

**Deployment Committee of the
Connecticut Green Bank**

845 Brook Street
Rocky Hill, CT 06067
Tuesday, March 28, 2017
2:00-3:00 p.m.

A regular scheduled meeting of the Deployment Committee of the Board of Directors of the Connecticut Green Bank was held on March 28, 2017 at the office of the Green Bank, 845 Brook Street, Rocky Hill, CT.

1. Call to order

Bryan Garcia called the meeting to order at 2:03 p.m. Deployment Committee members participating: Matt Ranelli (by phone) & Reed Hundt (by phone).

Staff Attending: Dale Hedman, Cheryl Samuels, Bryan Garcia (by phone), Nicholas Zuba (by phone), George Bellas, Jane Murphy, Ben Healey (by phone), Eric Shrago (by phone), Mike Yu (by phone), Brian Farnen (by phone).

2. Public Comments

There were no public comments.

3. Consent Agenda

a. Approval of Regular Meeting Minutes for February 27, 2017

Resolution #1

Motion to approve the minutes of the February 27, 2017 Meeting of the Deployment Committee of the Connecticut Green Bank.

b. C-PACE Transaction Update (Bridgeport)

Upon a motion made by Reed Hundt and, seconded by Matt Ranelli, Resolutions 1 and 2 were approved unanimously.

Resolution #2

WHEREAS, pursuant to Section 16a-40g of the Connecticut General Statutes, as amended, (the “Act”), the Connecticut Green Bank (the “Green Bank”) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

WHEREAS, the Green Bank Board of Directors (the “Board”) has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide a \$340,424 construction and (potentially) term loan under the C-PACE program to MP Development Associates, LLC, the building owner of

305 Knowlton Street, Bridgeport, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the Act, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Deployment Committee dated March 21, 2017, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Deployment Committee;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements; and

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

4. Infrastructure Sector Program Updates and Recommendations

a. Residential Solar Investment Program – PBI Commitment Payout

Mike Yu provided an overview of the Residential Solar Investment Program and the PBI payouts for Non – SHREC. He stated that this proposed approach would allow for the reinvestment of the monies. He also stated that this would transfer some of the performance risk from the owners to the Connecticut Green Bank, but would allow the Connecticut Green Bank to eliminate long term obligations at a potential discount.

Mike Yu stated that in early March they had reached out to the Third-Party owners requesting a framework calculating the expected performance of their respective portfolios. He stated that they have received positive feedback from 4 out of the 5 top Third Party Owners. He stated that they will bring the proposal to the Board at the April 28, 2017 meeting.

Reed Hundt discussed the discount rate and the variables for the optimization.

Matt Ranelli voiced his concerns with ARRA funding and the performance payout. Brian Farnen stated that any agreement will have clear language, and that ARRA funding was not relevant to this transaction.

b. Residential Solar Investment Program – Steps 11 through 13

Bryan Garcia provided an update on the RSIP. He stated that they are at about 55% of the goal. He stated that they have reduced incentives by over 80%. He commended the team, stating that they are focused and passionate about solar being available to all income classes. He stated that Kerry O’Neill will provide a more in-depth update on this at the meeting in April.

Bryan Garcia discussed SHREC and Non-SHREC RECs being approved by PURA. He commended the utilities – Eversource and Avangrid – for their support on the Master Purchase Agreement. He stated that they expect a final decision in April.

Bryan Garcia discussed Steps 11 – 13. Dale Hedman stated that they are 2/3rds of the way through Step 10 with about 10 MW remaining.

Bryan Garcia discussed the Non-SHREC RECs that will not be in the Master Purchase Agreement. He stated that they expect to be fully compensated for any incentives and administrative costs that were provided after January 1, 2015.

Bryan Garcia discussed the RSIP Steps 11 through 13. He stated that they will continue with Step 10 levels in Step 11 and then reduce by 5% in Step 12 and Step 13. Dale Hedman stated that the change is in Step 12 and 13, which is the same as in Step 12.

Bryan Garcia discussed the LMI PBI Incentive. He stated that they will continue with Step 10 levels in Step 11 and will reduce 10% in each of the Steps, 12 and 13. He stated that POSIGEN is becoming the fastest growing residential solar PV company in Connecticut.

Bryan Garcia stated that they are proposing a new pilot with three requirements for customers to participate in. He stated that they want to have the homeowners do the Energy Audit first. He stated that the SMART E Loan will help the homeowners do the “deeper” efficiency. The second requirement is that installers include Smart Inverters. He stated that the third is having the customer sign Data Release and System Access form.

Reed Hundt questioned if they will be able to use the system when the grid is down. Dale Hedman stated that they will be able to with a battery storage.

Reed Hundt commended the team for their work.

Dale Hedman provided an overview on the Battery Storage Incentive for the RSIP Pilot. He stated that they are proposing with the new pilot that homeowners would have to go onto one of the EDC’s time a day rates, and with the battery storage system they would dispatch a minimum of 40% of the battery during peak hours. He stated that the battery would help to lessen the cost of electricity utilization during peak hours, while offsetting power on the grid.

Matt Ranelli questioned, if someone doesn’t use 40% of the battery during peak hours, would it discharge to the grid. Dale Hedman stated that it would be done through the Smart Inverter.

Bryan Garcia stated that they want to support the industry’s “sustained orderly development” with all the tools that they need to manage and grow their businesses with their customers.

Upon a motion made by Reed Hundt, and seconded by Matt Ranelli, the Committee voted unanimously in favor.

Resolution #3

WHEREAS, Public Act 15-194 “An Act Concerning the Encouragement of Local Economic Development and Access to Residential Renewable Energy” (the “Act”) requires the Connecticut Green Bank (“Green Bank”) to design and implement a Residential Solar Photovoltaic (“PV”) Investment Program (“Program”) that results in no more than three-hundred (300) megawatts of new residential PV installation in Connecticut before December 31, 2022 and creates a Solar Home Renewable Energy Credit (“SHREC”) requiring the electric distribution companies to purchase through 15- year contracts the Renewable Energy Credits (“RECs”);

WHEREAS, as of March 21, 2017, the Program has thus far resulted in nearly one-hundred and sixty megawatts of new residential PV installation application approvals and completions in Connecticut;

WHEREAS, pursuant to Conn. Gen Stat. 16-245a, a renewable portfolio standard was established that requires that Connecticut Electric Suppliers and Electric Distribution Company Wholesale Suppliers obtain a minimum percentage of their retail load by using renewable energy;

WHEREAS, real-time revenue quality meters are included as part of solar PV systems being installed through the Program that determine the amount of clean energy production from such systems as well as the associated RECs which, in accordance with

Public Act 15-194 will be sold to the Electric Distribution Companies through a master purchase agreement entered into between the Green Bank, Eversource Energy, and United Illuminating, and approved by the Public Utility Regulatory Authority;

WHEREAS, pursuant to the Act, the Green Bank has prepared a declining incentive block schedule (“Schedule”) that offers direct financial incentives, in the form of the expected performance based buy down (“EPBB”) and performance-based incentives (“PBI”), for the purchase or lease of qualifying residential solar photovoltaic systems, respectively, fosters the sustained orderly development of a state-based solar industry, and sets program requirements for participants, including standards for deployment of energy efficient equipment as a condition for receiving incentive funding;

WHEREAS, pursuant to the Act, to address willingness to pay discrepancies between communities, the Green Bank will continue to provide additional incentive dollars to improve the deployment of residential solar PV in low to moderate income communities.

WHEREAS, pursuant to the Act, to address sustained orderly development of a state-based solar industry, the proposed grid modernization and climate change pilot will provide incentives for solar PV to offset the additional energy load from clean energy sources and storage needs.

WHEREAS, pursuant to Section 16-245(d)(2) of the Connecticut General Statutes, a Joint Committee of the Energy Conservation Management Board and the Connecticut Green Bank was established to “examine opportunities to coordinate the programs and activities” contained in their respective plans (i.e., Conservation and Load Management Plan and Comprehensive Plan);

WHEREAS, the Global Warming Solutions Act of 2008 requires Connecticut to reduce its greenhouse gas emissions by 80 percent from 2001 levels by 2050, all the while transportation and the thermal heating and cooling of buildings representing the largest emitting sectors;

WHEREAS, residential solar PV can provide cleaner, cheaper, and more reliable sources of energy for electric vehicles and renewable thermal technologies while creating jobs and supporting local economic development;

NOW, therefore be it:

RESOLVED, that the Deployment Committee recommends that the Board approves of the Schedule of Incentives as set forth in Tables 4, 5 and 6 of the memo dated March 21, 2017 20.0 MW from Step 11, 20.0 MW from Step 12, and 20.0 MW from Step 13.

5. Other Business

There was no other business.

6. Adjourn

Upon a motion made by Matt Ranelli, and seconded by, Reed Hundt, the Committee voted unanimously to adjourn the meeting at 2:59 p.m.

Respectfully Submitted,

Reed Hundt, Chairperson