



NY Green Bank
A Division of NYSEERDA

New York State – Initiatives and Futures

NY Green Bank's Evolving Role in the Marketplace

Solar & Storage Finance USA

October 30, 2017

New York, NY

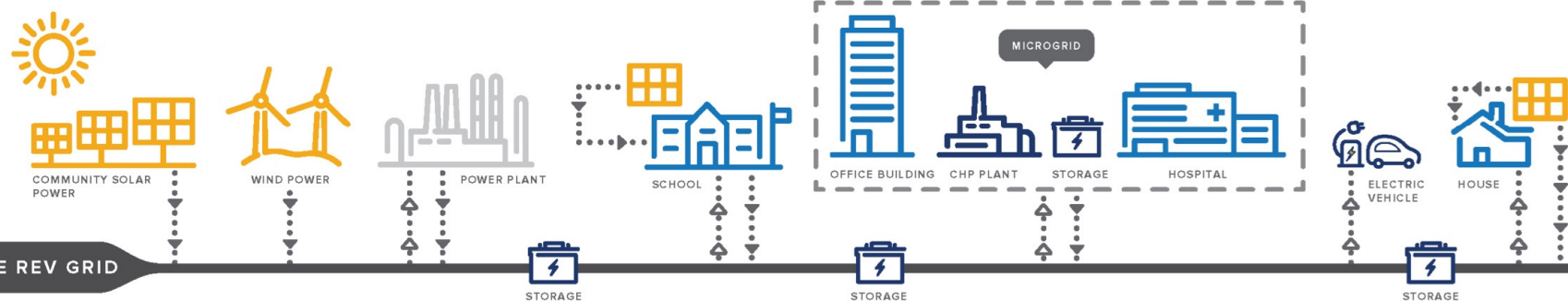
NY Green Bank Advances New York's Clean Energy Investments

Mission:

To accelerate clean energy deployment in New York by working in collaboration with the private sector to transform financing markets

- **What:** A \$1 billion State-sponsored investment fund
- **How:** By mobilizing greater private sector activity to increase the availability of capital for clean energy projects
- **Why:** To alleviate financing gaps in New York's clean energy markets and create a cleaner, more resilient and affordable energy system

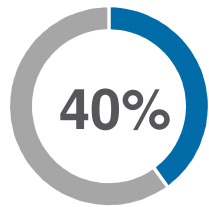
New York's Solution: Reforming the Energy Vision (REV)



Reforming the Energy Vision (REV):

Governor Andrew M. Cuomo's strategy to build a clean, resilient and affordable energy system for all New Yorkers

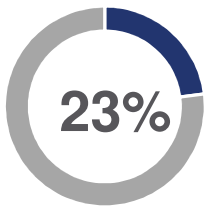
REV's Clean Energy Goals for 2030



Reduction in greenhouse gas emissions from 1990 levels



Electricity will come from renewable energy sources



Decrease in energy consumption in buildings from 2012 levels

New York Pursuing a Strategy to Enable Resilient Infrastructure and Address Financing Gaps

Sustainable infrastructure solutions need...

- ✓ Project developers
- ✓ Economically and technically feasible projects
- ✗ Readily available sources of capital

... but market barriers make it difficult for capital providers to easily finance sustainable infrastructure

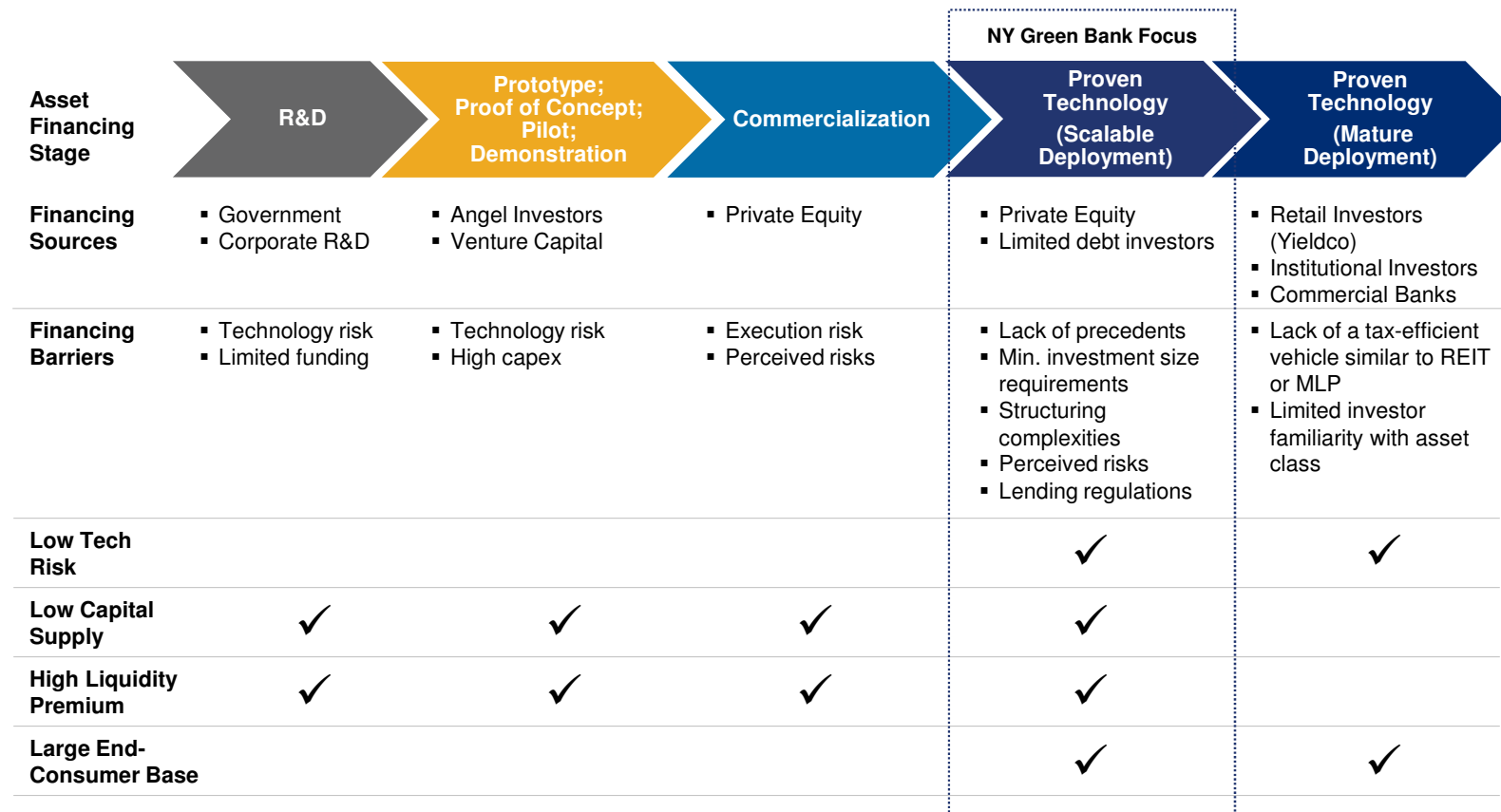
- Unfamiliar structures
- Multiple risk exposures
- New counterparty credits
- Small transaction sizes
- Minimal standardization
- Uncertainty as to scale
- Lack of industry and product coverage clarity
- Lack of sponsorship
- Tenor issues

NY Green Bank Addressing the Financing Gaps

As policy drives ongoing regulatory shifts, further opportunities will present within the financing market

NY Green Bank designs and provides the necessary business models and transaction types that are needed to adequately finance a more resilient, more heavily distributed and more clean energy-oriented grid

Investment Focus



Sustainable Infrastructure Technology Focuses



CLEAN ENERGY GENERATION



CLEAN ENERGY STORAGE



ENERGY EFFICIENCY



SUSTAINABLE AGRICULTURE



**SUSTAINABLE
TRANSPORTATION**



SUSTAINABLE WATER

Investment Criteria

Transactions must meet the following criteria:

- Demonstrate potential for energy savings and/or GHG reductions in support of New York's clean energy policies;
- Demonstrate how the transaction contributes to market transformation; and
- Be economically and technically feasible and provide financial returns to NY Green Bank.

Participation in Transactions

- Energy Services Contract Monetization Portfolios
- Community Solar Debt Portfolio
- Energy Efficiency Loan Warehouse
- Middle Market Commercial Solar Warehouse
- C&I Energy Efficiency ESA Loan Portfolios
- Battery Storage and Fuel Cell Project Capital
- Residential Solar PPA Back-leverage Warehouse
- Credit Enhancement
- Energy Efficiency Residential ESA Monetization Warehouse
- Utility On-Bill Warehouse
- Low Carbon Transportation Financing Solutions
- Street Lighting Savings Monetization Warehouse
- Residential Solar Loan Portfolio
- C&I CHP Debt Portfolio
- Utility-Scale Wind Project with Merchant Risk Element

Illustrative Sample of Counterparties to Date



GUGGENHEIM



Portfolio Goals and Performance to Date

Stimulating New Clean Energy
Proposals in the State

\$2.1 B

worth of investment proposals since inception

Revenue Growth Paving the Way
to Self-Sufficiency

\$17.8 MM

in revenue generated since inception

Portfolio Driving Material Clean
Energy Investments Across NY

\$409.4 MM

in technologies, end-users, and geographies

Strong Active Pipeline

\$588.3 MM

worth of transactions moving towards closing

Contributing to REV & the CES

4.3-5.8 MM

metric tons worth of lifetime GHG reductions

Mobilizing Capital

3:1 Mobilization Ratio

target level for Total Project Costs

NY Green Bank's 2017 – 2018 Planned Activities to Meet Objectives

Objectives as per NY Green Bank 2017 Business Plan

- Prudently put ratepayer money to work: Committing to investments over fiscal year (average \$50 million/quarter)
- Maintain average, portfolio-wide Mobilization Ratio of at least 3:1
- Maintain self-sufficiency: Continue to grow revenues and manage expenses to maintain self-sufficiency and generate net income

United States Climate Alliance & NY Green Bank Expansion

- United States Climate Alliance (USCA) launched by Governors Cuomo, Inslee and Brown – bi-partisan coalition of 14 States committing to meeting goals of Paris Agreement
- Climate Alliance States represent more than 36% of US population and at least \$7 trillion in GDP
- USCA Sept. 20 announcement noted all 14 USCA states on track to hit Paris climate goals, and included reference to **expansion of NY Green Bank** – which will seek to provide financing for sustainable infrastructure projects outside New York, and is planning to raise at least \$1 billion in private sector capital

Working with Us

Open Solicitations

- **RFP 1:** Clean Energy Financing Arrangements
- **RFP 7:** Construction & Back-Leveraged Financing for Ground-Mounted Solar
- **RFP 8:** Efficiency & Renewables Financing Arrangements: Building & Property Owners

Elements of a strong transaction

- Capable and experienced management team
- Quality counterparties
- Interested and engaged private sector capital providers
- Identified and well articulated role for NYGB
- Traditional project finance / “bankability” concerns have been evaluated
- A financial model with realistic assumptions

Visit greenbank.ny.gov for NY Green Bank’s investment requirements and instructions for online submissions.

Contact us at info@greenbank.ny.gov
to discuss potential investment ideas



NY Green Bank
A Division of NYSERDA