

New York State - Energy Efficiency Portfolio Standard Working Group 2 – Program Summaries

Program Name: New York Energy \$martSM Loan Fund and Financing Program

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Administering Entity: NYSERDA

Targeted Sector: Commercial and Industrial

Funding years	Funding Source	Total Budget (Millions)	Cumulative Funds Spent (Millions)	Energy Savings			Demand Savings		Total Resource Cost (TRC) Results*
				Current Annual Expenditures (Year Millions)	Cumulative (MWh/MM Btu)	Current Annual (MWh/MBtu)	Cumulative System Coincident Load Reduction (MW)	Current System Coincident Load Reduction (MW)	
13	SBC** SWP** Con Edison ***	26.4	1.98	5.1	76,784/ 129,710	18,300/ 129,710	42.9 of June 2007	28.6	3.5

* Or similar measure performance (e.g. TMET). Include description of cost test(s), identify if the analysis is retrospective or prospective and include any reference or links to on-line documents on evaluation as appropriate.

** Metrics shown are as of September 15, 2007; includes C/I and Multifamily projects

*** Metrics shown are as of October 27, 2007 and includes 3 other commercial programs

Program Description: The New York Energy \$martSM Loan Fund and Financing Program expands the availability of low-interest capital to help implement energy-efficiency projects and process improvements. Lenders enroll in the program by signing participation agreements and agreeing to reduce the interest rates on energy-related loans in exchange for a lump sum subsidy paid by NYSERDA. The Program's ongoing training of the financial sector, including tools under development to allow lenders to calculate the cash flow advantages their customers will gain from making energy-efficiency improvements. See 2006 annual report: http://www.nyserda.org/publications/SBC_Evaluation_Report_web.pdf and most recent quarterly evaluation: http://www.nyserda.org/Energy_Information/SBC/sbcjune2007.pdf.

Relationship to Staff Preliminary Proposal: Not discussed in detail.

Current status:

- Approximately 85 lenders, including leasing companies, across the state participating in the Loan Fund, and
- More than 480 commercial, 2072 residential, and 157 multifamily loans provided at reduced interest rates.
- \$33.6 million in subsidies to lenders has leveraged \$215.8 million in loan activity for energy efficiency improvements.

Barriers, challenges, gaps:

- This program is an innovative approach to creating more energy efficiency financing opportunities.
- The program will continue an emphasis on downstate projects.
- Split incentives in commercial real estate undermine the economic driver for energy efficiency.

Ramp-up potential, limitations, where help is needed to fulfill potential:

- Large ramp-up potential.
- Like many other NYSERDA SBC programs participation has been curtailed to ensure that committed funds would not exceed the budget.
- Incentive caps will be increased and marketing effort expanded, particularly in the NYC metropolitan area.
- Additional funding, staff and support contractors are needed to ramp up resource delivery.

Co-benefits: 697,406 MMBtu (cumulative); 560,167 MMBtu (annual). Co-benefits have included new or modified process improvements to achieve environmental or productivity advantages, new businesses and business expansion,

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Other issues/considerations:

Working through commercial banks is a model unique to NY. It is currently being studied by other energy efficiency administrators and utilities nationally and in Canada. Program as opportunity to use lenders to transform energy efficiency market was presented at energy conference (AESP) in 2005.