Accelerating the growth of green energy
Who We Are

The Connecticut Green Bank is a quasi-public state agency that promotes green energy deployment in Connecticut by using public dollars to attract private investment. We were the nation’s first green bank, and we continue to lead the growing green bank movement nationwide. We partner with the private sector to accelerate the growth of green energy by:

- **Innovating** – Using a unique financing model to make green energy investment safer, more affordable and more accessible
- **Educating** – Increasing awareness of green energy’s benefits to stimulate interest
- **Activating** – Inspiring people to take action to make green energy part of their lives

Vision

To lead the green bank movement by accelerating private investment in green energy deployment to help Connecticut achieve economic prosperity, create jobs, promote energy security and address climate change.

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.

Statutory Background

Gov. Dannel Malloy and the Connecticut General Assembly created the Connecticut Green Bank in July 2011 through Public Act 11-80. The successor to the Connecticut Clean Energy Fund and originally named the Clean Energy Finance and Investment Authority, the agency was renamed the Connecticut Green Bank through Public Act 14-94.
Accelerating the Growth of Green Energy

2015 was another successful year for the Connecticut Green Bank. We continued to accelerate the expansion of green energy in our state, making green energy even more accessible and affordable for Connecticut residents and businesses.

This year’s results again affirmed the effectiveness of our innovative public-private financing model, which uses limited public dollars to attract private investment. By investing $95 million, we brought $361 million in investments to Connecticut for green energy projects. This investment has enabled the deployment of 79 megawatts of green energy this year alone — more than twice that of the previous three years combined. Since 2012, we have attracted more than $491 million of private investment, for a total investment of $663 million in Connecticut’s clean energy economy.

These investments create a thriving marketplace that makes financing green energy projects more affordable and accessible for people across Connecticut. We are making it possible for homeowners, businesses, institutions and owners of multifamily dwellings to obtain financing for energy upgrades that not only reduce energy and operating costs, but also enhance comfort and health. Our efforts are helping to create jobs, as contractors, installers and other green energy enterprises ramp up to meet demand. Equally important, increasing use of green energy means a cleaner, healthier environment for everyone who calls Connecticut home.

We are proud to contribute to the economic, environmental and social well-being of our state and to set an example for others across the country and around the world. We salute the many private-sector partners that have made our accomplishments possible.

Bryan Garcia
2015 Highlights

Engaged private funders
Reflecting our drive toward private funding, two private lenders now finance building energy upgrades through our C-PACE (Commercial Property Assessed Clean Energy) program.

Attracted private investment to Connecticut
Our investments in green energy projects attracted nearly three times as much in private funding.

Created jobs
Our programs created an estimated 4,746 direct, indirect and induced jobs in Connecticut this year alone.

Increased demand
Demand for solar photovoltaic systems in Connecticut tripled in fiscal year 2015, thanks to our work in creating a vibrant green energy marketplace.

Prevented emissions
Projects we enabled from FY 2012 through FY 2015 will prevent an estimated 1.4 million tons of carbon dioxide from being released into the air over the life of the projects.

Earned recognition
Solarize Connecticut, a cutting-edge residential solar program spearheaded by CGB, received the highly coveted “Project of Distinction Award” from the Solar Energy Industries Association and the Solar Electric Power Association.

Produced more green energy
Projects we supported resulted in more megawatts of green energy than in the previous three years combined.

Exceeded solar energy goal
By the end of fiscal year 2015, we had deployed nearly twice as much residential solar capacity as required by state statute, years ahead of schedule.

Transitioned financing product to private funding
Connecticut Solar Loan this year became the first Green Bank program to become completely privately funded, proving that the Green Bank model works.

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Introduction to Our Pillars

**INNOVATE**
We are making green energy investment safer, more affordable and accessible with our innovative model.

**EDUCATE**
We are helping to make the benefits of green energy clear to drive interest.

**ACTIVATE**
We are inspiring people to take action and make green energy a part of their lives.

**ACCELERATE**
We are accelerating the growth of green energy.
Groundbreaking programs. Unique financial solutions. Creative partnerships. These are some of the innovative means the Connecticut Green Bank uses to accelerate the growth of green energy in Connecticut.

The Green Bank’s model fuels acceleration by creating a vital green energy marketplace—one increasingly driven by private investment rather than ratepayer funds. The merits of this innovative model were validated again this fiscal year.

In one example of this validation, the Connecticut Solar Loan pilot became the first of our programs to transition completely from the Green Bank to a private capital partner. The Connecticut Green Bank and Sungage Financial created the pilot in 2012. The program enabled homeowners to own their own solar PV systems and immediately reap the financial benefits of going solar, without home equity or the need for a lien on the home. The Connecticut Green Bank provided a loan loss reserve, subordinated debt and a warehouse for the product.

In October of 2014, Sungage Financial officially “graduated” from the pilot with a $100 million dollar partnership with Massachusetts-based Digital Federal Credit Union to offer solar loans in Connecticut and other states in the region.

In another example, Greenworks Lending and Clean Fund took advantage of our new “Standard Offer” that for the first time enabled private capital providers to directly finance building upgrades through our C-PACE (Commercial Property Assessed Clean Energy) program. C-PACE allows commercial, industrial and nonprofit building owners to obtain 100 percent, no-money-down financing for energy upgrades and repay it as a long-term assessment on the property. The result? Approval of a C-PACE transaction of over $8 million.

Sungage’s graduation to self-sustainability through private capital and the entrance of new private capital providers into the Connecticut market are further proof that the Green Bank model is working in Connecticut.
The Jewish Community Center of Greater New Haven

When the JCC was looking for new ways to shrink energy costs and reduce its facility’s carbon footprint, its leadership turned to the Connecticut Green Bank’s C-PACE and CT Solar Lease programs to finance the installation of solar carports.

The 750 kilowatt system will generate about 900,000 kilowatt hours of green electricity annually, providing about half of the building’s annual electricity requirements.

It is the largest carport, as well as one of the largest solar projects ever in Connecticut. The JCC project represents still another Green Bank financial innovation — securing power purchase agreement payments using PACE.

“If electricity purchase rates continue to rise, the carports and solar panels will significantly reduce our costs over their lifetime. We are very excited to be able to save money and cut down on our energy consumption”

SCOTT COHEN  I Chief Operating Officer of the JCC of Greater New Haven
One of the ways the Connecticut Green Bank is getting the word out about green energy progress is through its webinars. Connecticut Green Bank President and CEO, Bryan Garcia, presents quarterly market insight webinars on various aspects of green energy. Topics range from market performance and public policy updates to organizational developments and initiatives. Experts in particular subjects often take part in the talks.

The webinars have proved to be exceptionally popular, with more than 400 people having viewed recent programs.
It’s often said that knowledge is power. The Connecticut Green Bank works to educate people about green energy and the fact that they have the power to make it their own.

This year, we took our educational efforts to a bold, new level through a comprehensive rebranding initiative. Working with experts in communication, marketing and design, our staff engaged in a rigorous process to create a fresh visual identity and refine key messages. The result is a brand that enhances our ability to attract and educate consumers. The new brand’s bright colors, dynamic lines and clear language make it appealing to consumers to learn about the benefits of green energy and how they can access those benefits for themselves.

Our redesigned website features case studies of individuals who made the decision to embrace green energy and are reaping the financial and environmental benefits. These real-life stories capitalize on what we call the Power of Positive Energy, where people are inspired to go green by seeing how others have done it successfully.

In addition to educating consumers, we continue our critical role of educating contractors. Contractors are key to the Green Bank model and it is contractors who “sell” our programs to customers. By requiring contractors to complete extensive training programs, we ensure the integrity of Connecticut’s green energy marketplace. This year, we trained 78 contractors in our C-PACE program and 58 in our Smart-E program.

Through education, we’re opening up a green energy world to people statewide.
Green energy will grow only if consumers take action to embrace it. The Connecticut Green Bank is a catalyst for action. We provide a range of resources that make it easy for people to choose to make green energy part of their lives.

The EnergizeCT.com site provides wide-ranging information on how residents and business owners can get help making energy efficiency and green energy improvements. The site provides everything users need to get started, including exploring energy solutions, comparing financing options and finding contractors.

Our special website, GoSolarCT.com, is the state’s trusted, unbiased source of information on all aspects of going solar. The site provides everything a visitor needs to know about installing solar systems, in clear, reader-friendly language. Users can learn about solar technology, read about solar’s benefits, get help choosing a contractor—even calculate how much money they might save by going solar.

Another site, C-PACE.com, explains how commercial and industrial building owners can obtain affordable financing for 100 percent of the cost of energy upgrades that will reduce their operating costs and increase their building’s value. Plus, they can submit an application directly from the C-PACE website. Municipal leaders can learn how C-PACE benefits cities and towns, and contractors can find out how they can take part in the program.

We also activate the shift to green energy by harnessing what we call the Power of Positive Energy—initiatives that promote the growth of green energy at the grassroots level. Solarize Connecticut is a cutting-edge, community-based residential solar program that engages municipalities and local volunteers in encouraging residents to go solar. To date, 2,101 state residents have opted for solar through this program. Solarize Connecticut recently was honored with the highly coveted “Project of Distinction Award” from the Solar Energy Industries Association and the Solar Electric Power Association.

These are just some of the ways we strive to inspire action on green energy.
So you’re thinking of going solar

You’re in the right place. Our goal is to give you the information you need to make a decision that’s right for you, your home and your financial situation.

Identifying The 4 Key Steps in Your Solar Journey

1. Get into Solar
   Understand the specifics of what’s involved in making solar work for your home.

2. Savvy Solar Shopper
   Select a qualified contractor and understand your financing options when comparing quotes.
By innovating, educating and activating, the Connecticut Green Bank has sparked acceleration in green energy growth in Connecticut and beyond.

The rapid-fire growth of solar energy is one example. In 2011, the state enacted legislation requiring the Connecticut Green Bank to complete residential solar projects that would produce at least 30 megawatts of green energy in Connecticut by the end of 2022. This year, we reached installed capacity of 83.8 megawatts of solar power, far exceeding the state requirement, ahead of schedule and under budget.

The Green Bank deployed a total of 79 megawatts of green energy this year alone, more than twice that of the previous three years combined.

Our efforts also have helped triple the demand for solar in the state and drive down solar installation costs by 56 percent over 2007 levels. Through our Connecticut Solar Lease, Connecticut Solar Loan and Smart-E programs, we provided financing totaling $31 million for residential solar projects in Connecticut.

Our C-PACE program, which finances energy upgrades to commercial, industrial, multifamily and nonprofit buildings, this year doubled both the number of closed transactions and the amount of capital deployed, for a total of $57 million.

In keeping with our charge to replace ratepayer funds with private investment, we have continued to accelerate the growth of the green energy marketplace in Connecticut. This year, our investment of $95 million attracted $361 million in private investment to the state.

Our programs have accelerated Connecticut’s job growth and its journey to a healthier environment. Since 2012, projects we’ve enabled have created an estimated 8,295 job-years and, over the life of the projects, prevented the emission of an estimated 1.4 million tons of carbon dioxide.

The Connecticut Green Bank is making a difference beyond our borders, too, leading a Green Bank movement that is gathering momentum nationwide. Our model demonstrates to other states how public resources can attract more private investment, deploy more green energy and provide value to customers. Many of our programs, including C-PACE, Solarize Connecticut and CT Solar Loan, have been adopted as models elsewhere.

The Connecticut Green Bank: We’re making green energy accessible and affordable. And we’re doing it faster than ever.
FROM THE GOVERNOR

The ability to change is essential to success. When facing a new reality, people, organizations—even states—that respond with creative new ideas are the ones that will come out on top.

So it is with the Connecticut Green Bank. The Green Bank represents an innovative response to the energy and economic challenges facing all states today. It drives the critical transition to green energy, creates good jobs, and helps state residents and businesses save on energy costs. But it does this in an innovative way, by utilizing public funding to attract private investment into our state. As you see by this annual report, this innovative approach is not only succeeding, but has been adopted as a model by other states.

The Connecticut Green Bank is just one example of how Connecticut is responding to changes taking place across the country and around the world. As we have throughout our history, we continue to lead the nation in developing innovative solutions to meet the challenges of our times.

I congratulate the Connecticut Green Bank, its people and its partners on their success in 2015.

Dannel P. Malloy
FINANCIAL HIGHLIGHTS

Connecticut Green Bank – For the years ended June 30, 2015 and 2014: (in thousands)

<table>
<thead>
<tr>
<th>Statements of Net Position</th>
<th>2015</th>
<th>2014¹</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents - unrestricted</td>
<td>$ 39,894</td>
<td>$ 71,411</td>
<td>$ (31,517)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>$ 18,079</td>
<td>$ 10,291</td>
<td>$ 7,787</td>
</tr>
<tr>
<td>Program loans &amp; other long term assets</td>
<td>$ 43,831</td>
<td>$ 26,198</td>
<td>$ 17,633</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$ 26,971</td>
<td>$ 3,074</td>
<td>$ 23,897</td>
</tr>
<tr>
<td>Cash and cash equivalents – restricted</td>
<td>$ 8,799</td>
<td>$ 9,514</td>
<td>$ (715)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 137,573</strong></td>
<td><strong>$ 120,489</strong></td>
<td><strong>$ 17,084</strong></td>
</tr>
<tr>
<td>Deferred amount for pensions</td>
<td>$ 1,670</td>
<td>$ —</td>
<td>$ 1,670</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td><strong>$ 1,670</strong></td>
<td><strong>$ —</strong></td>
<td><strong>$ 1,670</strong></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$ 9,343</td>
<td>$ 5,270</td>
<td>$ 4,073</td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>$ 4,640</td>
<td>$ 120</td>
<td>$ 4,521</td>
</tr>
<tr>
<td>Pension liability</td>
<td>$ 14,900</td>
<td>$ 14,305</td>
<td>$ 594</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$ 28,884</strong></td>
<td><strong>$ 19,696</strong></td>
<td><strong>$ 9,188</strong></td>
</tr>
<tr>
<td>Fair value of interest rate swap</td>
<td>$ 660</td>
<td>$ —</td>
<td>$ 660</td>
</tr>
<tr>
<td>Deferred amount for pensions</td>
<td>$ 532</td>
<td>$ —</td>
<td>$ 532</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td><strong>$ 1,192</strong></td>
<td><strong>$ —</strong></td>
<td><strong>$ 1,192</strong></td>
</tr>
<tr>
<td><strong>Net position, unadjusted</strong></td>
<td><strong>$ 109,167</strong></td>
<td><strong>$ 100,793</strong></td>
<td><strong>$ 8,374</strong></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>$ 26,971</td>
<td>$ 3,074</td>
<td>$ 23,897</td>
</tr>
</tbody>
</table>

Restricted Net Position:

| Non-expendable | $ 1 | $ 1 | $ — |
| Restricted – energy programs | $ 8,799 | $ 9,096  | $ (297) |
| **Unrestricted Net Position** | **$ 73,396** | **$ 88,622** | **(15,226)** |
| **Total net position, unadjusted** | **$ 109,167** | **$ 100,793** | **$ 8,374** |

Net position, adjusted

| Unrestricted Net Position | $ 73,396 | $ 88,622 | (15,226) |
| Contingent liabilities – programs and projects² | (89,470) | (63,529) | 25,940 |
| Commitments to future programs and projects² | (22,984) | (33,981) | 10,998 |
| **Total net position, adjusted** | **(39,057)** | **(8,888)** | **(30,169)** |

¹ 2014 has been restated to agree to the 2015 Comprehensive Annual Financial Report (June 30, 2015).
² See Note 15 to CGB’s 2015 audited financial statements for further detail.
## Statements of Revenue, Expense, and Change in Net Position

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014¹</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$46,294</td>
<td>$48,754</td>
<td>$(2,460)</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and programs</td>
<td>$22,131</td>
<td>$23,439</td>
<td>$(1,309)</td>
</tr>
<tr>
<td>General and administrative expense</td>
<td>$3,117</td>
<td>$2,537</td>
<td>$581</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$25,248</td>
<td>$25,976</td>
<td>$(728)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$21,046</td>
<td>$22,778</td>
<td>$(1,732)</td>
</tr>
<tr>
<td>Nonoperating revenue (expense)</td>
<td>$352</td>
<td>$1,142</td>
<td>$(790)</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>$(564)</td>
<td>$(1,311)</td>
<td>$747</td>
</tr>
<tr>
<td>Payments to State of Connecticut</td>
<td>$(19,200)</td>
<td>$(6,200)</td>
<td>$(13,000)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>$6,844</td>
<td>$201</td>
<td>$6,643</td>
</tr>
<tr>
<td>Distributions</td>
<td>$(105)</td>
<td>$(13)</td>
<td>$(92)</td>
</tr>
<tr>
<td><strong>Total Non-Operating Revenue (Expenses)</strong></td>
<td>$(12,672)</td>
<td>$(6,180)</td>
<td>$(6,492)</td>
</tr>
<tr>
<td><strong>Net Change</strong></td>
<td>$8,374</td>
<td>$16,598</td>
<td>$(8,224)</td>
</tr>
</tbody>
</table>

¹ 2014 has been restated to agree to the 2015 Comprehensive Annual Financial Report (June 30, 2015).

For more details on the financial statements, please access the Comprehensive Annual Financial Review (June 30, 2015) at www.ctgreenbank.com

### Use of Resources (in thousands)

- **Subsidies**
- **Credit Enhancements**
- **Loans and Leases**

![Use of Resources Chart]