

845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
ctgreenbank.com



May 12, 2017

Dear Connecticut Green Bank Budget and Operations Committee:

We hope your spring is going well.

We have a meeting of the Budget and Operations Committee scheduled for Friday, May 26, 2017 from 10:00-11:30 a.m. in the Colonel Albert Pope Board Room of the Connecticut Green Bank at 845 Brook Street, Rocky Hill, CT 06067.

On the agenda we have the following items:

- **Meeting Minutes** – review and approval of the meeting minutes for January 11, 2017.
- **FY 2018 Comprehensive Plan and Budget** – as the state budget is still under development, we are still working through the organization’s budgets with the team. Instead, we thought that we would focus our discussions at this meeting on the following items:
 - a. **Targets** – given our past process of setting stretch targets for our various market segment products and programs, we are instead going to propose a set of more realistic targets for FY 2018. We look forward to discussing these targets with you.
 - b. **Revenues** – we will present the FY 2018 revenue budget (minus the interest income which is still being finalized) for discussion.

If you have any questions, comments or concerns, please feel free to contact me at any time.

We look forward to seeing you next week.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Garcia".

Bryan Garcia
President and CEO

A handwritten signature in blue ink, appearing to read "Eric Shrago".

Eric Shrago
Director of Operations



AGENDA

Budget and Operations Committee of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, May 26, 2017
10:00-11:30 a.m.

Staff Invited: George Bellas, Craig Connolly, Mackey Dykes, Brian Farnen, Bryan Garcia, Dale Hedman, Bert Hunter, Kerry O'Neill, and Eric Shrago

1. Call to order
2. Public Comments – 5 minutes
3. Approve Meeting Minutes for January 11, 2017 Regular Meeting* – 5 minutes
4. FY 2018 – Budget and Targets** – 80 minutes
5. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online at <https://global.gotomeeting.com/join/769882189>

Dial +1 (872) 240-3412
Access Code: 769-882-189

Next Regular Meeting: Tuesday, June 9, 2016 from 3:00-4:30 p.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT

Budget and Operations

Agenda Item #4

FY 2017-18 Comprehensive Plan – FY18 Budget
and Targets

FY18 Budget Plan



TODAY

1. Program Targets
2. Revenues
3. Expenses – high level

DRAFT

NEXT MEETING (6/9)

1. Expenses - details
2. Cash Flow
3. Balance Sheet Activity & Projections
4. Address Questions & Changes
5. Future Opportunities
6. Budget and Target Recommendation



Results to Date



	FY 2012-FY 2016¹	FY 2016	FY 2017 YTD¹	FY 2017 Projected
Model	Financing	Financing	Financing	Financing
Years	5	1	$\frac{3}{4}$	1
Energy (MW)	112452.2	73.2	40.7	55
Capital Deployed	\$865.60	\$322.60	\$161.30	\$200.00
Investment as loans %	39%	43%	49%	49%

REFERENCES

1. CGB KPI Report as of March 31, 2017

FY18 Goals

Overall¹



Sector	FY 17 Projects YTD	FY 17 Capital Deployed YTD	FY 17 Clean Energy Deployed YTD (MW)	FY 18 Projects	FY 18 Capital Deployed	FY 18 Clean Energy Deployed (MW)
Infrastructure	3,685	\$105,042,237	29.3	4,433	\$171,300,000	42.3
Residential	707	\$35,803,439	4.8	1,185	\$35,979,196	5.6
CI&I	46	\$26,959,909	8.9	67-1,667	\$34,000,000 - \$62,000,000	10.4
Total*	3,853	\$155,315,736	39.1	6,125	\$241,038,400	54.6

FY 18 targets vs. FY17 through Q3

Sector	% Increase in Projects	% Increase in Capital Deployed	% increase in Clean Energy Deployed (MW)
Infrastructure	20%	63%	44%
Residential	68%	0%	17%
CI&I	46% - 3,524%	26% - 130%	17%
Total*	59%	55%	40%

REFERENCES

1. FY 2017 YTD – through Q3 (March 31, 2017)
2. Totals are adjusted to prevent the double counting/overlap of projects across programs (i.e. Smart-E and RSIP)

FY18 Goals

Infrastructure Sector¹



Program	FY 17 Projects	FY 17 Capital Deployed	FY 17 Clean Energy Deployed (MW)	FY 18 Projects	FY 18 Capital Deployed	FY 18 Clean Energy Deployed (MW)
RSIP	3,684	\$101,640,845	28.5	4,431	\$136,300,000	37
Anaerobic Digester	0	0	0	1	\$ 20,000,000	1.6
Strategic Investments	0	0	0	1	\$ 15,000,000	3.7
Total	3,684	\$ 101,640,845	28.5	4,433	\$171,300,000	42.3

- Desire to hasten RSIP growth by increasing solarize campaigns
- Foresee continued use of other New England REC programs to fund CT projects
- Expect at least one Anaerobic Digester to close in FY18
- Projected Closing of Triangle project with FCE in FY 18

REFERENCES

1. FY 2017 YTD – through Q3 (March 31, 2017)

FY18 Goals

Residential¹



Program	FY 17 Projects	FY 17 Capital Deployed	FY 17 Clean Energy Deployed (MW)	FY 18 Projects	FY 18 Capital Deployed	FY 18 Clean Energy Deployed (MW)
Smart-E	200	\$3,724,150	0.7	440	\$ 8,153,050	0.5
Posigen (LMI Targeted Solar)	497	\$14,004,180	3.1	720	\$20,087,746	4.5
Multifamily Term Loans	10	\$18,075,109	0.9	16	\$7,550,000	0.6
Multifamily Pre-Development Loans ²	3	\$98,325	0	9	\$188,400	0
Total	707²	\$35,803,439²	4.8²	1,185	\$35,979,196	5.6

- Targets now include Pre-Development loans
- Looking to start tracking against goals on benchmarking
- Tracking additional KPI's in Multi-Family (# of units, households)

REFERENCES

1. FY 2017 YTD – through Q3 (March 31, 2017)
2. Multifamily Pre-Development Loans are not in FY17 targets

FY18 Goals

Commercial, Industrial, & Institutional¹



Program	FY 17 Projects	FY 17 Capital Deployed	FY 17 Clean Energy Deployed (MW)	FY 18 Projects	FY 18 Capital Deployed	FY 18 Clean Energy Deployed (MW)
C-PACE	30	\$12,919,222	3.2	51	\$24,400,000	6.4
CT Solar Lease	20	\$16,228,689	7.1	25	\$15,000,000	6.3
SBEA				1600	\$28,000,000	TBD
Total	46	\$26,959,909	8.9	67-1667	\$34,000,000-\$62,000,000	10.4

- Continued Growth in C-PACE as contractor base grows
- Pilots with West Hartford
- Continued targeted deployment in Healthcare, Energy on the Line
- These targets provide a range to reflect the uncertain timeline of Green Bank administration of Small Business Energy Advantage Program

REFERENCES

1. FY 2017 YTD – through Q3 (March 31, 2017)

Budget and Operations

Agenda Item #5

Adjourn

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

Subject to changes and deletions

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.