

Bridge Loan to Support the Deployment of Community Solar Projects

Eden Renewables, LLC

On November 8, 2019, NY Green Bank (“NYGB”) provided a 24-month senior secured \$2.5 million bridge loan facility (the “Bridge Loan”) to Eden Devco Borrower LLC (“Borrower”), which is owned by Eden Devco LP (“Sponsor”), a limited partnership that is managed by Eden Renewables LLC (“Eden”). On March 31, 2020, NYGB increased the Bridge Loan size to \$4.3 million. On August 28, 2020 NYGB further increased the Bridge Loan size to \$6.3 million. Bridge Loan proceeds will finance project interconnection deposits to National Grid for community distributed generation (“CDG”) solar projects. This transaction is expected to provide New York State (“NYS”) residents and businesses with a greater variety of energy choices and, ultimately, lower-cost clean energy opportunities.

Transaction Description

Eden is developing a portfolio of CDG solar projects in NYS. NYGB loan proceeds finance interconnection deposits to National Grid for such projects, due under the New York State Public Service Commission (the “Commission”) Standardized Interconnection Requirements and Application Process.¹

This transaction is expected to support up to 84.5 MW of solar assets in the State which is expected to: (i) provide commercial and residential project subscribers access to reliable, clean, low-cost energy; and (ii) reduce up to 373,019.0 metric tons of greenhouse gas (“GHG”) emissions annually in NYS. As there has been an increasingly strong demand for CDG solar throughout NYS, capital providers are recognizing, and will continue to recognize, the value in providing financing to enable the deployment of these projects. NYGB expects the Bridge Loan product to serve a template for private capital providers.

This Transaction Profile is provided pursuant to the “NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.0” (the “Metrics Plan”) developed in collaboration with the NYS Department of Public Service and filed with the Commission on June 20, 2016.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Bridge Loan	\$6.3 million

Location(s) of Underlying Project(s)

Statewide.³ Projects will be located throughout NYS.

¹ Under the revised NYS Standardized Interconnection Requirements, within 90 business days of receiving the Coordinated Electric System Interconnection Review (“CESIR”) results, interconnection applicants must pay the applicable utility 25.0% of the interconnection upgrade estimates. Interconnection applicants will then pay the remaining balance of the interconnection upgrade estimates within 120 business days from the date that the initial deposit was made.

² Case 13-M-0412.

³ Defined as projects located in four or more regions of the State.

Types of Client & Counterparty Organizations that are Transaction Participants

	Name	Participant Type
Client	Eden Renewables LLC	Energy Project Developer
Counterparties (current)	National Grid	Electric Utility

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Solar Project Developers	Interconnection and construction financing are an inefficient use of sponsor equity, which limits project deployment efforts and effectively restricts the amount of distributed generation development in NYS.	These transactions encourage a more efficient use of sponsor equity and supports project development efforts in NYS by providing interconnection and construction financing to a project developer. NYGB's role helps to create an easier pathway forward for developers and enable greater deployment of distributed generation assets throughout the State.
Capital Market Participants	As a relatively new form of clean energy project, CDG lacks financing precedents and has limited performance history in NYS. As such, it can be more difficult for private sector capital providers to assess and price the underlying risk exposures associated with distributed generation project investments.	Projects supported by these transactions will generate project and customer performance data to draw new investors and financial institutions into the marketplace by demonstrating that competitive risk-return profiles can be achieved by distributed generation enabled business models.
CDG Subscribers	Due to project siting, property ownership and consumer preference issues, on-site solar project installations may not be viable for many NYS homeowners, renters, and businesses. This limits solar access to those with suitably sited homes or businesses.	These transactions support the deployment of CDG solar projects, which provide those who are not otherwise able to install solar energy generation systems on their property (e.g., homeowners whose rooftops cannot support solar systems, renters and those who cannot afford solar stand-alone systems), with increased access to clean, low-cost energy, regardless of where their home or business is located.

Technologies Involved

Technology	Measures
Renewable Energy	Solar photovoltaic systems

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB's minimum investment criteria specifically require that "transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse ("GHG") reductions in support of New York's energy policies".⁴ In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported⁵:

- Estimated gross lifetime and first-year electricity savings (MWh);
- Estimated gross lifetime and first-year fuel savings (MMBtu); and

⁴ 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.

⁵ See Metrics Plan, Section 2.0, pages 2 - 6.

- Estimated gross lifetime and first-year GHG emission reductions (metric tons).

The estimated gross lifetime and first-year energy and environmental impacts of the Bridge Loan, are as follows:

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annualized Low Estimate	Annualized High Estimate
Estimated clean energy generated (MWh)	745,700.00	1,739,967.00	29,828.00	69,599.00
Estimated clean energy generation installed capacity (MW) ⁶	25.34	59.12	Not Applicable	
Estimated GHG emission reductions (metric tons)	373,019.00	870,378.00	14,921.00	24,815.00

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.⁷ NYSERDA collected baseline data for the solar sector 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 (i.e., generation capacity and expected dollar value) and location of projects financed by the Facility;
- Aggregate expected energy generation for projects financed by the Facility; and
- The number of projects that finalize construction financing arrangements.

NYGB expects that program tracking and/or future market evaluation will demonstrate progress across medium- and long-term indicators; including:

- Increased market volume of CDG projects;
- Increased general understanding of renewable energy benefits by financial community;
- Increased awareness and use of CDG subscriber performance data by financing entities;
- Increased awareness and use of project/technology performance data by financing entities;
- Demonstration of competitive risk-return profiles for CDG investment;
- Decreased project costs;
- Increased volume of secondary market financing of distributed solar assets; and
- Presence and 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 which 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., project subscribers, financial community) to track information including but not limited to: participation rates, project scale information, interest in solar financing (generally and with regard to CDG specifically), 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

⁶ Installed clean energy generation capacity at full deployment of funds is the same for first-year and lifetime duration.

⁷ See Metrics Plan, Section 3.3 at page 7.

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 Bridge Loan raised construction financing and were completed, commissioned, and placed in service.

In accordance with the Metrics Plan, NYGB will track OYA projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA program) 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.