



STATE OF NEW YORK | EXECUTIVE CHAMBER

ANDREW M. CUOMO | GOVERNOR

For Immediate Release: September 10, 2013

**GOVERNOR CUOMO LAUNCHES NEW YORK GREEN BANK INITIATIVE TO  
TRANSFORM THE STATE'S CLEAN ENERGY ECONOMY**

***Petition Filing Kicks Off Capitalization Process for Green Bank to Support the Widespread  
Flow of Private Sector Funds to Enable a Self-Sustaining Clean Energy System***

Governor Andrew M. Cuomo today launched the first step of his \$1 billion New York Green Bank initiative through a petition to use approximately \$165 million in uncommitted funds for the Green Bank's initial capitalization. The petition was filed by the New York State Energy Research and Development Authority (NYSERDA) to the Public Service Commission (PSC). This initial funding, once approved by the PSC, will permit the Green Bank to leverage private sector financing for clean energy projects that create jobs and help make New York's communities more sustainable.

With this action today, the Green Bank is anticipated to open for business and offer its initial financial products in early 2014. Governor Cuomo introduced the Green Bank initiative in his 2013 State of the State address as the financial engine that will mobilize private investment to build a more cost-effective, resilient and clean energy system in New York.

"Through the New York Green Bank, we will leverage public dollars to attract private sector investment into building a new clean energy economy that will help make our state greener and create jobs," Governor Cuomo said. "New York State has a track record of being at the forefront of environmental and energy policy innovations. As a public-private partnership, the Green Bank will implement a pioneering approach that strategically and efficiently uses limited state resources to drive investment into critical areas of the economy. With this initiative, we will promote job growth and business development, improve resiliency and air quality, and lower costs for consumers while providing them with greater choices and value for their money."

The Green Bank uses a bold, new market-oriented approach to overcome market barriers that are currently preventing the widespread flow of private capital into the clean energy economy. NYSERDA anticipates that further capitalization of the Green Bank will be considered by the PSC in a subsequent proceeding. Both this petition and the subsequent PSC proceeding will include public comment periods. When fully capitalized, the Green Bank is expected to have a \$1 billion balance sheet.

The Green Bank will partner with private sector lenders by providing financial products such as credit enhancement, loan loss reserves and loan bundling to support securitization and build secondary markets. These products will support economically viable clean energy projects that cannot currently access financing due to market barriers, such as federal policy uncertainty, insufficient performance data, and the lack of publicly-traded capital markets for clean energy. These barriers limit private sector capital flows into otherwise attractive renewable energy and energy efficiency projects, creating gaps in the clean energy finance market. By alleviating these barriers, the Green Bank will enable the flow of private capital to fill these market gaps.

The capitalization of the Green Bank is coming at no extra cost to New York ratepayers. With the petition filed today by NYSERDA, the State is seeking to capitalize the bank by repurposing a portion of existing energy funds which have not delivered the impact needed to grow a more affordable and cleaner energy economy. Once capitalized, the Green Bank will be able to preserve, recycle and eventually grow its capital base, which will enable it to become a self-sustaining support mechanism for clean energy.

“By incorporating a financing model into the State’s clean energy support toolkit, the State will derive greater private sector leverage from scarce public funding than the current incentive model alone,” said Richard Kauffman, Chairman of Energy and Finance for New York State. “The Green Bank is the next step in our strategy to unleash markets to provide economic growth and to help transform New York's energy system into one that is cleaner, more efficient and offers more value to customers.”

Preliminary models suggest that over a five-year period, the Green Bank can at least double the amount of private capital available to grow clean energy markets; and over a 20-year period, it has the potential to deliver nearly ten times more private capital into the current system. The Green Bank’s ultimate goal, which is to enable a stand-alone, dependable private sector financing market that no longer needs government support, will provide the greatest value for ratepayers.

Jackson Morris, Director of Strategic Engagement at Pace Energy and Climate Center, said, “Transitioning to a 21st century clean energy economy demands a 21st century approach—one that includes bold, innovative actions such as today’s launch of the New York Green Bank by Governor Cuomo. We applaud the Administration for tackling the challenges that persist for clean energy investments with this new tool, as it will play a key role in ensuring New York continues to be a national leader in the rapid deployment of energy efficiency, renewable energy, and clean distributed generation.”

Michael Eckhart, Global Head of Environmental Finance at Citigroup, said, “The private sector welcomes the Governor's Green Bank initiative. The task of scaling up clean energy and energy efficiency in New York and across the nation will require access to significant amounts of capital. Governor Cuomo and Richard Kauffman are uniquely qualified to facilitate partnership between the private and public sectors, which is critical to achieving success. We look forward to working with the Green Bank to bring clean energy and green jobs to New Yorkers.”

Douglass Sims, Senior Policy Analyst at the Natural Resource Defense Council's Center for

Market Innovation, said, “NRDC is pleased to see the New York Green Bank taking shape. We expect the bank, which is being designed to leverage public and private capital, also to create synergies with the State's most effective existing clean energy programs. This comprehensive and innovative approach promises to yield more clean energy per New York dollar invested and set a national and international precedent for smart climate investment.”

Peter Olmsted, East Coast Policy Advocate for the Vote Solar Initiative, said, “It is exciting to see the Governor's Green Bank added to New York's suite of tools for building a strong clean energy economy. We see robust demand among New Yorkers for more solar power, and the state's growing solar industry is ready to deliver. Access to financing is one of the few limiting factors standing between New Yorkers and the clean energy they want. The New York Green Bank addresses that need by harnessing more private capital for clean energy investment.”

Fred Zalcman, Director of Government Affairs for SunEdison, a leading solar developer, said, “Innovative public-private sector financing is the next frontier in unlocking the economic and environmental benefits of clean on-site generation. We applaud Governor Cuomo for having the vision to create the New York Green Bank and look forward to working with NYSERDA and the PSC to maximize the reach and effectiveness of this important new financing vehicle.”

For more information on the Green Bank initiative, please visit:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={C3FE36DC-5044-4021-8818-6538AAB549B8}>

###

Additional news available at [www.governor.ny.gov](http://www.governor.ny.gov)  
New York State | Executive Chamber | [press.office@exec.ny.gov](mailto:press.office@exec.ny.gov) | 518.474.8418