



**CLEAN ENERGY**  
**FINANCE AND INVESTMENT AUTHORITY**

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Rocky Hill, Connecticut 06067

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Stamford, Connecticut 06901

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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 TCO<sub>2</sub> 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,

A handwritten signature in blue ink, appearing to read 'B. Garcia', with a long horizontal flourish extending to the right.

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 5<sup>th</sup> and adjourns May 7<sup>th</sup> (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>

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***Next Regular Meeting: Friday, April 25, 2014 from 9:00-11:00 a.m.  
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**CLEAN ENERGY**  
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# **Board of Directors of the Clean Energy Finance and Investment Authority**

**Agenda Item #1**

Call to Order

January 17, 2014



**CLEAN ENERGY**  
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# **Board of Directors of the Clean Energy Finance and Investment Authority**

**Agenda Item #2**

Public Comments

January 17, 2014



**CLEAN ENERGY**  
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## **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**

# 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.





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# **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?



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- ▶ **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?



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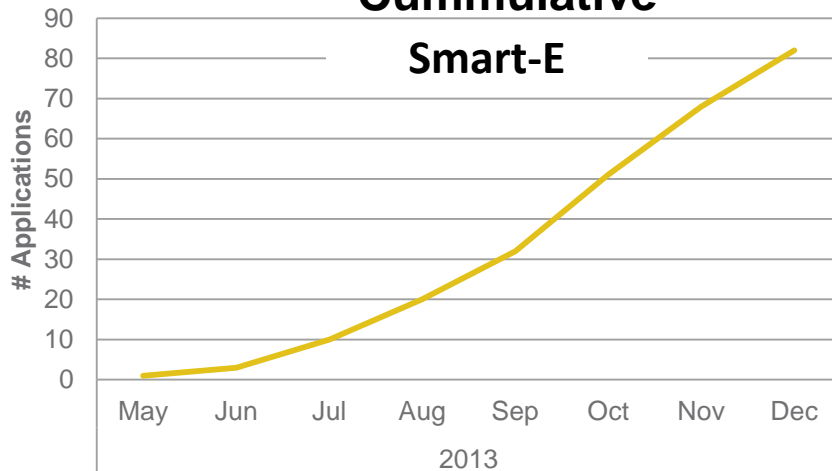
- ▶ **2014 Focus is on driving demand**
  - ▶ Updated web functionality for GoSolarCT.com and Smart-E on EnergizeCT.com
  - ▶ Paid/earned media campaigns
  - ▶ Community-based campaigns around Infrared Imaging, low-income/Cozy
  - ▶ Contractor sales training and engagement
- ▶ **Still competing with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

# Smart-E Loan Volume

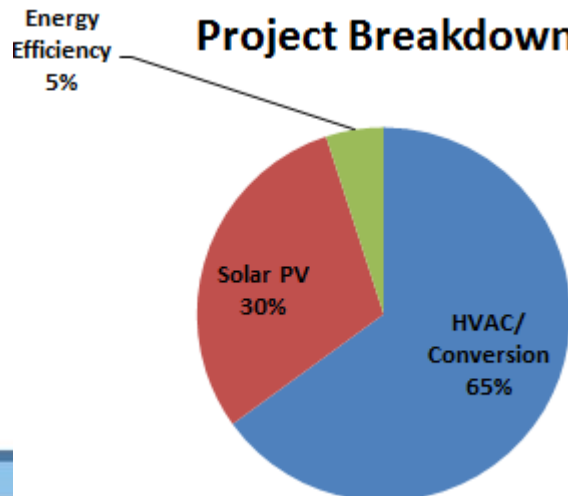
## Technical Projects as of 12/31/13



### Applications Received Cummulative



### Project Breakdown



- **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



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	%
<b>CorePlus</b>	35	24%	29	32%	\$ 277,718	\$ 9,576	14%
<b>Eastern</b>	18	12%	9	10%	\$ 106,306	\$ 12,552	44%
<b>Ion</b>	16	11%	11	12%	\$ 125,231	\$ 11,385	31%
<b>Liberty</b>	3	2%	1	1%	\$ 12,600	\$ 12,600	67%
<b>Nutmeg</b>	20	14%	18	19%	\$ 268,718	\$ 14,929	0%
<b>Patriot</b>	37	25%	21	23%	\$ 302,930	\$ 14,425	41%
<b>Quinnipiac</b>	14	9%	3	3%	\$ 13,550	\$ 4,517	79%
<b>Thomaston</b>	5	3%	1	1%	\$ 25,000	\$ 25,000	80%

# Smart-E Loan Volume

## Lender Stats as of 11/30/2013



**CLEAN ENERGY**  
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# Smart-E Loan Volume

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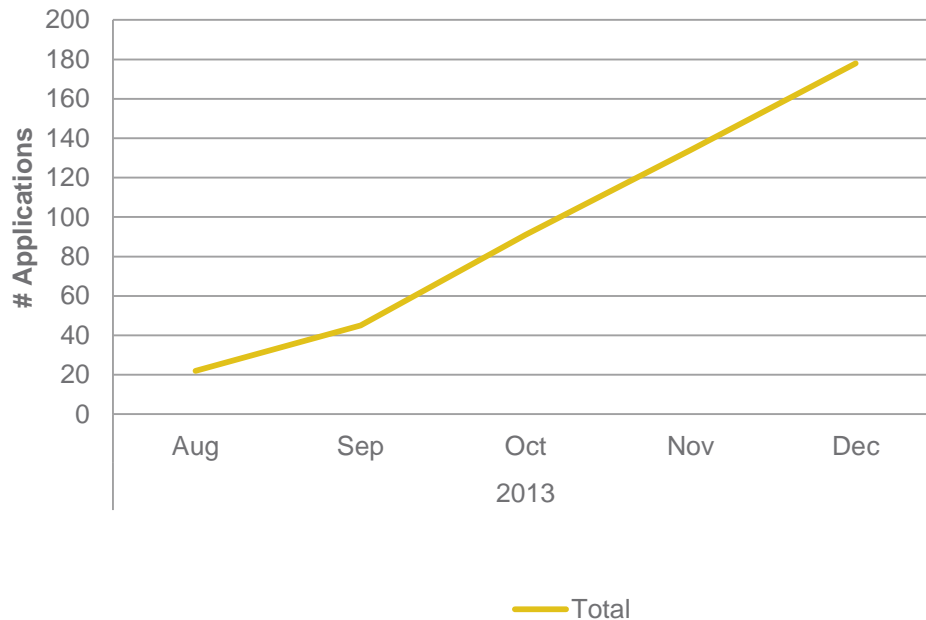
# CT Solar Lease Volume

## As of 12/31/2013



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### Applications Received Cummulative CT Solar Lease



- **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**

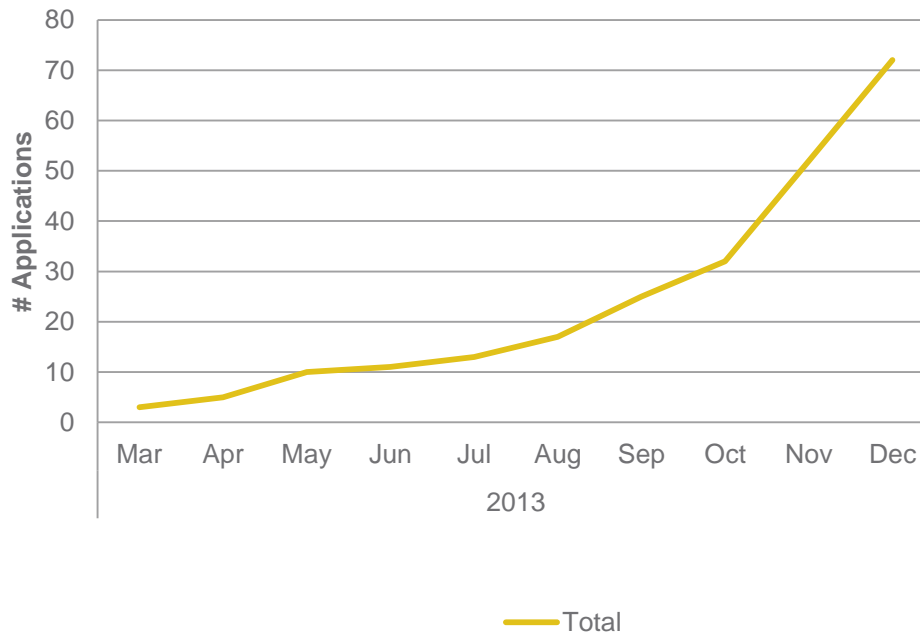
# CT Solar Loan Volume

## As of 12/31/2013



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### Applications Received Cumulative <sup>12/31/2013</sup> CT Solar Loan



- **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**

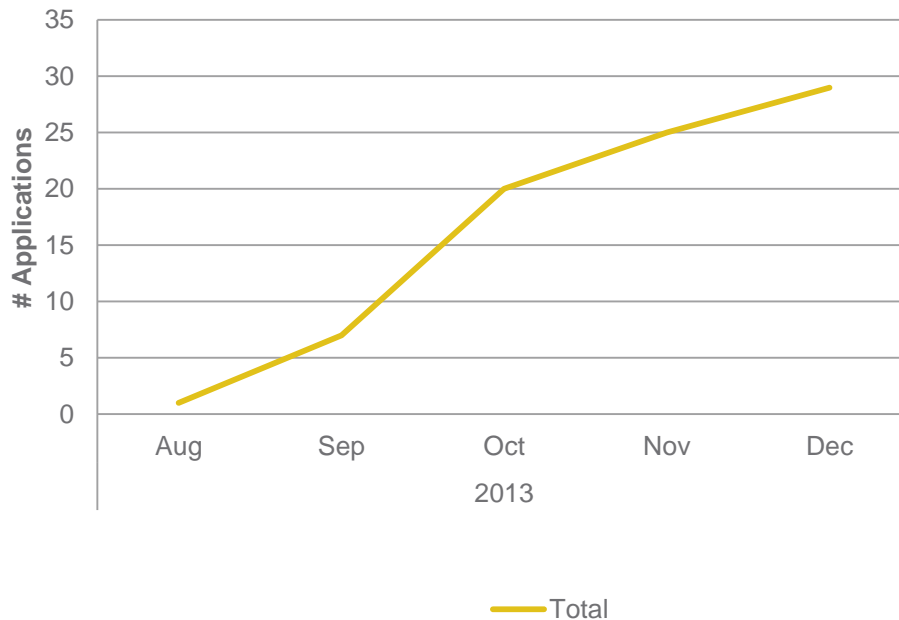
# Cozy Home Loan Volume

## As of 12/31/2013



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### Applications Received Cumulative Cozy Home Loan <sup>12/31/2013</sup>



- **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



- ▶ **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



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- ▶ **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



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### *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.



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# **Board of Directors of the Clean Energy Finance and Investment Authority**

**Agenda Item #6**

Commercial and Industrial Sector Programs

January 17, 2014



- ▶ 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)



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	<i>Project Type</i>	<i>Estimated Annual Savings</i>	<i>Installed Capacity</i>	<i>Amount Financed</i>	<i>Financing Terms</i>	<i>Building Size</i>
<b>Closed</b>						
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
<b>CLOSED TOTAL - 13</b>		<b>30,090 MMBtu/yr</b>	<b>933 kW</b>	<b>\$11,526,578</b>		<b>1,148,300 sqft</b>
<b>Approved</b>						
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
<b>APPROVED TOTAL - 10</b>		<b>9,749 MMBtu/yr</b>	<b>1,685 kW</b>	<b>\$6,843,809</b>		<b>433,290 sqft</b>
<b>CLOSED AND APPROVED TOTAL - 23</b>		<b>39,839 MMBtu/yr</b>	<b>2,618 kW</b>	<b>\$18,370,387</b>		<b>1,581,590 sqft</b>

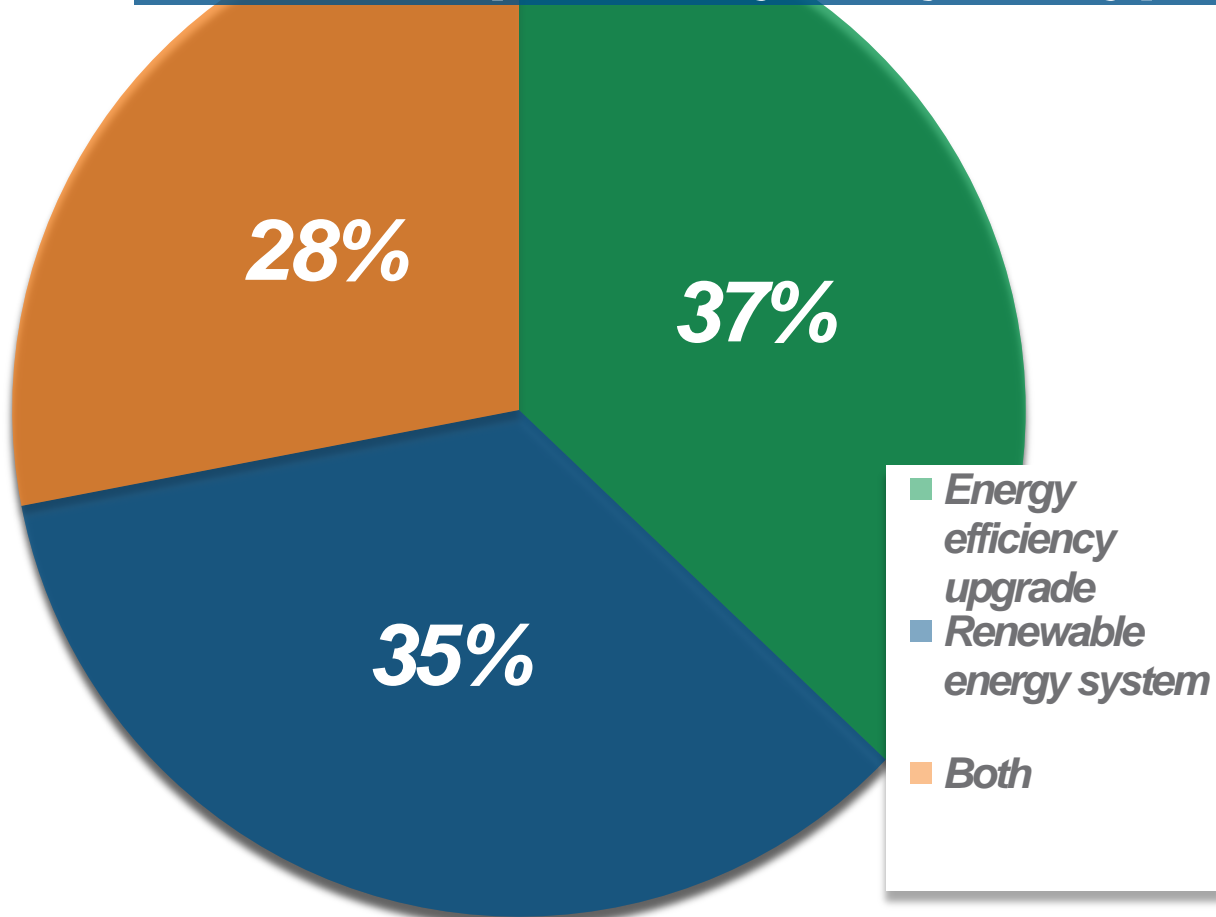
# C-PACE Pipeline

## EE v. RE Breakdown



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FINANCE AND INVESTMENT AUTHORITY

### *C-PACE Pipeline by Project Type*



# C-PACE Energy Savings

## Closed Deals



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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%
<b>Average Savings</b>			<b>6,387,265</b>	<b>44%</b>			<b>31,365,060</b>	<b>47%</b>

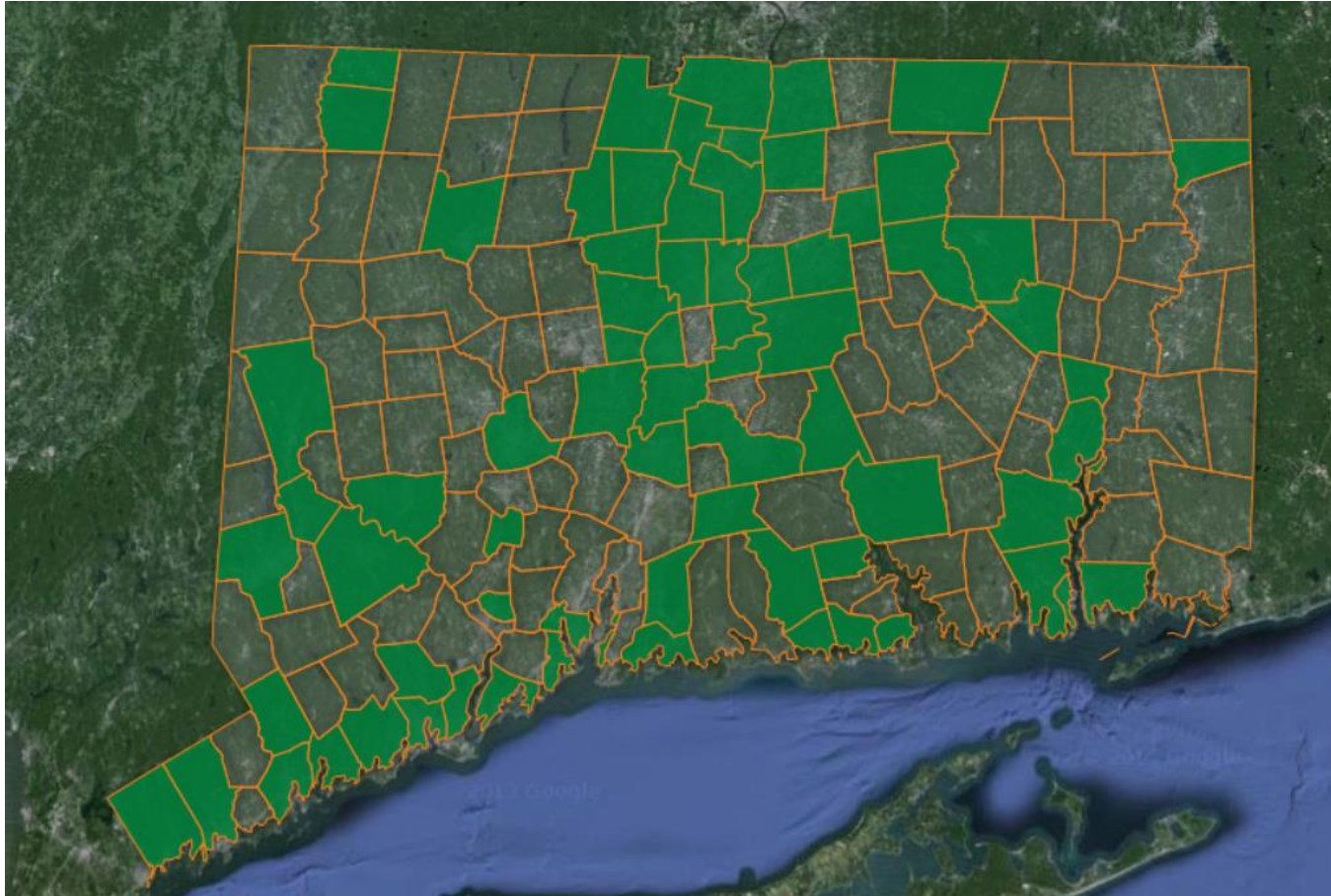
\*Note: for 542 Westport Ave, baseline data changes for lighting / solar portions of project so before / after consumption not included



# C-PACE Muni Opt-In Geographic Distribution



**CLEAN ENERGY**  
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**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**  
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# **Board of Directors of the Clean Energy Finance and Investment Authority**

**Agenda Item #7**

Institutional Sector Programs

January 17, 2014

# Institutional Sector Observations



- ▶ **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 3<sup>rd</sup> 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
<b>Total (4 projects)</b>	<b>\$90-\$120 million</b>	<b>\$6 million</b>



# Institutional Programs

## FY 2014 Targets and Progress



### *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)



<b>FY14</b>	<b># of Projects</b>	<b>Funding (Millions)</b>	<b>Installed Capacity (MW)</b>	<b>Ave. System Size (kW)</b>	<b>Funding per MW installed</b>
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)



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
<b>Totals</b>		<b>9,114</b>		<b>\$79.4</b>	

# 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.



**CLEAN ENERGY**  
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# **Board of Directors of the Clean Energy Finance and Investment Authority**

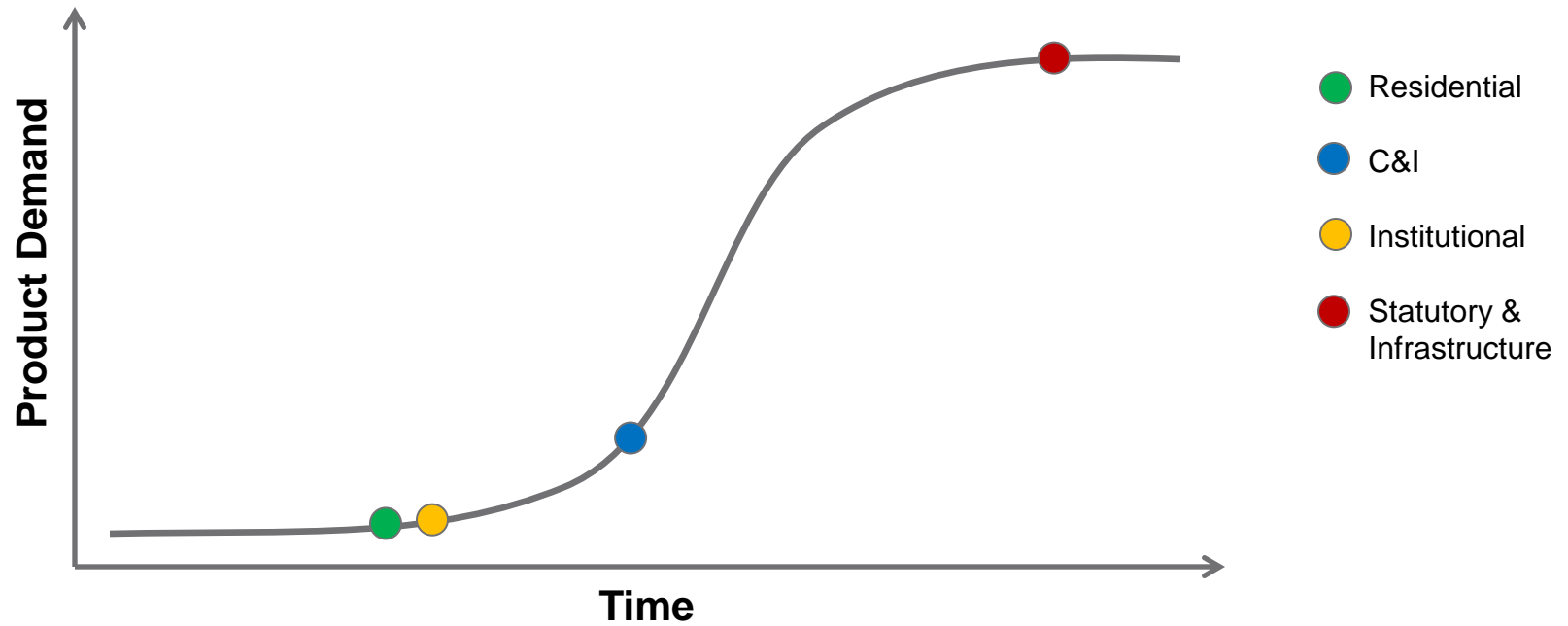
**Agenda Items #5-#8**

Observations

January 17, 2014

# Sector Status Overview

## Product Demand over Time





- ▶ **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**  
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# **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



- ▶ **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



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- ▶ **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<sup>st</sup> 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



- 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**  
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# **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. Commercial and Industrial Sector Program Updates and Recommendations**

- 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.

---

*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.

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*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. Committee Updates and Recommendations:**

*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 dated 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. Residential Sector Program Updates and Recommendations:**

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. Other Business:**

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,

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Catherine Smith, Chairperson



# 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](#)

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## 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 3<sup>rd</sup> party, financed directly by CEFIA with a prior first right of refusal granted to an existing mortgage lender or a 3<sup>rd</sup> 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?*

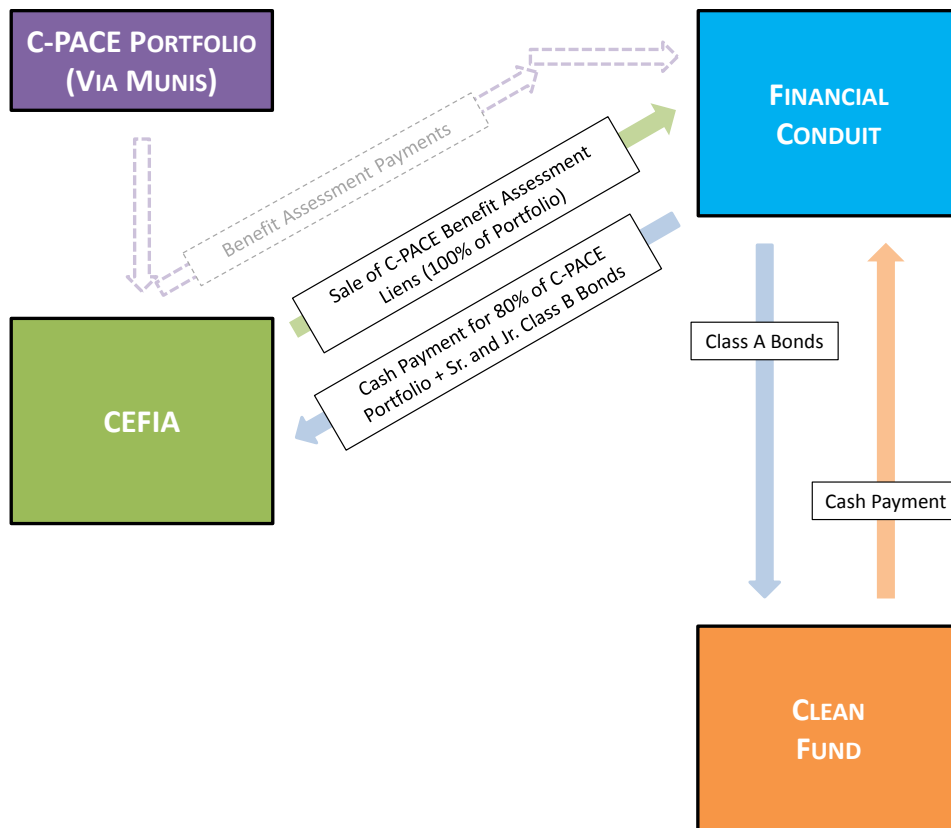
Potentially up to approximately \$1.4 million of ratepayer funds are at risk for the program (representing a reduction in risk of \$5.4 million as a result of the sell-down..

**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

	<i>Project Type</i>	<i>Estimated Annual Savings</i>	<i>Installed Capacity</i>	<i>Amount Financed (with capitalized interest)</i>	<i>Financing Terms</i>
<b>Closed &amp; Selling-Down</b>					
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
		<b>13,642 MMBtu/yr</b>	<b>415 kW</b>	<b>\$ 6,813,623</b>	<b>Closed &amp; Selling-Down</b>



**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 NORESKO 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](mailto: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) 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?*

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       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 <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
<b>Summary of Affected Agency's Comments</b> Supportive as it will likely benefit DEEP's microgrid program efforts.
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> This is uncertain at this time.

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

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

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

<p>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.</p>
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**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](mailto: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**       **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     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 administering 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.]



**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

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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.<sup>1</sup> 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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<sup>1</sup> 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.

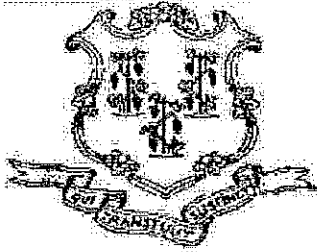
After CEFIA staff and the target company agree on a series of measures to be undertaken, CEFIA and DECD staff will recommend a funding package to the CEFIA Board of Directors for approval. Upon disbursement of funds and completion of work, CEFIA will require regular reporting from the company to ensure 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")
 

<input type="checkbox"/> Private, for Profit	<input type="checkbox"/> Municipality
<input checked="" type="checkbox"/> Non-profit (501(c)3, or other non-profit)	<input type="checkbox"/> Other: _____ (please explain)
  
2. **Form of Ownership**

<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> Proprietorship	<input type="checkbox"/> Other: _____ (please explain)
<input type="checkbox"/> Sub-chapter "S" Corp.	

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

Minority Owned  Woman Owned
  
3. **Nature of Business**
  - a. **Industry**

<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Retailer	<input type="checkbox"/> Wholesaler
<input type="checkbox"/> Service Company	<input type="checkbox"/> Construction	<input type="checkbox"/> Finance, Insurance or Real Estate
<input type="checkbox"/> Other: <u>Human Services for people with Disabilities</u> (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**

Machinery and equipment  
 Appraisals  
 Engineering/Architectural  
 Environmental/Feasibility  
 Land/Building acquisition  
 New construction  
 Leasehold improvements  
 Legal/Accounting  
 Computer equipment  
 Computer software  
 Office equipment  
 Contingency  
 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:
<b>Total</b> 183	<b>Total</b> 6.5% increase (Direct)	<b>Total</b> 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.

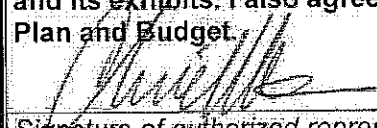
10. **Security/Collateral for DECD State Financial Assistance (Check appropriate)**

- Real Property       Corporate Guaranty       Machinery and Equipment
- Personal Guarantee       Other: \_\_\_\_\_  
(Specify)
- Not required

11. **Defense Diversification**

Is this a Defense Diversification Project       Yes       No

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

<b>CERTIFICATION</b>	
I, <u>Chris McNaboe</u> , the Authorized representative of <u>Horizons, Inc.</u> , 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.

Chris McNaboe  
Chief Executive Officer  
860-456-1032

[www.horizonsct.org](http://www.horizonsct.org)

*(C.McNABOE@horizonsct.org)*  
*call*  
*860-450-6704*  
*Horizons Inc*  
*P.O. Box 323*  
*South Windham, CT*  
*06266*



# 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 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 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**

Version 4/05/2013

**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.**



## 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.

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### 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?*

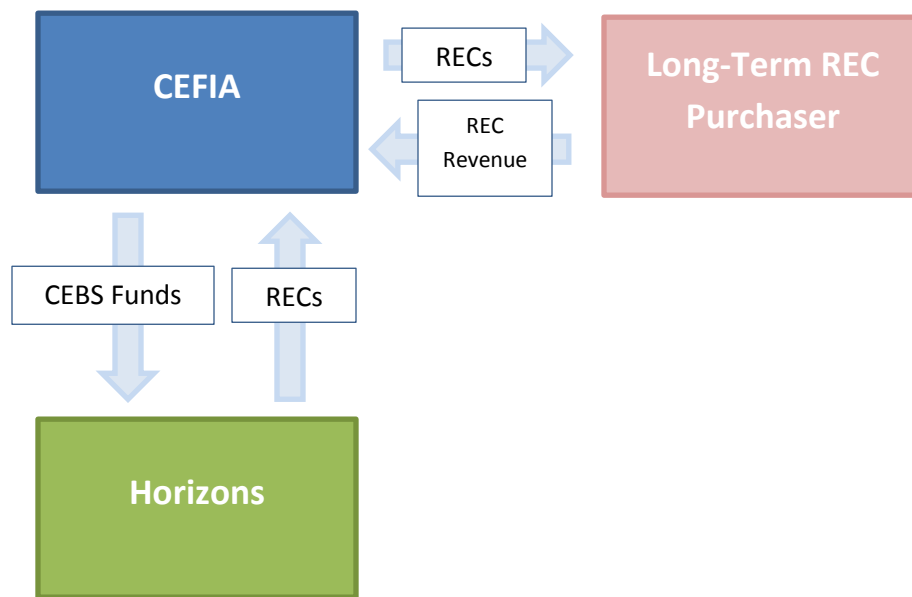
There is no expected payback of the financial assistance except through the recovery of some of the costs through the sale of Class RECs.

### **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 them to utilize the funds for clean energy. Please see 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

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**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

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#### **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

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Class Title: Executive Vice President and CIO  
Direct Reports: None  
Salary Range: \$131,666-\$184,716  
Career Series: Officer

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

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#### 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

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**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**

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### **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 requires a 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.