



## **Cuomo unveils first NY Green Bank transactions for clean energy projects**

November 24, 2014 - Green Buildings

According to governor Andrew Cuomo, the first transactions of NY Green Bank to kick off clean energy projects across New York have been completed. These initial transactions, supported and agreed to in principle, will produce investments totaling \$800 million. The projects, which are traditionally difficult for the private sector to finance, were made possible by NY Green Bank's participation and are expected to result in an annual reduction of 575,000 tons of carbon dioxide.

"By leveraging the financial capacity of the private sector with an eye toward clean energy projects, NY Green Bank is creating a cleaner state for all New Yorkers," Cuomo said.

"The state's contribution to these projects will support jobs and economic activity in our communities, and it is helping to grow the market for clean technology in New York by paving the way for more frequent and accessible funding going forward."

NY Green Bank partners with private-sector lenders to support these projects that cannot otherwise access the financing to make them happen. This is typically due to market barriers such as federal policy uncertainty, insufficient performance data and the lack of publicly-traded capital markets for clean energy. By providing financial products to the lenders, such as credit enhancement, loan loss reserves and loan bundling, NY Green Bank alleviates these barriers, backing clean energy projects that create jobs and help make New York's communities more sustainable.

The total estimated carbon dioxide reduction from the \$800 million in investments is approximately equivalent to removing 120,000 cars from the road each year or planting 15 million trees per year. A complete list of NY Green Bank transactions and roles for investments across New York State is available [HERE](#).

NY Green Bank also benefits ratepayers because it operates in the same way a commercial entity would by making investments that will be repaid at market rates. Additionally, by demonstrating the value of new financial arrangements and reducing risk, NY Green Bank and its private partners are creating a path forward for similar transactions to occur more regularly, on their own and without direct public financing.

The parties to the seven transactions announced today include Ameresco, Bank of America Merrill Lynch, BQ Energy, Citi, Deutsche Bank, First Eastern Investment Group, First Niagara Bank, GreenCity Power, M&T Bank, Renewable Funding, Sustainable Development Capital and Tulum Management. Terms are still being finalized and NY Green Bank is working to close the transactions by year-end.

NY Green Bank's market focused approach of addressing financing barriers and enabling access to private capital makes it a first-of-its-kind institution that will increase investments in New York's clean

energy economy. Today's announcement demonstrates how NY Green Bank facilitates clean energy projects that otherwise would not have happened by overcoming market barriers, including:

• Lack of demonstrated scale required for institutional investor involvement in certain transaction types and project deployment models

• Transaction complexity amplified by the lack of precedent transactions and standardization

• Tenor and other lending constraints impacted by bank regulatory environment

• Concentration of project finance and/or structured finance experience in institutions that may not be the most logical capital providers for small and medium scale projects

The transactions reflect the diversity of NY Green Bank's existing pipeline in terms of the various clean energy technology types, as well as the widespread geographic distribution across New York - from a small-scale commercial solar project in Lackawanna, to facilitating more cogeneration projects in New York City, to broadening energy efficiency investments across the state. Additional transactions are expected to be announced in the coming months.

Richard Kauffman, chairman of energy and finance for New York, said, "These transactions demonstrate NY Green Bank is working exactly how it is supposed to, through collaboration with the private sector and addressing the very issues that are preventing them from fully engaging in the clean energy marketplace. Each of these arrangements proves the private sector is ready to engage in public-private partnerships to drive a significant increase in New York's clean energy economy, benefitting all New Yorkers. Today's announcement cements New York's strategy to transition to a more environmentally and economically sustainable energy infrastructure."

NY Green Bank president Alfred Griffin said, "These financing arrangements demonstrate that NY Green Bank's market-driven approach to supporting clean energy deployment on commercial terms attracts real interest from the private sector. Each arrangement addresses financing barriers in the clean energy market identified by private sector financiers and developers. Today's announcement ultimately signifies that it makes good business sense to invest in this steadily growing industry."

Bank of America head of renewable energy finance Todd Karas said, "We are excited about the potential of this co-investment strategy and the additional capabilities it allows us to pursue with energy efficiency projects within New York State. This strategy fits well as part of Bank of America's 10-year, \$50 billion environmental business initiative to address climate change and demands on natural resources."

BQ Energy managing director Paul Curran said, "Utility scale solar energy projects, including those on brownfields, are actually low risk in nature. However, the projects are new to even the strongest global commercial and New York-based regional banks. NY Green Bank has been a facilitator for this financing, bringing expertise in both the technology and risk management, allowing all parties to get comfortable with the transaction."

First Eastern Investment Group CEO Victor Chu said, "First Eastern is absolutely delighted to be partnering with SDCL as the equity provider for this significant initiative, working to expand energy efficiency efforts in New York. I would like to commend NY Green Bank for the important role it has

played in facilitating our investment program's entrance into New York."

GreenCity Power co-founder Aaron Walters said, "NY Green Bank launched one of the most innovative and commercially grounded programs we've seen in the energy sector over the last decade. We are grateful for its participation, which catalyzed our ability to deliver a 'Carbon Dividend' to New York City's building owners, benefitting the City economy and its residents."

M&T Bank vice president of Middle Market Lending Susan Freed-Oestreicher said, "We believe the solar energy industry has the potential to generate further business investment in Western New York and helping to finance this economic development project makes sense for M&T Bank because it's good for both our business and our community. We look forward to continuing our work with BQ Energy and New York Green Bank to make this project the next economic development success for our community."

Renewable Funding CEO Cisco DeVries said, "Renewable Funding is excited to bring low cost energy efficiency loans to New York in partnership with NY Green Bank. The WHEEL program's expansion into New York is a major milestone in the efforts to create the large-scale capital necessary for this emerging market. The team at NY Green Bank has been exceptional to work with, and we look forward to getting our program underway soon."

Sustainable Development Capital CEO Jonathan Maxwell said, "We are delighted to be working with NY Green Bank as one of its first collaborators to make energy efficiency project investments in New York State. We manage government-backed energy efficiency investment funds in the UK, Republic of Ireland and Singapore, and NY Green Bank's credit facility has accelerated our plans to make investments in New York by enabling us to create a scalable investment program and attract additional capital. As we have done in other markets, we are seeking to apply our expertise to bring creative investment solutions that improve the performance of energy infrastructure, reduce negative environmental performance impacts, and enhance financial performance and resilience for New York buildings and assets."