

**NASEO State Energy Financing Committee Call
Thursday, November 13, 2013; 3:00pm-4:00pm ET**

Attendees

Alabama Energy Division	New Hampshire Office of Energy and Planning
Alaska Energy Authority	New Mexico Energy Conservation and Management Division
Baker/Tilly	New York State Energy Research and Development Authority
Buildings Performance Institute	Oklahoma Office of Community Development
Cadmus	Project Energy Savers
Center for Climate and Energy Solutions	Rhode Island Office of Energy Resources
Delaware Division of Clean Energy and Climate Energy Programs Consortium	SAIC
Hannon Armstrong	Tennessee Office of Energy Programs
Maine Governor's Energy Office	Virginia DMME Energy Division
Maryland Energy Administration	Walmart
Missouri Division of Energy	Wisconsin State Energy Office
Nebraska Energy Office	

Announcements

Financing Committee Co-Chair Al Christopher, Energy Division Director in Virginia, opened the call and reviewed the agenda.

Introducing the New York Green Bank

Financing Committee Co-Chair Jeff Pitkin, Treasurer of the New York State Energy Research and Development Authority (NYSERDA), delivered a presentation on NYSEDA's plan to launch a \$1 billion New York Green Bank. Launched in September 2013 by Governor Andrew A. Cuomo with a petition to use approximately \$165 million in uncommitted funds for its initial capitalization, the Green Bank is expected to be operational by early 2014 and will be operated as a division of NYSEDA.

The Green Bank's vision is to accelerate deployment of energy efficiency and renewable energy by addressing barriers in financing, undertaking partnerships with private sector entities, and driving market confidence for the private sector to ultimately take on clean energy financing independently. A major priority of the Green Bank is to broaden access to capital in order to support projects that are economically viable but not financeable in the market currently. In the residential market, this may mean offering financing to a lower tier of FICO scores than is currently served; and, in the commercial market, the Green Bank will serve more Class 3 businesses than current market conditions enable. Unlike regulated banks, the Green Bank may hold loans with long tenors on their balance sheet, allowing it to offer innovative financial products that serve a broader customer base.

NYSERDA has identified three potential products and activities that the Green Bank may specialize in: credit enhancement, direct lending, and the development of secondary markets. Through these activities, the Green Bank will leverage private capital while serving as a prudent steward of ratepayer funders by incorporating strong risk management, internal controls, accountability, and performance measurement into its financing practices. The Green Bank is anticipated to "recycle" funds (i.e., to deploy and re-deploy capital into new investments as it recoups investments from prior projects), enabling it to preserve and grow its capital base in successive rounds of investment.

Mr. Pitkin also discussed the issuance of \$24.3 million of revenue bonds as part of NYSERDA's Green Jobs-Green New York (GJGNY) program. The bonds were rated AAA/Aaa by Standard and Poor's and Moody's and are guaranteed by the New York State Environmental Facilities Corporation (EFC) through the State Revolving Fund (SRF) program. In March 2013, the U.S. Environmental Protection Agency (EPA) granted concurrence for NYSERDA to qualify residential energy conservation projects as an eligible project qualified for financial assistance by the State Revolving Fund. NYSERDA issued the bonds, which were designated as Qualified Energy Conservation Bonds (QECBs), to finance and refinance loans funding energy efficiency improvements in one-to-four family residential structures, and expects to receive a direct subsidy reimbursement from the United States treasury for a portion of the interest costs on the bonds.

[Mr. Pitkin's presentation](#) is available on NASEO's Financing Committee page, along with [NYSERDA's petition with the Public Service Commission to provide capitalization for the Green Bank](#) and a [report by Booz & Co. summarizing findings from its market research](#) to assess the viability of the Green Bank.

Committee Action Items

Please contact Sandy Fazeli (sfazeli@naseo.org) if you have questions about state energy financing or would like to share your story with the committee.

The next Financing committee call is scheduled for January 2014. An agenda and announcement will be posted on NASEO's website and newsletter in advance of the call.