



Authorities Budget Office

Policy Guidance

Report on Operations and Accomplishments

2019

Name of Public Authority:

Energy Improvement Corporation, LDC (EIC)

Public Authority's Report on Operations and Accomplishments:

BACKGROUND & MISSION

EIC was formed on July 7, 2011, pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as a New York State Public Authority, local development corporation.

EIC's mission is to design and operate a successful OPEN C-PACE program defined by measurably reducing greenhouse gas emissions in New York State. As a program administrator, EIC enables a public benefit on behalf of its member municipalities, relieving them of any financial exposure and all administrative burdens of operating the program. Improvements are financed by EIC approved capital providers in accordance with EIC's underwriting guidelines and NYSERDA's C-PACE guidelines. EIC currently operates a Residential program, ending in 2020, which encourages energy conservation in certain communities. EIC's goal is to operate in a self-sufficient manner without subsidies from rate payers.

SIGNIFICANT ACCOMPLISHMENTS

In 2019, EIC closed its prior C-PACE effort. All prior local laws and municipal agreements had to be replaced to allow EIC to enable the public benefit of OPEN C-PACE. To facilitate the new program design, EIC engaged new counsel and materially revised its management team. The new CEO and COO worked with the

EIC C-PACE Advisory Committee to perfect a program that is desired by both Municipalities and Capital Providers.

The accomplishments outlined above were done in furtherance of EIC's mission, and fall into six general categories: (1) closed prior programs, PACE 1.0 and PACE 2.0 to new financings; (2) designed and launched the new program, "OPEN C-PACE", which allows EIC approved capital providers to use PACE financing for their commercial customers; (3) completed the first two projects in November 2019 totaling \$2,505,053; (4) enrolled 34 municipalities around the state; (5) worked to amend Article 5-L to allow for new construction; (6) designed and drafted revisions to the EIC's Bylaws.

NEW PACE PROGRAM KNOWN AS "OPEN C-PACE"

Financing is provided to commercial property owners by EIC approved capital providers, allowing for competitive private financing. The financing is secured by using the member municipality's ability to place a voluntary energy assessment and assignable subordinate lien on the owner's property. EIC bills the property owner and directs them to remit the funds to the capital provider. As the program administrator, EIC will continue to review and approve each financing ensuring it conforms with the New York State PACE statute, EIC underwriting requirements, and NYSERDA C-PACE guidelines.

MUNICIPAL ACTIVITY RELATED TO "OPEN C-PACE"

In order to enable OPEN C-PACE, municipalities have to pass a local law and sign a municipal agreement with EIC. Under this program, a municipality is no longer responsible for administering the PACE repayment collection process, nor is it required to backstop borrower payments. These factors, as well as the prospect of closing larger projects, has resulted in widespread acceptance of OPEN C-PACE in New York.

PREVIOUS PACE PROGRAM CLOSED TO NEW FINANCING (KNOWN AS "ENERGIZE NY PACE 2.0")

The Corporation began offering PACE 1.0 to its member municipalities late in 2014 and replaced it with PACE 2.0, which modified some requirement thought to have been impeding uptake of the program. Generally, both the 1.0 and 2.0 programs were New York State's version of PACE financing that enabled eligible not-for-profits and commercially owned buildings access to financing for energy efficiency upgrades and renewable energy projects.

Since program inception in 2014, 20 projects totaling \$2,865,376 in PACE financings have been completed. This program was closed to new financings in February 2019.

MUNICIPAL MEMBERSHIP & MEMBER SERVICES

Enlisting municipalities in OPEN C-PACE involves outreach and discussion with municipal staff and/or elected officials, and other local stakeholders. EIC provides the

template Local Law and Municipal Agreement, and other template documents that are requested once the municipality opts-in (Municipal Certificate, Opinion of Local Counsel, and Lien Filing Letter). EIC answers questions from municipal staff, presents at legislative meetings as necessary, and facilitates the review of the draft membership documents. For Members with pending transactions, EIC confers with the County Clerk's office to confirm that lien filing documents are in acceptable form and that EIC will not be charged recording fees. EIC also collaborates with municipalities that opt-in to promote OPEN C-PACE in their communities.

In 2019, EIC enrolled 34 municipalities into its OPEN C-PACE program, including 12 counties, 15 cities, and 7 towns. An additional 11 counties, 2 cities, and 4 towns adopted the local law to enable Open C-PACE.

ENERGIZE NY RESIDENTIAL

Energize NY Residential (ENYR) is an energy efficiency program operating under the auspices of the Energy Improvement Corporation. During 2019, the Energize NY Residential staff operated three Clean Heating and Cooling Community Campaigns in Westchester and Orange Counties and served homeowners in Westchester, Orange and Dutchess Counties. Coordination of work was augmented by engagement with organizations on the state, regional and local level to coordinate support to homeowners. Collaborating organizations included: utilities, NYSERDA, CBOs, higher education institutions, numerous chambers of commerce and municipalities and their corresponding Conservation Advisory Councils and Sustainability Groups.

ENYR utilizes the communities campaign model to significantly increase New York homeowner energy efficiency project adoption. The core components of community campaigns are municipal support, trusted source partnership, a list of vetted local contractor-partners, educational events, customized community-based marketing (online and print) and direct homeowner support (email, phone and in-person). In 2019 these efforts generated 740 leads, directed 920 homeowners toward audit approval, assisted 775 homeowners in completing energy audits and 189 completed upgrades in the Home Performance with ENERGY STAR Program.

Approved by EIC Board of Directors on 02/12/2020