



Authorities Budget Office
Policy Guidance

Report on Operations and Accomplishments

2022

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.

The mission of the Energy Improvement Corporation (EIC) is to design and operate successful assessment financing programs to reduce greenhouse gas emissions and provide other environmental public benefits in New York State. EIC is a program administrator and enables a public benefit on behalf of its member municipalities, relieving them of financial exposure and the administrative burdens of operating the program. Improvements are financed by EIC-approved capital providers in accordance with EIC's underwriting guidelines and New York State Energy Research and Development Authority's ("NYSERDA's") guidelines. EIC endeavors to create and operate programs which address climate change. EIC's goal is to operate in a self-sufficient manner without subsidies from ratepayers.

SIGNIFICANT ACCOMPLISHMENTS

Accomplishments in 2022 include: (1) 9 additional financings totaling \$73 million (26 financings totaling \$133 million since program inception), these 9 projects include projected lifetime greenhouse gas savings of 13,796.5 metric tons (not including 2 projects qualified through Design to Earn Energy Star certification, 1 project qualified

through LEED certification, and 1 project qualified through NYSERDA and utility incentive programs; (2) enrolling 5 additional municipalities; (3) second lending collaboration with the NY Green Bank; (4) adding the first large money center bank as a Capital Provider; and (5) operating without a NYSERDA grant.

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 to ensure 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 requirements 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 2022, EIC enrolled 5 municipalities in its OPEN C-PACE program, including 2 counties, 2 cities, and 1 town. In addition, 2 cities adopted the Local Law, and 1 county scheduled a public hearing for February 2023. As of December 31, 2022, 72 municipalities completed the legislative process and signed the Municipal Agreements to join the PACE program.

Approved by EIC Board of Directors on 02/08/2023