

Transaction Profile

Financing in action

AMP SOLAR GROUP INC.

Construction-to-term loan for supporting distributed generation and storage in New York State



NY Green Bank and CIT's collaboration will provide up to \$63.1 million in total to support Amp's solar community distributed generation (CDG) and energy storage portfolio.

Market Barriers and Solutions

Solar project developers face limits in project deployment with construction financing — an inefficient use of sponsor equity. By providing construction financing, NY Green Bank creates an easier path forward for developers to enable greater CDG deployment.

Capital market participants face difficulties assessing and pricing the risk exposures from distributed generation projects, due to limited precedent. This transaction will generate performance data and demonstrate the ability of these projects to achieve competitive risk-return profiles. Additionally, this is the first participation by CIT on a CDG solar construction loan in New York State.

On-site solar installations are often not viable due to project siting, property ownership, and consumer preference issues. This transaction supports the deployment of CDG solar projects, which provide **CDG subscribers** with increased access to clean, low-cost energy, regardless of where their home or business is located.

Transaction amount: **\$29.2 million**

Counterparty:

(Project Developer) AMP Solar Group Inc. – Energy Project Developer

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

Date closed: **October 2021**

Estimated lifetime metric tons

CO₂e reduced: **579,892**

Technologies: **Solar, energy storage**

Location: **Statewide**

End-use segment: **Community distributed generation**

This transaction supports the deployment of CDG solar projects, which provide CDG subscribers with increased access to clean, low-cost energy, regardless of where their home or business is located.



TRANSACTION PROFILE

October 2021

Construction-to-term loan for supporting distributed generation and storage in New York State

Amp Solar Group Inc.

In October 2021, NY Green Bank (“NYGB”) and CIT entered into an agreement with Amp Solar Group Inc. (the “Sponsor”) to provide up to \$63.1 million in tax equity bridge and construction-to-term loan facilities for solar CDG + energy storage portfolio (the “Project”).

Transaction Description

AMP Solar Group Inc. is a Canada-based company founded in 2009 that has developed and built renewable energy platforms with 1.3 GW in assets and 1.8 GW in construction projects. It has operations in North America, Japan, India, Singapore, Hong Kong, Australia and Europe. Amp entered the U.S. in 2015 with the acquisition of 34 MW of CDG assets in MN and MA and has since built a development backlog of 400MW. In 2019, Amp surpassed US\$2Bn of capital deployed globally and in 2021, secured a \$374MM commitment from The Carlyle Group in the form of convertible preferred equity and convertible debt.

With this commitment, NYGB expects to support the deployment of 40.0 MW_{DC} of CDG projects in New York State (“NYS”). These transactions will help NYGB continue to demonstrate the viability of distributed generation in the State, draw new financial institutions into the marketplace, and lower the cost of capital in this market sector. By driving solar deployment activity in the State, NYGB’s commitment will help NYS meet its 6.0 GW solar target by 2025. Consumers are expected to be the ultimate beneficiaries in the form of broader access to lower-cost clean energy generation, with corresponding resiliency, affordability, choice, and environmental benefits.

This Transaction Profile is provided pursuant to the “NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.0” (the “Metrics Plan”) developed in collaboration with the NYS Department of Public Service and filed with the New York Public Service Commission (the “Commission”) on June 20, 2016.¹ This Transaction Profile contains specific information in connection with the Amp transaction entered into in October 2021, as required by the Metrics Plan.

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Construction-to-Term Loan	\$29 million

Location(s) of Underlying Project(s)

¹ Case 13-M-0412.

Statewide.² Projects will be located throughout NYS.

Types of Client & Counterparty Organizations that are Transaction Participants

Name		Participant Type
Sponsor	AMP Solar Group Inc.	Energy Project Developer

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Solar Project Developers	Solar project developers face limits in project deployment with construction financing – an inefficient use of sponsor equity.	By providing construction financing, NY Green Bank creates an easier path forward for developers to enable greater CDG deployment.
Capital Markets Participants	Capital market participants face difficulties assessing and pricing the risk exposures from distributed generation projects, due to limited precedent.	This transaction will generate performance data and demonstrate the ability of these projects to achieve competitive risk-return profiles. Additionally, this is the first participation by CIT on a CDG solar construction loan in New York State.
CDG Subscribers	On-site solar installations are often not viable due to project siting, property ownership, and consumer preference issues	This transaction supports the deployment of CDG solar projects, which provide CDG subscribers with increased access to clean, low-cost energy, regardless of where their home or business is located.

Technologies Involved

Technology	Measures
Renewable Energy	Solar photovoltaic systems and battery energy storage systems

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB's minimum investment criteria require that NYGB-supported transactions have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas (“**GHG**”) reductions in support of the State's energy policies.³ In addition, the Metrics Plan requires that the following energy and environmental measures, applicable to these transactions, be reported:⁴

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

² Defined as projects located in four or more regions of the State.

³ Case 13-M-0412, “Order Establishing New York Green Bank and Providing Initial Capitalization” issued and effective December 19, 2013 of the Commission, Ordering Clause 6 at pages 24 – 25.

⁴ See Metrics Plan, Section 2.0, pages 2 - 6.

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

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annualized Low Estimate	Annualized High Estimate
Estimated clean energy generated (MWh)	1,101,295	1,159,258	44,052	46,370
Estimated clean energy generation installed capacity (MW) ⁵	40	40	N/A	
Estimated GHG emission reductions (metric tons)	550,897	579,892	22,036	23,196

Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occur when a critical mass of NYGB financing and investment arrangements are in place. Market evaluation activities commenced in 2018 on sectors that NYGB has supported since inception, consistent with the requirement for such assessments approximately three to five years following initial NYGB capital deployments.⁶ NYSERDA collected baseline data for the solar sector in 2019 and will update the data to include indicators specific to this transaction. NYSERDA will use baseline data collected for indicators as a comparison point against which to assess market progress in later studies. Progress indicators are defined below for the short, medium and long terms.

NYGB expects that program and/or future market evaluation will demonstrate progress across short-term indicators; including:

- Size (i.e., generation capacity and expected dollar value) and location of projects financed by the Facility;
- Aggregate expected energy generation for projects financed by the Facility; and
- The number of projects that finalize construction financing arrangements.

NYGB expects that program tracking and/or future market evaluation will demonstrate progress across medium- and long-term indicators; including:

- Increased market volume of CDG projects;
- Increased general understanding of renewable energy benefits by financial community;
- Increased awareness and use of CDG subscriber performance data by financing entities;
- Increased awareness and use of project/technology performance data by financing entities;
- Demonstration of competitive risk-return profiles for CDG investment;
- Decreased project costs;
- Increased volume of secondary market financing of distributed solar assets; and
- Presence and number of new lending participants.

Proposed Method of Outcome/Impact Evaluation (by NYSERDA) & Timeframe

NYSERDA will evaluate the direct and indirect impacts that the Facility will have on the clean energy finance markets and the energy/environmental benefits delivered by these loans.

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

⁶ See Metrics Plan, Section 3.3 at page 7.

Market evaluation will assess the short, medium and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (e.g., project subscribers, financial community) to track information including but not limited to: participation rates, project scale information, interest in solar financing (generally and with regard to CDG specifically), and influence of NYGB's participation on financial markets. As noted, NYSERDA collected baseline data on key indicators in its first phase evaluation during 2018 – 19. Later follow-up studies will assess progress against baseline levels for other market segments as those evolve. The specific timing of these efforts may be revised based on experience or other factors as NYGB's investment portfolio further develops and evolves.

Impact evaluation will assess which of the projects funded under the Construction Loan with Interconnection Bridge raised construction financing and were completed, commissioned, and placed in service.

In accordance with the Metrics Plan, NYGB will track Amp projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA program) to minimize any double-counting activity on a consolidated basis. As set out in the Metrics Plan, evaluation sampling approaches will also be used as a mechanism to estimate overlap and minimize double counting. NYSERDA and NYGB will attempt to coordinate market and impact evaluation activities for projects that receive support from multiple sources in order to maximize the efficiency of data collection and avoid participant survey fatigue.