



Authorities Budget Office
Policy Guidance

Report on Operations and Accomplishments

2020

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 programs. Improvements are financed by EIC approved capital providers in accordance with EIC's underwriting guidelines and 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 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.

In 2020, EIC continued restructuring by ending participation in the residential program to focus on its core operation, OPEN C-PACE. Headcount reductions and improved alignment of resources will contribute to EIC's mission of being self-sustaining by 2022.

Accomplishments in 2020 fall into four general categories: (1) aligning resources with value added functions for the enterprise; (2) significantly contributing to the successful passage of an amendment to Article 5L allowing C-PACE for new construction; (3) completing 6 financings totaling \$19.6 million with total projected CO2 reductions of 2,578 metric tons; (4) enrolling 26 municipalities around the state.

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 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 2020, EIC enrolled 26 municipalities in its OPEN C-PACE program, including 12 counties, 9 cities, and 5 towns. An additional 1 county, and 1 city adopted the local law to enable Open C-PACE. As of December 31, 2020, 60 municipalities joined the PACE program.

ENERGIZE NY RESIDENTIAL

Energize NY Residential was an energy efficiency program operating under the auspices of the Energy Improvement Corporation. During 2020, the Energize NY Residential staff operated two Clean Heating and Cooling Community Campaigns in Westchester and Orange Counties. The objective of these campaigns was to significantly ramp up the rate of clean heating and cooling system adoption and energy efficiency upgrades, displace fossil fuel-based systems, and to lower emissions. 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.

Energize NY Residential utilized the community 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). This program ended on December 31, 2020.

Approved by EIC Board of Directors on 02/10/2021