

**BUDGET AND OPERATIONS COMMITTEE OF THE
CONNECTICUT GREEN BANK**

Minutes – Regular Meeting

Wednesday, January 11, 2017

3:00 PM - 4:00 PM

A regular meeting of the Budget and Operations Committee (“Budget Committee”) of the Board of Directors of the Connecticut Green Bank (the “Green Bank”) was held on January 11, 2017, at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT.

1. **Call to order:** Commissioner Klee called the meeting to order at 3:05 p.m.

Members Attending: Rob Klee (Chair), Norma Glover and Mun Choi (by phone)

Staff Attending: Bryan Garcia, George Bellas, Jane Murphy, Brian Farnen (by phone), Eric Shrago, Craig Connolly and Cheryl Samuels

2. **Public Comments:**

There were no public comments.

3. **Approve Meeting Minutes for June 7, 2016 Regular Meeting:**

Upon a motion made by Commissioner Klee, and seconded by Norma Glover, the Meeting Minutes for June 7, 2016 were unanimously approved.

Resolution #1

Motion to approve the minutes of the Budget and Operations Committee meeting for June 7, 2016.

Second. Discussion. Vote

4. **FY 2017 Targets:**

Bryan Garcia provided a high-level overview of the FY 2017 targets. He noted that during his recent performance assessment for FY 2016 with Commissioners Smith and Klee that Commissioner Smith asked for a mid-year revision of FY 2017 targets and budget. He explained that in the past they had set stretch targets as an organization. He explained that this year they had backed away from that to establish more achievable targets. He discussed the reasoning behind the proposed revisions to the targets and budget.

Eric Shrago provided an update on the ambitious start to the year, explaining that they were looking to complete just over 6,200 RSIP projects. He explained that looking at the numbers there had been a macro level impact in all sectors. He explained that this is due to lower energy costs and warmer weather, there is not as much demand. He explained that the FY 2017 targets were relatively in line with what was achieved in FY 2016. He explained that they will update the Board with more detail.

Bryan Garcia explained that the largest residential solar PV installer in Connecticut had adjusted a lot of their business activity in the state. He explained that they had seen a drop in demand for their products coming into the RSIP. He explained that the rest of CT has not picked up as much as was lost. He explained that he does feel that it will catch up demonstrating that the market is becoming more resilient. He explained that they had plotted the rest of the market and that they see a correlation that it is increasing.

Commissioner Klee explained that it's not alarming that the targets are down due to this installer.

Bryan Garcia explained that if this installer was doing the same as they had previously done, the Green Bank would be on target or doing even better.

Eric Shrago explained that the residential sector is scaling back on multi-family numbers. He explained that they had already hit their capacity target for the fiscal year even with the smaller number of projects completed.

Eric Shrago discussed the SMART-E Program explaining that the staff has spent considerable time working with contractors to develop the HVAC channel that has been performing better than last year but slightly behind targets. The Solar channel is performing behind targets but has been delivering larger than expected projects in terms of capacity. He explained that the main change is the Capital for Change/HES Channel. The first thing to note is that Capital for Change came on line in December to serve credit challenged consumers. Bryan Garcia stated that the EDCs had set a target for the SMART-E Program for 250 loans through the HES channel. He explained that this channel has only delivered approximately 3 – 8 loans to date. He explained that they are backing that number way down and proposing a revision in the Joint Committee.

Eric Shrago discussed Posigen explaining that they are meeting their targets there. He stated that the target is 500 and that they're mid-way to that.

Norma Glover questioned what percentage in performance is based on how it was budgeted. Bryan Garcia stated that the RSIP and the SMART E are about 80% of the reduction. Commissioner Klee explained that the installer doing less is something out of the control of The Connecticut Green Bank This is similar to the HES channel being out of the control of the Connecticut Green Bank.

Eric Shrago stated that they will work on the numbers and follow up with the Board. Brian Farnen will revise the Resolution for the Board of Directors authorization as needed.

Upon a motion made by Commissioner Klee, and seconded by Norma Glover, Resolution 2 unanimously passed.

Resolution #2

RESOLVED, the Budget and Operations Committee recommends the Connecticut Green Bank Board of Directors approve the fiscal year 2017 target adjustments outlined in Attachment A, subject to the proposed revisions by staff during the meeting.

Second. Discussion. Vote

5. Budget Reallocation:

Eric Shrago discussed the proposed FY17 operating and program budget reallocations. He explained that staff is proposing to reallocate \$200,000 from the Clean Energy Community Program to the Energize CT program. He explained that they are looking to make approximately the same amount of loans throughout the year. Commissioner Klee stated that the leverage ratio will decrease. Stating that this is also part of the realistic 6-month adjustment.

George Bellas discussed the status of projected Performance Based Incentive (PBI) payments for the remainder of the fiscal year. Commissioner Klee asked whether projected SHREC revenues will offset these payments. Mr. Bellas stated that although there has been a delay in implementing the process through which CGB will receive these revenues as a result of the State's regulatory process, it is anticipated that SHREC revenues will offset the cost of PBI incentive payments and the cost to administer them.

Eric Shrago discussed the RGGI auctions and the \$1 million downward revision. Commissioner Klee stated that the next auction will be in March. George Bellas explained that the proposed revision reflects both the anticipated lower volume of allowances to be sold during the remaining two auctions for the fiscal year and the transfer of a majority of the March auction proceeds to the State's General fund as a result of legislation enacted in the previous fiscal year.

Commissioner Klee stated that there will be opportunities outside of RGGI. He also stated that they should get clarity on the auction values in the first quarter.

Eric Shrago went on to discuss the reimbursement to Energize CT for their marketing vendors from prior years. He stated that they've received a \$400,000 bill that they had not allocated for. He explained that they were only made aware of this recently. He explained that they are asking for additional monies. He also stated that they will get more information regarding the SHREC and other revenue forecasts prior to moving on Resolution 3. Resolution 3 was not proposed.

6. Adjourn:

Upon a motion made by Commissioner Klee, and seconded by Norma Glover, the meeting was adjourned at 3:58 p.m.

Respectfully Submitted,

**Rob Klee, Chairperson of the
Budget Committee**