

**Residential Financing Program**  
GJGNY Loan Fund



New York State Energy Research and Development Authority

Dear Participating Contractor,

NYSERDA is appreciative of the significant stakeholder feedback received on the potential solutions we can advance to help re-start the clean energy economy upon the COVID-19 pandemic subsiding. Our commitment to New York's climate goals and clean energy workforce remains stronger than ever. We recognize the actions we take now will lay the foundation for a successful restart of our economy as soon as possible.

A strong interest has been expressed in modifying project cost effectiveness requirements so more projects can qualify for Green Jobs- Green New York (GJGNY) financing. While we cannot modify legislative requirements such as the bill neutrality requirements (1/12th rule) for On-Bill Recovery Loans, we are able to modify the savings-to-investment ratio (SIR) calculations used to qualify Smart Energy Loans and the 15-year payback requirement used to qualify loans greater than \$13,000.

NYSERDA will make the following revisions to project cost effectiveness calculations, which will go into effect on July 1, 2020.

1. **Federal/State Tax Credits** (as applicable) - For projects eligible for federal and state tax credits (currently solar and ground source heat pumps), the maximum amount of the federal and state tax credits will be permitted to be included in the Payback/SIR calculation as a reduction of the consumer's investment.
2. **Industry Standard Practice Replacement Cost** (as applicable) - For projects replacing equipment/systems at failure or at the end of useful life or early-replacement of such equipment/systems, the current cost of replacing the system with a like-system following industry standard practice is permitted to be included in the Payback/SIR calculation as a reduction of the consumer's investment. This adjustment is not applicable for projects/measures that are not replacing current equipment/systems or avoiding replacement of such equipment/systems in the future.
3. **Simplification of Calculations for Payback and SIR** - The Proforma calculations will remove utility rate escalations and exclude loan interest costs from the consumer's investment so that the payback/SIR calculations are calculated using current dollars.

4. **Ancillary “Health and Safety” Measures** - For energy efficiency projects in the Assisted Home Performance with ENERGY STAR® Program (AHPwES), Residential Financing Program, and the Comfort Home Program, we will increase the limit for financing of ancillary “health and safety” measures from 15% of the total cost of eligible improvements (or a maximum of \$2,000) to <50% of total loan amount.

NYSERDA has updated all program ProFormas (used for loan/project eligibility) to include these changes. The ProFormas will be posted on [NYSERDA's website](#) on July 1, 2020.

This notice is considered a superseding modification pursuant to your Participation Agreement.

Your resolve and determination during these difficult days has been truly inspiring and remarkable. While this situation is still evolving, our teams are here to assist you in navigating our programs and any related changes along with providing information about available state and federal resources. To view the latest information including resources and program changes, we encourage you to visit [nyserdera.ny.gov/ny/COVID-19-Response](https://nyserdera.ny.gov/ny/COVID-19-Response). Our best wishes for your continued safety and health.

If you have any questions please contact the Residential Financing Team at [residential.financing@nyserdera.ny.gov](mailto:residential.financing@nyserdera.ny.gov).

Thank you,

NYSERDA's Residential Financing Team

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#### CONNECT WITH US



#### About NYSERDA

NYSERDA, a public benefit corporation, offers objective information and analysis, innovative programs, technical expertise, and support to help New Yorkers increase energy efficiency, save money, use renewable energy, and reduce reliance on fossil fuels. NYSERDA professionals work to protect the environment and create clean energy jobs. NYSERDA has been developing partnerships to advance innovative energy solutions in New York State since 1975. To learn more about NYSERDA's programs, visit [nyserdera.ny.gov](https://nyserdera.ny.gov) or follow us on [Twitter](#), [Facebook](#), [YouTube](#), or [Instagram](#).

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