

Independent Assurance Statement

To: The Management of New York State Energy and Research Development Authority (“NYSERDA”), Ramirez & Co. and Climate Bonds Standard Board (CBSB)

Date: August 28, 2018

Introduction

First Environment, Inc. (“First Environment”) was engaged by NYSERDA (“Issuer”), via Ramirez & Co., to provide independent post-issuance Climate Bond verification of its Residential Solar Financing Revenue Bonds, Series 2018A as presented in the Official Statement (dated March 15, 2018) and Green Bonds Framework (dated February 13, 2018). First Environment conducted the verification from July 5 to August 28, 2018. First Environment is an approved verifier by the Climate Bonds Standard Board operating for this engagement within the jurisdiction of the United States, specifically the State of New York.

Verification Scope

Specific scope for the verification is outlined in the table below:

Issuing Entity	New York State Energy and Research Development Authority (Responsible Party)
Bond Issuance/s	Residential Solar Financing Revenue Bonds, Series 2018A Total Bond Amount \$18.5MM Issued March 15, 2018
Type of Climate Bond	Use of Proceeds Revenue Bond
Climate Bonds Taxonomy	Energy: Solar (Photovoltaic Solar Electricity)
Pre- or Post-Issuance	Post-Issuance
Impact Reporting Period	March 15, 2018 to July 31, 2018
Sources of Information	<p>Discussions with NYSERDA management and documents provided including Utility Interconnect Acceptances (received August 9, 2018), NY-Sun Approval Letters (received August 9, 2018), Loan Tape (July 31, 2018), Official Statement (March 15, 2018), NYSERDA Green Bond Framework (February 13, 2018), NY-Sun Residential and Small Commercial Program Manual (April 2017), NY-Sun Incentive Program Participation Agreement (March 2017), Officer’s Certification for Loan Fund Requisition (June 7, 2018).</p> <p>The Issuer posts on their website (https://www.nyserda.ny.gov/All-Programs/Programs/NY-Sun/Data-and-Trends) a database of all solar projects completed since 2000, total capacity of complete and pipeline projects, and expected annual production of complete and pipeline projects. Additionally, all program guidelines and regulations are readily available for download.</p> <p>The Issuer is also obligated to disclose information about this Climate Bond and Nominated Projects and Assets to the public through the EMMA (Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board) platform.</p>

Standards and Auditing Ethics Used for Verification

The following table outlines the Standards, Level of Assurance and Materiality used to conduct this verification:

Standard of Verification	<ul style="list-style-type: none"> • Climate Bonds Standard, Version 2.1 (CBS); • CBS Sector-specific criteria: Sector Criteria for Solar (version 2.1) <p>Limitation of CBS: The Climate Bonds Standard is designed specifically to allow investors, governments, and other stakeholders to prioritize 'low carbon and climate resilient' investments with confidence that the funds are being used to deliver a low carbon and climate resilient economy. It is not a financial standard and does not imply any impact on the credit ratings of specific investments.</p>
Verification Process	<ul style="list-style-type: none"> • The Climate Bonds Standard Assurance Framework. • The Climate Bonds Verification Agreement. • ISAE 3000 (revised 2013), Assurance Engagement Other than Audits or Reviews of Historic Financial Information. • Applicable professional ethics and quality control principles such as those presented in ISO 14065 for validation and verification bodies (2007).
Level of Assurance	<ul style="list-style-type: none"> • Limited Level of Assurance. <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
Materiality	<ul style="list-style-type: none"> • Qualitative non-conformities with the most recent Climate Bonds Standard or related Sector-specific criteria are considered material. • Quantitative misstatements greater than five percent of the numeric sector-specific criteria are considered material.

Conclusions

First Environment has performed independent post-issuance Climate Bond verification of NYSERDA's Residential Solar Financing Revenue Bonds, Series 2018A as presented in the Official Statement (March 15, 2018), Green Bonds Framework (dated February 13, 2018) and subsequent quality assurance and tracking documents. Assessment procedures and results of this verification have been documented and provided to the management of NYSERDA and the Climate Bonds Standard Board (Climate Bonds Standard Assurance Report, August 28, 2018).

Based on the evidence collected and the assessments performed, nothing has come to our attention that causes us to believe that NYSERDA's Residential Solar Financing Revenue Bonds, Series 2018A used to finance loans made by the Authority to fund the installation of solar electric systems is not prepared, in all material respects, in accordance with the post-issuance requirements of the Climate Bonds Standard v2.1 and the Solar Sector Criteria v2.1.

Regards,

FIRST ENVIRONMENT, INC.

A handwritten signature in black ink, appearing to read "Phillip J. Ludvigsen". The signature is stylized and cursive, with the first name being the most prominent.

Phillip J. Ludvigsen, Ph.D.
Lead Verifier