

# NY GREEN BANK FREQUENTLY ASKED QUESTIONS

## 1. WHAT IS THE NEW YORK GREEN BANK?

The New York Green Bank (“NY Green Bank”), a division of NYSEERDA, is a \$1 billion initiative proposed by Governor Andrew M. Cuomo in his 2013 State of the State address. A key objective of the NY Green Bank is to attract private sector financing for energy efficiency and clean energy projects. The NY Green Bank is a central component of Governor Cuomo’s strategic statewide vision to scale up clean energy markets, enhance New York State’s competitiveness for clean energy businesses, and make the State’s energy systems more resilient.

## 2. WHAT ARE THE OBJECTIVES OF THE NY GREEN BANK?

NY Green Bank will foster greater private sector investment in projects deploying commercially-proven energy efficiency, renewable energy, and other clean technologies. NY Green Bank support will be oriented towards project-related financings and investment will not be made directly in operating businesses.

NY Green Bank will strive to achieve the following objectives:

- Provide a bridge to a self-sustaining, efficient market for clean energy and energy efficiency;
- Leverage private sector capital to develop sustainable clean energy financing markets;
- Increase the amount of clean energy deployed for every dollar of New York State money spent;
- Animate capital markets for the clean energy sector, so as to reduce the cost of capital and the need for government support; and
- Spur economic development and clean energy jobs across the State.

## 3. WHAT TYPE OF FINANCIAL INSTITUTION IS NY GREEN BANK?

The NY Green Bank is not a conventional bank, as it will not accept deposits and will generally not offer loans or financing directly to consumers. Rather, it will partner with financial institutions and industry participants such as energy service companies, developers and equipment manufacturers to support economically viable clean energy projects. In most cases, the NY Green Bank will invest alongside other capital providers and industry participants who deal directly with end use customers.

## 4. HOW IS NY GREEN BANK FUNDED?

On December 19, 2013, the New York Public Service Commission (PSC) approved an initial \$165 million in funding for the NY Green Bank from idle clean energy ratepayer funds.

This funding will be combined with at least \$45 million already allocated to the NY Green Bank from emission allowances sales under the Regional Greenhouse Gas Initiative. Future funding for the NY Green Bank is likely to come from these sources, pursuant to subsequent proceedings.

## 5. WHAT GENERAL INVESTMENT CRITERIA WILL BE USED BY THE NY GREEN BANK?

Financial transactions entered by the NY Green Bank will be evaluated in the context of the following threshold criteria:

- Transactions will have expected financial returns such that the revenues of the NY Green Bank on a portfolio basis will be in excess of expected portfolio losses;
- Transactions will be expected to contribute to financial market transformation in terms of

scale, improved private sector participation, level of awareness and confidence in clean energy investments, and/or other aspects of market transformation; and

- Transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas reductions in support of New York State's clean energy policies.

## 6. WHAT SORT OF RISK MANAGEMENT PROCESSES WILL NY GREEN BANK EMPLOY?

The NY Green Bank is a division of the New York State Energy Research and Development Authority (NYSERDA) and will operate within NYSERDA's system of internal controls. In addition, the NY Green Bank will seek to apply banking and investment industry best practices with regard to risk management and compliance, including processes and procedures for evaluating and selecting proposals. An investment committee, which will include senior officers of the NY Green Bank and NYSERDA, will be required to approve any material financial transaction prior to closing.

## 7. HOW WILL NEW YORKERS BENEFIT FROM THE NY GREEN BANK?

All New Yorkers stand to gain from a cleaner environment, a more resilient energy system, and economic benefits including the creation of new jobs as a result of newly financed projects and the accelerated expansion of New York State's clean energy economy. In addition, the NY Green Bank will increase private investor confidence in clean energy projects and maximize the leverage of public sector capital by expanding private investment in these projects and by recycling funds: as NY Green Bank investments mature, the funds will be used again to support additional beneficial clean energy projects.

## 8. WHEN WILL THE NY GREEN BANK BE OPEN FOR BUSINESS AND HOW CAN INTERESTED PARTIES ENGAGE?

The NY Green Bank expects to engage potential partners early in the first quarter of 2014. Those interested in learning more about the NY Green Bank are encouraged to [sign up to receive upcoming information](#).

## 9. WHAT WILL THE NY GREEN BANK'S RELATIONSHIP BE WITH CURRENT INCENTIVE PROGRAMS?

NY Green Bank financing does not preclude the use of available incentives. Where applicable, the NY Green Bank will work to complement existing incentive programs, ensuring an integrated and optimal use of ratepayer funds.

## 10. WHAT WILL BE THE GREEN JOBS-GREEN NEW YORK (GJGNY) PROGRAM'S RELATIONSHIP TO THE NY GREEN BANK?

The GJGNY program, and the funding authorized in the original legislation, will continue to be offered in accordance with the authorizing legislation. The NY Green Bank will not draw funding from the GJGNY program. However, NY Green Bank finance solutions may enhance and/or support GJGNY program activities.

