



Addressing the Finance Barrier: Solar for Low to Moderate Income Properties + Not for Profits

MARK THIELKING- Executive Director



NYSERDA
Supported

EIC

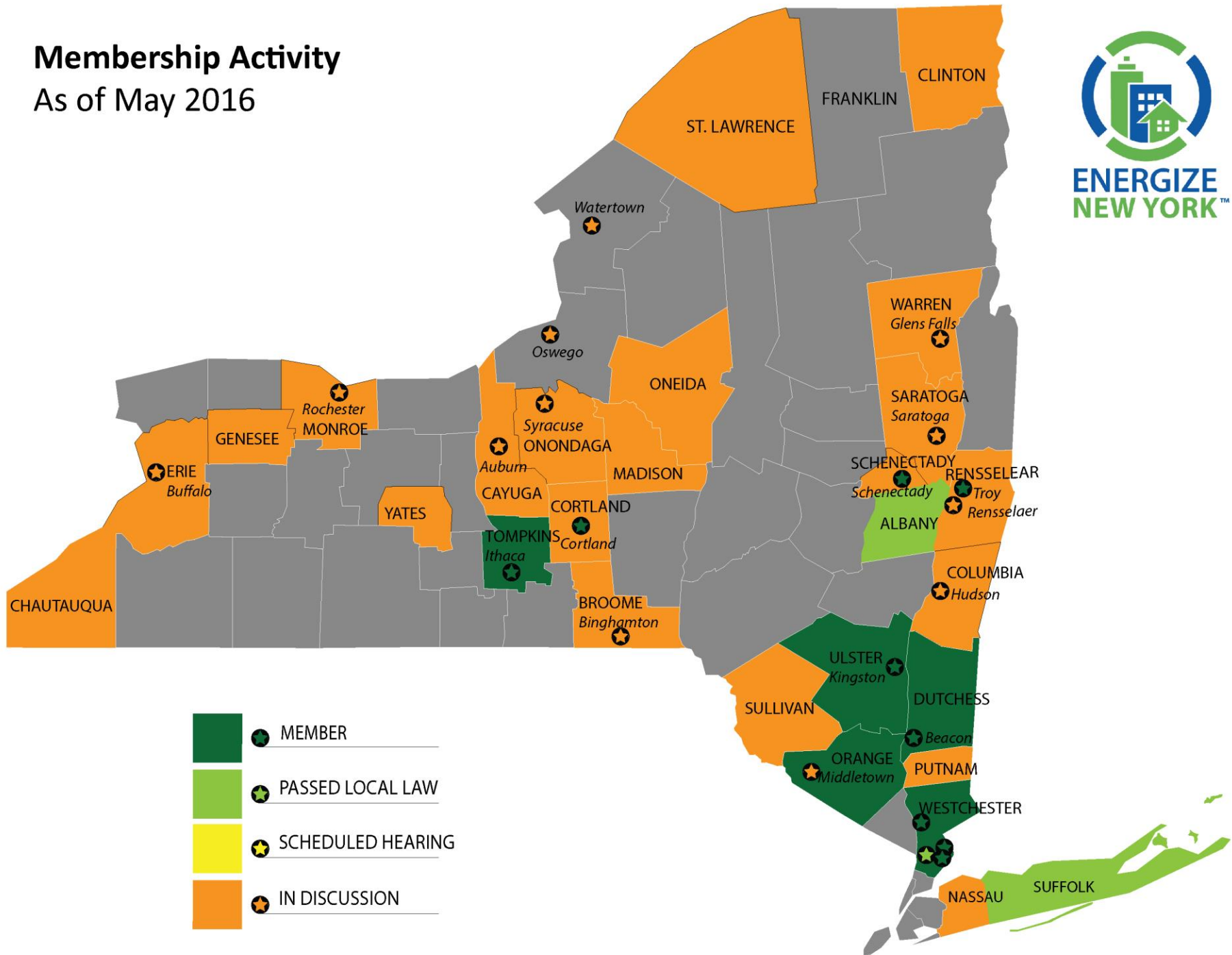
Energy Improvement Corporation



- Not-for-profit, Local Development Corporation
- Mission to increase clean energy adoption across NYS
- Owned by member municipalities – shared service model
- Funded by NYSERDA, US-DOE, revenue from financings
- Serve property owners with services:
 - Energize NY Finance- Provides Capital
 - Energize NY Commercial- Support and Guidance
 - Energize NY Residential- Support and Guidance

Membership Activity

As of May 2016



Our Communities need:



- Low-cost, accessible and long-term financing for clean energy projects in commercial sector
- Support for property owners and service providers through the clean energy upgrade process



Energize NY (PACE) Finance

Property Assessed Clean Energy



By Darwinek [\[CC BY-SA 3.0\]](#), via Wikimedia Commons

“Municipalities would fulfill an important public purpose by providing financing to property owners for the installation of renewable energy systems & energy efficiency measures.”

- Article 5L of the NYS General Municipal Law

- Repayments collected by municipality via tax bill charge
- Senior lien status

Energize NY Finance works in-behalf of our Municipal Members

Energize NY Community Benefits



- Goals of Energize NY directly align with municipal goals to:
 - Support healthier, livable communities
 - Reduce GHG emissions and particulate pollution
 - Spending and reinvestment in local economy
 - Business stability and expansion
 - Well maintained buildings with low energy costs are more attractive to buyers and potential employers
 - Energy projects increase demand for skilled building professionals
 - Job creation and increased opportunity in engineering, architecture, HVAC and renewable fields

Energize NY PACE Finance

Benefits



1. Finance up to 100% of project cost
2. Long term amortization of costs up to 20 years
 - Deeper upgrades
 - Renewables
 - Positive cash flow
3. Access to capital for most building owners
4. Automatic transfer to next property owner upon sale
5. Easy to pay
6. Low rates

Energize NY Finance

Rates + Fees (a/o 6/16/16)



Rates subject to market conditions

Rate locks out to 6 months add 4 to 39 basis points (0.04 – 0.39%)

Fees: (all fees may be capitalized)

1. 4.25 point administration fee
2. \$400 Title Search Fee
3. \$500-1000 Application Fee

5 year = 4.00%

10 year = 4.40%

15 year = 4.95%

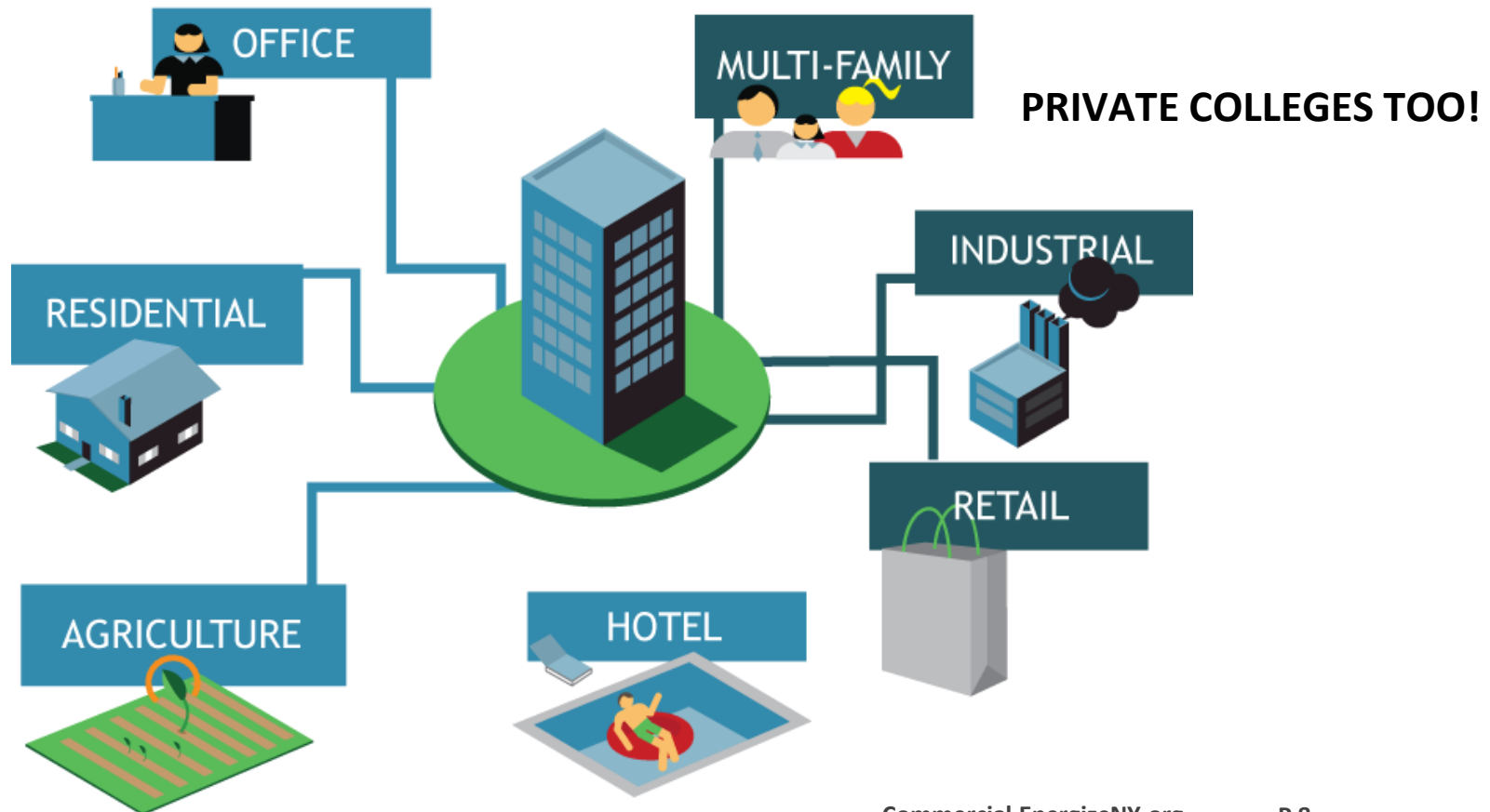
20 year = 5.30%

QECCB: 20YR = < 3%

Energize NY Finance Eligible Building Types



Commercially owned; Including Non-Profits



Eligible Improvements

- **Renewables:** Solar PV, Solar Thermal, Geothermal, Wind
- **Efficiency:** Lighting, Boiler Conversions, Furnace Upgrades, Insulation, HVAC, Chillers, Windows, Pumps, Smart Controls



Not for Profits / Affordable Housing Challenges and Opportunities



Challenges:

- Poor Credit / Limited access to capital
- Aversion to additional debt / Other priorities for debt
- Low or no tax appetite
- Complex decision-making
- Little extra capacity to add projects outside of mission

Opportunities:

- Interested in linking mission to action
- Focus on Cash flow
- Deferred maintenance = Savings

Not for Profits / Affordable Housing – Energy Priorities



- Reduce and level energy costs
 - *Transform a variable cost into a fixed cost*
- Energy investments must be immediately profitable
 - *Easy sell to stakeholders*
- Achieve Mission Goals
 - *Solar lowers impacts on the earth*
- Reduce annual maintenance costs
 - *Address Deferred Maintenance*

PROJECT PROFILE: St. Christopher's Church, Buchanan, NY

Energize NY: simple, low-cost, long-term financing for clean energy upgrades



THE PROJECT

Building details:

5 Buildings part of St. Christopher's Parish:

- Catholic Church built in 1964
- Rectory
- Community Classroom
- 2 outbuildings
- Aggregate 181,000 sq ft

Renewable energy measures

- 36 kW solar electric system
- Roof mounted
- Roof replacement

FINANCED BY



ENERGIZE NY™

NY State's PACE Program

Amount financed: \$150,800

Term: 20 years

Interest rate: 3.83%

**QECB enhanced interest rate*

Financing Cost: \$ 10,900/yr

Energize NY member:

Town of Cortlandt

Project Completed: April 2016



ESTIMATED SAVINGS

Electric use offset: 100%

Annual average net Cash flow to owner: + \$3,600 yr

"Pope Francis strongly urged the people to protect the environment, and I thought what could I do to protect this environment? Installing solar on our church is another way of keeping his word in our practical life. This project provides us with both financial and environmental benefits"

**-Reverend
Dr. George Oonnoony
Pastor; St. Christopher
Catholic Church**

Energize NY Finance

PPA + Leasing for Solar



Energize NY PACE Finance will accept PPA/Lease structures

- Energize NY provides the upfront capital to pre pay a Power Purchase Agreement
- Up to 20 year terms

Requirements:

- Project submitted with tax equity, 3rd party owner and developer in place
- Project must generate positive cash flow to the property owner
(*eg: electricity, roof lease payments, higher tenant bills*)
- Transferability must be built into PPA/Lease Contracts
- No removal rights allowed
- Project must remain operational

EIC Municipal Member Resources + Clean Energy



Federal Qualified Energy Conservation Bonds

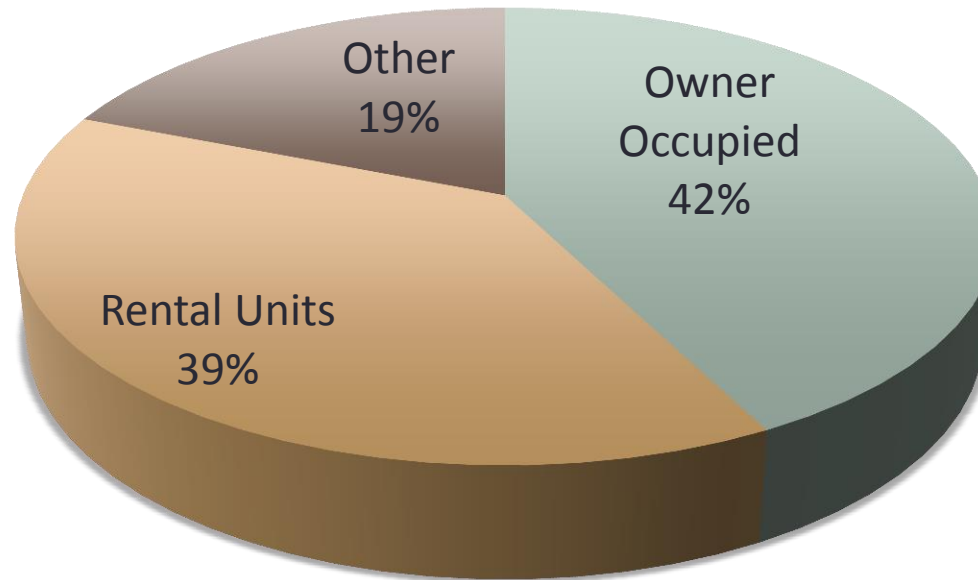


- Westchester government allocated QECB bonding authority to Energize NY
- Affordable multifamily housing & not-for-profits
- Federally subsidized interest rates (0.9% - 2.75% as of 6/15/15)

Energize NY Finance: For All Property Classes



Housing Stock in Westchester County



The energy burden for low income households in the Northeast is 29%, compared to 3% for middle-to-higher-income households.**

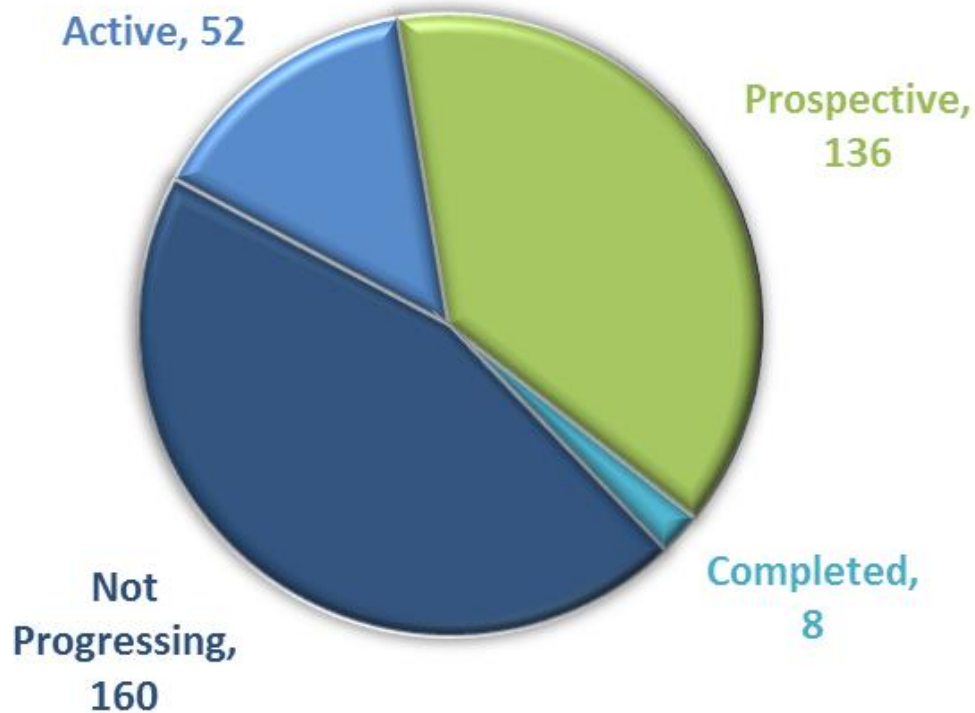
**NYSERDA

Average Median Income of Families that are renters in Westchester County is \$49k or 54% below the County AMI*

*Westchester County

Projects Progress to Date

Overview



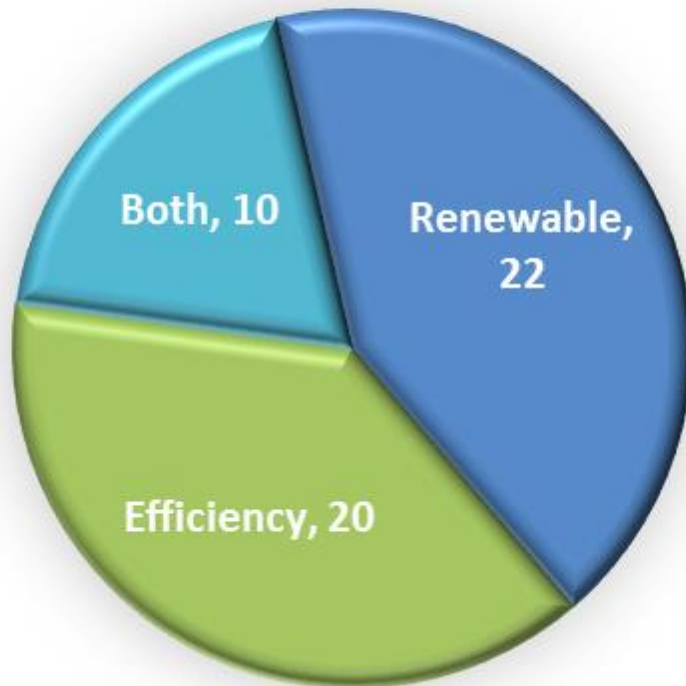
- 356 total projects assisted Summer 2014
- Lead sources include energy service providers, community partners, municipal leaders, outreach events, web inquiries, energy programs

Progress to Date

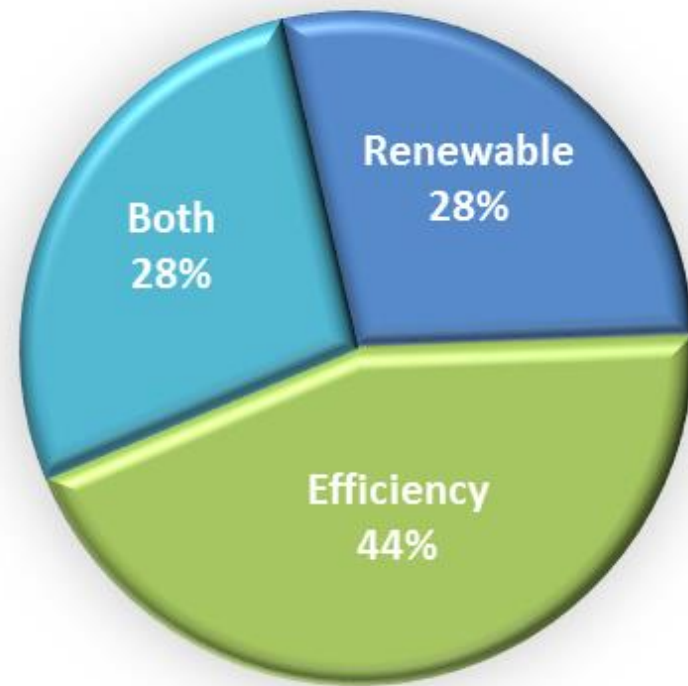
Type of Improvements



Pipeline Projects: 52



Financing Total: \$15.1 M



Progress to Date

QECB Projects



Pipeline Projects: 52



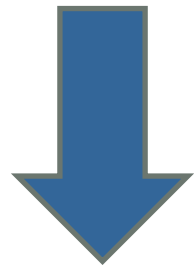
Financing Total: \$15.1M



Qualified Partners



191 Firms Trained Since Inception



106 Energize NY Finance Qualified Partners

By Sector

- ◆ **59 Commercial**
- ◆ **38 Industrial**
- ◆ **36 Institutional**
- ◆ **29 Multifamily**
- ◆ **11 Agricultural**
- ◆ **51 Solar PV**

Energize NY Community Oriented Benefits



- Energize NY services directly align with municipal goals to:
 - Support healthier, livable communities
 - Reduce GHG emissions and particulate pollution
 - Support Civic organizations
 - Business stability and expansion
 - Attract buyers and potential employers
 - Increase demand for skilled building professionals

Questions?



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NYSERDA
Supported



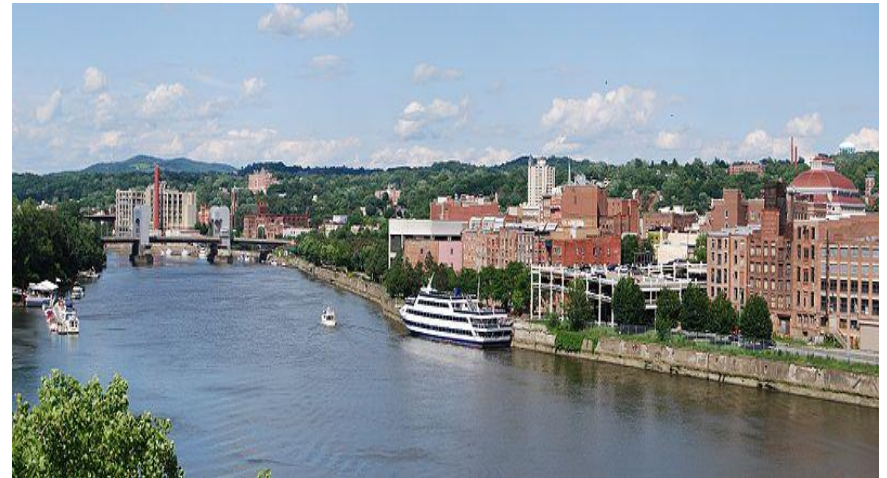
@EnergizeNY

Energize NY Commercial:



PROPERTY OWNER SERVICES

- Support with NYSERDA + Utilities
- Property owner information summits
- Finance analysis tools
- Contractor qualification
- Finance Application support



Troy waterfront CC-BY-SA-3.0/ [Matt H. Wade](#) at Wikipedia



Finance Criteria

- Estimated annual energy savings from improvements must be greater than annual finance payments
- Improvements have savings-to-investment ratio > 1
- Property's existing loan-to-value is no greater than 80%
- Financing up to 10% of value of benefitted property
- No bankruptcy within last 7 years
- At least 3 year history of timely property tax payments
- Existing lender consent required
- NYSERDA/Utility energy assessments and verification

Easy Application

1. Submit online Pre-Application
2. Scope of Work
3. Submit Finance Application with required documents
 - Underwriting Documents
 - Market Value Appraisal + Title Search
 - Mortgage Documents
 - Organizational Documents
 - Existing Lender Consent
4. ENY disburses capital