

# **NY Green Bank**

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## Annual Plan 2022-23

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# 1 Introduction

NY Green Bank (“**NYGB**”) is a state-sponsored investment fund that operates as a division of the New York State Energy Research and Development Authority (“**NYSERDA**”). NYGB is dedicated to alleviating financing gaps in New York State (“**NYS**” or the “**State**”) clean energy and sustainable infrastructure markets by mobilizing greater private investment activity in these sectors. NYGB, as a portfolio of New York’s Clean Energy Fund (“**CEF**”), maintains alignment with the State’s strategic direction as provided by the New York Public Service Commission (the “**Commission**”) in the “Order Authorizing the Clean Energy Fund Framework” issued and effective January 21, 2016 (the “**CEF Order**”).<sup>1,2</sup> The CEF is an approximately \$6 billion commitment over ten years to advance clean energy growth and innovation, drive economic development across NYS and reduce ratepayer collections. Each investment made by NYGB contributes to the primary CEF outcomes of greenhouse gas (“**GHG**”) emissions reductions, customer bill savings, energy efficiency, clean energy generation and mobilization of capital. As per the CEF Order, NYGB publicly files a review and plan each year to inform the Commission and other interested stakeholders of previous year activity and performance, as well as NYGB’s strategic direction and goals for the upcoming fiscal year.<sup>3</sup>

NYGB presents its Annual Review & Plan (“**Annual Plan**”) which includes an overview of the activity which took place over the course of the year ended March 31, 2022 (“**Previous Plan Year**” or “**2021 – 22 Plan Year**”), along with the goals and deliverables for the fiscal year ending March 31, 2023 (“**Current Plan Year**” or “**2022 – 23 Plan Year**”). The Annual Plan includes annual objectives, activities NYGB will undertake to accomplish those objectives, and specific deliverables for which NYGB will be accountable during the Current Plan Year. In addition to the Annual Plan, NYGB concurrently files its Annual Financial Metrics Report.<sup>4</sup> NYGB overview materials and historic context can be found on NYGB’s website.

During the 2021 – 22 Plan Year, NYGB continued to see a strong demand for its capital in the face of supply chain disruptions, rising project costs and other geopolitical tensions that are creating challenges in the financing market for sustainable infrastructure. With NYGB’s support, its borrowers and counterparties continued to deliver projects and solutions that will help the State meet its clean energy goals. NYGB committed \$437.8 million of capital – more than in any previous fiscal year since NYGB’s inception – to clean energy and sustainable infrastructure investments, working closely with counterparties to develop innovative financing products that address market needs. NYGB’s financing solutions supported a variety of technology types – resulting in the most diversified portfolio NYGB has managed to date – and laid the groundwork for an even more widely expanded scope of investment activity in the year ahead.

During the Previous Plan Year, NYGB’s activity focused on two broad themes: (1) encouraging more private sector capital to invest in the State’s sustainable infrastructure markets and (2) demonstrating the attractiveness and viability of investments into projects benefiting the State’s Disadvantaged Communities (“**DACs**”). NYGB continued to encourage more private investment into the NYS sustainable infrastructure market over the Previous Plan Year through increased collaboration with private capital investors on NYGB transactions, as well as through a partial portfolio monetization completed with Bank of America, which offered a private sector financial institution greater exposure to the types of assets NYGB originates and manages. Regarding NYGB’s expanded DAC focus, NYGB’s work on expanding investment opportunities in DACs over the Previous Plan Year was driven by an extensive stakeholder outreach process that identified the need for specialized financing solutions for DACs. Ongoing discussions with relevant stakeholders, including industry participants and community advocacy groups, will continue to inform NYGB’s expanded activity in DACs across the State and guide NYGB in creating products that are most beneficial to DAC projects. Further detailed information on the stakeholder outreach process is published in the [Amended 2021-22 Annual Plan](#).<sup>5</sup>

<sup>1</sup> Case 13-M-0412, “Order Establishing New York Green Bank and Providing Initial Capitalization,” issued December 19, 2013.

<sup>2</sup> Case 14-M-0094, “Order Authorizing the Clean Energy Fund Framework,” issued January 21, 2016.

<sup>3</sup> Case 13-M-0412, “NY Green Bank | 2021 Annual Plan, Annual Impact Report and Annual Financial Metrics Report,” filed June 29, 2021.

<sup>4</sup> *Ibid.*

<sup>5</sup> Case 13-M-0412, “NY Green Bank | Amended Annual Plan 2021-2022 | Operational Supplement to Annual Plan and Impact Report | Metrics, Reporting & Evaluation Plan 3.1,” filed May 2, 2022.

To handle the record volume of business during the Previous Plan Year and efficiently manage a growing portfolio of transactions, NYGB enhanced its risk, operations, and finance functions in several ways, which are outlined in *Appendix A: Supplementary Tables and Figures* in Section 5 of this Annual Plan. Notable activities include relaunching an existing Request for Proposal ("**RFP**"), RFP 1, to clarify components and make it more straightforward for counterparties to apply for NYGB financing, improving navigation on NYGB's website, and implementing internal financial technology tools that streamline NYGB's ability to monitor its portfolio.

The remainder of this Annual Plan will outline NYGB's objectives for the Current Plan Year and discuss specific activities that support the achievement of those objectives, including at a high level:

- Further develop solutions to support DACs across NYS by launching new products, and regularly engaging market participants to gather feedback and identify new opportunities to address financing gaps
- Actively work to support borrowers as they respond to the evolving market context in which they are operating today, including supply chain disruptions, increased costs, labor shortages, an uncertain regulatory environment, and delayed project timelines
- Identify pathways to new sources of liquidity from the private sector in the event that NYGB becomes capital constrained in the future, learning from a portfolio monetization in the Previous Plan Year
- Continue to improve and enhance operations and process management, ensuring NYGB is operating with leading-edge investment, operational and risk management practices

## 2 Plan Year Objectives

NYGB has identified three key objectives for the Current Plan Year, which build upon progress achieved during previous periods. *Figure 1* summarizes NYGB's key objectives for the Current Plan Year ("**Plan Year Objectives**").

*Figure 1: Plan Year Objectives*

### 2022-23 Plan Year Objectives

1. Identify and close funding gaps in alignment with CEF, NYS's Climate Leadership and Community Protection Act ("**CLCPA**" or the "**Climate Act**") and other State policies and public commitments, with a targeted focus on those that can benefit DACs.
  - a) Put ratepayer money to work, prudently: invest at least \$225.0 million over the fiscal year ending March 31, 2023, targeting \$2.0 billion in cumulative investments since inception.
  - b) Work toward committing at least 35% of total capital commitments between January 1, 2020 and December 31, 2025 to projects that provide benefits for DACs per alignment with the CLCPA.
2. Continue to mobilize private capital into clean energy and sustainable infrastructure projects in NYS and develop pathways to access private sector sources of capital to support demand for NYGB financing.
3. Continuously improve and enhance NYGB operations and portfolio management. Strengthen operations to reflect the growing responsibility of managing a portfolio ("**Current Portfolio**") of over \$736.3 million, including significant increase in back-office activities.

The remainder of this Annual Plan presents the activities NYGB will undertake to meet its Plan Year Objectives, and the specific deliverables (see [Section 4](#)) that NYGB will track and report in its Quarterly Metrics Reports filed pursuant to the Metrics, Reporting & Evaluation Plan Version 3.1 (the "**Metrics Plan**").<sup>6,7</sup>

<sup>6</sup> Quarterly Metrics Reports means each Metrics report required to be filed by NYGB with the Commission in respect of each calendar quarter as set out in Section 2.1 of the Metrics Plan and addressing the matters identified in Section 2.2 of the Metrics Plan as applicable. For most recent report, see Case 13-M-0412, "NY Green Bank | Metrics, Reporting & Evaluation Quarterly Report No. 31 (through March 31, 2022)," filed May 31, 2022. Quarterly Metrics Reports and webinars can also be found at [www.greenbank.ny.gov/Resources/Public-Filings](http://www.greenbank.ny.gov/Resources/Public-Filings) and [www.greenbank.ny.gov/Resources/Publications-and-Events](http://www.greenbank.ny.gov/Resources/Publications-and-Events), respectively.

<sup>7</sup> NYGB's current metrics and periodic reporting plan was filed with the Commission in its Metrics, Reporting & Evaluation Plan Version 3.1. See: Case 13-M-0412, "NY Green Bank | Amended Annual Plan 2021-2022 | Operational Supplement to Annual Plan and Impact Report | Metrics, Reporting & Evaluation Plan 3.1," filed May 2, 2022. Also see: <https://greenbank.ny.gov/-/media/Project/Greenbank/files/2022-05-Metrics-Reporting--and-Evaluation-Plan-v3-1.pdf>.

### 3 Activities Underway to Deliver on Plan Year Objectives

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*Plan Year Objective 1:  
Identify and Close Funding Gaps in Alignment with State  
Policies and Public Commitments*

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#### 3.1 Activities to Meet Plan Year Objective 1: Identify and Close Funding Gaps in Alignment with State Policies and Public Commitments

NYGB's first Plan Year Objective is to identify and close funding gaps in alignment with State policies and public commitments, with a focus on those that can benefit DACs.<sup>8</sup> Within this goal, NYGB intends to invest at least an additional \$225.0 million over the course of the Current Plan Year, targeting \$2.0 billion of cumulative investments since inception. Concurrently, during the Current Plan Year NYGB will work toward committing at least 35% of total capital commitments between January 1, 2020 and December 31, 2025 to projects that provide benefits for DACs, in alignment with the Climate Act.<sup>9</sup> Sustained strong demand for NYGB capital indicates there are meaningful funding gaps for clean energy and sustainable infrastructure projects in the State, particularly in NYGB's priority segments of clean transportation, energy storage, building electrification and affordable housing. The remainder of this section describes the specific activities NYGB will undertake to meet this objective.

##### **3.1.1 Financing Solutions to Support DACs**

In support of the climate justice component of the Climate Act, NYGB will make at least 35% of total capital commitments between January 1, 2020 and December 31, 2025 available to projects that provide benefits for DACs. NYGB has already begun to put capital to work to advance these goals, including in several transactions closed in the Previous Plan Year. One example is a transaction closed with RiseBoro Community Partnership, where NYGB provided \$2.6 million in predevelopment financing 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 that will be designed to Passive House standards and will include rooftop solar. This transaction also showcases predevelopment lending, which is a recently developed product offered by NYGB. The need for this product was identified through NYGB's stakeholder engagement process and fills a gap for financing early-stage activities required to build or renovate a multifamily building (including building repairs, permitting, analysis and planning, design, and acquisition). NYGB's flexible loans to support predevelopment costs for projects committed to achieving deep energy efficiency work is just one example of multiple products NYGB has either already begun to offer, or plans to offer, to support expanded financing activities in DACs across NYS.

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<sup>8</sup> Draft DAC criteria under the [Climate Act](#) was released by the [Climate Justice Working Group](#) in December 2021 with a public comment period taking place from March 2022 to July 2022, after which the criteria will be finalized. Until that time, NY Green Bank applies the NYSERDA and NYS Department of Environmental Conservation [interim definition](#) to qualify and track its investing activities. See: <https://www.nyserda.ny.gov/ny/disadvantaged-communities>.

<sup>9</sup> The CLPA mandates that a minimum of 35%, with a goal of 40%, of benefits from NYS clean energy investments go to DACs.

In terms of broader steps NYGB is taking to accelerate progress towards DAC goals, earlier this year NYGB announced several initiatives focused on specific market segments identified as ripe for market-transformative financing. These initiatives include, but are not limited to, NYGB's targets of:

- Investing \$150.0 million in affordable housing projects by 2025; and
- Investing \$100.0 million in building electrification and energy efficiency in DACs by 2025.<sup>10</sup>

NYGB's strategy for advancing investments in DACs in the Current Plan Year is heavily informed by the findings of a stakeholder engagement process, conducted between December 2021 and April 2022 and summarized in the Amended Annual Plan 2021 – 22.<sup>11</sup> NYGB's focus for the Current Plan Year is to deliver progress on these specific DAC goals, but in the future, NYGB will need to expand its scope beyond efficient building decarbonization to meet a broader suite of DAC needs. NYGB will work collaboratively with stakeholders to identify broader solutions.

During the Current Plan Year, NYGB will:

- Develop and launch the Community Decarbonization Fund, (“CDF”), a concessionary wholesale funding pathway to support financiers in making sustainable infrastructure and decarbonization investments in DACs: NYGB intends to fund the CDF with \$250.0 million of low-cost capital to Community Development Finance Institutions (“CDFIs”) and other lenders and institutions that: (1) have a track record of providing debt capital to affordable housing (regulated or naturally occurring) and/or other projects serving DACs; (2) can and will include electrification scopes of work in their loans; and (3) can demonstrate pipelines of projects that can deliver measurable benefits to DACs. NYGB will allocate additional capital to the CDF over time to support the ongoing energy efficient decarbonization lending activities of such financiers. Over the 2022 – 23 Plan Year, NYGB will work with relevant stakeholders to ensure the CDF is designed and established in a manner that best serves the communities that will benefit from its investment activity.
- Simplify NYGB's existing RFP 18: Financing Arrangements for High-Performance Affordable Housing (“RFP 18”) to reduce the time and cost to sponsors seeking NYGB financing: RFP 18 was initially launched in May 2021 and addresses NYGB financing of efficient building electrification and electrification readiness in multifamily affordable housing properties. In response to feedback received during stakeholder outreach in early 2022, NYGB intends to move its predevelopment lending activities into a standalone offering to support building decarbonization projects in DACs (inclusive of affordable housing but also available to other building typologies such as commercial and industrial properties). The resulting standalone RFP is expected to request answers to multiple choice questions rather than seeking full prose responses. This will simplify both the amount of time it takes a potential counterparty to develop an application and the amount of time it takes NYGB to conduct a screening process for this loan product. In addition, NYGB will aim to provide greater transparency of rates and terms, including publishing ranges for selected indicative terms (consistent with market practices) to support counterparty planning for major decarbonization and energy-related projects.

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<sup>10</sup> Reducing the energy use of buildings is critical to the State meeting its decarbonization objectives. Moreover, high-quality resilient housing has the potential to deliver cost, health, and equity benefits to the residents of the State's DACs. While affordable housing decarbonization is therefore a priority area, NYGB will also continue to make investments in other types of projects that have the potential to deliver benefits to DACs and the households that comprise them. NYGB and stakeholders from the Environmental Justice (“EJ”) community agree that a complete strategy must include a range of approaches and products, including those that support multiple building typologies (e.g., housing, schools, commercial buildings, etc.) and technologies (e.g., energy efficiency, efficient building electrification, renewable energy, clean transportation, etc.).

<sup>11</sup> Case 13-M-0412, “NY Green Bank | Amended Annual Plan 2021-2022 | Operational Supplement to Annual Plan and Impact Report | Metrics, Reporting & Evaluation Plan 3.1,” filed May 2, 2022. See Appendix C: Stakeholder Input and Integration.

- Reduce administrative and cost burden for counterparties from DACs, and those seeking to develop or finance projects in DACs: During the stakeholder engagement process, NYGB learned that soft costs – for example, hiring staff resources with financial experience to monitor and report on an investment – can place a significant burden on projects with highly constrained budgets. Recognizing this, NYGB will continue to develop measures to reduce the administrative burden and other costs associated with receiving financing from NYGB for projects serving DACs, including but not limited to the use of form term sheets and template transaction documents. In addition, NYGB intends to engage directly with service providers (e.g., legal, independent engineers, etc.) with market knowledge of and experience with DACs, to better understand where costs or administrative tasks may be reduced, streamlined, or eliminated to support a less cumbersome and expensive transaction process.

### **3.1.2 Targeted Business Development Activities**

NYGB was designed to focus on areas of the market that are expected to become more attractive to private sector capital providers once a demonstrated track record for financings in those market segments has been established. As specific areas of the market become increasingly liquid, NYGB shifts its activity to other areas of the market where, despite using commercially-proven technology and being financially viable, clean energy projects struggle to access appropriately-priced capital. NYGB works collaboratively with market participants to determine where and how its capital can be most impactful.

In the Current Plan Year, target areas are expected to include projects benefiting DACs (across a range of technologies); sustainable transportation, including electric vehicles (“EVs”) and supporting infrastructure; and energy storage, focusing on paired solar-plus-storage projects. To build a diversified pipeline of projects in these priority areas, NYGB will conduct targeted outreach and engagement to develop relationships with potential counterparties and identify projects that would benefit from NYGB financing. NYGB’s business development activities are conducted by cross-functional teams that include investment and strategy professionals and are organized around technologies and end user segments. This results in sustainable, flexible origination practices that are informed by, and responsive to, both internal resource management as well as broader market and policy considerations. In the Current Plan Year, NYGB will conduct targeted industry outreach through relationship-building and participation in events and conferences. In tandem, NYGB will develop and distribute streamlined business development materials that clearly convey NYGB’s market approach and offerings for each segment. The goal of these activities is to increase the number of quality leads generated and investment proposals received.

### **3.1.3 Enhanced Communications Channels**

Although NYGB is a leading capital provider working to develop and offer innovative financing products to advance New York’s sustainable infrastructure marketplace, its visibility in the market remains relatively unknown in certain market segments – both among potential transaction proposers as well as within other key stakeholder groups, including DAC representatives and advocates. Over the course of the Current Plan Year, NYGB will seek to raise its visibility to participants across the market. Specifically, NYGB will:

- Implement enhancements to NYGB’s website to communicate NYGB impact and product offerings, while ensuring viewers can more easily find and navigate to relevant content;
- Develop strategic relationships with industry publications that can help elevate NYGB’s profile;
- Develop and implement a comprehensive marketing and communications plan to stimulate additional awareness, drive transaction volume, and build momentum in advance of NYGB’s ten-year anniversary in 2023; and
- Establish trust and identify actionable investment opportunities through ongoing efforts to engage with, and build on feedback from, key stakeholders, including DAC market participants and advocacy groups.

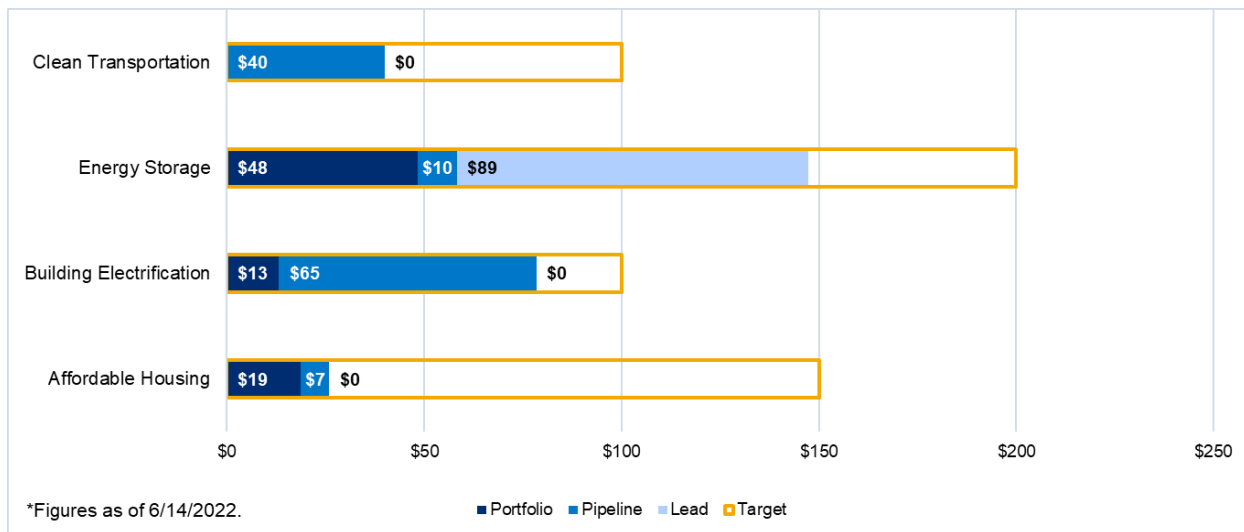


### 3.1.4 Committed Funds

NYGB's ongoing origination activities (including those described throughout [Section 3.1](#)) are expected to support a strong pipeline ("**Active Pipeline**") during the Current Plan Year.<sup>12</sup> NYGB will target incremental capital commitments of at least \$225.0 million in the Current Plan Year. To do so, NYGB will actively originate transactions in a variety of technology segments, including a focus on the priority areas identified above.

In addition to the annual \$225.0 million target, NYGB also has public commitments to invest \$100.0 million in clean transportation, \$200.0 million in energy storage, \$100.0 million in building electrification, and \$150.0 million in affordable housing. NYGB has tracked its progress toward public commitment targets in these segments since January 1, 2020 and has a strong pipeline and portfolio of projects supporting these technologies. Ongoing business development activities are expected to support NYGB's progress towards these targets meaningfully in the Current Plan Year. [Figure 2](#) shows NYGB's progress towards these goals.

Figure 2: Progress Toward Public Commitment Targets (\$MM)



<sup>12</sup> Active Pipeline means, at any time and for any period, the sum (expressed in dollars) of the proposed NYGB investment amount in its pipeline where: (a) there is agreement in principle between the parties; (b) there is momentum in moving the transaction forward; (c) conditions to investment are expected to be met; and (d) NYGB is dynamically proceeding through its approval process and toward transaction execution.

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*Plan Year Objective 2:  
Continue to Strengthen NYGB's Capital Position*

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### **3.2 Activities to Meet Plan Year Objective 2: Strengthen NYGB's Capital Position**

NYGB's second Plan Year Objective is to mobilize private capital through transactions, and ensure adequate capital is available in the event NY Green Bank will require additional liquidity. The remainder of this section describes the activities NYGB will undertake to meet this objective.

#### **3.2.1 Portfolio Monetization**

To meet the ambitious targets of the Climate Act, significant investment into clean energy and sustainable infrastructure projects in NYS is needed. NYGB has experienced strong and growing demand for financing of such projects and, during the Previous Plan Year, NYGB committed the largest amount of capital in any year since inception. NYGB foresaw potentially running up against existing capital limits given this pace of investment and, in response, evaluated a variety of methods to access new sources of capital.

NYGB ultimately securitized a group of portfolio loans, monetizing \$314.0 million through a transaction with Bank of America. This transaction represents the largest portfolio monetization completed by a green bank in the United States, and accelerated NYGB's ability to continue to meet the unprecedented demand for its capital. Potential investors' interest in NYGB's investment portfolio and thesis demonstrates the increased appetite among private sector investors to gain more exposure to the types of opportunities originated by NYGB and validates the attractiveness of the NYGB investment portfolio.

In the Current Plan Year, NYGB will opportunistically consider the monetization of select loans in its Current Portfolio via secondary markets, with the goal of increasing liquidity and demonstrating to private investors that sustainable infrastructure loans are attractive investment opportunities that generate strong risk-adjusted returns. As of the date of the filing of this Annual Plan, NYGB has issued a new solicitation inviting market participants to become part of a pool of qualified investors that will be eligible to buy NYGB loans in the event of future monetization.

Over the course of the Current Plan Year, NYGB will continue to pursue this monetization strategy to enhance liquidity and ensure that the needs of current and future borrowers can be met. This approach supports NYGB's broader capital mobilization goals by increasing the portfolio mobilization ratio ("**Mobilization Ratio**"), which was 4.5:1 as of March 31, 2022.

*Figure 3: Explanation of Mobilization Ratio*

#### **What is NYGB's Mobilization Ratio?**

NYGB uses a Mobilization Ratio to show how efficiently it has attracted private investment to the State's clean energy and sustainable infrastructure market using ratepayer funds. NYGB calculates Mobilization Ratios for individual investments and for its overall portfolio. For each investment, the Mobilization Ratio is the quotient of the cumulative costs incurred by NYGB counterparties to develop, construct or purchase projects and NYGB's total capital commitment to an investment. NYGB sums the total project costs incurred by its counterparties across all its investments then divides that total by \$1.0 billion, NYGB's initial capitalization, to calculate its portfolio mobilization ratio.

### **3.2.2 Mobilize Private Capital**

Since inception, NYGB has advanced its goal of mobilizing private sector capital into sustainable infrastructure markets by building replicable and scalable financing structures. During the Previous Plan Year, NYGB advanced these mobilization goals further through the portfolio monetization transaction with Bank of America.

In the Current Plan Year, NYGB will, as part of its normal course of business, both crowd private sector capital providers into NYGB-led transactions and invest alongside private sector-led transactions in priority market segments. An example of such activity during the Previous Plan Year was NYGB's financing of an energy efficient hotel property alongside a PACE lender. The borrower needed NYGB's capital because other senior lenders were reluctant to lend alongside PACE financing due to the seniority of PACE loans over other senior debt. NYGB's ability to provide a replicable structure that addresses this market gap should help other financiers gain comfort with providing mortgages and other senior debt alongside PACE financings in the future. In addition to expanding its PACE adjacent financing in the Current Plan Year, NYGB will also seek to develop solutions that encourage private sector capital providers to support more projects focused on delivering benefits to DACs across New York State. NYGB will seek to advance these objectives through an enhanced, targeted business development approach aimed at engaging both current and potential co-lenders and co-investors on a proactive basis.

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*Plan Year Objective 3:  
Continuously Improve and Enhance NYGB Operations and  
Portfolio Management*

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### **3.3 Activities to Meet Plan Year Objective 3: Continuously Improve and Enhance NYGB Operations and Portfolio Management**

NYGB's third Plan Year Objective is to continuously improve and enhance operations and portfolio management. This includes strengthening operations to reflect the growing responsibility of managing a Current Portfolio of over \$736.3, which creates a significant increase in back-office and business origination activities such as business development touchpoints, funding events, loan servicing, and other portfolio administration activities. The remainder of this section describes the activities NYGB will undertake to meet this objective.

#### **3.3.1 Risk and Impact Monitoring and Reporting**

##### *Implementing Environment, Social and Governance (“ESG”) Considerations*

NYGB has an opportunity to address the themes of equity and resiliency through an enhanced set of ESG practices – both organizationally and related to its portfolio of investments. Introducing these practices will enable NYGB to maintain its position as a leading green bank, given its proven leadership in climate-related investing coupled with the increasing prominence of ESG in mainstream investing. Expansion beyond the environmental prong into formal consideration of social and governance risks and opportunities will be complementary to NYGB's recently updated 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.”

By adopting additional disclosures and seeking higher levels of performance around social and governance risks and opportunities, NYGB can play a leadership role in encouraging strong ESG practices among its counterparties, drive improved climate equity, and manage the credit risk of its investments more comprehensively. Moreover, by becoming an ESG leader among private/structured debt investors, NYGB can demonstrate to other clean energy financiers the value of incorporating ESG practices in business processes – particularly given NYGB's proactive efforts to develop financing solutions to support DACs. Finally, NYGB believes that incorporating strong ESG practices will help attract private sector capital to NYS from investors that seek to participate in transactions with the environmental and climate equity characteristics of the loans that NYGB originates.

During the Current Plan Year, NYGB will expand on ESG-related work done in the Previous Plan Year and deliver on identified long- and short-term initiatives that support NYGB's ESG leadership. NYGB will integrate ESG into selected business processes including external communication, transaction evaluation and monitoring, and service provider engagement. NYGB will also align with ongoing NYSERDA work related to resiliency, adaptation and climate risk, including identifying industry best practices in assessing physical climate risk and incorporating climate risk factors into NYGB's investment processes as appropriate.

##### *Update Metrics to Enhance Measurement, Management and Reporting of NYGB Progress*

In response to the “Order Approving Clean Energy Fund Modifications” issued and effective September 9, 2021 (the “**CEF Modifications Order**”) and in alignment with NYSERDA and other relevant NYS public entities, NYGB amended its Metrics Plan to reflect how it will report the proportion of its investments that

support DAC beneficiaries.<sup>13</sup> This was the first step for NYGB to demonstrate how it will publicly report its support of DACs going forward.<sup>14</sup> During the Current Plan Year, NYSERDA, along with an inter-agency team, is expected to establish an expanded benefits framework and reporting methodology that will be used to present the benefits that accrue to DACs. NYGB will further amend its Metrics Plan during the Current Plan Year as additional guidance regarding benefits metrics is published. Adopting consistent metrics will enable NYGB's progress to be aggregated and reported across all portfolios of the CEF and across other state entities reporting under the same definition.

In June of each year, NYGB reports Annual Financial Metrics in the format outlined in its Metrics Plan.<sup>15</sup> During the Current Plan Year, NYGB will revise and enhance its investment performance reporting both internally and externally. An expanded set of investment performance measures should more clearly demonstrate the performance of its investments to a broader set of stakeholders, including but not limited to financial professionals interested in pursuing NYS investment opportunities like those NYGB originates or in which NYGB participates.

### **3.3.2 Operational Excellence**

NYGB witnessed significant activity during the Previous Plan Year, closing 17 transactions, including 5 upsizes to existing transactions, and 74 loan modifications. This pace of activity is supported by the organization's strong operational processes and ongoing continuous improvement efforts. In the Current Plan Year, NYGB will drive additional efficiencies across operations and administrative processes wherever possible.

Specific process enhancements NYGB aims to accomplish in the Current Plan Year include:

- **Issue RFP for third-party fund administration:** To enable a range of service providers to bid for its business, NYGB solicits competitive bids for service providers every five years through a public procurement process.<sup>16</sup> In the Current Plan Year, NYGB will reissue an RFP to select a third-party fund administrator to support the needs of NYGB's evolving business over the next five-year period.
- **Manage smooth transition of pipeline and portfolio from LIBOR to SOFR:** During the Current Plan Year, NYGB will work on ensuring a smooth transition for NYGB loans from LIBOR to SOFR, the reference rate recommended by the Alternative Reference Rate Committee.<sup>17</sup> NYGB is closely tracking the market shift as the LIBOR rate is phased out by 2023. New loans will use SOFR as the default reference rate, and NYGB will implement a strategy to shift legacy loans to SOFR over time. The change in reference rate will require a modification in the loan documents for each investment and will require additional attention and effort from NYGB's investment, finance, operations and legal teams. The change in reference rate is intended to be economically neutral, and as a result, there should be no financial impact to NYGB or its borrowers.

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<sup>13</sup> Case 14-M-0094, "Order Approving Clean Energy Fund Modifications," issued September 9, 2021.

<sup>14</sup> To the definition of DACs proposed by the CJWG and expected to be adopted before the end of the Plan Year.

<sup>15</sup> Case 13-M-0412, "NY Green Bank | Amended Annual Plan 2021-2022 | Operational Supplement to Annual Plan and Impact Report | Metrics, Reporting & Evaluation Plan 3.1," filed May 2, 2022.

<sup>16</sup> See <https://its.ny.gov/nys-procurement-rules-and-guidelines>

<sup>17</sup> The Alternative Reference Rates Committee (ARRC) is a group of private-market participants convened by the Federal Reserve Board and the New York Fed to help ensure a successful transition from U.S. dollar (USD) LIBOR to a more robust reference rate, its recommended alternative, the Secured Overnight Financing Rate (SOFR). The ARRC is comprised of a diverse set of private-sector entities that have an important presence in markets affected by USD LIBOR and a wide array of official-sector entities, including banking and financial sector regulators, as ex-officio members. More information can be found at <https://www.newyorkfed.org/arrc>.

- Identify and implement process improvements to enhance efficiency and productivity: NYGB continues to identify opportunities to become more efficient at managing its portfolio and operations as the fund continues to evolve. One example is NYGB's work during the Current Plan Year with a third party to develop a strategic planning and forecasting model that will allow for prudent liquidity management by providing an enhanced long-term view of the portfolio. While NYGB has, since inception, maintained diligent focus on its projections and forecasting, this enhanced model will help NYGB more directly plan for the short- and long-term liquidity needs of the organization, to support continued and ongoing investment in NYS clean energy and sustainable infrastructure projects. Additionally, NYGB will integrate a portfolio management tool, which was beta tested during the Previous Plan Year, into its day-to-day operations. The tool is expected to save hours of administrative burden for and enhance coordination between NYGB's Investment and Portfolio Management ("**IPM**") and Investment Administration and Portfolio Support ("**IAPS**") teams.

## 4 Plan Deliverables

Each year, NYGB identifies specific measurable activities (“**Plan Deliverables**”) it can execute to achieve its Plan Year Objectives. [Table 1](#) presents NYGB’s 2022 – 23 Plan Deliverables.

NYGB will report progress against Plan Deliverables in each Quarterly Metrics Report, together with a brief narrative (as appropriate) of status and an explanation of any material variances relative to expectations. This regular progress update, along with the other information captured in the Quarterly Metrics Report, will inform all NYGB stakeholders of NYGB’s activities and projects.

*Table 1: 2022-23 Plan Deliverables*

<b>Objective Category</b>	<b>Deliverable</b>
<b>Identify and Close Funding Gaps in Alignment with State Policies and Public Commitments</b>	
Financing Solutions to Support DACs	Develop and launch CDF, a concessionary wholesale funding pathway to support financiers in making sustainable infrastructure and decarbonization investments in DACs
	Simplify existing RFP 18 to reduce the time and cost to affordable housing sponsors seeking NYGB financing
	Reduce administrative burden for counterparties from DACs, and those seeking to develop or finance such projects
	Engage directly with service providers (e.g., legal, independent engineers, etc.) with market knowledge and experience within DACs
Targeted Business Development	Update business development outreach strategy and materials to reflect NYGB’s latest and most informed approaches to supporting all technology segments, and particularly priority areas of clean transportation, energy storage, building electrification and affordable housing
Enhanced Communications Channels	Implement enhancements to NYGB’s web site
	Develop and implement comprehensive marketing and communications plan to stimulate additional awareness and drive transaction volume
	Advance ongoing efforts to engage with, and build on feedback from, key stakeholders to establish trust and identify actionable investment opportunities
Committed Funds	Deliver at least \$225.0 MM of incremental commitments in the Current Plan Year with a focus on advancing NYGB progress against public commitment goals in clean transportation, energy storage, building electrification and affordable housing
<b>Mobilize Capital: Strengthen NYGB’s Capital Position</b>	
Portfolio Monetization	Evaluate and recommend pathways for additional portfolio monetization(s) to enhance and optimize liquidity
Mobilize Capital	Identify opportunities to crowd private sector capital providers into NYGB-led transactions and/or opportunities for NYGB to invest alongside private sector-led transactions in priority market segments
<b>Continuously Improve and Enhance NYGB Operations and Portfolio Management</b>	
Risk and Impact Monitoring and Reporting	Enhance NYGB’s risk evaluation processes by incorporating expanded ESG and resiliency considerations into NYGB’s underwriting and portfolio management processes
	Update Metrics Plan to reflect management and disclosure of DAC progress
Operational Excellence	Issue RFP for third-party fund administration
	Manage smooth transition of Active Pipeline and Current Portfolio from LIBOR to SOFR reference rate
	Identify and implement process improvements to enhanced efficiency and productivity

## 5 Appendix A: Supplementary Tables and Figures

Figure 4: Investment Performance At-a-Glance as of March 31, 2022

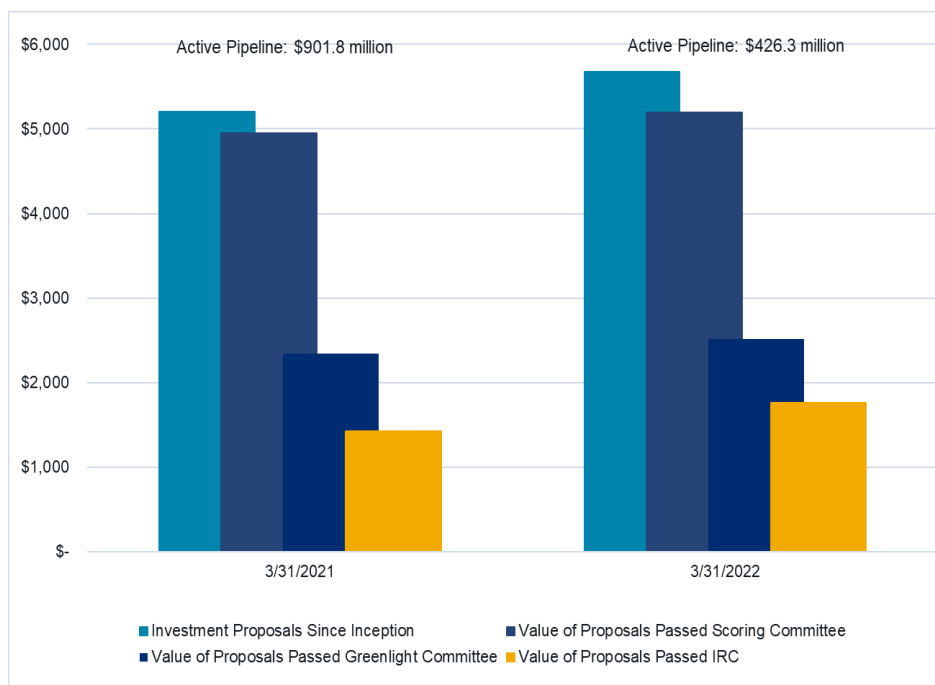


<sup>18</sup> NYGB monitors its counterparties' clean energy project installations throughout the duration of each investment through the receipt and review of periodic reports as well as updated impact benefit calculation factors advised by DPS. Based on information received, NYGB continually manages the actual and expected energy and environmental impact benefits across its portfolio. As new information becomes available informing NYGB of NYS market uptake of clean energy projects, NYGB may correspondingly adjust (up or down) the overall portfolio's high and low estimated Total Project Costs and energy and environmental metrics (identified at closing of each investment, working with the relevant clients and counterparties and reflected in Transaction Profiles). Consistently monitoring and refining expected outcomes improves the accuracy of NYGB's portfolio-level estimate of impact benefits as it works toward meeting the CEF objectives to support the State's clean energy goals. Given such periodic adjustments, the aggregate estimated benefits reported in Quarterly Reports are the most up-to-date estimates (and so no longer will reflect the sum of the low and high estimated benefits specified in the Transaction Profiles at the time of each transaction close).

<sup>19</sup> NYGB's GHG emissions reductions values reflect the estimated effect of both direct and indirect impact benefits.

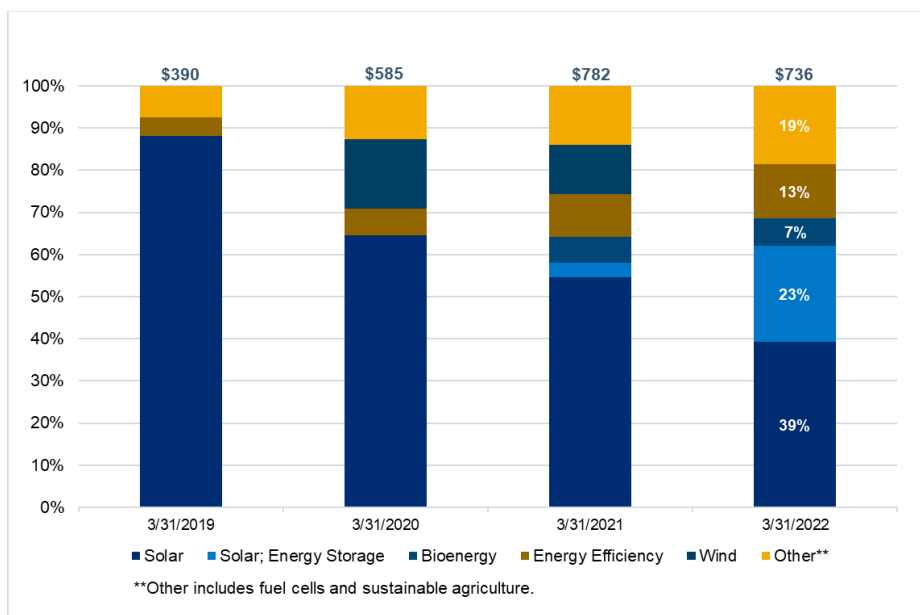


Figure 5: Pipeline Year-Over-Year (\$MM)



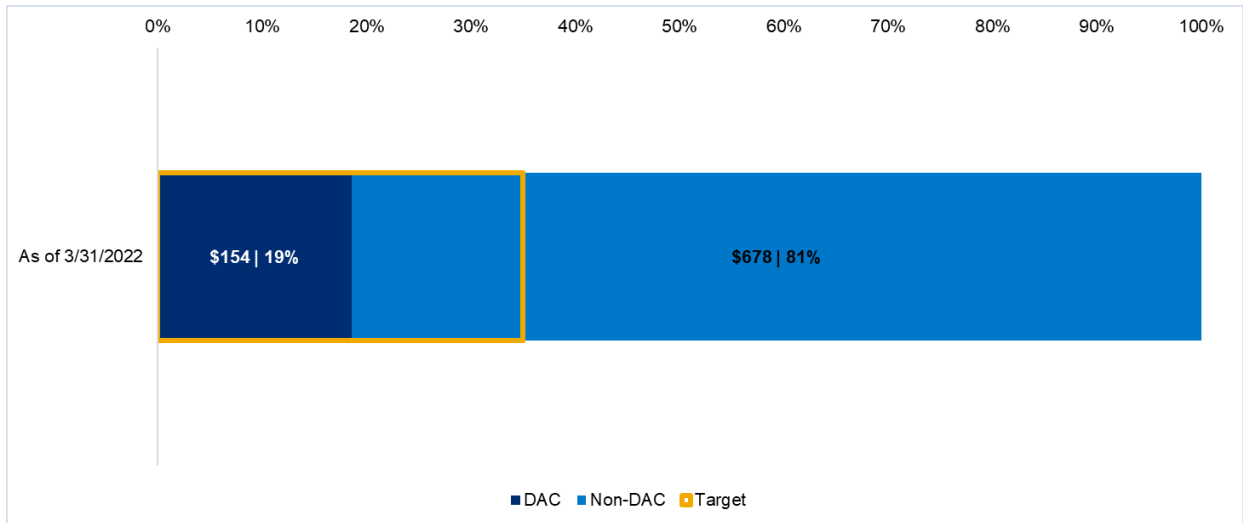
The figure above shows the cumulative value of all transactions that have gone through NYGB’s four investment approval stages. As of FY 2021 end, NYGB has received over \$5.4 billion in investment proposals since inception and has \$426.3 million of transactions in the Active Pipeline.

Figure 6: Portfolio Year-Over-Year (\$MM)



NYGB has continued to support New York State's evolving clean energy policies by investing across a wide array of technology segments. At the end of FY 2021, NYGB managed our most diverse portfolio to date, totaling \$736 million.

Figure 7: Progress Toward DAC Target (\$MM)



Since January 1, 2020, 19% of NYGB's capital commitments have supported projects benefiting DACs, per New York State's interim definition.

Table 2: 2021-22 Plan Deliverables

Objective Category	Deliverable	
<b>Effectively manage a strong and growing portfolio</b>		
Financing Solutions to Support Disadvantaged Communities	Launch RFP 18: Financing Arrangements for High-Performance Affordable Housing, a purpose-built proposal and evaluation pathway for electrification/electrification-readiness projects in multifamily affordable housing, accompanied by custom scoring criteria and published selected indicative terms to align with industry practice.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB released RFP 18 in May 2021. The launch of RFP 18 aligns with NY Green Bank’s target of committing \$150 million in affordable housing investments by December 2025.
	Host “Get to Know RFP 18” webinar in July 2021 to engage with potential proposers.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> In July 2021, NYGB convened affordable housing and energy efficiency market participants virtually to provide an overview of RFP 18, what the solicitation offers, and how potential proposers can engage, followed by audience Q&A.
	Launch preferred equity investment RFP targeting CDFIs, non-profits, and specialty finance companies investing in DACs.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB released RFP 19: Mandatorily Redeemable Preferred Equity for Disadvantaged Community Lenders on September 27, 2021.
	Expand impact measurement and reporting to reflect the broader benefits of DAC transactions.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> On May 2, 2022, NYGB filed version 3.1 of its Metrics, Reporting & Evaluation Plan.
	Hire Managing Director to focus specifically on underwriting DAC transactions.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> In July 2021, NYGB brought a Managing Director onboard to lead its DAC investment strategy.
	Expand NYGB Advisory Committee targeting expertise in DAC transactions and access to advocacy community.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB welcomed two new members to its Advisory Committee during the Plan Year. Their experience and expertise will help NYGB meet its commitment to DAC.
	Update NYGB mission statement to reflect recent changes to NYSERDA mission statement.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB coordinated with NYSERDA to develop an updated mission statement.
Targeted Business Development	Update and distribute marketing collateral to reflect NYGB’s latest and most informed approaches to energy storage and clean transportation.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB distributed updated marketing collateral to potential borrowers during the quarter
Improve Existing Pathways for Market Engagement	Launch redesigned website.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB launched an updated homepage and transaction profile summary through its website re-design.
	Revise and re-launch RFP 1 to more clearly define what constitutes a substantially complete application, clarify information requests and provide more transparency around how NYGB evaluates applications, while implementing a scoring methodology that better differentiates between applications, including robust consideration of portfolio fit.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> In May 2021, NY Green Bank updated RFP No. 1 requirements and scoring processes to streamline its review of proposals. A summary overview of modifications can be found in the Summary of Revisions document.
Committed Funds	Deliver at least \$225.0 million of incremental commitments in the Current	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB has committed \$437.8 million during the Plan Year,

	Plan Year.	exceeding its annual target by \$212.8 million.
Active Pipeline	Maintain an Active Pipeline of at least \$450.0 million per quarter on average throughout the Current Plan Year.	<input checked="" type="checkbox"/> <b>Not achieved for the Plan Year:</b> At quarter end, NYGB's Active Pipeline totaled \$426.3 million. During the Plan Year NYGB's Active Pipeline averaged \$402.4 million.
<b>Mobilize capital: Strengthen NYGB's capital position</b>		
Finalize Initial Portfolio Monetization	Close initial portfolio monetization transaction.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> On July 28, 2021, NYGB completed a \$314 million portfolio monetization through a transaction with Bank of America.
Mobilize Capital	Demonstrate capital mobilization by managing a Current Portfolio in excess of \$1.0 billion initial capitalization.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> At the end of the first quarter of the 2021-22 fiscal year, NYGB was managing a Current Portfolio of over \$1.0 billion, signaling the need to execute its portfolio monetization strategy.
<b>Continuously improve and enhance NYGB operations and portfolio management</b>		
ESG Monitoring and Reporting	Expand NYGB's risk evaluation processes by incorporating expanded ESG considerations for NYGB as a financing entity, as well as for its potential and existing borrowers.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> In December, the ESG project team presented its final findings and recommendations for NYGB's incorporation of ESG considerations to the NYGB senior team.
Process Standardization	Deploy FinTech solutions for enhanced efficiency and productivity.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> During the Plan Year, NYGB rolled out multiple new FinTech platforms and integrated into its regular operations.
Streamline Legal Documentation	Implement new legal documentation and processes to support relationship with third-party capital provider(s).	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> New legal documentation and processes are in place to support relationship with third-party capital provider.
	Develop suite of form legal documents to minimize transaction burden and cost when working with counterparties in the affordable housing sector.	<input checked="" type="checkbox"/> <b>Achieved for the Plan Year:</b> NYGB along with its external counsel drafted a suite of legal documents to serve as templates for future transactions within NYS's affordable housing sector.

Table 3: 2021-22 Transactions

New Transactions	Description	Newly Committed Amounts	Closing Date
<b>Convergent Energy and Power</b>	In April 2021 NYGB committed \$104.0 MM to a construction-to-term facility to finance the development, ownership and operation of three distributed energy resources (“DER”), paired solar-plus-storage projects in NYS. These transactions are expected to provide NYS residents and businesses a greater variety of energy choices and, ultimately, lower-cost clean energy opportunities.	\$104.4 million	4/1/2021
<b>Generate Capital CDG Fuel Cell I MM</b>	In April 2021 NYGB provided an up to \$82.7 million senior secured construction-to-term loan facility to subsidiaries of Generate Capital Inc. Loan proceeds will finance construction for CDG fuel cell projects in NYS. The projects supported by this transaction are expected to provide NYS residents and businesses with lower-cost energy options.	\$82.7 million	4/27/2021
<b>Wildflower Farms</b>	In April 2021 NYGB committed \$25.0 MM to a construction loan to finance the construction of Wildflower Farms, a 65-room, energy efficient hotel in Gardiner, NY. NYGB will be supporting the Project alongside Clean Fund Commercial PACE Capital, Inc., marking its first investment alongside a Commercial Property-Assessed Clean Energy (“C-PACE”) capital provider. This transaction demonstrates NYGB’s commitment to supporting high performance buildings and represents NYGB’s first debt investment in an energy efficient new construction property.	\$25.0 million	5/5/2021
<b>Energy Impact Partners</b>	In June 2021 NYGB committed \$15.1 MM to a construction-to-term facility to finance the construction of up to 12.5 megawatts of CDG solar projects in NYS. This transaction is expected to provide NYS residents and businesses a greater variety of energy choices and, ultimately, lower-cost clean energy.	\$14.9 million	6/7/2021
<b>Generate Capital CDG, Borrower 3</b>	In June 2021 NYGB provided an additional \$57.0 million to a back-leveraged credit facility sponsored by Generate Capital Inc. to finance the acquisition of 20 CDG solar and paired solar-plus-storage projects in NYS. These transactions are expected to provide NYS residents and businesses a greater variety of energy choices and, ultimately, access to lower-cost clean energy.	\$57.0 million	6/7/2021
<b>BQ Energy, Upsize</b>	In June 2021 NYGB committed an additional \$20.0 million to increase the size of its credit facility with BQ Energy. This is an expansion of NYGB’s investment in solar development capital as part of its ongoing efforts to participate in sustainable infrastructure investments in support of Clean Energy Fund objectives. The \$30.0 million financing facility is expected to support the deployment of up to 29 megawatts of photovoltaic solar in NYS, providing residents and businesses with a greater variety of energy choices and, ultimately, lower-cost clean energy options.	\$20.0 million	6/15/2021
<b>Eden 4<sup>th</sup> Upsize</b>	In November 2019 NYGB provided a 24-month senior secured \$2.5 million bridge loan facility to Eden Devco Borrower LLC, which is owned by Eden Devco LP, a limited partnership that is managed by Eden Renewables LLC. In March 2020 NYGB increased the loan size to \$4.3 million, which was further increased to \$6.3 million in August 2020 and to \$7.7 million in December 2020. In July 2021 NYGB closed on a fourth upsize to the facility, increasing the loan to \$9.2 million. The loan proceeds will finance project interconnection deposits to National Grid for community distributed generation solar projects.	\$1.5 million	7/15/2021

New Transactions	Description	Newly Committed Amounts	Closing Date
<b>OYA Solar, Upsize</b>	In September 2020 NYGB committed to an up to \$35.0 MM construction and interconnection facility to finance the development of up to 13 community distributed generation solar projects in NYS. In July 2021 NYGB authorized a \$3.8 million upsize to the facility, which allowed Oya Solar Inc. to support more projects entering the construction phase of development.	\$3.8 million	7/16/2021
<b>NYCEEC Predevelopment Participation</b>	In July 2021 NYGB provided an up to \$2.5 million participation in two predevelopment loans administered by NYCEEC to support the development of 310 units of affordable housing and a 200-bed homeless shelter. This transaction demonstrates NYGB's commitment to invest in DACs in NYS and support projects that pursue high levels of energy performance.	\$2.5 million	8/3/2021
<b>Amp Solar</b>	In October 2021 NYGB and CIT entered into an agreement with Amp Solar Group Inc. to provide up to \$63.1 million in tax equity bridge and construction-to-term loan facilities for a portfolio of CDG paired solar-plus-storage projects.	\$29.2 million	10/19/2021
<b>RiseBoro Broadway Triangle: Site C</b>	In November 2021 NYGB entered into an agreement with RiseBoro Community Partnership, Inc. and United Jewish Organizations of Williamsburg, Inc. to lend up to \$2.6 million to fund predevelopment expenses for services like architecture, engineering, and surveys to enable the developers to secure construction financing to develop a vacant site into a certified Passive House 140-unit affordable housing residential housing development.	\$2.6 million	11/12/2021
<b>OYA Solar</b>	In December 2021 NYGB committed up to \$54.0 million to a construction-to-term facility to finance the construction, ownership and operation of a portfolio of CDG solar projects in NYS. This transaction is expected to provide NYS residents and businesses with a greater variety of energy choices and lower-cost clean energy opportunities.	\$54.0 million	12/7/2021
<b>Sealed Upsize</b>	In December 2021 NYGB increased its existing senior-secured revolving credit facility with Sealed Inc, an energy service provider, by \$10.0 million. This transaction will enable Sealed to expand its current operations and complete additional energy-saving improvements in homes in NYS.	\$10.0 million incremental (\$17.5 million aggregate)	12/21/2021
<b>East Light Partners, Fund II</b>	In December 2021 NYGB provided a 36-month senior secured \$5.0 million bridge loan facility to ELP BV II, LLC, an entity that owns projects developed by East Light Partners PBC. East Light will use proceeds from the loan to finance late-stage development costs for CDG and large scale solar photovoltaic projects.	\$5.0 million	12/22/2021
<b>SUNX IX Loan Upsize 1</b>	In May 2019 NYGB provided a 24-month senior secured \$1.0 million bridge loan facility to SUN8 PDC, LLC. In December 2021, NYGB increased its outstanding commitment by \$2.2 million to support additional projects in the SUNX portfolio. Bridge loan proceeds will finance project interconnection advance payments for CDG solar projects.	\$2.2 million incremental (\$2.5 million aggregate)	12/30/2021
<b>Sunrun Working Capital Facility</b>	In March 2022 NYGB provided an incremental \$15.0 million to Sunrun's refinanced senior secured revolving credit facility of \$600.0 million. The original facility was \$250.0 million, under which NYGB had a \$25.0 million commitment. This transaction	\$15.0 million incremental (\$40.0 million aggregate)	3/8/2022

New Transactions	Description	Newly Committed Amounts	Closing Date
	will enable Sunrun to continue supporting its distributed energy project portfolio for homeowners across NYS.		
e2i	In March 2022 NYGB provided an \$8.0 million multi-draw term loan facility to e2i (dba Clean Asset Co., LLC). This transaction will enable e2i to build and retrofit high performance, electric, affordable multifamily homes in NYS.	\$8.0 million	3/18/2022
<b>Total</b>		\$437.8 million <sup>20</sup>	

<sup>20</sup> Note that due to rounding for the purposes of presentation in this Review and Plan, the sum of each Newly Committed Amount may not be identical to the Total Newly Committed Amounts.

Table 4: Fiscal Year 2021 – 22 Financial Summary (\$ thousands)

	March 31, 2022	March 31, 2021	% Change 2022-2021
<b>Operating revenues:</b>			
Fees	\$10,387	\$5,284	96.6%
Loans and financing receivables interest	19,016	24,327	(21.8%)
Provision for losses on loans and financing receivables	(5,205)	-	100.0%
Loss on sale of loans and financing receivables	(13,543)	-	100.0%
<b>Total operating revenues:</b>	<b>10,655</b>	<b>29,611</b>	<b>(64.0)%</b>
<b>Operating expenses:</b>			
Salaries and benefits	8,399	8,510	(1.3%)
Investment related expenses	454	585	(22.4%)
Other operating costs	2,245	1,761	27.5%
General and administrative expenses	2,139	1,571	36.2%
Depreciation	177	147	20.4%
NY State assessments	136	149	(8.7)%
<b>Total operating expenses</b>	<b>13,550</b>	<b>12,723</b>	<b>6.5%</b>
<b>Operating (loss) income</b>	<b>(2,895)</b>	<b>16,888</b>	<b>(117.1)%</b>
<b>Non-operating revenues:</b>			
Capital contributions <sup>21</sup>	44,252	336,981	(86.9)%
Investment (loss) income	(9)	216	(104.2)%
<b>Total non-operating revenues</b>	<b>44,243</b>	<b>337,197</b>	<b>(86.9)%</b>
<b>Non-operating expenses:</b>			
Capital expansion	-	410	(100.0%)
Program evaluation	94	45	108.8%
<b>Total non-operating expenses</b>	<b>94</b>	<b>455</b>	<b>(79.3)%</b>
Change in net position	41,254	353,630	(88.3)%
Net position, beginning of year	960,024	606,394	58.3%
Net position, end of year	\$1,001,278	\$960,024	4.3%
<b>Net Income (Loss)</b>	<b>\$(2,998)</b>	<b>\$16,649</b>	<b>(118.0)%</b>

Source: NYGB Financial Statements; NYGB Analysis

<sup>21</sup> As part of U.S. generally accepted accounting standards, the Governmental Accounting Standards Board requires capital contributions made to NYGB from NYSERDA's available cash and investment balances to be treated as transfers, while those derived directly from the Bill-As-You-Go ("BAYG") approach be accounted for as nonoperating revenues to NYGB. As a result, additions to NYGB's capital during the fiscal year equal the sum of "Capital contributions" under Non-operating revenues and "Transfers in," of which there were none in the 2020-21 fiscal year.



Table 5: Actual & Forecast Revenues, Expenses & Net Income (Loss) (\$ millions)

	Actual	Actual	Actual	Actual	Forecast
	FY 2018 - 19	FY 2019 - 20	FY 2020-21	FY 2021-22	FY 2022-23
Revenues	\$26.0	\$28.2	\$29.6	\$10.7	\$25.8
Operating Expenses					
Direct Expenses	5.5	6.9	7.8	8.7	10.4
Indirect Expenses	3.6	3.8	4.9	4.9	5.9
Total Operating Expenses	9.1	10.7	12.7	13.6	16.3
Net Income, Prior to Non-Operating Expenses	16.9	17.5	16.9	(2.9)	9.5
Non-Operating Expenses	1.6	0.2	0.5	0.1	0.1
Total Expenses	10.7	10.9	13.2	13.7	16.4
Net Income	\$15.3	\$17.2	\$16.4	\$(3.0)	\$9.4

## 6 Appendix B: Additional Resources

Case 13-M-0412, “Order Establishing New York Green Bank and Providing Initial Capitalization,” issued and effective December 19, 2013:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BBD3AAFB0-FAA2-4DA6-B56B-0FF22EE34EDF%7D>.

NY Green Bank Organizational Plan:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B643D622C-6E1F-4BD1-A489-DD146F26E8A4%7D>.

“Order Authorizing the Clean Energy Fund Framework” issued and effective January 21, 2016:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B23BE6D8-412E-4C82-BC58-9888D496D216}>.

All other relevant public filings: <https://greenbank.ny.gov/Resources/Public-Filings>.