

Applications accepted through June 30, 2014 by 5:00 PM Eastern Time* or
until funds are fully committed

Summary of Changes

1. This PON has been revised to provide information to Lenders on how they can partner with NYSERDA to offer Green Job / Green New York (GJGNY) Financing Products for Small Businesses and Not-for-Profits.
2. All information relating to Small Businesses and Not-for-Profit entities on low-interest rate financing programs to fund recommended energy efficiency improvements has been moved from the PON to the GJGNY website. Small Businesses and Not-for-Profits will now find the information on how to participate and application forms at nyserda.ny.gov/gjgny-small-business-nonprofit-financing.
3. GJGNY On-Bill Recovery Financing product requirements have been added to the PON.
4. The PON now states the total funding amount: A revolving loan fund of up to \$13,000,000 is available for financing.
5. The end date of this PON has been extended to June 30, 2014, or until funds are fully committed.

The New York State Energy Research and Development Authority (NYSERDA) invites Lenders to partner with NYSEERDA to offer Green Jobs / Green New York (GJGNY) Financing Products for Small Businesses and Not-for-Profits who seek low-interest rate financing to implement recommended energy efficiency improvements. GJGNY Financing Products are available to all New York State electric and natural gas utility customers who meet the eligibility requirements described herein.

Participating Lenders will be able to offer participating customers one of two low-interest financing products:

- 1) **An On-Bill Recovery (OBR) Loan**, in which the Lender originates a loan not to exceed \$50,000 at a set interest rate of 2.5% on behalf of NYSEERDA using NYSEERDA's underwriting criteria. For each OBR loan closed by a Lender, NYSEERDA will pay an Origination Fee of \$300; or
- 2) **A Participation Loan**, in which NYSEERDA and a Lender participate in providing the principal for a loan. NYSEERDA's share of the loan will be 50% of the Eligible Loan Amount, up to a maximum of \$50,000, at 0% interest. The Lender's share will be the remaining portion of the Eligible Loan Amount at market rate.

Lenders can choose to offer one or both financing products by signing the attached agreements. NYSEERDA will use these agreements to establish a list of Lenders willing to provide GJGNY loans. This list will be posted on the NYSEERDA website.

Send signed Agreements by mail, email or fax to:

By mail:	By email:	By fax:
GJGNY SB/NFP PON 2293 NYSEERDA 17 Columbia Circle Albany, NY 12203-6399	gjgnybnfp@nyserda.org	518-862-1091

Questions about the program may be directed to 1-866-NYSEERDA or by email to gjgnybnfp@nyserda.org. All necessary forms can be found on NYSEERDA's website (nyserda.ny.gov/gjgny-small-business-nonprofit-financing) or requested through the email, fax number, or address provided above.

*Late, incomplete, or unsigned applications will be returned. Applications will not be accepted at any other NYSEERDA location other than the address identified on the applications. If changes are made to this solicitation, notification will be posted on NYSEERDA's website at www.nyserda.ny.gov.

I. Introduction

In October 2009, Governor David Paterson signed into law the Green Jobs / Green New York Act (GJGNY) of 2009. Among other actions, the Act tasked NYSEERDA with the development and administration of a Green Jobs / Green New York Program that would help Small Business and Not-for-Profit (SB/NFP) entities receive audits to identify energy efficiency opportunities and to access low-interest financing to support implementation of recommended energy efficiency improvements.

In August 2011, Governor Andrew Cuomo signed the Power NY Act of 2011 which authorized NYSEERDA to offer loans to support energy efficiency retrofits through the GJGNY program repayable through an installment charge on the customer's electric or natural gas corporation utility bill (On-Bill Recovery or OBR).

II. General Information

NYSEERDA seeks to partner with Lenders, as defined herein, to offer Green Jobs / Green New York (GJGNY) Financing Products to Small Businesses and Not-for-Profits who seek low-interest rate financing to implement recommended energy efficiency improvements. Through the GJGNY Financing Products for SB/NFP Customers Program ("Program"), NYSEERDA and Lenders will provide below-market rate financing to eligible Small Business and Not-for-Profit Applicants.

NYSEERDA will review and approve an Applicant's Request for Financing Package for financing energy efficiency improvements. **The approved Request for Financing Package will be the basis for all loans.**

A. Loan Products

The GJGNY Financing Products for below-market rate financing to eligible Small Business and Not-for-Profit Applicants will include two financing products:

- 1) An **On-Bill Recovery Loan Product**, in which the Lender originates a loan on behalf of NYSEERDA using NYSEERDA's underwriting criteria. The loan amount cannot exceed \$50,000 and the established interest rate is currently 2.5%; and
- 2) A **Participation Loan Product**, in which NYSEERDA and a Lender participate in providing the principal for a loan. NYSEERDA's share of the loan will be 50% of the Eligible Loan Amount, up to a maximum of \$50,000, at 0% interest. The Lender's share will be the remaining portion of the Eligible Loan Amount at market rate. Lenders may combine non-energy project funding for their portion of the Participation Loan, as requested by the Applicant, with the Eligible Loan Amount. However, NYSEERDA's portion of the Participation Loan will remain bound by the cost of the energy efficiency project identified in the Request for Financing Package

For both Loan Products, NYSEERDA has engaged a Master Loan Servicer to Service the Loans.

B. Eligible Applicant

To be eligible to participate, a Small Business and Not-for-Profit Applicant, as defined herein, must:

- 1)
 - a) Own a Non-Residential Structure; OR
 - b) Lease or manage all or part of a Non-Residential Structure; AND
 - c) Have the authority to make improvements; AND
 - d) Have obtained a release from the owner of the Non-Residential Structure, as evidenced by owner's signature in the Request for Financing Form, to seek Program financing.
- (Note: Determining eligibility of not-for-profit entities that own a residential (1-4 family) structure will be at NYSEERDA's discretion.)

- 2) Have an energy audit from a NYSERDA program, a utility-contracted entity or its subcontractor through an energy efficiency program, or from other qualified energy auditors as defined by NYSERDA.

C. *On-Bill Recovery Loan Product*

Under the ***On-Bill Recovery Loan Originator Agreement*** (Attachment A), a Lender will originate loans on NYSERDA's behalf. Such loans will be underwritten using NYSERDA's underwriting criteria as stated in Attachment B. Loan amounts shall not exceed \$50,000 and will have a set interest rate, currently 2.5%. The loan term will be a fixed term greater than or equal to a minimum loan term identified in the NYSERDA-approved Request for Financing Package, but will not exceed 10 years. For each OBR loan closed by a Lender, NYSERDA will pay an Origination Fee of \$300. The OBR Loan Process is described in Attachment A.

D. *Participation Loan Product*

Under the ***Participation Loan Agreement*** (Attachment B), as a participant in the loan, NYSERDA's share of the loan will be 50% of the Eligible Loan Amount, up to \$50,000, at 0% interest. The Lender will provide the remaining portion of the Eligible Loan Amount at market rate, resulting in a below-market interest rate being charged to the Applicant. Lenders may combine non-energy project funding for their portion of the Participation Loan, as requested by the Applicant, with the Eligible Loan Amount. However, NYSERDA's portion of the Participation Loan will remain bound by the cost of the energy efficiency project identified in the Request for Financing Package. Loan terms cannot exceed 10 years. Credit-worthiness determinations will be made by the Lender in accordance with Lender's standard underwriting practices. The Applicant will remit total loan payments to the Lender. The Lender will remit NYSERDA's principal portion of a loan payment as described in the Participation Loan Agreement (Attachment B). Lines of credit are not eligible for this program.

E. *How to become a NYSERDA Lender Partner*

Lenders can choose to offer one or both financing products by signing the attached agreements. The terms and conditions for each product are a part of each agreement. NYSERDA will use these agreements to establish a list of Lenders willing to provide GJGNY loans. This list will be posted on the NYSERDA website.

F. *Definitions*

Definitions which pertain to the individual GJGNY loan products are a part of the ***On-Bill Recovery Loan Originator Agreement*** (Attachment A) and the ***Participation Loan Agreement*** (Attachment B).

Applicant: A person or entity that owns a Non-Residential Structure; OR 2) a person or entity that leases or manages all or part of a Non-Residential Structure, AND is authorized to make improvements to such structure, AND has obtained a release from the owner of the Non-Residential Structure, as evidenced by owner's signature in the Request for Financing Form, to seek Program financing. Eligibility of not-for-profit entities that own a residential (1-4 family) structure will be at NYSERDA's discretion.

Approved Energy Efficiency Measures Worksheet: A summary of the NYSERDA-approved recommended energy efficiency improvements from a qualified energy audit for which the Applicant is seeking financing.

Eligible Loan Amount: The total project cost less estimates of any available NYSERDA or utility incentives. NYSERDA shall not be liable for any misrepresentations of incentive estimates or availability. Under the terms of the On-Bill Recovery Loan Product, the Eligible Loan Amount cannot exceed \$50,000. Under the

terms of the Participation Loan Product, the Eligible Loan Amount relates to the costs of the energy efficiency project and does not reflect any decision on the part of the Lender of the amount to be financed. While the total Eligible Loan Amount may exceed \$100,000, the amount of financing an Applicant can receive from NYSEERDA is limited to 50% of the Eligible Loan Amount, up to a maximum of \$50,000. NYSEERDA's portion of a participation loan will remain bound by the cost of the energy efficiency project.

Lender (or Loan Originator): A community development financial institution, a credit union insured by the National Credit Union Association, or any commercial bank, trust company, savings bank, savings and loan association, or mortgage lender authorized by Federal or State law to operate in New York State.

Loan: Under the Participation Loan Agreement, a secured or unsecured consumer or business loan, or a, with a fixed term no greater than 10 years and a normal amortization (i.e., 10 year term, 10 year amortization). The interest rate charged by the Lender may be fixed or variable. Lines of credit are not eligible for the Program.

Master Loan Servicer: NYSEERDA's third party loan servicer, currently the Concord Servicing Corporation, retained to monitor loan origination and provide serving on GJGNY loans.

Non-Residential Structure: A building that is used or occupied by a Small Business or a Not-for-profit corporation.

Not-for-profit: A corporation resident in New York State formed exclusively for a purpose or purposes, not for profit or financial gain, and where no part of the assets, income or profit is distributable to or benefits its members, directors, or officers, except as allowed by statute.

Note: The On-Bill Recovery Loan Note, used by the Lender/Loan Originator when originating Small Business / Not-for-Profit OBR loans on behalf of NYSEERDA. This document is available on the NYSEERDA website (nyserda.ny.gov/gjgny-small-business-nonprofit-financing).

On-Bill Recovery Loan Originator Agreement (Attachment A): A document in which the Lender agrees to act as a Loan Originator and originate loans on behalf of NYSEERDA using NYSEERDA's underwriting criteria for Applicants seeking financing for energy efficiency improvements, as approved by NYSEERDA in the Request for Financing Package.

Participation Loan Agreement (Attachment B): A document evidencing agreement between NYSEERDA and a Lender of the intent of both parties to enter into participation loans for Applicants seeking financing for recommended energy efficiency improvements, as approved by NYSEERDA in the Request for Financing Package.

Request for Financing Package: The application package used as the basis for the Loan, approved by NYSEERDA and provided to the Lender by the Applicant. The Request for Financing Package will contain 1) the NYSEERDA-approved Request for Financing Form; 2) the Approved Energy Efficiency Measures Worksheet; 3) a copy of the incentive application (if applicable); 4) contractor's cost proposal and the technical cut sheets for the measures to be implemented; and 5) the approved energy audit.

Small Business: A business that is resident in New York State, independently owned and operated, not dominant in its field, and has 100 or less employees.

III. GENERAL CONDITIONS

Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSEERDA as part of your submission. Review should include whether it is critical for evaluating the submission, and whether general, non-confidential information, may be adequate for review purposes.

The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSEERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSEERDA that the proposer wishes to have treated as proprietary and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 (<http://nyserda.ny.gov/~media/Files/About/Contact/NYSEERDARegulations.ashx>). However, NYSEERDA cannot guarantee the confidentiality of any information submitted.

Omnibus Procurement Act of 1992 - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development
Division For Small Business
30 South Pearl Street
Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Minority and Women's Business Development Division
30 South Pearl Street
Albany, NY 12245

Contract Award – NYSEERDA anticipates making multiple awards under this solicitation. It may award funding based on initial applications without discussion, or following limited discussion or negotiations. NYSEERDA may request additional data or material to support applications.

Limitation - This solicitation does not commit NYSEERDA to award funding, pay any costs incurred in preparing an application, or to procure or contract for services or supplies. NYSEERDA reserves the right to accept or reject any or all applications received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSEERDA's best interest.

Disclosure Requirement - Lenders shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When Lender is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSEERDA after the award of a contract, NYSEERDA may exercise its stop-work right pending further investigation, or terminate

the agreement; the Lender may be subject to penalties for violation of any law which may apply in the particular circumstances. Lenders must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

IV. ATTACHMENTS

Attachment A: On-Bill Recovery Loan Originator Agreement
Attachment B: Participation Loan Agreement