

Transaction Profile

Financing in action

TENET ENERGY, INC.

Revolving credit warehouse facility to support the financing of electric passenger vehicles (“EVs”) in New York State



NY Green Bank’s facility will lend against EV auto loans originated by Tenet. This financing will provide Tenet with additional capital to provide financing to EV owners in New York State. The facility will allow Tenet to grow its EV auto loan portfolio and efficiently monetize auto loans through private securitizations or loan sales.

Market Barriers and Solutions

Automobile consumers often face the hurdle of affordability when considering EV adoption compared to traditional internal combustion engine vehicles. NY Green Bank’s facility supports a company that allows consumers to finance their EV loans at affordable rates.

NY Green Bank’s facility sets a precedent for **capital market participants** by providing a first-of-its-kind, scalable financing that allows the development of an EV loan portfolio to be refinanced through a securitization or sale.

Transaction amount: **\$10.0 million**
(with **\$15.0 million** accordion feature)

Counterparties:

(Project Sponsor) **Tenet Energy, Inc.**
(Project Borrower) **Tenet Empire State I, LLC**

Product: **Revolving credit facility**

Date closed: **November 2022**

Estimated lifetime metric tons
CO₂e reduced: **65,577**

Technologies: **Clean transportation**

Location: **Statewide**

End-use segment: **Transportation**



“The support from NY Green Bank is a great first step in utilizing innovative ESG capital market opportunities to increase the affordability of zero-emission vehicles. We are excited to support each other, to further incentivize New Yorkers to adopt zero-emission technologies, and to continue to make EV ownership a smarter financial decision”

Alex Liegl, Co-Founder and CEO of Tenet

Revolving credit warehouse facility to support the financing of electric passenger vehicles in New York State

TENET ENERGY, INC.

On November 10, 2022, NY Green Bank (“NYGB”) closed a \$10.0 million revolving credit facility, with a \$15.0 million accordion feature, to Tenet Energy, Inc (“Tenet”). NYGB’s facility will lend against electric vehicle (“EV”) auto loans originated by Tenet. This financing will provide Tenet with additional capital to provide financing to EV owners in New York State. The facility will allow Tenet to grow its EV auto loan portfolio and efficiently monetize auto loans through private securitizations or loan sales.

Transaction Description

Tenet Energy, Inc. is an early-stage, financial technology startup founded in 2021 by Alex Liegl, Andreas Wallendahl, and Paul Sebexen. Tenet’s online platform offers auto-financing to EV owners and plans to originate EV auto loans through refinancing of vehicle and at vehicle purchase. Tenet differentiates itself from other auto loan providers by offering auto loans exclusively for EVs with an option to defer up to 25% of principal until loan maturity, and offers customers adjustable rates based on their preference for either a lower monthly interest rate or lower monthly payments.

This transaction represents NYGB’s first clean transportation investment supporting electric vehicles. Automobile consumers often face the hurdle of affordability when considering EV adoption compared to traditional Internal Combustion Engine vehicles. NYGB’s facility supports a company which allows consumers to finance their EV loans at affordable rates.

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 Tenet Energy, Inc. transaction entered into in November 2022, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Revolving Credit Facility	\$10.0 million (with \$15.0 million accordion feature)

Location(s) of Underlying Project(s)

Statewide. Projects will be located across NYS.

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	Tenet Energy, Inc.	Project Sponsor
	Tenet Empire State I, LLC	Project Borrower

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Automobile consumers	Automobile consumers often face the hurdle of affordability when considering EV adoption compared to traditional Internal Combustion Engine vehicles.	NY Green Bank's facility supports a company which allows consumers to finance their EV loans at affordable rates.
Capital market participants	There are limited precedents for loans of this kind in the clean transportation market.	NY Green Bank's facility sets a precedent for capital market participants by providing a first-of-its-kind, scalable financing that allows the development of an EV loan portfolio, to be refinanced through a securitization or sale.

Technologies Involved

Technology	Measures
Clean Transportation	Electric Vehicles

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 gross lifetime and annual GHG emission reductions (metric tons).

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 GHG emission reductions (metric tons)	18,722	65,577	1,248	4,372

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 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.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 tracking and/or future market evaluation will demonstrate progress across medium- and long-term indicators, including:

- Increased and sustained demand for technology;
- General understanding of asset class by financial community increases;
- Increased awareness and use of project/technology performance data by financing entities;
- Demonstration of competitive risk-return profiles for nascent asset classes;
- Decreased project costs;
- Number of secondary capital market 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 Tenet Energy, Inc. 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.