

NEW YORK CITY ENERGY EFFICIENCY CORPORATION REVOLVING LOAN FUND*

New York City's (NYC) government created the New York City Energy Efficiency Corporation (NYCEEC) in 2011 as a nonprofit with a mission to spur efficiency and other clean energy projects to help NYC achieve its citywide goals of reduction CO2 emissions by 30 percent by 2030. It was capitalized with \$44.5 million (\$37.5 million from American Recovery and Reinvestment Act grants, \$5 million in NYC funds, and \$2 million in foundation grants). A Board appointed by the NYC Mayor oversees NYCEEC, which is staffed with a team of finance and efficiency professionals. NYCEEC offers innovative financing solutions including loans and credit enhancements, and technical expertise to help building owners and tenants save money and reduce energy use. NYCEEC works directly with building owners, contractors, project developers and Energy Services Companies (ESCOS) and offers several unique services, including but not limited to underwriting energy savings; offering financing that also covers eligible soft costs such as energy audits; and providing engineering support and technical guidance to help borrowers maximize cost and energy savings.



** New York City did not participate in the City Energy Project, however the city's approach serves as a model for other cities to follow.*

SIGNIFICANT IMPACT

Accomplishments as of 2018:

\$134 M

Financed

9.3 M

Square feet of real estate

203

Buildings upgraded

21 M

MMBTUs of energy saved

WHAT IS A REVOLVING LOAN FUND?

A Revolving Loan Fund (RLF) is a source of money from which loans can be made. It has become a useful mechanism for financing energy efficiency projects in cities, counties, and states, as well as at institutions like university campuses. The RLF is called “revolving” because the money that is initially lent out is ultimately repaid and re-used for new projects, thereby recirculating the original capital. Usually, the repayments of principal go back into the RLF and the interest payments and lending fees paid by the borrower are used to manage the RLF so that the RLF does not need additional budget for its operations. Seed capital for an RLF can come from public budgets, ratepayer funds, bond issuances, grants, and private capital. RLFs have been used to finance energy efficiency projects on both municipal and private sector buildings.

While there are many options for financing programs, the City Energy Project Resource Library has many financing resources to get you started:

- [FACT SHEET: INTRODUCTION TO PRIVATE SECTOR FINANCING](#)
- [FACT SHEET: INTRODUCTION TO REVOLVING LOAN FUNDS](#)
- [CASE STUDY: SAN ANTONIO'S REVOLVING LOAN FUND](#)

SUCCESSFUL FEATURES OF NYCEEC

Self-funding organization. NYCEEC is self-funded and does not require any budgetary support from the city. It is funded from loan fees and interest payments. This means that it can be a viable independent organization regardless of changes in political administration.

Independent management and oversight. NYCEEC is staffed with a group of approximately 10 efficiency and financing professionals who provide specific technical expertise. In addition, there is an independent board of directors, appointed by New York City’s mayor; three of those seats are reserved for city officials while the remaining six seats are for other key stakeholders and experts. This provides NYCEEC with the high-level guidance and support it needs.

Innovative financial solutions. NYCEEC is an innovative finance solution provider, developing tailor-made loans or credit enhancements to enable key efficiency and clean energy investments. With finance and efficiency experts on hand, NYCEEC seeks to help simplify complex transactions for its customers. This differentiates NYCEEC from other financial institutions.

Close collaboration with city and state entities. NYCEEC coordinates with city and state agencies to target its services to buildings that need it most and to ensure that it is maximizing all possible incentive funds available to minimize the cost of efficiency projects.

REFERENCES

1. NYCEEC, “About NYCEEC,” Q4, 2018.
2. US Department of Energy, “Case Study: Financing Multifamily Energy Upgrades,” 2016. <https://www.nyceec.com/infographic/>