

Transaction Profile

Financing in action

RUDARPA, INC.

Construction-to-term loan to support a portfolio of LFG-to-RNG projects in New York State



NY Green Bank's upsized facility will support the first landfill gas (LFG) to renewable natural gas (RNG) facility in Rudarpa's portfolio of projects. This facility will support cleaner energy generation by adding RNG to and displacing fossil-based natural gas from the grid.

History

On February 4, 2021, NY Green Bank closed a \$29.5 million multi-draw, construction-to-term loan to finance the construction of a LFG-to-RNG project. On August 26, 2022, NY Green Bank upsized the Facility by \$3.5 million to a new total commitment amount of \$33.0 million. The most recent upside on June 23, 2023 brings NY Green Bank's total commitment to the project to \$38.0 million.

Market Barriers and Solutions

For LFG-to-RNG Developers, post-financing construction can be an inefficient use of sponsor equity that limits new project deployment efforts in New York State. This transaction encourages an efficient use of construction-to-term financing to support project deployment.

Landfill Owners may lack the capital or expertise to operate an RNG facility. This transaction provides capital to RNG developers and operators to enable landfills to use LFG more efficiently and comply with environmental regulations while maximizing the reduction of GHG emissions.

June 2023 upside: **\$5.0 million**

Total Commitment to Rudarpa:
\$38.0 million

Counterparties:

(Project Sponsor) Rudarpa, Inc.
(Project Borrower) Rudarpa North Country, LLC

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

Date closed: **June 2023**

Estimated lifetime metric tons
CO₂e reduced: **888,591**

Technologies: **Bioenergy**

Location: **Upstate**

End-use segment: **Utility-Scale/
Grid Interconnected**



“Rudarpa Inc. is appreciative of NY Green Bank for their leadership and foresight to invest in environmental improvement projects and their continuous support through the financing and construction stages to bring these projects to fruition. We look forward to continuing our relationship to make significant environmental benefits in New York State.”

*Joe Darling, Chief Operating Officer,
Darling Transportation Energy Solutions
(Co-owner company of Rudarpa, Inc.)*



Catalyzing the Development of Renewable Natural Gas Projects in New York

RUDARPA INC.

In February 2021, NY Green Bank (“NYGB”) entered into an agreement with Rudarpa North Country, LLC (“RNC”), an indirect subsidiary wholly owned by Rudarpa, Inc. (“Rudarpa”), to provide a \$29.5 million construction-to-term loan (“Investment”) for the first Landfill Gas (“LFG”) to Renewable Natural Gas (“RNG”) project in Rudarpa’s to-be-built portfolio of LFG-to-RNG projects. In September 2022, NYGB increased its investment by \$3.5 million. On June 23, 2023, NYGB closed a \$5.0 million upside to an existing construction-to-term facility to Rudarpa Inc., bringing NYGB’s cumulative commitment to the sponsor to \$38.0 million. NYGB’s participation in this transaction will enable RUDARPA to continue to scale its growing portfolio of landfill gas to renewable natural gas projects in New York State.

Transaction Description

On February 4, 2021, NY Green Bank closed a \$29.5 million multi-draw, construction-to-term loan to finance the construction of an LFG-to-RNG project. On August 26, 2022, NY Green Bank upsized the Facility by \$3.5 million to a new total commitment amount of \$33.0 million. The most recent upside on June 23, 2023 brings NY Green Bank’s total commitment to the project to \$38.0 million.

NY Green Bank’s upsized facility will support the first LFG-to-RNG facility in Rudarpa’s portfolio of projects. This facility will support cleaner energy generation by adding RNG to and displacing fossil-based natural gas from the grid.

This Transaction Profile is provided pursuant to the updated NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.1 (the “Metrics Plan”) developed in collaboration with the NYS Department of Public Service and filed with the NYS Public Service Commission (the “Commission”) on May 2, 2022.¹ This Transaction Profile contains specific information in connection with the Rudarpa Inc. transaction entered into in June 2023, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Construction-to-Term Loan	\$5.0 million (\$38.0 million aggregate)

Location(s) of Underlying Project(s)

Upstate.

¹ Case 13-M-0412.

² See Section 4.0 at page 8 - 9 and Schedule 3.

Types of Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	Rudarpa, Inc.	Project Sponsor
	Rudarpa North Country, LLC	Project Borrower

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
LFG-to-RNG Developers	For LFG-to-RNG Developers , post-financing construction can be an inefficient use of sponsor equity that limits new project deployment efforts in New York State.	This transaction encourages an efficient use of construction-to-term financing to support project deployment.
Landfill Owners	Landfill Owners may lack the capital or expertise to operate an RNG facility.	This transaction provides capital to RNG developers and operators to enable landfills to use LFG more efficiently and comply with environmental regulations while maximizing the reduction of GHG emissions.

Technologies Involved

Technology	Measures
Bioenergy	LFG-to-RNG Technology

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB's minimum investment criteria require that "transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas ("**GHG**") emission 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:⁴

- Estimated lifetime and annual total energy savings (MMBtu)
- Estimated lifetime and annual natural gas fuel savings (MMBtu equivalent)

The estimated gross lifetime and annual energy and environmental impacts of the investment are as follows:

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annual Low Estimate	Annual High Estimate
Estimated total energy savings (MMBtu equivalent)	9,510,900	17,088,343	634,060	1,139,223
Estimated natural gas fuel savings (MMBtu)	Same as above			
GHG emission reductions (metric tons)	494,565	888,591	32,971	59,239

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 at pages 2 - 6.

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 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.⁵ NYSERDA collected baseline data for the NYGB portfolio 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 and location of projects financed by the investment;
- Aggregate expected energy savings for projects financed by the investment.

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

- Increased general understanding of environmental benefits of LFG-to-RNG projects by financial community;
- Increased awareness and use of loan performance data by financing entities;
- Increased awareness and use of project/technology performance data by financing entities;
- Decreased costs of future LFG-to-RNG projects; and
- Presence 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 it delivers.

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., financial community) to track information including but not limited to: project scale information 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 investment raised construction financing and were completed, commissioned, and placed in service.

In accordance with the Metrics Plan, NYGB will track Rudarpa projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA programs) 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.

⁵ See Metrics Plan, Section 3.3 at page 7 - 8.