

To: Green Jobs Green NY Advisory Council Members

Date: December 3, 2014

Green Jobs-Green New York (GJGNY) Transition

The Green Jobs-Green New York Act (GJGNY) was passed in 2009 to promote clean energy technologies and services to reduce energy costs and greenhouse gas emissions, to assist in sustainable community development and create opportunities for green jobs. In order to achieve these objectives, GJGNY initiatives were designed by the New York State Energy Research and Development Authority (NYSERDA) to support clean energy markets and provide financing assistance for communities interested in the benefits of investing in energy efficiency and renewable energy, particularly for low-to-moderate (LMI) income households (household income less than or equal to 80% of area median income).

Since the launch of GJGNY programs in the Fall of 2010, the clean energy market has continued to grow and mature throughout New York State, with NYSEDA having supported the completion of over 62,000 residential energy efficiency audits and over 24,000 comprehensive energy saving projects. These projects have resulted in average household energy bill savings of \$753 per year and the avoidance of over 61,000 tons of greenhouse gas emissions in total. In addition, solar PV has made significant gains, especially since the establishment of the NY-Sun Initiative.

As a result of this market growth, the number and diversity of private sector options for customers to invest in and finance clean energy solutions has dramatically increased. GJGNY's subsidized loans were initially created nearly five years ago to fill a market gap for financing home energy efficiency and, more recently, for financing solar PV installations. Today, GJGNY financing supports only a fraction of the total projects coming through NYSEDA's energy efficiency (35%) and solar (3%) programs, with the majority of customers able to successfully connect and partner with third-party financing providers.

With the progress made under GJGNY, in order to 1) better focus state resources on underserved areas of the clean energy market (e.g. LMI households and economically distressed communities), and 2) avoid directly competing with newly emerging and growing private sector solutions, NYSEDA intends to make the following changes to its GJGNY energy efficiency and solar financing programs:

- Effective January 2, 2015 GJGNY loans for multifamily properties will no longer be provided.
- Effective April 1, 2015 GJGNY residential solar loan applications will be limited to LMI customers.
- Effective April 1, 2015 GJGNY loans for small businesses and nonprofits will no longer be provided.
- Effective July 1, 2015, assuming at least two third-party loan products are available for market rate customers, GJGNY residential energy efficiency loans (including On-Bill Recovery (OBR)) will be limited to LMI customers.

Remaining funds in the GJGNY revolving loan fund will be reallocated to support continuation and expansion of financing for LMI customers. Financing will continue to be offered to LMI customers for

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energy efficiency and solar loans on the current terms (3.49%, terms up to 15 years, Smart Energy or OBR loans).

Consistent with these changes, NYSERDA will launch the following strategies and initiatives to support the increase in market-wide penetration of energy efficiency and renewable energy:

- As soon as this month, Community Solar NY will offer “solarize” grants to community groups and organizations to support the aggregation of residential solar projects; these grants will drive down customer acquisition and other soft costs to enable a greater number of households across the state to take advantage of the benefits of solar power.
- Starting in mid-2015 the NY-Sun Initiative will pilot various strategies to support solar in LMI communities.
- NYSERDA will pursue and support adoption of “open source” OBR programs (where financing is made available by private capital providers), through anticipated legislative action.

A vibrant clean energy marketplace is defined by its competitiveness. Fortunately, New York is making great strides to accelerate and expand private investments in the clean energy economy, to support and attract new business models and market participants, and to continue focusing public resources on underserved areas of the market.