



**NY Green Bank**  
A Division of NYSERDA

# **NY Green Bank**

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## **Financing Arrangements for Energy Storage Projects in New York State**

### **Request for Information**

**Responses Due:  
December 31, 2018 by 3:00 p.m. EST**

# 1 Introduction

As part of the State of the State address in January 2018, Governor Andrew M. Cuomo announced a target of 1,500 MW of energy storage installed and operating in New York State (“**NYS**”) by 2025.<sup>1</sup> As the largest per capita target of its kind by any state, the “1,500 by 2025” target both echoes and reinforces New York’s prior leadership commitments in connection with clean energy, resiliency and climate change mitigation. As part of the State of the State storage initiative, Governor Cuomo announced that NY Green Bank (“**NYGB**”) will invest at least \$200 million in energy storage financing.

On June 21, 2018, the New York State Energy Research and Development Authority (“**NYSERDA**”) and the NYS Department of Public Service (“**DPS**”) released the NYS Energy Storage Roadmap, which identifies the most promising near-term policies, regulations, and initiatives needed to realize New York’s 2025 energy storage target.

Although energy storage market participants are invited to propose transactions through NYGB’s open solicitation, *Request for Proposals (“RFP”) 1: Clean Energy Financing Arrangements*, NYGB developed this *Request for Information (“RFI”) 4: Financing Arrangements for Energy Storage Projects in New York State* in conjunction with the release of the NYS Energy Storage Roadmap to invite market participants to initiate or further engage in conversations with NYGB.

## 2 RFI Objective

The objective of this RFI is to increase dialogue with energy storage developers and other market participants regarding specific ways in which NYGB can be helpful in financing energy storage projects in NYS by addressing existing market barriers and financing gaps that could impede project development. NYGB seeks to identify and work with stakeholders expecting to participate in the NYS storage market such that NYGB is prepared to provide financing in a manner most impactful to market participants as project demand and activity accelerates. In this regard, respondents will be invited to participate in conversations with NYGB in the form of one-on-one meetings and/or broader stakeholder convenings.

The focus of these conversations will be to: (a) inform NYGB of your current or future business models, objectives, and resulting investment opportunities, and (b) discuss ways in which NYGB may support such objectives.

NYGB will use the information received in response to this RFI to develop standardized, creditworthy financing approaches for energy storage projects or portfolios of projects. Stakeholders from the development community, financing community, and contractors/service providers who expect to deploy energy storage assets in NYS are encouraged to respond.

## 3 Content of Responses

To respond to this RFI, please complete the questionnaire in [Attachment A](#).

Responses are due to NYGB by **3:00 p.m. EST** on December 31, 2018 and should be submitted by email to [solicitations@greenbank.ny.gov](mailto:solicitations@greenbank.ny.gov). Please include “RFI No. 4” in the subject line.

Our expectation is that NYGB will engage in one-on-one conversations and broader convenings with industry participants to further the financing of this integral asset class in New York State. Respondents should contact [info@greenbank.ny.gov](mailto:info@greenbank.ny.gov) with any questions about the RFI.

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<sup>1</sup> See: [www.governor.ny.gov/news/governor-cuomo-unveils-20th-proposal-2018-state-state-new-yorks-clean-energy-jobs-and-climate](http://www.governor.ny.gov/news/governor-cuomo-unveils-20th-proposal-2018-state-state-new-yorks-clean-energy-jobs-and-climate)

## 4 NYGB Background

NYGB is a division of NYSEERDA, acting as a \$1.0 billion State-sponsored specialized financial entity focused on mobilizing greater clean energy investment and projects within NYS. NYGB is structured and operated in a manner comparable to private investment funds and financing entities, including with respect to being self-sustaining, covering its own costs of operation and entering transactions on market terms. NYGB is a key component of New York's Clean Energy Fund ("CEF").<sup>2</sup> The CEF is a \$5.3 billion commitment, and part of Governor Cuomo's Reforming the Energy Vision ("REV") strategy to advance clean energy growth and innovation, and drive economic development across the State, while reducing ratepayer collections. For more information on the CEF and REV strategy, see <https://www.nyserda.ny.gov/About/Clean-Energy-Fund> and <https://rev.ny.gov/>.

The key elements of NYGB's mission are collaborating with private sector participants, implementing structures that overcome market barriers and address financing gaps in current clean energy financing markets, and transforming those markets by enabling greater scale, new and expanded asset classes, and increased liquidity. Consistent with this mission and its investment criteria, NYGB's key goals are to:

- (a) Attract private sector capital into clean energy markets in NYS;
- (b) Be self-sustaining; and
- (c) Reduce greenhouse gas ("GHG") emissions.

NYGB's activities in pursuit of its goals are specifically aimed at motivating faster and more extensive implementation of clean energy investments within NYS, fostering greater energy choices, reducing environmental impacts, and delivering more clean energy benefits per public dollar spent for all New Yorkers.

NYGB can be flexible in terms of transaction roles. NYGB can participate as a lender (e.g., senior, subordinated or mezzanine for term or revolving facilities) through many types of facilities. Examples of the types of facilities NYGB provides include: project equity, warehousing/aggregation facilities (with an expectation of being taken out by private sector third parties within prescribed time periods and upon certain events – e.g., the aggregation of an agreed upon amount of assets fitting certain credit and other parameters), construction and post-construction finance and a variety of credit enhancement products (e.g., guarantees of third party capital, letters of credit, etc.).

NYGB operates as a self-sustaining entity, pricing investments to cover its operating expenses and portfolio default risk, and to preserve its capital base. NYGB intends to serve as both a prudent custodian of ratepayer and other investor funds and an agent for greater private investment in the clean energy and sustainable infrastructure sector in NYS. Pricing will reflect the underlying transaction credit quality, risk, position in the capital structure, and the level of standardization and scale NYGB seeks to facilitate, with the goal of creating investments that private sector lenders will ultimately be willing to participate in at the agreed pricing levels. NYGB investment terms will be determined by credit risk and exposure assumed by NYGB and other investment participants. For NYGB products, upfront and ongoing fees generally apply.

More information about NYGB can be found at <https://greenbank.ny.gov/>.

## 5 General Conditions

**Proprietary Information.** Among NYGB's goals is the promotion of standardization of material contract terms and structures, and the collection of project performance data across NYGB transactions. NYGB is

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<sup>2</sup> Created pursuant to the "Order Authorizing the Clean Energy Fund Framework", issued and effective January 21, 2016, Cases 14-M-0094 et al. (the "CEF Order").

keenly aware that commercial markets and their incumbents value non-disclosure extremely highly to protect confidential transaction terms and other competitive information and NYGB remains highly sensitized to usual and customary confidentiality practices. Nevertheless, as a division of NYSERDA, certain State laws specifically apply to NYGB and it is recommended that careful consideration be given before confidential information is submitted to NYGB.

New York's Freedom of Information Law, Public Officers Law, Article 6, provides for public access to information NYSERDA and its divisions possess. 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 NYGB that any party 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 except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set out in 21 NYCRR Part 501. The confidentiality of any information submitted cannot be guaranteed.

**Limitation.** This RFI does not commit NYGB to agree to participate in any transaction, proceed to negotiate any terms or definitive documentation, pay any costs incurred in preparing a response or to procure or contract for services or supplies. NYGB reserves the right to cancel in part or in its entirety this RFI when it is in NYGB's best interest.