



Connecticut's Green Bank

Energizing Clean Energy Finance



WHO WE ARE >

The Clean Energy Finance and Investment Authority (CEFIA) was established by Connecticut's General Assembly on July 1, 2011 through Public Act 11-80 as a quasi-public agency that supersedes the former Connecticut Clean Energy Fund. As the nation's first state "Green Bank," CEFIA leverages public and private funds to drive investment and scale-up clean energy deployment in Connecticut.

VISION >

To help ensure Connecticut's energy security and community prosperity by realizing its environmental and economic opportunities through clean energy finance and investments.

MISSION >

To support the governor's and legislature's energy strategy to achieve cleaner, cheaper and more reliable sources of energy while creating jobs and supporting local economic development.



GOALS >

- < Attract and deploy capital to finance Connecticut's clean energy goals
- < Develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers
- < Reduce reliance on grants, rebates and other subsidies and move toward innovative, low-cost financing to support clean energy deployment in Connecticut



Empowering you to make
smart energy choices

Energize Connecticut helps you save money and use clean energy. It is an initiative of the Energy Efficiency Fund, the Clean Energy Finance and Investment Authority, the State and your local electric and gas utilities with funding from a charge on customer energy bills. For more information please visit www.EnergizeCT.com.

FROM THE PRESIDENT AND CEO

Connecticut's green bank, the Clean Energy Finance and Investment Authority, has energized the state's clean energy economy by attracting private investment and deploying more clean energy to achieve greater public benefit.

In 2011, Connecticut became the first state to establish a green bank when Governor Dannel Malloy and the Connecticut General Assembly created the Clean Energy Finance and Investment Authority. As a green bank, CEFIA was charged with promoting clean energy growth by using limited ratepayer dollars to attract private capital investment. The idea was to transition the clean energy market to one that would become self-sustaining rather than rely indefinitely on public sources of funds.

CEFIA's results demonstrate that the green bank model is at work in Connecticut. Because of CEFIA's initiatives, more than \$220 million is being invested in deploying clean energy in Connecticut communities. For every \$1 of ratepayer funds CEFIA invested, about another \$10 was invested by private sources. This investment has led to the deployment of record amounts of clean energy. It has created nearly 1,200 jobs. And, over the lives of the projects, it will prevent the release of more than 250,000 tons of greenhouse gas emissions.

Connecticut's green bank is at work throughout our state. On a reclaimed brownfield in Bridgeport, the second-largest fuel cell power plant in the world is now operational. Across Connecticut, businesses, institutions and homes are deploying rooftop solar photovoltaic systems in record numbers, installing twice as many systems this year as in years past. Communities statewide have launched local Solarize and Energize campaigns that are making clean energy more accessible and affordable to consumers.



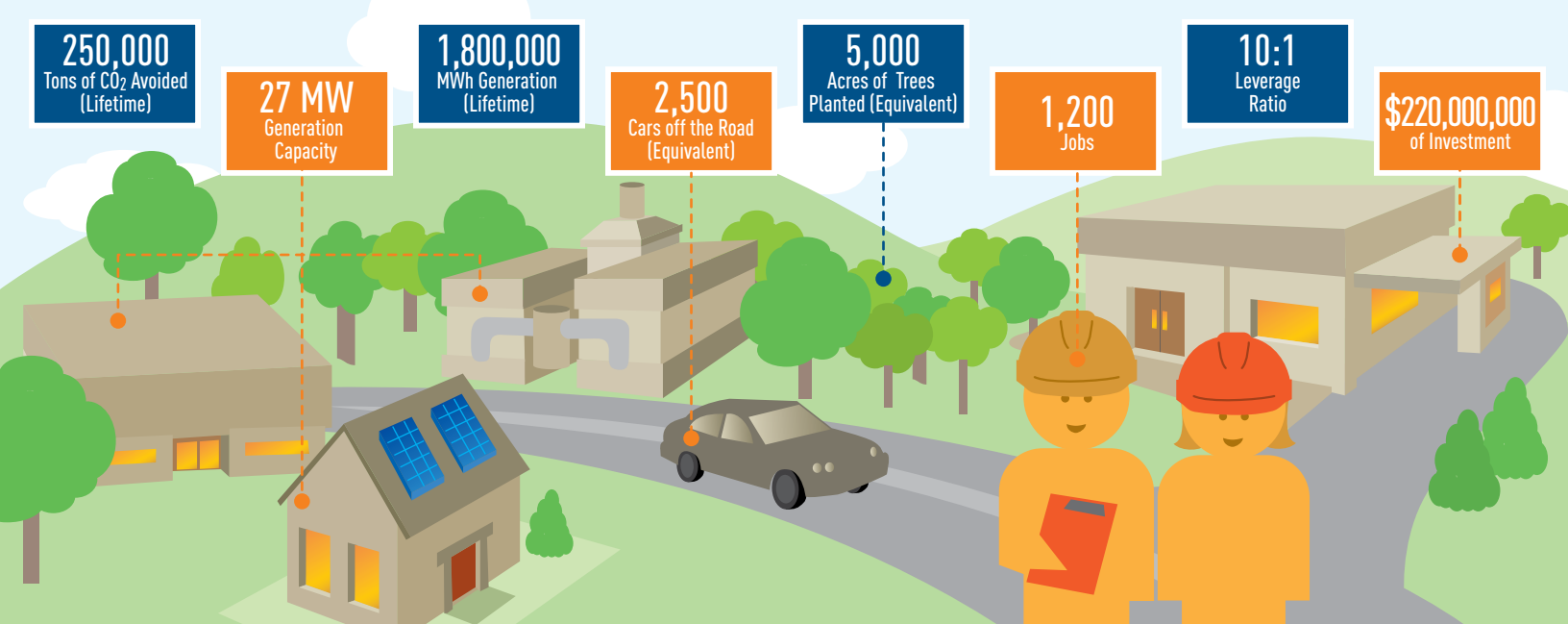
This all translates into cleaner, cheaper and more reliable sources of energy for Connecticut, more jobs and local economic development. At the same time, Connecticut's green bank is working with local lenders and contractors to provide easy access to affordable capital to help consumers access this clean energy economy.

As Connecticut's green bank, CEFIA is building on the vision of elected officials in Hartford to make steady progress toward a vibrant clean energy economy. We are deploying more clean energy quickly and more efficiently while using public funding effectively.

Connecticut has always been revolutionary in clean energy, having pioneered the first self-regulating wind turbine, the first electric vehicles and fuel cells. It is still revolutionary today, leading the nation in establishing the first green bank, demonstrating that it is at work in our state and creating a model for other states to follow.

Bryan Garcia
President and Chief Executive Officer

Fiscal Year 2013 Achievements



From Urban Brownfield to Shining Example in Less Than a Year

The second-largest fuel cell park in the world—and the largest in the Americas—is up and running on a former brownfield site in Bridgeport, Conn., with help from the Clean Energy Finance and Investment Authority.

The 14.9-megawatt facility was built by FuelCell Energy Inc., of Danbury, Conn., and is owned by Dominion, one of the country's largest energy companies.

CEFIA played a critical role in the fuel cell park's development. In keeping with the green bank model, CEFIA used \$5.8 million in ratepayer funds to leverage a life-cycle investment of \$125 million from Dominion. Other partners include Connecticut Light & Power Co., which purchases the electricity the fuel cell park produces; United Illuminating, which delivers the power to end users; and the city of Bridgeport, which provided tax incentives.

The installation generates electricity without producing emissions that cause smog, acid rain and health problems. The facility also helps stabilize the electric grid by producing power close to where it's used.

The project created more than 150 jobs in manufacturing, construction and fuel-cell-equipment servicing.

“Dominion is proud to own the Bridgeport Fuel Cell Park. It was a team effort bringing the project online and we have strong partners in FuelCell Energy, the City of Bridgeport and CEFIA. The beneficiaries of this strong teamwork are the residents and businesses in Connecticut that will enjoy reliable, renewable energy produced in Connecticut.”

Kevin R. Hennessy, Director – Federal, State & Local Affairs – New England
Dominion Resources, Inc.

“This is a great example of public-private partnerships working together to create jobs, expand economic development and make our environment cleaner by producing virtually pollution-free electricity with a low carbon footprint. Many thanks go to Dominion and FuelCell Energy for their diligence in moving this project forward, and to Gov. Malloy for promoting clean energy projects in the state of Connecticut.”

Bill Finch, Mayor, City of Bridgeport

A Model at Work with
CITY OF BRIDGEPORT, DOMINION RESOURCES, AND FUELCELL ENERGY

“This project illustrates how clean and efficient fuel cell projects harmonize energy, economic and environmental policies, generating jobs and tax revenue while benefiting public health and enhancing the resiliency of our power sources.”

Chip Bottone, President and Chief Executive Officer,
FuelCell Energy, Inc.



“CEFIA’s Residential Solar Investment Program has given solar installers the confidence to invest in their businesses. Now installers are becoming more profitable, buying assets, hiring—all the things businesses do when they’re about to take off—because they know RSIP is going to be there.”

Michael Trahan, Executive Director,
Solar Connecticut

“Financial incentives through CEFIA and the federal government made installing a solar PV system an easy decision. And in the first full month of operation, our electric bill was cut in half.”

Paul Armond, Homeowner
Lyme, Connecticut

Residential Solar Ahead of Schedule and Under Budget

In compliance with state statutes, CEFIA established its Residential Solar Investment Program, or RSIP, in early 2012. The overarching goal of the legislation, and of RSIP, is to help create a vibrant solar industry in Connecticut. To achieve this, CEFIA’s RSIP provides—through eligible installers—cash incentives (rebates and performance-based incentives) that make installing solar PV systems attractive and affordable for Connecticut homeowners.

In 2011, the General Assembly charged CEFIA with enabling the installation of at least 30 megawatts of new solar PV in the next 10 years. In just the first two years, the program has achieved half that goal, installing 16 megawatts of solar in 2,300 projects, and still more projects are in the pipeline. And, while legislation called for CEFIA to achieve installation goals by using only a third of the ratepayer funds allocated to it, it has used less than a quarter.

RSIP is also creating 1,100 jobs. By making solar more affordable for homeowners, RSIP is increasing demand and creating work for contractors, installers and Connecticut companies.

“RSIP is helping us create jobs while enabling Connecticut homeowners to generate their own clean power. We want to see it continue and succeed.”

Joshua Ross, Partner, Ross Solar Group,
Danbury, Connecticut



Smart-E Loans Make Home Energy Improvements Affordable

Connecticut homeowners can get long-term, low-interest loans to make energy improvements to their homes with an EnergizeCT Smart-E Loan. Launched in spring 2013, Smart-E loans are available through participating local lenders statewide. As Connecticut's green bank, CEFIA provides those lenders with loan loss reserves to increase their ability to make energy improvement loans to eligible homeowners.

Homeowners can use Smart-E loans for nearly any project that makes their home more energy efficient or that generates renewable energy. Insulation, heating and cooling equipment, efficient windows or the installation of a renewable energy system like solar power are examples of eligible projects. Up to 20 percent of the loan can be used for related energy measures such as asbestos abatement or a new roof required for a solar installation.

Homeowners benefit from economical loans and reduced energy costs that continue long after the loan is repaid. Lenders benefit from establishing relationships with high-quality, local customers. CEFIA takes care of everything from training participating Smart-E contractors to approving each project's technical specifications and conducting inspections.

Smart-E loans were launched in spring 2013 in Norwich, where Norwich Public Utilities was spearheading a campaign to encourage residents to choose natural gas. CEFIA partnered with CorePlus Credit Union and Eastern Savings Bank to offer customers Smart-E loans. CEFIA also provided resources to ramp up marketing efforts and create the "Energize Norwich" campaign, which launched in August 2013.

“ CEFIA continues to work closely with Connecticut Banks to provide consumers with easy access to affordable capital for their energy improvement needs. ”

Thomas S. Mongellow, Executive Vice President and Treasurer, Connecticut Bankers Association

“ The innovative, community-based outreach campaign, supported by the partnership among CEFIA, Norwich Public Utilities, SmartPower (CEFIA's marketing and outreach partner), local lenders and contractors, combined with CEFIA's Smart-E loans, has helped people throughout our community save money and reduce emissions by switching to clean, economical natural gas. ”

Jeff Brining, Manager, Energy Services Division, Norwich Public Utilities

A Model at Work with NORWICH PUBLIC UTILITIES, SMART POWER, LOCAL LENDERS AND CONTRACTORS



“ Without the EnergizeCT Smart-E Loan, this is something we definitely would not have been able to do. ”

Kenny Curran, Waterbury homeowner



“Assurant is proud to be working with CEFIA and providing our insurance expertise on this important residential solar leasing program. Assurant is committed to providing CEFIA and its solar project customers the peace of mind that comes with knowing their financial investments are protected.”

Jeanne Schwartz, Vice President of New Venture Commercialization, Assurant, Inc.

“First Niagara is pleased to partner with CEFIA to make it easier and more affordable for Connecticut consumers to finance solar energy applications for their homes. Our financing program for CT Solar Lease provides homeowners and some businesses with significantly enhanced opportunities to finance their switch to solar power, save money and decrease their energy consumption.”

David V. Ring, Managing Director, Enterprise Banking and New England Regional President, First Niagara Financial Group

“Trinity Solar is excited to be working with CEFIA and the CT Solar Lease program. The CT Solar Lease is one of the most innovative programs in the country that makes solar PV affordable for a broad spectrum of residents in Connecticut. Trinity Solar is privileged to participate in and promote such a great program.”

Bill Granger, Executive Vice President, Trinity Solar

CT Solar Lease Makes Going Solar Affordable

CEFIA launched the CT Solar Lease program this year to help more Connecticut property owners cut energy costs and shrink carbon footprints by installing solar photovoltaic or solar hot water systems with the option of no upfront cost. Property owners lease the equipment and make monthly payments for 20 years, with the option of purchasing the system after five years.

CEFIA collaborated with key partners to create the program. Financial partners include U.S. Bank and First Niagara, Webster, Liberty and Peoples United banks. AFC First Financial acts as the servicer, processing applications and managing the installer network. Comprehensive insurance and warranty management through Assurant ensures consumers' peace of mind.

In all, CEFIA used just \$9.5 million of ratepayer funds to attract \$50 million of private capital. CEFIA will use the financial returns to support future clean energy programs. By leveraging ratepayer funds to attract more private capital, CEFIA can reach more homes and build a more sustainable market.

The program's integration with CEFIA's C-PACE program makes it available to commercial, industrial, not-for-profit and multifamily property owners, as well as homeowners. Municipalities and school districts can obtain cost-saving power purchase agreements for their electricity needs. CT Solar Lease is the first public/private partnership in the country to combine residential solar PV, residential hot water and commercial-scale solar.

Projects completed under CT Solar Lease will generate 14,000 kilowatts and 4,600 mmbtu of clean energy annually, prevent millions of pounds of emissions and create more than 1,000 jobs.

U.S. BANK AND FIRST NIAGARA, WEBSTER, LIBERTY AND PEOPLES UNITED BANKS, ASSURANT



C-PACE: Upfront Financing for Building Energy Improvements

In January 2013, CEFIA introduced the innovative Commercial Property Assessed Clean Energy (C-PACE) program. C-PACE is one of the country's first statewide programs to provide 100 percent upfront financing for energy upgrades to commercial, industrial and nonprofit buildings. Under this program, property owners obtain financing needed to make key energy improvements, and then repay it as a benefit assessment charge on their property tax bill. Because the payments can be spread over a period of up to 20 years, owners save on energy costs immediately and for years to come. The financed improvements increase the building's value while preserving the building owner's capital and credit lines for core investments.

C-PACE has been a notable success. Seventy-two Connecticut municipalities, together accounting for 80 percent of the state's commercial and industrial building stock, have signed onto the program. Since launching C-PACE, CEFIA has approved 26 projects totaling \$20 million. CEFIA has developed a partnership with a private funding source to revolve its internal warehouse of funding for these transactions.

C-PACE financing is available for a wide range of clean energy and energy efficiency improvements, including new boilers and chillers, upgraded insulation, new windows and solar installations. Energy audits and construction costs can also be financed through C-PACE.

“Clean Fund is honored to have this public-private partnership with CEFIA to leverage our capital for the public good.”

John Kinney, Chief Executive Officer,
Clean Fund

C-PACE by Cities and Towns ▶

These C-PACE cities and towns are advancing their economic development interests by helping property owners lower their energy costs – thus becoming more competitive – and improving the value of their buildings.

A Model at Work with CLEAN FUND, CONTRACTORS AND CONNECTICUT COMMUNITIES

“Energy efficiency is always something we strive for, but due to the size and scope of this particular project, it would not have been possible without C-PACE. The end result will be better comfort for our tenants and a much-improved physical asset.”

Brandon Hall, Principal,
Forstone Capital





 Approved Projects

David Fay, President and CEO
Bushnell Center for the Performing
Arts





FROM THE GOVERNOR

The people of Connecticut can take pride in their state's national leadership in pioneering strategies to create a cleaner, cheaper and more reliable energy future while creating jobs and supporting local economic development.

Early this year, we launched the state's first Comprehensive Energy Strategy. This wide-ranging plan set Connecticut on a new path aimed at expanding energy choices, lowering utility bills for residents and businesses, improving the environment, creating clean energy jobs and enhancing quality of life in the state.

The Clean Energy Finance and Investment Authority is a vital part of this strategy. As the country's first state green bank, it is energizing clean energy financing. Its strategic use of ratepayer dollars to attract private investment and its partnerships with financial institutions and other stakeholders are already yielding impressive results. The number of clean energy projects has increased dramatically, as this report shows. Just as important, the green bank's efforts have stimulated innovation in the energy marketplace and created an environment that encourages private sector investment.

Connecticut's energy, environmental, and economic prospects are brighter because of groundbreaking work on behalf of all Connecticut residents.

Dannel P. Malloy
Governor of Connecticut

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* Finalized term as Commissioner on February 2, 2014

FINANCIAL HIGHLIGHTS

Clean Energy Finance and Investment Authority—For the years ended June 30, 2013 and 2012:
(in thousands)

Statements of Net Position

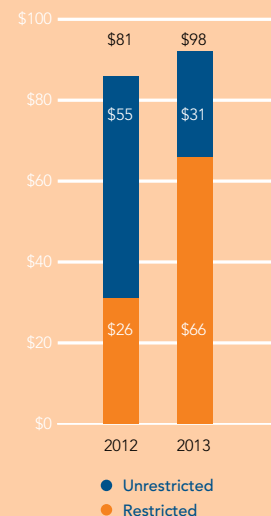
	2013	2012	Increase (Decrease)
Cash and cash equivalents	\$77,642	\$73,214	\$4,428
Investments	4,788	2,155	2,633
Promissory notes	11,240	11,736	(496)
Other assets	6,320	5,071	1,249
Total assets	99,990	92,176	7,814
Current liabilities	1,816	2,625	(809)
Deferred revenue	—	8,363	(8,363)
Total liabilities	1,816	10,988	(9,172)
Invested in capital assets	362	91	271
Restricted Net Position:			
Non-expendable	1	—	1
Restricted—energy programs	8,143	177	7,966
Contingent liabilities—programs and projects ¹	24,487	25,849	(1,362)
Commitments to future programs and projects ¹	33,842	—	33,842
Net position committed to programs and projects	66,473	26,026	40,447
Unrestricted Net Position	31,339	55,072	(23,733)
Total Net Position	\$98,174	\$81,189	\$16,985

¹ See Note 8 to CEFA's 2013 audited financial statements for further detail.

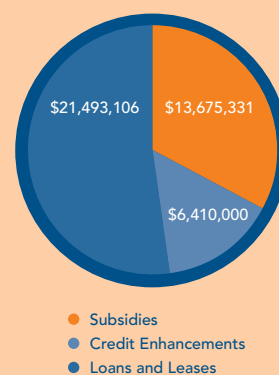
Statements of Revenue, Expense, and Change in Net Position

	2013	2012	Increase (Decrease)
Revenues	\$43,343	\$39,754	\$3,589
Operating Expenses			
Organizational expenses	1,180	—	1,180
Grants and programs	23,635	31,122	(7,487)
General and administrative expense	1,811	1,388	423
Total Operating Expenses	26,626	32,510	(5,884)
Operating Income	16,717	7,244	9,473
Interest earned	687	729	(42)
Net change in unrealized appreciation			
in fair value of investments	378	435	(57)
Net realized (loss) gain on investments	(1,035)	—	(1,035)
Capital contributions	238	—	238
Net Change	\$16,985	\$8,408	\$8,577

Net Position
(\$'000,000's)



CEFA Capital at Risk
from FY 2013 Activities



For further details, read "Connecticut's 'Green Bank' at Work – FY 2013 Results"

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