



NYCEEC

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ABOUT THIS PROJECT

This investment supports Financing Resilient Power, a project designed to help NYCEEC expand the introduction of resilient power systems into low-income, urban communities. Widespread power outages pose significant risks to these communities. Buildings can become dangerously hot or cold, elevators and lighting can cease to function, insulin and other perishable medications can be lost, and medical devices can become inoperable. Resilient power systems that rely on solar panels and batteries (solar+storage) protect against these risks. Recharged by the sun throughout extended outages, they are cleaner and cheaper to operate than diesel generators, and they are far less likely to fail. In addition, solar+storage systems can reduce carbon emissions, provide grid-management services, and provide their owners with financial benefits, even absent an emergency.

WHY WAS THIS NEEDED?

Challenge: Solar+storage systems provide climate change mitigation, resilience, and cost savings. But despite the outsized benefits for low-income communities, deployment of solar+storage systems in these communities is limited, due to their upfront costs as well as a focus on wealthier customers and communities by system and finance providers.

Solution: This investment aims to accelerate the establishment of the solar+storage market in communities of color and communities with low-incomes. NYCEEC will demonstrate the financial feasibility and resiliency benefits of these systems by offering financing, with credit support from Kresge's guarantee, for solar+storage systems on both new construction and existing buildings. This financing will enable more examples of solar+storage systems in low-income communities and establish performance data to inform organizations looking to install or finance these systems in the future.

IMPACTED LOCATION



New York and Northeast

YEAR APPROVED

2019

TYPE OF TRANSACTION

Guarantee

KRESGE PROGRAM

Environment

AMOUNT OF INVESTMENT

\$3 Million

GRANT SUPPORT

\$650,000

TERM OF INVESTMENT

16 years, 2-year origination period



ABOUT THE BORROWER

NYCEEC is the country's first green, local bank. It provides loans for energy efficiency and clean energy projects in New York City and throughout the Northeast and Mid-Atlantic regions. NYCEEC makes construction and permanent loans and provides credit enhancement in the form of loan loss reserves exclusively for energy efficiency and clean energy projects in buildings. It has experience with solar+storage loans, as it provided a \$1.2 million loan for the Marcus Garvey Apartments in partnership with Demand Energy. This was the first battery storage micro-grid installation at an affordable housing property in New York. In January 2018, Governor Andrew Cuomo announced a 1,500-mega watt energy storage target for New York State by 2025, providing NYCEEC a clear policy alignment for engagement in the solar+storage financing sector. NYCEEC lends in an eight-state territory with about 11% of its portfolio outside of New York State.

KEY PARTNERS:

Clean Energy Group

Key Considerations



Jessica Boehland

Senior Program Officer
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- » Increasing the installation of solar+storage systems in multifamily, affordable housing, elderly housing, other supportive housing, mixed-use facilities and community facilities is an important goal for Kresge.
- » Solar+storage systems can have high upfront costs but enable decades of monthly savings in addition to resilience benefits. Conventional lenders have not prioritized low-income communities in financing these systems.
- » NYCEEC previously undertook market analysis and a pipeline development process for solar+storage with grant funding from Kresge's Environment Program.
- » Kresge's guarantee sits in the first-loss position for solar+storage loans, encouraging more traditional lenders to finance these projects.
- » A companion grant to the Clean Energy Group (CEG) supports re-granting for capacity building and project evaluation as well as other supportive activities.
- » NYCEEC and CEG are collecting robust data to help the clean energy and financing communities address, or at least better understand, the risks and benefits of solar+storage investment in low-income communities and the conditions required for projects to succeed.
- » Ultimately, the deployment of resilient power systems will reduce carbon emissions while enhancing the resilience, health, and safety of low-income communities.



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