Green Jobs - Green New York (GJGNY) Advisory Council

June 9, 2015
Agenda

1:00 Welcome and Introductions  John Rhodes

1:10 GJGNY Low-to-Moderate Income (LMI) Working Group (WG): Requirement, Membership and Progress  John Rhodes

1:40 Budget update  Jeff Pitkin

2:00 Discussion: Self-Sufficiency of the GJGNY Loan Fund  Jeff Pitkin

3:00 NYSERDA Clean Energy Fund Proposal  John Rhodes

3:15 Public comment

3:30 Next Steps and Adjourn  John Rhodes
GJGNY Low-to-Moderate Income Working Group

John Rhodes
GJGNY Low-to-Moderate Income Working Group Purpose

• The Working Group will recommend standards and criteria to encourage and increase participation of and issuance of loans to low-to-moderate income households statewide for energy efficiency and renewable energy services under the Green Jobs – Green New York program.

• “Low-to-Moderate Income household” is defined as a household with an income less than or equal to eighty percent of the area median income.
GJGNY Low-to-Moderate Income Working Group Members

• John Rhodes - NYSERDA (Chair)*
• Stephan Edel - Center for Working Families*
• Bill Feldmann - Empire Clean Energy Supply
• Monica Ferreri – NYS Department of Public Service*
• Adam Flint - Binghamton Regional Sustainability Coalition
• Clarke Gocker - PUSH Buffalo*
• Stan Greschner - Grid Alternatives
• Jeff Irish - Hudson Solar
• Guy Kempe - RUPCO
• Kathleen Langton – AHP Home Ownership Center
• Carlo Lanza - Harvest Power
• Euphemia Martin - Public Policy & Education Fund of New York (PPEF) – Southern Tier
• Michael Murphy - All Star Energy
• Ellen Redmond – IBEW*
• Henri Rivers - Drum River Renewable Energy & Efficiency
• Marriele Robinson - Long Island Progressive Coalition*
• Hal Smith – Home Energy Performance by Halco*
• Angela Tover - Sustainable South Bronx
• Hubert Van Tol – Pathstone

* Individual or organization also on GJGNY Advisory Council
• Challenges of loan for installers and contractors
  − Loan payment process and timeline (especially related to PV)
  − Educational needs for contractors and installers
  − No real benefit of OBR loan – more complicated process
  − Cost effectiveness requirements

• Challenges of loan for consumers
  − Assisted subsidy and loan application processes are separate
  − Paperwork can be complex
  − Ability to qualify, impact of life changes
  − Cost effectiveness requirements
GJGNY LMI WG: Summary of Barriers Identified So Far (2)

• Challenges regarding affordability
  – Inability for households to use tax credits (PV)
  – Definition of “low-to-moderate income” and the type of income included in calculation
  – Inability to fund health and safety improvements, to any real degree, preventing some work from going forward
  – Term of loan prevents lowering payments enough on higher-cost, longer-payback projects
Challenges regarding outreach

- Gaps in areas served by CBOs across state
- Contractor/CBO working relationships – not a good understanding of how to most effectively work together
- Lack of consumer awareness of program and loan options, including Tier 2
- Lack of good description (and therefore consumer understanding) of full process, start to finish
- Need for “case management” – inability to obtain all information regarding consumer and therefore help them
NYSERDA Immediate Action Items Underway

• Payment process for PV loans
  ✓ Determine if there is an alternative milestone

• Application process for residential loans and assisted subsidy
  ✓ Make sure information is requested at the right time in the process (ex: total income of borrower/co-borrower up front to support immediate decisions where possible)
  ✓ Request household income from all applicants
  ✓ Streamline on-line application process for all residential programs
Process for Developing GJGNY LMI WG Final Report

- NYSERDA will draft report throughout the upcoming months based on discussions and outcomes of each meeting
- As each section is written, will send to LMI WG for review and comment
- Comments will be discussed at next meeting for consensus; if consensus cannot be reached, dissenting views will be captured
- Every section can continue to be further added to or edited right up to the final review
- GJGNY Advisory Council will be briefed at September 22\textsuperscript{nd} meeting
- All LMI Working Group members will be asked to sign the report
GJGNY Budget Update and Loan Fund Self-sufficiency

Jeff Pitkin
<table>
<thead>
<tr>
<th>Component</th>
<th>Approved Funding</th>
<th>Expenses and Loans Issued</th>
<th>Loan Repayments and Proceeds from Bonds/Notes</th>
<th>Unexpended (Cash) Balance</th>
<th>Encumbered (Contractual Commitments)</th>
<th>Pre-encumbrances (Pending Contract Awards and Loans)</th>
<th>Uncommitted</th>
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<tbody>
<tr>
<td>Outreach and Marketing</td>
<td>$15,510,000</td>
<td>11,098,662</td>
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<td>4,411,338</td>
<td>79,913</td>
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<td>1,545,009</td>
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<td>Workforce Development</td>
<td>7,337,565</td>
<td>5,514,791</td>
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<td>1,822,774</td>
<td>1,500,158</td>
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<td>322,616</td>
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<td>Energy Audits - Single Family</td>
<td>23,407,270</td>
<td>18,749,510</td>
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<td>4,657,760</td>
<td>-</td>
<td>2,206,251</td>
<td>2,451,509</td>
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<td>Energy Audits - Multifamily</td>
<td>5,418,920</td>
<td>3,783,770</td>
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<td>1,635,150</td>
<td>1,066,553</td>
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<td>565,523</td>
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<td>Energy Audits - Small Commercial /NFP</td>
<td>9,660,911</td>
<td>4,848,695</td>
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<td>4,812,216</td>
<td>4,812,216</td>
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<td>Revolving Loan Fund - Single Family</td>
<td>35,129,701</td>
<td>91,661,766</td>
<td>63,271,046</td>
<td>6,738,981</td>
<td>287,411</td>
<td>14,647,000</td>
<td>(8,195,430)</td>
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<td>Revolving Loan Fund - Small Commercial/NFP</td>
<td>1,774,917</td>
<td>767,324</td>
<td>76,095</td>
<td>1,083,688</td>
<td>280,152</td>
<td></td>
<td>803,536</td>
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<td>Revolving Loan Fund – Multifamily</td>
<td>5,423,169</td>
<td>3,431,476</td>
<td>750,722</td>
<td>2,742,415</td>
<td>285,009</td>
<td>428,500</td>
<td>2,028,905</td>
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<td>Administration</td>
<td>7,840,000</td>
<td>7,380,344</td>
<td></td>
<td>459,656</td>
<td>-</td>
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<td>459,656</td>
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<td>Evaluation</td>
<td>5,600,000</td>
<td>2,374,234</td>
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<td>3,225,766</td>
<td>1,857,289</td>
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<td>1,368,477</td>
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<td>NYS Cost Recovery Fee</td>
<td>1,904,000</td>
<td>1,443,764</td>
<td></td>
<td>460,236</td>
<td>-</td>
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<td>460,236</td>
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<td><strong>Total</strong></td>
<td><strong>$119,006,453</strong></td>
<td><strong>151,054,334</strong></td>
<td><strong>64,097,862</strong></td>
<td><strong>32,049,981</strong></td>
<td><strong>12,875,203</strong></td>
<td><strong>17,364,739</strong></td>
<td><strong>1,810,039</strong></td>
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Notes for GJGNY Funding Status Chart

1 Includes initial $112 million provided through the GJGNY Act, $1,779,747 in accumulated interest earnings, and $5,226,707 in additional RGGI funds allocated to the program during fiscal year 2015-16.
2 NYSERDA plans to extend CBO contracts through June 2016.
3 The enacted 2015-16 State Budget directs NYSERDA to continue providing such financing through March 31, 2016 to all customers that were eligible for the program at the end of 2014. Based on current loan applications and loan origination volume, NYSERDA estimates that additional funding of $80 million will be required to continue GJGNY financing through March 31, 2016 (approximately $32 million for residential energy efficiency loans and $48 million for residential solar loans). NYSERDA will allocate $80 million from the Regional Greenhouse Gas Initiative to fund these loans. NYSERDA anticipates to finance a pool of energy efficiency loans during 2015 through bonds to be issued by the NYS Environmental Facilities Corporation through the Clean Water State Revolving Fund, and estimates that bond proceeds of approximately $19 million will be available (after paying a $30 million Short-Term Financing Note issued to EFC in 2014) to replenish the RGGI fund. In addition, NYSERDA is exploring a bond or note financing for residential solar loans and anticipates that proceeds of approximately $34 million will be available to replenish the RGGI fund. Combined, the total reimbursements are anticipated at approximately $53 million. The $27 million in net funding required for the GJGNY financing program extension was not contemplated when the fiscal year 2015-16 RGGI Operating Plan extension was first formulated. Rather than adjusting proposed funding for programs currently supported in the fiscal year 2015-16 Operating Plan, NYSERDA proposes to fully fund the GJGNY financing extension from future program revenues.
<table>
<thead>
<tr>
<th>Residential Revolving Loan Fund (RLF)</th>
<th>FY 10-11</th>
<th>FY 11-12</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
<th>Total</th>
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<tr>
<td>Beginning Balance</td>
<td>26,652,994</td>
<td>25,263,308</td>
<td>15,010,582</td>
<td>(1,354,639)</td>
<td>3,015,124</td>
<td>26,652,994</td>
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<td>Addition to RLF Budget</td>
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<td></td>
<td></td>
<td></td>
<td>8,476,707</td>
<td>8,476,707</td>
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<tr>
<td>Loans Issued - EE</td>
<td>(1,180,084)</td>
<td>(10,532,902)</td>
<td>(17,425,295)</td>
<td>(19,412,106)</td>
<td>(26,167,853)</td>
<td>(74,718,239)</td>
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<tr>
<td>Loans Issued - PV</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10,942,224)</td>
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<tr>
<td>Loan Origination, Servicing &amp; other</td>
<td>(208,504)</td>
<td>(310,235)</td>
<td>(1,214,190)</td>
<td>(1,309,857)</td>
<td>(1,056,354)</td>
<td>(4,099,140)</td>
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<td>Loan Repayments</td>
<td>(1,098)</td>
<td>590,410</td>
<td>2,274,264</td>
<td>1,810,345</td>
<td>3,491,039</td>
<td>8,164,960</td>
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<td>Net Difference between Loans and Repayments</td>
<td>(1,389,686)</td>
<td>(10,252,727)</td>
<td>(16,365,221)</td>
<td>(18,911,618)</td>
<td>(34,675,392)</td>
<td>(81,594,643)</td>
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<td>Net Proceeds from Bonds/Notes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,281,381</td>
<td>29,922,543</td>
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<tr>
<td>Ending RLF Balance</td>
<td>25,263,308</td>
<td>15,010,582</td>
<td>(1,354,639)</td>
<td>3,015,124</td>
<td>6,738,981</td>
<td>6,738,981</td>
</tr>
</tbody>
</table>
Issues Regarding Loan Fund Sustainability

- Overcollateralization required for bonds
- Early buy-down of interest rate through QECB program no longer available
- Long loan term means payback is slow
- Tier 2 loans must be held in portfolio for a period of time
- BOTTOM LINE - net difference between loans and repayments continues to grow; cost of administering loan fund exceeds fees and interest earnings
Clean Energy Fund Proposal

John Rhodes
NYSERDA’s Clean Energy Fund (CEF) Proposal

- CEF Supplemental Filing now due June 25, 2015 to the Public Service Commission
- Enables NYSERDA to accommodate any actions taken by the New York State Energy Planning Board on June 15, 2015
- Comments due to PSC by July 31st
- Reply comments due to PSC by August 21st
- CEF is proposed to be the new source of funding for certain activities previously funded through GJGNY
Next Steps

John Rhodes