

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

June 9, 2015
1:00pm - 4:00pm
NYSERDA Board Room
Albany NY

Members of the Green Jobs-Green New York (GJGNY) Advisory Council met via videoconference at NYSEDA's Albany, Buffalo, and New York City offices on June 9, 2015. Telephone access was made available to members who could not be present at a video conference site. Also attending the meeting were NYSEDA 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 NYSEDA's website](#).

Attendees—

Albany Office:

Lois New, NYS DEC Climate Office; Ellen Redmond, International Brotherhood of Electrical Workers; Kevin Rooney, Oil Heat Institute of Long Island; Paul Shatsoff, Workforce Development Institute. NYSEDA: John Rhodes, Karen Hamilton, David Sandbank, John Ahearn, Jeff Pitkin, Kevin Carey, Mishel Filisha, additional NYSEDA staff.

Buffalo Office:

NYSEDA: Kelly Tyler.

NYC Office:

Lisa Tyson, Long Island Progressive Coalition; Laura Robinson, Long Island Progressive Coalition. NYSEDA: Michael Colgrove. Members of the public: Chuck Schwartz, LI Green.

Phone:

Chuck Bell, Consumers Union; Les Bluestone, Blue Sea Construction; Rick Cherry, Community Environmental Center; John James, NYS Office of Temporary and Disability Assistance; Anthony Joseph, NYS Department of Labor; Jamie Rogers, Adirondack North Country Association; Will Schweiger, Efficiency First New York; Hal Smith, Halco. NYSEDA: Laura Humphrey.

The following meeting notes capture discussions, questions, and comments held at the meeting in response to the presentations given by NYSEDA staff. A copy of the presentations and any handouts provided can be found at the [GJGNY Advisory Council meetings page of NYSEDA's website](#).

I. Welcome and Introductions (John Rhodes)

[Recording start time - 00:01]

John Rhodes welcomed participants to the 27th meeting of the Green Jobs-Green New York Advisory Council. After reviewing the meeting agenda, he invited comment from those present on all topics discussed.

II. GJGNY Low-to-Moderate Income Working Group: Requirement, Membership, and Progress (John Rhodes)

[Recording start time - 04:40]

The GJGNY Low-to-Moderate Income (LMI) Working Group (WG) was established as part of the 2015-2016 New York State budget legislation. The Working Group will recommend standards and criteria to encourage and increase participation of and issuance of loans to low-to-moderate income households statewide for energy efficiency and renewable energy services under the Green Jobs – Green New York program. For these purposes, “low-to-moderate Income household” is defined as a household with an income less than or equal to eighty percent of the area median income.

The focus of the Working Group is on increasing financing participation in energy efficiency and solar. During the two meetings assembled to date, discussions have included directions of expansion from the stated purpose including financing for all sectors, not just LMI, and general access for LMI to good energy solutions programs. The group agreed that financing for LMI is the core focus and deliver on that, but in addition, we will discuss the other two directions as well. Meetings will continue on a monthly basis.

The composition of the Working Group can be found on slide 5 of the meeting presentation. The barriers to LMI financing access so far have been categorized into four groupings: Challenges of loan for installers and contractors, challenges of loan for consumers, challenges regarding affordability, and challenges regarding outreach. Detailed descriptions of these groupings can be found on slides 6 through 8 of the meeting presentation.

Question: Is the focus on the one- to four-family market?

NYSERDA response: The focus is on the one- to four-family market, but the group will be looking at multifamily as well.

Comment: Multifamily residents have few resources. Owners are the audience.

NYSERDA action items underway include considerations about the payment process for photovoltaic (PV) installations and the application process for residential loans and the Assisted Home Performance subsidy. Details of NYSERDA action items can be found on slide 9 of the meeting presentation.

As required by legislation, NYSERDA will be submitting a recommendations report to the Governor and the legislature. NYSERDA will draft report throughout the upcoming months based on discussions and outcomes of each meeting. As each section is written, it will be sent to the LMI WG members for review and comment. Comments will be discussed at next meeting for consensus; if consensus cannot be reached, dissenting views will be captured. All LMI Working Group members will be asked to sign the report. GJGNY Advisory Council will be briefed at September 22 meeting.

Comment: Tax credits for PV are noted as a barrier for LMI participation. Many of these households have incomes so low that tax credits are essentially useless.

NYSERDA response: Yes. That is the barrier.

NYSERDA response: NYSERDA recognizes that perhaps there are different financing products that may be better suited for LMI consumers. NYSERDA will seek to support financing products that provide additional options for this population.

Question: Our biggest challenge is getting LMI customers to the loan products. They cannot get the loans. They get denied. What solutions will be put in place to solve this?

NYSEDA response: NYSEDA revised loan underwriting standards five times since the program was launched and will continue to monitor and evaluate loan performance. NYSEDA will continue to consider revising the loan underwriting standards in order to expand access in a responsible manner.

Comment: Getting accurate energy data is difficult.

NYSEDA response: NYSEDA is working toward a process where data can be obtained without consumers having to submit documentation.

III. Budget Update and Discussion of the Self-Sufficiency of the GJGNY Loan Fund (Jeff Pitkin)

[Recording start time - 25:34]

The New York State budget bill required NYSEDA to file a report on the financial status of GJGNY. That report has been filed on May 1, 2015 as directed. The budget report included activity through March 31, 2015. A summary of the current GJGNY budget can be found on slide 12 of the meeting presentation. A summary of GJGNY loan data can be found on the [GJGNY Advisory Council meetings page of NYSEDA's website](#).

The revised starting budget is \$119 million (original budget was \$112 million, interest and additional RGGI proceeds increased the budget.) GJGNY has expended or issued loans in a total of \$151 million. Of that \$151 million, approximately \$64 million has been repaid either through loan repayments or through the proceeds of bonds and notes that NYSEDA has issued. There is a balance of \$32 million in unexpended funds. Against that, there is \$12.8 million in contractual obligations; \$17.3 million in contract award or pending loans. That leaves a balance of \$1.8 million across the entire GJGNY program. NYSEDA expects this balance to carry over into the next fiscal year. Not reflected in those numbers are two additional financings in process: \$10 million in residential solar loans and another round of financing with Energy Facilities Corporation (EFC) for Tier 1 residential energy efficiency loans that are expected to be bonded by EFC in the near future. Those additional amounts will be added to the remaining balance of \$1.8 million.

Question: If Regional Green House Gas Initiative (RGGI) proceeds come in higher than anticipated, will these be used to pay off GJGNY?

NYSEDA response: If proceeds come in higher than projected, they will be used to cover the existing deficit.

Question: What are some of the workforce development expenses that are committed?

NYSEDA response: NYSEDA had a variety of contracts with training organizations, career pathways partnerships, on-the-job training, and contractor funding for new hires—which have all been successful to date. These monies are still under contract.

Question: What is the type of training?

NYSEDA response: Entry level training, technical training, training on the job site as well as classroom training. Training pertains to energy efficiency, PV, solar thermal, and oil heat.

Question: Is the training all for auditing and installations? Does it include financing?

NYSEDA response: Primarily technical skills for design, maintenance, and installations of systems.

Question: How would a contractor go about getting those funds?

NYSERDA response: GJGNY was a combination of open enrolment and competitive solicitations.

Slide 14 of the meeting presentation shows annual amounts of inflows and outflows through the GJGNY financing program in the single family sector for energy efficiency and residential solar. The GJGNY program started with a revolving loan fund of \$26 million. Loans are made for as long as 15 years. Last year, NYSEERDA made \$39 million in loans, but collected back \$3 million in repayments. The equilibrium point is not in the near future. The current pace of the revolving loan fund is not sustainable.

Question: There has been an exponential growth in loans issued. At what point does the total amount being paid back establish equilibrium?

NYSERDA response: Equilibrium will not be established if the loans issued continue to increase. NYSEERDA always recognized that monies would need to be leveraged.

Question: Is it time to get a state fund set up where GJGNY subsidizes an interest rate and the principal provided by the private sector?

NYSERDA response: We already are using private capital to take out these loans (through bonds). But we still see a sustainability challenge.

Comment: Perhaps NYSEERDA should get back to leveraging rather than lending.

Question: Are you seeing any problems with the Tier 2 loans?

NYSERDA response: Performance statistics on the Tier 2 loans show a higher default rate than Tier 1 loans, which was expected. However, 88 percent of the loans we are issuing are Tier 1 loans and only 12 percent are Tier 2 loans.

Question: What is total amount of the unfinanced Tier 2 loans?

NYSERDA response: As of March 31, 2015 about \$9.5M over four years.

Question: Is there any way that the NY Green Bank can help?

NYSERDA response: There are two challenges that the program faces. There is a sufficiency problem with the amount of the corpus of the funds from which loans are made and the speed at which the money revolves. Also, the 3.49 interest rate currently being offered at is not sufficient.

NYSERDA response: The NY Green Bank can help only if it's on terms that make sense to the market. They cannot help solve the problem regarding the interest rate.

Question: The GJGNY LMI Working Group is identifying barriers to expanding energy efficiency programs to the LMI demographic. If the barriers are dismantled and the program is expanded, aren't you digging a bigger hole?

NYSERDA response: Yes, for the LMI customers.

Question: Won't it expand the tier two loans, which are not sustainable?

NYSERDA response: Yes.

Comment: What is problematic about this conversation is that financing is going to cost money, so money needs to be coming in. But it's also taking away the cost of expanding power plants and the

other costs in providing energy. We are not looking at the whole of how much we are saving, and this should be considered in obtaining resources for the loan fund.

Question: Is there any analysis on what the interest rate and length of loans need to be to find out where the sustainability point is?

NYSERDA response: NYSERDA has started some analysis that can be discussed at a later meeting.

Question: What was the intent of this program overall at the outset?

NYSERDA response:

The legislation was not explicit. From NYSERDA's perspective, this was not explicitly to be a money maker. The goal was to cover NYSERDA costs and breakeven.

IV. NYSERDA Clean Energy Fund Proposal (John Rhodes)

[Recording start time – 01:08:02]

NYSERDA filed for extension on the Clean Energy Fund (CEF) proposal in order to accommodate the State Energy Planning Board meeting on June 15. The new proposal file date is Thursday, June 25. Comments will be due to the Public Service Commission by July 31. Reply comments will be due to the Public Service Commission by August 21. The CEF is the successor to many of the NYSERDA programs including the Energy Efficiency Portfolio Standard, NY-SUN, and the NY Green Bank.

VI. Next Steps and Adjourn (John Rhodes)

[Recording start time – 01:13:31]

NYSERDA has been trying to fill two slots on the GJGNY Advisory Council—one representing solar and one representing financial markets. The Advisory Council will be updated when representatives have been selected.

The next scheduled meeting of the GJGNY Advisory Council is September 22, 2015.