

**Green Jobs-Green New York (GJGNY)  
Advisory Council Meeting Notes**

May 13, 2016  
2:30 pm – 5:00 pm  
NYSERDA Board Room  
Albany, New York

Members of the Green Jobs-Green New York (GJGNY) Advisory Council met via videoconference at NYSERDA's Albany and New York City offices on May 13, 2016. Telephone access was made available to members who could not be present at a video conference site. Also attending the meeting were NYSERDA staff members, additional staff members from Advisory Council member organizations, and members of the public. The meeting was videotaped and posted on the [GJGNY Advisory Council meetings page of NYSERDA's website](#).

**Attendees**

**Albany Office:**

Ross Gould, Workforce Development Institute; Kevin Rooney, Oil Heat Institute of Long Island; Paul Shatsoff, PS Consulting; Pam Hadad-Hurst, NYS Department of Environmental Conservation  
Guests: Kathleen Langton, AHP Home Ownership Center; Lisa Diffenback, CLEAResult  
NYSERDA: Karen Hamilton; Kevin Carey; David Sandbank.

**New York City Office:**

NYSERDA: John Rhodes; Sharon Griffith.

**Phone:**

James Barry, 32BJ; Les Bluestone, Blue Sea Construction; Tanya Dugal, NYS Department of Public Service; Ellen Redmond, International Brotherhood of Electrical Workers; Hal Smith, Halco;  
Guests: Mike Darcy, RUPCO; Guy Kempe, RUPCO; Euphemia Martin, Public Policy and Education Fund of New York-Southern Tier; Nancy O'Brien, Energy Finance Solutions  
NYSERDA: Carley Murray.

John Rhodes welcomed participants to the Green Jobs-Green New York (GJGNY) Advisory Council meeting and continued the discussion regarding making adjustments to the GJGNY loan program. He reviewed the discussion from the previous meeting.

Three principles need to be maintained. The program should:

- Preserve On-Bill Recovery loans,
- Preserve access to funding for all market segments,
- Focus attention on access for households which otherwise lack access.

A fourth principle was added at the last meeting:

- The program needs to be easy and simple for contractors and customers, regardless of how complicated the solution is in theory.

The initial proposal for changes included dividing loan participants into multiple tiers, each with an associated interest rate. Since the last meeting, a bridge loan option was considered, but it was found to be complicated and would replicate private sector options already in the market. A secured loan option

was also considered, but it was determined to be too complex and only marginally addressed overcollateralization.

Slide 4 provides a review of the proposed solution. The proposed option minimizes overcollateralization.

- <80% AMI remains at 3.49%\*
- >80 -120% AMI 4.99%\*
- >120% AMI Tier2 5.99%\*
- >120% AMI Tier1 EE loans 6.99%\*
- >120% AMI Tier1 PV/other\*\* loans 7.99%\*

\* Smart Energy Loan rate .5% higher if consumer does not elect ACH repayment (no change from current approach)

\*\* Includes Solar Thermal, Renewable Heat NY, and combined EE/PV loans

Some details are still being worked out, including consideration of an adjustment to the PV cost effectiveness test to reflect not just the first year benefits but rather using a utility rate escalation factor. This will qualify more PV projects.

Slide 5 provides an analysis of the changes. The proposal would require \$28.5 million of RGGI funds, which is still higher than the goal of \$27 million, but considered achievable.

Slide 8 highlights features of the analysis with key figures in yellow as they relate to the proposal.

Comment: Good progress has been made since the last meeting. Agreement with preserving accessible EE financing at 3.5% for low-income households.

NYSERDA comment: Commendation goes to staff as well as collegial partnerships with the Advisory Committee.

Comment: Agreement with the proposal.

Dissenting opinion: Concern about the raises in interest rates being too high. Desire for the record to show dissenting opinion, but not requesting to hold up the process.

Comment: Given current level of overcollateralization, proposal is a good compromise for preserving access for lowest income groups.

Comment: Previous proposals showed an even higher interest rate for Tier 1 households with incomes greater than 120 % AMI, so this is an improvement.

Dissenting opinion: NYSERDA should consider using this fund to provide access to only LMI households, as that was the real purpose of GJGNY.

NYSERDA comment: Our goal is to preserve access for everybody. We are confident that there are other paths to financing for higher income customers. NYSERDA's goal is not to step out of the market, but to price it fairly.

Comment: From an outreach coordinators perspective, explaining the changes to the public will be challenging. It will be difficult to navigate that explanation.

Question: For above 120% AMI, is the Tier 1 interest rate higher than for Tier 2?

NYSERDA response: Yes. In the spirit of preserving access, that is the recommendation. It is understood that this may seem counterintuitive. However, those who qualify through Tier 1 have other options in the marketplace, while those who only qualify through Tier 2 do not have access to other reasonable financing in the marketplace.

The proposal suggests rollout on September 1, 2016. Then, begin a review cycle in April 2017 where all information about how the program is performing is considered.

- Examine whether loan volumes are reduced, which would minimize cash stress.
- Examine whether the new situation is customer friendly.
- Examine result of changes on cost effectiveness.

Plan for roll out: Over the next week we will communicate to some key stakeholders who are not part of the GJGNY Advisory Council process, then formally communicate to partners on Monday, May 23rd. In parallel, we will communicate with consumers who have applications in the pipeline NOTE: This is to remove applications from the pipeline if the project is not going forward, enabling us to better estimate our funding needs. Those who are already in the pipeline and are in progress will not see any changes. The interest rate that was in effect at the time they applied will be preserved.

Question: Has it been considered that there will be a rush when the announcement is made?

NYSERDA response: Yes. That is expected.

Question: Can the contractors be provided with a list of alternative/third party lenders?

NYSERDA response: NYSERDA will continue to inform contractors through webinars and public announcements.

Question: Has there been consideration of a rate lock?

NYSERDA response: NYSERDA has re-examined the EE and PV project timelines, and more realistic timeframes developed for progress to be shown on the project. For example, a customer who is pre-approved will have 180 days to submit required documentation, as opposed to 60 days previously. Communication will be clear. When no response is received, applications will be withdrawn. All requests for extensions will be honored. The pipeline will be cleaned out on a regular basis.

Question: When will RGGI numbers be available?

NYSERDA response: Auctions are held the second week of each of the following months: March, June, September, December. There is uncertainty regarding how many dollars each auction will bring. Auctions can be impacted by a number of influences, including those at the federal level.

Question: Would there be any benefit to doing the review before the state budgets are formulated, which would place the review earlier than April 2017?

NYSERDA response: A review with less than six months' information is not beneficial. The situation will be constantly monitored, but more information is needed before drawing conclusions about program performance. If a specific issue consistently arises along the way, NYSERDA will respond.

Question: Are these fixed interest rates?

NYSERDA response: Yes. Contracted interest rates remain the same for the loan term.

NYSERDA comment: All input on how to improve the loan program is welcomed and considered.

Question: Can the review include workforce effects?

NYSERDA response: Yes.

John Rhodes thanked all GJGNY Advisory Council participants and adjourned the meeting.