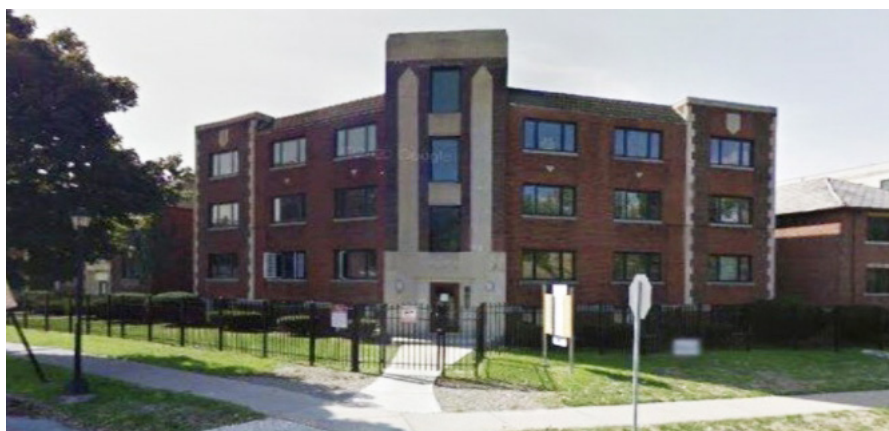


Transaction Profile

Financing in action

e2i

Multi-draw term loan facility to support high-performance, electric, affordable housing in New York State



NY Green Bank's facility will lend against State and utility incentives, enabling e2i to secure financing to build and retrofit high-performance, electric, affordable multifamily homes in New York State.

Market Barriers and Solutions

Small real estate developers are challenged to meet federal regulations mandating that high velocity commercial real estate (HVCRE) loans require an equity contribution of at least 15% of stabilized property value. By lending against incentives, NY Green Bank has created a replicable solution for real estate developers in New York State who need to secure financing for energy efficient buildings.

Low- to moderate-income communities face a shortage of high-performance energy efficient housing choices. This transaction better enables e2i to rent its energy efficient units at affordable rates, in turn reducing carbon emissions, improving health outcomes, and broadening the housing market for these households and their communities.

Transaction amount: **\$8 million**

Counterparties:

(Project Sponsor)

e2i dba Clean Asset Co., LLC

(Project Borrower)

e2i dba Clean Borrowing Co., LLC

(Project Guarantor)

e2i Principals

Product: **Multi-draw term loan**

Date closed: **March 2022**

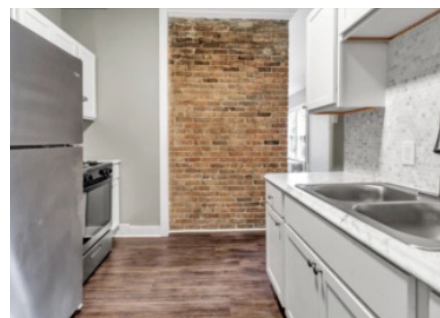
Estimated lifetime metric tons

CO₂e reduced: **68,009**

Technologies: **Energy efficiency / building decarbonization**

Location: **Upstate New York**

End-use segment: **Housing**



“NY Green Bank has been hugely supportive of our growth and will help us bring thousands of affordable green apartment units to New York over the next 5–7 years. Their team is smart, creative, flexible, and accommodating. They worked with us to create a solution that works for our current company size and a structure that will scale as we grow as a business.”

Adam Serbert, President and Founding Partner, e2i

Multi-draw term loan facility to support high performance electric affordable housing in New York State

e2i

On March 18, 2022, NY Green Bank (“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 New York State (“NYS”). NYGB’s facility will lend against state and utility incentives, enabling e2i to secure financing to build and retrofit high performance, electric, affordable multifamily homes in NYS.

Transaction Description

e2i, a NYS-based developer, builds and retrofits high performance electric affordable multifamily housing projects that are eligible for energy efficiency incentives through the state government and utilities. The NYGB facility offers an innovative financing solution to lend against these incentives and allow e2i to secure financing for mid- to large-scale housing projects.

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 e2i transaction entered into in March 2022, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Multi-Draw Term Loan	\$8.0 million

Location(s) of Underlying Project(s)

Upstate. Projects will be located in western NY.

Types of Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	e2i dba Clean Asset Co., LLC	Project Sponsor
Counterparty	e2i dba Clean Borrowing Co., LLC	Project Borrower
Counterparty	e2i Principals	Project Guarantors

¹ Case 13-M-0412.

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

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Small real estate developers	Small real estate developers are challenged to meet federal regulations mandating that high velocity commercial real estate (HVCRE) loans require an equity contribution of at least 15% of stabilized property value.	By lending against incentives, NYGB has created a replicable solution for real estate developers in NYS who need to secure financing for energy efficient buildings.
Low-to-moderate income communities	Low-to-moderate income communities face a shortage of high-performance energy efficient housing choices.	This transaction better enables e2i to rent its energy efficient units at affordable rates, in turn reducing carbon emissions, improving health outcomes, and broadening the housing market for these households and their communities.

Technologies Involved

Technology	Measures
Energy Efficiency / Electrification	High performance building envelope; lighting; HVAC system; hot water system; EV charging

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 equivalent)
- 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)	427,162	1,281,485	9,492	28,477
Estimated natural gas fuel savings (MMBtu)	Same as above			
Estimated GHG emission reductions (metric tons)	22,670	68,009	504	1,511

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

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.

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:

- Increase in market volume of energy efficient properties;
- Increase in general understanding of energy efficient properties by the financial community;
- Increase in general understanding of real estate predevelopment financing of energy efficiency properties by the financial community;
- Increased awareness and use of energy efficiency investment performance data by financing entities;
- Demonstration of competitive risk-return profiles for energy efficient properties;
- Decreased operating costs of energy efficient properties; and
- Increased 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 e2i 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.