NY Green Bank

Impact Report

For the fiscal year ended March 31, 2023

NEW YORK STATE | NY Green Bank
A Division of NYSERDA

NY Green Bank's participation in a $250 million term loan will support Hecate Energy LLC in selling solar and battery energy storage systems in the early stages of development.

Contents

"Today we have a growing portfolio that includes support for building decarbonization, clean energy, energy storage, and sustainable transportation that is expected to spur up to $5.5 billion in public and private investments, highlighting NY Green Bank's ability to catalyze capital markets and showcase the attractiveness of clean energy investments."

Andrew Kessler, President

President's Letter

On behalf of NY Green Bank, I am pleased to share a special edition of our annual Impact Report.

As always, the report details our accomplishments from the recent fiscal year and lays out our strategic focus for the year ahead. Notably, this year it also highlights a decade of impact in clean energy and sustainable infrastructure financing in celebration of our 10-year anniversary.

In the early years, most transactions were focused on supporting the nascent residential solar market in New York State. Today we have a growing portfolio that includes support for **building decarbonization**, **clean energy**, **energy storage**, and **sustainable transportation** that is expected to spur up to $5.5 billion in public and private investments, highlighting NY Green Bank's ability to catalyze capital markets and showcase the attractiveness of clean energy investments. These investments advance New York State's Climate Leadership and Community Protection Act (Climate Act) goals to reduce emissions 85% by 2050 and to ensure at least 35%, with a goal of 40%, of benefits from clean energy investments be directed to disadvantaged communities.

Reflecting on some of our recent work, the NY Green Bank team successfully closed out the 2022–2023 fiscal year having committed $252 million committed across 16 transactions. Through innovative transactions and first-of-their kind initiatives, we have continued to support the evolution of capital markets. Justice and equity have also been placed at the center of our work, ensuring all New Yorkers benefit from the clean energy transition. We closed our first two transactions with the New York City Housing Authority Permanent Affordability Commitment Together program, further strengthening our commitment to the affordable housing sector. We also closed our first electric vehicle transaction, breaking into a market that still faces barriers obtaining financing from private lenders.

Additionally, we conducted extensive stakeholder engagement and outreach that created opportunities for stakeholders to identify existing financing gaps and potential solutions that would expand the benefits of clean energy investments in historically underserved communities. One consistent piece of feedback received was the recommendation to create a new dedicated fund for intermediary and specialty lenders, such as Community Development Financial Institutions (CDFIs). As a direct response, we launched the Community Decarbonization Fund (CDF) in April as a $250 million wholesale lending pathway, to provide low-cost capital to CDFIs and other mission-driven lenders for local clean energy and building electrification projects, with a specific focus on financing projects that reduce greenhouse gas emissions in disadvantaged communities.

While we have benefited from strong State leadership in New York State, this past year also saw an unprecedented commitment from the federal government when the Inflation Reduction Act was signed into law. This marked the most significant action Congress has taken on clean energy and climate change in the nation's history. This once-in-a-lifetime funding level represents an opportunity to further enhance our ability to close funding gaps and accelerate the development of decarbonization projects in New York State.

I am grateful to work with an exceptional team of committed investment professionals. At the end of another year marked by both global disruptions and historic national investment, 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. We will continue to progress our work even as the global economy adjusts to ongoing labor shortages, market volatility, rising prices and inflation rates, and other challenges impacting our counterparties, financing partners, and the markets in which we operate.

Andrew Kessler, President

Mission & Priorities

A race to net zero

CELEBRATING 10 YEARS OF NY GREEN BANK

Since launching in 2013, NY Green Bank has been a leading provider of innovative clean energy and sustainable infrastructure financing solutions. Now in our tenth year of operation, we continue to invest and reinvest our initial $1 billion capitalization, which has resulted in surpassing $2 billion in investments in New York State's green economy.

In its first decade of operation, NY Green Bank made more than 120 investments in support of projects located in every region of the State and across multiple technology segments, including building decarbonization, clean energy generation, energy storage, sustainable transportation, and other sustainable infrastructure.

Simply put, NY Green Bank is catalyzing the financial investments in clean energy and sustainable infrastructure, and making New York State's goal of a cleaner future a reality.

We've spent the past decade:

- **Transforming markets:** Bringing private sector investors into New York State's clean energy transition
- **Scaling companies:** Creating a launchpad for businesses in New York State's sustainable infrastructure economy
- **Filling gaps:** Providing capital where it is needed most, especially in cases where a project might not be able to proceed without NY Green Bank's involvement
- **Delivering benefits:** Empowering companies to deliver projects that lead to measurable emission reductions, energy savings, and other benefits
- **Committing to equity:** Ensuring a just and equitable clean energy transition through steady and intentional investments in projects that benefit frontline communities

WHO WE ARE

LARGEST
green bank
in the nation

2013
year established

$1 BILLION
capitalization with
funding from
New York

$10–50 MILLION
typical investment size

OUR MISSION

Our efforts are guided by our mission to work in collaboration with the private sector in transforming financing markets. We work together in ways that accelerate clean energy investments, that combat climate change, and that deliver benefits equitably to all.

As a solutions-oriented team of investment professionals, we bring a unique skillset to the market that specializes in the financial, technical, and policy expertise needed to support New York State's clean energy transition.

Not only do we rely on the skills of our internal team, but we also have years of experience building relationships and collaborating with industry leaders in both the private and public sector.

The clean energy transition requires everyone's participation to be successful. Leveraging knowledge and resources across sectors is essential to meeting New York State's ambitious climate goals.

WHAT WE DO

Through our transactions, we leverage public funds to mobilize greater private investment in the deployment of clean energy and sustainable infrastructure in New York State (NYS) in support of its 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 due to a number of potential barriers. Those barriers might include limited precedent, small deal sizes, challenges in evaluating technology risk, lack of familiarity with business models or deal structuring, underwriting complexities, volatile market conditions, and general risk aversion among investors in broader capital markets. 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 that are replicable and standardized, with the goal that over time more traditional private sector financiers and investors can complement and scale these approaches
- Pricing financial products consistently with a sector's standard credit and risk approaches, to demonstrate to the private sector that these financing products can deliver attractive risk adjusted returns — and to incentivize greater interest from other lenders
- Recycling returned capital and income into new clean energy projects when income is generated, thus maximizing the impact of our capital
- Enabling 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 activity has yet to be spurred

NEW YORK STATE'S AMBITIOUS ENERGY & CLIMATE GOALS

3,000 MW*
of energy storage by 2030
** Governor Hochul has called for an increase from 3,000 MW to 6,000 MW*

9,000 MW
of offshore wind by 2035

10,000 MW
of distributed solar by 2030

35% MINIMUM
with a goal of 40% of benefits from clean energy investments will go to disadvantaged communities

70%
electricity from renewable energy by 2030

85% REDUCTION
in greenhouse gas emissions from 1990 levels by 2050

100%
zero-emission electricity by 2040

OUR STRATEGIC INVESTMENT TARGETS

BETWEEN JANUARY 1, 2020, AND DECEMBER 31, 2025, NY GREEN BANK WILL HAVE INVESTED:

$100 MM
clean transportation

$100 MM
decarbonization of buildings located in and/or serving disadvantaged communities (DACs)

$150 MM
green affordable housing

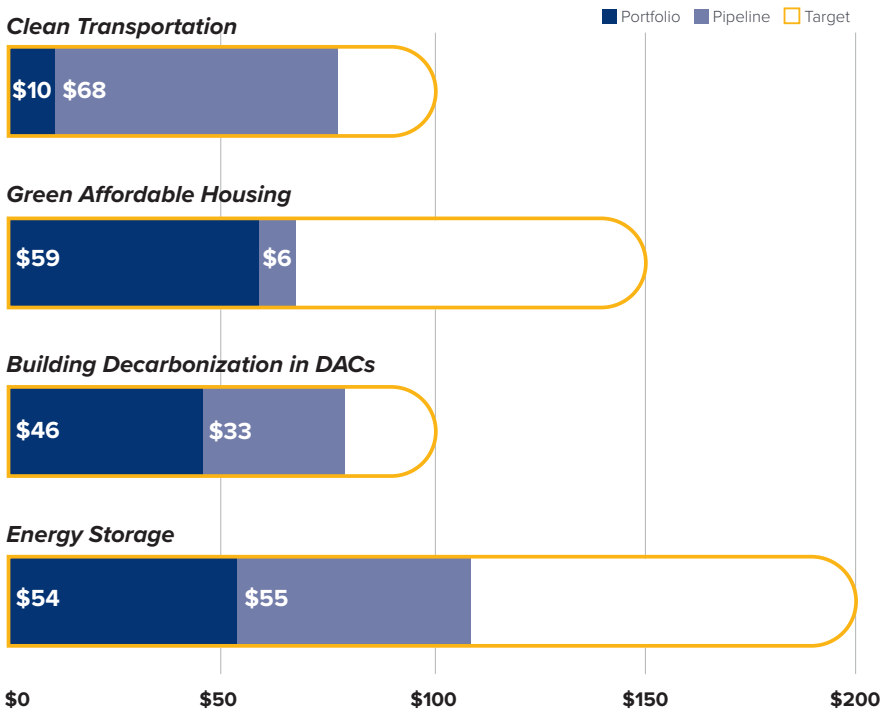
$200 MM
energy storage

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

PROGRESS TOWARD TARGETS AS OF MARCH 31, 2023



Scan to learn more about NY Green Bank, or visit greenbank.ny.gov/Public-Filings

Pioneer Management Group will use NY Green Bank's facility to finance the construction and operation of 705 Broadway Hotel, a fully electrified Hyatt-branded hotel located in an Albany Opportunity Zone.

At a Glance

SINCE INCEPTION

$2.0 BILLION Capital Committed

$2.2 BILLION
Capital Deployed

$1.5 BILLION
Capital Repaid

UP TO **$5.5 BILLION**
Capital Mobilized

122 TRANSACTIONS ACROSS **8** TECHNOLOGY SEGMENTS

ELECTRICITY SAVINGS
3.4 MILLION MWh

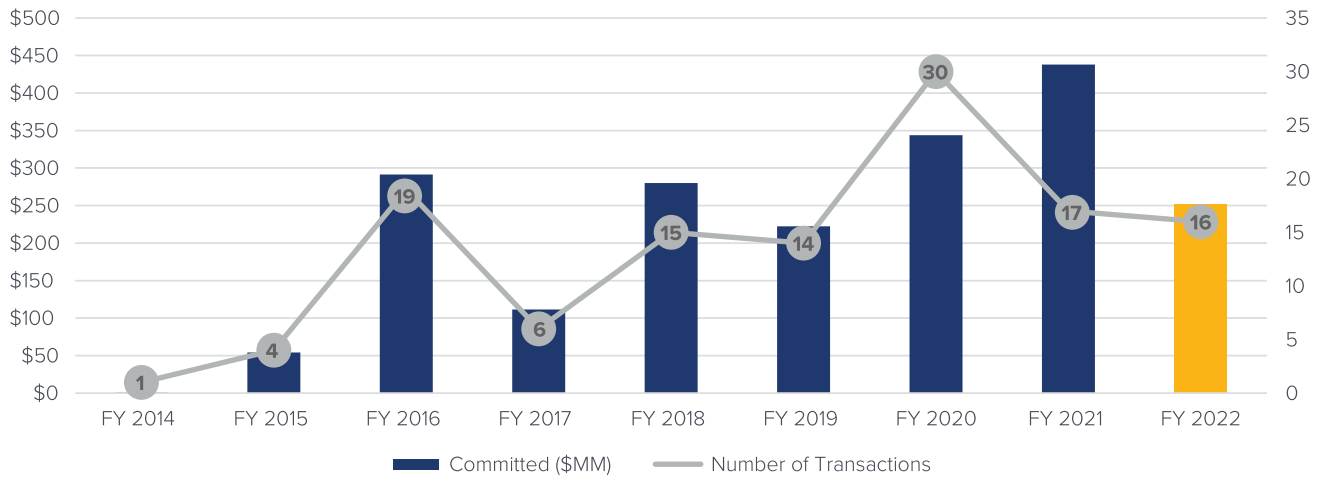
FUEL SAVINGS
45.9 MILLION MMBtu
equivalent to removing up to 414,666 cars from the road for 24 years

CO_2e AVOIDED
UP TO **41.4 MILLION METRIC TONS**

INVESTMENT EFFICIENCY
20,777 METRIC TONS
average greenhouse gas emissions reduced per $1 million invested

2022–2023 FISCAL YEAR

YEAR-OVER-YEAR INVESTMENT ACTIVITY



IN THE 2022–23 FISCAL YEAR, WE:

- Continued to support projects benefiting historically underserved communities, representing a total of 22% of NY Green Bank's capital commitments from January 1, 2020, to March 31, 2023.
- Closed our first electric vehicle (EV) facility, which will lend against EV auto loans originated by Tenet Inc., expanding access to EVs.
- Closed our first New York City Housing Authority (NYCHA) Permanent Affordability Commitment Together (PACT) transactions with Sam City and Reid & Park Rock, moving us closer to achieving our affordable housing commitment.
- Maintained a record volume of deployed funds, with an average balance of $563 million.
- Surpassed our annual commitment target of $225 million for the third year in a row.
- Eclipsed our 10-year Clean Energy Fund Investment goal a full 3 years ahead of schedule on December 19, 2022.
- Remained a stable source of capital for NYS sustainable infrastructure and clean energy investments during a volatile year in global financial markets.

16
transactions executed

13
co-lenders

$252.0 MILLION
capital committed

$85.1 MILLION
capital committed to projects in disadvantaged communities

$5.5 BILLION
total project cost expected to be mobilized

41.4 MILLION METRIC TONS
lifetime GHG emissions reduced

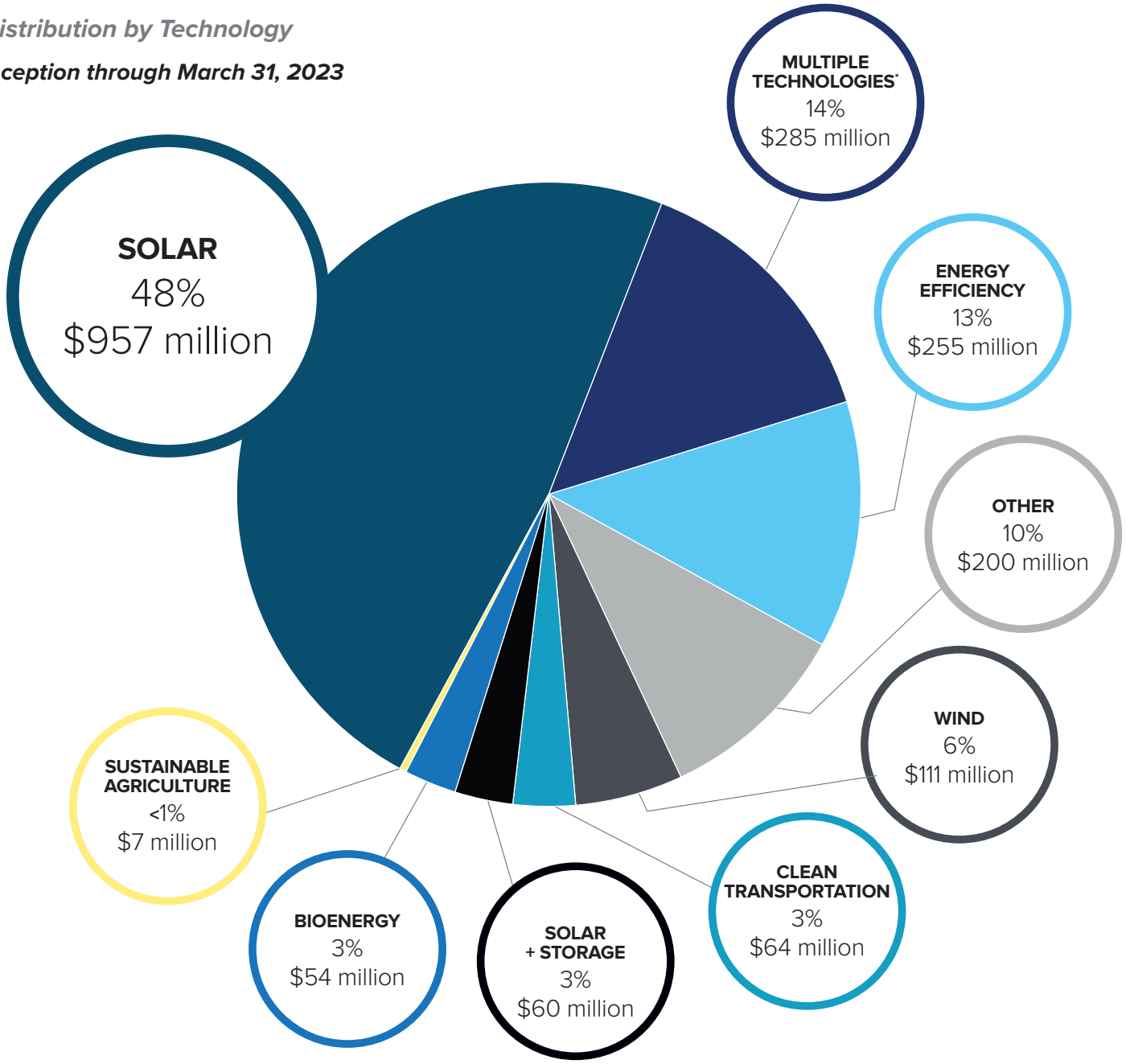
INVESTMENT PORTFOLIO

INVESTMENTS TO DATE

NY Green Bank investments since inception span a wide range of sectors and multiple climate change-mitigating technologies, including building decarbonization, clean energy, energy storage, sustainable transportation, and other sustainable infrastructure.

Distribution by Technology

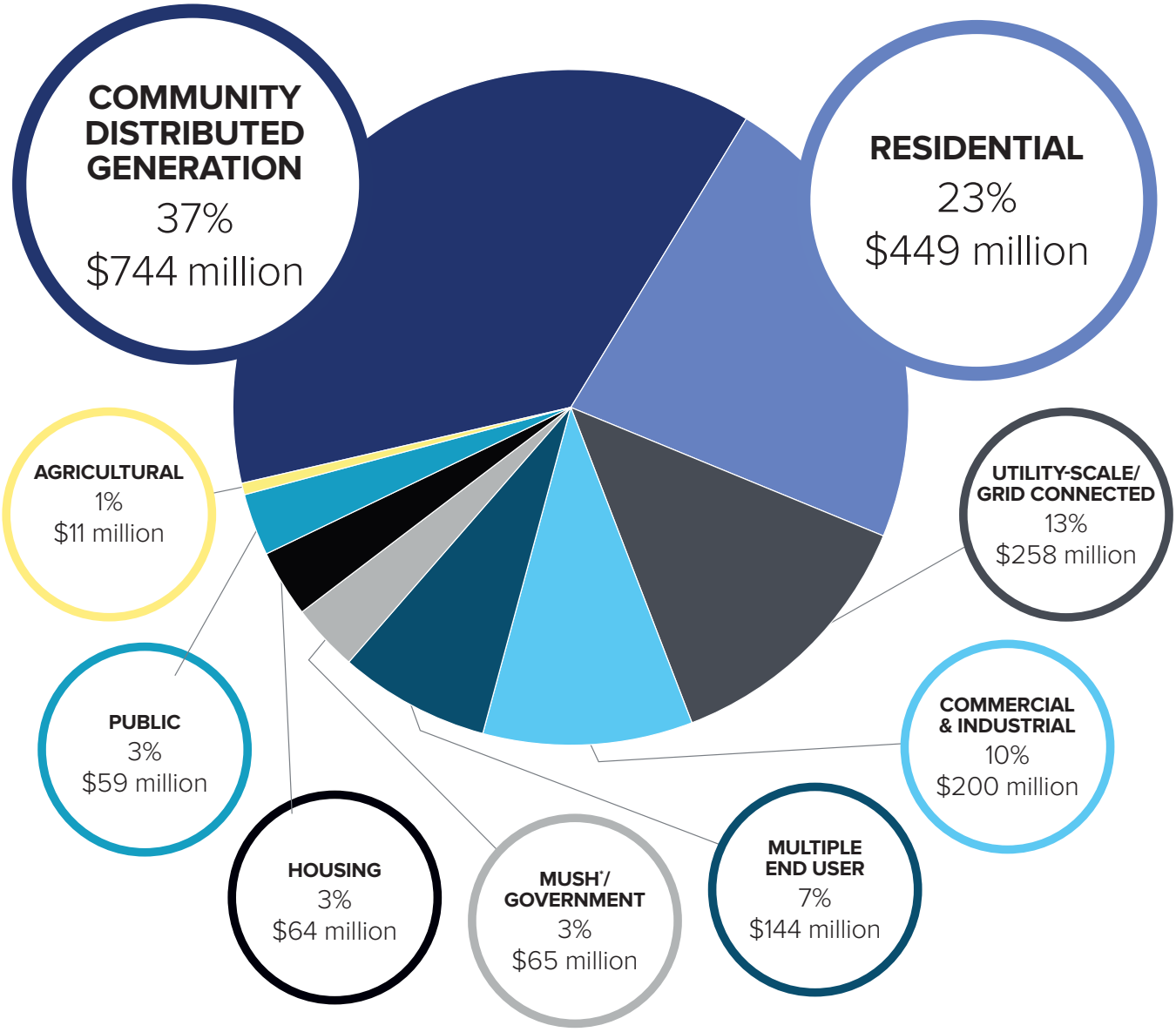
Inception through March 31, 2023



** Multiple technologies are transactions lending to intermediary lenders that support projects of various technologies.*

Distribution by Beneficiary

Inception through March 31, 2023



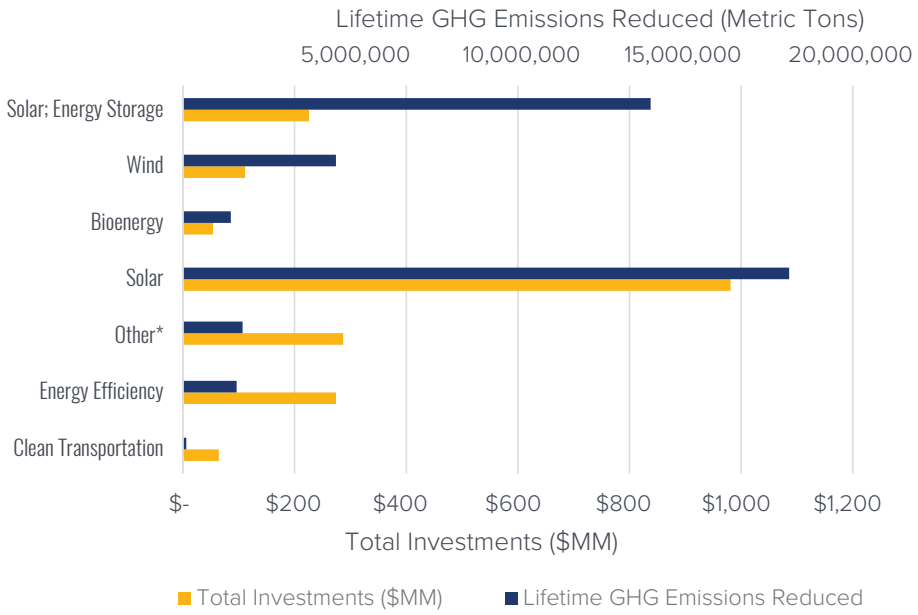
** Municipal/Government, University, School, and Hospital*

At a Glance

An overall look

EFFICIENCY (CO_2E REDUCED/$MM INVESTED) OF NY GREEN BANK INVESTMENTS BY TECHNOLOGY

GHG Emissions Reduced and Total Investments



**Other includes fuel cells and sustainable agriculture.*

ESTIMATED LIFETIME GHG EMISSIONS REDUCED PER $MM OF COMMITTED FUNDS (METRIC TONS)

SOLAR + STORAGE
61,812 MT

WIND
41,069 MT

BIOENERGY
26,443 MT

SOLAR
18,449 MT

OTHER
5,869 MT

ENERGY EFFICIENCY
5,856 MT

CLEAN TRANSPORTATION
1,525 MT

The Charts Explained

The impact of our investments by technology

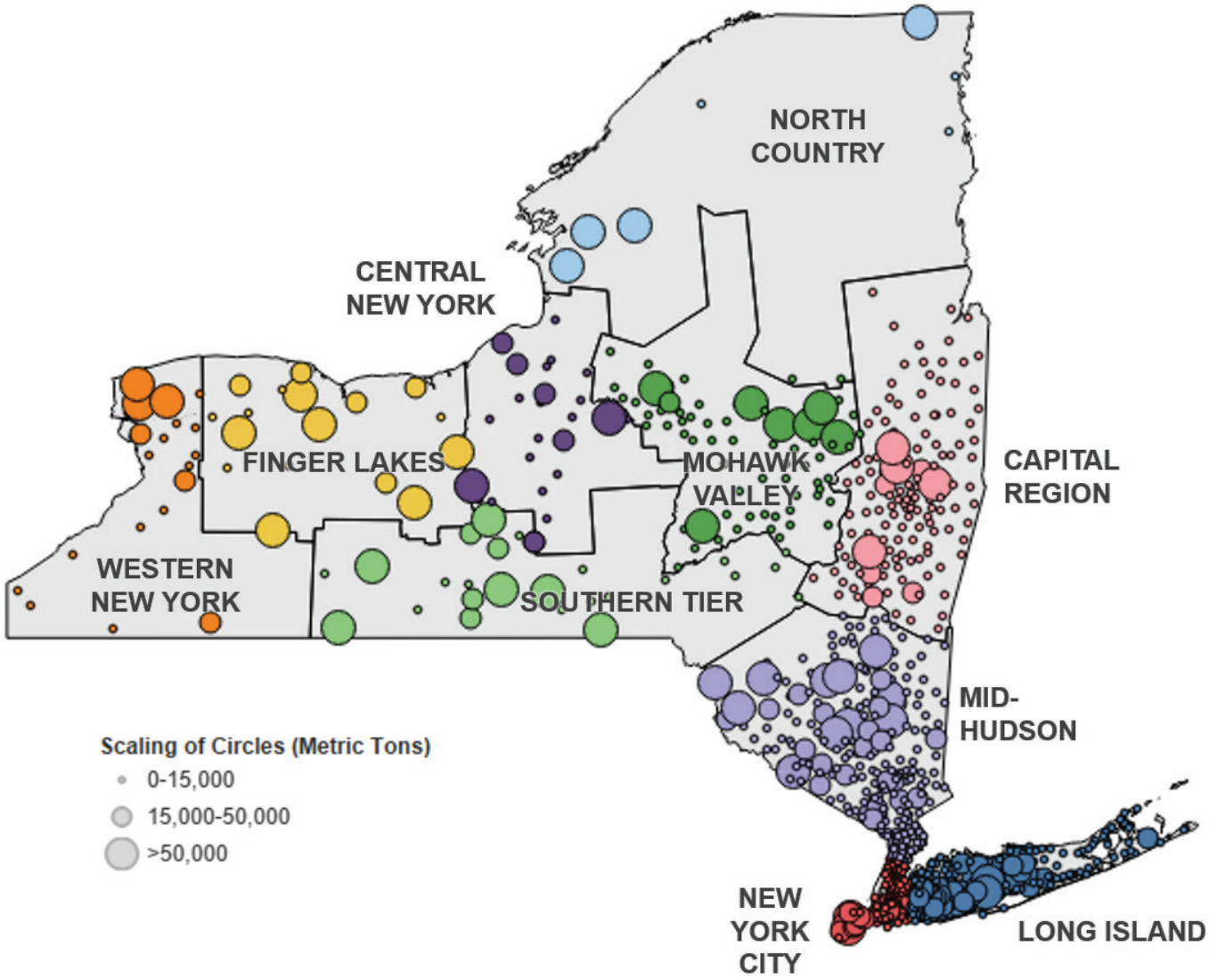
The chart above compares the relative sizes of our investments and the lifetime GHG emission reductions they support; the list on the right represents the efficiency of NY Green Bank's capital — in other words, how much lifetime impact is driven per $1 million of our capital — for each technology sector.

A STATEWIDE PORTFOLIO

Over the past 10 years, 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 installed lifetime emission reductions as of March 31, 2023.

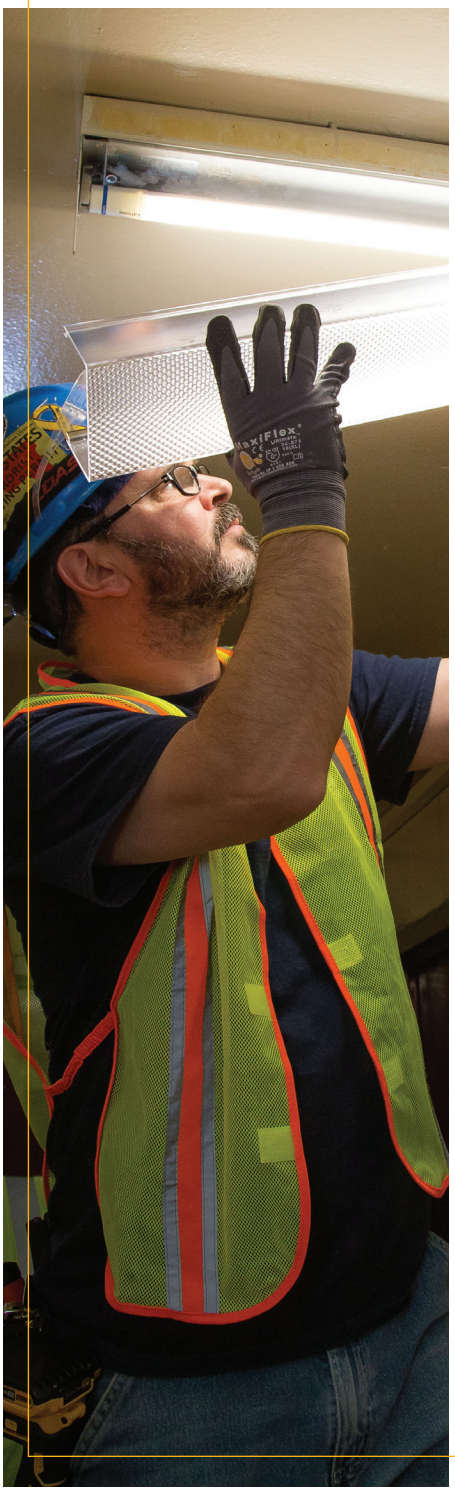
Lifetime Emission Reductions By Project

For cumulative investments through March 31, 2023



10 Years of Market Transformation

Mobilizing capital into New York's clean energy transition



OUR APPROACH

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 capital.

NY Green Bank was designed to address financing gaps and barriers by working with developers and other sustainable infrastructure market participants.

Together, we help technically and economically feasible projects access appropriately priced debt capital.

We consider financing opportunities that may be too small, bespoke, or 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. It 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.

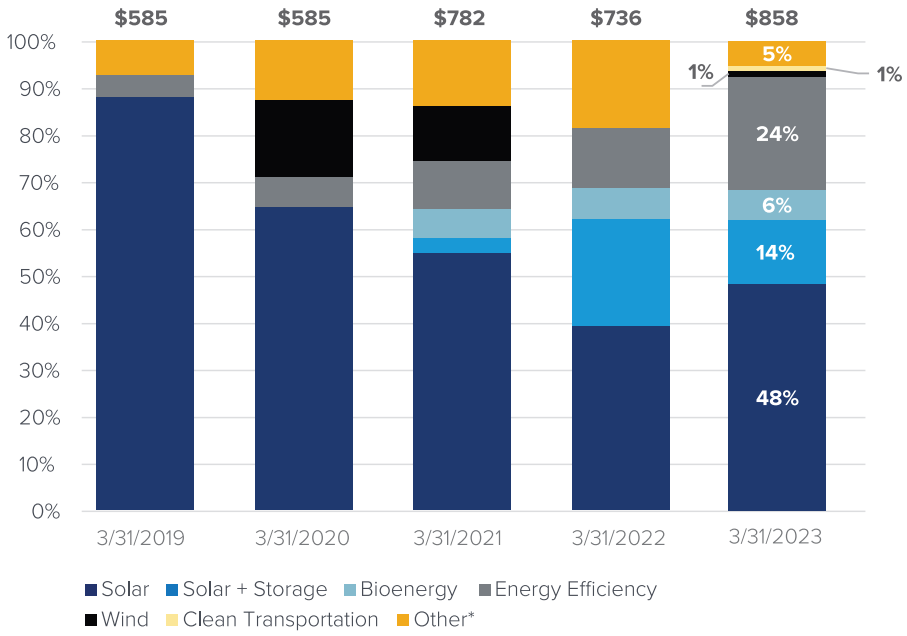
Once private capital crowds into a market segment, we move on to the next frontier where our innovative financing structures can again be utilized to drive greater liquidity.

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)

(2019–2023)



** Other includes fuel cells and sustainable agriculture*

NY Green Bank has continued to support the State's evolving clean energy policies by investing across a wide array of technology segments.

At the end of the 2022–2023 fiscal year, NY Green Bank managed its most diverse portfolio to date, totaling $858 million.

Energy storage, clean transportation, building efficiency and decarbonization, and community distributed generation have been critical sectors throughout NY Green Bank's ten-year history, with interest in these areas continuing to grow.

A Decade of Impact

Driving action to achieve New York's clean energy future

ENERGY STORAGE

Over the past 10 years, it has become increasingly clear that energy storage will be essential to New York State's clean energy transition.

Since inception,

NY GREEN BANK HAS FINANCED 5 TRANSACTIONS THAT SUPPORT SOLAR-PLUS-STORAGE PROJECTS

$54 MILLION
progress toward

$200 MILLION
energy storage target

During that time, lithium-ion battery prices have dropped significantly, research and development of alternative energy storage technologies has advanced, and New York State has set the most ambitious goals for energy storage deployment in the nation. Meanwhile, NY Green Bank has been working closely with energy storage industry and capital market participants to unlock the significant amount of private investment that will be necessary to create a stable and resilient renewable-powered grid in New York State.

Between 2018 and 2020, we proactively built relationships with the State's early market entrants, gathered industry feedback, and hosted sector convenings to better understand what financing gaps existed in the energy storage landscape and how financing could be used to hasten deployment. In 2020, we closed our first energy storage transaction, supporting a solar-plus-storage project.

To date, our energy storage financing has largely been paired with investments in solar projects. As we work to achieve the goals of New York State's Climate Act, we are excited by the growing interest in stand-alone energy storage and look forward to working with the market to support this critical technology.

FY 2022–23:

Product Spotlight: Tax Credit Bridge Loan

For many years in the US, the investment tax credit (ITC) has allowed solar project owners to reduce their tax burden by an amount equivalent to 30% of the capital they spent to build a project. This incentive has helped accelerate the solar market nationally.

One common issue many developers have found, however, is that 30% is a value greater than what they owe in annual taxes. In order to take advantage of the benefit, solar developers have partnered with tax equity investors, high-grossing entities that pay large annual tax bills and thus can monetize the ITC and share the benefit with the developer.

With the passage of the Inflation Reduction Act (IRA), the ITC – which had previously only been available to energy storage assets if they were paired with solar – was expanded to include stand-alone energy storage systems. Thus, like solar, energy storage now has a need for tax equity partnerships. NY Green Bank is working quickly to provide tax equity bridge loans to energy storage developers in New York State. Because tax equity investors typically provide funding only once a project is complete, bridge loans provide developers with liquidity throughout the construction period.

Over the next decade, we look forward to financing energy storage projects across larger scales, more diverse revenue profiles, and new use cases as the market grows in New York State and beyond.

Nextenergy Capital's U.S. Community Solar Platform. This $50.9 million upsize will finance the construction, ownership, and operation of six CDG projects in New York State, adding to the two CDG projects funded under NY Green Bank's original facility, which closed in June 2021.

Deal Highlight:

BQ Mt. Kisco

CDG solar-plus-storage on a former landfill

Listening to the needs of the market, BQ Energy Development invested in energy storage through the construction phase, a stage of development that many lenders are typically hesitant to finance.

We went on to close our second energy storage transaction in 2021, this time financing a portfolio of multiple projects.

"Our Mount Kisco project is exactly why NY Green Bank is so important. It is among the first solar-plus-storage installations in the State to participate under the VDER or Value Stack mechanism. When commercial banks hear 'first,' they get nervous. NY Green Bank exists to get past that concern...[it] was an essential partner on this important project."

***Paul Curran**, Managing Director, BQ Energy Development*

Deal Highlight:

Hecate Energy

"With more than 1,500 megawatts of energy storage and solar generation in development in New York State — including the State's largest permitted solar farm — Hecate Energy, and our affiliate Hecate Grid, are dedicated to a more sustainable future for New York. NY Green Bank's participation in our recent debt raise helps boost our ability to deploy renewables and energy storage solutions in New York."

***Chris Bullinger**, Hecate CEO*

In December 2022, NY Green Bank participated alongside private sector lenders to provide $250 million of development capital to Hecate Energy, a leading developer, owner, and operator of utility-scale renewable energy and energy storage projects across the country. By providing reasonably priced debt to be used for early-stage project development, which would typically be funded through costly equity capital, the facility enables Hecate to use its equity more strategically and thus deploy at a faster pace. NY Green Bank's $60 million gap-filling participation in the facility will support Hecate's expansion in New York State.

Because the deployment of utility-scale energy storage is still nascent in New York State, with few operating projects to reference as precedents, conventional debt providers find it difficult to assess project value and thus are hesitant to invest in the asset class. By generating performance data and demonstrating the ability of utility-scale energy storage to achieve competitive returns in New York State, this transaction will give lenders more confidence and drive greater private-sector investment into the market.

With the quickly evolving energy storage policy and market landscape comes new barriers and opportunities for developers. We remain responsive to the industry's changing needs and continue to adapt our product offerings accordingly.

CLEAN TRANSPORTATION

NY Green Bank has invested in low-carbon transportation across sectors and vehicle types for several years. Early on, we saw a need for innovative debt solutions in dynamic and evolving transportation markets.

Deal Highlight:

Plug Power

Seven years ago, Plug Power was gaining traction as a manufacturer and provider of hydrogen fuel cell propulsion systems.

The company was partnering with major consumer goods corporations to deliver fuel cells for use in forklifts and other distribution facility vehicles.

However, despite growing market demand and Plug Power's track record of performance, private financiers viewed the fuel cell industry as nascent and risky and thus placed extra restrictions on the company's access to capital. Ultimately, this limited Plug Power's liquidity and its ability to grow.

In October 2016, NY Green Bank closed a $25 million transaction with Plug Power to expand its access to capital and support the growth of the company's fuel cell manufacturing operations in Latham, NY. This also served to support the deployment of their products around the State.

By July 2017, growth had accelerated beyond expectations; Plug Power had unprecedented demand from corporate customers. NY Green Bank upsized its loan by an additional $20 million to accommodate multiple large new orders that Plug Power needed to fill quickly. As the company continued to grow and succeed, NY Green Bank's investment served as a strong precedent for other lenders to follow.

In the years since, capital markets have matured significantly in their approach to hydrogen and fuel cell technology, and Plug Power has since been able to access additional sources of competitive financing. Today, Plug Power is no longer just manufacturing fuel cells, it's producing the hydrogen itself.

In October 2021, five years since NY Green Bank's initial investment, Plug Power began construction of the largest green hydrogen facility in North America, located in Genesee County, NY, where they continue to be an industry leader in this sector.

Deal Highlight:

Citi Bike

In 2017, the bikeshare model was still relatively new to most American cities. Citi Bike was an early mover, leading the market with its fast-paced growth in New York City.

However, between the nascency of the market, the company's limited operating history, and lack of precedent for debt investment in the asset class, Citi Bike was struggling to find the capital it needed from private sector lenders. By leveraging Citi Bike's assets in a project finance structure, NY Green Bank was able to create liquidity for the company without encumbering its capital structure or limiting future growth.

Throughout 2017 and 2018, NY Green Bank provided Citi Bike with $48 million in term debt and a $5 million funding note to support the company through the State's cold seasons when bike ridership, and thus revenue, tends to drop.

With NY Green Bank's capital, Citi Bike deployed 2,000 new bikes across historically underserved communities in Harlem, Queens, and Brooklyn and advanced the development of its e-bike fleet. In September of 2018, Citi Bike was acquired by Lyft, a testament to its growth as a credible market player.

Today, it's hard to go a block in New York City without seeing a Citi Bike.

2017:

12,500 BIKES
800 STATIONS

2023:

25,000 BIKES
1,500 STATIONS

Electric Vehicles

We've been plugged in, and now we're revving up.

The past decade has been one of evolution for the electric vehicle industry in New York State and beyond.

As stronger policy has been implemented, consumer appetite has grown, and companies have matured, NY Green Bank has kept its finger on the pulse of the market and built relationships with key stakeholders and market participants.

We have engaged with over 50 companies in recent years to understand financing needs and barriers present throughout the EV supply chain. We've gathered input on the types of creative solutions that can accelerate the deployment of EVs in New York State and have developed gap-filling debt products in response.

Now, we are excited to see the market in a place where it is ready for innovative financing solutions, and we can move from laying the groundwork to closing transactions.

In October 2022, we made our first electric vehicle investment.

Deal Highlight: Tenet

This past year, NY Green Bank provided a $10 million revolving credit facility to Tenet, an innovative EV-only auto loan platform. Tenet's underwriting model accounts for the incentives, lower operating costs, and value retention that are unique to EVs. They are thus able to offer EV owners more flexible terms, often resulting in lower monthly payments than they would pay for a conventional auto loan.

By aggregating and lending against the loans Tenet makes to New York drivers, NY Green Bank provides Tenet with liquidity so that they can continue recycling their capital into new loans for EV purchases in New York State. Beyond the funds deployed by NY Green Bank directly, our transaction is mobilizing additional sources of capital into Tenet's work. For example, investors that specialize in larger-scale loan purchases are attracted to buy pools of Tenet's loans once they have been aggregated in NY Green Bank's revolving warehouse facility. Additionally, our transaction structure provides a template that Tenet is now replicating with private sector lenders to support their lending activity outside of New York State.

"The support from NY Green Bank is a great first step in utilizing innovative ESG capital market opportunities to increase the affordability of zero-emission vehicles. We are excited to support each other and further incentivize New Yorkers to adopt zero-emission technologies and continue to make EV ownership a smarter financial decision."

Alex Liegl, *Co-founder and CEO of Tenet*

BUILDING DECARBONIZATION

Across New York, buildings account for more than 30% of State greenhouse gas emissions.[1] Modernizing our building stock will be essential if we are to meet the ambitious goals of New York State's Climate Act.

From our early energy efficiency transactions to our current work financing efficiency first building electrification, NY Green Bank has spent the past decade working with developers, owners, and service providers to identify financing gaps in the building sector and develop innovative solutions.

We began by fostering relationships across building sectors — commercial and industrial, multifamily, and public infrastructure — in the New York market to understand the barriers preventing more sustainable construction and retrofit projects from getting across the finish line. We worked with industry participants to learn what they needed but couldn't get from their current lenders. The feedback from this collaboration led to an evolving portfolio of products.

ENABLING BUILDING DECARBONIZATION IN THE STATE, ESPECIALLY IN BUILDINGS THAT HOUSE OR SERVE LOW- TO MODERATE-INCOME NEW YORKERS, IS A PRIORITY FOR NY GREEN BANK.

[1] *2022 Statewide GHG Emissions Report*

LENDING AGAINST SAVINGS

One of the barriers we identified early on was lenders' unwillingness to lend against projected energy savings. "Pay-as-you-save" and "as-a-service" models, in which an energy service company (ESCO) completes an energy improvement project in a building at no upfront cost and is repaid over time as bill savings are realized, are popular today. They provide an attractive option for building owners to make costly improvements without needing to allocate upfront capital. However, back in the 2010s, the model was still relatively novel and unfamiliar to the market. There wasn't a precedent in the lending community for leveraging these contracts in order to make capital available to ESCOs.

Deal Highlight: Sealed

Lending Against Savings

When NY Green Bank began working with Sealed, it was a New York start-up, pioneering a "pay-as-you-save" product for about 150 homes in Long Island and the surrounding area. They were finding capital to be a limiting factor in how much further they could scale and how many customers they could serve.

In 2016, NY Green Bank structured a revolving financing facility for Sealed, lending against customer contracts to provide the company with a flexible pool of capital to be used for implementing projects and covering upfront project costs. Today, Sealed is a household name. It has raised over $50 million of private capital, partnered with major utilities, and expanded operations to a total of five states with an eye toward national expansion.

From the company's early days, when home energy improvements were typically limited to efficiency measures, to today, when building electrification is a top priority of the clean energy transition, Sealed is becoming a leader in deep decarbonization efforts such as residential heat pump deployment.

Deal Highlight: Ecosave

Lending Against Savings

then vs. now:

JUN 2019 — NY Green Bank provides a $15MM credit facility to Ecosave

JUN 2020 — NY Green Bank increases loan size to $30MM

AUG 2022 — KeyBanc Capital Markets provides a $53MM facility to Ecosave

Beyond the residential sector, this type of model can also unlock efficiency improvements in commercial and industrial buildings, specifically for medium-sized, unrated customers that may not have access to other conventional financing options, strong credit, or large balance sheets to support their efforts. These buildings — small manufacturing facilities, local healthcare facilities, community centers, etc. — are prime customers for entities such as Ecosave.

Ecosave started out by borrowing from community development financial institutions (CDFIs) in order to implement its energy savings agreements and energy performance contract projects in buildings around New York State. As Ecosave scaled its operations, its capital needs outgrew what CDFIs were able to provide. However, these financing needs still weren't large enough to interest commercial banks, leaving the company without a financing option to support this stage of its growth. In 2019, NY Green Bank stepped in to fill the gap, providing a $15 million multi-draw facility underwritten to future contracted customer revenues. This gave Ecosave the liquidity they needed to continue scaling up and created a financing model for larger lenders to replicate. In 2022, Ecosave closed an over $50 million facility with KeyBanc Capital Markets, a leading national corporate and investment bank, showing that this model is attracting more private lenders.

AFFORDABLE HOUSING

Since the passage of the Climate Act, we have sharpened our focus on investment in affordable housing, a sector where efficiency-first decarbonization can deliver significant benefits to historically underserved New Yorkers.

We have spent recent years engaging with hundreds of stakeholders and industry leaders — including developers and owners, housing authorities, housing finance agencies, and mortgage lenders — to understand and develop solutions for the unique challenges of financing affordable housing decarbonization in the State. Based on the needs identified and input received in this market sounding, we released our first dedicated pathway for investment in affordable housing in 2021. Since then, we have developed a robust direct lending practice in the sector, putting our capital to work in the construction of new all-electric housing and the electrification of existing buildings.

NY GREEN BANK IS COMMITTED TO SUPPORTING AN EQUITABLE CLEAN ENERGY TRANSITION FOR ALL NEW YORKERS.

Predevelopment

We repeatedly heard from the development community that predevelopment costs were a barrier to their ability to execute low-carbon projects. Affordable housing being built or retrofitted under regulated affordability programs, such as those administered by the State and city governments, typically has access to favorably priced construction and permanent debt from housing finance agencies and other subsidized sources. However, before a developer closes on this financing, the project must be ready to build. This means that design, engineering, and permitting must be complete and any deferred maintenance must be addressed.

This predevelopment work can be prohibitively expensive for some developers, and becomes even more so when the additional costs of planning a high-performance project are factored in. Developers typically fund these costs with their own equity. However, the motivation to minimize use of such expensive capital puts any "non-essential" costs, including decarbonization planning, at risk of being cut from the predevelopment scope. Furthermore, small and Minority- and Women-Owned Business Enterprise (MWBE) developers with limited access to equity may be excluded from these development opportunities entirely.

NY Green Bank aims to address these problems by providing a reasonable debt alternative to equity-funding at the early stages of development.

We made our first predevelopment loan in 2021, lending $2 million to Riseboro Community Partnership and the United Jewish Organizations of Williamsburg (UJO) to help them advance their Throops Corner project – a new, all-electric, 140-unit affordable housing building in Brooklyn – to construction. Since then, predevelopment loans have been one of our most in-demand products among affordable housing developers and have proven particularly valuable for complex rehabilitation projects.

THIS PAST YEAR SAW CONTINUED INTEREST IN OUR PREDEVELOPMENT FINANCING.

Through the New York City Housing Authority's (NYCHA) Permanent Affordability Commitment Together (PACT) program, private development companies are selected to complete significant retrofits of NYCHA housing.

These buildings are typically overdue for maintenance, sometimes with extensive work required in order to come into code compliance, all of which must be addressed before electrification efforts can completed.

Awarded developers are responsible for completing all necessary health, quality, and safety (HQS) improvements, as well as conducting comprehensive electrification analyses, before they receive long-term financing through the program.

Recognizing the increased importance of predevelopment debt for such complex projects, we began lending to NYCHA PACT projects and have since built a replicable product offering for the program.

Deal Highlight: Sam City Collaborative

Predevelopment

We closed our first NYCHA PACT predevelopment loan in November 2022, providing $12 million to minority-owned businesses Genesis Companies and Lemor Development Group for the architecture, engineering, HQS renovations, and surveys required prior to beginning construction on the rehabilitation of the Frederick Samuel Apartments in Harlem.

"[This] funding from NY Green Bank has been critical in allowing our firms to move quickly and efficiently to deliver a complex scattered-site rehabilitation project that will benefit primarily Black and Latino New Yorkers who have disproportionately had to bear the burden of underinvestment in public housing."

***Karim Hutson**, President & CEO, Genesis Companies and*
***Kenneth Morrison**, Managing Member & Principal, Lemor Development Group*

Deal Highlight: Reid & Park Rock

Predevelopment

In 2023, NY Green Bank worked with BRP Development and its development partners to advance their PACT rehabilitation of the Reid Apartments and Park Rock Consolidated Developments.

Our $23 million facility will fund predevelopment expenses for services such as architecture, engineering, HQS renovations, and surveys across 88 buildings in 15 communities in Brooklyn, NY. When completed, this rehabilitation project is expected to result in the electrification and preservation of ~1700 affordable housing units.

"As [we]...plan for comprehensive improvements to Reid & Park Rock, we are grateful to NY Green Bank for providing critical predevelopment financing to support this important vision."

***Reid & Park Rock PACT Partners** – BRP, Fairstead, Urbane, LDC of East New York*

INCENTIVE BRIDGING

NY Green Bank's financing solutions for affordable housing extend beyond New York City and beyond the regulated sector. In many areas of Upstate and Western New York, it's more common to find affordable housing that is "naturally-occurring" rather than regulated. These properties don't receive subsidies through public housing programs and thus must secure diverse sources of funding in order to enable decarbonization while maintaining affordability. Utility and government incentives, which are available for many kinds of building efficiency and electrification measures, often play an important role in these capital stacks. However, most incentives are paid on a reimbursement basis, leaving the developer with high upfront costs of implementation.

To address this timing gap, NY Green Bank developed an incentive bridge product. After review and diligence on a given project to verify that it is on track to receive a specified amount of incentive funding, we can advance much of that amount upfront to provide the liquidity needed to get the work done. Once completed, we are repaid with the incentive funds.

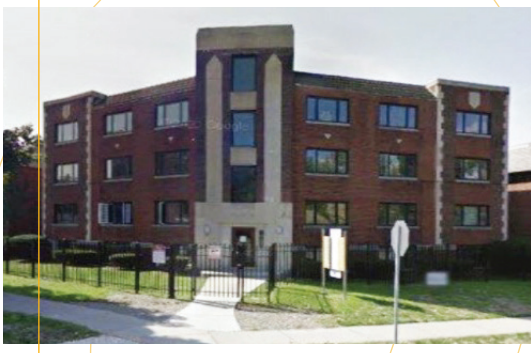
Deal Highlight: e2i

Incentive Bridging

In March 2022, we structured an $8 million incentive bridging facility for e2i, a small development company working to electrify naturally-occurring affordable housing buildings in the Buffalo, NY area. With scopes that include everything from heat pumps to EV charging, e2i's projects are eligible for many incentive programs both from State agencies and from National Grid, its local utility. By advancing funds against those expected incentives, we can provide e2i with a pool of capital for upfront project costs that is recycled when incentives are received at project completion.

"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*



Since inception,

MORE THAN $700 MILLION

COMMITTED ACROSS 18 SOLAR AND SOLAR + STORAGE CDG TRANSACTIONS

447 MW

OF INSTALLED CAPACITY REPORTED AS OF MARCH 31, 2023

COMMUNITY DISTRIBUTED GENERATION (CDG)

From our first investment in community solar, which provided a product that was virtually unheard of among private lenders, to today, when competitively priced private capital is readily available for these projects, NY Green Bank has played a pivotal role in scaling New York State's community solar financing market.

JAN 2017
Close first community solar transaction and first IX bridge loan in NYS ($1MM, Distributed Sun)

AUG 2017
Finance larger community solar IX loan ($11MM, Cypress Creek Renewables)

DEC 2018
Close first construction revolver ($25MM, Delaware River Solar)

DEC 2019
First bank-arranged NYS-only community solar portfolio financing (CIT, True Green Capital)

DEC 2020
First private participation in community solar development financing (Greenbacker, OYA)

FEB 2021
Seven commercial investors lead a $420M financing for a community solar portfolio (Nexamp)

OCT 2021
CIT's first time financing community solar construction (Amp Solar + Storage)

SPR 2022
Begins offering tiered pricing for community solar projects serving LMI subscribers

START OF AN INDUSTRY

In 2015, the New York Public Service Commission issued a CDG order, creating a mechanism by which utility customers could subscribe to solar projects in their area and participate in the benefits of clean energy without the need for onsite solar generation, such as on their roof. The utility ascribes value to the energy produced by CDG projects, pays a portion of that value to the developer, and passes the rest of the value along to subscribers in the form of reduced utility bills.

Today, New York State is the leading community solar market in the nation, with over 1.7 gigawatts of capacity installed.

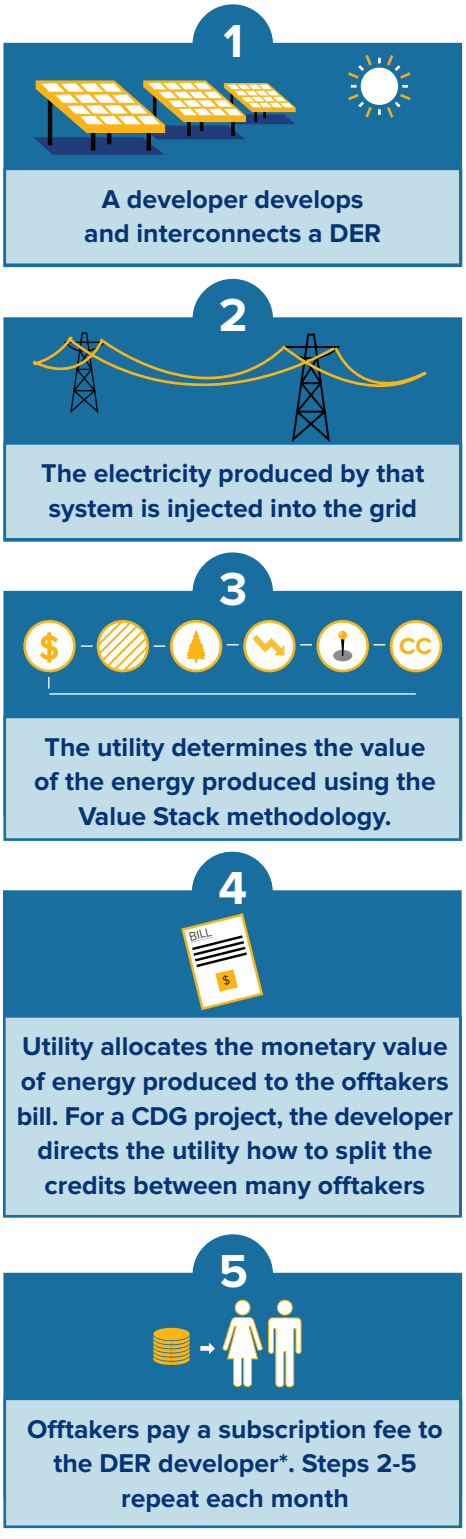
Mobilizing the private capital needed to support this market has required getting conventional lenders comfortable with a novel business model and a complex regulatory framework. By completing some of the earliest community solar transactions in the State, NY Green Bank created precedents and led the way for commercial lenders to follow.

STRUCTURING FOR A NEW BUSINESS MODEL

Before CDG, the dominant business model in the solar market had been power purchase agreements (PPAs). With institutional offtakers under long-term contracts to buy the energy a system produces, the PPA is a natural fit for project finance and had largely been embraced by the lending community.

In contrast, the offtaker in community solar is a fluctuating pool of households and businesses that are free to enter and exit the program at will. Investors that were accustomed to lending against the creditworthiness of multinational corporations were now being asked to underwrite on the ability of a family or corner store to pay their utility bills each month. Unsure how to evaluate this risk, lenders initially shied away from the asset class.

By making some of the first community solar investments in the State, NY Green Bank saw first-hand that CDG subscription was in fact a very reliable model. Although there is inevitable turnover as customers move, opt out, or fail to pay their bills, there is also sufficient demand to fill spots quickly when they become available and keep subscription levels consistently high.



**Currently, the offtaker will receive a separate bill from the developer. Under consolidated billing, the payment will be made by the utility to the developer "behind the scenes" and offtakers will only see their single electric bill.*

NAVIGATING A UNIQUE REGULATORY FRAMEWORK

In 2017, the Public Service Commission implemented the Value of Distributed Energy Resources (VDER), a new methodology to compensate distributed generation projects for the energy they provide to the grid.

Working closely with our colleagues at NYSERDA and other industry experts, NY Green Bank dove in and learned the rules surrounding the tariff, the dynamics of the markets that inform each component of the value stack, and ways to appropriately evaluate risk and account for variability.[2]

Based on our analysis, we developed two structures for lending against VDER revenue streams that depended on a developer's desired level of risk exposure. NY Green Bank started closing more transactions with developers, and as investments performed well and delivered attractive returns, we started building a track record. As a result, we continued to refine our loan offerings into replicable products with streamlined processes.

Over time, we have seen lenders in the private sector adopt our term sheets for their entrance into community solar lending. As more conventional lenders have become comfortable financing the long-term ownership and operation of community solar assets, more competitively priced private term financing has become available.

Today, term financing for CDG solar projects is readily available from many commercial banks.

Deal Highlight:

CIT & True Green Capital

Community Solar

In December 2019, CIT, then 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 $42 million credit facility leveraged True Green Capital's initial portfolio of 10 CDG projects to create liquidity for further development in the State. When CIT stepped in to arrange a transaction dedicated solely to community solar projects in New York, it indicated growing commercial lender interest in the sector and demonstrated the asset class's ability to generate attractive returns.

Then in 2023 the portfolio was sold by True Green Capital to U.S. solar developer and operator, Altus Power, fully repaying NY Green Bank and CIT, while continuing to show the strength of this growing market.

[2] Value stack overview

GAP-FILLING PRODUCTS

Lenders have been quickest to embrace term financing (i.e., financing projects post-construction) for CDG. 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. However, developers still struggle to finance the earlier stages of the community solar project life cycle through private market sources. With a healthy market established for term debt, NY Green Bank has focused its attention on financing solutions for project development and construction.

Interconnection Finance

Before construction of a distributed energy resource can begin, the project must reach "notice to proceed," or NTP, a milestone indicating that the project has site control, all relevant permits and agreements, and, importantly, the local utility's permission to interconnect to the grid. Before a utility will give that permission, it requires the developer to put down an interconnection deposit, which is an upfront payment to cover the cost of any grid upgrades needed to accommodate the new project.

Solar developers have traditionally funded the early stages of their projects, including interconnection, through equity — which can be an expensive and inefficient use of funds. NY Green Bank created a first-of-its-kind loan product to finance these costs, unlocking developers' equity capital and enabling them to use it to advance deployment in New York State more rapidly.

Interconnection lending was NY Green Bank's entrance into the community solar financing market and has remained one of our most in-demand products since. What sets it apart is our willingness to lend against the refundability of interconnection deposits. A comprehensive understanding of the utility interconnection process and the pathways that a project may take at this early stage means that we can mitigate our risk and make creditworthy interconnection loans.

Deal Highlight:

Distributed Sun

Interconnection Finance

In November 2016, NY Green Bank made the first community solar interconnection bridge loan in New York State.

To help address the interconnection cost barrier, we provided a $1 million multi-draw facility to Distributed Sun, a small developer entering the CDG sector, to fund the upfront costs of interconnection deposits for its projects in New York.

The product quickly proved to be valuable. Within a few months, Distributed Sun requested to upsize the facility by an additional $2 million in order to support its growing New York pipeline. Ever since, interconnection bridge loans have continued to be a transformative solution for small CDG developers in New York State.

CONSTRUCTION FINANCE

Construction is a critical project phase, but it is high-risk and requires more complex underwriting and transaction administration by lenders. As we build experience in construction 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 Highlight:

DRS Construction Revolver

Connstruction Finance

In December 2018, we closed a $25 million construction revolver with Delaware River Solar. This structure, the first of its kind in New York's CDG market, provided a flexible pool of capital that the developer could draw upon to fund project construction.

Once a project is completed, the nature of this type of facility encourages longer-term financing or project purchase proceeds to replace the construction loan. The capital is then recycled back into the revolver to use for new projects. By achieving scale through the pooling of projects, the facility provides developers, like Delaware River Solar, access to construction debt for smaller projects that would not be feasible to finance on a project-by-project basis.

Following our lead, private lenders have gradually become more comfortable financing the construction of CDG projects.

Deal Highlight:

CIT & Amp

Connstruction Finance

In October 2021, commercial lender CIT made its first community-solar-plus-storage construction loan in New York State. NY Green Bank participated alongside CIT to provide a $63.1 million senior secured facility to Amp, a global clean energy developer.

The facility provided a combination of construction-to-term and tax equity bridge financing to support Amp's construction of new community solar and solar-plus-storage projects in New York.

As construction of Amp's NYS projects is being completed, AMP's U.S. platform was acquired by global institutional investment firms Fiera Infrastructure and Palisade Infrastructure in 2023.

Product Highlight:

Cost-Sharing 2.0

We reached the next frontier in interconnection financing this past year with the Public Service Commission's implementation of Cost-Sharing 2.0, a new set of rules governing grid upgrade cost allocation in New York State.

Previously, interconnection deposits were fully refundable — if a project could not go forward with development after making its interconnection deposit, the utility would repay that money in full. This had been one of our key risk mitigants to ensure that we could be repaid even if a project failed. However, Cost-Sharing 2.0 introduces significant variability regarding how much, if any, of an interconnection deposit is refundable, as well as the timing of such refund. This change put our interconnection lending on hold temporarily, but we worked quickly and diligently to adjust.

The NY Green Bank team built capacity to assess projects' potential level of refundability. We then refined our advance rates and protective measures to accommodate for the increased risk. Now, we are back in the market and are working with private sector lenders to help them structure similar risk-mitigated investments under Cost-Sharing 2.0.

DELIVERING UTILITY BILL SAVINGS TO THOSE WHO NEED THEM MOST

Low- to moderate-income (LMI) New Yorkers have the most to gain from participation in community solar.

LMI residents are more likely to rent, less likely to have the capacity to absorb the high upfront cost of solar installation, and often face higher energy burdens. However, historically they have made up a minority of community solar subscribers, in part because private sector lenders perceived LMI subscribers to be higher risk offtakers.

Early on, we were one of only a few lenders in the sector that did not require minimum FICO scores for project subscribers. Credit scores have been shown to be an imperfect proxy for utility bill payment, and NY Green Bank has not found subscriber creditworthiness to have any meaningful impact on a project's success.

As our deals have demonstrated that projects with significant portions of LMI subscribers can be profitable and make for strong investments, we have seen more and more lenders nationwide reducing or eliminating their minimum subscriber credit score requirements.

Recently, we have worked to push the market even further, from allowing low-income subscription to actively encouraging it. In order to incentivize developers to build strategies around intentionally increasing subscriptions among LMI communities, NY Green Bank now offers borrowers tiered interest rates for our community solar project loans based on the amount of LMI 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.

Investing in Equity

Our commitment to all New Yorkers

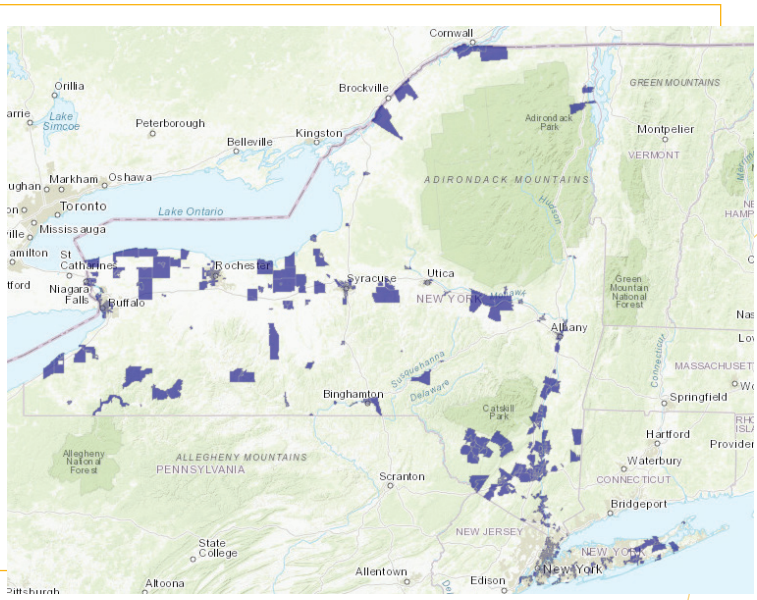
DEFINING DISADVANTAGED COMMUNITIES

In March 2023, the Climate Justice Working Group – formed under the Climate Act – formalized the criteria that designate a community as a disadvantaged community (DAC) throughout New York State.[3,4]

These criteria will help to ensure that frontline communities and underserved communities, which have historically borne the unequal burden of climate vulnerabilities, benefit from the State's investment in the clean energy transition.

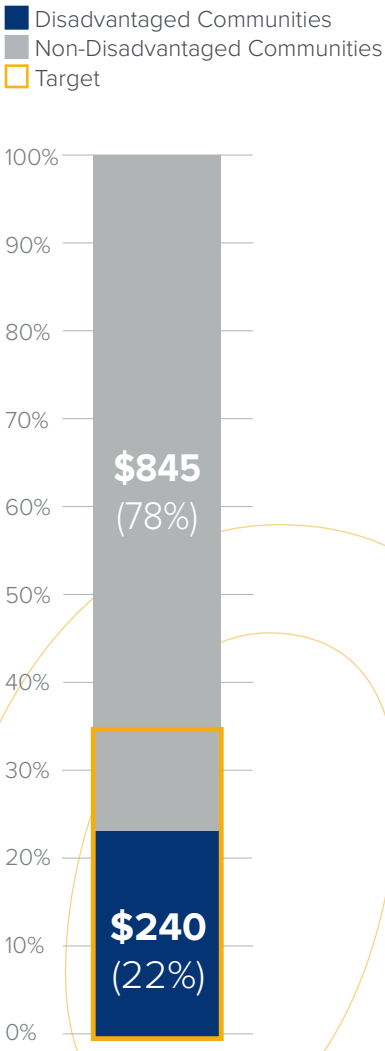
NY Green Bank, in alignment with the Climate Act and the approved definition of disadvantaged communities, has committed to ensuring that between January 1, 2020, and December 31, 2025, 35%, with a goal of 40%, of investments will be committed to projects that benefit residents of disadvantaged communities. As of March 31, 2023, NY Green Bank had made $240 million in commitments to projects located in frontline and underserved communities, including rooftop solar on affordable housing, and clean heating and cooling solutions in community facilities and houses of worship.

In the period from January 1, 2020, to March 31, 2023, NY Green Bank continued to support projects benefiting historically underserved communities, representing a total of 22% of NY Green Bank's capital commitments during this time period.



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

As of March 31, 2023



[3] *https://www.nyserda.ny.gov/ny/Disadvantaged-Communities*

[4] *Under the Climate Act, disadvantaged communities (DACs) are defined as "communities that bear burdens of negative public health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high-concentrations of low- and moderate- income households."*

COMMITMENT TO EQUITY

Over the past several years, we have doubled down on our commitment to ensuring an equitable clean energy transition by steadily and intentionally growing an investment portfolio that benefits frontline communities.

Some examples of this work include:

Internal Enhancements and External Engagement

We have invested time and added staff and resources to build a lending practice focused on delivering benefits to front line communities. Additionally, we have engaged with a wide range of environmental justice advocates, community-based organizations, and leading disadvantaged community financiers and project developers across New York State to understand how NY Green Bank can better invest its capital to support frontline communities.

Loan Products to Decarbonize Buildings in DACs

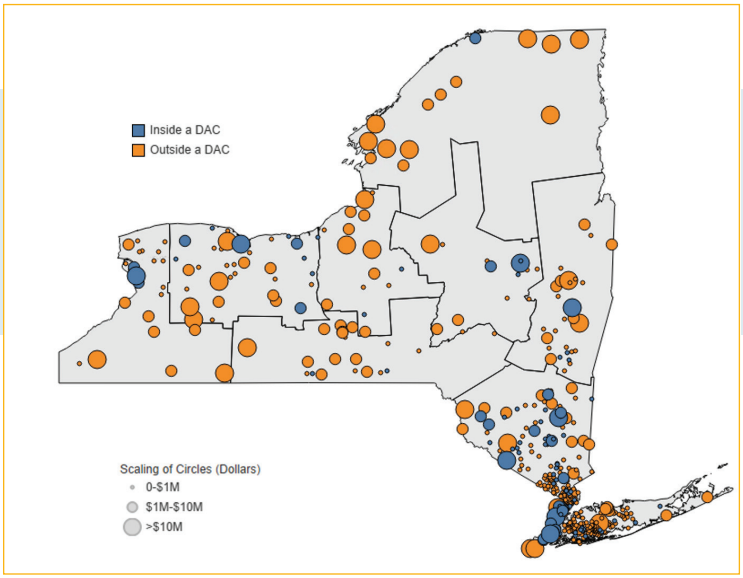
We offer creative financing solutions to accelerate the decarbonization of multifamily affordable housing and other buildings that serve historically disadvantaged communities. Products serving this market include predevelopment loans to support building decarbonization and incentive bridge loans.

Driving Community Solar Bill Savings to More Low- and Moderate-Income New Yorkers

To incentivize developers to build strategies around intentionally increasing low- and moderate-income subscriptions to their projects, NY Green Bank 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.

Building the Capacity of CDFIs and Other Local Equity-Focused Lenders

We offer financing, which includes the new $250 million Community Decarbonization Fund, to community lenders working in New York's disadvantaged communities. NY Green Bank's capital enables such entities to overcome liquidity constraints and expand their sustainable lending offerings to the communities they serve.



Map of projects NY Green Bank has financed to date — indicating the amount of funds committed and community status.

COMMUNITY DECARBONIZATION FUND

NY Green Bank is committed to financing infrastructure within disadvantaged communities across New York State.

On April 28, 2023, NY Green Bank launched a new $250 million Community Decarbonization Fund (CDF). The CDF is a wholesale lending pathway available to community development financial institutions (CDFIs) and mission-driven lenders to enable them to provide more capital to eligible projects benefitting residents of disadvantaged communities.

The CDF is expected to expand and accelerate the lending capacity of smaller community-based and mission-driven investors by channeling financing into sustainable infrastructure projects that benefit residents of disadvantaged communities.

GUIDED BY STAKEHOLDERS

As a part of NY Green Bank's commitment to ensuring that at least 35% of our capital is committed to projects that benefit residents of DACs throughout New York State by December 31, 2025, we conducted an extensive stakeholder engagement process.

The CDF structure, design, and offerings were informed by initial and ongoing solicitation for stakeholder feedback that began in December 2021, with invitations sent to over 130 entities. This outreach resulted in individual meetings and 11 small group virtual roundtable sessions. These sessions served as opportunities for stakeholders to identify existing financing gaps and potential solutions that would expand the benefits of clean energy investments in DACs.

Stakeholder engagement has continued throughout the development of the CDF to provide updates and receive feedback from participating organizations, which include:

- Property developers, service providers, owners and operators
- Environmental justice advocates
- Community-based organizations
- CDFIs and other specialty finance companies with strong pipelines of affordable housing and other DAC-related clean energy and sustainable infrastructure projects

As we work to address barriers to accessing capital for clean energy projects within historically underserved communities, NY Green Bank will continue to engage with stakeholders and interested parties to best identify and evaluate new opportunities.

"NY Green Bank's Community Decarbonization Fund is a key component of a broader effort to expand and continually improve our product offerings while more effectively deploying capital within New York's historically disadvantaged communities. This initiative reflects our commitment to an inclusive approach with involvement of a wide variety of stakeholders, and we look forward to enabling community-based lenders to expand their offerings to directly support projects in their communities."

***David Davenport**, Managing Director*

HOW IT WORKS

1 ELIGIBILITY

Eligible Applicants must be one of the following:

- A certified Community Development Financial Institution ("CDFI"), including:
  - Community Development Banks
  - Community Development Credit Unions
  - Community Development Loan Funds
  - Community Development Venture Capital Funds
- A specialty lender, defined as a 501(c)(3) non-profit organization or government-charted institution or public housing agency with a mission that includes developing, managing, or investing in:
  - Affordable housing solutions
  - Cooperatives
  - Clean energy projects
  - Contractors
- A for-profit subsidiary of any of the categories listed above, provided that the for-profit subsidiary is operating exclusively in support of the tax-exempt or municipal mission of the parent entity.

2 ELIGIBLE TECHNOLOGIES

- Building electrification and supporting measures, examples including but not limited to:
  - Heating and Cooling Load Reduction
    - Weatherization
    - Windows
    - Heat recovery ventilation
- Clean Heating Technologies
  - Air Source Heat Pumps
  - Water Source Heat Pumps
  - Ground Source Heat Pumps
  - District Thermal Interconnection
- Electric Vehicle Infrastructure (including charging stations)
- Thermal and Electric Energy Storage
- Rooftop Solar when combined with one or more of the above listed Eligible Technologies

NY Green Bank may consider other technologies that reduce greenhouse emissions, beyond those listed above and will assess whether a given technology supports New York State climate goals.

3 INVESTMENT CRITERIA

To be a fit for CDF financing, an organization must be able to demonstrate that it loans to projects that:

- Provide benefits to disadvantaged communities
- Are located in New York State
- Are focused on interventions that follow an efficiency-first approach (e.g., weatherization, load reduction, etc.) that maximize bill savings, improve comfort, and result in healthy, clean, and resilient buildings and communities with consideration to energy affordability or otherwise contribute to GHG emissions reductions in support of NYS clean energy policies, including the Climate Act
- Utilize eligible technologies

4 INDICATIVE TERMS

Amount:

Minimum of $2M and up to $25M per lender

Availability Period:

24 months from closing date

Term:

12 years after the closing date

Interest Rate:

1.50% annual fixed for the life of the loan

The New York City Energy Efficiency Corporation (NYCEEC) will use NY Green Bank's upsized facility to continue to make loans to finance clean energy and energy efficiency projects located in New York State that benefit historically marginalized and historically underserved communities.

The Year Ahead:

Strategic Outlook for 2023—2024

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 2023–24 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, 2024

Goal 1

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

- **Committed Funds**
  - Deliver at least $225MM of incremental commitments
- **Committed Funds – Sector Specific**
  - Execute $30MM of affordable housing transactions
  - Execute $20MM of building decarbonization transactions that benefit disadvantaged communities
  - Execute $30MM of clean transportation transactions
  - Execute $50MM of energy storage transactions
- **Committed Funds – DAC Specific**
  - Execute three loans under the Community Decarbonization Fund

Goal 2

Mobilize capital and strengthen NY Green Bank's capital position through:

- **Federal Funding**
  - Apply for federal dollars under relevant programs

Goal 3

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

- **Process Enhancement**
  - Pursue greater optimization in our portfolio management tools
- **Professional Development**
  - Enhance training opportunities for team members and build industry relationships
- **Risk Management**
  - Retain a third-party to complete a resiliency assessment of assets financed by NY Green Bank
- **Solicitations**
  - Launch a new solicitation for a customer relationship management (CRM) platform
- **Stakeholder Engagement**
  - Implement enhancements to NY Green Bank's website
  - Establish baseline metrics to assess engagement and interaction for NY Green Bank communications and marketing activities
  - Publish sector highlights as part of the 10-year anniversary campaign to demonstrate NY Green Bank's impact since inception
  - Engage with stakeholders in every region of New York State to give information about NY Green Bank's available RFPs and seek feedback
- **Program Coordination**
  - Increase integration with NYSERDA through program design, implementation, and evaluation

Scan to learn more about our objectives and plans for the 2023–24 fiscal year or visit greenbank.ny.gov/Public-Filings

STAY CONNECTED

NEW YORK STATE | NY Green Bank
A Division of NYSERDA

1333 Broadway | Suite 300 | New York, NY 10018

call: (212) 379-6260

email: info@greenbank.ny.gov

visit: www.greenbank.ny.gov

follow us on LinkedIn: @ny-green-bank

GB-impact2023-r-1-v1 9/23