

Transaction Profile

Financing in action

EAST LIGHT PARTNERS, PBC

Bridge loan to support the deployment of community solar projects in New York State



Bridge loan proceeds will finance late-stage development costs for community distributed generation (CDG) and large-scale solar photovoltaic projects.

Market Barriers and Solutions

Solar project developers are often expected to pay for interconnection expenses as they finalize construction financing arrangements, which limits project deployment. NY Green Bank bridges the period to finalize financing arrangements for projects which have completed the CESIR or Facilities Study process. This creates an easier path forward for developers to enable greater distributed generation 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.

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: **\$5.0 million**

Counterparties:

(Project Developer) East Light Partners, PBC

Product: **Interconnection bridge loan**

Date closed: **December 2021**

Estimated lifetime metric tons

CO₂e reduced: **1,160,350**

Technology: **Solar**

Location: **Statewide**

End-use segment: **Multiple end-users**



“East Light Partners is thrilled to build on our previous successful collaboration with NY Green Bank to bring more community- and large-scale renewables to New York State.”

East Light Partners



Bridge Loan to Support the Deployment of Community Solar Projects in New York State

East Light Partners, PBC

On December 22, 2021, NY Green Bank (“**NYGB**”) provided a \$5.0 million interconnection bridge loan facility (the “**Bridge Loan**”) to ELP BV II, LLC (“**Borrower**”), owning projects developed by East Light Partners PBC (“**East Light**”). Bridge Loan proceeds will finance late stage development costs for community distributed generation (“**CDG**”) and large-scale solar photovoltaic projects.

Transaction Description

East Light is developing a portfolio of CDG and LSR solar projects in NYS and requested that NYGB provide a \$5.0 million Bridge Loan to finance late-stage development costs for such projects, including interconnection deposits due under the New York State Public Service Commission (the “**Commission**”) Standardized Interconnection Requirements and Application Process.¹

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 Commission on June 20, 2016.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset & Investment	Bridge Loan	\$5.0 million

Locations of Underlying Projects

Capital Region. The first project in the Bridge Loan is located in Saratoga County, NY.

Types of Client & Counterparty Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	East Light Partners, PBC	Energy Project Developer

¹ Under the revised NYS Standardized Interconnection Requirements, within 60 business days of receiving the Coordinated Electric System Interconnection Review (“**CESIR**”) results, interconnection applicants must pay the applicable utility 25.0% of the interconnection upgrade estimates.

² Case 13-M-0412.

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Solar Project Developers	Solar project developers are often expected to pay for interconnection expenses as they finalize construction financing arrangements, which limits project deployment	NY Green Bank bridges the period to finalize financing arrangements for projects which have completed the CESIR or Facilities Study process. This creates an easier path forward for developers to enable greater distributed generation deployment.
Capital Market 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.
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

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB’s minimum investment criteria specifically require that “transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse [(‘GHG’)] reductions in support of New York’s energy policies”.³ In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported on⁴:

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

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

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annualized Low Estimate	Annualized High Estimate
Estimated clean energy generated (MWh)	811,877	811,877	32,475	32,475
Estimated clean energy generation installed capacity (MW) ⁵	8.00	8.00	N/A	
Estimated GHG emission reductions (metric tons) ⁶	16,245	16,245	406,122	406,122

Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occurs when a critical mass of NYGB financing and investment arrangements are put in place, approximately three to five years following initial NYGB capital deployments. Market evaluation activities commenced in 2018 on sectors that have been supported by NYGB since its inception, and the data set will be updated going forward to include indicators specific to this and other transactions. Baseline data will be used as a comparison point against which to assess market progress in the later studies. Progress indicators are defined below for the short, mid and long-terms.

Short-term progress indicators will identify early activity levels and will be regularly tracked for the duration of the transaction. These include, but are not limited to:

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

Mid and long-term indicators will be expected to show progress through program tracking or market evaluation over time. These include, but are not limited to:

- Market volume of East Light Partners projects increases;
- General understanding of renewable energy benefits by financial community increases;
- 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 solar investment;
- Decreased project costs;

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.

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

⁶ As of January 1, 2016, the New York State Energy Research and Development Authority (“NYSERDA”) utilizes a 1,103 lbs./MWh conversion factor to estimate GHG emissions reductions for electric generation and energy efficiency savings across all components of the Clean Energy Fund. NYSERDA previously utilized a 625 lbs./MWh conversion factor.

- Volume of secondary market financing of CDG solar assets; and
- Number of new lending participants.

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

NYSERDA will evaluate the impact this transaction has had on the clean energy finance markets and the energy/environmental benefits which it delivers.

Market evaluation will address the short, mid and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (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 Community DG specifically), and influence of NYGB's participation on financial markets. As noted, baseline data was collected on key indicators in the 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 Bridge Loan raised construction financing and were completed, commissioned, and placed in service.

As with all NYGB investments, East Light Partners projects that receive an incentive or funding from other entities (e.g., utility, other NYSERDA program) will, in accordance with the Metrics Plan, be tracked in order 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. Attempts will be made to coordinate market and impact evaluation activities for these projects that receive support from multiple sources in order to maximize the efficiency of data collection and avoid participant survey fatigue.