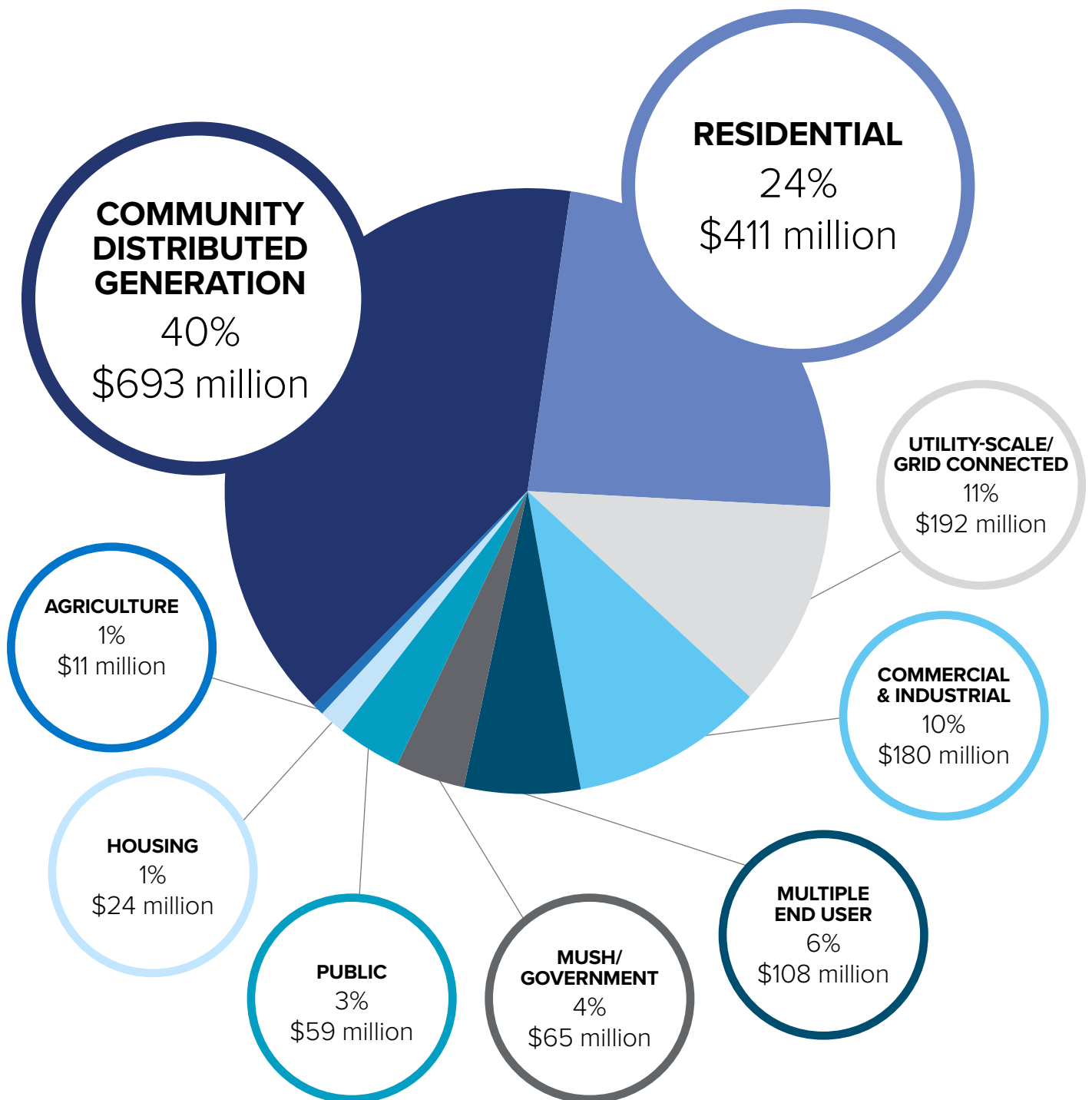
Inception through March 31, 2022





**Investments to date: distribution by end-user**

*Inception through March 31, 2022*



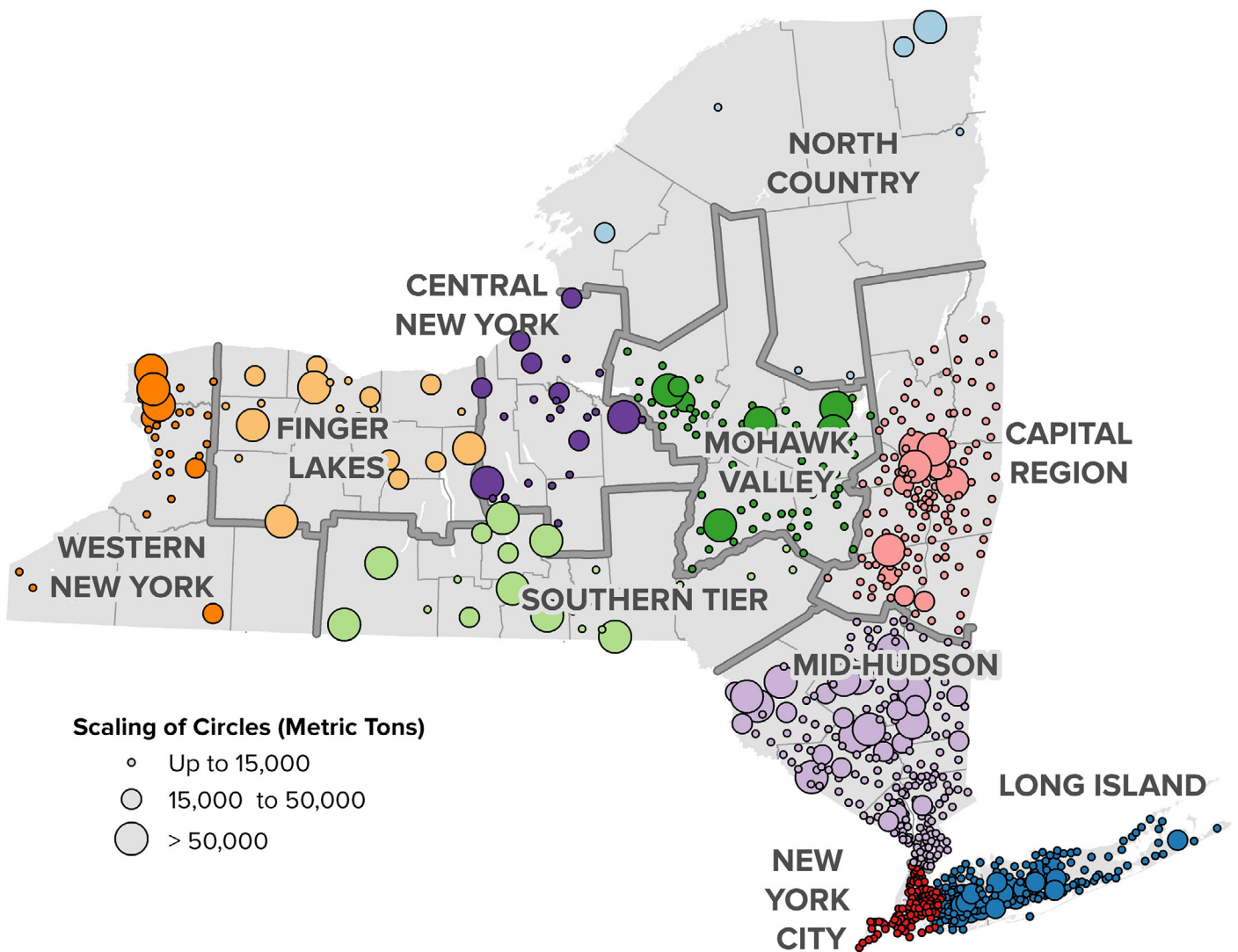
## Investment Portfolio

Catalyzing deployment across market sectors and technology types

# A STATEWIDE PORTFOLIO: WHERE OUR INVESTMENTS ARE REDUCING EMISSIONS

We have invested in every region of New York State. Below is a map of the projects NY Green Bank has financed to date, illustrated proportionally to each project's expected lifetime emission reductions.

### Emission reductions by project



## CONVERGENT ENERGY + POWER

### Battery storage as a non-wires alternative (NWA)

Closed: **April 2021**

Transaction Size: **\$104 million**

Product: **Construction-to-term loan**

### NON-WIRES ALTERNATIVES

An NWA removes or defers the need to construct or upgrade components of a distribution and/or transmission system. The solar-plus-storage project in Cicero will increase capacity at National Grid’s Pine Grove substation without requiring more cost-intensive upgrades to the existing infrastructure.

NY Green Bank provided a back-leveraged credit facility to finance Convergent Energy + Power’s construction, ownership, and operation of 48.7 MW of solar-plus-storage capacity in upstate New York. We worked closely with the developer to manage the complexities and variability of the construction phase and to integrate our financing into a capital stack and repayment structure that also includes a tax equity partnership and utility contract revenues. One of the portfolio projects, a 15 MW solar system and 10 MW 4-hour duration battery system located in Cicero, NY, will be the first solar-plus-storage resource to provide NWA services to National Grid.



*“NY Green Bank’s expertise with the community distributed generation sector, New York State policy, and tax equity structures played a key role in our ability to develop one of the first solar-plus-storage systems providing an NWA. NY Green Bank shares our commitment to more equitable access to solar energy and renewable resources, and their flexibility in underwriting requirements is helping to increase New Yorkers’ access to solar, regardless of their credit scores. NY Green Bank is a strong, knowledgeable partner that helped make this superlative, trailblazing renewable energy project a success.”*

*Frank Genova, President, Convergent Energy + Power*







# Market Transformation

*Mobilizing capital into New York's  
clean energy transition*

## Market Transformation

*Mobilizing capital into New York's clean energy transition*



## OUR APPROACH

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NY Green Bank targets areas of New York's clean energy and sustainable infrastructure markets where project deployment is constrained by a lack of readily available private debt capital.

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NY Green Bank was designed to address financing gaps and barriers by working with developers and other sustainable infrastructure market participants to ensure that any technically and economically feasible project can access appropriately priced debt capital.

We consider financing opportunities that may be too small, too bespoke or too complex to be of interest to institutional lenders or debt capital providers. We work to make investments that bridge these financing gaps in the short term and eliminate them in the long term.

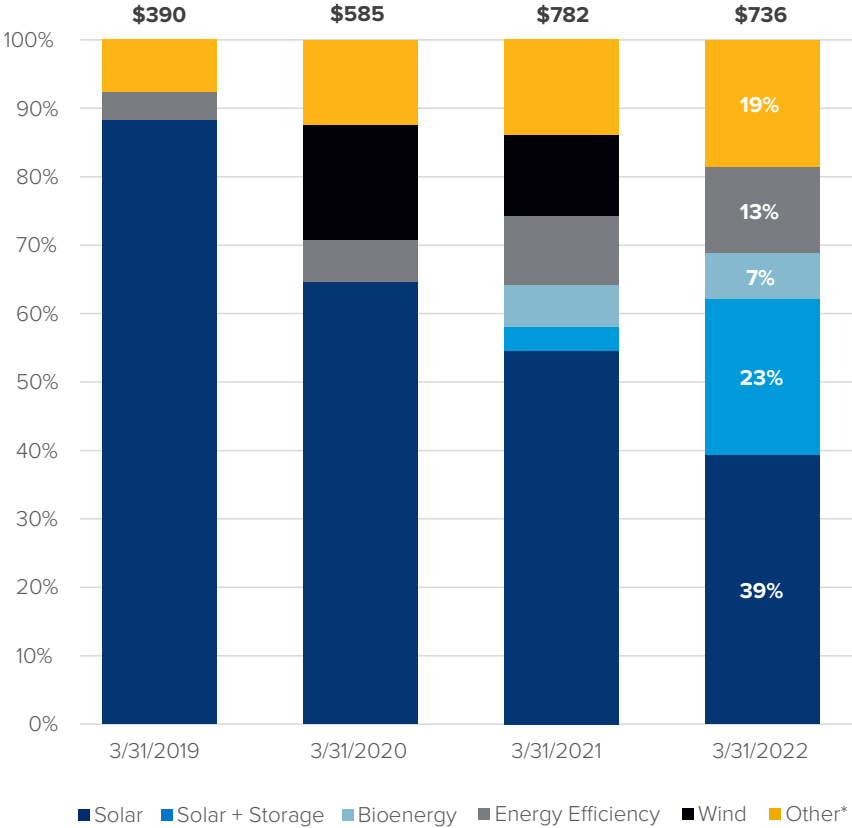
Our capital does not just enable the execution of specific projects that otherwise may not have had a path forward, but also creates attractive precedents and builds standardized, replicable investment structures and practices that draw private and institutional lenders and investors into asset classes and project types where they had not previously been active.

Once private capital crowds into a market segment, we move on to the next frontier where our innovative financing structures can again be utilized to drive greater liquidity.

# A DIVERSIFYING PORTFOLIO

NY Green Bank’s market-responsive approach to investing is reflected in the changing composition of our portfolio over time.

**Portfolio distribution by technology at fiscal year end (\$MM) (2019–2022)**



\* Other includes fuel cells and sustainable agriculture

NY Green Bank’s portfolio has become increasingly diversified as we have stepped in to alleviate financing gaps for sustainable infrastructure and clean energy projects in New York. This chart shows the technology distribution and size of NY Green Bank’s Current Portfolio as of the end of the past four fiscal years. In earlier years, NY Green Bank’s portfolio skewed heavily toward solar projects (including but not limited to commercial and industrial solar, residential solar, community solar, etc.), a market segment that we have been instrumental in building and developing. As New York set increasingly ambitious and diverse targets across sustainable infrastructure asset classes, NY Green Bank has evolved to support expanded policy goals and has put capital to work in a wider array of technology segments. In particular, NY Green Bank has increased the concentration of solar-plus-storage and energy efficiency transactions in our portfolio in recent years. At the end of the 2021–22 fiscal year, NY Green Bank managed a total of \$736 million in our most diverse portfolio to date.

## Market Transformation

Mobilizing capital into New York's clean energy transition



## MOBILIZING COMMUNITY CAPITAL

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There are a wide variety of lenders actively investing in projects that benefit disadvantaged communities in New York.

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Although many investors — including housing finance agencies (HFAs), foundations, non-profits, community development finance institutions (CDFIs), and commercial banks — have extensive experience financing affordable housing, community facilities, and other resources and services for frontline populations, integrating decarbonization measures into these projects often requires an adjusted investment approach. We are working closely with such lenders to build their institutional capacity and technical expertise in green finance and ultimately ensure that they are well-positioned to support greater energy and sustainability performance of the buildings and infrastructure serving historically marginalized New Yorkers.

*In market engagement conducted by NY Green Bank and other NYSERDA programs over the 2021–22 fiscal year and prior, we have received feedback that providers of financing to New York's frontline and low-income communities frequently lack experience in underwriting efficient decarbonization measures.*



## MOBILIZING COMMERCIAL CAPITAL

One tangible example of how NY Green Bank has played, and continues to play, a central role in mobilizing private sector capital is through its work transforming the community solar (also known as community distributed generation, or CDG, solar) financing market in New York.

When New York State established its community solar policy in 2015, the market was faced with an unfamiliar business model, nuanced policy framework, and complex revenue streams. Investors did not know how to evaluate risk or determine the market value of projects. By completing some of the earliest transactions in the New York community solar market and creating precedents, we led the way for commercial lenders to follow.

Initially, other lenders only participated in this space by financing projects post-construction. This later stage of the project lifecycle makes for a lower-risk investment opportunity and is thus a natural entry point for first-time lenders in the market. Today private financiers have become significantly more involved in the market through this product.

One example where we have seen this play out was highlighted in NY Green Bank's 2020–21 Impact Report, when CIT — a top 50 U.S. bank — became the first commercial lender to take a leading role in financing a New York-only community solar portfolio. The more conventional lenders have become comfortable financing the long-term ownership and operation of community solar assets, the more competitively-priced private term financing has become available.

We continue to drive similar market-transformative activity in financing the earlier stages of the community solar project life cycle, which developers still struggle to finance through private market sources. Development and construction are critical project phases, but are higher-risk and require more complex underwriting and transaction administration by lenders. As we make more early-stage project loans, we are demonstrating the viability of these investments, modeling how to evaluate and manage their risk, and creating standardized, streamlined approaches for monitoring and funding these higher-touchpoint loans.

### DEAL SPOTLIGHT:

#### **Amp Solar + Storage**

In October 2021, NY Green Bank participated alongside CIT to provide a \$63.1 million senior secured facility, including construction-to-term financing and tax equity bridge financing, to Amp. An experienced developer looking to expand its New York portfolio, Amp will use this capital to build and operate five community solar projects, three of which will be paired with battery storage, for a total of 40 MW solar capacity and 27 MWh storage capacity in New York State. As CDG assets, these systems will provide utility bill savings to commercial and residential subscribers.



**FOLLOWING OUR LEAD,  
PRIVATE LENDERS ARE  
GRADUALLY BECOMING  
MORE INTERESTED  
IN PROVIDING THIS  
PRODUCT FOR  
COMMUNITY SOLAR.**

*For example, in the 2021–22 fiscal year, we saw a promising milestone with CIT again taking on the role of an early adopter in the space by providing community solar construction financing for the first time.*



### MARKET TRANSFORMATION CASE STUDY: 2021 PORTFOLIO MONETIZATION

**IN THE 2021–22  
FISCAL YEAR,  
NY GREEN BANK  
CLOSED THE  
LARGEST EVER  
PRIVATE PORTFOLIO  
MONETIZATION BY  
A GREEN BANK IN  
THE UNITED STATES.**

“Bank of America is committed to supporting a clean energy future, and our transaction with NY Green Bank reflects this in practice. We look forward to continuing to collaborate with NY Green Bank as we are aligned in their mission to advance New York’s sustainable infrastructure market.”

– Joe Branca, Managing Director, Bank of America

## BRINGING PRIVATE CAPITAL TO THE TABLE

Since inception, NY Green Bank has worked to demonstrate that investments in sustainable infrastructure are in fact profitable and can deliver value in additional ways beyond financial returns.

After having committed capital close to the entirety of our available liquidity, NY Green Bank sought to create additional liquidity by monetizing a portion of our investment portfolio to private capital investors.

Over the course of several months, we met with investors ranging from pension funds, insurance companies, family offices and traditional banks as well as multiple rating agencies and strategic advisors. NY Green Bank heard consistent feedback that not only was there increasingly strong demand from private sector lenders to increase their exposure to the types of assets NY Green Bank typically finances but also that our loan portfolio in particular presented an attractive environmental, social, and governance (ESG) investment opportunity.



These capital providers found NY Green Bank assets — loans made initially with public dollars because, at the time, those projects had difficulty accessing appropriately priced financing anywhere else — as attractive additions to their respective portfolios.

**THROUGH A PORTFOLIO MONETIZATION PROCESS WITH BANK OF AMERICA, NY GREEN BANK SUCCESSFULLY ENHANCED ITS LIQUIDITY BY \$314 MILLION, DEMONSTRATING THE STRENGTH OF NY GREEN BANK'S MODEL AND INTEREST BY PRIVATE LENDERS IN SIGNIFICANTLY INCREASING THEIR EXPOSURE TO SUSTAINABLE INFRASTRUCTURE ASSETS.**

This transaction creates a precedent for future private capital support of clean energy projects originated by NY Green Bank.

## **MAXIMIZING THE IMPACT OF EACH PUBLIC DOLLAR**

Through this transaction, NY Green Bank accessed increased liquidity to meet unprecedented demand for our capital without requiring additional public funds. This transaction enabled us to monetize a portion of the strong portfolio we've built to date to reinvest capital into new clean energy and sustainable infrastructure projects at a faster rate and accelerate our focus on areas where market transformation is still needed.

# Energy and Environmental Impact

*The reason we invest*

*At its core, NY Green Bank exists to fight the climate crisis. We are financing the decarbonized economy that will be needed in New York — and globally — if we are to avert the worst impacts of climate change and adapt to those that are already underway.*

EXPECTED IMPACT OF PROJECTS SUPPORTED:

SINCE INCEPTION

DISTRIBUTED SOLAR CAPACITY

UP TO **1,425**  
**MEGAWATTS**

ELECTRICITY SAVINGS

UP TO **2.3 MILLION**  
**MEGAWATT-**  
**HOURS**

TOTAL REDUCTION OF CO<sub>2</sub>e

UP TO **30.6 MILLION**  
**METRIC TONS**

2021–22 FISCAL YEAR

DISTRIBUTED SOLAR CAPACITY

UP TO **300**  
**MEGAWATTS**

ELECTRICITY SAVINGS

UP TO **0.6 MILLION**  
**MEGAWATT-**  
**HOURS**

TOTAL REDUCTION OF CO<sub>2</sub>e

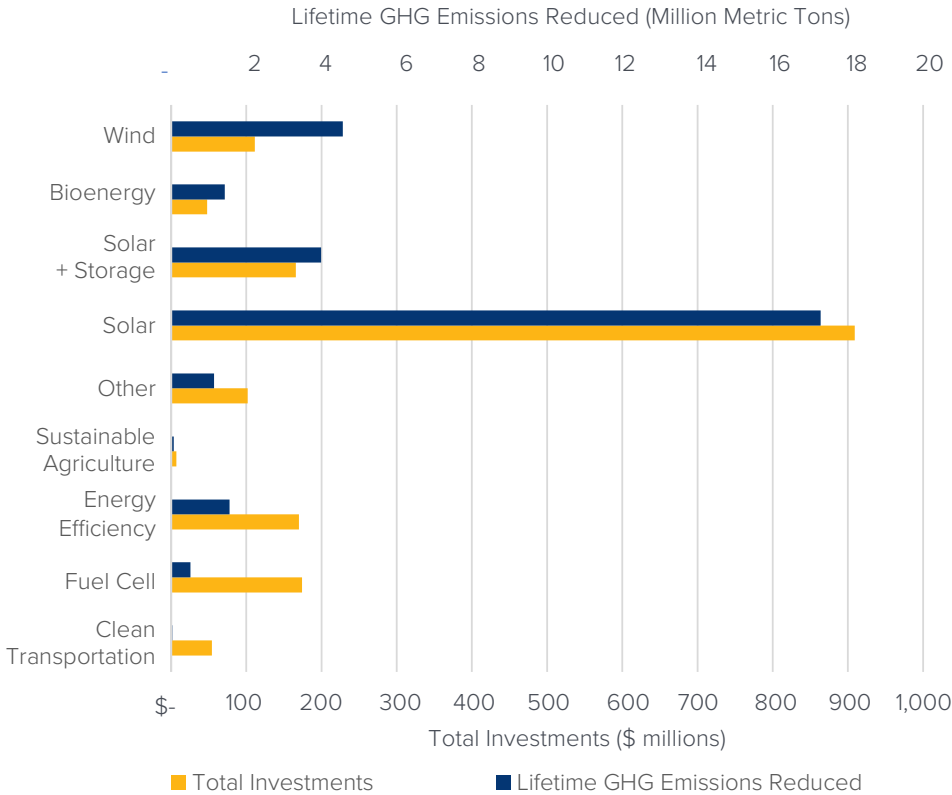
UP TO **1.3 MILLION**  
**METRIC TONS**

NY Green Bank invests exclusively in projects that have the potential to reduce greenhouse gas emissions in New York. This includes generating clean electricity and enabling its utilization, electrifying primary energy uses, reducing energy consumption, and innovating industrial and agricultural processes to reduce materials, fossil fuel consumption, and land-use emissions.



# EFFICIENCY (CO<sub>2</sub>E REDUCED/\$MM INVESTED) OF NY GREEN BANK INVESTMENTS BY TECHNOLOGY

## GHG emissions reduced and total investments



## Estimated lifetime GHG emissions reduced per \$MM of committed funds (metric tons)

WIND  
**41,069 MT**

BIOENERGY  
**29,811 MT**

SOLAR + STORAGE  
**24,067 MT**

SOLAR  
**19,002 MT**

OTHER  
**11,231 MT**

SUSTAINABLE AG  
**10,072 MT**

ENERGY EFFICIENCY  
**9,143 MT**

FUEL CELL  
**2,965 MT**

CLEAN TRANSPORTATION  
**599 MT**



### The impact of our investments by technology

The chart above compares the relative sizes of our investments and the lifetime GHG emission reductions they support; the list on the right represents the efficiency of NY Green Bank’s capital — in other words, how much lifetime impact is driven per \$1 million of our capital — for each technology sector.







# Equitable Transition

*Delivering benefits to New York  
State's frontline communities*

# THE IMPACTS OF CLIMATE CHANGE ARE NOT BORNE EQUALLY BY ALL NEW YORKERS.

- > HIGHER AVERAGE TEMPERATURES
- > LONGER, MORE REGULAR, AND DANGEROUS HEAT EVENTS
- > MORE FREQUENT AND EXTREME CATASTROPHIC WEATHER PATTERNS
- > CHANGES IN AGRICULTURAL AND WILDLIFE ACTIVITY

## CLIMATE EQUITY

In New York, as in the rest of the nation, frontline communities (e.g., BIPOC) and low-income communities, bear the largest burden of climate change impacts and associated pollution.

Additionally, these groups have historically been excluded from planning and other government processes that affect their communities, and have had limited opportunities for participation in public decision making.

New York State's approach to climate change, as codified in the 2019 Climate Act, therefore prioritizes the reduction of greenhouse gas emissions and co-pollutants in such communities and mandates that the transition to a low-carbon economy result in beneficial outcomes for traditionally underserved communities.



Scan to learn more about climate equity in New York or visit:

- > [climate.ny.gov/Draft-Scoping-Plan](https://climate.ny.gov/Draft-Scoping-Plan)
- > [climate.ny.gov/21-35-report](https://climate.ny.gov/21-35-report)

In alignment with the Climate Act, **we will ensure that between January 1, 2020 and December 31, 2025, at least 35% of NY Green Bank's capital is committed to projects that benefit disadvantaged communities** as defined by the Climate Justice Working Group (CJWG). While the CJWG is finalizing its guidance for defining and measuring benefits to disadvantaged communities, NY Green Bank, in alignment with NYSERDA and other State entities, is using an interim definition of disadvantaged communities to track our progress toward this goal.



Scan to learn more about the interim definition and development of New York's disadvantaged communities criteria or visit: [climate.ny.gov/dac-criteria](https://climate.ny.gov/dac-criteria)

## Equitable Transition

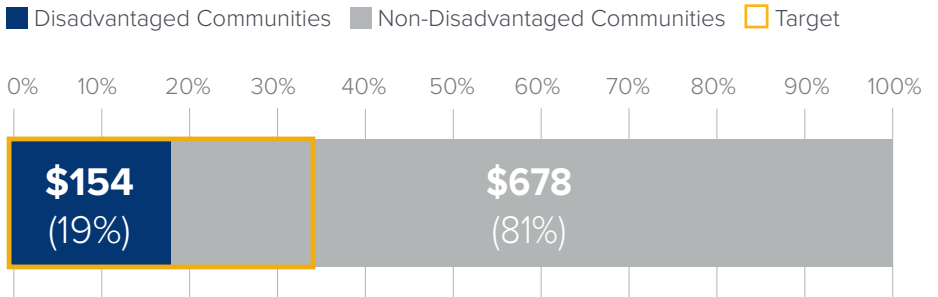
Delivering benefits to New York State's frontline communities

### DURING THE 2021–22 FISCAL YEAR, NY GREEN BANK:

- > Expanded the team to include specific disadvantaged community and affordable housing lending expertise
- > Gathered feedback from community and market stakeholders
- > More than doubled our investments in affordable housing
- > Launched a pricing structure that incentivizes community solar developers to enroll higher proportions of low- and moderate-income subscribers

### Capital invested in frontline communities since January 1, 2020 (\$MM)

As of March 31, 2022



Since the Climate Act came into effect on January 1, 2020, 19% of our capital commitments supported projects that will benefit disadvantaged communities under the interim definition.

In the 2021–22 fiscal year, we focused on seeking stakeholder feedback and setting the foundation to ensure our lending activity in support of disadvantaged communities continues to increase and does so in a way that has the most meaningful impact on New York's frontline communities.



#### NY GREEN BANKER SPOTLIGHT: *David Davenport, Managing Director, Frontline Communities Investing*

In August 2021, NY Green Bank hired our first senior leadership team member devoted to leading NY Green Bank's investment in historically underserved communities.

David Davenport brings lending and project development expertise to his role at NY Green Bank. David has led community banking investment in mixed-use real estate and affordable housing nationwide and has completed energy efficiency retrofits in more than 6,000 units of affordable multifamily housing in New York City.

During the 2021–22 fiscal year, we also added experts at the Director and Vice President levels and expanded our Advisory Committee. Our new hires and advisors bring deep knowledge and skillsets from experience across real estate, municipal housing finance, and community development and advocacy.



## STAKEHOLDER ENGAGEMENT

While NY Green Bank may not have “shareholders” in the traditional sense, we are a public entity and are ultimately accountable to New Yorkers for the impact and performance of our investments.

We have both a responsibility and an opportunity to act as good stewards of the public funds with which we have been entrusted.

Just as a company or a fund manager engages closely with its investors to understand how they want their money to be invested, what outcomes they are seeking, and what is important to them, NY Green Bank engages with New Yorkers to do the same.

In the 2021–22 fiscal year, one of our top stakeholder engagement priorities was to understand how NY Green Bank can better invest its capital to deliver benefits to New York State’s historically underserved communities. Between December 2021 and March 2022, NY Green Bank conducted individual and small group discussions with a wide range of entities that represent and service these communities in their push to decarbonize. We invited them to share their insights, experiences and recommendations with NY Green Bank.

Ongoing, regular, and extensive engagement is a centerpiece of NY Green Bank’s investment approach. As we act upon the feedback received during the 2021–22 fiscal year, we do so in continued coordination with stakeholders to ensure that our expanded offerings respond to the needs identified and align with evolving community and market landscapes. We will continue building relationships and deepening our stakeholder dialogues across all sectors.

### TAKEAWAYS

**Based on input gathered, NY Green Bank will:**

- > ***Simplify investment proposal processes***
- > ***Create standardized product offerings for affordable housing***
- > ***Launch a \$250 million funding pathway to provide low-cost capital to CDFIs and other such lenders***

**14**

convenings held

**ENGAGED:**

**49**

individuals

**34**

entities

- Property developers, owners and operators
- Energy service providers
- Environmental justice advocates
- Community-based organizations
- CDFIs and other mission-driven lenders

**FEEDBACK RECEIVED ON:**

- Market conditions and capital gaps hindering the deployment of sustainable infrastructure projects that would benefit historically underserved New Yorkers
- How our financing offerings can best support efforts to decarbonize and serve frontline communities
- How to streamline our transaction processes to better align with the capacity and needs of this segment’s borrowers

### DEAL SPOTLIGHT:

#### e2i

In March 2022, NY Green Bank closed an \$8 million facility with New York-based developer e2i to advance funds against expected utility incentives. This provided e2i with the near-term liquidity needed to progress its development of electrified naturally occurring affordable housing in Western New York.



*“NY Green Bank has been hugely supportive of our growth and will help us bring thousands of affordable green apartment units to New York over the next 5–7 years. Their team is smart, creative, flexible, and accommodating. They worked with us to create a solution that works for our current company size and a structure that will scale as we grow as a business.”*

– Adam Serbert, President and Founding Partner, e2i

## AFFORDABLE HOUSING

In the 2021–22 fiscal year, we built momentum in our affordable housing pipeline and portfolio. In particular, we identified strong market demand and potential for replicability in two areas.

### Predevelopment

Various early-stage activities must be funded before a developer closes on construction financing to build or renovate a multifamily building. These may include acquisition, building repairs, permitting, analysis and planning, and design. If a project is targeting advanced energy performance, these predevelopment activities may be even more cost- and time-intensive. Commercial banks and other lenders do not typically finance predevelopment expenses — and capital is particularly scarce for projects with aggressive energy performance ambition. As a result, developers with limited options tend to fund these costs with equity until the predevelopment activities have been successfully completed and construction financing can be raised.

NY Green Bank offers flexible loans to support predevelopment costs for projects that are committed to achieving deep energy efficiency and reducing or excluding fossil fuel-based systems. Proceeds may be used for both general project expenses (e.g., addressing deferred maintenance in an existing building) and those specifically related to sustainability measures (e.g., specialized consulting to conduct energy analysis and planning). NY Green Bank typically structures its loans to be replaced by a project's construction financing.

### Incentive bridging

NYSERDA and New York's investor-owned utilities offer rebates and incentives for projects that install energy efficient products and systems. However, because such incentives are typically reimbursed after installation or over time, property owners and developers must pay for them up front. NY Green Bank offers incentive bridge loans to finance a project's expected incentive payments.

## RISEBORO COMMUNITY PARTNERSHIP & THE UNITED JEWISH ORGANIZATIONS OF WILLIAMSBURG AND NORTH BROOKLYN

Supporting ambitious energy performance from the ground up

Closed: **November 2021**

Transaction Size: **\$2.6 million**

Product: **Predevelopment loan**

### WHAT IS PASSIVE HOUSE?

Passive House is a building standard that relies on a combination of energy efficiency paired with passive solar and internal heat gains to dramatically reduce the amount of energy needed to meet space heating demands.

### THE STANDARD FOLLOWS FIVE PRIMARY PRINCIPLES:

- > **Climate-appropriate insulation levels**
- > **Airtight building envelope**
- > **Thermal bridge free design**
- > **High-performance windows with orientation and shading**
- > **Continuous ventilation with heat recovery**

NY Green Bank provided capital to cover the early-stage costs, including sustainability consulting and design, required to plan the construction of Troops Corner, a 140-unit, all-electric affordable housing building in Brooklyn. The building — which will be designed to exclude all fossil fuel usage at the building level, meet Passive House standards, and include rooftop solar — provides a strong example of efficient electrification. Troops Corner is one of the first phases of the larger Broadway Triangle development, which will create a range of affordable housing and community services at a centralized location at the intersection of the diverse historical Bedford-Stuyvesant community.



*“We see this project as the beginning of a continued partnership and an exciting example of how NY Green Bank’s innovative financing products can catalyze our progress towards a decarbonized New York affordable housing stock.”*

*Kelly Biscuso, Director of Real Estate Development,  
RiseBoro Community Partnership*



Scan to learn more about passive house, or visit [nypassivehouse.org/what-is-passive-house/](https://nypassivehouse.org/what-is-passive-house/)

## Equitable Transition

*Delivering benefits to New York State's frontline communities*

### WHAT IS COMMUNITY SOLAR?

Community solar refers to solar arrays that provide clean electricity to the power grid while delivering energy bill savings to subscribers, without the requirement to install any equipment at a subscriber's residence or business.

Solar panels are installed at a site in the community. The generated electricity is fed into the local power grid, increasing the amount of available clean energy while decreasing electricity generated by fossil fuels.

Area residents can subscribe to the community solar project and receive credits on their utility bills for the clean energy produced.

## COMMUNITY SOLAR

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New York is the top community solar market in the country with over one gigawatt of capacity deployed.

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### Solar with a social impact

Utility bill savings provided by community solar can be especially beneficial for low- and moderate-income New Yorkers, who tend to spend a disproportionately large percentage of their income on electricity. For income-eligible households, community solar provides a guaranteed discount of at least 10% — or between \$5 and \$15 on average — on their electricity bills every single month.

These customers do not have to make any payments for their community solar subscription and are not locked into any long-term contracts or commitments. Because the program is flexible (customers can cancel anytime) and transparent (no sign-up costs, monthly fees, penalties, etc.), community solar is an attractive option for customers to lower their energy bills.



## Our approach: financing as a lever to deliver utility bill savings to those who need them most

When NY Green Bank began financing community solar projects in New York, we were one of only a small number of lenders in the sector that did not require project developers to limit their subscribers to those exceeding a minimum FICO® score.

Since our first community solar investment in 2017, this model has increasingly become the norm, and lenders nationwide are reducing or eliminating their minimum subscriber credit score requirements.

### CREDIT SCORE

**A CREDIT SCORE IS A NUMBER THAT IS USED TO PREDICT HOW LIKELY A BORROWER IS TO PAY BACK A LOAN ON TIME BASED ON THEIR CREDIT HISTORY AND CURRENT CREDIT ACTIVITY.**

Research has shown that the credit score is an imperfect proxy for predicting utility payment performance and that its use as a threshold for community solar subscription excludes customers without credit scores or extensive credit histories from receiving the benefits of community solar.\*

To incentivize developers to build strategies around intentionally increasing low- and moderate-income subscriptions to their projects, NY Green Bank now offers borrowers tiered interest rates for our community solar project loans based on the amount of low- and moderate-income households subscribed to a project.

Through this pricing mechanism, developers can receive a discounted cost of capital — which boosts their project economics and creates what is already proving to be a meaningful motivation to deliver the benefits of community solar to more low- and moderate-income New Yorkers.

**HISTORICALLY,  
LOW- AND  
MODERATE-INCOME  
NEW YORKERS HAVE  
MADE UP ONLY  
A SMALL PORTION  
OF COMMUNITY  
SOLAR  
SUBSCRIBERS  
DESPITE THE  
POTENTIAL FOR  
VALUABLE UTILITY  
BILL SAVINGS.**

\* Reference: <https://ceepr.mit.edu/wp-content/uploads/2021/09/2019-020.pdf>



# The Year Ahead

## *Strategic outlook 2022–23*

*NY Green Bank starts every fiscal year with new goals that build upon our progress to date. We have identified three core objectives for the 2022–23 fiscal year, including the activities we will undertake to achieve them and the specific deliverables against which we will report our success.*

## GOALS FOR THE YEAR ENDING MARCH 31, 2023

### Objective 1

Identify and close funding gaps in alignment with State policies and public commitments through:

- **Financing solutions to support underserved communities**
  - › Develop and launch the Community Decarbonization Fund, a wholesale funding pathway to support financiers in making sustainable infrastructure and decarbonization investments that benefit historically marginalized New Yorkers
  - › Streamline product offerings, simplify engagement process, and reduce administrative burden of underserved community investing
  - › Increase engagement with specialized service providers (legal, engineering, etc.) to bring maximum relevant experience and expertise to the execution of investments in underserved communities
- **Targeted business development**
  - › Expand outreach strategy and materials, particularly in priority areas of clean transportation, energy storage, building electrification and affordable housing
- **Enhanced communications channels**
  - › Update website format and content for greater accessibility
  - › Develop and implement comprehensive marketing and communications measures to increase market awareness
  - › Engage with, and build on feedback from, key stakeholders
- **Capital commitment**
  - › Deliver at least \$225 million of incremental commitments with a focus on advancing progress against public commitment goals

### Objective 2

Continue to strengthen NY Green Bank's capital position through:

- **Portfolio monetization**
  - › Evaluate and recommend pathways to enhance and optimize liquidity
- **Capital mobilization**
  - › Crowd private sector capital providers into priority market segment transactions

### Objective 3

Continuously improve and enhance NY Green Bank operations and portfolio management through:

- **Risk and impact monitoring and reporting**
  - › Incorporate expanded ESG and resiliency considerations into underwriting and portfolio management processes
  - › Update metrics processes to reflect management and disclosure of disadvantaged community impact
- **Operational excellence**
  - › Issue RFP for third-party fund administration
  - › Manage smooth transition of pipeline and portfolio from LIBOR to SOFR reference rate
  - › Implement process improvements for enhanced efficiency and productivity



Scan to learn more about our objectives and plans for the 2022–23 fiscal year or visit [greenbank.ny.gov/Public-Filings](https://greenbank.ny.gov/Public-Filings)

## STAY CONNECTED



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