



NYSERDA

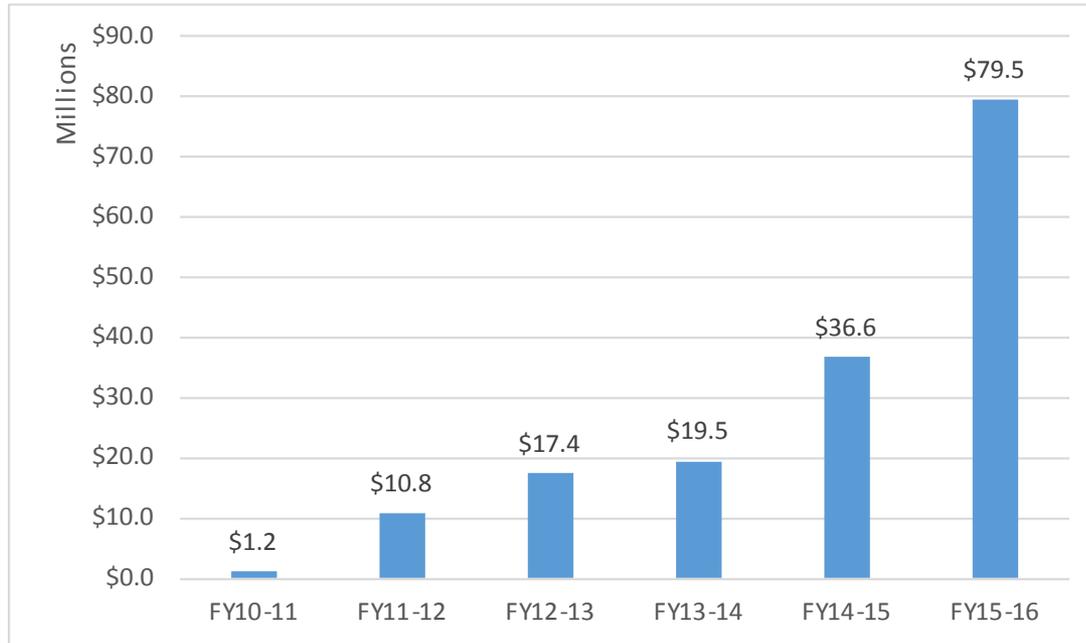
GJGNY Advisory Council Meeting

April 15, 2016

Agenda

- Program Status
- Future Funding Realities
- Program Changes
- Analysis of Options
- Near Term Steps

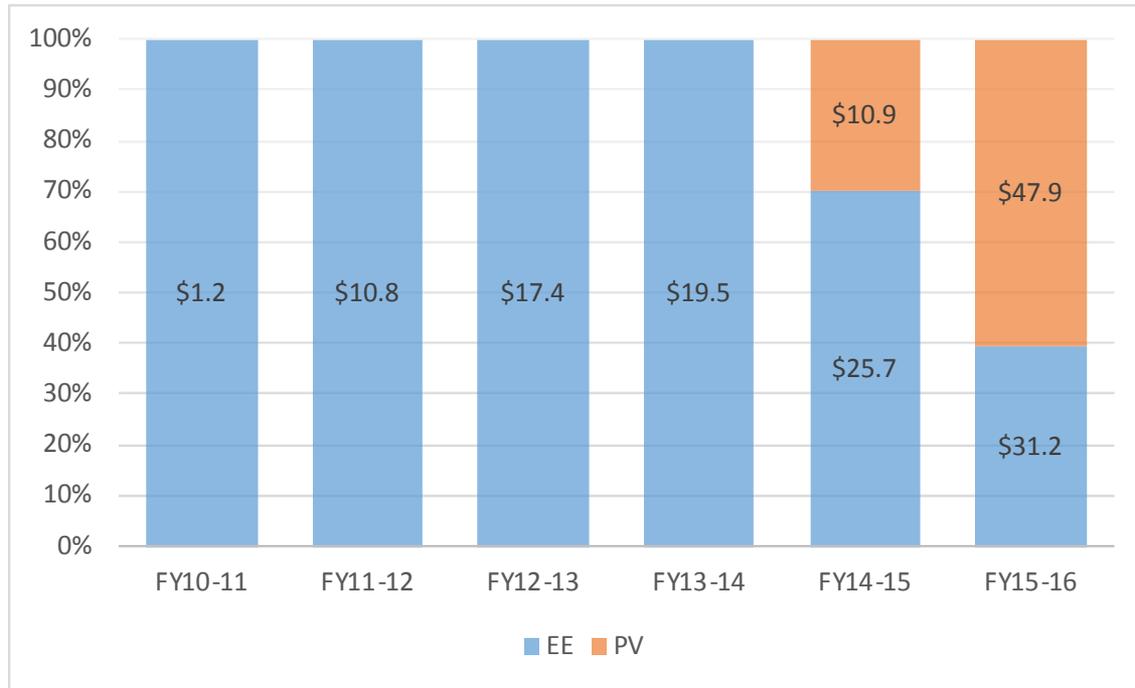
Status – Total Loan Volume



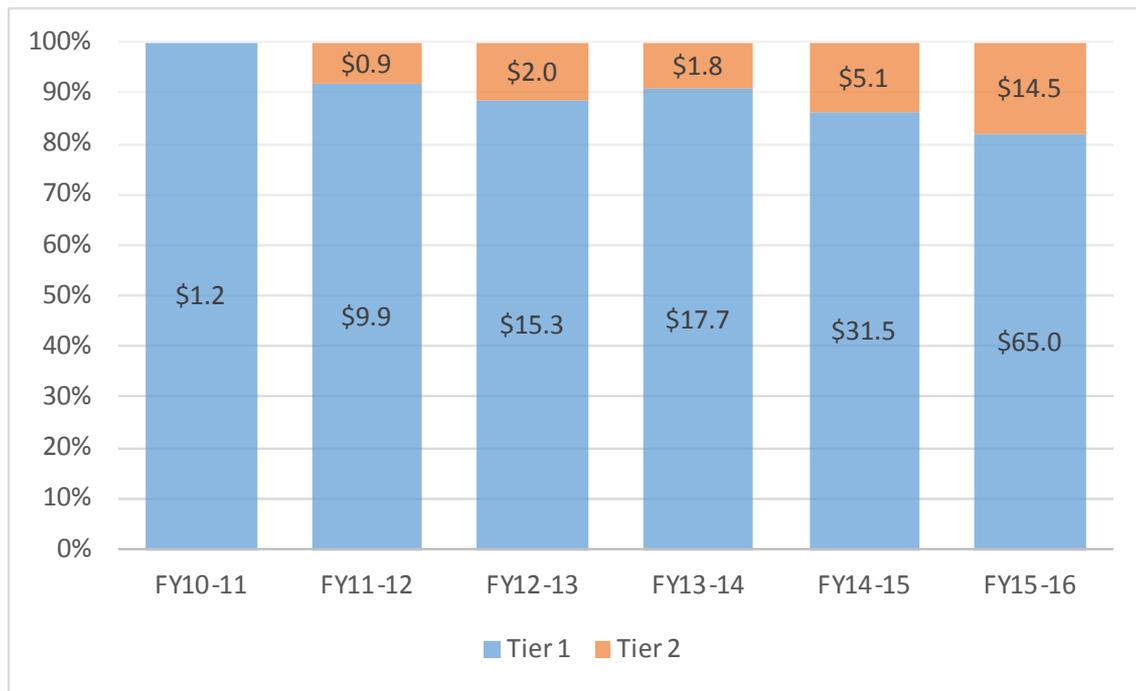
Increase from Prior Yr. +55% +12% +95% +116%

Addition of PV loans effective April 2014 has resulted in dramatic increase in GJGNY loans issued.

Status – Energy Efficiency vs PV



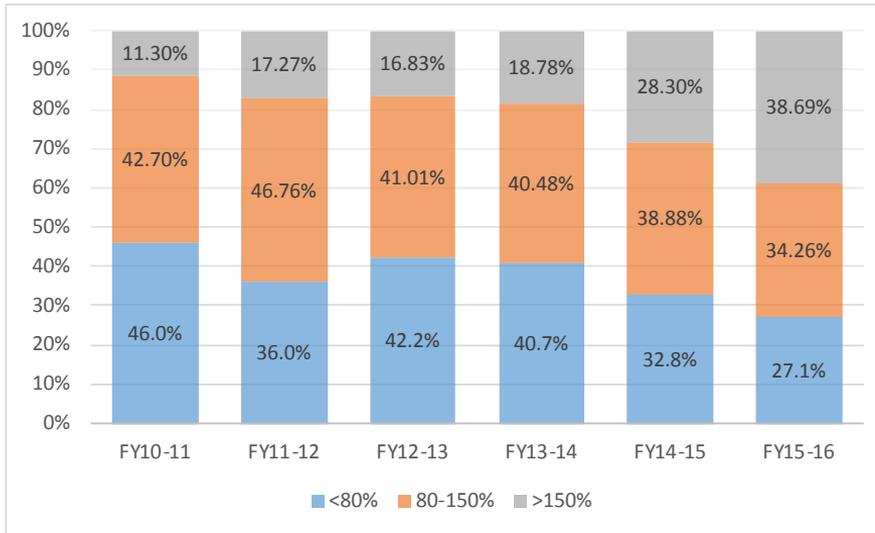
Status – Loan Underwriting



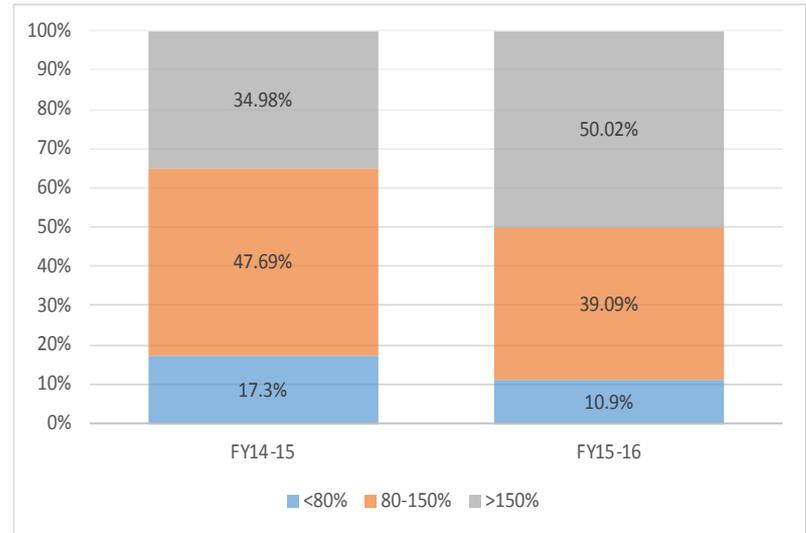
Program making increasing proportion of loans under Tier2 criteria allowing consumers who don't meet traditional criteria access to financing.

Status – By Income Segment

Energy Efficiency Loans



PV Loans



Decreasing proportion of program loans going to LMI consumers (< 150% AMI)

Status – Revolving Loan Fund

- Initially funded with \$26.6M
- Subsequently increased \$35.5M (incl \$27M in FY15-16)
- Funding of Tier2 loans and bond overcollateralization required to finance Tier1 loans has exhausted balance

Future Funding Realities

- FY15-16 RGGI Operating Plan allocated \$27M in funding to support \$80M in loans
- Projected FY16-17 \$115M in loans. Based on current interest rates, this would require \$47M in RGGI funds
- This level of funding is simply not available this year, nor in future years
- RGGI estimates are still being finalized but FY16-17 availability to support loans certainly will be below FY15-16 level (\$27M)
- Process for finalizing RGGI funding is through approval of RGGI Operating Plan by NYSERDA Board later this year

Process for Feedback

- Work collaboratively with Advisory Council for consensus on changes and effective date for changes
- We present a starter proposal for discussion - and welcome amendments and improvements
- Must reach consensus with Advisory Council over the next 30 days

Business as Usual

		Upfront	Surplus/
		RGGI	(Deficit)
	Projected	Funds	Over
	Loans	Required	Term
	<u>FY 16-17</u>	<u>@ 3.49%</u>	<u>@ 3.49%</u>
EE <80%	\$7.5	\$1.8	-\$0.8
EE 81-150%	\$10.5	\$2.5	-\$1.2
EE >150%	\$11.9	\$2.9	-\$1.3
Total EE Tier1	\$29.9	\$7.2	-\$3.3
EE Tier2 <80%	\$3.5	\$3.5	-\$0.3
EE Tier2 81-150%	\$2.9	\$2.9	-\$0.3
EE Tier2 >150%	\$1.2	\$1.2	-\$0.1
Total EE Tier2	\$7.6	\$7.6	-\$0.7
Total EE	\$37.5	\$14.8	-\$4.0
PV < 80%	\$3.3	\$1.0	-\$0.5
PV 81-150%	\$18.3	\$5.3	-\$2.9
PV > 150%	\$43.5	\$12.6	-\$7.0
Total PV Tier1	\$65.1	\$18.9	-\$10.4
PV Tier2 <80%	\$1.7	\$1.7	-\$0.2
PV Tier2 81-150%	\$8.2	\$8.2	-\$1.1
PV Tier2 >150%	\$2.5	\$2.5	-\$0.3
Total PV Tier2	\$12.4	\$12.4	-\$1.6
Total PV	\$77.5	\$31.3	-\$12.0
Total	\$115.0	\$46.1	-\$16.0

- At current 3.49% rates and current level of Tier2 loans, anticipated RGGI funds may only cover 5-6 months of activity; less if there is a “land rush”
- Stop-start approach would be disruptive

Starter Proposal for Interest Rates

	Projected		Upfront		Projected		Upfront
	Loans		Funds		Loans		Funds
	FY 16-17	Rate	Required		FY 16-17	Rate	Required
EE <80%	\$7.5	3.49%	\$1.8	EE <80%	\$7.5	3.49%	\$1.8
EE 81-150%	\$10.5	4.99%	\$1.6	EE 81-120%	\$6.6	4.99%	\$1.0
EE >150%	\$11.9	6.99%	\$0.4	EE >120%	\$15.8	7.99%	\$0.0
Total EE Tier1	\$29.9		\$3.8	Total EE Tier1	\$29.9		\$2.8
EE Tier2 <80%	\$3.5	3.49%	\$3.5	EE Tier2 <80%	\$3.5	3.49%	\$3.5
EE Tier2 81-150%	\$2.9	4.99%	\$2.9	EE Tier2 81-120%	\$2.1	4.99%	\$2.9
EE Tier2 >150%	\$1.2	6.99%	\$1.2	EE Tier2 >120%	\$2.0	7.99%	\$1.2
Total EE Tier2	\$7.6		\$7.6	Total EE Tier2	\$7.6		\$7.6
Total EE	\$37.5		\$11.4	Total EE	\$37.5		\$10.4
PV < 80%	\$3.3	3.49%	\$1.0	PV < 80%	\$3.3	3.49%	\$1.0
PV 81-150%	\$18.3	5.99%	\$2.9	PV 81-120%	\$10.1	4.99%	\$2.2
PV > 150%	\$43.5	7.99%	\$2.2	PV > 120%	\$51.7	9.99%	\$0.0
Total PV Tier1	\$65.1		\$6.1	Total PV Tier1	\$65.1		\$3.2
PV Tier2 <80%	\$1.7	3.49%	\$1.7	PV Tier2 <80%	\$1.7	3.49%	\$1.7
PV Tier2 81-150%	\$8.2	5.99%	\$8.2	PV Tier2 81-120%	\$5.4	4.99%	\$8.2
PV Tier2 >150%	\$2.5	7.99%	\$2.5	PV Tier2 >120%	\$5.3	9.99%	\$2.5
Total PV Tier2	\$12.4		\$12.4	Total PV Tier2	\$12.4		\$12.4
Total PV	\$77.5		\$18.5	Total PV	\$77.5		\$15.6
Total	\$115.0		\$29.9	Total	\$115.0		\$26.0

Principles

- Preserve OBR
- Preserve access to funding for all
- Special attention to access for households which otherwise lack access

Proposal Elements

- No change for < 80% AMI (3.49%)
- Expands low rate for up to 120-150% AMI:
 - 4.99% EE/5.99% PV
- Sets higher rate for > 120-150% AMI:
 - 6.99%-7.99% EE/7.99%-9.99% PV

Comments

- Will monitor impacts of changes
- May require additional changes or limiting loan approvals to availability of funds
- Still does not meet likely budget constraints

Near Term Steps

- Confirm pipeline
 - EFS to send letters to consumers with prior lapsed approvals/preapprovals
 - Consumers will have 30 days to complete requirements or else approval/preapproval voided
 - This will confirm funding required for pipeline
- New preapprovals/approvals will adhere to expiration dates in order to manage pipeline commitments
- Enlist Advisory Council as Working Group to debate and refine proposals
- Set 2 meetings – in 2 and 4 weeks – to engage
- Decide on go-forward approach within 30 days