February 15, 2012

Nancy Anderson, Ph. D.
Executive Director
The Sullan Foundation, Inc.
30 Broad Street, 30th Floor
New York, NY 10004

Dear Nancy:

You have expressed concern about the availability of information about NYCEEC’s products and programs. Your interest in our progress is reasonable and appreciated.

NYCEEC, a start-up which had no employees a year ago, commenced operations in mid-2011, and devoted much of its first few months to developing financing products for energy efficiency retrofits and clean heat conversions – product development being a necessary precursor to marketing these products.

Please note that NYCEEC now has a website with information for building owners who are interested in learning more about energy retrofits and in applying for financing for projects. This website can be found at www.NYCEEC.com.

Our first products are described on our website, and we encourage interested parties to contact us for further information at info@nyceec.com. A Financing Application is currently available on the website.

NYCEEC has closed one retrofit financing transaction to date, as you note. Our first transaction at 125 Maiden Lane is a pilot of an innovative contractual structure – the Managed Energy Services Agreement (MESA). It is the first transaction of its kind ever used in a building located in New York City. To our knowledge, it is also the first instance of incorporating credit enhancement of commercial debt into a MESA transaction. While it took time to develop, we are confident that this precedent can be replicated to the benefit of many multifamily and commercial owners.

NYCEEC is committed to developing and supporting innovative new approaches that can solve previously intractable barriers to energy efficiency investment and clean heat conversions. To this end, we are conducting pilot financing transactions prior to broadly advertising a set of established financing criteria. This is a prudent strategy that is necessary to ensure effective use of taxpayer dollars, while meeting the ambitious energy and climate action goals of New York City. Our Board of Directors believes that this approach responsibly balances the imperative of timely expenditure of ARRA funds with the objective of obligating these funds through a rigorous evaluation process.

We hope and expect to close many additional transactions in this format. All projects that are selected for financing are vetted through a consistent process, sanctioned by NYCEEC’s Board of Directors. We are open to receiving all reasonable requests for financing, and will fairly and consistently evaluate all such proposals.

It is also important to note that NYCEEC’s goals include establishing itself as a self-sustaining organization that does not simply spend down Federal grant money and close up shop. To achieve the most benefit for New Yorkers from our
ARRA grants, NYCEEC is undertaking a strategy that will permit repayment and re-use of the capital that we are deploying on the City’s behalf. To achieve this outcome, we must develop partnerships with established financial institutions and energy services companies, as opposed to simply pushing funds out of the door. This strategy does take time to develop, but will reap greater economic and environmental benefits for our community in the long run.

NYCEEC is committed to transparency of operations. Every quarter we provide data for the City’s 1512 reports to the Federal government (http://www.recovery.gov/Transparency/RecipientReportedData/Pages/Recipient.aspx?duns=965971232), and then go beyond the Federal reporting requirements by providing information on the City’s Stimulus Tracker website (http://www.nyc.gov/stimulus).

Our Board meetings are open to the public, and we encourage feedback on our processes and products from interested members of the community.

Sincerely,

Susan Leeds

Susan Leeds

cc: NYCEEC Board of Directors