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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

January 10, 2014

Dear Clean Energy Finance and Investment Authority Board of Directors:

Happy New Years! I hope everyone had a good holiday season.

Our next meeting of the Board of Directors will be on Friday, January 17, 2014 from 9:00 to 11:00 a.m. in the Colonel Albert Pope Board Room of the Clean Energy Finance and Investment Authority at 845 Brook Street, Rocky Hill, CT 06067.

We have a full agenda, including:

- **Quarterly Updates** – our Q2 update on progress towards targets for each of our four (4) market sectors – residential, commercial and industrial, institutional, and statutory and infrastructure. We are ahead of targets in some areas, while catching up in others. On Tuesday, I will send to you the external evaluation of the Residential Solar Investment Program conducted by Cadmus. We look forward to a good discussion on these updates. We will also have several recommendations for your consideration, including (1) a proposed contract with a master servicer for our residential on bill repayment program that is in development, and (2) a clarification and modification to our C-PACE sell down resolution.

- **FY 2013 Annual Report** – next Thursday, I will get you a draft of our FY 2013 Annual Report that we will be filing with the Energy and Technology Committee as well as use as a marketing piece for the organization. The report takes the findings of the audited financial statements along with a year in review to communicate our achievements for the year, including: over $220 million of investment, 1,200 jobs created, 250,000 TCO2 emissions reduced, etc.

- **Legislative Proposals** – we have two legislative proposals for the 2014 session that we want to bring to your attention and get your support on. The first proposal deals with the ability of C-PACE to include microgrid financing to further support the State's effort to create micro-grids. The second proposal involves modifying our official name to the name we are best known as, the "Connecticut Green Bank."

- **Clean Energy Business Solutions** – DECD is requesting $500,000 in financial assistance under the Clean Energy Business Solutions (CEBS) program to fund the installation of a 63 kW solar PV system and a 28 ton geothermal heating and cooling system. The recipient is Horizons, Inc., a not-for-profit organization that trains adults with developmental disabilities and helps them find work in community-based jobs that match their talents and interests. Horizons is building a new $2,800,000, 10,000 square foot building.

The Board of Directors will also discuss the officer salary range and compensation process as a follow-up to past discussions.

If you have any questions, comments or concerns, please feel free to contact me at any time. We look forward to seeing you at the CEFIA offices from now on and in the Pope Board Room.

Have a great weekend. We look forward to seeing you next week.

Sincerely,

Bryan Garcia
President and CEO

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

AGENDA

Board of Directors of the
Clean Energy Finance and Investment Authority
865 Brook Street, Rocky Hill, CT 06067

Friday, January 17, 2014
9:00-11:00 a.m.

Staff Invited: Jessica Bailey, Andy Brydges, Lucy Charpentier, Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, Dale Hedman, Bert Hunter, Kerry O'Neill, and Genevieve Sherman

1. Call to order
2. Public Comments – 5 minutes
3. Approval of meeting minutes for December 20, 2013 meeting* – 5 minutes
4. Update from the President – 5 minutes
5. Residential Sector Program Updates and Recommendations* – 15 minutes
6. Commercial and Industrial Sector Program Updates and Recommendations* – 15 minutes
7. Institutional Sector Program Updates – 15 minutes
8. Statutory and Infrastructure Sector Program Updates – 15 minutes
9. FY 2013 Annual Report* – 10 minutes
10. Legislative Proposals* – 15 minutes
    a. C-PACE and Microgrids
    b. Connecticut Green Bank
11. Clean Energy Business Solutions – Horizon's Inc.* – 15 minutes
12. Officer Salary Range and Compensation Process* – 10 minutes
13. Adjourn

*Denotes item requiring Board action

Join the meeting online at https://www4.gotomeeting.com/join/727485023

Dial +1 (805) 309-0010 Access Code: 727-485-023

Next Regular Meeting: Friday, April 25, 2014 from 9:00-11:00 a.m.
Colonel Albert Pope Board Room at the
Clean Energy Finance and Investment Authority, 845 Brook Street, Rocky Hill, CT

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

RESOLUTIONS

Board of Directors of the
Clean Energy Finance and Investment Authority
865 Brook Street, Rocky Hill, CT 06067

Friday, January 17, 2014
9:00-11:00 a.m.

Staff Invited: Jessica Bailey, Andy Brydges, Lucy Charpentier, Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, Dale Hedman, Bert Hunter, Kerry O'Neill, and Genevieve Sherman

1. Call to order

2. Public Comments – 5 minutes

3. Approval of meeting minutes for December 20, 2013 meeting* – 5 minutes

Resolution #1

Motion to approve the minutes of the Board of Directors meeting for December 20, 2013. Second. Discussion. Vote.

4. Update from the President – 5 minutes

5. Residential Sector Program Updates and Recommendations* – 15 minutes

Resolution #2

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver a Professional Services Agreement ("PSA") between CEFIA and Concord Servicing Corporation to serve as Master Servicer for CEFIA's On-Bill Repayment Program in an amount not to be greater than $170,128 with terms and conditions consistent with the CEFIA's standard PSA, and as he or she shall deem to be in the interests of CEFIA and the ratepayers;

RESOLVED, that the proper CEFIA 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 instrument.

6. Commercial and Industrial Sector Program Updates – 15 minutes

Resolution #3 (AMENDED AND RESTATED FROM PREVIOUS MEETING)

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly (the "Act"), CEFIA is directed to, amongst other things, to establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE") and CEFIA established the C-PACE program;

WHEREAS, the Board of Directors previously passed resolutions authorizing the establishment of a $40 million construction and term loan facility in support of the C-PACE program to fund C-PACE transactions approved at the requisite authorization level by staff, the Deployment Committee or the Board of Directors (the "C-PACE Warehouse Facility");

WHEREAS, CEFIA established the C-PACE Warehouse Facility and has closed over $15 million in C-PACE projects;

WHEREAS, CEFIA staff requests the Board of Directors approve the sale of the first 8 closed C-PACE transactions and **up to** the next ~~**$20**~~ **$25** million of C-PACE benefit assessments to the **Public Finance Authority** ~~**Clean Fund through a financial conduit**~~**, which will issue bonds to Clean Fund and CEFIA**;

WHEREAS, the Board of Directors directed staff to sell-down such funded C-PACE transactions to private capital providers in order to continually replenish funding capacity for the C-PACE program on an ongoing basis;

WHEREAS, staff's request is consistent with CEFIA's comprehensive plan and budget for FY 2014 with respect to anticipated budget investments for the C-PACE program and other program requirements.

NOW, therefore be it:

RESOLVED, that CEFIA's Board of Directors authorizes the sale of the first 8 closed C-PACE transactions and **up to** the next ~~**$20**~~ **$25** million of C-PACE benefit assessments to **the Public Finance Authority, which will issue bonds to** Clean Fund **and CEFIA**;

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver any contract in furtherance of the sell-down transaction consistent with the Memorandum to the Board of Directors dated November 8, 2013 as updated for the Board of Directors on November 15, 2013 **and on January 10, 2014**; and

RESOLVED, that the proper CEFIA 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 instrument.

7. Institutional Sector Program Updates – 15 minutes

8. Statutory and Infrastructure Sector Program Updates – 15 minutes

9. FY 2013 Annual Report* – 10 minutes

Resolution #4

WHEREAS, pursuant to Public Act 11-80, "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future," Section 99(f)(1), the Clean Energy Finance and Investment Authority (CEFIA) Board of Directors is required to issue an annual report.

NOW, therefore be it:

RESOLVED, that the CEFIA Board of Directors hereby approves the Fiscal Year 2013 Annual Report.

10. Legislative Proposals* – 15 minutes
    a. C-PACE and Microgrids
    b. Connecticut Green Bank

Resolution #5

WHEREAS, the 2014 Connecticut Legislative Session convenes February 5th and adjourns May 7th (2014 Session);

WHEREAS, CEFIA staff has presented to the Clean Energy Finance and Investment Authority (CEFIA) Board of Directors (the "Board") two Agency Legislative Proposals for the 2014 Session.

NOW, therefore be it:

RESOLVED, that the CEFIA Board authorizes and empowers CEFIA staff to submit and present two Agency Legislative Proposals for the 2014 Session related to (1) modifying CEFIA's official name to the "Connecticut Green Bank" and (2) revising the Commercial Property Assessed Clean Energy (C-PACE) enabling statute to allow equipment that supports a micro-grid system but is not permanently fixed to qualifying commercial real property to qualify for C-PACE financing.

11. Clean Energy Business Solutions – Horizon's Inc.* – 15 minutes

Resolution #6

RESOLVED, that the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver a Clean Energy Business Solutions (CEBS) financial assistance award of $500,000, to Horizons, Inc. for the construction of clean energy measures at 127 Babcock Hill Road, South Windham, CT.

RESOLVED, that the proper CEFIA 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 instrument not later than three months from the date of this resolution.

12. Officer Salary Range and Compensation Process* – 10 minutes

Resolution #7

WHEREAS, pursuant to Section 3.1 of the Clean Energy Finance and Investment Authority (CEFIA) Bylaws, the Board of Directors (the "Board") shall be responsible for determining or approving compensation for each officer;

WHEREAS, the Board has approved the salary ranges for the President and Chief Executive Officer, the Executive Vice President and Chief Investment Officer, and the General Counsel and Chief Legal Officer (the "Officers");

WHEREAS, the annual performance reviews for the Officers are complete.

NOW, therefore be it:

RESOLVED, that the Board authorizes the Chairperson to establish the specific annual salaries for the 2014 fiscal year for the Officers within the Board approved salary ranges based on the best available market data and the respective annual performance reviews for each Officer.

13. Adjourn

*Denotes item requiring Board action

Join the meeting online at https://www4.gotomeeting.com/join/727485023

Dial +1 (805) 309-0010 Access Code: 727-485-023

Next Regular Meeting: Friday, April 25, 2014 from 9:00-11:00 a.m.
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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #1

Call to Order

January 17, 2014

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #2

Public Comments

January 17, 2014

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #3

Approval of Meeting Minutes of December 20, 2013

January 17, 2014

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #4

Update from the President

January 17, 2014

COMMISSIONER ESTY

THANK YOU

- X – X
- X – X
- X – X

Hartford Courant.
courant.com

THURSDAY, JANUARY 2, 2014

Fuel Cell Park Remakes Polluted Plot Into Clean Energy Exemplar

BRIDGEPORT, CT – A year ago, the vacant lot was a postage stamp reminder of Bridgeport's industrial past. At various times, the nearly 2 acres held factories owned by Bryant Electric, CBS Corp. and Westinghouse Electric.

Now, it's home to the second-largest fuel cell park in the world.

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #5

Residential Sector Programs

January 17, 2014

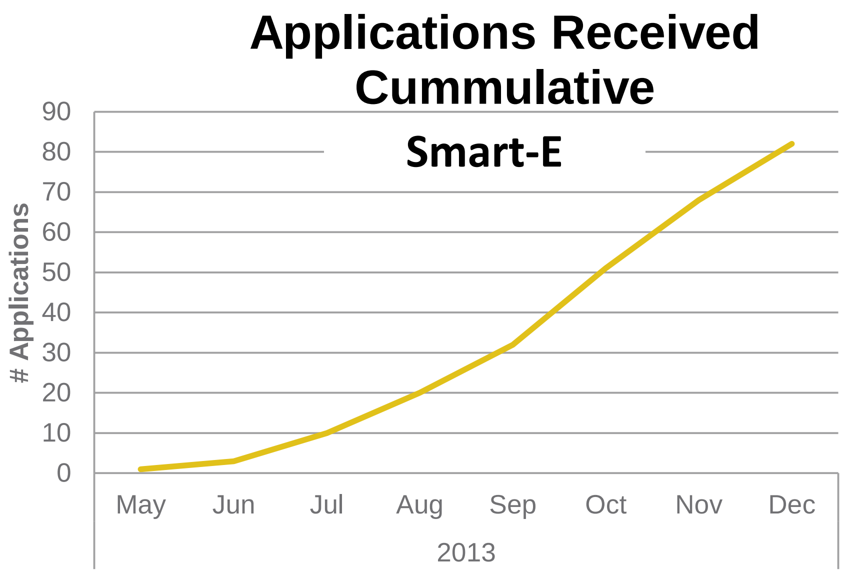
Residential Sector
Where are we?

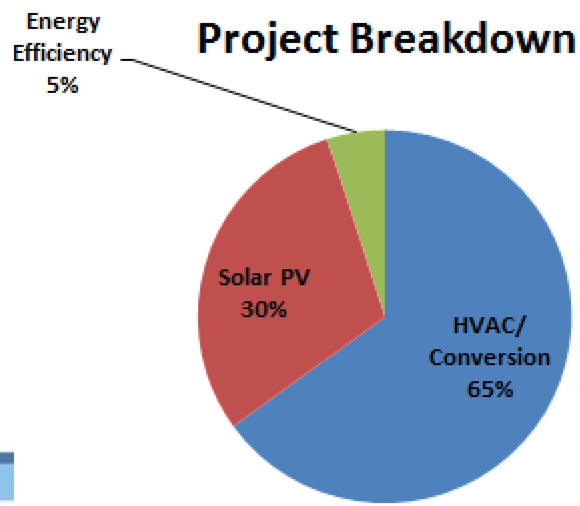
- **120+ contractors trained**
  - 123 in Smart-E, 12 in CT Solar Lease, 17 in CT Solar Loan, 32 in Cozy Home Loan
- **16 capital providers** – across 4 products
- **361 applications to date** – across 4 products
  - $1.98M closed leases/loans, 111 transactions with $17,800 average value
  - 118 approved/in process leases/loans
- **OBR program development under way**
  - Utility working group, EEB working group established
- **Multifamily CDFI unsecured loan product in development**
  - Total of $5MM available for credit enhancement; partnering with CHIF initially to address pipeline of ~4K units

Residential Sector
Where are we?

- **2014 Focus is on driving demand**
  - Updated web functionality for GoSolarCT.com and Smart-E on EnergizeCT.com
  - Paid/earned media campaigns
  - Community-based campaigns around Infrared Imaging, low-income/Cozy
  - Contractor sales training and engagement
- **Still competing with subsidized capital (CHIF, Gas company heating loan)**
  - Smart-E/Cozy will match equipment standards for gas company equipment financing

Smart-E Loan Volume
Technical Projects as of 12/31/13





- **82 technical applications of $1MM to date from 38 contractors**
  - 78 loans closed
  - Avg loan size ~$12,100
  - HVAC and Solar are driving volume
    - 3 HES vendors w/ 4 projects
  - 4 contractors = 1/3 of projects
- **123 Contractors eligible to offer Smart-E Loan**

Smart-E Loan Volume
Lender Stats as of 11/30/2013

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

Total Program	Applications		Approved/Closed/Funded				Denied
	Number	% of Total	Number	%	$'s	Avg. Loan	%
	148	100%	93	63%	$ 1,132,054	$ 12,173	34%

Lender Breakdown	Applications		Approved/Closed/Funded				Denied
	Number	% of Total	Number	% of Pool	$'s	Avg. Loan	%
CorePlus	35	24%	29	32%	$ 277,718	$ 9,576	14%
Eastern	18	12%	9	10%	$ 106,306	$ 12,552	44%
Ion	16	11%	11	12%	$ 125,231	$ 11,385	31%
Liberty	3	2%	1	1%	$ 12,600	$ 12,600	67%
Nutmeg	20	14%	18	19%	$ 268,718	$ 14,929	0%
Patriot	37	25%	21	23%	$ 302,930	$ 14,425	41%
Quinnipiac	14	9%	3	3%	$ 13,550	$ 4,517	79%
Thomaston	5	3%	1	1%	$ 25,000	$ 25,000	80%

Smart-E Loan Volume
Lender Stats as of 11/30/2013

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

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Smart-E Loan Volume

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CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

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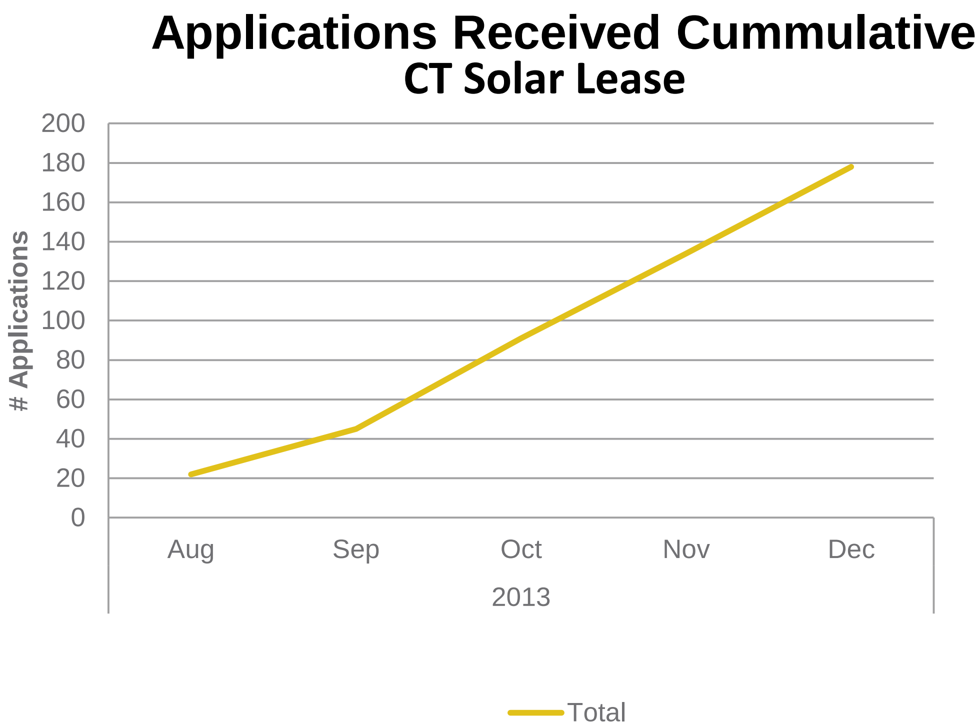
Quinnipiac	14	9%	3	3%	$ 13,550	$ 4,517	79%
Thomaston	5	3%	1	1%	$ 25,000	$ 25,000	80%

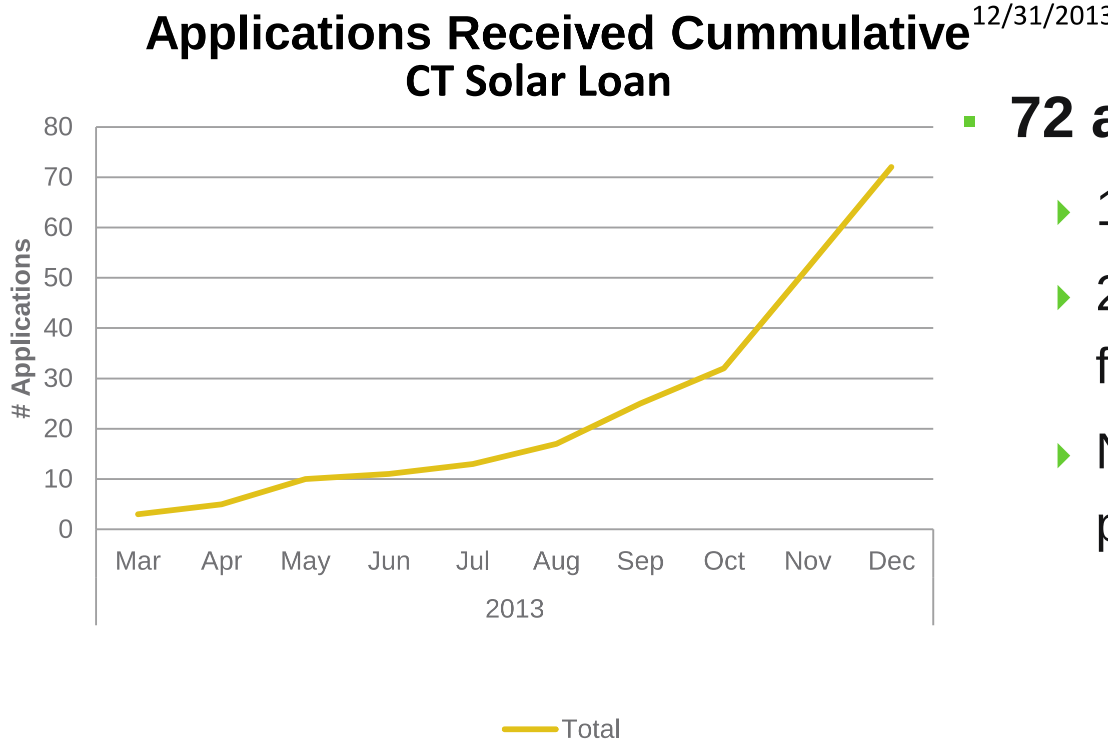
CT Solar Lease Volume
As of 12/31/2013



- **178 applications to date from 10 installers**
  - 16 leases executed for $645K
    - 3 projects submitted to investors
  - 84 approved or in process (54%) for $3.3M
  - 54 declined (30%) and 24 withdrawn (14%)

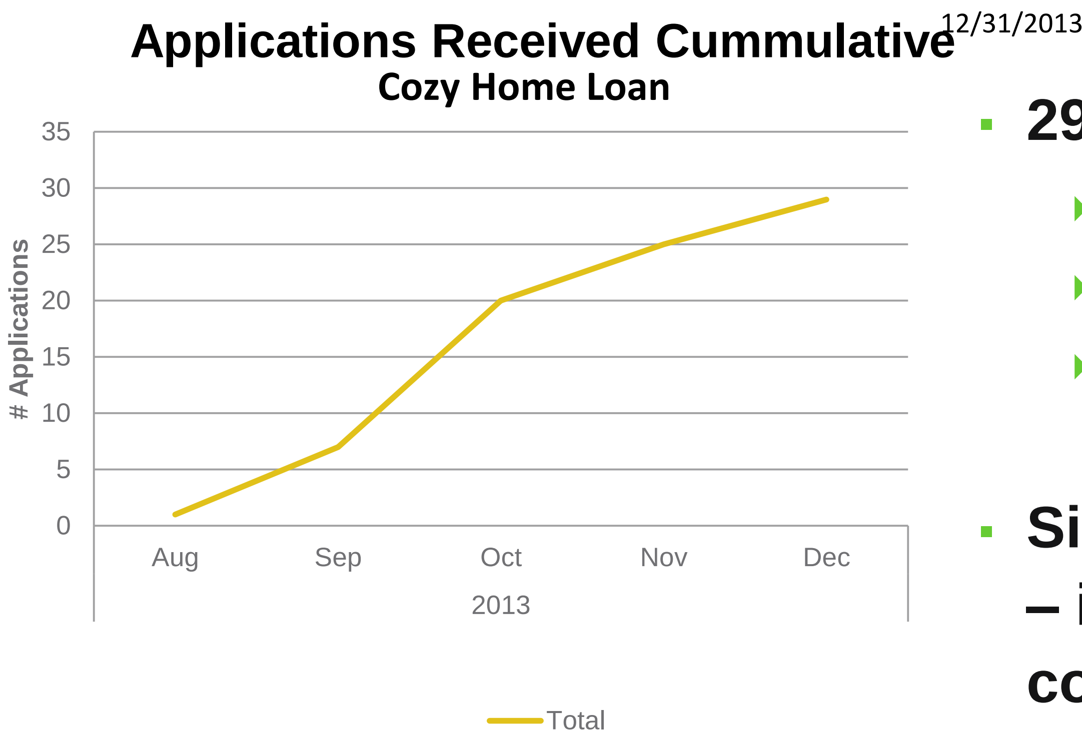
- **12 PV Contractors eligible to offer CT Solar Lease, 2 SHW**

CT Solar Loan Volume
As of 12/31/2013



- **72 applications to date**
  - 16 loans closed for $388K
  - 29 approved or in process for $545K
  - Nearly $1MM closed or in process
    - Avg loan size ~$21,000
- **17 PV Contractors eligible to offer CT Solar Loan**

Cozy Home Loan Volume
As of 12/31/2013



- **29 applications to date**
  - 1 loan closed
  - 1 approved
  - Avg loan size ~$7,800
- **Significant decline issue – in part due to contractor training**
- **32 Contractors eligible to offer Cozy Home Loan**

Residential Sector
Observations

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- **Residential targets were developed based on capital that could be raised, not capital that could be deployed based on consumer demand**
- **Operationalizing 4 products has taken time** – both internally and with our partners (lenders/originators and contractors); requiring numerous new procedures to be developed and refined
- **Solar and HVAC are the focus** – not traditional energy efficiency
  - Good application trends on CT Solar Lease and CT Solar Loan – and Solarize campaigns haven't hit closing weeks yet
  - Handful of contractors are driving our volume to date (3 solar and 3 HVAC cos.)
- **Integrated marketing (paid, earned, community, on & offline) with focused message works best**
  - Good examples: Energize Norwich, Solarize, GoSolarCT.com launch

Residential Sector
Observations

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- **Energize Norwich is a terrific success and partnership**
  - CEFIA, lenders, Norwich Public Utilities, contractors
- **Campaign is driving considerably more conversion volume than financing volume**
  - NPU signed 360 conversion contracts since 8/22 campaign start
  - As of early December NPU reported 38 equipment upgrades and Smart-E lenders reported 23 loans – about 60% of upgrades
- **Market feedback is that presence of financing has been key to increased conversion contracts… even though customer might not ultimately take a loan**

Residential Programs
FY 2014 Targets and Progress

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

Installed Capacity (MW) and Energy Saved (MMBtu)

Program	Q2 Targets	Q2 Progress	Cumula Targets	Cumula Progress	Total FY 2014
Smart-E and Cozy	TBD / 5,400	0.1 / 422	TBD / 8,000	0.1 / 599	TBD / 37,600
Solar Lease	1.4 / 380	0.1 / 0	2.7 / 760	0.1 / 0	5.7 / 2,260
Solar Loan	0.3 / n.a.	0.1 / 0	0.5 / n.a.	0.1 / 0	0.9 / n.a.
Total	1.7 / 5,780	0.3 / 422	3.2 / 8,760	0.3 / 599	6.6 / 39,860

Projects and Funding

Program	Q2 Targets	Q2 Progress	Cumul Targets	Cumul Progress	Total FY 2014
Projects	479	78	837	104	2,598
Funding	$2,190,000	$1,366,830	$4,192,000	$1,753,481	$8,929,000

REFERENCES
Progress includes transactions where loans or leases were closed, funded, or commissioned but do not include submitted or approved applications. The project flow includes submitted application, approved application, closed transaction, funded transaction, and commissioned project.

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #6

Commercial and Industrial Sector Programs

January 17, 2014

C-PACE
Where are we?

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

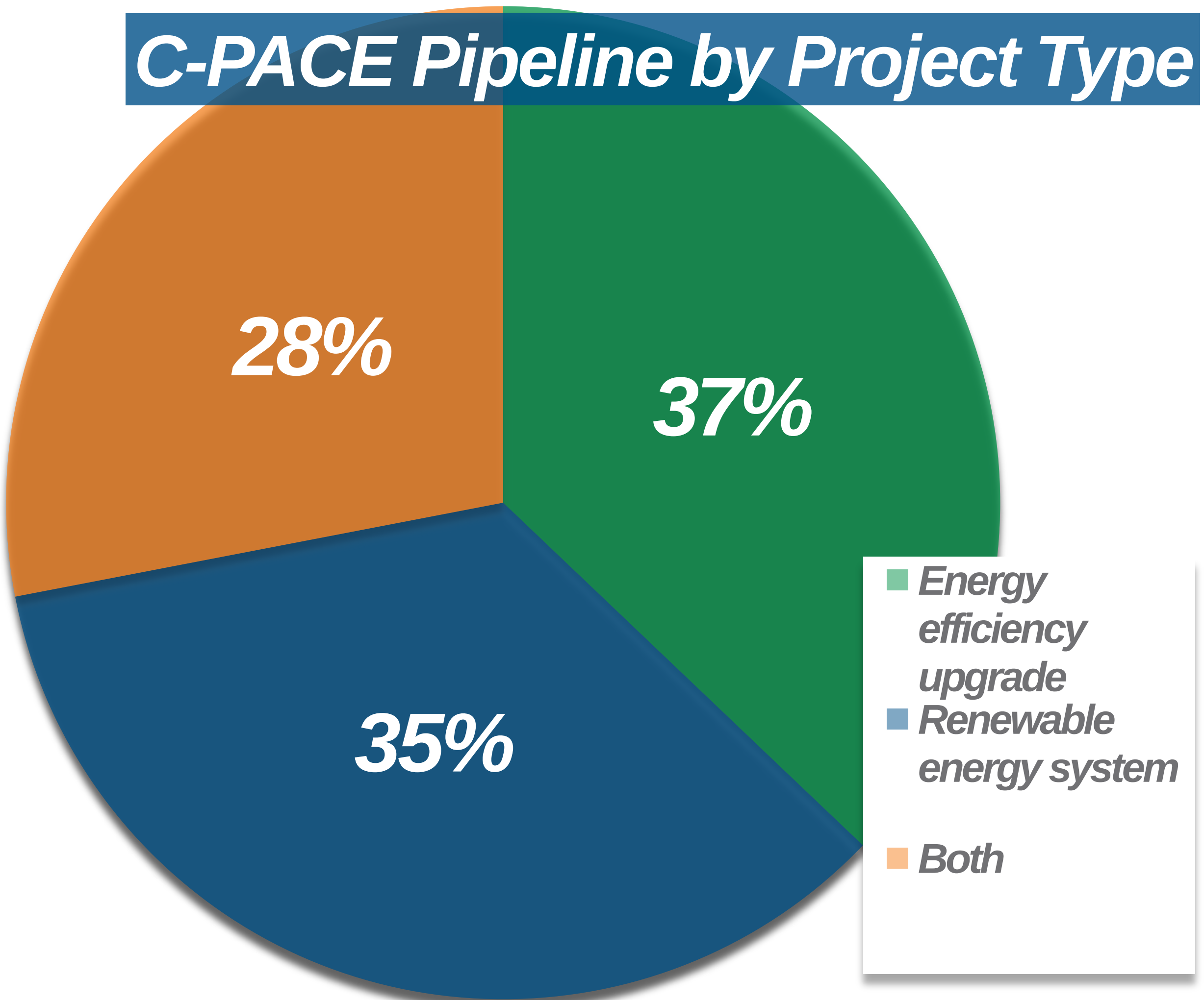
- 72 towns on board – 80% of the CT market eligible
- 200+ contractors trained
- 16 qualified capital providers
- $12.5M in closed transactions of over $20M in approved transactions (exceeded goal of approving $20M by year end and closing on $10M)
- 146 applications in C-PACE pipeline
- Selling down $6.7M in closed transactions, with off-ramp for >$20M
- Multi-family partnership with Urban Ingenuity and CHFA to build volume

Deal Status

FY 2014 (July through December)

	Project Type	Estimated Annual Savings	Installed Capacity	Amount Financed	Financing Terms	Building Size
Closed						
41 Walnut Street	Renewable	221 MMBtu/yr	55 kW	$145,000	5.5% for 20 years	34,500 sqft
1841 Broad Street	Renewable	491 MMBtu/yr	100 kW	$325,000	5.5% for 20 years	40,000 sqft
100 Roscommon	Both	3,339 MMBtu/yr	260 kW	$2,513,915	5.5% for 20 years	81,368 sqft
86 Hopmeadow	Energy Efficiency	1,021 MMBtu/yr	--	$674,566	5.5% for 18 years	42,456 sqft
855 Main Street	Energy Efficiency	6,650 MMBtu/yr	--	$1,992,683	5.5% for 20 years	100,000 sqft
228 Route 81	Renewable	275 MMBtu/yr	71 kW	$259,000	5.5% for 20 years	20,000 sqft
80 Lamberton	Both	5,965 MMBtu/yr		$1,818,486	5.5% for 20 years	165,000 sqft
Larsen Ace Hardware	Renewable	188 MMBtu/yr	45 kW	$148,500	5.5% for 20 years	25,000 sqft
Danbury YMCA	Energy Efficiency	929 MMBtu/yr	--	$87,938	5.5% for 20 years	17,107 sqft
Insports Trumbull	Both	1,160 MMBtu/yr	252 kW	$1,001,298	5.5% for 20 years	110,000 sqft
NPB Assets Norwich	Renewable	367 MMBtu/yr	150 kW	$350,000	5.5% for 20 years	50,000 sqft
290 Pratt	Energy Efficiency	7,123 MMBtu/yr	--	$1,790,847	5.5% for 20 years	459,292 sqft
22 Waterville Road Avon	Energy Efficiency	2,361 MMBtu/yr	--	$419,346	5.5% for 14 years	53,577 sqft
CLOSED TOTAL - 13		**30,090 MMBtu/yr**	**933 kW**	**$11,526,578**		**1,148,300 sqft**
Approved						
Meriden YMCA	Both	489 MMBtu/yr	--	$372,466	5.5% for 20 years	38,000 sqft
Quality Inn	Renewable	883 MMBtu/yr	200 kW	$850,000	5.5% for 20 years	30,000 sqft
Bourdon Forge	Renewable	2,038 MMBtu/yr	500 kW	$1,500,000	5.5% for 15 years	65,000 sqft
255 Bank Street	Energy Efficiency	1,311 MMBtu/yr	--	$517,590	5.7% for 17 years	40,000 sqft
1095 Dayhill Road	Both	1,207 MMBtu/yr	206 kW	$829,399	6% for 20 years	29,290 sqft
Shagbark	Renewable	517 MMBtu/yr	157 kW	$478,000	5% for 10 years	36,000 sqft
Sofia East Windsor	Renewable	1,019 MMBtu/yr	250 kW	$750,000	5.5% for 20 years	30,000 sqft
Sofia East Windsor	Renewable	982 MMBtu/yr	250 kW	$750,000	5.5% for 20 years	60,000 sqft
Signature Advertising	Renewable	467 MMBtu/yr	122 kW	$386,345	5.5% for 20 years	50,000 sqft
Bridgeport International Academy	Energy Efficiency	836 MMBtu/yr	--	$410,009	5.5% for 15 years	55,000 sqft
APPROVED TOTAL - 10		**9,749 MMBtu/yr**	**1,685 kW**	**$6,843,809**		**433,290 sqft**
CLOSED AND APPROVED TOTAL - 23		**39,839 MMBtu/yr**	**2,618 kW**	**$18,370,387**		**1,581,590 sqft**

C-PACE Pipeline
EE v. RE Breakdown



C-PACE Energy Savings
Closed Deals

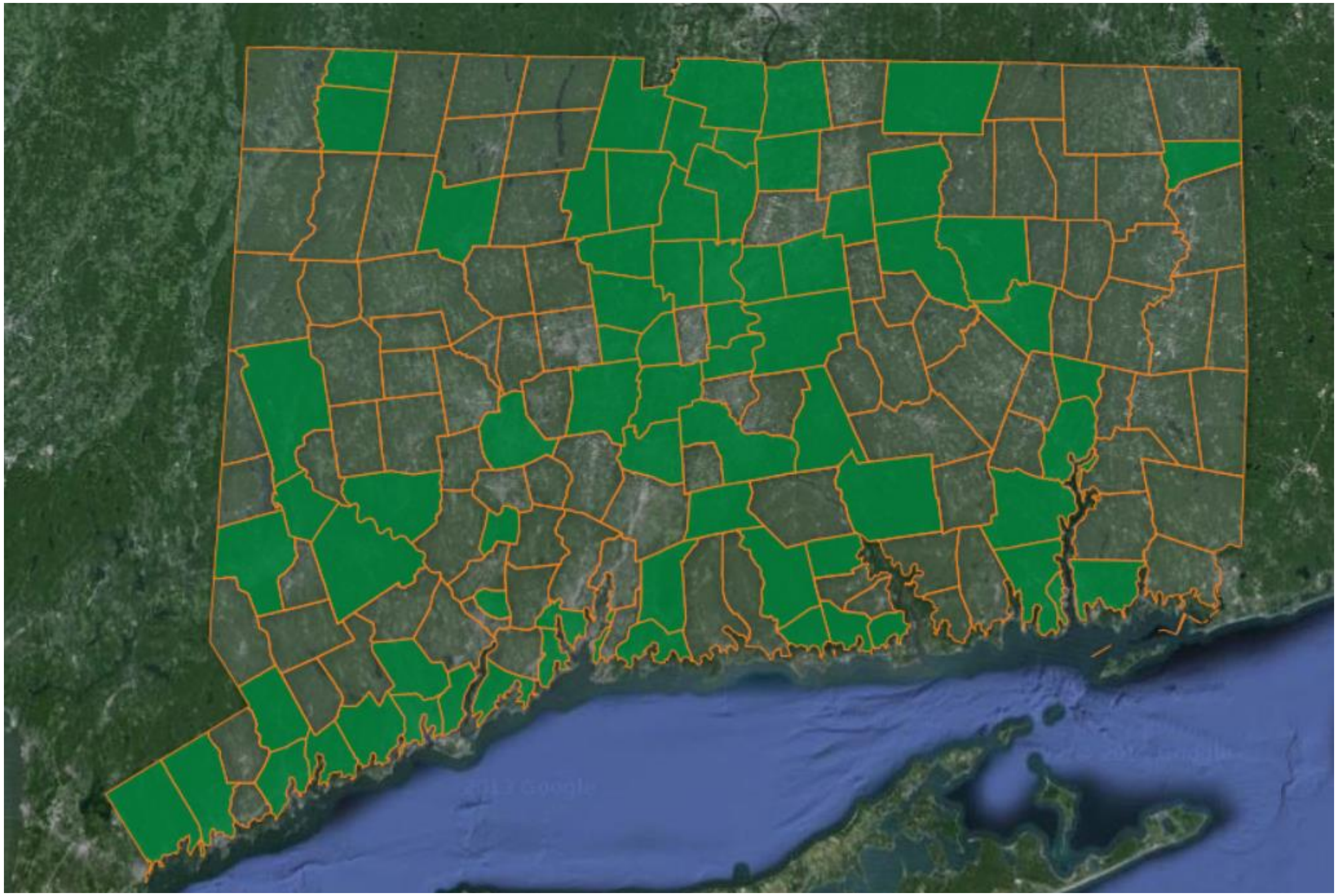
CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

C-PACE saves property owners an average of 6 million kWh (or 44%) on electric utility bill and over 31 million mmBTU (or 47%) in fuel savings

Project Name	Electric Consumption Before (kWh)	Electric Consumption After (kWh)	Electric Savings (kWh)	Electric Savings (%)	Fuels Before (mmBTU)	Fuels After (mmBTU)	Fuel Savings (mmBTU)	Fuel Savings (%)
41 Walnut Street	2,587,440	1,293,380	1,294,060	50%	--	--	--	--
542 Westport Ave (Lighting and Solar)*	--	--	5,855,865	--	--	--	5,259,150	--
1841 Broad Street	4,312,920	1,434,100	2,878,820	67%	--	--	--	--
100 Roscommon	29,335,260	7,417,780	21,917,480	75%	22,822,980	17,462,240	5,360,740	23%
86 Hopmeadow	13,288,176	8,450,604	4,837,572	36%	8,167,896	6,303,960	1,863,936	23%
855 Main Street	43,197,320	26,078,360	17,118,960	40%	122,626,100	48,041,760	74,584,340	61%
Bushnell Theatre	--	--	--	--	69,638,880	54,102,080	15,536,800	22%
ID Products	1,878,375	1,007,445	870,930	46%	7,621,050	(124,365)	7,745,415	102%
228 Route 81	3,618,560	2,009,100	1,609,460	44%	--	--	--	--
80 Lamberton	74,110,340	57,298,880	16,811,460	23%	84,186,820	53,926,180	30,260,640	36%
Larsen Ace Hardware	1,804,460	703,480	1,100,980	61%	--	--	--	--
Danbury YMCA	--	--	--	--	87,291,040	68,855,880	18,435,160	21%
Insports Trumbull	11,427,980	4,630,520	6,797,460	59%	--	--	--	--
NPB Assets Norwich	8,033,360	4,616,240	3,417,120	43%	--	--	--	--
290 Pratt	30,702,400	29,467,860	1,234,540	4%	239,823,280	105,728,480	134,094,800	56%
22 Waterville Road	15,657,558	11,980,556	3,677,002	23%	27,044,080	6,534,458	20,509,622	76%
Average Savings			**6,387,265**	**44%**			**31,365,060**	**47%**

*Note: for 542 Westport Ave, baseline data changes for lighting / solar portions of project so before / after consumption not included

C-PACE Muni Opt-In
Geographic Distribution



80% C&I Market eligible for C-PACE

Closed /Approved Deals

- Avon (1)
- Bridgeport (3)
- Canton (1)
- Danbury (1)
- East Haddam (1)
- East Windsor (2)
- Hartford (3)
- Killingworth (1)
- Meriden (2)
- Middletown (2)
- Norwalk (1)
- Norwich (1)
- Simsbury (1)
- Trumbull (1)
- Vernon (1)
- Waterbury (1)
- Windsor (2)

Commercial and Industrial Programs
FY 2014 Targets and Progress

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Installed Capacity (MW) and Energy Saved (MMBtu)

Program	Q2 Targets	Q2 Progress	Cumula Targets	Cumula Progress	Total FY 2014
C-PACE	1.0 / 12,000	0.4 / 18,093	1.5 / 22,000	0.9 / 30,090	5.0 / 100,000
CEBS	-		-		-
Total	1.0 / 12,000	0.4 / 18,093	1.5 / 22,000	0.9 / 30,090	5.0 / 100,000

Projects and Funding

Program	Q2 Targets	Q2 Progress	Cumula Targets	Cumula Progress	Total FY 2014
Projects	13	7	22	13	59
Funding	$6,750,000	$5,616,415	$11,500,000	$11,526,578	$40,000,000

REFERENCES
Progress includes transactions where loans or leases were closed, funded, or commissioned but do not include submitted or approved applications. The project flow includes submitted application, approved application, closed transaction, funded transaction, and commissioned project.

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #7

Institutional Sector Programs

January 17, 2014

Institutional Sector
Observations

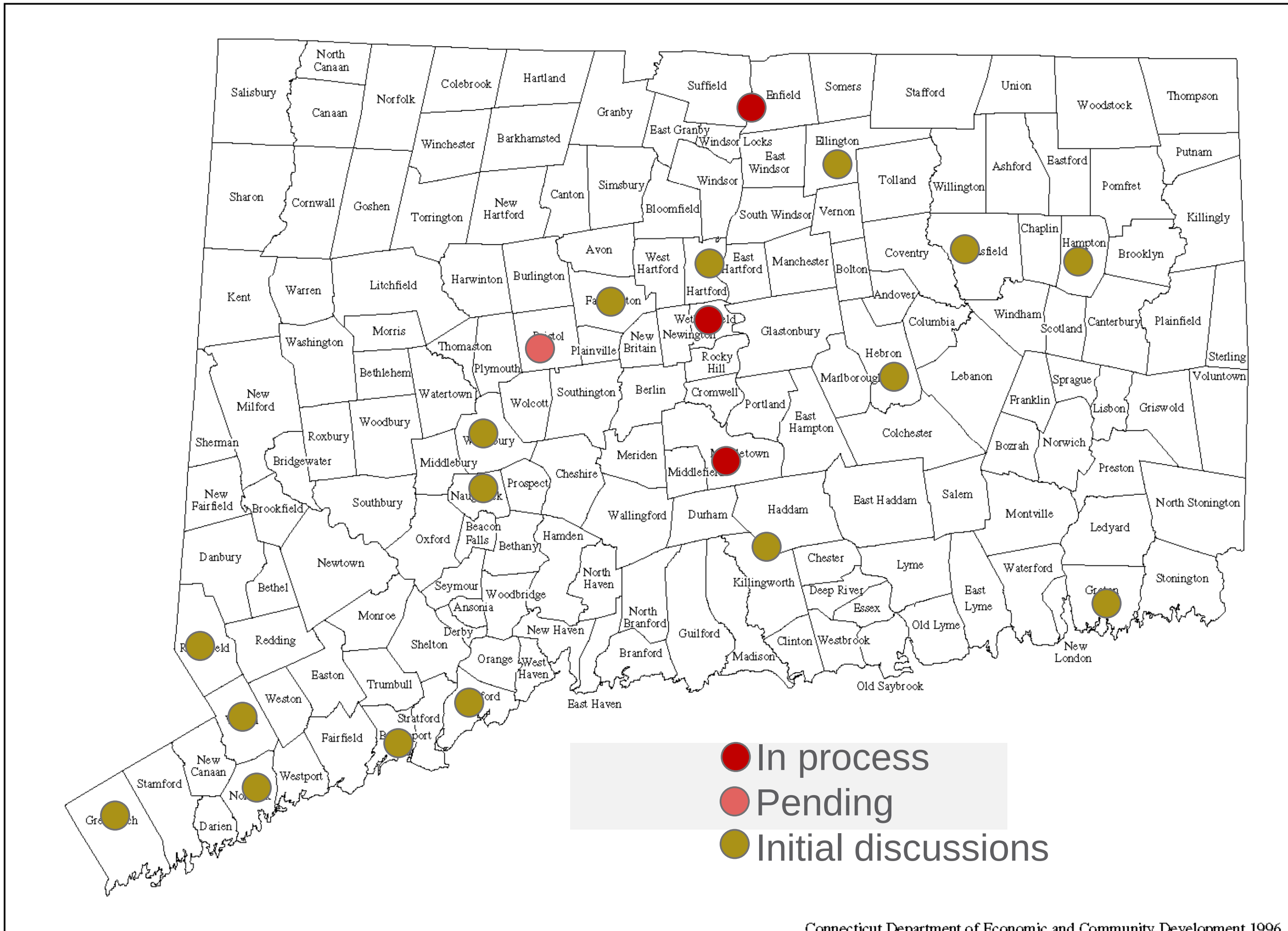
CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- **2 of 3 likely Campus Efficiency Now projects closed**
  - Working with CCIC and CAIS on next generation of program
- **Interest from one municipal solar lease project**
  - Requested modification of existing underwriting criteria to accommodate:
    - Groundmounted, 650 kW
- **Lead By Example**
  - Coordinating with OPM on approval of 3rd Party Financing mechanism
    - Will also work with Treasurer's Office, DAS, and AG on financing agreements

Host	Estimated Project Cost	Est. Annual Utility Savings
CT Valley Hospital	\$25-\$30m	\$1.6m
Dept. of Corrections (8 of 19 CIs)	\$50-\$75m	\$3.3m
Dept. of Motor Vehicles	~\$3m	~\$200k
City of Bristol	~\$12m	~\$900k
Total (4 projects)	**\$90-\$120 million**	**\$6 million**

Institutional Sector
LBE Pipeline Growing

- **State Agencies**
- **UConn and BOR Colleges**
- **Cities and Towns**
- **Regional School Districts**



Institutional Programs
FY 2014 Targets and Progress

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

Installed Capacity (MW) and Energy Saved (MMBtu)

Program	Q2 Targets	Q2 Progress	Cumula Targets	Cumula Progress	Total FY 2014
Campus Efficiency Now	0.0 / 1,250	0.0 / 11,353	0.0 / 2,500	0.0 / 13,319	0.0 / 5,000
Solar Lease	0.5 / 0	0.0 / 0	1.0 / 0	0.0 / 0	2.0 / 0
Total	0.5 / 1,250	0.0 / 11,353	1.0 / 2500	0.0 / 13,319	2.0 / 5,000

Projects and Funding

Program	Q2 Targets	Q2 Progress	Cumula Targets	Cumula Progress	Total FY 2014
Projects	7	1	14	2	30
Funding	$565,000	$500,093	$1,130,000	$805,093	$2,260,000

REFERENCES
Progress includes transactions where loans or leases were closed, funded, or commissioned but do not include submitted or approved applications. The project flow includes submitted application, approved application, closed transaction, funded transaction, and commissioned project.

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #8

Statutory and Infrastructure Sector Programs

January 17, 2014

Statutory and Infrastructure Sector

Where are we? (RSIP)

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

FY14	# of Projects	Funding (Millions)	Installed Capacity (MW)	Ave. System Size (kW)	Funding per MW installed
Q1	364	$3.2	2.5	6.7	$1.3
Q2	506	$4.6	3.7	7.3	$1.2
Increase (Decrease)	142	$1.4	1.2	0.6	($0.1)

Statutory and Infrastructure Sector

Where are we? (AD and CHP)

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Project Pipeline	Project Location	Project Size (kW)	Project Feedstock	Initial Project Cost	Application Status
AD – Ansonia Digester Plant	Ansonia	1,550	Pre-processed Food/Organic Waste	$25.0M	Signed Non-Binding Term Sheet
AD – Southington AD Facility	Southington	939	Food/Organic Waste	$10.0M	Submitted Pre-Application – Final Expected by 2/1/14
AD – Bridgeport Bioenergy Facility	Bridgeport	1,550	Food/Organic Waste & WWTF Sludge (separate digesters)	$18.0M	Complete Application received on 12/5/13
AD – Milford AD Facility	Milford	1,500	Food/Organic Waste	$10.0M	Application Expected by 3/1/14
AD – Fairview Farms	Woodstock	1,000	Manure/Food/Organic Waste	$9.5M	Preparing Application
CHP/MG – Stanley Park	New Britain	2,500	N/A	$6.5M	Preparing Application
CHP – Meriden YMCA	Meriden	75	N/A	$.4M	Submitted C-PACE Application
Totals		**9,114**		**$79.4**	

Statutory and Infrastructure Programs
FY 2014 Targets and Progress

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

Installed Capacity (MW)

Program	Q2 Targets	Q2 Progress	Cumula Targets	Cumula Progress	Total FY 2014
RSIP	3.0	3.7	5.0	6.2	12.0
CHP and AD	3.0	0.0	3.0	0.0	6.0
Grid and Infrastructure	-	-	-	-	-
Total	6.0	3.7	8.0	6.2	18.0

Projects and Funding

Program	Q2 Targets	Q2 Progress	Cumula Targets	Cumula Progress	Total FY 2014
Projects	428	506	713	870	1,717
Funding	$4,750,000	$4,604,807	$7,250,000	$7,783,238	$16,250,000

REFERENCES
Progress includes transactions where incentives are approved, under construction, or commissioned.

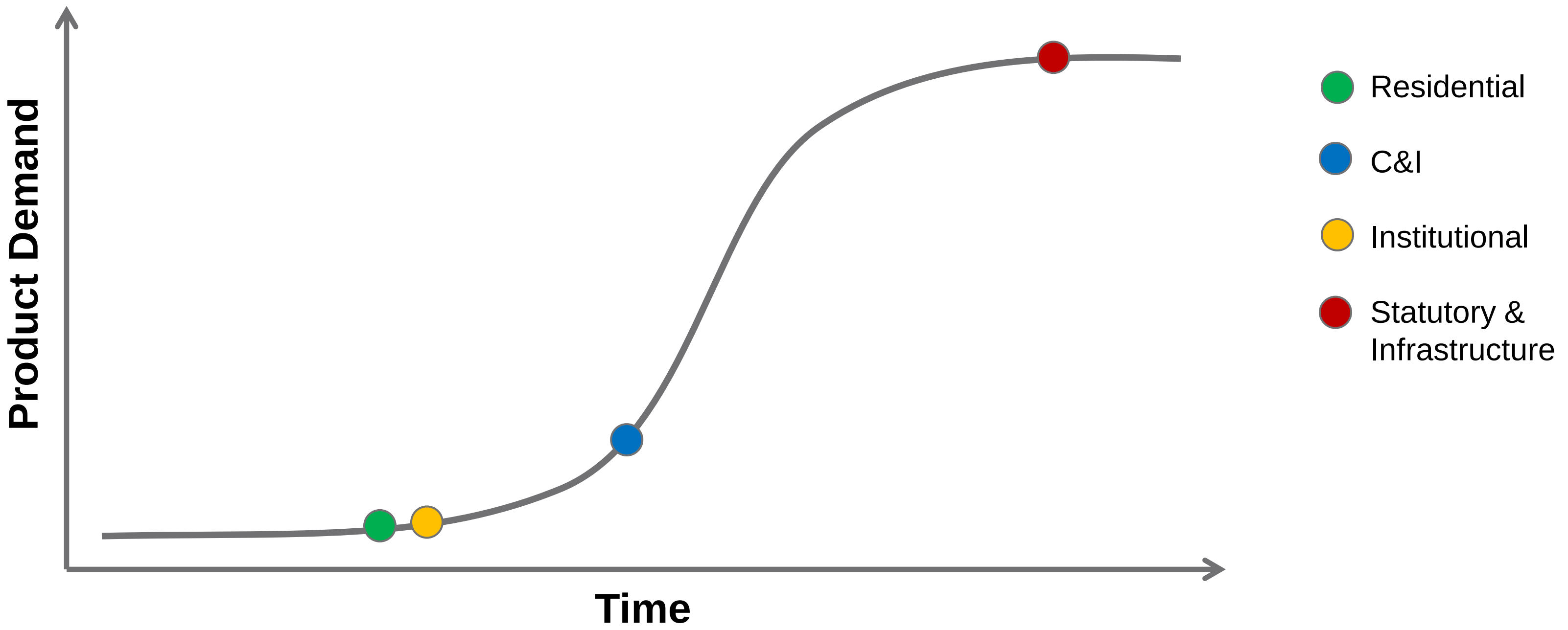
Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Items #5-#8

Observations

January 17, 2014

Sector Status Overview
Product Demand over Time



FY 2014

Progress to Date

- **Success and Progress** – achieving good success and progress, but need to push harder with a focus on origination and customer acquisition
- **Goal Setting** – set ambitious goals based on the amount of capital we could raise as opposed to capital deployed. Staff is committed to goals, yet we recognize as we learn lessons, we need to recalibrate:
  - Raised over $80 million for residential sector
  - Not a situation of “if you build it, they will come” – recognized in late 2013 and thus hired Match Drive
  - Innovation and execution on finance needs to be matched by marketing
- **Marketing** – need someone for marketing what we have for finance with Bert Hunter
  - Interest in adding a Director or VP of Marketing – coming Spring 2014

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #9

FY 2013 Annual Report

January 17, 2014

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #10

Legislative Proposals

January 17, 2014

Legislative Proposals
2014

- **C-PACE and Microgrids** – allow equipment that supports a microgrid system but is not permanently affixed to qualifying commercial real property to qualify for C-PACE financing and support the implementation of the Comprehensive Energy Strategy.
- **Connecticut Green Bank** – seek to modify official name of the Clean Energy Finance and Investment Authority to the “Connecticut Green Bank”. Sought name change in 2012 legislative session to “Clean Energy Authority” but priority legislative initiatives were C-PACE, bonding, and SCRF.

Connecticut Green Bank

Why the name change

- **Confusion** – the Clean Energy Finance and Investment Authority and its acronym (CEFIA) is confusing – too long, mispronounced, etc.
- **No Brand Recognition** – a study by Opinion Dynamics (October 2013) asked 400 residents about their awareness of energy issues in Connecticut and specifically about their familiarity with various organizations. Building a brand on the Connecticut Green Bank will be easier and less costly than CEFIA

Familiarity	CCEF	CEEF	CEFIA
Very	4%	3%	2%
Somewhat	14%	13%	3%
Not too, not at all, other	82%	84%	95%

- **Leadership** – Connecticut created the nation's 1^{st} green bank and other states are following (i.e. New York Green Bank)

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #11

Clean Energy Business Solutions – Horizons, Inc.

January 17, 2014

Clean Energy Business Solutions
Horizons, Inc.

- Not-for-profit organization that provides job training and placement services for adults with developmental disabilities

- Building a new 10,000 square foot building that includes kitchen, classrooms, nursing station and office space

- DECD requests $500,000 of financial assistance for 63 kW solar PV and 28 ton geothermal systems

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #12

Officer Salary Range and Compensation Process

January 17, 2014

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #13

Adjourn

January 17, 2014

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY
Board of Directors
Draft Minutes – Regular Meeting
Friday, December 20, 2013

A regular meeting of the Board of Directors of the **Clean Energy Finance and Investment Authority (the "CEFIA")** was held on December 20, 2013 at the office of Connecticut Innovations, 865 Brook Street, Rocky Hill, CT.

1. Call to Order: Catherine Smith, Chairperson of CEFIA, called the meeting to order at 9:00 a.m. Board members participating: Mun Choi (by phone); Daniel Esty, Vice Chairperson of CEFIA and Commissioner of the Department of Energy and Environmental Protection ("DEEP"); Bettina Ferguson, State Treasurer's Office; Tom Flynn; John Harrity; Matthew Ranelli; Catherine Smith, Chairperson of CEFIA and Commissioner of the Department of Economic and Community Development ("DECD"); and Patricia Wrice.

Members Absent: Norma Glover and Reed Hundt.

Staff Attending: George Bellas, Andy Brydges, Mackey Dykes (by phone), Brian Farnen, Bryan Garcia, Dale Hedman, Bert Hunter (by phone), Suzanne Kaswan, Shelly Mondo, Kerry O'Neill, Cheryl Samuels, and Genevieve Sherman.

Others Attending: Denise Farrell (Environmental Capital LLC —by phone); Henry Link; Bill Sawicki, Marcum; and John Schuyler, Marcum.

2. Public Comments

There were no public comments.

3. Approval of Minutes of Meeting of November 15, 2013

Ms. Smith asked the Board to consider the minutes from the November 15, 2013 meeting.

> **Upon a motion made by Mr. Harrity, seconded by Mr. Esty, the Board members voted in favor of adopting the minutes from the November 15, 2013 meeting as presented (Ms. Wrice was not present for the vote).**

4. Update from the President

Mr. Garcia thanked Commissioner Smith and acknowledged Mike Lettieri from DECD who validated the direct, indirect and induced-job estimations for fiscal year 2013 for CEFIA. He stated that CEFIA now has a calculator and process for estimating the economic development benefits from the clean energy being deployed as a result of

CEFIA. Mr. Garcia stated that staff will work with DEEP to create a similar process and validation for environmental benefits. He mentioned that a presentation will be made at the end of the Board meeting on Yale University's research of Solarize Connecticut. Board members were invited to attend.

Mr. Esty spoke about DEEP developing the Integrated Resource Plan ("IRP") for the next several years. CEFIA has been asked to participate in the process. He mentioned that the Connecticut model of clean energy focuses on financing at lower costs and de-risking projects to make them more attractive to private capital providers. DEEP was encouraged to also include CEFIA in the process. Mr. Esty discussed the increase in generation charges and need for more infrastructure. He mentioned that six New England governors recently announced a commitment to infrastructure building.

5. Statutory and Infrastructure Sector Program Updates and Recommendations:

a. Residential Solar Investment Program—Step 4 and Beyond

Mr. Garcia stated that under Section 106 of Public Act 11-80, CEFIA is required to help deploy 30 megawatts of new residential solar PV installation in Connecticut before December 31, 2022, and CEFIA has made significant progress towards meeting that requirement. He explained how CEFIA has been able to reduce solar PV costs over time and transition away from ratepayer reliance to support the program. The Board commended staff for the achievements during a time when energy costs have remained fairly stable. Mr. Garcia mentioned that during the Deployment Committee meeting, there was a discussion about the incentives and whether CEFIA is over incentivizing the market. In response to a question about the chart that shows the number of projects versus the demand, staff indicated that the chart will be relabeled to provide more clarity. Mr. Garcia spoke about the performance of the program, noting that approximately 2/3 of the activity is from rebates and 1/3 from performance-based incentives. He compared the program with the ZREC using the objective function, noting that CEFIA's program is "doing more, faster and with less" in comparison to the small (i.e. less than 100 kW) and medium (i.e. between 100 to 250 kW) ZREC projects. Mr. Garcia thanked DEEP for its support of LEAN process improvements and attributed the LEAN activities with CEFIA being able to handle more projects without adding staff.

Staff explained the performance of the program compared with Massachusetts. It was noted that Massachusetts is installing 10 percent more than Connecticut on a watts per capita basis, but Connecticut is installing at a cost 3.5 percent less than Massachusetts on a dollars per watt basis, and Massachusetts provides twice the level of incentives as Connecticut.

Mr. Hedman described the step 4 incentive proposal, noting that the overall reduction in incentives is about 20 percent lower than step 3. He indicated that it is hopeful that the differential between the system sizes will be eliminated in step 5 for rebates. Mr. Hedman stated that it is likely that CEFIA will achieve the 10 year legislative requirement within 3 years. He noted that the Deployment Committee asked staff to report to the Board in the fall of any policy changes that should be recommended as a result of meeting the statutory goals early.

Upon a motion made by Mr. Harrity, seconded by Ms. Ferguson, the Board members voted unanimously in favor of adopting the following resolution regarding Step 4 of the Residential Solar Investment Program:

WHEREAS, Section 106 of Public Act 11-80 "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future" (the "Act") requires the Clean Energy Finance and Investment Authority ("CEFIA") to design and implement a Residential Solar Photovoltaic ("PV") Investment Program ("Program Plan") that results in a minimum of thirty (30) megawatts of new residential PV installation in Connecticut before December 31, 2022; and

WHEREAS, as of November 29, 2013, the Program Plan has thus far resulted in approximately fifteen (15) megawatts of new residential PV installation application approvals in Connecticut; and

WHEREAS, pursuant to Section 106 of the Act, CEFIA has prepared a Program Plan and a declining incentive block schedule ("Schedule") that offer direct financial incentives, in the form of performance-based incentives ("PBI") or expected performance-based buydowns ("Rebate"), for the purchase or lease of qualifying residential solar photovoltaic systems; and

WHEREAS, performance of the Rebate model in Step 3 is faster in deploying rooftop solar PV and requires less ratepayer subsidies than the PBI model therefore maximizing the amount of clean energy deployed per dollar of ratepayer funds at risk; and

WHEREAS, on December 21, 2012, the CEFIA Board of Directors ("Board") reviewed and approved the staff recommendations to establish a Step 4 "Race to the Solar Rooftop" capacity of 10 MW; and

WHEREAS, the Deployment Committee recommends that the Board hereby approves the Schedule of Incentives for Step 4 outlined above to achieve 10 MW of solar PV deployment; and

WHEREAS, Solarize Connecticut is a program designed to encourage the adoption of residential solar PV by lowering customer acquisition costs through a coordinated education, marketing and outreach effort, combined with a tiered pricing structure that provides increased savings to homeowners as more people in a selected municipality go solar ("Solarize Communities").

NOW, therefore be it:

RESOLVED, that the CEFIA Board of Directors approves the Schedule of Incentives for Step 4 outlined above to achieve 10.0 MW of solar PV deployment as follows:

5.0 MW of Rebates,
3.0 MW of PBI, and
2.0 MW of additional capacity for the models to compete for incentives.

RESOLVED, that the CEFIA Board of Directors directs staff that at the point where 5.0 MWs of committed capacity is reached during Step 4 of the Schedule, or earlier if staff deems it appropriate to release a report that makes a recommendation to the Deployment Committee on the Step 5 and beyond for capacity allocation and incentive levels.

RESOLVED, that by (a) the point of the Step 4 incentive where 7.5 MW of committed capacity is reached for either the PBI or the Rebate models or (b) January 1, 2015, whichever comes first, the Board will approve a Step 5 capacity allocation and incentive level to ensure the sustained and orderly deployment of the residential solar market in Connecticut.

RESOLVED, that the CEIFA Board of Directors approves Step 4 incentives be maintained for Solarize Communities down selected for Phase 4 of the Solarize Connecticut program throughout the entirety of the campaign if Step 4 incentives are in place at the beginning of Phase 4.

RESOLVED, that this Board action is consistent with Section 106 of the Act.

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6. <u>Commercial and Industrial Sector Program Updates and Recommendations</u>

a. 110 West Main Street, Meriden
b. 99 Tuttle Road, Middletown
c. 425 Hartford Turnpike, Vernon
d. 255 Bank Street, Waterbury
e. 1095 Dayhill Road, Windsor
f. 21 Mount Parnassus Drive, East Haddam

Ms. Sherman discussed the request for C-PACE financing to fund the $372,466 efficiency upgrades at the Meriden YMCA, 110 West Main Street, Meriden, CT. She noted that the CHP Program is being utilized to buy down the interest rate on the loan. In response to a question, Ms. Sherman mentioned that the loan-to-value ratio includes the mortgage. Ms. Sherman reviewed the cash flow projections, key financial metrics and terms and conditions of the loan. A discussion ensued on the benefit assessment, and Ms. Sherman explained that the loan gets paid through assessment payments on the property tax bill over time and not automatically paid off when the property is sold. A suggestion was made to consider getting paid back sooner in order to recycle CEFIA's funds to more properties that might install energy conservation measures. Mr. Esty explained the advantages to the cost of capital by having the loan connected to the property and staff pointed out that as private capital is, for the most part, financing these projects through the C-PACE loan "sell down" process, the program is likely to have adequate resources without requiring early payment. In addition, staff noted that a key part of the attraction of C-PACE financing is that the obligation stays with the property; requiring an early payment in connection with a sale of the property could disincentivize property owners to install energy conservation measures. A request was made to monitor the situation and potentially look at the situation in the future.

Ms. Sherman discussed the request for C-PACE financing to fund a 500kW solar installation at Bourdon Forge at 99 Tuttle Road, Middletown. She reviewed the cash flow projections, key financial metrics and terms and conditions of the loan.

Ms. Sherman reviewed the proposed C-PACE financing to fund a 200kW solar installation at the Quality Inn located at 425 Hartford Turnpike, Vernon. She explained that it is likely that the loan will be less than the $850,000 requested. In response to a question from Matt Ranelli about the loan versus the appraised value, Ms. Sherman explained the underwriting process, the value of the asset and the value of the building with the improvements. She mentioned that the owner has the option to get the building reappraised. After further discussion, there was general agreement that the loan shall be in the amount of "the lesser of $850,000 or 80 percent of the appraised value" for 425 Hartford Turnpike, Vernon and the resolution should reflect that this loan must be consistent with the C-PACE underwriting guidelines related to the 80 percent of the appraised value limitation.

Ms. Sherman discussed the request for C-PACE funding of up to $524,941 to fund comprehensive energy efficiency upgrades at 255 Bank Street, Waterbury. She reviewed the request for C-PACE funding of up to $829,399 to fund comprehensive energy efficiency upgrades a 206kW solar installation for 1095 Day Hill Road, Windsor and funding of up to $478,000 to fund a 157kW solar installation for 21 Mount Parnassus Drive, East Haddam. She noted that the term of the loan for 21 Mount Parnassus Drive is 10 years.

There was a discussion about some of the contractors not being located in Connecticut, and it was noted that the owner chooses the contractor. Ms. Sherman stated that on a regular basis, CEFIA markets and trains Connecticut contractors. She spoke about some of the efforts being taken to encourage local contractors and small vendors to bring projects forward.

> **Upon a motion made by Mr. Ranelli, seconded by Ms. Wrice, the Board members voted unanimously in favor of adopting the following resolutions regarding the C-PACE transactions for 1) 110 West Main Street, Meriden; 2) 99 Tuttle Road, Middletown; 3) 425**

Hartford Turnpike, Vernon (as amended); 4) 255 Bank Street, Waterbury; 5) 1095 Dayhill Road, Windsor; and 6) 21 Mount Parnassus Drive, East Haddam.

110 West Main Street, Meriden

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), CEFIA is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE"); and

WHEREAS, the CEFIA Board of Directors has approved a $40,000,000 C-PACE construction and term loan program; and

WHEREAS, CEFIA seeks to provide a $372,466 construction and (potentially) term loan under the C-PACE program to the Meriden Young Men's Christian Association, Inc., the property owner of 110 West Main Street, Meriden, CT (the "Loan") to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver Loan in an amount not to be greater than one hundred and ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated December 13, 2013, and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from December 20, 2013.

RESOLVED, that before executing the Loan, the President of CEFIA and any other duly authorized officer of CEFIA 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.

RESOLVED, that the proper CEFIA 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 instrument.

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99 Tuttle Road, Middletown

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), CEFIA is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE"); and

WHEREAS, the CEFIA Board of Directors has approved a $40,000,000 C-PACE construction and term loan program; and

WHEREAS, CEFIA seeks to provide a $1,500,000 construction and (potentially) term loan under the C-PACE program to Bourdon Acres LLC, to the property owner of 99 Tuttle Road, Middletown, CT (the "Loan") to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver Loan in an amount not to be greater than one hundred and ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated December 13, 2013, and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from December 20, 2013.

RESOLVED, that before executing the Loan, the President of CEFIA and any other duly authorized officer of CEFIA 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.

RESOLVED, that the proper CEFIA 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 instrument.

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425 Hartford Turnpike, Vernon

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), CEFIA is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE"); and

WHEREAS, the CEFIA Board of Directors has approved a $40,000,000 C-PACE construction and term loan program; and

WHEREAS, CEFIA seeks to provide up to a $850,000 construction and (potentially) term loan under the C-PACE program to Khima LLC, to the property owner of 425 Hartford Turnpike, Vernon, CT (the "Loan") to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver Loan in an amount that is the lesser of $850,000 or 80 percent of the appraised value with terms and conditions consistent with the memorandum submitted to the Board of Directors dated December 13, 2013, consistent with the C-PACE underwriting criteria and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from December 20, 2013.

RESOLVED, that before executing the Loan, the President of CEFIA and any other duly authorized officer of CEFIA 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.

RESOLVED, that the proper CEFIA 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 instrument.

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255 Bank Street, Waterbury

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), CEFIA is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE"); and

WHEREAS, the CEFIA Board of Directors has approved a $40,000,000 C-PACE construction and term loan program; and

WHEREAS, CEFIA seeks to provide a $524,941 construction and (potentially) term loan under the C-PACE program to Ellenville Associates, LLC, the property owner of 255 Bank Street, Waterbury, CT (the "Loan") to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver Loan in an amount not to be greater than one hundred and ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated December 13, 2013, and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from December 20, 2013.

RESOLVED, that before executing the Loan, the President of CEFIA and any other duly authorized officer of CEFIA 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.

RESOLVED, that the proper CEFIA 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 instrument.

1095 Day Hill Road, Windsor

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), CEFIA is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE"); and

WHEREAS, the CEFIA Board of Directors has approved a $40,000,000 C-PACE construction and term loan program; and

WHEREAS, CEFIA seeks to provide a $829,399 construction and (potentially) term loan under the C-PACE program to Infinity VII, LLC, the property owner of 1095 Day Hill Road, Windsor, CT (the "Loan") to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver Loan in an amount not to be greater than one hundred and ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated December 13, 2013, and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from December 20, 2013.

RESOLVED, that before executing the Loan, the President of CEFIA and any other duly authorized officer of CEFIA 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.

RESOLVED, that the proper CEFIA 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 instrument.

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21 Mount Parnassus Drive, East Haddam

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), CEFIA is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE"); and

WHEREAS, the CEFIA Board of Directors has approved a $40,000,000 C-PACE construction and term loan program; and

WHEREAS, CEFIA seeks to provide a $478,000 construction and (potentially) term loan under the C-PACE program to Bud and Bobby Enterprises, LLC, the property owner of 21 Mt Parnassus Drive, East Haddam, CT (the "Loan") to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver Loan in an amount not to be greater than one hundred and ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated December 13, 2013, and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from December 20, 2013.

RESOLVED, that before executing the Loan, the President of CEFIA and any other duly authorized officer of CEFIA 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.

RESOLVED, that the proper CEFIA 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 instrument.

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g. Update on C-PACE Sell Down Process

Mr. Hunter provided an update on the C-PACE sell down process. He stated that everything is proceeding as expected and when the transaction is complete CEFIA will have access to approximately $27,000,000 in private capital. Mr. Hunter indicated that it is anticipated that the closing will occur mid-January.

7. <u>Committee Updates and Recommendations</u>:

a. Budget and Operations Committee

i. Budget Modifications

Mr. Esty summarized the recommendation from the Budget and Operations Committee to amend the budget by $1,432,700. He summarized that a majority of the increase is for the C-PACE program as a result of its rapid growth.

Mr. Dykes reviewed each of the areas where changes are proposed and explained the rationale for each. In addition to the proposed C-PACE increase of $1,252,200, staff recommends an increase of $90,000 for the residential programs and $90,500 for general operations. It was noted that CEFIA has started to charge a fee for the closing of C-PACE loans and the revenue generated will offset expenses under the program.

Upon a motion made by Mr. Esty, seconded by Mr. Harrity, the Board voted unanimously in favor of adopting the following resolution regarding amendments to the CEFIA fiscal year 2014 budget.

RESOLVED, that the Board of Directors of the Clean Energy Finance and Investment Authority ("CEFIA") approves the requested $1,432,700 increase in the fiscal year 2014 budget outlined in Tables 2, 3 and 4 of the memorandum presented to the Board dated December 4, 2013 (the "Memorandum").

RESOLVED, that the Board of Directors of CEFIA approves the Budget and Operations Committee recommendation to approve the updated staffing plan detailed in Attachment 2 of the Memorandum.

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ii. Sick Leave Bank

Mr. Dykes discussed the background of the sick leave bank policy that was established in 2009 by CI and the Connecticut Clean Energy Fund ("CCEF"). He mentioned that at the request of the Board, the policy was reviewed by the Budget and Operations Committee in November, and he explained the changes made to the proposed policy to address some concerns raised at the October 18 Board meeting. Staff provided information about similar policies with other quasi-public and state agencies. Ms. Kaswan reviewed the policy and explained how CEFIA's policy is more restrictive than most other quasi-public agency and state policies. In response to question, it was noted that *CEFIA's Employee Handbook* was reviewed about 1 ½ years ago after the inception of CEFIA. A question arose as to why the policy is being revised now rather than waiting to consider changes to the policy when the full handbook will be reviewed this spring. Ms. Kaswan reviewed the number of employees that have participated, the number of hours donated, the value of the hours donated and the per hour value for the sick bank. She mentioned that the CI Board will be considering the same changes at the next CI Board meeting.

Upon a motion made by Mr. Esty, seconded by Ms. Wrice, the Board voted in favor of adopting the following resolution regarding CEFIA's Sick Leave Bank Policy (Mr. Flynn was opposed noting that he would rather consider this change in a more holistic manner with other changes to the *CEFIA Employee Handbook*):

RESOLVED, that the Board of Directors approves of the Budget and Operations Committee recommendation to revise the CEFIA Employee Handbook for the Sick Leave Bank policy marked in **bold**:

The CEFIA Sick Leave Bank is a pool of sick days that has been established by employees of CEFIA who have made a donation of their accumulated sick days. The Bank is available to members to draw up to ten (10) eight- hour sick days per year in the unfortunate event that they experience a qualified illness or injury.

Sick Leave Bank members will receive benefits in the form of paid sick leave if all of the following requirements are met:

- the member has a medical condition that prevents them from working that has been verified by a Medical Certificate OR a member's immediate family member has a medical condition that has been verified by a Medical Certificate and requires the Sick Leave Bank member's care.
- the member has been out on approved medical leave (paid or unpaid) as described above for at least two consecutive weeks.
- the member has exhausted all of their sick, **~~vacation~~**, personal leave and compensatory time;
- **the member has exhausted all of his/her vacation time in excess of 30 days (or 240 hours)**
- the member has not been disciplined for an absence-related reason for the past 12 months; **provided however, a committee comprised of Senior Management and Human Resources may waive this requirement.**
- the member has completed a Sick Leave Bank Withdrawal Request Form and it has been approved by human resources.

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b. Audit, Compliance and Governance Committee ("Audit Committee")

Mr. Ranelli mentioned that the Audit Committee reviewed the 2013 audited financial statements for CEFIA, and the questions raised by the Audit Committee have been addressed. Bill Sawicki stated that Marcum provided an unmodified opinion on the financial statements and reported on internal control over financial reporting and on compliance and other matters required under *Government Auditing Standards* and required under Federal OMB Circular A-133. He reviewed management's responsibilities as well as Marcum's responsibilities regarding the audit. In response to a question, Mr. Sawicki indicated that CEFIA has done a good job given the size and complexities of the organization. He explained one mathematical typographical error that was detected and quickly corrected. Mr. Ranelli thanked Mr. Bellas for his work and stated that the Audit Committee members asked Mr. Bellas to provide recommendations on how to make the complex process easier. He mentioned that the Audit Committee also discussed the recommendation made to Marcum to issue a Comprehensive Annual Financial Report ("CAFR") in the future. Mr. Schuyler mentioned that CEFIA is already preparing most of the information needed and it may help CEFIA provide clearer information to the public.

Upon a motion made by Mr. Flynn, seconded by Ms. Wrice, the Board voted unanimously in favor of adopting the following resolution accepting the financial statements of CEFIA for fiscal year 2013:

RESOLVED, that the CEFIA Board of Directors approves the Audited Financial Statements and the Federal Single Audit Report of the Clean Energy Finance and Investment Authority for Fiscal Year Ending June 30, 2013 as presented on December 20, 2013.

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Upon a motion made by Mr. Ranelli, seconded by Mr. Harrity, the Board voted unanimously in favor of adopting the following resolution regarding consideration of a Comprehensive Annual Financial Report for fiscal year 2014:

RESOLVED, that the CEFIA Board of Directors directs CEFIA staff to investigate and provide a recommendation to the Board on the merits of utilizing a Comprehensive Annual Financial Report (CAFR) for the Fiscal Year 2014 annual audit.

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c. Deployment Committee and Budget and Operations Committee

Mr. Garcia stated that the Deployment Committee and Budget and Operations Committee held a joint meeting on December 11 to look at how to move forward with a recommendation on how to proceed with a policy for the CEFIA Class I Renewable Energy Credit ("REC") asset portfolio. Mr. Healey stated that CEFIA reached out to experts to develop guidelines for managing the REC portfolio. He reviewed the key objectives of the policy and discussed the proposed three step policy. The first step includes the annual Renewable Solar Investment Program portfolio analysis, the second step is the semiannual market analysis and the third step is the price transaction in the spot and/or forward markets to ensure highest and best return. Mr. Healey stated that

CEFIA is working with 5 qualified brokers. He explained that the REC brokers will provide pricing in the market. For non-investment grade counterparties, appropriate financial safeguards will be in place when trading. CEFIA will develop a standard draft REC transaction contract to limit risk of failed closings. Mr. Garcia stated that CEFIA sought input from experts, and the feedback was incorporated into the draft guidelines. If the guidelines are approved, CEFIA anticipates going to the market in the first quarter of 2014.

Upon a motion made by Mr. Ranelli, seconded by Mr. Harrity, the Board voted unanimously in favor of adopting the following resolution regarding the Guidelines and Procedures for CEFIA Management of the Class I REC Asset Portfolio:

WHEREAS, Article V, section 5.3.2 of the Clean Energy Finance and Investment Authority ("CEFIA") Bylaws requires the Budget and Operations Committee (the "B&O Committee") to recommend and monitor compliance with prudent fiscal policies, procedures, and practices to assure that CEFIA has the financial resources and financial strategy necessary to carry out its statutory responsibilities and mission; and

WHEREAS, Article V, section 5.3.3 of the CEFIA Bylaws requires the Deployment Committee to provide oversight of policies and practices relating to the evaluation and recommendation of initial investments, follow-on investments, investment modifications and restructurings, and the sale or other disposition of investments by CEFIA's professional investment staff, including implementation of existing strategies; and

WHEREAS, both the Deployment and B&O Committees recommend to the Board for approval the draft Guidelines and Procedures for CEFIA Management of Class I REC Asset Portfolio in substantially the form provided to the committees in the memorandum dates December 4, 2013 and which may be revised by CEFIA staff from time to time to incorporate the recommendations of independent third-party consultants with REC market expertise.

NOW, THEREFORE, be it:

RESOLVED, that the CEFIA Board of Directors approves the draft Guidelines and Procedures for CEFIA Management of Class I REC Asset Portfolio in the form provided to the Board in the memorandum dated December 13, 2013 and which may be revised by CEFIA staff from time to time to incorporate the recommendations of independent third-party consultants with REC market expertise.

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d. 2014 Schedule of Board and Committee Meetings

The Board members considered the schedule of Board and Committee meetings for 2014.

> **Upon a motion made by Mr. Flynn, seconded by Mr. Ranelli, the Board voted unanimously in favor of approving the regular meeting schedule of the Board of Directors; Audit, Compliance and Governance Committee; Budget and Operations Committee; and Deployment Committee for 2014 for the Clean Energy Finance and Investment Authority.**

8. <u>Residential Sector Program Updates and Recommendations</u>:

Ms. O'Neill provided a brief update on the residential sector program. She mentioned that under the Smart-E Program, approximately $1,000,000 of energy efficiency and renewable energy projects has been approved.

a. Multifamily and Affordable Housing Programs

Mr. Garcia mentioned that Ms. Stevenson led the close out of the Technology Innovation program and is now working on multifamily affordable housing initiatives. Ms. Stevenson provided an overview of some of the market opportunities and challenges with multifamily and affordable housing. She indicated that there are approximately 250,000 multifamily units in buildings with 5 or more units. Ms. Stevenson mentioned that "affordable" housing ranges from single to thousands of units, and there is a potential for $125,000,000 of annual energy cost savings from this market. She stated that 50 percent of the units are concentrated in cities. A large percentage of units are electric or oil heated, and many are close to natural gas lines. Ms. Stevenson indicated that 22 percent of families in Connecticut owe more in utility bills than they can afford, and reducing that number will strengthen the quality of life for Connecticut families. A discussion ensued on the challenges with having separate meters and the importance of sub-metering.

Ms. Stevenson reviewed some of the challenges to opening up the multifamily affordable housing market in Connecticut, which include the lack of capital to plan and finance and the lack of performance data to help understand how the units are performing. Ms. Stevenson discussed some of the approaches taken by CEFIA to date. She stated that staff has been speaking with stakeholders to understand the centers of excellence. Ms. Stevenson indicated that CEFIA is trying to determine how to assist and who it can partner with to open the market in Connecticut. She discussed four main initiatives which include: 1) building a multifamily affordable housing market through C-PACE; 2) partnering with Community Development Financial Institutions; 3) partnering with CHFA; and 4) partnering with WINN-HUDE OME. Ms. Stevenson mentioned that the Deployment Committee members recommended the creation of an Advisory Committee. After discussion on the issue, there was general agreement to create a working group rather than a formal advisory committee to help staff with the development of a program. Mr. Ranelli will help Ms. O'Neill and Ms. Stevenson develop a preliminary list of members for the working group.

9. <u>Other Business</u>:

Ms. Smith asked the Board to consider adding to the agenda an executive session to discuss a confidential personnel matter.

Upon a motion made by Mr. Esty, seconded by Mr. Harrity, the Board voted in favor of adding to the agenda an executive session to discuss a personnel matter (Ms. Ferguson was not present for the vote).

Upon a motion made by Harrity, seconded by Mr. Flynn, the Board voted in favor of going into executive session at 10:55 a.m. to discuss a confidential personnel matter.

The executive session ended at 11:12 a.m., and the regular meeting was immediately reconvened.

10. **Adjournment**: Upon a motion made by Mr. Harrity, seconded by Mr. Flynn, the Board members voted unanimously in favor of adjourning the December 20, 2013 meeting at 11:14 a.m.

Respectfully submitted,

Catherine Smith, Chairperson

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: CEFIA Board of Directors

From: Kerry O'Neill

CC: Bert Hunter, Bryan Garcia, Mackey Dykes, Alexandra Lieberman and John D'Agostino

Date: January 10, 2014

Re: Request for Approval to Enter into up to $170,128.25 PSA with Concord Servicing Corporation to serve as Master Servicer for CEFIA's On-Bill Repayment Program

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In June 2013, the State of Connecticut authorized residential On-Bill Repayment (OBR) in Public Act 13-298 of the Connecticut General Statutes, as set forth in Exhibit A of **Attachment A.** This legislation empowers CEFIA to establish and manage an OBR program, for submission of proposed program guidelines to the Public Utility Regulatory Authority in early 2014. In order to incorporate technical requirements and specifications while developing the product, CEFIA released an RFP for qualified Master Servicing firms on October 23, 2013 as set forth in the attached **Attachment B**. The RFP was released directly on CEFIA's website and to a list of 24 regional, national and global firms.

The selected firm will work closely with CEFIA to incorporate best practices and technical considerations in the OBR design-build process, and support CEFIA's technical discussions with key stakeholders, including the utilities and capital providers. Once the proposed program is designed and implemented, the Master Servicer will serve as the technical administrator for servicing; coordinate communication, schedules and payments between the utilities, capital providers and customers; and manage CEFIA's credit enhancement mechanism.

CEFIA received two submissions from firms seeking to collaborate on OBR:

- **First Associates**: A San Diego, CA-based servicing firm that focuses on servicing niche loans such as RV, Marine, and Student Loans. The firm has 25 years of experience, and provides its services for the Alabama Saves, St Louis Saves, and FDIC Failed Bank programs. It has over $3B of primary accounts on their books and $2B of back-up servicing.

- **Concord Servicing Corporation**: A Scottsdale, AZ-based servicing corporation with over 650,000 accounts totaling $3B. Notably, Concord is the primary servicer for the

$24M (NYSERDA Green Jobs Green New York) transaction, 35% of which are on-bill loans. Concord's response to the RFP is included in **Attachment C**.

CEFIA convened a review committee of four people to review the proposals, interview the candidates and score the proposals. The proposals were evaluated based on qualifications, cost, experience, willingness to work with CEFIA on both design and implementation, and other important determining factors to ensure the success of On-Bill Repayment. The reviewers of the RFQ from CEFIA staff included:

- Bert Hunter, Chief Investment Officer and EVP;
- Kerry O'Neill, Director of Residential Programs;
- Alexandra Lieberman Senior Manager of Clean Energy Finance; and,
- John D'Agostino, Senior Manager of Residential Programs

Based on the responses, CEFIA staff selected Concord to be its Master Servicer for its On-Bill Repayment Program. The decision was based on Concord's direct knowledge of the On-Bill Repayment space; the firm's commitment to growing OBR as a business line; the deeply relevant technical and program experience the team has collectively amassed; and their clear interest in working with CEFIA in design, development and implementation.

CEFIA staff felt that First Associates lacked a nuanced understanding of the administrative complexities of designing and implementing an On-Bill program. It was clear in the interview process that First Associates' proposal did not address the "high-touch" aspects of supporting multiple stakeholders, including the close collaboration with two utility companies and their diverse IT protocols, capital providers, and customers.

Below is a table with average scores and approximate costs for each applicant (see Table 1):

Table 1. Staff Scoring of RFP Responses

	Average Score	Estimated Costs for 2-Year Period	Comments
Concord Servicing Corporation	52	$170,128.25	*Based on 1,000 loan ramp-up over two-year period, includes support for both utilities and up to 20 capital providers. Also includes estimates for travel and programming fees.*
First Associates	25	$69,000	*Estimated based on First Associates pricing for 1,000 loans, did not include programming fees or travel*

COMPENSATION & SCOPE OF WORK

As compensation for its support of CEFIA in its On-Bill Repayment program, Concord would be paid a fee not to exceed $170,128.25 based on the estimates in **Attachment B**. This amount would cover design support, collections and special collections, custodial services and loan validation activities for an estimated 1,064 On-Bill loans over 24 months.

After 24 months, CEFIA will have the opportunity to review the program and make any changes to the payment process deemed necessary. Staff believes this gives adequate time to design, implement and evaluate the program's process

RECOMMENDATION

After having thoroughly vetted the proposals submitted under the RFP, reviewing the Operating Procedures of CEFIA to ensure that proper contracting requirements are being met,[1] staff recommends moving forward with a Professional Services Agreement materially consistent with our model form with Concord Servicing Corporation.

Attachment(s): Attachment A – RFP for Master Servicer for CEFIA's On-Bill Repayment Program
Attachment B – Cost Estimate for 1,064 Loans over 24 months
Attachment C – Concord Servicing Corporation's RFP Response

RESOLUTIONS:

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver a Professional Services Agreement ("PSA") between CEFIA and Concord Servicing Corporation to serve as Master Servicer for CEFIA's On-Bill Repayment Program in an amount not to be greater than $170,128 with terms and conditions consistent with the CEFIA's standard PSA, and as he or she shall deem to be in the interests of CEFIA and the ratepayers;

RESOLVED, that the proper CEFIA 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 instrument.

Submitted by: Bryan Garcia, President and CEO; Bert Hunter, Chief Investment Officer and EVP; Kerry O'Neill, Director of Residential Programs; Alexandra Lieberman, Senior Manager of Clean Energy Finance; and John D'Agostino, Senior Manager of Residential Programs

[1] Per Section IX (Contracting for Professional Services) of CEFIA's Operating Procedures "…and (iii) for such contracts requiring an expenditure by the Authority of over one hundred fifty thousand dollars ($150,000), such contract shall, whenever possible, be awarded on a basis of a process of competitive negotiation where proposals are solicited from at least three (3) qualified parties."

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

REQUEST FOR PROPOSALS ("RFP")
FOR MASTER SERVICER FOR RESIDENTIAL ON-BILL REPAYMENT (OBR) PROGRAM

I. PURPOSE

The Clean Energy Finance and Investment Authority (CEFIA) seeks proposals from qualified firms ("Contractor") to serve as the master servicer for CEFIA's residential On-Bill Repayment ("OBR") program. The Contractor will assist in the design and oversight of cash and data management and transfer capabilities among Connecticut's Investor-Owned Utilities ("IOUs"), participating Financial Institutions ("FIs"), and other stakeholders.

II. CEFIA BACKGROUND

CEFIA was established by Connecticut's General Assembly on July 1, 2011 through Public Act 11-80. This new quasi-public agency supersedes the former Connecticut Clean Energy Fund. CEFIA's mission is to help ensure Connecticut's energy security and community prosperity by realizing its environmental and economic opportunities through clean energy finance and investments. As the nation's first full-scale clean energy finance authority, CEFIA leverages public and private funds to drive investment and scale-up clean energy deployment in Connecticut. For more information about CEFIA, please visit www.ctcleanenergy.com.

III. OBR PROGRAM BACKGROUND

In June 2013, the State of Connecticut authorized On-Bill Repayment in Public Act 13-298 of the Connecticut General Statutes, as set forth in the attached Exhibit A. This legislation empowers CEFIA to establish and manage an OBR program, for submission of proposed program guidelines to the Public Utility Regulatory Authority in early 2014, with a goal of launching the program in Spring 2014. CEFIA is early in its design stage for the OBR program, and is looking to bring on a Master Servicer partner early in order to incorporate technical requirements and specifications while developing the product.

OBR allows residential utility customers to repay loans for qualifying energy efficiency and clean energy improvements through a line item charge on their monthly utility bill. The customer pays for the improvements over time through this additional charge on their utility bill, and the repayment obligation may transfer to the next owner of the property. The benefits of this arrangement include:

For customers:

- **Affordability**: Securing loans with OBR reduces upfront capital costs and enables homeowners to access low cost, longer term capital
- **Transferability**: loan stays with the electricity meter, so the obligation and benefits transfer to next homeowner. Since many clean energy measures have a useful life of

more than 13 years (the average amount of time a homeowner stays in a home[1]), this allows for the full capture of benefits to match the repayment period

For participating Financial Institutions:

Reduced investment requirements: OBR utilizes already-existing utility payment processing infrastructure, so there is less need for capital providers to invest in these capabilities

Potential for enhanced underwriting data: bill payment history can be used as a complement or partial substitute for traditional underwriting criteria

Built-in credit enhancement as a primary or secondary product: notably, shutoff provision of utility services provides added security to lenders:

- On-Bill programs have had default rates of 0-2%[2]
- A recent study by the Institute for Market Transformation suggested that Energy Star-certified homes were 32% less likely to default versus comparable, non-Energy Star homes[3]

For the ratepayer:

Utilizes third party capital: OBR will mobilize private capital for energy efficiency and renewable energy investment, minimizing costs to taxpayers or ratepayers:

- IOUs receive fees in exchange for providing billing services, and
- OBR will also help utilities meet energy efficiency and conservation program goals.

Local job creation: energy upgrades require in-state jobs:

- A study conducted in 2010 by the Lawrence Berkeley National Laboratory indicates that OBR has the potential to lead to a quadrupling of employment in the energy efficiency sector[4]

Economic development: According to the Connecticut Energy Efficiency Fund, $219M of energy efficiency funding generates $756M in benefits[5]

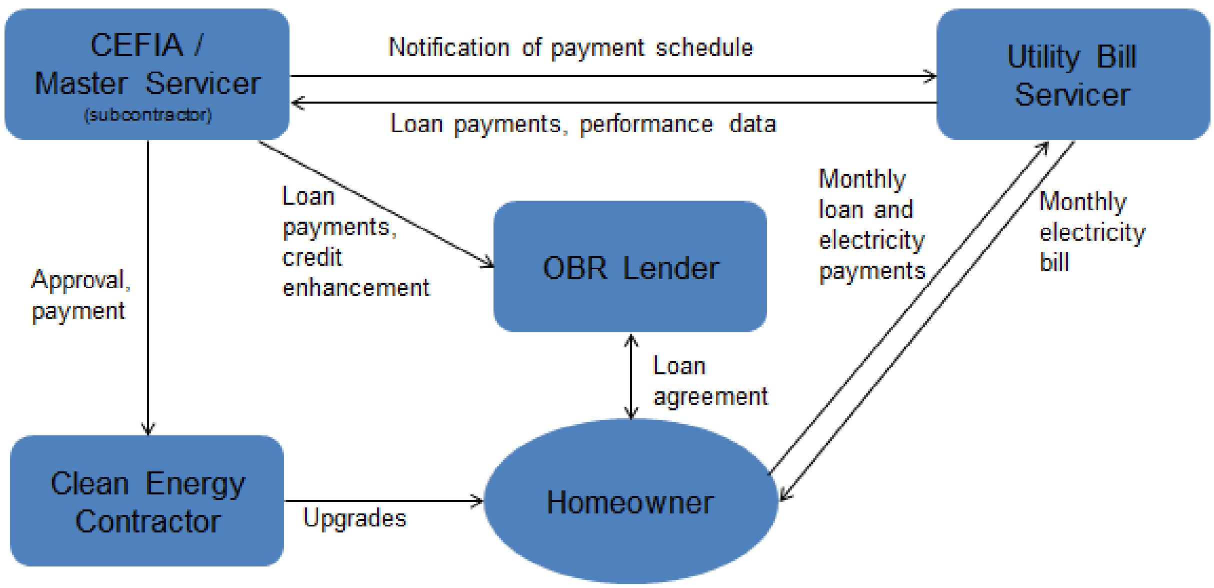
CEFIA envisions the program to work as follows (see diagram on following page):

1. An electric utility customer of either Connecticut Light and Power or United Illuminating selects clean energy upgrades, contractor and FIs eligible for OBR;
2. Customer applies for credit approval at the selected FI and their contractor applies for project approval via CEFIA. Technical project approval is based on: (1) eligible contractor, (2) eligible equipment / measures, and (3) eligible site. The credit approval and origination is performed by the selected FI, who notifies the Master Servicer of approval;

[1] http://www.nahb.org/generic.aspx?sectionID=734&genericContentID=194717&channelID=311
[2] http://www.puc.state.pa.us/Electric/pdf/Act129/OBF-ACEEE_OBF_EE_Improvements.pdf, p.9
[3] http://www.imt.org/resources/detail/home-energy-efficiency-and-mortgage-risks-executive-summary
[4] http://emp.lbl.gov/sites/all/files/PRESENTATION%20lbnl-3163e.pdf
[5] EE Source: http://www.ct.gov/occ/lib/occ/120208_rws_ebc_presentation_d.pdf

3. Lender notifies Master Servicer of payment schedule once loan is closed and funding is disbursed;
4. Master Servicer notifies utility of repayment schedule and sends borrower "Welcome Notice";
5. Utility remits OBR payments to Master Servicer each month;
6. Master Servicer directs payments received from IOUs to FIs;
7. Master Servicer produces monthly reports for FIs, CEFIA and the IOUs

The Master Servicer will also oversee the transfer of delinquent accounts to a Special Servicer, as requested by relevant FI. Lastly, CEFIA is flexible with the proposed approach and will entertain modifications to the process if the proposed Master Servicer has recommended improvements.



IV. SCOPE OF SERVICES

The following will be the principal duties of the master servicer for the OBR program:

1. **Design-Build Functionality**

    a. Design and build back-end cash management and data protocols and reporting processes

    b. Attend meetings with stakeholders, such as the IOUs, PURA, and FIs to discuss and provide guidance on integration with program processes and protocols

2. **Servicing**

    a. Service the repayments for all accounts financed under the program. These activities shall include, but not be limited to the following:

        i. Receiving notice of loan closing and loan repayment schedule from CEFIA or relevant FI (to be determined). This includes verifying all relevant data has been submitted

        ii. As loans are closed, provide information to the IOUs indicating terms of the loan and dollar amounts to be included in the bill

            1. Provide information to IOUs for billing purposes on a schedule to be determined

            2. Provide repayment data in a manner specified by each individual FI and IOU

        iii. Administering a collections account(s) established by CEFIA into which all payments from the IOUs shall be deposited, posted and transferred to relevant customer FI account

        iv. Assisting FIs with secondary collections, including transferring accounts more than [90] days delinquent to a Special Servicer

        v. If borrower moves, transfer remaining loan balance to new owner, unless the existing owner prepays the loan

3. **Reporting**:

    a. As necessary, establish agreements specifying each IOU as a sub-servicer

        i. Monthly delinquency reporting to CEFIA and IOUs, including obtaining the status of collection efforts from IOUs, Special Servicer, and FIs

b. Notification to FI of delinquencies, and receiving / carrying out instructions on managing delinquencies (request to IOU for shut-off, transfer to Special Servicer, etc.)

c. Monthly Reports – The following are the basic monthly reports to be provided by the master servicer to CEFIA and the IOUs, and on an individual basis to each FI. These reports will be sent either via e-mail or through a secure FTP Web site. Other reports may be agreed upon in writing by the master servicer and CEFIA and at an agreed upon fee

   i. Summary of Monthly Transaction Activity
   ii. Summary Delinquency Report
   iii. Detail Delinquency Report
   iv. Summary of Credit Enhancement transactions (as applicable)

4. Optional:

a. Ability to perform technical project underwriting for some projects (i.e. lenders outside of CEFIA's Smart-E or non-solar projects)

V. REQUIREMENTS

1. PROPOSAL PROCESS

Each bidder shall carefully examine the RFP and any and all amendments, exhibits, revisions, and other data and materials provided with respect to this RFP process. Bidders should familiarize themselves with all proposal requirements prior to submitting their proposal. Should the bidder note any discrepancies, require clarifications or wish to request interpretations of any kind, the bidder shall submit a written request to Fiona Stewart by email: fiona.stewart@ctcleanenergy.com. CEFIA shall respond to such written requests in kind and may, if it so determines, disseminate such written responses to other prospective bidders. CEFIA acknowledges that, due to the timing of the RFP, staff may be unable to respond to all questions regarding process and data requirements.

In addition, CEFIA will hold two open sessions to address questions regarding this RFP. All prospective bidders are encouraged to attend one or both. Please RSVP to fiona.stewart@ctcleanenergy.com to receive credentials and details on the sessions.

- Webinar on Thursday, October 31, 2013 from 1:00-2:30 pm
- In-person and Online Pre-Bid Conference on November 7th or 8th (time TBD)

Thereafter, if a Contractor is interested in submitting a proposal, the following requirements must be observed:

a. Proposals must be received no later than 5:00pm EDT on November 13, 2013. Proposals received after the aforementioned date and time may not be considered in CEFIA's sole discretion.
b. Proposals shall be submitted electronically to Fiona Stewart at the following email address: fiona.stewart@ctcleanenergy.com. The subject line should read as one of the following, depending on the bidder's intent:

- “Proposal for OBR Master Servicer”;
- Respondents may be required to interview with CEFIA staff if deemed necessary.

2. PROPOSAL FORMAT

The following format should be followed in order to provide CEFIA with a working basis on which to compare one proposal with another. Each of the elements within this outline is expected to be addressed in any submitted proposal. However, additions may be made where necessary for purposes of clarification or amplification. Please limit proposals to no more than 20 pages.

a. <u>PROPOSAL BODY</u>

i. Briefly discuss your firm’s experience as a master servicer. Provide information on the number of accounts currently serviced and/or recently underwritten; a description of the type(s), duration and amount of loans serviced/underwritten; total loan portfolio size; geographic service area; and number of loan originators involved in loan portfolio.

ii. Provide information on any experience in working with state or federally funded energy efficiency or renewable programs, with Investor Owned Utilities, Public Utility Commissions, or in the State of Connecticut specifically.

iii. Provide information on whether you have been rated by a credit rating agency and, if applicable, submit the latest rating report of such agency.

iv. Provide information related to your data security, privacy, and backup/redundancy protocols and capabilities. SSAE 116 certification preferred.

v. Provide information on any experience working within financial institution regulatory requirements – and experience with both bank and non-bank (e.g., credit unions) partners.

vi. Provide a brief description of services you expect to provide to CEFIA. Indicate whether your firm is prepared to render the services enumerated in this RFP using its own resources or will be subcontracting any of the services. The description should emphasize particular services to be provided in order for CEFIA to deliver the OBR program at the lowest cost possible, consistent with the program’s design and CEFIA’s statutory obligations.

vii. List your firm’s major master servicer engagements during the last three (3) years and provide a brief description of each scope of work. Include a description of the types of loans, amounts, and terms, total number of accounts serviced/underwritten, geographic service area and number of loan originators involved in loan portfolio.

viii. Describe any technical knowledge or any subjects related to a master servicer in which you feel your firm has special expertise. Provide a project organization and management description that describes the unique capabilities of your firm and the individuals assigned to the meet the requirements of this RFP.

ix. Discuss fully any conflicts of interest, actual or perceived, which might arise in connection with your firm's involvement with CEFIA. If conflicts do or might exist, describe how your firm would resolve them. Please be aware that the firm selected will be expected to represent CEFIA in all transactions falling under this RFP; representation of any other party to these transactions involving CEFIA would be prohibited without the express written approval of CEFIA, which would be unlikely.

x. Indicate the address of the office through which CEFIA's account will be primarily serviced, and any anticipated travel or other such costs.

xi. Describe any litigation, pending judgments, etc., which could affect your ability to enter into an agreement with CEFIA, including a description of the circumstances involved in any defaults by the proposer. If you have been subjected to any outside audits in the past three years, state by whom the audit was performed, for whom, the facility involved, and the results of the audit.

xii. Provide most recent year balance sheet and income statement. If unavailable, please provide documentation of the firm's net worth.

Include in the proposal any other information you may deem relevant or helpful in CEFIA's evaluation of Contractor or proposal.

b. <u>COST OF SERVICES</u>

i. Provide CEFIA with a fee schedule for the services to be rendered as a master servicer, as outlined in this RFP.

1) Provide a unit rate schedule of all fees to be charged on a unit rate basis.

2) For unit rate fees, list the quantity of OBR transactions or length of contract, if any, which will result in a reduced servicing fee and the reduced unit prices based upon that quantity.

3) Provide an hourly rate fee, fixed rate, or set-up fee for any design-build services to be charged on such basis.

4) List any optional services that you can provide as a master servicer that are not specifically addressed by the terms of this RFP, and the pricing for such services.

ii. State the basis on which any other firm expenses related to services provided to CEFIA would be billed, if other than cost.

iii. State any special considerations with respect to billing or payment of fees and expenses that your firm offers and that you believe would differentiate you from other proposers and make your firm's services as master servicer more cost-effective for CEFIA.

iv. Please list any intellectual property ownership requirements Contractor seeks as it relates to the master servicer platform Contractor proposes to design and build.

c. REFERENCES: List three (3) clients for reference, for whom you have performed similar services as those contemplated by this RFP. Please include the name, telephone number(s), and physical and e-mail addresses of the contact person at each reference.

VI. GENERAL TERMS AND CONDITIONS

If Contractor elects to respond to this RFP, submission of your proposal constitutes acknowledgement of the acceptance of the following terms, conditions and understandings:

1. CEFIA reserves the right to accept or reject any or all of the proposals received in response to the RFP, to waive irregularities, or to cancel or modify the RFP in any way and at any time CEFIA chooses, in its sole discretion, if CEFIA determines that it is in the interest of CEFIA.

2. CEFIA reserves the right to seek clarification from any proposer regarding its submission and may do so without notification to any other proposer.

3. CEFIA reserves the right, at its own cost and expense, to perform a complete financial review as well as an on-site investigation of any proposer's facilities to ensure it is capable of meeting the demands of CEFIA and the responsibilities identified in this RFP.

4. CEFIA further reserves the right to make awards under this RFP without discussion of the proposals received. Proposals should be submitted on the most favorable terms from a technical, qualifications, and price standpoint. CEFIA reserves the right not to accept the lowest priced proposal in its sole and absolute discretion.

5. Proposals must be signed by an authorized officer of the Contractor. Proposals must also provide name, title, physical and e-mail address, and telephone number for individuals with authority to negotiate and contractually bind Contractor, and for those who may be contacted for the purpose of clarifying or supporting the information provided in the proposal.

6. CEFIA will not be responsible for any expenses incurred by any proposer in conjunction with the preparation or presentation of any proposal with respect to this RFP and no proposal materials will be returned.

7. CEFIA's selection of a Contractor through this RFP is not an offer and CEFIA reserves the right to continue negotiations with the selected Contractor until the parties reach a mutual agreement.

8. Contractor will execute a Professional Service Agreement (PSA) as set forth in the attached Exhibit B. If the Contractor does not agree with any of the specific terms set forth in the PSA, the Contractor must set forth such terms and rationale in its response to this RFP.

Proposals will be evaluated on the following criteria:

1. **Program Requirements** - has the proposer accepted the program requirements and approach without major exceptions?

2. **Loan Servicing Experience** - did the proposer provide specific examples, amounts of loans offered, number of customers serviced, collections experience, etc.?

3. **Relevant Design-Build Experience** - will the firm act as a partner for CEFIA and assist with the development and operationalization of the OBR program? Is the Contractor willing to work with CEFIA for more than a one-year term?

4. **Program Administration Experience** - has the proposer demonstrated that their firm has the experience and expertise to perform the requested tasks?

5. **Program Enhancements** -– does the proposal offer additional elements to enhance the program, for instance, partner reporting systems to monitor the status of accounts in real-time?

6. **Cost** - both the total cost and whether the overall proposal offers good value will be considered..

CEFIA IS SUBJECT TO THE REQUIREMENTS OUTLINED IN SECTIONS 16-245N OF THE CONNECTICUT GENERAL STATUTES. CEFIA SHALL HAVE NO LIABILITY OR OBLIGATION OF ANY SORT HEREUNDER, INCLUDING, WITHOUT LIMITATION, IF FOR ANY REASON OR NO REASON A BINDING AGREEMENT IS NOT ENTERED INTO WITH ANY PROPOSER. IN MAKING ITS SELECTION OF A SUCCESSFUL BIDDER, CEFIA MAY CONSIDER ANY AND ALL FACTORS AND CONSIDERATIONS WHICH CEFIA, IN ITS SOLE DISCRETION, DEEMS RELEVANT, THE RELATIVE IMPORTANCE OF WHICH SHALL BE IN THE SOLE DISCRETION OF CEFIA.

EXHIBIT A
The Act

Section 58 of Public Act 13-298

Sec. 58. (NEW) (Effective from passage) (a) For purposes of this section, (1) "clean energy improvements" means improvements from the installation of clean energy, as defined in subsection (a) of section 16-245n of the general statutes, and shall include smart meters, provided such improvements are applicable to a residential dwelling unit of a customer of an electric distribution company or gas company, and (2) "electric distribution company" and "gas company" have the same meanings as provided in section 16-1 of the general statutes, as amended by this act.

(b) On or before April 1, 2014, the Energy Conservation Management Board and the Clean Energy Finance and Investment Authority, in consultation with the electric distribution companies and gas companies, shall establish a comprehensive residential clean energy on-bill repayment program financed by third-party private capital managed by the Clean Energy Finance and Investment Authority. Such program shall have the following features:

(1) To establish a process for qualifying clean energy improvements;

(2) To prioritize clean energy improvements for cost-effectiveness;

(3) To reduce peak electricity demand;

(4) To assist customers of electric distribution companies or gas companies in accessing incentives, other cost savings and financing for clean energy improvements, including natural gas furnaces or boilers that meet or exceed federal Energy Star standards and propane and oil furnaces and boilers that are not less than eighty-four per cent efficient;

(5) To identify knowledgeable contractors for installation of clean energy improvements and to ensure successful installation of such improvements;

(6) To finance clean energy improvements to the extent the tenor of such financing repayment does not exceed the average expected life of such improvements;

(7) To provide that the repayment amount plus the anticipated periodic customer bill after installation of the clean energy improvements does not exceed the anticipated periodic bill for electric or gas service without installation of such improvements, including no energy savings improvements;

(8) To authorize the disconnection for nonpayment by the customer of any financing repayment amount, except during the pendency of any complaint, investigation, hearing or appeal challenging the on-bill repayment loan, terms, accuracy or related matters, with any on-bill repayment amount treated as part of the customer's utility account subject to the protections provided in sections 16-262c, 16-262d, 16-262g to 16-262i, inclusive, and 16-262x of the general statutes;

(9) To establish program guidelines to address the ramifications of on-bill repayment and the risks associated with disconnection of service of low-income and hardship customers;

(10) To provide the assignment of repayment obligations to subsequent owners of the dwelling unit upon the development by the Energy Conservation Management Board and the Clean Energy Finance and Investment Authority of timely written notice guidelines to subsequent owners, except on-bill repayment amounts may not be directly charged to a tenant of a dwelling unit by a utility company pursuant to section 16-262e of the general statutes or a receiver pursuant to sections 16-262f, 16-262t, 47a-14h and 47a-56a to 47a-56k, inclusive, of the general statutes; and

(11) To provide that the on-bill repayment billing and collection services shall be available without regard to whether the energy or fuel delivered by the utility is the customer's primary energy source.

(c) The guidelines for the comprehensive residential clean energy on-bill repayment program pursuant to subdivisions (9) to (11), inclusive, of subsection (b) of this section shall be subject to review and approve by the Public Utilities Regulatory Authority, which review shall commence upon filing such guidelines with the authority and the review shall be deemed complete not later than ninety days after such filing. Such review shall be conducted in an uncontested proceeding.

(d) On-bill repayment for any loan that is part of the comprehensive residential clean energy on-bill repayment program established pursuant to this section and utilized to improve efficiency or clean energy improvements for provision of heat to a dwelling unit shall be treated as part of the primary heating expense for the customer for purposes of (1) any energy assistance program funded or administered by the state or under any plan adopted pursuant to section 16a-41a of the general statutes, and (2) any matching payment program plan pursuant to subdivisions (4) to (6), inclusive, of subsection (b) of section 16-262c of the general statutes.

EXHIBIT B

STANDARD PROFESSIONAL SERVICES AGREEMENT

This Standard Professional Services Agreement ("Agreement") is made on INSERT DATE ("Effective Date"), by and between the CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY ("CEFIA"), a quasi-public agency of the State of Connecticut, having its business address at 845 Brook Street, Rocky Hill, CT 06067, and INSERT NAME ("Contractor"), having its business address at INSERT ADDRESS. CEFIA and Contractor together are the Parties and each individually is a Party to this Agreement.

WHEREAS, INSERT LANGUAGE HEREIN; and

WHEREAS, INSERT LANGUAGE HEREIN;

NOW, THEREFORE, CEFIA and Contractor, intending to be legally bound, agree as follows:

1. **Scope of Services.** Contractor shall provide CEFIA with professional consulting services ("Work") as detailed in Contractor's proposal in Attachment A, which is incorporated into this Agreement. In the event of a conflict between the terms and conditions in this Agreement and the terms and conditions in the Proposal, this Agreement shall control.

2. **Period of Performance.** CEFIA agrees to retain Contractor, and Contractor agrees to perform the Work under this Agreement, beginning on the Effective Date and ending INSERT AGREEMENT LENGTH months from the Effective Date ("Period of Performance"), unless earlier terminated in accordance with Paragraph 8 of this Agreement. The Parties can extend the Period of Performance only by a written amendment to this Agreement signed and dated by CEFIA and Contractor.

3. **Payment.** CEFIA agrees to pay Contractor for the Work performed within the Scope of Services of this Agreement, but in an amount not-to-exceed INSERT AMOUNT inclusive of hourly fees and any other expenses. The person(s), and their title and their hourly rate, performing the Work under this Agreement are as follows:

INSERT NAME(S) AND TITLE(S)   INSERT HOURLY RATE

THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT CAN BE MODIFIED BY THE PARTIES ONLY BY A WRITTEN AMENDMENT SIGNED AND DATED BY CEFIA AND CONTRACTOR PRIOR TO ANY WORK TO BE PERFORMED BY CONTRACTOR WHICH WOULD RESULT IN PAYMENTS IN EXCESS OF THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT.

4. <u>Invoices.</u> Contractor shall submit itemized monthly invoices with detailed accounting for hourly fees and expenses. All invoices shall be subject to CEFIA's approval for conformity with the terms and conditions of this Agreement. For approved invoices, CEFIA will pay Contractor within thirty (30) days of receipt by CEFIA of an invoice. Contractor agrees to include the PSA #, which can be found at the top of this Agreement, on all invoices submitted to CEFIA in connection with Work performed under this Agreement. Invoices shall be submitted to:

Clean Energy Finance and Investment Authority
845 Brook Street
Rocky Hill, CT 06067
Attn: Accounts Payable Department

UNDER NO CIRCUMSTANCES WILL CEFIA ACCEPT INVOICE(S) SUBMITTED BY CONTRACTOR WHICH THE TOTAL AMOUNT OF THE INVOICE(S) EXCEEDS THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT.

5. <u>Subcontracting or Assignment.</u> Contractor shall not subcontract, assign, or delegate any portions of the Work under this Agreement to any other person or entity not identified in Paragraph 3, above, without prior written approval from CEFIA.

6. <u>Independent Contractor.</u> Contractor understands that it is acting as an independent contractor and shall not hold itself out as representing or acting in any manner on behalf of CEFIA except within the Scope of Work of this Agreement or any other active agreements between CEFIA and Contractor.

7. <u>Disclosure of Information.</u> Contractor agrees to disclose to CEFIA any information discovered or derived in the performance of the Work required under this Agreement. Contractor shall not disclose to others any such information, any information received or derived in performance of this Agreement, or any information relating to CEFIA without the prior written permission of CEFIA, unless such information is otherwise available in the public domain.

8. <u>Termination.</u> This Agreement may be terminated by either Party giving ten (10) days prior written notice to the other Party. In the event of such termination, CEFIA shall be liable only for payment in accordance with the payment provisions of the Agreement for the Work actually performed prior to the date of termination.

9. <u>Indemnification and Limitation of Liability.</u> Contractor agrees, to the fullest extent permitted by law, to indemnify and hold harmless CEFIA, its officers, directors, and employees against all damages, liabilities, or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Contractor's negligent performance of professional services under this Agreement and that of its sub-Contractors or anyone for whom the Contractor is legally liable.

Neither Party shall be liable to the other Party for indirect, incidental, punitive, special, or consequential damages arising out of this Agreement, even if the Party has been informed of the possibility of such damages, including but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind. However, this limitation shall not apply to damages of any kind related to criminal, intentional, reckless, or grossly negligent conduct or omissions on the part of either Party.

10. **__Quality of Service.__** Contractor shall perform the Work with care, skill, and diligence in accordance with the applicable professional standards currently recognized by his/her profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all work product and/or Work furnished under this Agreement. If Contractor fails to meet applicable professional standards, Contractor shall, without additional compensation, correct or revise any errors or deficiencies in any work product and/or Work furnished under this Agreement.

11. **__Severability.__** In the event that any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any provision of this Agreement is held to be excessively broad, then that provision shall be reformed and construed by limiting and reducing it to be enforceable to the maximum extent permitted by law.

12. **__Entire Agreement.__** This Agreement constitutes the entire agreement of the Parties hereto, and supersedes any previous agreement or understanding. This Agreement may not be modified or extended except in writing executed by the Parties.

13. **__Governing Law.__** The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Connecticut. All disputes which arise in connection with, or in relation to, this Agreement or any claimed breach thereof shall be resolved, if not sooner settled, by litigation only in Connecticut or the Federal Court otherwise having subject matter jurisdiction over the dispute and not elsewhere, subject only to the authority of the Court in question to order changes of venue. To this end, Contractor waives any rights it may have to insist that litigation related to this Agreement to which Contractor is a party be had in any venue other than the above court, and covenants not to sue CEFIA in court other than the above courts with respect to any dispute related to this Agreement.

14. **__State Contracting Obligations.__** Contractor understands and agrees that CEFIA will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a. Contractor agrees to comply for the Period of Performance with the state contracting obligations in this Section 14. For purposes of this Section 14, Contractor and Contractor shall have the same meaning and Contract and Agreement shall have the same meaning.

Conn. Gen. Stat. § 4a-60(a):

"Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

(2) The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

(3) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) The contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; and

(5) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56."

Conn. Gen. Stat. § 4a-60a(a):

"Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of

the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) The contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56."

Nondiscrimination Certification. Contractor represents and warrants that, prior to entering into this Agreement, Contractor has provided CEFIA with documentation evidencing Contractor's support of the nondiscrimination agreements and warranties of the statutory nondiscrimination sections, above. A form of the Nondiscrimination Certification to be signed by the Contractor is attached.

Campaign Contribution Restrictions. For all state contracts, as defined in Conn. Gen. Stat. § 9-612(g)(1)(C), having a value in a calendar year of $50,000 or more or a combination or series of such agreements or contracts having a value of $100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See SEEC Form 11, attached.

Occupational Safety and Health Act Compliance. Contractor certifies it (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the Agreement, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) which has not received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the Agreement.

Affirmation of Applicable Executive Orders. To the extent applicable to this Agreement, Contractor acknowledges that it will be required to comply with the provisions of the following Executive Orders: Executive Order No. 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms; Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services; Executive Order No. 16 of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace; Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; and Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices.

Consulting Agreements. Contractor hereby swears and attests as true to the best knowledge and belief that no consulting agreement, as defined in Conn. Gen. Stat. § 4a-81, has been entered into in connection with this Agreement.

"Consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with CEFIA, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the state, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information, or (C) any other similar activity related to this Agreement. Consulting agreement does not include any agreements entered into with a consultant who is registered as a lobbyist under Chapter 10 of the Connecticut General Statutes as of the date this section.

Contractor agrees to amend this representation if and when any consulting agreement is entered into during the term of this Agreement.

15. **Limitation on Recourse.** All liabilities and obligations of CEFIA under this Agreement are subject and limited to the funding available under Connecticut law.

16. **Available Funding.** CEFIA shall not be obligated to provide payment or any portion of the payment under this Agreement if there are insufficient funds for such purpose because of any legislative or regulatory action expressly curtailing, reducing, or eliminating CEFIA funding.

17. **Freedom of Information Act.** CEFIA is a "public agency" for purposes of the Connecticut Freedom of Information Act ("FOIA"). This Agreement and information received pursuant to this Agreement will be considered public records and will be subject to disclosure under the FOIA, except for information falling within one of the exemptions in Conn. Gen. Stat. Sections § 1-210(b) and § 16-245n(d).

Because only the particular information falling within one of these exemptions can be withheld by CEFIA pursuant to an FOIA request, Contractor should specifically and in writing identify to CEFIA the information that Contractor claims to be exempt. Contractor should further provide a statement stating the basis for each claim of exemption. It will not be sufficient to state generally that the information is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with General Statutes §1-210(b) and § 16-245n(d) must be provided.

Contractor acknowledges that (1) CEFIA has no obligation to notify Contractor of any FOIA request it receives, (2) CEFIA may disclose materials claimed by Contractor to be exempt if in its judgment such materials do not appear to fall within a statutory exemption, (3) CEFIA may in its discretion notify Contractor of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but CEFIA has no obligation to initiate, prosecute, or defend any legal proceeding, or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request, (4) Contractor will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding, and (5) in no event shall CEFIA or any of its officers, directors, or employees have any liability for the disclosure of documents or information in CEFIA's possession where CEFIA, or such officer, director, or employee, in good faith believes the disclosure to be required under the FOIA or other law.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

THE CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

By: ____________________________________

Bryan T. Garcia, President
Clean Energy Finance and Investment Authority

CONTRACTOR

By: ____________________________________

INSERT NAME
INSERT TITLE

SEEC FORM 11

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor,* with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of $2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or $5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to “State Contractor Contribution Ban.”

PSA # [ ]; [INSERT NAME]

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract,* (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

“Managerial or discretionary responsibilities with respect to a state contract” means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

“Dependent child” means a child residing in an individual’s household who may legally be claimed as a dependent on the federal income tax of such individual.

“Solicit” means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

NONDISCRIMINATION CERTIFICATION

[to be determined]

CEFIA - Not-to-exceed Amount

Program Design/Set-up period - 6 months		
Programming hours - not to exceed $15,000	$15,000.00	
FI set-up/support - monthly minimum $2,000	$0.00	
		$15,000.00
Loan Servicing Fees		
Loan Servicing + Out-of-Pocket - yr 1	$14,802.92	
Loan Servicing + Out-of-Pocket - yr 2	$53,925.34	
		$68,728.25
On-going lender support - monthly min $2,000; remainder of yr 1 and yr 2		**$48,000.00**
Programming Maintenance hours - @ $195/hr - project 5 hours/month for 24 months	120 hours	**$23,400.00**
Travel		**$15,000.00**
TOTAL NOT-TO-EXCEED AMOUNT for first 24 months		**$170,128.25**

a. PROPOSAL BODY

i. Briefly discuss your firm's experience as a master servicer. Provide information on the number of accounts currently serviced and or recently underwritten; a description of the type(s), duration and amount of loans serviced/underwritten; total loan portfolio size; geographic service area; and number of loan originators involved in loan portfolio.

Over the course of 25 years, Concord has become a driving force for innovation and a benchmark for performance in the receivables servicing industry. Through it all, we have worked hard to ensure that our talented, highly experienced staff is engaged with customers at a personal level and that our commitment to the customer's needs remains in the forefront.

Today's companies demand a more sophisticated set of tools to handle the job accurately, quickly and with utterly predictable results. Concord is perfectly poised to meet this demand with a dedicated focus on three key areas: **Power**, **Performance** and **Personalization**. Concord is in the business of harnessing the *Power* of their vast industry experience, the *Performance* of their leading-edge software and technology tools, and the flexible *Personalization* of all their business solutions to help clients achieve greater success. This is Concord's brand promise – a reminder to everyone what Concord stands for and strives to deliver.

Founded in 1988, Concord maintains a strong emphasis on utilizing technology to obtain efficiency, accuracy and flexibility to respond to client needs. Asset classes include both secured and unsecured consumer receivables in multiple sectors including hospitality, home improvement, energy efficiency and land holdings.

The company is a primary servicer for over 2,000 projects and 650,000 consumer obligations with a portfolio size of $3.0 billion. Additional services include backup servicing, custodial management, and Portfolio Interest Exemption Trusts (PIET) for payments made to non-U.S. entities.

In addition to Concord's core capabilities as a primary third-party loan servicer, they also serve as a master/backup servicer for approximately 125,000 loans with combined balances of approximately $1.6 billion.

Concord does not currently originate consumer loans, but has provided a technology platform used by loan originators who ultimately use Concord as the primary servicer.

Based in Scottsdale, AZ, Concord employs approximately 160 professionals and has satellite offices in Orlando, FL, Buffalo, NY and Mexico City, Mexico.

ii. Provide information on any experience in working with state or federally funded energy efficiency or renewable programs, with Investor Owned Utilities, Public Utility Commissions, or in the State of Connecticut specifically.

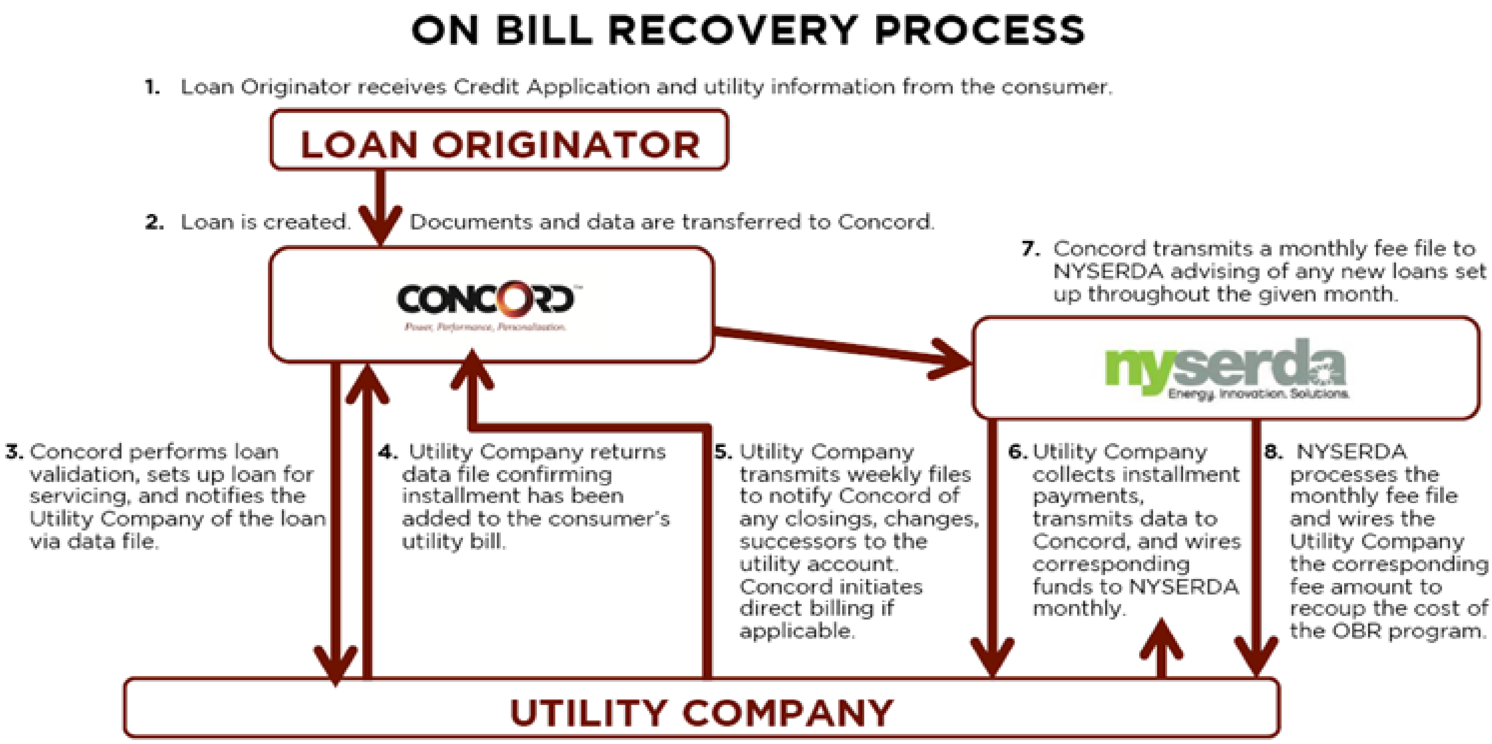
In the fall of 2010, Concord entered into a relationship with the New York State Energy Research and Development Authority (NYSERDA) in order to provide expertise in the administration and servicing of consumer loans and receivables provided to finance renewable energy systems and energy efficiency improvements, and various other obligations.

New York State had launched their Green Jobs-Green New York (GJGNY) program to promote energy efficiency, reduce energy consumption and greenhouse gas emissions, support sustainable community development, and create job opportunities. GJGNY used approximately $51 million of Regional Greenhouse Gas Initiative (RGGI) funds to establish a Revolving Loan Fund to finance energy efficiency retrofits for 1- 4 unit residential buildings, multifamily buildings, small businesses, and not-for-profits. The Revolving Loan Fund was to be supported by up to $9.3 million as a loan loss and debt service reserve from a grant awarded to NYSERDA by the U.S. Department of Energy under the BetterBuildings initiative of the Energy Efficiency and Conservation Block Grant (EECBG) Program. NYSERDA planned to aggregate the residential loans to a sufficient scale, and then issue limited revenue obligation bonds supported by repayments from the loan obligations and the loan loss and debt service reserve funds, allowing these funds to leverage private capital to support funding additional loans.

In August of 2010, NYSERDA selected Concord as the initial servicer for the GJGNY program while a search was launched via an RFP process to find a qualified financial service provider with experience in the securitization market to serve as the Master Loan Servicer for the GJGNY Revolving Loan Fund. Because of Concord's vast experience and leading edge technology, Concord was ultimately chosen as both the Master Loan Servicer for the fund as well as the long term primary servicer.

In June of 2011, New York lawmakers passed historic on-bill financing legislation to dramatically expand the GJGNY program. Among other things, the new law enabled moderate-income property owners to access safe loans for retrofits and use energy savings to repay the loan via their utility bills.

Concord worked directly with NYSERDA and their NY utility partners to identify and create appropriate processes involved with the on-bill repayment program. Following is a flow-chart that identifies how the process works within Concord's technology platform:



In mid-August, 2013, NYSERDA announced that it has raised $24.3 million in its first-ever issuance of revenue bonds to finance loans for consumers across the State for residential energy efficiency improvements. The Residential Energy Efficiency Financing Revenue Bonds (Series 2013A) were issued as part of NYSERDA's Green Jobs-Green New York (GJGNY) program, and were rated AAA/Aaa by Standard & Poor's and Moody's, based upon a guarantee from the New York State Environmental Facilities Corporation (EFC) through its State Revolving Fund (SRF) program.

As of Aug 31, 2013, Concord is servicing a portfolio of approximately 3,700 obligations in excess of $33M for NYSERDA, which is comprised of residential consumer loans, not-for-profit small business loans, and loans for multifamily buildings.

iii. Provide information on whether you have been rated by a credit rating agency and, if applicable, submit the latest rating report of such agency.

Concord has never been directly rated as a stand-alone entity by a credit rating agency. However, in calendar year 2013, Concord was involved in three (3) separate transactions that required a due diligence visit by one of the major rating agencies. These visits are supported by our annual audit for the AICPA's Statement on Standards for Attestation Engagements (SSAE 16) Type II. These transactions included:

- Bluegreen Resorts
- NYSERDA
- Double Diamond

iv. Provide information related to your data security, privacy, and backup/redundancy protocols and capabilities. SSAE 116 certification preferred.

As a technology strategic partner, Concord helps clients reduce capital expenditures in IT areas such as data security and disaster recovery supported by robust contingency plans, 24/7 technical support, continuous development and betterment of the clients' technological platform, redundancy and data preservation and the personnel costs associated with it.

To achieve the highest levels of availability, agility, scalability and recoverability, Concord has employed a vSphere private cloud that is constantly replicated between active-active data centers 21 miles apart. This virtual infrastructure is reliably delivered by a clustered Netapp SAN resilient enough to sustain multiple drive, shelf, and CPU failures without a loss of service.

Should one of Concord's data centers experience a catastrophic outage, the other site can take over in minutes. If a provider's internet connection goes down, another provider will route the data. If power is lost, generators will run until service is restored. If older data needs to be retrieved, Concord can quickly recover from hourly point-in-time snapshots.

Concord's primary datacenter is located in a world class facility in north Scottsdale, Arizona. This facility is SSAE 16 certified and adheres to well-defined, documented and tested internal controls to properly safeguard the IT environment. It employs a multi-layered approach to access control including 24 hour onsite security staff, mantraps, biometric screening and Closed Circuit TV (CCTV) surveillance to protect against unauthorized access. Located in a stable environment with virtually no risk of natural disasters, this data center is powered, cooled and connected by multiple, diverse systems and best-in-class providers.

Concord maintains a multi-tiered approach to disaster recovery and business continuity. Staff is located in three different offices (Scottsdale, AZ, Buffalo, NY and Mexico City). Concord has an extensive work-from-home program to allow staff to work remotely in the event of an incident at Concord's offices. Concord also contracts with Agility Recovery to provide alternative work environments if disaster should strike.

v. Provide information on any experience working within financial institution regulatory requirements – and experience with both bank and non-bank (e.g., credit unions) partners.

As a primary servicer of loan portfolios, Concord processes obligor payments and deposits them into a bank account established by or at the direction of the client. Concord sets up protocols with each client to ensure full understanding of how to handle payment rejects, overpayments, shorted payments, etc. Concord's clients provide authorization for Concord to obtain a summary of monthly banking transactions from their respective bank account(s) so that Concord can assist with reconciliation.

Concord has relationships with multiple U.S. financial institutions, including JPMorgan Chase, USBank, National Bank of Arizona, and Bank United. Outside of the U.S., Concord has relationships with Bancomer, HSBC and the Royal Bank of Canada.

vi. Provide a brief description of services you expect to provide to CEFIA. Indicate whether your firm is prepared to render the services enumerated in this RFP using its own resources or will be subcontracting any of the services. The description should emphasize particular services to be provided in order for CEFIA to deliver the OBR program at the lowest cost possible, consistent with the program's design and CEFIA's statutory obligations.

Billing & Payment Processing:
Though CEFIA's program is designed to allow residential utility customers to repay loans through a line item charge on their monthly utility bill, Concord would also put into place a direct bill option should the need arise. This would include billing via a customized (i.e. private label) monthly statement. As needed, Concord would process payments – including ACH, personal checks, electronic payments (EFTs), lock box payments, and credit card settlements – and deposit into each respective Financial Institution's designated bank account(s) at

Concord's treasury bank. Concord's system accommodates numerous interest calculation models and maintains customizable payment application hierarchies.

Delinquency Collections:
With 25 years of hands-on experience collecting consumer obligations, Concord enjoys a recovery performance that is among the highest in the industry. Concord is a full-service, licensed and bonded third-party collection agency, handling all phases of the consumer collection process. By utilizing the latest technology, employing a skilled collection staff and offering a variety of collection programs, Concord is changing the way collection agencies operate.

With Concord facilitating delinquent collections, CEFIA will benefit from:

- Innovative tactics for debt recovery of severely delinquent accounts
- Customized strategies designed for maximum recovery
- Consumer-focused approaches that result in higher debt repayment
- Responsive service, including extensive real-time reporting capabilities
- Award-winning technology solutions
- Data protection with an external data center
- Transparency
- Dedicated compliance officer

Reporting:
Concord recognizes the value of reporting from a portfolio management standpoint, and as such Concord emphasizes its thoroughness and accessibility of reports. At a client's fingertips, through Concord's Interlink access, hundreds of portfolio reports are readily available on-line. The company has an extensive library of reports such as: Summary of Monthly Transactions, Monthly Cash, New Sales, Summary and Detail Delinquencies, Cash Flow and Portfolio Analysis reports. Such reports can be generated in various formats such as comma delineated, Excel, and PDF. In addition to common portfolio summary reports, Concord has a comprehensive set of portfolio performance reports, such as a month-over-month Roll Rate report including trend analysis, a detail and summary Reason for Delinquency report, and multiple Static Pool reports. In the event a needed report is not part of its existing library of reports, Concord is quick to accommodate a client's needs by designing customized reports. Necessary data could also be readily obtained through flat-file system downloads.

Master Servicing:
As a Master Servicer, Concord aggregates other primary servicer's activity onto its loan servicing platform in order to provide a client with a single point of consolidated information. With this consolidated database, portfolio reporting is streamlined and obtained from one source. Along with the benefit of this reporting efficiency, a client can also derive the advantages of using Concord's

sophisticated loan servicing system, *Interlink*, to access real-time portfolio level and/or account level details over the Internet on the entire portfolio. Another option is to maintain multiple primary servicers for the billing and payment processing functions, and utilize Concord as a Master Servicer in order to perform delinquency collections on the aggregate portfolio or perform Customer Service and/or Collections themselves through Concord's web-enabled *Interlink* system.

Loan Validation and Audit Services:
Concord can provide loan validation and audit services according to CEFIA's required procedures. In the NYSERDA relationship, Concord uses a Loan Validation Checklist based exclusively on the NYSERDA Underwriting Guidelines. Concord randomly selects 15% of the new sales transactions set forth in the new sale file(s) received each week, and examines the related Transaction Documents. In the event any of the Transaction Documents are missing, or if any criteria on the Loan Validation Checklist or Audit Check have not been satisfied, Concord then notifies NYSERDA and/or the Loan Originator of the Exceptions.

Document Custody Services: (OPTIONAL)
Concord understands the importance of critical documents and what they represent. Concord offers complete document validation tailored to the client's needs with database inventory tracking of files and individual documents. Inventory can be linked to receivables for reporting and scheduled maintenance, such as returning paid in full documents. Documents are secured in Concord's fire proof storage vault.

Financial Institution Support:
Concord will support each participating financial institution by:

- Receiving notice of loan closing and loan repayment schedule, including verifying that all relevant data has been submitted
- Ensuring proceeds from payments are posted and transferred to the respective Financial Institution account and preparing associated monthly statements
- Assist with delinquency collections

Utility Interface:
As loans are closed, Concord will provide information to the IOU's indicating terms of the loan and dollar amounts to be included in the customer's utility bill. Concord has already developed reputable operational OBR protocol and data file transmission procedures that can be used for the CEFIA program and shared with each participating utility.

vii. ***List your firm's major master servicer engagements during the last three (3) years and provide a brief description of each scope of work. Include a description of the types of loans, amounts, and terms, total number of accounts serviced, geographic service area and number of loan originators involved in loan portfolio.***

As a Master Servicer, Concord works directly with the Primary Servicer to obtain whatever data information is necessary. Concord's Information Technology (IT), Operations and Customer Service/Collections Call Center management team design the transfer protocol, database interface programming and all systems necessary to provide servicing for the transaction, including the assignment of key personnel groups. Using the interface programming prepared by the IT team, Concord receives and downloads data into its servicing system on a predetermined frequency, to include all data available from the Primary Servicer. In warm and hot backup situations, the data can be stored on Concord's system and a copy of the data can be made available for inclusion in Concord's Disaster Recovery Program. Auditing is available, with Concord producing trial balance and other reports to be compared with those of the Primary Servicer on a frequency outlined by the Backup Servicing Agreement.

Following are three (3) major master servicer engagements during the last three (3) years:

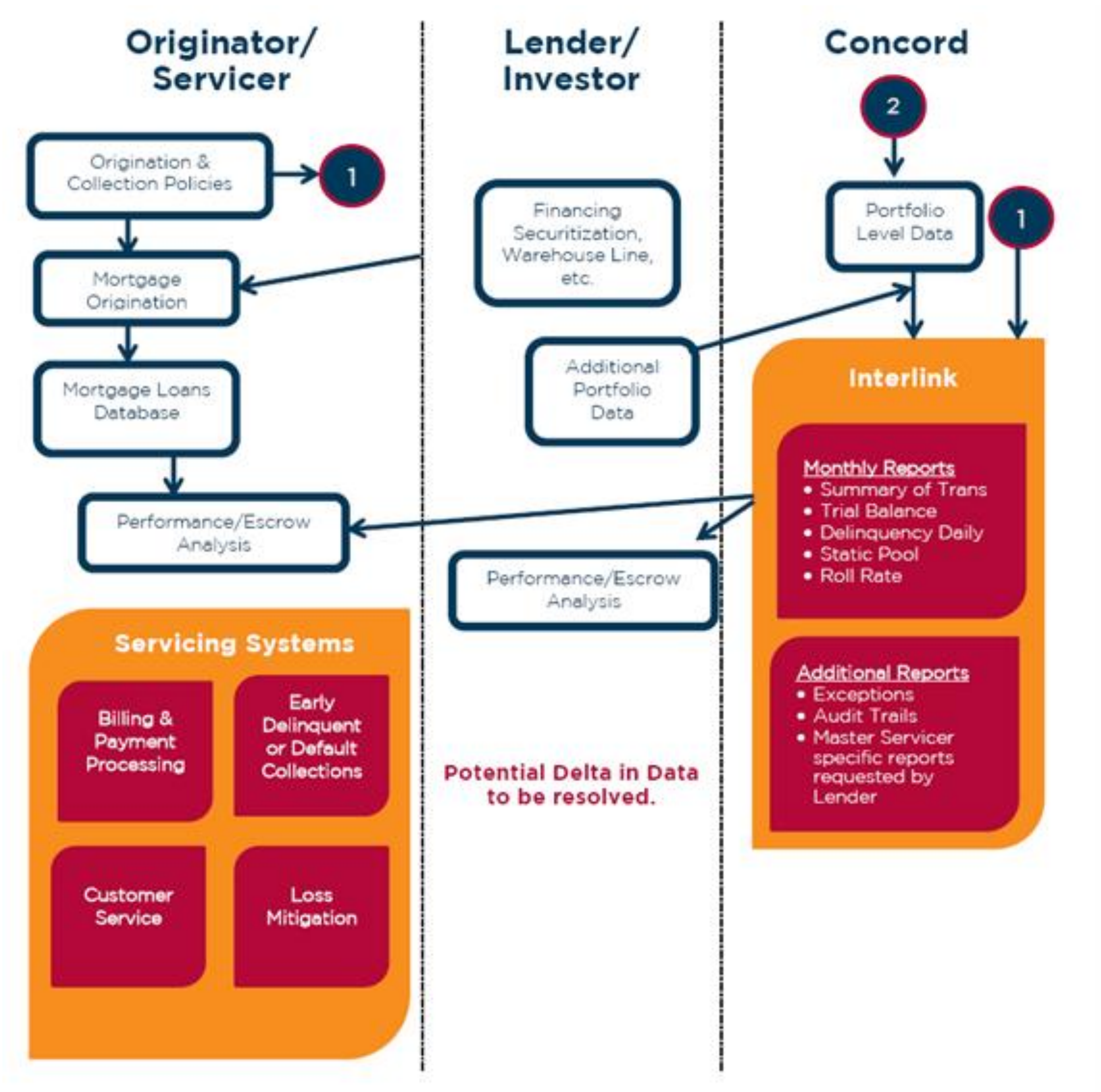
Bluegreen Corporation – Concord Servicing currently provides warm back-up servicing for 64,439 accounts (vacation ownership receivables) with a loan value of $505,132,306. The Warm Servicing attributes are customizable, but are typically as follows: Data is warehoused by Concord in a manner to provide for complete transfer of servicing more rapidly than in the case of a Cold Backup Servicing arrangement and Concord prepares a monthly trial balance report. The data can be stored on Concord's system and a copy of the data can be made available for inclusion on Concord's Disaster Recovery Program.

Silverleaf Resorts – Concord Servicing currently provides warm back-up servicing for 14,341 accounts (vacation ownership receivables) with a loan value of $478,958,202.

Infonavit/Hito - Concord Servicing currently provides hot back-up servicing for 35,571 accounts (residential mortgages originated in Mexico) with a loan value of US$914,896,317. In the situation in which there is a high or imminent risk of default on the part of the Primary Servicer, Concord receives data from the Primary Servicer on a daily basis, performs conversion of data onto Concord's system to produce daily trial balance report and other periodic reports. The Hot Backup arrangement provides the environment in which Concord can most rapidly assume servicing and collection duties.

viii. ***Describe any technical knowledge or any subjects related to a Master Loan Servicer in which you feel your firm has special expertise. Provide a project organization and management description that describes the unique capabilities of your firm and the individuals assigned to meet the requirements of this RFP.***

CONCORD AS MASTER SERVICER



Concord is part of a corporate group that includes Concord Servicing Corporation, Concord Servicing de México and Concord Software Leasing Corporation. The Bertrand family owns the group with Robert Bertrand, his wife Allison and sons Kent and Stephen all serving as directors of Concord Servicing Corporation.

Executives in the corporate structure:

- Robert Bertrand - President & CEO
- Shaun O'Neill – Senior VP of Operations
- Randy Babcock – Senior VP of Information Technology
- Alicia Vander Kooi – VP of Operations – U.S.
- Evan Green – VP of Operations International
- Kevin Ogden – VP of Software Development
- Mary-Jeanne Fincher – VP & General Counsel
- Sonja Yurkiw – VP of PMO

Strategic Planning Committee: Comprised of members of the senior management team, this committee meets on a monthly basis to review financial status as well as goals and objectives. The company's strengths and weaknesses, and business opportunities and threats are discussed, and the status and priorities of certain projects are reviewed and evaluated.

Other pertinent corporate committees include:

- Risk/Fraud Committee
- US Board of Advisors
- CSM Board of Advisors
- Strategic Planning Committee
- Corporate Roadmap Committee
- Communication Task Force Committee
- Suggestion Committee
- Corporate IT Priorities Committee (CITPC)
- Disaster Recovery Committee

Each corporate client is assigned to a Portfolio Group to ensure all operational and procedural requirements are met. At the beginning of each client relationship, Concord works in tandem with the client to establish procedures for the initial capture of the business rules prior to the execution of the conversion process. To aid in this task, Concord created and implemented their proprietary Pre-Servicing Questionnaire as a tool to gather all pertinent information, such as: loan origination parameters, structure and terms of the loan products, order for the application of monthly payments along with other relevant information. This process also affords a full analysis of each client's reporting needs in order to define the reporting package and other services required, such as document custodian. In addition to Concord's Pre-Servicing Questionnaire, a similar document - Conversion Countdown – is provided to each client, which determines the timeframe and the process used to convert the information generated by the primary servicers and the service providers (i.e., interface conversions, data validation, reconciliation of serviced portfolio balances, etc.).

CEFIA's account will be managed at Concord by two primary individuals. Evan Green, Vice President of Operations; and Carrie Jones, Portfolio Manager.

The Vice President of Operations manages a team of Portfolio Managers that oversee assigned client servicing relationships to ensure accounts are handled accurately, efficiently, and in accordance with specific contractual obligations and legal requirements.

<u>Evan Green: Vice President of Operations – International</u>
Evan Green has been with Concord since 2000, and is currently the Vice President of International Operations based in Scottsdale, Arizona. He is responsible for the servicing of consumer loan and annual maintenance fees on behalf of the company's clients that have an international consumer component. As such, he directs the billing, payment processing, portfolio analysis, management reporting, and customer service for a portfolio representing more than 150,000 consumer loans and maintenance accounts. Evan was also responsible for coordinating the implementation of Concord's multi-currency system enhancements and the establishment of Concord's Mexico City servicing office. He continues to oversee the Mexico City office's ongoing operation. Since 1996, Evan has contributed to Concord's management team on many levels, including roles as Portfolio Manager, Assistant Director of Operations, Director of Special Projects, and Director of Operations - International.

Evan offers a high level of support in portfolio analysis, project management, database management, strategic planning and client relations. He earned his Bachelor of Science in Business Administration from the University of Colorado - Boulder and his Masters of Business Administration from the University of Arizona.

The Portfolio Manager is responsible for a specific group of corporate clients and is directly responsible for managing the functions associated with each client's portfolio(s), including portfolio analysis, reporting, collections, marketing, and bank balancing.

<u>Carrie Jones: Portfolio Manager</u>
Carrie Jones joined Concord in 2002 and is currently a Portfolio Manager based in Scottsdale, Arizona. She is responsible for managing a team of Account Representatives that oversee assigned loan and maintenance receivables, including but not limited to adhering to specific contractual obligations, legal

requirements, new developments, internal and external communication, and support & maintenance issues. Her responsibilities include developing and maintaining effective business relationships with all clients through client visits/training and oral & written communication to ensure all client concerns are addressed and appropriate action is taken when needs dictate. She determines work processes specific to assigned group operations by assigning and delegating work within the group and assures proper completion through follow-up. She ensures consistency in processing of all transactions through communication, ongoing staff training and follow up to ensure staff is fully informed of all policies, procedures, system changes, client needs and the acquisition of new contracts. Other functions include but are not limited to working with payment processing group to ensure all payments are processed on a daily basis & credited to the appropriate accounts, as well as interact with other departments to insure current systems are effective and new methods are implemented. Carrie is a long-time employee with nearly eleven (11) years of service. She has also served in several capacities including Collections Manager, Customer Service Manager and Portfolio Manager.

ix. ***Discuss fully any conflicts of interests, actual or perceived, which might arise in connection with your firm's involvement with CEFIA. If conflicts do or might exist, describe how your firm would resolve them. Please be aware that the firm selected will be expected to represent CEFIA in all transactions falling under this RFP; representation of any other party to these transactions involving CEFIA would be prohibited without the express written approval of CEFIA, which would be unlikely.***

Concord does not anticipate any actual or perceived potential conflicts of interest should it be afforded the privilege of becoming Master Loan Servicer for CEFIA's OBR program. In the event any such conflict should arise, or has the potential to do so, Concord prides itself on its history of open communication with its clients and we would immediately alert CEFIA and provide a recommended action plan for how such conflict might be resolved.

x. ***Indicate the address of the office through which CEFIA's account will be primarily serviced and any anticipated travel or other such costs.***

The Concord servicing address through which CEFIA's account will be primarily serviced is:

Concord Servicing Corporation
4150 N. Drinkwater Blvd., Suite 200
Scottsdale, AZ 85251

Travel expenses to CEFIA for routine client visits are not passed to the client.

xi. Describe any litigation, pending judgments, etc., which could affect your ability to enter into an agreement with CEFIA, including a description of the circumstances involved in any defaults by the proposer. If you have been subjected to any outside audits in the past three years, state by whom the audit was performed, for whom, the facility involved, and the results of the audit.

<u>Gretchen Ferrante v. Summer Bay</u> (U.S. District Court, Connecticut)- In August Ms. Ferrante has filed a lawsuit against Concord Servicing Corporation claiming that Concord violated the Fair Debt Collection Practices Act ("FDCPA") and companion state law by using the name Blackwell Recovery in its one and only collection letter sent to her home on behalf of our client, an HOA to whom she owes annual maintenance fees. We do not believe this case has any legal merit and are planning to ask the court to allow us to file a motion for judgment on the pleadings because Blackwell Recovery is a registered trade name. In the unlikely event this matter is decided adversely to Concord, such outcome will not have any impact on our abilities to perform our duties as Master Servicer.

<u>Audits</u>
In addition to Concord's annual audit for the AICPA's Statement on Standards for Attestation Engagements (SSAE 16) Type II, Concord holds a number of collection agency licenses in the various states in which we are required to obtain a license to perform third party default collection services. In the last three years, we have been audited by the Massachusetts Department of Financial Institutions ("DFI") and similar Nevada DFI and have received extremely high marks for our collection and compliance practices.

xii. Provide most recent year balance sheet and income statement. If unavailable, please provide documentation of the firm's net worth.

Concord President & CEO to contact CEFIA directly to provide this proprietary and confidential information.

Include in the proposal any other information you may deem relevant or helpful in CEFIA's evaluation of Contractor or proposal.

Audits and Compliance:

Concord's consolidated financial statements are audited by Deloitte. In addition, Deloitte has performed the Statement on Standards for Attestation Engagements (SSAE 16) Service Organization Control (SOC Type 1) review of Concord's control activities and processes for 6 consecutive years (prior to July 2011, the audit was known as SAS 70). The SSAE 16 is a widely recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA). A Service Auditor's Report with an unqualified opinion that is issued by an Independent Auditing Firm differentiates the service organization from its peers by demonstrating the establishment of control objectives and effectively designed control activities. Concord's SSAE 16 opinion provides clients with a valuable endorsement as their third-party servicer. In addition, banks, investors and other lending institutions possess a higher level of confidence in Concord's reliability.

Concord also has developed Internal Audits and Quality Assurance departments to ensure compliance with applicable policies and procedures.

Finally, Concord maintains a PCI DSS Level 3 Certificate of Compliance from Trustwave Information Security & Compliance, which means their network security has been designed with the Payment Card Industry's required practices with respect to firewalls, data encryption, virus protection, system access, intrusion detection and protection.

Corporate Videos:

Concord has developed several "white-board" videos that summarize our Diagram of Business in Energy Efficiency as well as our commitment to Disaster Recovery.

Here are the respective links to these internet videos:

Concord Diagram of Business Energy Efficiency Video

Concord Disaster Recovery Video

The graphic of Concord's Diagram of Business for Energy Efficiency can be found on the last page of this proposal.

b. COSTS OF SERVICES

i. ***Provide CEFIA with a fee schedule for the services to be rendered as a Master Servicer as outlined in this RFP.***

1. ***Provide a unit rate schedule of all fees to be charged on a unit rate basis.***
2. ***For unit rate fees, list the quantity of OBR transactions or length of contract, if any, which will result in a reduced servicing fee and the reduced unit prices based upon that quantity.***
3. ***Provide an hourly rate fee or fixed rate fee for any services to be charged on such basis.***
4. ***List any optional services which you can provide as a Master Servicer that are not specifically addressed by the terms of this RFP, and the pricing for such services.***

SERVICING OF INDIVIDUAL LOAN OBLIGATIONS	Price
Monthly Servicing Fee for Contracts	
0 - 4,000 accounts	$ 2.50
Next 4,001 - 10,000 Accounts	$ 2.25
Next 10,000+ Accounts	$ 2.10
Monthly Fee for Inactive Accounts (per account)	$ 0.05
Monthly Fee for Customer Service (per account)	$ 0.50
Statements (postage not included)	$ 0.45
New Account set-up (postage not included)	$ 2.00
Term, Canx, Payoff, Upgrade, Rein or Transfer Fee (per account)	$ 2.00
Monthly Past Due Notices (postage not included)	$ 0.45
Check-By-Phone	$ 5.00
Collection Fee per Effort	$ 4.25
Concord Interlink-Standard Package (includes advanced reporting portal)	$ 0.35
Return Item Reprocessing Fee	$ 25.00
Year End Interest Statements For Non Coupon Accounts (postage not included)	$ 1.50

ADDITIONAL SERVICES	Price
Monthly Minimum to manage and support up to twenty (20) Financial Institutions. An additional $100 Monthly Minimum for each additional Financial Institution. Includes interface with lender/investor to both receive and transmit funds.	$2,000.00
Utility Interface - assumes each participating Utility agrees to follow Concord's existing protocol/Data File Transmission Procedures	no charge
If existing protocal/Data File Transmission Procedures require modification: fee per hour for programming	$ 195.00
Loan Validation (fee per loan)	$ 20.00

DOCUMENT CUSTODY SERVICING - *OPTIONAL*	Price
Initial set-up and deposits (per intial contract)	$ 3.50
Final withdrawal (per withdrawal)	$ 3.50
Monthly fee per contract/note maintained	$ 0.75

ii. *State the basis on which any other firm expenses related to services provided to CEFIA would be billed, if other than cost:*

If CEFIA requests Concord to perform work other than that listed above, and/or for which no charge has been previously established, it will be billed at the rate of $90.00 per person hour for clerical time, $145.00 per person hour for administrative, training and consulting, and $195.00 per person hour for IT personnel and for Contractor's in-house counsel if counsel is required to work on documents other than Concord's standard servicing and related documents. In addition, all of Concord's related out-of-pocket expenses will be billed to CEFIA. Time spent training on CEFIA's behalf and at CEFIA's direction will be billed to CEFIA.

iii. *State any special considerations with respect to billing or payment of fees and expenses that your firm offers and that you believe would differentiate you from other proposers and make your firm's services as Master Servicer more cost-effective for CEFIA.*

As previously stated, Concord's technologically advanced platform coupled with our comprehensive servicing strategy will help CEFIA obtain increased efficiencies in critical operational areas. In addition, because we have experience in working with another state's OBR program, Concord has already developed reputable operational OBR protocol and data file transmission procedures that can be used for the CEFIA program. This will save not only time in getting CEFIA's program implemented, it will also save a great deal of money. We remain confident that our firm's services will maximize efficiency for CEFIA resulting in the most cost-effective servicing strategy.

iv. Please list any intellectual property ownership requirements Contractor seeks as it relates to the master servicer platform Contractor proposes to design and build.

Contractor intends to use its proprietary software servicing system and the system, and any programming or alterations to Contractor's system in order to perform the servicing and other responsibilities on behalf of CEFIA shall at all times remain the sole and exclusive property of Contractor.

C. CLIENT REFERENCES

NYSERDA
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The Berkley Group ***(Hospitality Sector)***
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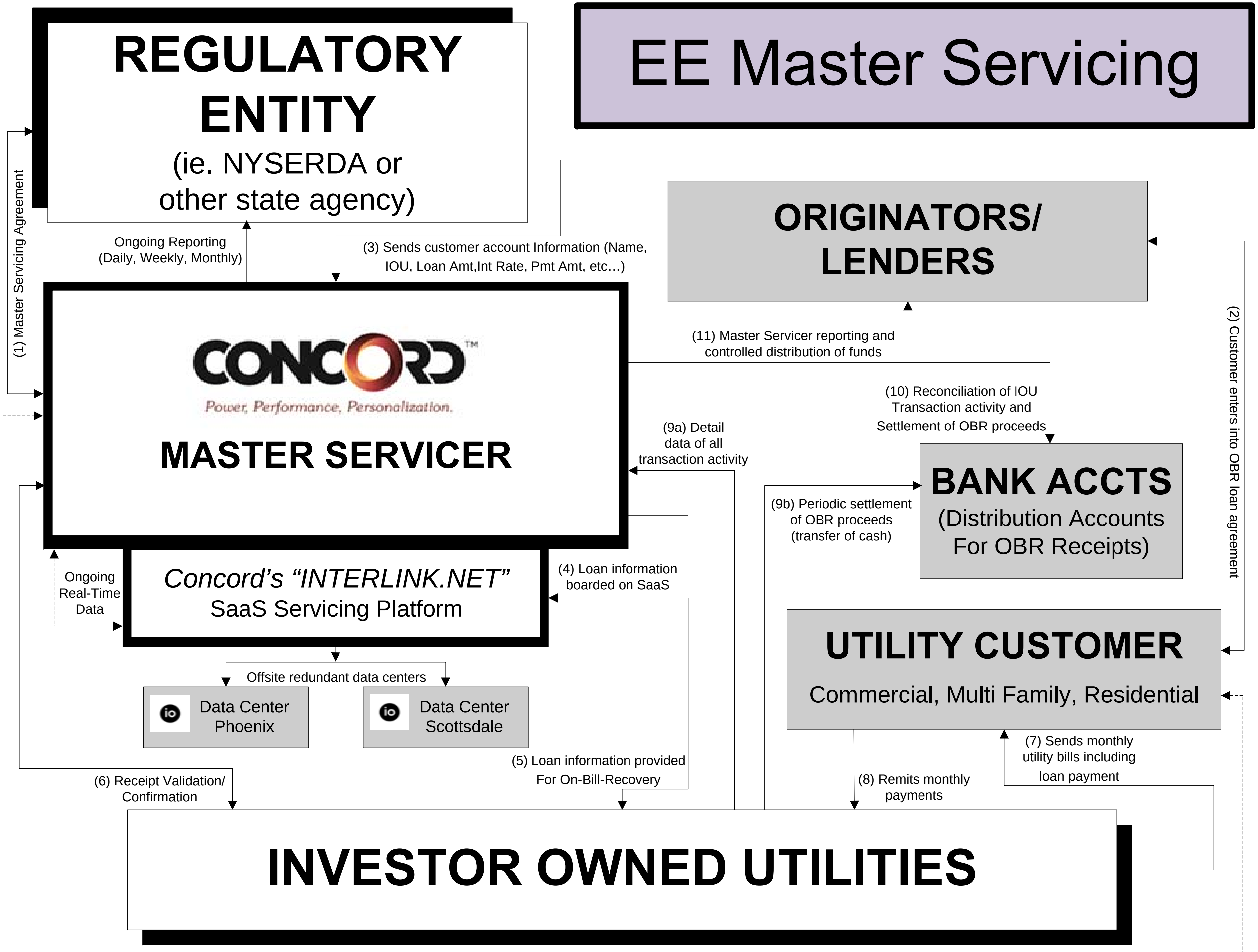

* Optional for Concord to perform Customer Service and/or Delinquency Collections services

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: Board of Directors

From: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO, Jessica Bailey, Director Commercial and Industrial PACE, and Genevieve Sherman, Sr. Manager Commercial and Industrial PACE

CC: Mackey Dykes, Chief of Staff, Brian Farnen, General Counsel and CLO

Date: January 10, 2014 (Update to November 15, 2013 memorandum)

Re: Request for approval to sell 8 C-PACE Transactions

[TRACK CHANGES INCLUDED TO SHOW CHANGES FROM ORIGINAL BOARD SUBMISSION]

INTRODUCTION

At the Board of Directors (the "Board") meeting held on February 15, 2013, the Board passed resolutions authorizing the establishment of a $20 million construction and term loan facility in support of the C-PACE program to fund C-PACE transactions approved at the requisite authorization level by staff, the Deployment Committee or the Board (the "C-PACE Warehouse Facility" or "Warehouse"). At a meeting held on September 9, 2013, the Board further approved an increase in the C-PACE Warehouse Facility to $40 million to accommodate the anticipated needs of the C-PACE program. The C-PACE program continues to meet the target that $20 million of the C-PACE warehouse facility will be committed by the end of the calendar year. The increased $40 million warehouse has allowed the C-PACE program to continue to accommodate transactions in the pipeline while enabling staff to continue the selection process and the negotiations for selling-down closed transactions in order to replenish the Warehouse.

SELL-DOWN PROCESS

The objectives set forth in the initial creation of the Warehouse were two-fold: (1) to provide initial financing for C-PACE projects and (2) to subsequently sell-down all or most of CEFIA's funded positions in these transactions to the C-PACE program's Capital Providers. In keeping with these objectives, staff issued an Initial Offering Notice on 31 July to solicit bids from the program's Capital Providers through a "sealed bid" process.

11 out of 14 Capital Providers responded to the Initial Offering Notice and four Capital Providers provided an Indicative Bid: *Deutsche Bank*, *Hannon Armstrong*, *Clean Fund LLC*, and *Brookfield Investment Managers*. The latter three Capital providers were selected as finalists and all three

submitted final bids on October 11, 2013. Between the Indicative Bid and Final Bid date, CEFIA revised its proposed sale of 9 transactions totaling $8.7 million to 8 transactions totaling $6,813,625 (these reflect transactions that had “closed” at the time of the Final Bid date, meaning the property owner entered into a financing agreement with CEFIA and satisfied all transaction prerequisites). See portfolio being sold attached as Exhibit 1.

SELECTION OF FINAL BIDDER

CEFIA has selected Clean Fund as the Winning Bidder contingent upon Board review and approval and provided official notice to Clean Fund on October 31, 2013 (see Exhibit A – Selection Notice and Bid Proposal).

Brookfield Investment Management bid for only a portion of the portfolio offering, while Hannon Armstrong (Hannon) and Clean Fund submitted bids which were more comprehensive, including arrangements to acquire all transactions being offered. The bids received demonstrated serious interest in partnering with CEFIA, and Hannon and Clean Fund were both forthright about their strategic interest in a longer term arrangement. This is understandable as the portfolio offered was but a portion of our C-PACE pipeline. Both the Hannon Armstrong and Clean Fund bids provided CEFIA with a range of pricing options dependent on a suite of potential CEFIA credit enhancements (which CEFIA encouraged all bidders to consider in order to provide CEFIA with a variety of options to consider and to yield the best price vs. (any) CEFIA “retained risk”). In the end, this range of pricing and purchase structures provided the C-PACE, Finance and Legal teams with confidence that the Clean Fund bid was a superior choice for this first purchase and sale of C-PACE transactions in that it yielded both the best price as well as a well-defined path to the private placement and (potentially) the public markets.

The structure of Clean Fund’s bid is the following:

Clean Fund is working with the financial conduit, the Public Finance Authority (PFA), a unique Wisconsin government entity established to issue bonds for public and private entities nationwide. PFA will issue a bond or bonds for the purchase of all 8 C-PACE transactions. At the present time, staff anticipates the bonds will be issued in three classes. Clean Fund will then purchase the most senior class of bonds (“A” class) representing 80% of the value of the C-PACE portfolio offered for sale. CEFIA will purchase bonds representing a subordinated (or ”B” class) position, wherein CEFIA will receive interest only payments equal to the face rate of the CEFIA portion of the bond and principal amortization of the last principal payments of the CEFIA portion of the bonds. This subordinate bond will essentially provide Clean Fund a first loss protection for their senior bond; prepayments will reduce CEFIA’s principal. CEFIA has further structured the “B” bonds into a senior B and a junior B class in equal portions. The resulting bond issuance will enable CEFIA to subsequently sell-down the senior B class bonds, recovering 90% of CEFIA’s original commitment (between the Clean Fund purchase and the sell-down of the senior B bonds) – achieving a leverage ratio of 9:1 (private capital to CEFIA ratepayer dollars). Staff is also negotiating with Clean Fund in respect of their request to~~will also~~ have a right to purchase an additional $20 million of Benefit Assessments that are funded out of the C-PACE Warehouse Facility (e.g. excluding Benefit Assessments financed directly by a 3rd party, financed directly by CEFIA with a prior first right of refusal granted to an existing mortgage lender or a 3rd party lender as condition to project approval, or financed directly by CEFIA under a pre-existing sector-based partnership).

The primary appealing features of Clean Fund’s proposal are the following:

- Clean Fund's proposal came the closest to matching the C-PACE program's pricing, garnering CEFIA a yield closest to its target.
- Clean Fund's proposal requires CEFIA to maintain a 20% ownership of C-PACE transactions, which is a credit enhancement C-PACE can accommodate through the Warehouse Facility, while (as structured by CEFIA) enabling CEFIA to reduce its retained risk to 10% of its original commitment.
- Clean Fund's proposal requires a right to purchase the next $20 million in C-PACE transactions. This was a materially 'shorter runway' compared to Hannon's requirement, thus permitting CEFIA to have a trial run with Clean Fund into the first calendar quarter of 2014 while leaving the door open to other capital providers depending upon our success with Clean Fund.
- Clean Fund's proposal anticipates purchasing all C-PACE transactions that are approved under current C-PACE underwriting criteria; their proposal was judged to be more accommodating in this regard.
- Finally, Clean Fund's proposal is oriented toward a future securitization of C-PACE transactions, potentially with other PACE transactions nationally, and the development of a secondary market for PACE transactions. CEFIA has heard many times over from its Capital Providers that transaction volume and proof of liquidity of C-PACE assets are both critical milestones toward lowering the risk perception of C-PACE assets and sourcing cheaper capital for PACE programs in the future. The C-PACE team saw this purchase structure as providing the right precedent and path forward for the C-PACE program as well as PACE programs developing in Connecticut and nationally.

Clean Fund is expected to make a good faith deposit of $500,000 by November 11, 2013 which will be held in escrow pending deal closure. Clean Fund and CEFIA's Legal representatives are current drafting the purchase and sale agreement and ancillary documents that will govern this transaction. Recent negotiations during the week of November 11 have further refined the deal structure:

- 80% "A" (senior) bonds purchased by Clean Fund and 20% "B" & "C" (junior) bonds retained by CEFIA. B & C bonds (circa 5% yield) will be interest only in the early periods with principal amortization from the last payments of the Benefit Assessments. The purchase price by Clean Fund is circa 96.5 (100 = par) for an effective yield circa 5.95%.

- Final structure may include a "timeliness" reserve not to exceed $300,000.

- Any prepayment penalties associated with a premature bond redemption are expected to be managed through a right of substitution

- Each party is assuming its own transaction expenses, but CEFIA will share in bond issuance costs, pro-rata to its share (20%) and may assume certain expenses (not to exceed $75,000) if CEFIA is unable to deliver the agreed amount of benefit assessments (low risk as CEFIA should have ~$22 MM in approved Benefit Assessments by 12/31)

Pending approval from the Board of Directors, CEFIA will negotiate and execute this agreement with a view to close ~~the first week of December, 2013~~ in late January.

SALE OF C-PACE TRANSACTIONS REQUEST

On the basis of this analysis, staff recommends the Clean Fund proposal, as it represents not only excellent value with a limited discount from "par", but also replenishes the C-PACE Warehouse and provides a provisional strategic partnership with Clean Fund for a measured portion of the C-PACE pipeline. Furthermore, while CEFIA will have some risk in the retained portion, staff sees these risks as well contained given the security of the C-PACE structure. Moreover, by selling-down 50% of CEFIA's retained risk, CEFIA ultimately achieves a 9:1 leverage ratio on ratepayer funds. Accordingly, staff requests that the Board approve the sale of these first 8 C-PACE transactions and up to the next ~~$20~~$25 million of eligible C-PACE benefit assessments to Clean Fund through PFA under the aforementioned purchase structure (with Clean Fund retaining risk through the A bonds of 80% of the value of the 8 C-PACE transactions and up to $20 million of additional C-PACE benefit assessments under their right of first refusal (CEFIA retaining up to $5 million of risk in these additional transactions).

Strategic Plan

Is the program or project proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

C-PACE is a statutorily mandated program and a key component of the CEFIA comprehensive plan and budget for FY 2014. This sale will support the ability of the C-PACE program to source capital for current and future C-PACE transactions and is consequently is consistent with CEFIA's Comprehensive Plan. Statutorily, CEFIA is permitted to use its resources "…for expenditures that promote investment in clean energy in accordance with [CEFIA's Comprehensive Plan]…."

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the program or project versus the dollars of ratepayer funds at risk?

The underlying clean energy produced (i.e. kWh over the projects lifetime) from the portfolio versus the dollars of ratepayer funds at risk is enhanced as the transactions in the portfolio were originally approved by the Board or the Deployment Committee and CEFIA funds are being, in large measure, returned to CEFIA for redeployment to other C-PACE transactions.

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

The loans to the building owners using the C-PACE Warehouse Facility are presently 1.75% over the Prime Rate, or 5%, during construction, and between 4.5% and 5.5% for term financing depending upon maturity. Building owners will continue to pay these rates on their C-PACE assessments irrespective of this sale. Ratepayer funds will be paid back through the sale of these transactions to Clean Fund and used to originate subsequent C-PACE transactions.

Capital Expended

How much of the ratepayer and other capital that CEFIA manages is being expended on the program or project?

Not applicable – ratepayer dollars are being returned to CEFIA via this transaction.

Risk

What is the maximum risk exposure of ratepayer funds for the program or project?

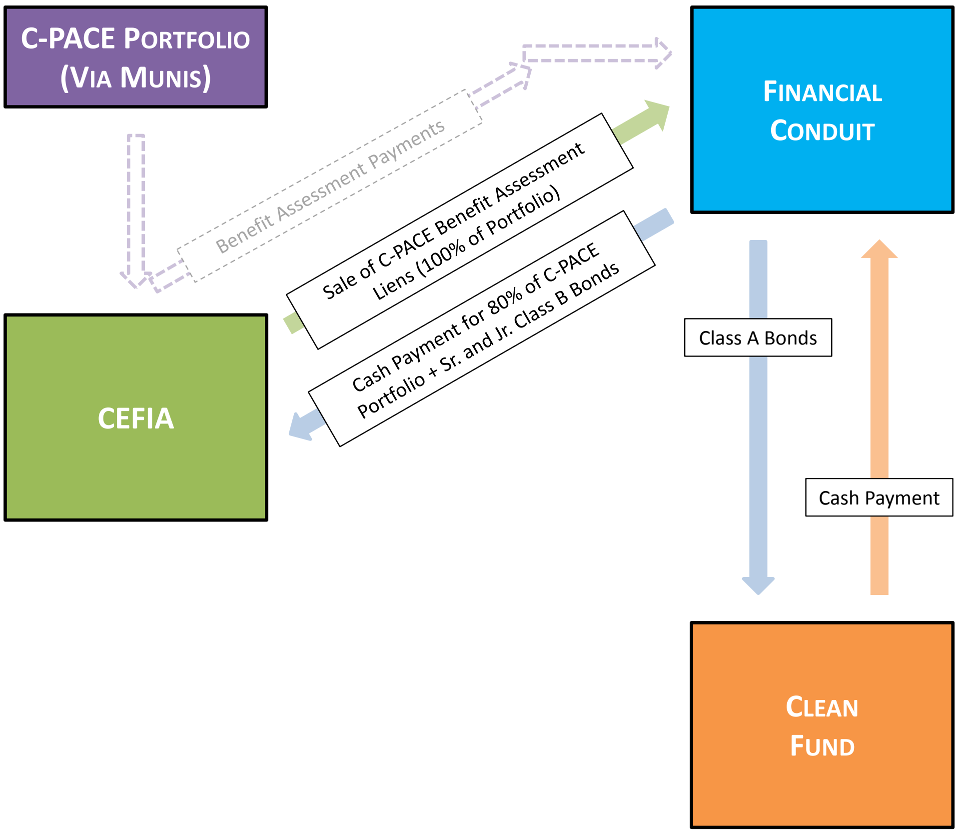
Potentially up to approximately $1.4 million of ratepayer funds are at risk for the program (representing a reduction in risk of $5.4 million as a result of the sell-down..

Financial Statements

How is the program or project investment accounted for on the balance sheet and profit and loss statements?

As funds are received from Clean Fund, there would be an increase in the CEFIA Cash and Cash Equivalents Account (Current Asset on the Balance Sheet) and a corresponding decrease in "Promissory Notes – C-PACE Construction/Term Loan Program (Non-Current Asset on the Balance Sheet).

Capital Flow Diagram



Target Market

Who are the end-users of the program or project (i.e. rich, poor, middle class, etc.)?

The end-users of the program are commercial and industrial property owners under the C-PACE program.

RESOLUTION (AMENDED AND RESTATED)

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly (the "Act"), CEFIA is directed to, amongst other things, to establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE") and CEFIA established the C-PACE program;

WHEREAS, the Board of Directors previously passed resolutions authorizing the establishment of a $40 million construction and term loan facility in support of the C-PACE program to fund C-PACE transactions approved at the requisite authorization level by staff, the Deployment Committee or the Board of Directors (the "C-PACE Warehouse Facility");

WHEREAS, CEFIA established the C-PACE Warehouse Facility and has closed over $15 million in C-PACE projects;

WHEREAS, CEFIA staff requests the Board of Directors approve the sale of the first 8 closed C-PACE transactions and up to the next ~~$20~~$25 million of C-PACE benefit assessments to the Public Finance Authority~~Clean Fund through a financial conduit~~, which will issue bonds to Clean Fund and CEFIA;

WHEREAS, the Board of Directors directed staff to sell-down such funded C-PACE transactions to private capital providers in order to continually replenish funding capacity for the C-PACE program on an ongoing basis;

WHEREAS, staff's request is consistent with CEFIA's comprehensive plan and budget for FY 2014 with respect to anticipated budget investments for the C-PACE program and other program requirements;

NOW, therefore be it:

RESOLVED, that CEFIA's Board of Directors authorizes the sale of the first 8 closed C-PACE transactions and up to the next ~~$20~~$25 million of C-PACE benefit assessments to the Public Finance Authority, which will issue bonds to Clean Fund and CEFIA;

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver any contract in furtherance of the sell-down transaction consistent with the Memorandum to the Board of Directors dated November 8, 2013 as updated for the Board of Directors on November 15, 2013 and on January 10, 2014; and

RESOLVED, that the proper CEFIA 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 instrument.

Submitted by: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO, Jessica Bailey, Director Commercial and Industrial PACE and Genevieve Sherman, Sr. Manager Commercial and Industrial PACE.

Exhibit 1

C-PACE Benefit Assessments

Being Sold by CEFIA

To Clean Fund via

Public Finance Authority Conduit

	Project Type	Estimated Annual Savings	Installed Capacity	Amount Financed (with capitalized interest)	Financing Terms
Closed & Selling-Down					
HARTFORD 41 Walnut Street	Renewable	221 MMBtu/yr	55 kW	$ 145,000	5.5% for 20 years
NORWALK 542 Westport Ave	Energy Efficiency	429 MMBtu/yr	100kW	$ 559,950	4.5% for 15 years
HARTFORD 1841 Broad Street	Renewable	491 MMBtu/yr	100 kW	$ 325,000	5.5% for 20 years
MIDDLETOWN 100 Roscommon	Both	3,339 MMBtu/yr	260 kW	$ 2,601,390	5.5% for 20 years
SIMSBURY 86 Hopmeadow	Energy Efficiency	1,021 MMBtu/yr	--	$ 698,028	5.5% for 18 years
BRIDGEPORT 855 Main Street	Energy Efficiency	6,650 MMBtu/yr	--	$ 1,992,683	5.5% for 20 years
HARTFORD Bushnell Theatre	Energy Efficiency	777 MMBtu/yr	--	$ 384,016	5% for 20 years
BRIDGEPORT ID Products	Energy Efficiency	714 MMBtu/yr	--	$ 107,556	5.5% for 15 years
		13,642 MMBtu/yr	**415 kW**	**$ 6,813,623**	**Closed & Selling-Down**

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: Secretary Barnes, Office of Policy and Management

From: Bryan Garcia, President and CEO of CEFIA

Cc: Catherine Smith, Commissioner of DECD and Chair of CEFIA Board of Directors
Dan Esty, Commissioner of DEEP and Vice Chair of CEFIA Board of Directors
Andy Brydges, Director of Institutional Programs, CEFIA
Bert Hunter, EVP and CIO, CEFIA

Date: January 7, 2014

Re: Request for Approval: Seeking to Provide Staff Support to Assist the State and Its Municipalities Access Private Capital for Energy Improvements

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Summary

The Clean Energy Finance and Investment Authority (CEFIA) seeks to have you assign OPM staff to support CEFIA and DEEP in developing the interagency agreements that will be necessary to execute Energy Service Performance Contracts through the Lead By Example program. In addition, CEFIA seeks approval from OPM to proceed with pursuing private capital financing for the Lead By Example projects that are already underway. CEFIA has identified two established forms of private capital financing (tax exempt lease purchasing and non-taxpayer supported bonds) that may be immediately applicable, though we may adjust our approach in the future, in consultation with OPM and other agencies, to best meet the state's needs.

Background

The Clean Energy Finance and Investment Authority (CEFIA) is prepared to support the Department of Energy and Environmental Protection (DEEP), Department of Administrative Services (DAS), the Treasurer's Office, the Office of the Attorney General, and Office of Policy and Management (OPM) in raising private capital to support the implementation of the "Lead by Example" program (LBE program) through the use of Energy Savings Performance Contracts (ESPC), in a way that best meets the state's needs and protects its interests.

As you may be aware, in FY 2013 CEFIA used $40 million of ratepayer funds to attract $180 million of private capital investment in clean energy in Connecticut. Of the $40 million of ratepayer funds used, $20 million will be returned to CEFIA because it was in the form of loans and leases. CEFIA's performance in FY 2013 achieved about a 10:1 leverage ratio of private investment to public funds. This investment led to the deployment of nearly 30 MW of clean renewable energy in Connecticut while creating 1,200 jobs and reducing 250,000 tons of greenhouse gas emissions over the life of the projects. Under the leadership of the CEFIA Board of Directors, chaired by Commissioner Smith, we have transformed this organization into a nation-leading, best-of-class financial institution by bringing onboard extraordinary people who are at the public's service.

CEFIA would like to provide its expertise and assistance to the State of Connecticut to support the implementation of the LBE program.

Financing Options

As part of CEFIA's partnership in the state and municipal LBE program, CEFIA has begun to investigate several options to allow public entities to utilize third-party financing for ESPCs at their facilities. This initial set of options is for OPM's consideration. Once OPM has authorized CEFIA to proceed with pursuing private capital financing, CEFIA proposes to collaborate with DEEP, DAS, OPM, the Office of the Attorney General, and the Treasurer's Office to implement the financing structure that best meets the state's needs. I will make my staff available to assist in whatever way you deem appropriate.

As background, the initial state agency ESPC projects are:

- **CT Valley Hospital (CVH)** - CVH has publicly identified NORESCO as its ESPC contractor and is proceeding with the Investment Grade Audit of its facilities to further define the project. The expected size of this project is up to $30 million.

- **Department of Corrections (DOC) –** DOC has publicly identified Johnson Controls, Inc. as the ESPC contractor for the District 1 facilities, and is proceeding with an Investment Grade Audit. DOC expects to announce the ESPC contractors for District 2 and District 3 projects in the coming months. The expected size of the District 1 project is up to $30 million; the expected size of the District 2 and 3 projects together is up to $40 million.

- **Department of Motor Vehicles (DMV) –** DMV has publicly identified ConEdison Solutions as its ESPC contractor and is proceeding with an Investment Grade Audit for multiple facilities. The expected size of the DMV project is up to $5 million.

For each project, the chosen contractors will provide guarantees that the energy improvements will generate utility cost savings sufficient to pay for the project over the term of the contract (up to 20 years, by statute); there will be no upfront cost. All the partners involved with the LBE program are excited to move these projects forward, knowing that the infrastructure improvements and lifetime energy savings that result will be a public testament to the administration's commitment to efficiency and effective stewardship of taxpayer dollars.

CEFIA has identified two established models for obtaining third-party financing, including a) Tax Exempt Lease Purchasing (TELP), and b) non-taxpayer supported bonds that could be sold by CEFIA. These approaches are what we would envision implementing in the near future, but over time CEFIA may also identify or develop other innovative financing opportunities and adjust our approach to best meet the state's needs.

Tax Exempt Lease Purchasing (TELP)

Financing ESPC projects through the TELP model is common for municipal and some state projects. CEFIA's discussions with major banks that are active in financing TELP projects (including PNC Bank and Bank of America), as well as with other states and municipalities that have utilized the model (including Connecticut towns of East Hartford, Stamford, Farmington and others) indicate that it is a competitive market and a relatively straightforward process.

There is interest among the major banks to participate in TELP financing for the state agency projects.

Though standardized agreements between the agencies and the ESPC contractors have already been developed and approved by the Attorney General, implementing the TELP model in Connecticut would also require developing inter-agency agreements so that the energy savings and performance guarantees are “delivered” to the agency entering into and paying the lease. For TELP financing, we anticipate that CEFIA would play a facilitative roll, and would not be a direct signatory to either the financing or contracting agreements. We note that during the development of the model ESPC documents, the Treasurer’s Office raised some initial concerns about the TELP model regarding the lessor maintaining a security interest in state property. These concerns would need to be revisited and resolved if the state were to pursue TELP financing.

Non-Taxpayer Supported Bonds
A model for financing ESPC projects through non-taxpayer supported bonds has been recently developed and implemented in the State of Maryland by the Maryland Clean Energy Center (MCEC), which, like CEFIA, has bonding authority. CEFIA believes this model would be replicable in Connecticut, and CEFIA could utilize this model to raise financing for state agency projects as well as municipalities or other institutions such as hospitals, colleges/universities and independent schools. Individual projects would be underwritten based on the credit-worthiness of the institution implementing the project.

As envisioned, CEFIA would establish a special purpose entity (SPE) to enter into separate agreements with the agency and the ESPC contractor. A shared energy savings agreement between the SPE and the agency would make the agency’s payments contingent on realized savings, ensuring a positive cash flow for the agency. Simultaneously, the SPE would enter into the ESPC with the chosen contractor, and the energy savings guarantee from the ESPC contractor would be directly payable to the SPE to make up for any shortfalls in the debt service obligation that remain after the shared energy savings. A model shared energy savings agreement would need to be developed, and while the model performance contracting documents have been developed, they did not contemplate CEFIA (or its SPE) being a signatory, therefore they would need to be reviewed and perhaps modified.

Recommendations
The LBE partners are incredibly grateful for OPM’s support of the program. Thus far the program has been able to implement millions of dollars in energy improvements at state buildings across Connecticut as a result of public bond funds. The launch of the long-awaited ESPC program represents the further evolution of the program, and will allow the state to implement tens of millions of dollars of money-saving upgrades at state and municipal facilities using private capital.

CEFIA asks that you direct OPM staff to assist CEFIA and DEEP in crafting the agreements necessary to ensure that the energy savings and performance guarantees are “delivered” to the agency ultimately paying for the project.

With OPM’s commitment to the LBE program and the use of ESPCs, CEFIA can work with the state to attract significant private investment for needed energy improvements at our public facilities, in a way that best meets the state’s needs and protects the state’s interests. With your approval and OPM staff support, CEFIA stands ready to assist in the effort.

Agency Legislative Proposal - 2014 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): **2014-001_CPACE_Inclusion_of_microgrids/community energy_.docx**

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Clean Energy Finance and Investment Authority
Liaison: David R. Goldberg Phone: (860) 257-2889 E-mail: david.goldberg@ctcleanenergy.com
Lead agency division requesting this proposal: CEFIA
Agency Analyst/Drafter of Proposal: David R. Goldberg

Title of Proposal **AAC Commercial Property Assessed Clean Energy Program**
Statutory Reference **16a-40G**
Proposal Summary **This proposed bill would allow equipment that supports a micro-grid system but is not permanently fixed to qualifying commercial real property to qualify for C-PACE financing. Currently district heating and cooling systems are the only equipment not permanently fixed to qualifying commercial real property eligible for C-PACE financing. Permitting financing of microgrids through the C-PACE program supports local distributed energy generation expansion and is in furtherance of the Connecticut Comprehensive Energy Plan.**
Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

- **Reason for Proposal**

Please consider the following, if applicable:
1. *(1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
2. *(2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
3. *(3) Have certain constituencies called for this action?*
4. *(4) What would happen if this was not enacted in law this session?*

Last year the C-PACE statute was expanded to include "district heating and cooling systems" as eligible under the C-PACE program. The modification allows equipment associated with such systems and the commercial real property benefitting therefrom to be eligible for C-PACE financing even though such equipment may not be permanently fixed to such commercial real properties so benefitted. CEFIA supports inclusion of other non-permanently affixed equipment, and specifically systems that are deployed to further support the State's effort to create micro-grids.

- **Origin of Proposal** __X_ New Proposal _ __ Resubmission

If this is a resubmission, please share:
- *(1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?*
- *(2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?*
- *(3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?*
- *(4) What was the last action taken during the past legislative session?*

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name: DEEP Approve of Proposal _X__ YES ___NO _ __Talks Ongoing
Summary of Affected Agency's Comments Supportive as it will likely benefit DEEP's microgrid program efforts.
Will there need to be further negotiation? ___ YES ___NO ___This is uncertain at this time.

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
State
Federal
Additional notes on fiscal impact None expected.

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

Pursuant to Section 7 of Public Act No. 12-148 ("AN ACT ENHANCING EMERGENCY PREPAREDNESS AND RESPONSE", (the "Act")), the Department of Energy and Environmental Protection ("DEEP") established a Microgrid Grant and Loan Pilot Program (the "Microgrid Pilot Program") to award grants and loans to Connecticut towns and cities and other entities to support local distributed energy generation for "critical facilities" in the state so that they can continue to operate in the event that the electric distribution grid goes down. Financing is an essential element of successful microgrid development and the state's C-PACE program has demonstrated its effectiveness in attracting private capital by offering security for the financing of energy conservation measures and renewable energy investments. Like district heating and cooling systems, it is often the case that the equipment and systems associated with a microgrid are not "fixed" to the critical facilities the microgrid is intended to benefit. Examples of such critical facilities include police stations, water treatment plants, sewage treatment plants, public shelters, commercial areas of a municipality, a municipal center, correctional facilities, hospitals, or any other area identified by DEEP as critical. Without private capital to support and promote the development of microgrids, efforts to fulfill the objectives of the Act and the Microgrid Pilot Program will be adversely impacted. Many municipalities that would otherwise benefit from the development of a microgrid will be unable to assist in the supply of distributed energy generation for these critical facilities, which can result in severe disruption to essential services, impair commerce and put the general public welfare at risk. For these reasons, the benefits of C-PACE should be extended to financing to promote the development of microgrids for municipalities throughout Connecticut.

Insert fully drafted bill here

The Act

Connecticut General Statutes Section 16a-40g. Commercial sustainable energy program. (a) As used in this section:

(1) "Energy improvements" means (A) participation in a district heating and cooling system or a microgrid system (as defined in Public Act 12-148, Section 7(5)) and related infrastructure by qualifying commercial real property, (B) any renovation or retrofitting of qualifying commercial real property to reduce energy consumption, (C) installation of a renewable energy system to service qualifying commercial real property, or (D) installation of a solar thermal or geothermal system to service qualifying commercial real property, provided such renovation, retrofit or installation described in subparagraph (B), (C) or (D) of this subdivision is permanently fixed to such qualifying commercial real property;

(2) "District heating and cooling system" means a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings;

(3) "Qualifying commercial real property" means any commercial or industrial property, regardless of ownership, that meets the qualifications established for the commercial sustainable energy program;

(4) "Commercial or industrial property" means any real property other than a residential dwelling containing less than five dwelling units;

(5) "Benefited property owner" means an owner of qualifying commercial real property who desires to install energy improvements and provides free and willing consent to the benefit assessment against the qualifying commercial real property;

(6) "Commercial sustainable energy program" means a program that facilitates energy improvements and utilizes the benefit assessments authorized by this section as security for the financing of the energy improvements;

(7) "Municipality" means a municipality, as defined in section 7-369 of the general statutes;

(8) "Benefit assessment" means the assessment authorized by this section;

(9) "Participating municipality" means a municipality that has entered into a written agreement, as approved by its legislative body, with the authority pursuant to which the municipality has agreed to assess, collect, remit and assign, benefit assessments to the authority in return for energy improvements for benefited property owners within such municipality and costs reasonably incurred in performing such duties; and

(10) "Authority" means the Clean Energy Finance and Investment Authority.

(b) (1) The authority shall establish a commercial sustainable energy program in the state, and in furtherance thereof, is authorized to make appropriations for and issue bonds, notes or other obligations for the purpose of financing, (A) energy improvements; (B) related energy audits; (C) renewable energy system feasibility studies; and (D) verification reports of the installation and effectiveness of such improvements. The bonds, notes or other obligations shall be issued in accordance with legislation authorizing the authority to issue bonds, notes or other obligations generally. Such bonds, notes or other obligations may be secured as to both principal and interest by a pledge of revenues to be derived from the commercial sustainable energy program, including revenues from benefit assessments on qualifying commercial real property, as authorized in this section.

(2) When the authority has made appropriations for energy improvements for qualifying commercial real property or other costs of the commercial sustainable energy program, including interest costs and other costs related to the issuance of bonds, notes or other obligations to finance the appropriation, the authority may require the participating municipality in which the qualifying commercial real property is located to levy a benefit assessment against the qualifying commercial real property especially benefited thereby.

(3) The authority (A) shall develop program guidelines governing the terms and conditions under which state financing may be made available to the commercial sustainable energy program, including, in consultation with representatives from the banking industry, municipalities and property owners, developing the parameters for consent by existing mortgage holders and may serve as an aggregating entity for the purpose of securing state or private third-party financing for energy improvements pursuant to this section, (B) shall establish the position of commercial sustainable energy program liaison within the authority, (C) shall establish a loan loss reserve or other credit enhancement program for qualifying commercial real property, (D) may use the services of one or more private, public or quasi-public third-party administrators to administer, provide support or obtain financing for the commercial sustainable energy program, and (E) shall adopt standards to ensure that the energy cost savings of the energy improvements over the useful life of such improvements exceed the costs of such improvements.

(c) Before establishing a commercial sustainable energy program under this section, the authority shall provide notice to the electric distribution company, as defined in section 16-1 of the general statutes, that services the participating municipality.

(d) If a benefited property owner requests financing from the authority for energy improvements under this section, the authority shall:

(1) Require performance of an energy audit or renewable energy system feasibility analysis on the qualifying commercial real property that assesses the expected energy cost savings of the energy improvements over the useful life of such improvements before approving such financing;

(2) If financing is approved, require the participating municipality to levy a benefit assessment on the qualifying commercial real property with the property owner in a principal amount sufficient to pay the costs of the energy improvements and any associated costs the authority determines will benefit the qualifying commercial real property;

(3) Impose requirements and criteria to ensure that the proposed energy improvements are consistent with the purpose of the commercial sustainable energy program;

(4) Impose requirements and conditions on the financing to ensure timely repayment, including, but not limited to, procedures for placing a lien on a property as security for the repayment of the benefit assessment; and

(5) Require that the property owner provide written notice, not less than thirty days prior to the recording of any lien securing a benefit assessment for energy improvements for such property, to any existing mortgage holder of such property, of the property owner's intent to finance such energy improvements pursuant to this section.

(e) (1) The authority may enter into a financing agreement with the property owner of qualifying commercial real property. After such agreement is entered into, and upon notice from the authority, the participating municipality shall (A) place a caveat on the land records indicating that a benefit assessment and lien is anticipated upon completion of energy improvements for such property, or (B) at the direction of the authority, levy the benefit assessment and file a lien on the land records based on the estimated costs of the energy improvements prior to the completion or upon the completion of said improvements.

(2) The authority shall disclose to the property owner the costs and risks associated with participating in the commercial sustainable energy program established by this section, including risks related to the failure of the property owner to pay the benefit assessment. The authority shall disclose to the property owner the effective interest rate of the benefit assessment, including fees charged by the authority to administer the program, and the risks associated with variable interest rate financing. The authority shall notify the property owner that such owner may rescind any financing agreement entered into pursuant to this section not later than three business days after such agreement.

(f) The authority shall set a fixed or variable rate of interest for the repayment of the benefit assessment amount at the time the benefit assessment is made. Such interest rate, as may be supplemented with state or federal funding as may become available, shall be sufficient to pay the financing and administrative costs of the commercial sustainable energy program, including delinquencies.

(g) Benefit assessments levied pursuant to this section and the interest, fees and any penalties thereon shall constitute a lien against the qualifying commercial real property on which they are made until they are paid. Such lien, or if the financing agreement provides that the benefit assessments shall be paid in installments then each installment payment, shall be collected in the same manner as the property taxes of the participating municipality on real property, including, in the event of default or delinquency, with respect to any penalties, fees and remedies. Each such lien may be recorded and released in the manner provided for property tax liens, and, subject to the consent of existing mortgage holders, and shall take precedence over all other liens or encumbrances except a lien for taxes of the municipality on real property, which lien for taxes shall have priority over such benefit assessment lien. To the extent benefit assessments are paid in installments and any such installment is not paid when due, the benefit assessment lien may be foreclosed to the extent of any unpaid installment payments and any penalties, interest and fees related thereto. In the event such benefit assessment lien is foreclosed, such benefit assessment lien shall survive the judgment of foreclosure to the extent of any unpaid installment payments of the benefit assessment secured by such benefit assessment lien that were not the subject of such judgment.

(h) Any participating municipality may assign to the authority any and all liens filed by the tax collector, as provided in the written agreement between the participating municipality and the authority. The authority may sell or assign, for consideration, any and all liens received from the participating municipality. The consideration received by the authority shall be negotiated between the authority and the assignee. The assignee or assignees of such liens shall have and possess the same powers and rights at law or in equity as the authority and the participating municipality and its tax collector would have had if the lien had not been assigned with regard to the precedence and priority of such lien, the accrual of interest and the fees and expenses of collection. The assignee shall have the same rights to enforce such liens as any private party holding a lien on real property, including, but not limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys' fees incurred by the assignee as a result of any foreclosure action or other legal proceeding brought pursuant to this section and directly related to the proceeding shall be taxed in any such proceeding against each person having title to any property subject to the proceedings. Such costs and fees may be collected by the assignee at any time after demand for payment has been made by the assignee.

Agency Legislative Proposal - 2014 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): **2014-002_Connecticut "Green Bank"_.docx**

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Clean Energy Finance and Investment Authority
Liaison: David R. Goldberg Phone: (860) 257-2889 E-mail: david.goldberg@ctcleanenergy.com
Lead agency division requesting this proposal: CEFIA
Agency Analyst/Drafter of Proposal: David R. Goldberg

Title of Proposal **AAC Clean Energy Finance and Investment Authority**
Statutory Reference **16-245n + other references to CEFIA in Statute------(detailed list will be provided)**
Proposal Summary **The Clean Energy Finance and Investment Authority seeks to modify its official name to "Connecticut Green Bank". This change is being requested as over the past two-years there has been confusion over the current name: it is too long, there is constant inconsistency in the acronym "CEFIA," it is hard to pronounce, and not memorable or functional. Furthermore, sources including administration, legislature, policymakers and other stakeholders routinely qualify their references to CEFIA to explain its role as the "Green Bank".** **The Clean Energy Finance and Investment Authority is currently conducting a thorough exercise to determine costs associated with a name/brand modification. We do not anticipate excessive costs associated with the name change and rebranding since the Clean Energy Finance and Investment Authority is a relatively new entity with minimal market penetration for brand awareness and already referred to and known as the Connecticut Green Bank.** **Other states are following Connecticut's lead and have established or are considering developing Green Banks. For example, in New York, the New York State Energy Research and Development Authority (or "NYSERDA") has been authorized to capitalize its Green Bank and has already begun positioning the New York Green Bank as the "largest Green Bank in the U.S.". The Clean Energy Finance and Investment Authority or the "Connecticut Green Bank" has positioned itself as the "nation's first statewide Green Bank" and would like to formalize the name.**
Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

- **Reason for Proposal**

Please consider the following, if applicable:

(1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?
(2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?
(3) Have certain constituencies called for this action?
(4) What would happen if this was not enacted in law this session?

- **Origin of Proposal** **__X_ New Proposal** **_ __ Resubmission**

If this is a resubmission, please share:

(1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?
(2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
(3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
(4) What was the last action taken during the past legislative session?

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:
Department of Banking

Approve of Proposal __X_ YES ___NO ___Talks Ongoing

Summary of Affected Agency's Comments

CEFIA has received a third-party legal memorandum that the use of "Connecticut Green Bank" is permissible and would not be deemed misleading, or place CEFIA under the Banking regulations of Connecticut. Moreover, the Connecticut Department of Banking has provided a legal opinion that the Department has no objection to the use of the name "Connecticut Green Bank" by CEFIA. See attached memos.

Will there need to be further negotiation? ___ YES ___NO ___This is uncertain at this time.

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

State

Federal

Additional notes on fiscal impact

None expected, although there could be some rebranding costs to CEFIA

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

See the "Reason for Proposal" section, above. **Additionally, changes to CEFIA's name would need to occur in all statutes that currently reference CEFIA.**

Sec. 99. Section 16-245n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2011*):

(a) For purposes of this section, **[**"renewable energy"**]** "clean energy" means solar photovoltaic energy, solar thermal, geothermal energy, wind, ocean thermal energy, wave or tidal energy, fuel cells, landfill gas, hydropower that meets the low-impact standards of the Low-Impact Hydropower Institute, hydrogen production and hydrogen conversion technologies, low emission advanced biomass conversion technologies, alternative fuels, used for electricity generation including ethanol, biodiesel or other fuel produced in Connecticut and derived from agricultural produce, food waste or waste vegetable oil, provided the Commissioner of Energy and Environmental Protection determines that such fuels provide net reductions in greenhouse gas emissions and fossil fuel consumption, usable electricity from combined heat and power systems with waste heat recovery systems, thermal storage systems, **[**and**]** other energy resources and emerging technologies which have significant potential for commercialization and which do not involve the combustion of coal, petroleum or petroleum products, municipal solid waste or nuclear fission, financing of energy efficiency projects, and projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure and any related storage, distribution, manufacturing technologies or facilities.

(b) On and after July 1, 2004, the **[**Department of Public Utility Control**]** Public Utilities Regulatory Authority shall assess or cause to be assessed a charge of not less than one mill per kilowatt hour charged to each end use customer of electric services in this state which shall be deposited into the **[**Renewable**]** Clean Energy **[**Investment**]** Fund established under subsection (c) of this section. Notwithstanding the provisions of this section, receipts from such charges shall be disbursed to the resources of the General Fund during the period from July 1, 2003, to June 30, 2005, unless the department shall, on or before October 30, 2003, issue a financing order for each affected distribution company in accordance with sections 16-245e to 16-245k, inclusive, to sustain funding of renewable energy investment programs by substituting an equivalent amount, as determined by the department in such financing order, of proceeds of rate reduction bonds for disbursement to the resources of the General Fund during the period from July 1, 2003, to June 30, 2005. The department may authorize in such financing order the issuance of rate reduction bonds that substitute for disbursement to the General Fund for receipts of both charges under this subsection and subsection (a) of section 16-245m and also may in its discretion authorize the issuance of rate reduction bonds under this subsection and subsection (a) of section 16-245m that relate to more than one electric distribution company. The department shall, in such financing order or other appropriate order, offset any increase in the competitive transition assessment necessary to pay principal, premium, if any, interest and expenses of the issuance of such rate reduction bonds by making an equivalent reduction to the charges imposed under this subsection, provided any failure to offset all or any portion of such increase in the competitive transition assessment shall not affect the need to implement the full amount of such increase as required by this subsection and sections 16-245e to 16-245k, inclusive. Such financing order shall also provide if the rate reduction bonds are not issued, any unrecovered funds expended and committed by the electric distribution companies for renewable resource investment through deposits into the **[**Renewable**]** Clean Energy **[**Investment**]** Fund, provided such expenditures were approved by the department following August 20, 2003, and prior to the date of determination that the rate reduction bonds cannot be issued, shall be recovered by the companies from their respective competitive transition assessment or systems benefits charge except that such expenditures shall not exceed one million dollars per month. All receipts from the remaining charges imposed under this subsection, after reduction of such charges to offset the increase in the competitive transition assessment as provided in this subsection, shall be disbursed to the **[**Renewable**]** Clean Energy **[**Investment**]** Fund commencing as of July 1, 2003. Any increase in the competitive transition assessment or decrease in the renewable energy investment component of an electric distribution company's rates resulting from the issuance of or obligations under rate reduction bonds shall be included as rate adjustments on customer bills.

(c) There is hereby created a **[**Renewable**]** Clean Energy **[**Investment**]** Fund which shall be within **[**Connecticut Innovations, Incorporated for administrative purposes only**]** ~~the~~ the Connecticut Green Bank ~~Clean Energy Finance and Investment Authority~~. The fund may receive any amount required by law to be deposited into the fund and may receive any federal funds as may become available to the state for **[**renewable**]** clean energy investments. Upon authorization of the **[**Renewable Energy Investments Board**]** ~~Clean Energy Finance and Investment Authority~~Connecticut Green Bank established pursuant to subsection (d) of this section, **[**Connecticut Innovations, Incorporated, may use**]** any amount in said fund may be used for expenditures that promote investment in **[**renewable**]** clean energy **[**sources**]** in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of **[**renewable**]** clean energy sources, related enterprises and stimulate demand for **[**renewable**]** clean energy and deployment of **[**renewable**]** clean energy sources that serve end use customers in this state and for the further purpose of supporting operational demonstration projects for advanced technologies that reduce energy use from traditional sources. Such expenditures may include, but not be limited to, providing low-cost financing and credit enhancement mechanisms for clean energy projects and technologies, reimbursement **[**for services provided by the administrator of the fund including a management fee,**]** of the operating expenses, including administrative expenses incurred by the authority and the corporation, and capital costs incurred by the authority in connection with the operation of the fund, the implementation of the plan developed pursuant to subsection (d) of this section or the other permitted activities of the authority, disbursements from the fund to develop and carry out the plan developed pursuant to subsection (d) of this section, grants, direct or equity investments, contracts or other actions which support research, development, manufacture, commercialization, deployment and installation of **[**renewable**]** clean energy technologies, and actions which expand the expertise of individuals, businesses and lending institutions with regard to **[**renewable**]** clean energy technologies.

(d) **[**There is hereby created a Renewable Energy Investments Board to act on matters related to the Renewable Energy Investment Fund, including, but not limited to, development of a comprehensive plan and expenditure of funds. The Renewable Energy Investments Board shall, in such plan, give preference to projects that maximize the reduction of federally mandated congestion charges. The Renewable Energy Investments Board shall make a draft of the comprehensive plan available for public comment for not less than thirty days. The board shall conduct three public hearings in three different regions of the state on the draft comprehensive plan and shall include a summarization of all public comments received at said public hearings in the final comprehensive plan approved by the board. The board shall provide a copy of the comprehensive plan, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce. The Department of Public Utility Control shall, in an uncontested proceeding, during which the department may hold a public hearing, approve, modify or reject the comprehensive plan prepared pursuant to this subsection. **]** (1) There is established the ~~Clean Energy Finance and Investment Authority~~Connecticut Green Bank, which shall be deemed a quasi-public agency for purposes of chapters 5, 10 and 12 and within Connecticut Innovations, Incorporated, for administrative purposes only. The authority shall, (A) develop separate programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects and such others as the authority may determine; (B) support financing or other expenditures that promote investment in clean energy sources in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of clean energy sources and related enterprises; and (C) stimulate demand for clean energy and the deployment of clean energy sources within the state that serve end-use customers in the state. Such authority shall constitute a successor agency to the corporation for the purposes of administrating the clean energy fund in accordance with section 4-38d. Such authority shall have all the privileges, immunities, tax exemptions and other exemptions of the corporation. Such authority shall be subject to suit and liability solely from the assets, revenues and resources of the authority and without recourse to the general funds, revenues, resources or other assets of the corporation. Such authority may assume or take title to any real property, convey or dispose of its assets and pledge its revenues to secure any borrowing, convey or dispose of its assets and pledge its revenues to secure any borrowing, for the purpose of developing, acquiring, constructing, refinancing, rehabilitating or improving its assets or supporting its programs, provided each such borrowing or mortgage, unless otherwise provided by the board or the authority, shall be a special obligation of the authority, which obligation may be in the form of bonds, bond anticipation notes or other obligations which evidence an indebtedness to the extent permitted under this chapter to fund, refinance and refund the same and provide for the rights of holders thereof, and to secure the same by pledge of revenues, notes and mortgages of others, and which shall be payable solely from the assets, revenues and other resources of the authority and in no event shall such bonds be secured by a special capital reserve fund of any kind which is in any way contributed to by the state. The authority shall have the purposes as provided by resolution of the authority's board of directors, which purposes shall be consistent with this section. No further action is required for the establishment of the authority, except the adoption of a resolution for the authority.

(2) (A) The authority may seek to qualify as a Community Development Financial Institution under Section 4702 of the United States Code. If approved as a Community Development Financial Institution, the authority would be treated as a qualified community development entity for purposes of Section 45D and Section 1400N(m) of the Internal Revenue Code.

(B) Before making any loan, loan guarantee, or such other form of financing support or risk management for a clean energy project, the authority shall develop standards to govern the administration of the authority through rules, policies and procedures that specify borrower eligibility, terms and conditions of support, and other relevant criteria, standards or procedures.

(C) Funding sources specifically authorized include, but are not limited to:

(i) Funds repurposed from existing programs providing financing support for clean energy projects, provided any transfer of funds from such existing programs shall be subject to approval by the General Assembly and shall be used for expenses of financing, grants and loans;

(ii) Any federal funds that can be used for the purposes specified in subsection (c) of this section;

(iii) Charitable gifts, grants, contributions as well as loans from individuals, corporations, university endowments and philanthropic foundations;

(iv) Earnings and interest derived from financing support activities for clean energy projects backed by the authority;

(v) If and to the extent that the authority qualifies as a Community Development Financing Institution under Section 4702 of the United States Code, funding from the Community Development Financing Institution Fund administered by the United States Department of Treasury, as well as loans from and investments by depository institutions seeking to comply with their obligations under the United States Community Reinvestment Act of 1977; and

(vi) The authority may enter into contracts with private sources to raise capital. The average rate of return on such debt or equity shall be set by the authority's board of directors.

(D) The authority may provide financing support under this subsection if the authority determines that the amount to be financed by the authority and other nonequity financing sources do not exceed eighty per cent of the cost to develop and deploy a clean energy project or up to one hundred per cent of the cost of financing an energy efficiency project.

(E) The authority may assess reasonable fees on its financing activities to cover its reasonable costs and expenses, as determined by the board.

(F) The authority shall make information regarding the rates, terms and conditions for all of its financing support transactions available to the public for inspection, including formal annual reviews by both a private auditor conducted pursuant to subdivision (2) of subsection (f) of this section and the Comptroller, and providing details to the public on the Internet; provided public disclosure shall be restricted for patentable ideas, trade secrets, proprietary or confidential commercial or financial information, disclosure of which may cause commercial harm to a nongovernmental recipient of such financing support and for other information exempt from public records disclosure pursuant to section 1-210.

(3) No director, officer, employee or agent of the authority, while acting within the scope of his or her authority, shall be subject to any personal liability resulting from exercising or carrying out any of the authority's purposes or powers.

(e) **[**The Renewable Energy Investments Board shall include not more than fifteen individuals with knowledge and experience in matters related to the purpose and activities of the Renewable Energy Investment Fund. The board shall consist of the following members: (1) One person with expertise regarding renewable energy resources appointed by the speaker of the House of Representatives; (2) one person representing a state or regional organization primarily concerned with environmental protection appointed by the president pro tempore of the Senate; (3) one person with experience in business or commercial investments appointed by the majority leader of the House of Representatives; (4) one person representing a state or regional organization primarily concerned with environmental protection appointed by the majority leader of the Senate; (5) one person with experience in business or commercial investments appointed by the minority leader of the House of Representatives; (6) the Commissioner of Emergency Management and Homeland Security or the commissioner's designee; (7) one person with expertise regarding renewable energy resources appointed by the Governor; (8) two persons with experience in business or commercial investments appointed by the board of directors of Connecticut Innovations, Incorporated; (9) a representative of a state-wide business association, manufacturing association or chamber of commerce appointed by the minority leader of the Senate; (10) the Consumer Counsel; (11) the Secretary of the Office of Policy and Management or the secretary's designee; (12) the Commissioner of Environmental Protection or the commissioner's designee; (13) a representative of organized labor appointed by the Governor; and (14) a representative of residential customers or low-income customers appointed by Governor. On a biennial basis, the board shall elect a chairperson and vice-chairperson from among its members and shall adopt such bylaws and procedures it deems necessary to carry out its functions. The board may establish committees and subcommittees as necessary to conduct its business. **]** The powers of the ~~Clean Energy Finance and Investment Authority~~Connecticut Green Bank shall be vested in and exercised by a board of directors, which shall consist of eleven voting and two nonvoting members each with knowledge and expertise in matters related to the purpose and activities of the authority appointed as follows: The Treasurer or the Treasurer's designee, the Commissioner of Energy and Environmental Protection or the commissioner's designee and the Commissioner of Economic and Community Development or the commissioner's designee, each serving ex officio, one member who shall represent a residential or low-income group appointed by the speaker of the House of Representatives for a term of four years, one member who shall have experience in investment fund management appointed by the minority leader of the House of Representatives for a term of three years, one member who shall represent an environmental organization appointed by the president pro tempore of the Senate for a term of four years, and one member whom shall have experience in the finance or deployment of renewable energy appointed by the minority leader of the Senate for a term of four years. Thereafter, such members of the General Assembly shall appoint members of the board to succeed such appointees whose terms expire and each member so appointed shall hold office for a period of four years from the first day of July in the year of his or her appointment. The Governor shall appoint four members to the board as follows: Two for two years who shall have experience in the finance of renewable energy; one for four years who shall be a representative of a labor organization; and one who shall have experience in research and development or manufacturing of clean energy. Thereafter, the Governor shall appoint members of the board to succeed such appointees whose terms expire and each member so appointed shall hold office for a period of four years from the first day of July in the year of his or her appointment. The president of the authority and a member of the board of Connecticut Innovations, Incorporated, appointed by the chairperson of the corporation shall serve on the board in an ex-officio, nonvoting capacity. The Governor shall appoint the chairperson of the board. The board shall elect from its members a vice chairperson and such other officers as it deems necessary and shall adopt such bylaws and procedures it deems necessary to carry out its functions. The board may establish committees and subcommittees as necessary to conduct its business.

(f) (1) The board shall issue annually a report to the **[**Department of Public Utility Control**]** Department of Energy and Environmental Protection reviewing the activities of the **[**Renewable Energy Investment Fund**]** ~~Clean Energy Finance and Investment Authority~~Connecticut Green Bank in detail and shall provide a copy of such report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce. **[**and the Office of Consumer Counsel. **]** The report shall include a description of the programs and activities undertaken during the reporting period jointly or in collaboration with the Energy Conservation and Load Management Funds established pursuant to section 16-245m, as amended by this act.

(2) The Clean Energy Fund shall be audited annually. Such audits shall be conducted with generally accepted auditing standards by independent certified public accountants certified by the Connecticut Board of Accountancy. Such accountants may be the accountants for the corporation.

(3) Any entity that receives financing for a clean energy project from the fund shall provide the board an annual statement, certified as correct by the chief financial officer of the recipient of such financing, setting forth all sources and uses of funds in such detail as may be required by the authority of such project. The authority shall maintain any such audits for not less than five years. Residential projects for buildings with one to four dwelling units are exempt from this and any other annual auditing requirements, except that residential projects may be required to grant their utility companies' permission to release their usage data to the authority.

(g) There shall be a joint committee of the Energy Conservation Management Board and the **[**Renewable Energy Investments Board**]** ~~Clean Energy Finance and Investment Authority~~Connecticut Green Bank board of directors, as provided in subdivision (2) of subsection (d) of section 16-245m, as amended by this act.

[(h) No later than December 31, 2006, and no later than December thirty-first every five years thereafter, the board shall, after consulting with the Energy Conservation Management Board, conduct an evaluation of the performance of the programs and activities of the fund and submit a report, in accordance with the provisions of section 11-4a, of the evaluation to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce.**]**

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: Ronald Angelo, Deputy Commissioner, Department of Economic and Community Development

From: Bryan Garcia, President and CEO

Cc: Mackey Dykes, Bert Hunter, Brian Farnen, Ben Healey

Date: January 07, 2013

Re: Clean Energy Business Solutions Program Design Proposal

The Board of Directors of the Clean Energy Finance and Investment Authority (CEFIA) has authorized a budget of $5 million in the current fiscal year to create the Clean Energy Business Solutions (CEBS) program.[1] Through this program, CEFIA will assist the Department of Economic and Community Development (DECD) in supporting companies across the state that are strategically important for job creation and economic development reasons, by providing targeted investment to help these companies access cleaner, cheaper, and more reliable sources of energy.

CEFIA has the following goals for this program:

- Give DECD maximum flexibility in targeting strategic investments, according to the Commissioner's priorities;
- Utilize CEFIA's technical and financial expertise to help targeted companies achieve significant energy savings across a range of technologies, leveraging private investment where possible;
- Create a streamlined process such that CEFIA dollars flow quickly to targeted companies to support eligible technology improvements that they elect to pursue; and
- Demonstrate program effectiveness through regular reporting on technology performance and associated savings.

In light of CEFIA's guiding vision statement, "To help ensure Connecticut's energy security and community prosperity by realizing its environmental and economic opportunities through clean energy finance and investments," CEFIA looks forward to working hand-in-hand with DECD to make this program a reality.

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[1] Funding allocations for each project must still be approved by CEFIA's Board of Directors or the appropriate committee

CEFIA believes that DECD is the best party to identify and recommend strategic investments under the CEBS program. CEFIA expects that DECD, in negotiating an overall package of support for targeted companies, will notify CEFIA that it intends to include an appropriate allocation of funding for clean energy improvements through CEBS. CEFIA will pre-approve this request at the staff level. DECD will then formally submit this funding request to CEFIA using a standardized form, at which point CEFIA will enter into dialogue with appropriate staff at the target company to determine a specific package of clean energy technology measures to install. As part of this dialogue, CEFIA may also suggest a variety of financing tools to help the company deepen its clean energy investments beyond what CEBS dollars will support.

After CEFIA staff and the target company agree on a series of measures to be undertaken, CEFIA and DECD staff will recommend a funding package to the CEFIA Board of Directors for approval. Upon disbursement of funds and completion of work, CEFIA will require regular reporting from the company to ensure that the funded measures are performing as expected and delivering the promised energy production / savings. CEFIA will retain the rights to any renewable energy credits or other environmental attributes generated by the project.

Essentially, then, CEFIA envisions the following six-step process for the CEBS program:

1) **DECD negotiates a package of support with the target company and notifies CEFIA of a request to allocate funds through the CEBS program;**
2) **CEFIA staff review and pre-approve this initial request for funding;**
3) **DECD submits a formal technology-agnostic funding request to CEFIA for clean energy improvements;**
4) **CEFIA staff work with the target company to identify the specific clean energy improvements (i.e. installing a solar PV system, a fuel cell, energy efficiency upgrades) that will be funded, as well as potential financing mechanisms to leverage further private investment into such measures;**
5) **CEFIA and DECD staff submit a specific investment package to its Board of Directors for approval, at which point CEFIA disburses funds to the target company; and**
6) **The target company installs the agreed-upon measures and reports to CEFIA on a monthly basis regarding technology performance, as well as energy production / savings delivered. CEFIA retains the rights to any RECs or other environmental attributes generated by the project.**

Looking beyond the CEBS program, CEFIA is enthusiastic about strengthening its collaboration with DECD more broadly. Currently, we have identified three areas of mutual interest that we believe deserve further exploration and discussion:

1) Arranging to brief DECD's customers on the potential benefits of CEFIA's Commercial Property Assessed Clean Energy (CPACE) program;
2) Making DECD's Small Business Express Program's Revolving Loan Fund available to the state's clean energy and energy efficiency contractors; and
3) Working with DECD's State Historic Preservation Office to ensure expedited review of CEFIA's federally supported residential energy financing programs.

Connecticut Department of Economic and Community Development
Application for Economic Development Financial Assistance

This is the final application for financial assistance. All information presented here should reflect terms negotiated as described in the business assistance proposal.

APPLICANT IDENTIFICATION

Applicant's Full Legal Name: Horizons, Inc.

Applicant Address: 127 Babcock Hill Road, PO Box 323
South Windham, CT **Zip Code:** 06266

Contact Person: Chris McNaboe, Chief Executive Officer

Telephone: 860-456-1032 **Fax:** 860-456-4721 **E-Mail:** cmcnaboe@horizonsct.org

Project Name: Horizons Commons Solar & Geothermal Project 2014
(e.g. ABC Company retention, expansion, relocation, development, study, etc.)

Project Location: South Windham, CT **Municipality:** Windham

Federal Employer Identification #: 06-1013833 **SIC Code:** ____

APPLICANT INFORMATION

1. **Form of Organization** (attach copy of corporate certificate – Exhibit "A")

___ Private, for Profit ___ Municipality

_x_ Non-profit (501(c)3, or other non-profit) ___ Other: ____ (please explain)

2. **Form of Ownership**

_x_ Corporation ___ Partnership

___ Proprietorship ___ Other: ____ (please explain)

___ Sub-chapter "S" Corp.

Date Acquired/Established: November 26, 1979 State of Creation: CT

___ Minority Owned ___ Woman Owned

3. **Nature of Business**

a. **Industry**

___ Manufacturer ___ Retailer ___ Wholesaler

___ Service Company ___ Construction ___ Finance, Insurance or Real Estate

___ Other: Human Services for people with Disabilities (Specify)

b. **Business Activity** *(e.g. research and development, production, headquarters, etc.)*: Human Services

c. **Type of Product or Service** *(e.g. pharmaceuticals, computer software, machine tools, etc.)*:Human Services

4. **Gross sales/Receipts**
Total Sales/Receipts $ 8,514,652 Approximate % Sales in CT 100%
Approximate % sales outside of CT 0 Approximate % Sales outside of US 0

5. **Ownership and subsidiaries**
***No stockholders, no subsidiaries, no affiliates
Please attach as Exhibit AB≅ a list of the names, titles, and percent of ownership of all stockholders. If there are more than ten stockholders, list only those with 10% or more ownership. Also list all business organizations, including but not limited to, corporations, partnerships, limited partnerships, sole proprietors, trusts, and syndications which are subsidiaries or affiliates of the Applicant along with their address and the nature of their interest or connection. If the Applicant is a subsidiary or affiliate, then list the owning or holding organization and all subsidiaries or affiliates. If there are none, please so indicate.

6. **Company History**
Please provide a brief description of the company's history and attach it as Exhibit "C".

7. **Use of Funds:** Check off the items listed below that pertain to the Project (in accordance with the sources and uses of funds as described in the Business Assistance Proposal):

Personnel Costs

___ Salaries
___ Fringe Benefits
___ Payroll taxes
___ Other *(describe)* ___

General & Administrative

___ Rent
___ Employee training
___ Legal/Accounting
___ Consulting services
___ Planning & marketing studies
___ Other *(describe)* ___

Other Working Capital

___ Accounts receivable
___ Inventory
___ Other *(describe)* ___

Capital Costs

x Machinery and equipment
___ Appraisals
___ Engineering/Architectural
___ Environmental/Feasibility
___ Land/Building acquisition
___ New construction
___ Leasehold improvements
___ Legal/Accounting
___ Computer equipment
___ Computer software
___ Office equipment
___ Contingency
x Other *(describe)* Installing solar panels and geothermal system

Other Costs

___ Relocation costs
___ Refinancing of debt
___ Business support services
___ Research and Development
___ Other *(describe)* ___

8. **Project narrative**
Please attach a brief description as Exhibit "D"

9. **Employment** *(Full-time employment is a minimum of 35 hours per week as reported to the Department of Labor)*

Present Employment		Projected Employment Increase (2 yrs.)		Projected Employment Increase (5 yrs.)	
Full Time:	91	Full Time:	12 Direct, 12 Indirect	Full Time:	19 Direct, 30 Indirect
Part Time:	92	Part Time:		Part Time:	
Total	183	**Total**	6.5% increase (Direct)	**Total**	10% increase (Direct)

Of the present employment listed above, how many would be lost if the state did not provide the proposed funding? There would not be any losses in present employment, but there would be no increases in future employment as projected above.

10. **Security/Collateral for DECD State Financial Assistance (Check appropriate)**

x Real Property ___ Corporate Guaranty ___ Machinery and Equipment

___ Personal Guarantee ___ Other: ____________ (Specify)

___ Not required

11. **Defense Diversification**
Is this a Defense Diversification Project ___ Yes x No

If yes, please complete the DECD Defense Diversification Form and attach.

CERTIFICATION

I, Chris McNaboe, **the Authorized representative of** Horizons, Inc., **named in this application for financial assistance, do hereby certify under penalty of perjury that the information contained herein and attached hereto as exhibits is, to the best of my knowledge and belief, true, correct and complete, and that the State of Connecticut can rely upon these statements in determining whether to fund this project. I further understand and agree that I am under a continuing obligation to inform the Department of Economic and Community Development in writing of any corrections, omissions or material changes in this application and its exhibits. I also agree that the spending of funds will be in accordance with the Project Financing Plan and Budget.**

Signature of authorized representative — Chief Executive Officer, *Title*

November 1, 2013
Date

Updated 10/98

Efficient operating costs are very important in the construction of this new 10,000 sq ft. building. Our desire to have a green foot print motivates us to use as many efficiencies as we can. The building itself is factory constructed SIP panels using solid thermal energy material. (see attached Thermal Energy Performance information) The walls are R 33, the roof is R38. The entire foundation is insulated as well.

We are using Thermal windows , LED lighting and T-5 florescent fixtures, some on occupancy switches . Bathroom fixtures will be auto flush valves and sinks will have motion sensors. Hot water and back up heating will be provided from Rinnai tankless hot water heaters which have been proven to save 40 % or more on energy consumption.

$500,000

The Geo Thermal heating and cooling system will operate using 10 , 400" wells and a system of 1 heat exchanger/ and 5 heat pumps. Forced hot air system with insulated duct work circulates the air throughout the building . Programmable thermostats will be used with outside temperature sensors and internet connections to local weather information to keep the system running as efficiently as possible.

Our desire to have solar thermal system on the roof of the Commons would complete the circle and allow for the most efficient operation.

cmcnaboe@horizonsct.org

Chris McNaboe

Chief Executive Officer

860-456-1032

CM

860-450-6704

Horizons Inc

P.O Box 323

South Windham, CT

06266

www.horizonsct.org

Clean Energy Business Solutions

Version 4/05/2013

Request Date: December 17, 2013

Company Name: Horizons, Inc.

Complete Address: 127 Babcock Hill Road, P.O. Box 323, South Windham, CT 06266

Contact Name: Chris McNaboe, Chief Executive Officer

Contact Email: cmcnaboe@horizonsct.org

Contact Phone: 860-456-1032

CEFIA Funding Request: $500,000-Funding for equipment and installation of a solar thermal roofing system and geo thermal heating and cooling system.

Description of Strategic Value. Horizons, Inc., a not-for-profit 501 (C)(3) through their Supported Employment Program is assisting 128 disadvantaged people to find and then work in community-based jobs that match their talents and interests, it also delivers tailor-made opportunities for adults who are growing older and for adults who have physical or multiple disabilities. Horizon's unique focus is to serve individuals who have been "kicked-out" or denied services elsewhere because of their challenging behavioral concerns or unusual medical conditions.

With the construction of a new 10,000 square foot building (Commons Building) Horizons will create a 326 person capacity dining hall, a full kitchen, a dish room, storage and office space, nursing stations, a classroom and a camp store. The building itself is factory constructed SIP panels using solid thermal energy material. The walls are R33, the roof is R38. The entire foundation is insulated as well. They are using thermal windows, LED lighting and T-5 florescent fixtures, some on occupancy switches. Bathroom fixtures will be auto flush values and sinks will have motion sensors. Hot water and back up heating will be provided from Rinnai tankless hot water heaters which have been proven to save a 40% or more on energy consumption. The Geo Thermal heating and cooling system will operate using 10, 400" wells and a system of 1 heat exchanger/and 5 heat pumps.

Clean Energy Business Solutions

Forced hot air system with insulated duct work circulates the air throughout the building. Programmable thermostats will be used with outside temperature sensors and internet connections to local weather information to keep the system running as efficiently as possible. Horizon's Inc., is also installing a solar thermal system on the roof of the Commons Building which would complete the circle and allow for the most efficient operation.

Horizons, by finding job placement for disabled individuals relates to the hiring of more full time support coaches. The Commons Building will improve dramatically Horizon's ability to train people for food preparation and dish room jobs in the new larger kitchen and the new Trading Post can have a similar impact in training individuals for retail positions. The more partnering Horizons does with community businesses, the more jobs they will generate for the people they support and the more subsequent full time hires they will need to provide community supports.

Currently Horizons employs 91 full time jobs and will create 12 new full time positions with the new construction of this facility.

DECD Support Summary.

DECD is in support of this project.

865 Brook Street
Rocky Hill, Connecticut 06067-3444
T: 860.563.0015
F: 860.563.4877
www.ctcleanenergy.com

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Project Qualification Memo

To: CEFIA Board of Directors

From: Mackey Dykes, Chief of Staff

CC: Bryan Garcia, President and CEO

Date: January 10, 2014

Re: Clean Energy Business Solution Financial Assistance for Horizons, Inc.

Summary

Horizons, Inc. is a not-for-profit organization that trains adults with developmental disabilities and helps them find work in community-based jobs that match their talents and interests. They also provide supported living and a summer camp. Horizons is building a new $2,800,000, 10,000 square foot building that includes a kitchen, dish room, office space, classroom, and nursing station. In addition to numerous energy efficiency features they are incorporating into the building, DECD is requesting $500,000 of Clean Energy Business Solutions (CEBS) financial assistance to fund the installation of a 63 kW solar PV system and a 28 ton geothermal heating and cooling system. The combined cost of the systems is $535,190 and CEFIA's contribution would represent 93% of the total cost.

Strategic Plan

Is the project proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

The Clean Energy Business Solution funding is consistent with the approved Comprehensive Plan and within the FY13 $5 million CEBS budget.

Ratepayer Payback

How much clean energy is being produced (i.e. MMBtu over the projects lifetime) from the project versus the dollars of ratepayer funds at risk?

The 63 kW solar PV system will produce approximately 1.7 million kilowatt-hours of renewable energy over its 25-year life – or about 5,800 MMBtu. As a result of providing financial assistance to the project, CEFIA will own the Class I RECs from the solar PV system.

The 28 ton geothermal heating and cooling system will produce approximately 11,900 MMBtu of heating and cooling over its 25-year life.

In total, 17,700 MMBtu's of clean energy will be produced from the solar PV and geothermal heating and cooling systems.

The financial assistance will be a grant or forgivable loan and Horizons will not repay any of the funding. CEFIA will seek to recover some of the cost through the trading of the Class I RECs generated from the project.

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

The financial assistance will be a grant or forgivable loan and Horizons will not repay any of the funding. CEFIA will seek to recover some of the cost through the sale of Class I RECs.

Capital Expended

How much of the ratepayer and other capital that CEFIA manages is being expended on the project?

$500,000 of ratepayer funds for financial assistance.

Risk

What is the maximum risk exposure of ratepayer funds for the project?

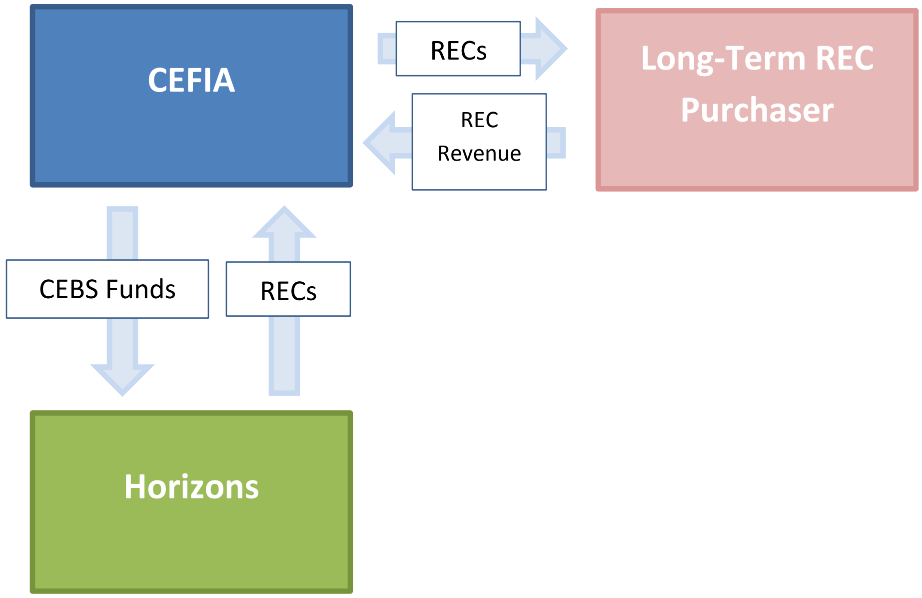
There is no expected payback of the financial assistance except through the recovery of some of the costs through the sale of Class RECs.

Financial Statements

How is the project investment accounted for on the balance sheet and profit and loss statements?

As funds are advanced, there will be a reduction in the "CEFIA Cash and Cash Equivalents Account" (Current Asset on the Balance Sheet)

Capital Flow Diagram



Target Market

Who are the end-users of the project?

The end-users of the project include the staff of Horizon and the individuals at the site for training, camp or supported living.

CEFIA Role, Financial Assistance & Selection/Award Process

CEFIA created CEBS to assist the Department of Economic and Community Development (DECD) in supporting companies across the state that are strategically important for job creation and economic development reasons, by providing targeted investment to help these companies access cleaner, cheaper, and more reliable sources of energy. DECD identifies the fundee, Horizon, and CEFIA works with then to utilize the funds for clean energy. Please seee attachment A for more info.

Project Partners

The project partner is the property owner, Horizon. The solar PV installation will be performed by Tuscany Design Build and the geothermal installation will be performed by A&B Cooling.

Financial Highlights

Horizons will create 12 new full-time positions with the construction of this building.

Project Implementation Plan

Human Resources

Representatives from CEFIA's general administration and Finance teams will staff the remaining implementation tasks associated with funding and overseeing this financial assistance.

Financial Resources

The full extent of CEFIA's financial commitment to this project has already been described, totaling $500,000 of financial assistance.

Metrics, Targets, Measurement, Verification & Reporting

The target company installs the agreed-upon measures and reports to CEFIA on a monthly basis regarding technology performance, as well as energy production / savings delivered. CEFIA retains the rights to any RECs or other environmental attributes generated by the project.

Resolutions

RESOLVED, that the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver a Clean Energy Business Solutions (CEBS) financial assistance award of $500,000, to Horizons, Inc. for the construction of clean energy measures at 127 Babcock Hill Road, South Windham, CT.

RESOLVED, that the proper CEFIA 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 instrument not later than three months from the date of this resolution.

Submitted by: Mackey Dykes, Chief of Staff

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Class Title: President and CEO
Direct Reports: Directors and Officers
Salary Range: $129,054-$181,094
Career Series: Officer

Reports to: Board of Directors of CEFIA
Wage Hour Class: Exempt
Hours Worked: 40

SUMMARY:

The Connecticut's Clean Energy Finance and Investment Authority (hereafter "CEFIA"), seeks an experienced president. Qualified candidate must have a Masters of Business Administration and/or Masters of Public Administration and/or Masters of Environmental or Energy Studies degree(s) plus ten (10) or more years of general experience in positions of increasing responsibility that involve organizational management. Administrative experience in the public or non-profit sector preferred. Two (2) years of the general experience must have been in a supervisory capacity. Must have experience or academic credentials in finance.

The president directs and supervises the investment, finance, administrative and general management of CEFIA

CEFIA is a quasi-public authority that promotes investment in clean energy in accordance with a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises, and stimulates demand for clean energy and deployment of clean energy sources that serve end-use customers in the state.

DUTIES & RESPONSIBILITIES:

- Manages a complex, highly visible, and dynamic organization;
- Formulates and implements, under the direction of the CEFIA Board of Directors, the CEFIA's comprehensive plan;
- Develops and implements CEFIA's operational plan and budget to meet clean energy market development and deployment goals and objectives;
- Approves all contracts for financial, legal, and other professional services under the supervision and direction of the Board of Directors;
- Attracts and retains productive and qualified employees to carry out the CEFIA's statutory mission;
- Enters into personal service agreements as may be desirable for the smooth and efficient operation of the CEFIA;
- Achieves measurable outcomes on economic development and environmental protection through clean energy market development and deployment;
- Provides leadership in developing and communicating clean energy policies and programs to the State legislature and other stakeholders;
- Develops innovative and creative strategies aimed at leveraging the CEFIA's total resources to maximize public-private partnerships;

- Coordinates the development of new initiatives and the proposal of new legislation affecting the expansion of clean energy in Connecticut;
- Represents the CEFIA and its Board at legislative hearings, regulatory proceedings and public meetings in state, regionally and nationally;
- Partners with other entities to advance market development and deployment of clean energy resources for Connecticut;
- Maintains and is the custodian of all books, documents and papers of the CEFIA;
- Ensures that all Board actions are carried out by the CEFIA's staff including the adherence to all Board approved policies and procedures;
- Ensures that the CEFIA adheres to all requirements of its enabling legislation;
- Ensures highest ethical standards are maintained and compliance with applicable laws, best practices and policies; and
- Performs related duties as required by the Board.

MINIMUM QUALIFICATIONS REQUIRED
KNOWLEDGE, SKILL AND ABILITY:

- Demonstrated ability to manage an organization with complex, multi-million dollar, high-impact projects in a policy environment;
- Demonstrated experience in innovative program development, project management and fiscal oversight;
- Demonstrated expertise in clean energy, economic development and environmental protection;
- Ability to evaluate emerging clean energy technologies, policies, markets and financing mechanisms;
- Strong communication skills, with a confident and comfortable public presence;
- Ability to influence business strategy, identify implications and shape strategic direction;
- Demonstrated aptitude for prudent financial management; and
- Ability to respond in a flexible manner and adapt to changing circumstances.

EXPERIENCE AND TRAINING:

Required:

Masters of Business Administration and/or Masters of Public Administration and/or Masters of Environmental or Energy Studies degree(s) plus ten (10) or more years of general experience in positions of increasing responsibility that involve organizational management. Administrative experience in the public or non-profit sector preferred.

Special Experience:

Two (2) years of the general experience must have been in a supervisory capacity. Must have experience or academic credentials in finance.

Substitutions Allowed:

Multiple advanced degrees from an accredited college or university in business, economics, government, technology, law, public administration, political science or related field that may be substituted for one (1) additional year of the general experience.

CAREER SERIES
The career series for this classification is:

- President

CUSTOMER SERVICE DELIVERABLES

- Responds promptly to stakeholder, Board of Directors, and staff requests for information or assistance;
- Acts as a lead member of the CEFIA team and pitches in and assists other staff members as requested
- Provides a work product that is well conceived, developed, complete, and useful to scale-up clean energy deployment

APPOINTMENT

Appointed by the Clean Energy Finance and Investment Authority Board of Directors in accordance with the Bylaws and Sec. 99. Section 16-245n (d) of the Connecticut General Statutes.

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

EXECUTIVE VICE PRESIDENT AND CHIEF INVESTMENT OFFICER

Class Title: Executive Vice President and CIO **Reports to: President and CEO**
Direct Reports: None **Wage Hour Class: Exempt**
Salary Range: $131,666-$184,716 **Hours Worked: 40**
Career Series: Officer

SUMMARY:

The Connecticut's Clean Energy Finance and Investment Authority (hereafter "CEFIA"), seeks an experienced investment banker as its executive vice president and CIO. Qualified candidate must have a Bachelor's Degree in a related field from an accredited school, plus at least seven (7) or more years of general experience in investment or commercial banking in positions of increasing responsibility and expertise in the clean energy, energy efficiency, and environment project finance sectors. A Master's Degree in Business Administration is preferred.

The executive vice president and CIO raises capital and oversees investments that will further the mission of the CEFIA and reports directly to CEFIA's President.

CEFIA is a quasi-public authority that promotes investment in clean energy in accordance with a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises, and stimulates demand for clean energy and deployment of clean energy sources that serve end-use customers in the state.

DUTIES AND RESPONSIBILITIES:

- **Acts as a senior advisor to the President and CEO on finance-related matters;**
- **Works with the Board of Directors, President, and CEFIA staff to lead the development of new and innovative financing programs to scale-up the state's clean energy investments in commercially viable technologies;**
- **Develops and manages a range of financial approaches to increase the state's investment in clean energy including bonding, debt financing, loan guarantees, insurance (i.e. performance guarantees improving warrantees and reducing cost of capital), tax equity financing, credit enhancement mechanisms, and other low-cost financing arrangements;**
- **Contributes to the development of CEFIA's comprehensive plan with a particular emphasis on strategy related to financing clean energy;**
- **Develops the investment standards that govern the administration of CEFIA through the preparation of rules, policies, and procedures that specify borrower eligibility, program standards, terms and conditions of support, and other relevant criteria, standards, or procedures and presents to the Board for approval;**

- **Leads outreach efforts to local, regional, national and international financial institutions and institutional investors to increase their interest in clean energy project financing by reducing risks, uncertainty, and the total cost of deployment;**
- **Attracts greater private capital investment in clean energy projects in the state from federal sources, charitable gifts, grants, contributions, as well as loans from individuals, corporations, university endowments, philanthropic foundations and pension funds;**
- **Raises capital from non-ratepayer sources (i.e. pension funds, endowments, bond funding, private investors, etc.)**
- **Maintains relationships with CEFIA's financial institution and institutional investor communities;**
- **Works with the President and General Counsel to develop state and federal policies that support an increase in capital investment in clean energy development and deployment in Connecticut;**
- **Integrates federal clean energy deployment and financing schemes for the CEFIA;**
- **Works with the General Counsel to draft and negotiate a wide range of legal documents with a focus on the standardization of contracts relating to clean energy market development and deployment projects and related initiatives;**
- **Structures and negotiates financing terms of CEFIA's debt, equity, and equity-like financing including Clean Energy Ventures;**
- **Provides comprehensive evaluation and risk analysis of investment opportunities;**
- **Assesses the need and process for qualifying as a Community Development Financial Institution for clean energy deployment in Connecticut; and**
- **Supports the development of technology performance metrics to ensure that energy production and consumption are achieving their expected outcomes.**

MINIMUM QUALIFICATIONS REQUIRED
KNOWLEDGE, SKILL AND ABILITY:

- **Demonstrated experience in managing a diverse portfolio of investments in the energy sector, preferably clean energy and energy efficiency project finance;**
- **Demonstrated experience in innovative product development and management, and fiscal oversight;**
- **Demonstrated expertise in clean energy and energy efficiency, economic development and environmental protection;**
- **Ability to evaluate emerging clean energy markets and financing mechanisms;**
- **Strong communication skills with the financial community;**
- **Ability to attract capital for clean energy investment in Connecticut;**

EXPERIENCE AND TRAINING:

Required:
Masters of Business Administration plus at least seven (7) or more years of general experience in investment or commercial banking in positions of increasing responsibility. Experience in the clean energy and environment project finance sectors.

Special Experience:
Two (2) years of the general experience must have been in a supervisory capacity.

CAREER SERIES

The career series for this classification is:

- **Assistant**
- **Associate**
- **Manager**
- **Senior Manager**
- **Associate Director**
- **Director I**
- **Director II**

CUSTOMER SERVICE DELIVERABLES

- **Responds promptly to stakeholder, Board of Directors, and staff requests for information or assistance;**
- **Acts as a lead member of the CEFIA team and pitches in and assists other staff members as requested**
- **Provides a work product that is well conceived, developed, complete, and useful to scale-up clean energy deployment**

APPOINTMENT

Appointed by the Clean Energy Finance and Investment Authority Board of Directors in accordance with Sec. 99. Section 16-245n (d) of the Connecticut General Statutes.

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

GENERAL COUNSEL AND CHIEF LEGAL OFFICER

Class Title: General Counsel and Officer
Direct Reports: Paralegal
Salary Range: $131,666-184,716
Career Series: Officer

Reports to: President and CEO
Wage Hour Class: Exempt
Hours Worked: 40

SUMMARY:

This position is responsible for acting as a senior advisor to the President and CEO on legal and policy matters and acting as the General Counsel and Chief Legal Officer for the Clean Energy Finance and Investment Authority (CEFIA). This position requiresa Juris Doctor Degree from an accredited law school, and at least seven years experience in energy, environmental and financial or transactional work. Candidate must also be admitted to practice in Connecticut and be in good standing.

The general counsel directs legal, legislative and regulatory affairs that will further the mission of the CEFIA and reports directly to CEFIA's President.

CEFIA was established by Connecticut's General Assembly on July 1, 2011 as a part of Public Act 11-80. This new quasi-public agency supersedes the former Connecticut Clean Energy Fund. CEFIA's mission is to help ensure Connecticut's energy security and community prosperity by realizing its environmental and economic opportunities through clean energy finance and investments. As the nation's first full-scale clean energy finance authority, CEFIA will leverage public and private funds to drive investment and scale-up clean energy deployment in Connecticut.

DUTIES AND RESPONSIBILITIES:

- Acts as a senior advisor to the President and CEO on legal and policy-related matters;
- Works with the Board of Directors, President, and CEFIA staff to lead the development of legal, regulatory and policy strategies that further the CEFIA's clean energy goals;
- Provides legal counsel to the Board of Directors, President and CEFIA staff;
- Develops a wide range of legal documents with a focus on standardization of contracts relating to clean energy market development and deployment projects and related activities in coordination with the President and CEO, EVP-CIO, and sector directors and in conjunction with Public Act 11-80 (Section 99), Bylaws, Operating Procedures, Comprehensive Plan, annual budget and policies of CEFIA;
- Ensures all operational and organizational legal requirements are implemented and carried out;
- Represents the CEFIA in clean energy related legislative and regulatory proceedings with the support of the President;
- Monitors, drafts and interprets legislative and regulatory decisions;

- Drafts and negotiates a wide range of legal documents with a focus on the standardization of contracts relating to clean energy market development and deployment projects and related initiatives;
- Manages contract administration activities;
- Reviews legal due diligence;
- Advises with respect to intellectual property, commercial lending and other financing matters related to the CEFIA's business and performs other duties as assigned;
- Acts as CEFIA's freedom of information officer and ethics officer;
- Serves as the staff liaison to the Audit, Compliance and Governance Committee of the Board of Directors;
- Supervises CEFIA staff including Paralegal, Contract Administrator and other staff as appropriate; and
- Manages relationships with, and reviews work product of, outside counsel.

MINIMUM QUALIFICATIONS REQUIRED
KNOWLEDGE, SKILL AND ABILITY:

- Member of the Connecticut Bar in good standing;
- Knowledge of State and Federal laws and regulations pertaining to energy and the environment, as well as banking and finance;
- Substantial knowledge and experience with administrative hearing procedures and other legal, legislative and regulatory practices and procedures;
- Knowledge of electric and energy industries and related regulations and processes;
- Expertise in legal structures for a variety of financing models;
- Experience with project finance transactional work, including drafting and negotiating a wide range of legal contracts;
- Experience with corporate governance;
- Familiarity with energy efficiency issues and energy efficiency service contracts;
- Supervisory experience, including the management of outside legal counsel;
- Considerable interpersonal skills;
- Considerable oral and written communication skills;
- Ability to interpret, analyze and draft legal, legislative and regulatory material.

EXPERIENCE AND TRAINING:

General Experience:
Juris Doctor Degree from an accredited law school. Must be a member of the Connecticut Bar in good standing and have at least seven years of experience practicing law in the areas of finance, clean energy, or related field.

Special Experience:
Two years of the general experience must have been lead counsel dealing with legislative or regulatory executives. Some contract experience is a plus as well as knowledge of energy project finance.

CAREER SERIES
The career series for this classification is:
- Officer
- Director II

- Director I
- Counsel

CUSTOMER SERVICE DELIVERABLES

- Responds promptly to stakeholder, Board of Directors, and staff requests for information or assistance;
- Acts as a lead member of the CEFIA team and pitches in and assists other staff members as requested
- Provides a work product that is well conceived, developed, complete, and useful to scale-up clean energy deployment

APPOINTMENT

Appointed by the Clean Energy Finance and Investment Authority Board of Directors in accordance with Sec. 99. Section 16-245n (d) of the Connecticut General Statutes.