

# **CONNECTICUT GREEN BANK**

## **Board of Directors**

Minutes – Regular Meeting

Friday, July 18, 2014

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on July 18, 2014 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope board room.

1. **Call to Order:** Catherine Smith, Chairperson of the Connecticut Green Bank, called the meeting to order at 9:01 a.m. Board members participating: Mun Choi; Bettina Ferguson, State Treasurer’s Office; Norma Glover; John Harrity; Reed Hundt (by phone); Rob Klee, Vice Chairperson of the Green Bank and Commissioner of the Department of Energy and Environmental Protection (“DEEP”); Matthew Ranelli; Catherine Smith, Chairperson of the Green Bank and Commissioner of the Department of Economic and Community Development (“DECD”); Patricia Wrice.

Members absent: Tom Flynn.

Staff Attending: Jessica Bailey, George Bellas, Andy Brydges, Joe Buonannata, John D’Agostino, Mackey Dykes, Brian Farnen, Bryan Garcia, Ben Healey (by phone), Dale Hedman, Eitan Hochster, Bert Hunter (by phone), Suzanne Kaswan, Nick Kline, Alexandra Lieberman, Kerry O’Neill, Gabe Rissman, Cheryl Samuels, Genevieve Sherman.

Others Attending: Peter Lent, DECD; Pauline Murphy, Connecticut Innovations.

2. **Public Comments**

There were no public comments.

3. **Approval of Minutes for June 20, 2014 Meeting**

Ms. Smith asked the Board to consider the minutes from the June 20, 2014 meeting.

**Upon a motion made by Mr. Ranelli, seconded by Mr. Harrity, the Board members voted unanimously in favor of adopting the minutes from the June 20, 2014 meeting as written.**

**4. Update from the President**

Mr. Garcia provided the Board of the Directors with an overview of the changes made to the Connecticut Green Bank's Comprehensive Plan based on feedback received from the Board at their previous meeting and in conversations thereafter.

Mr. Hundt asked Mr. Garcia to provide insight on how many of the Green Bank's programs are resulting in either even or net positive revenue. Mr. Garcia responded that a key metric for the Green Bank is monitoring the distribution of funds between grants and rebates, loans and leases, and credit enhancements. He added that, historically, 80% of the Green Bank's predecessor's resources were dedicated to grants and rebates, while today, that number has dropped to 50% with an increasing percentage of loans and leases.

Mr. Hundt and Mr. Hunter discussed the revenues for some of the Green Bank's programs. Mr. Ranelli added that while it is a laudable goal to have programs result in an even level of revenue, the mission of the Green Bank should be to accelerate private investment, not simply facilitate it.

Ms. Smith agreed that the topic of program revenue raised by Mr. Hundt was important, but noted that there are some instances where subsidies may still be necessary. She asked staff to present figures at the next meeting that will help the Board understand the trajectory of how public dollars are being used through each of the Green Bank's programs.

Mr. Garcia continued his update, thanking the Board and staff for their work on finding a solution to the Residential Solar Investment Program ("RSIP") – Expected Performance Based Buydown ("EPBB") issue with the development of the Homeowner Performance Based Incentive ("HOPBI"). He added that the Green Bank is now focused on the RSIP's future after achieving its goal of deploying 30 megawatts of solar seven years ahead of schedule and how to communicate that news out to the market. Mr. Klee suggested an event to commemorate this achievement and Mr. Dykes noted that the Green Bank would be in touch with the Governor's Office to potentially sponsor a joint event. Mr. Garcia also mentioned that a special meeting of the Board would likely be scheduled prior to the October meeting sometime in August to discuss Step 5 of the RSIP.

Mr. Garcia presented to the Board two articles written and published by Greentech Media focused on the Green Bank and the C-PACE sell-down.

Mr. Garcia then introduced to the Board the three Finance team summer interns, the Legal summer associate, the Residential summer intern, and the Outreach summer intern.

**5. Committee Updates and Recommendations**

**a. Deployment Committee and Audit, Compliance and Governance Committee Recommendation**

Ms. Glover announced that she was recently reappointed to the Board of Directors of the Connecticut Green Bank for another four year term.

Attorney Farnen updated the Board on the status of ClearEdge, stating that the Green Bank recently contacted all past recipients of fuel cells from the now bankrupt company to ensure their awareness of deadlines and processes they would have to follow regarding their equipment. He added that the Green Bank wanted to make sure that everyone knew there were opportunities to protect their rights.

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Attorney Farnen discussed the request for Board approval to raise the aggregate amount of transactions under \$300,000 that the Green Bank staff could approve from its current cap of \$500,000. He noted that some hesitation remained regarding raising the aggregate approval limit so as to not step out of line with similar policies of other quasi-public agencies in the state.

Attorney Farnen proposed that the \$500,000 limit be maintained, but added that once the limit is reached, staff would inform the Deployment Committee of this occurrence and seek their approval to move forward with the transactions and reset the approved amount back to zero. Ms. Glover asked how the auditors would feel about this proposal, to which Mr. Bellas replied that they would likely support it if it had Board approval, but that they had not been asked directly. Mr. Ranelli added that the Green Bank staff would need to add a note to each of their communications to the Deployment Committee members to remind them of this new process.

Ms. Bailey noted that one reason behind the C-PACE program's success has been the Green Bank's ability to act quickly on transactions. A discussion ensued regarding potentially increasing the aggregate limit beyond \$500,000. Ms. Wrice indicated that she was comfortable with raising the limit to \$1 million. Mr. Klee asked whether \$1 million was the best number or if it should be higher or lower. Mr. Choi asked Ms. Bailey what she felt was an appropriate limit based on current deal flow, to which she responded that \$1 million would be best, though staff would come back to the Board if the number should increase.

Mr. Hedman noted that the Board should not consider this limit as related only to approval of C-PACE projects, but also to the internal approval of Anaerobic Digestion and Combined Heat and Power projects as well.

**Upon a motion made by Ms. Wrice, seconded by Mr. Harrity, the Board members voted unanimously in favor of adopting the following resolution regarding the authorization of Green Bank staff to evaluate and approve program funding requests less than \$300,000 in an aggregate amount not to exceed \$1,000,000.**

**WHEREAS**, pursuant to Section 5.3.1 of the Connecticut Green Bank (the "Green Bank") Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Green Bank Board of Directors (the "Board") regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

**WHEREAS**, on January 18, 2013, the Board authorized the Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank's fiscal budget *and in an aggregate amount not to exceed \$500,000* from the date of the last Deployment Committee meeting ("Staff Approval Policy for Projects Under \$300,000");

**WHEREAS**, on May 15, 2014 the Green Bank Deployment Committee voted in favor of recommending that the Board adopt a resolution amending the Staff Approval Policy for Projects Under \$300,000 to increase the aggregate amount limit from \$500,000 to \$1,500,000 from the date of the last Deployment Committee meeting; and

**WHEREAS**, on June 4, 2014 the Green Bank Audit, Compliance and Governance Committee voted in favor of recommending that the Board adopt a resolution amending the Staff Approval Policy for Projects Under \$300,000 to increase the aggregate amount limit from \$500,000 to \$1,000,000 from the date of the last Deployment Committee meeting.

**NOW**, therefore be it:

**RESOLVED**, that the Connecticut Green Bank Board of Directors hereby approves the authorization of Green Bank staff to evaluate and approve program funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Connecticut Green Bank Comprehensive Plan, approved within the Green Bank's fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting; and

**RESOLVED**, that the Green Bank staff are instructed to report out to members of the Deployment Committee once an aggregate amount of \$500,000 in funding requests has been approved at the staff level.

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Mr. Klee and Mr. Dykes provided the Board with an overview of proposed revisions to salary ranges for Green Bank staff at the Director I level and above. Mr. Dykes stated that several new position levels had been added to the organization career chart, setting a career path – particularly for junior staff. Mr. Klee added that the Budget and Operations Committee wanted to ensure that the Green Bank continues to attract and retain top talent.

Ms. Ferguson asked Mr. Dykes about the frequency at which the salary ranges would be adjusted, to which he responded that the Green Bank would monitor the market and attempt to stay in line with the State's cost-of-living adjustments. Mr. Dykes noted that he would share the results of the study commissioned from Buck Associates to compare Green Bank salaries to private and non-profit/government entities' salaries. Ms. Kaswan added that the Green Bank and Connecticut Innovations had recently purchased an automated Human Resources system from Silkroad that can help systemize this process within the next year and give tangible data on topics like succession planning.

**Upon a motion made by Mr. Klee, seconded by Ms. Ferguson, the Board members voted unanimously in favor of adopting the**

**following resolution regarding the approval of salary ranges for Director I level positions and above.**

**RESOLVED**, the Connecticut Green Bank Board of Directors approves the salary ranges for Director I level positions and above outlined in Attachment A.

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Mr. Ranelli and Mr. Bellas provided the Board with an overview of the findings of the audit of CT Solar Lease 2 LLC done by CohnReznick. Mr. Bellas welcomed any questions from the Board on the audit. Ms. Smith asked if the auditors had any comments of note, to which Mr. Ranelli responded that the auditors found no issues.

**Upon a motion made by Ms. Glover, seconded by Mr. Klee, the Board members voted unanimously in favor of adopting the following resolution regarding the approval of the CT Solar Lease 2 LLC Financial Statements and the Independent Auditor's Report for the period of May 28, 2013 (Date of Inception) through December 31, 2013.**

**WHEREAS**, Article V, Section 5.3.1(ii) of the Connecticut Green Bank's Bylaws requires the Audit, Compliance, and Governance Committee (the "Committee") to meet with the auditors to review the annual audit and to formulate an appropriate report and recommendations to the Green Bank Board of Directors (the "Board") with respect to the approval of the audit report; and

**WHEREAS**, the Committee recommended to the Board approval of the CT Solar Lease 2 LLC Financial Statements and the Independent Auditor's Report of the Connecticut Green Bank for the period of May 28, 2013 (Date of Inception) through December 31, 2013.

**NOW**, therefore be it:

**RESOLVED**, that the Board approves the CT Solar Lease 2 LLC Financial Statements and the Independent Auditor's Report for the period of May 28, 2013 (Date of Inception) through December 31, 2013.

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Attorney Farnen introduced the intention to request the authority to edit the Bylaws of the Connecticut Green Bank at the next Board meeting to note the name change and

highlight the Green Bank's participation in a Joint Committee with the Energy Conservation Management Board of the Connecticut Energy Efficiency Fund.

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Mr. Garcia discussed the request to amend the Green Bank's Operating Procedures to provide the President with the authority to establish and modify certain employee policies involving workplace flexibility (e.g., flex time, telecommuting, etc.) that do not in aggregate have an adverse financial impact on the agency. He also wished to clarify the Request for Proposals approval process and change the name from "CEFIA" to the "Connecticut Green Bank" throughout the Operating Procedures and Bylaws.

**Upon a motion made by Mr. Choi, seconded by Mr. Harrity, the Board members voted unanimously in favor of adopting the following resolution regarding the approval of the revised Operating Procedures contingent on receiving no adverse public comment on or before July 31, 2014.**

**WHEREAS**, pursuant to Section 15 of the Connecticut Green Bank (the "Green Bank") Operating Procedures, the Audit, Compliance and Governance Committee (the "Committee") shall meet to review and to discuss the matters addressed by these procedures and, if deemed necessary, to make recommendations for amendment of these procedures to the Board of Directors of the Green Bank (the "Board");

**WHEREAS**, the Committee approved publication of revisions to Green Bank's Operating Procedures in the Connecticut Law Journal and a notice of Intent to Amend Operating Procedures was published in the Connecticut Law Journal on July 1, 2014 in accordance with Section 1-121 of the Connecticut General Statutes; and

**WHEREAS**, the Committee recommended to the Board approval of the revised Operating Procedures contingent upon the review of any and all public comments.

**NOW**, therefore be it:

**RESOLVED**, that the Board of Directors of the Green Bank approves the revised Operating Procedures contingent upon receiving no adverse public comment on or before July 31, 2014.

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Mr. Garcia described to the Board a request made by the Energy Efficiency Board (“EEB”) for Green Bank assistance in five key areas: (1) commercial and industrial market gaps, (2) SBEA cost of capital, (3) C-PACE, (4) single family products, and (5) multifamily products. He explained that he and Ms. Glover drafted a response from the Board of Directors to the EEB detailing how the Green Bank will assist them. He noted that if the Board of Directors had any comments on the response, then they are to get him comments. In lieu of those comments, he and Norma Glover would send a response on behalf of the Board of Directors.

## **7. Commercial and Industrial Sector Program Recommendations**

### **a. C-PACE Transactions**

Ms. Bailey provided an overview of the six C-PACE transactions being presented to the Board for approval. She noted that the six transactions are all solar and efficiency deals, some with Connecticut-based contractors, are all structured in a manner familiar to the Board of Directors, and that due to their size, require Board approval.

#### *380 Horace Street, Bridgeport*

Ms. Bailey discussed the request for C-PACE financing to fund the \$1,811,461 installation of a 600-kilowatt solar photovoltaic system, LED lighting upgrades, wood gasifier, and biodiesel backup generator. She explained that the construction loan would be at 5% and the term loan set at a fixed 6% over the 20-year term.

#### *800 Connecticut Boulevard, East Hartford*

Ms. Bailey discussed the request for C-PACE financing to fund the \$2,353,541 installation of a 446-kilowatt solar PV system, lighting, HVAC, and building management system upgrades. She explained that the construction loan would be at 5% and the term loan set at a fixed 6% over the 20-year term.

Ms. Bailey noted that the financial underwriting for this transaction was completed without considering the receipt of a ZREC, which was awarded one day prior to the Board meeting.

#### *290 Pratt Street – Phase II, Meriden*

Ms. Bailey discussed the request for \$927,095 in C-PACE financing to fund the installation of a 215-kilowatt solar photovoltaic system, asbestos remediation and roof repair. She explained that the construction loan is set at 5% and term loan is at 6% over a 20-year term.

Ms. Bailey noted that the Deployment Committee previously approved a \$1,925,847 loan for energy efficiency measures (Phase I) for the property owner.

*Modern Woodcrafts, Plainville*

Ms. Bailey discussed the request for \$1,225,492 in C-PACE financing to fund the installation of a 324-kilowatt solar photovoltaic system, LED lighting and HVAC management system. She explained that the construction loan is set at 5% and the term loan is at a fixed 5.9% over a 19-year term.

Ms. Bailey noted that the financial underwriting for this transaction was completed without considering the receipt of a small ZREC, which was awarded one day prior to the Board meeting.

*40 Scitico Road, Somers*

Ms. Bailey discussed the request for \$957,000 in C-PACE financing to fund the installation of a 250-kilowatt solar photovoltaic system. She explained that the construction loan is set at 5% and the term loan is at a fixed 5.5% over a 20-year term.

*360 Bloomfield Avenue, Windsor*

Ms. Bailey discussed the request for \$636,637 in C-PACE financing to fund the installation of lighting, HVAC, variable frequency drives, and building management systems. She explained that the construction loan is set at 5% and the term loan is at a fixed 5.4% over a 14-year term.

**Upon a motion made by Mr. Ranelli, seconded by Ms. Glover, the Board members voted unanimously in favor of adopting the following resolutions regarding the C-PACE transactions for 1) 380 Horace Street, Bridgeport, 2) 800 Connecticut Boulevard, East Hartford, 3) 290 Pratt Street – Phase II, Meriden, 4) Modern Woodcrafts, Plainville, 5) 40 Scitico Road, Somers, and 6) 360 Bloomfield Avenue, Windsor.**

*380 Horace Street, Bridgeport*

**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"), the Connecticut Green Bank (the "Green Bank") is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

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

**WHEREAS**, the Green Bank seeks to provide a \$1,811,461 construction and term loan under the C-PACE program to MDL Realty, LLC, the property owner of 380 Horace Street, Bridgeport, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated July 11, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 90 days from July 18, 2014;

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

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

*800 Connecticut Boulevard, East Hartford*

**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"), the Green Bank is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

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

**WHEREAS**, the Green Bank seeks to provide a \$2,353,541 construction and term loan under the C-PACE program to E. H. 800 Connecticut Boulevard, LLC, the property owner of 800 Connecticut Boulevard, East Hartford, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated July 11<sup>th</sup>, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 90 days from July 18<sup>th</sup>, 2014;

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

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

*290 Pratt Street – Phase II, 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"), the Connecticut Green Bank (the "Green Bank") is directed to,

amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

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

**WHEREAS**, at a meeting held on July 2, 2013, the Deployment Committee approved a \$1,990,000 construction and (potentially) term loan under the C-PACE program to 290 Pratt Street, LLC, the property owner of 290 Pratt Street, Meriden, CT (the "Efficiency Loan"); and

**WHEREAS**, the Green Bank seeks to provide a total of \$2,852,942 construction and (potentially) term loan under the C-PACE program to 290 Pratt Street, LLC, (the "Loan"), to finance the construction of additional specified clean energy measures in addition to the Efficiency Loan in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated July 11, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 90 days from July 18, 2014;

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

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

*Modern Woodcrafts, Plainville*

**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"), the Connecticut Green Bank is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

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

**WHEREAS**, the Connecticut Green Bank seeks to provide a \$1,225,492 loan under the C-PACE program to Gerald Pelletier, the property owner of 72 Northwest Drive Plainville, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Connecticut Green Bank's Strategic Plan.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Connecticut Green Bank and any other duly authorized officer of the Connecticut Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated July 11, 2014 and as he or she shall deem to be in the interests of the Connecticut Green Bank and the ratepayers no later than 90 days from July 18, 2014;

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

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

*40 Scitico Road, Somers*

**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"), the Connecticut Green Bank is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

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

**WHEREAS**, the Connecticut Green Bank seeks to provide a \$957,000 construction and term loan under the C-PACE program to Forty Scitico Road, LLC, the property owner of 40 Scitico Road, Somers, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Connecticut Green Bank's Strategic Plan.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Connecticut Green Bank and any other duly authorized officer of the Connecticut Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated July 11<sup>th</sup>, 2014, and as he or she shall deem to be in the interests of the Connecticut Green Bank and the ratepayers no later than 90 days from July 18<sup>th</sup>, 2014;

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

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

*360 Bloomfield Avenue, 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"), the Connecticut Green Bank (the "Green Bank") is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

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

**WHEREAS**, the Green Bank seeks to provide a \$636,367 construction and term loan under the C-PACE program to Siebar Windsor, LLC, the property owner of 360 Bloomfield Ave., Windsor, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated July 11, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 90 days from July 18, 2014;

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

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

b. Amgraph Packaging

Ms. Lieberman presented to the Board a status update on a proposed, approximately \$6 million C-PACE transaction to fund the installation of an 800-kilowatt fuel cell project at Amgraph Packaging. She explained that this transaction was pulled from the April 25, 2014 Board meeting because the originally selected fuel cell manufacturer for the transaction, ClearEdge Power, declared bankruptcy. Ms. Lieberman stated that Amgraph Packaging is now in discussions with both Bloom and Fuel Cell Energy to provide the fuel cell for the project and that when a manufacturer is identified, a special Board meeting will be requested to approve the transaction.

c. Clean Energy Business Solutions Transaction – Cartus

Ms. Smith and Mr. Dykes introduced Mr. Lent of the DECD to discuss the request for \$1 million in Clean Energy Business Solutions funding as part of a retention package that

will keep Cartus, a global leader in global mobility and workforce development, headquartered in Danbury – retaining 1,275 jobs and creating an additional 200 over the next 5 years. Mr. Lent explained that the funding will be used for energy efficiency improvements as part of an overall \$15.4 million renovation of their facility.

Ms. Smith noted that the discussions with Cartus began prior to the development of the C-PACE program, but that in the past, the Green Bank had given out two similar grants under the Clean Energy Business Solutions program. She explained that this project is a partnership between the DECD, Connecticut Innovations and the Green Bank, and that the Green Bank's funding is the last piece needed to complete the funding for the improvements.

Ms. Smith and Mr. Dykes confirmed that even if Cartus left Connecticut, the Green Bank's funds would still result in the building being energy efficient for its next occupant. Mr. Ranelli asked about the payment schedule associated with the requested funds and Mr. Dykes explained that the first 50% of the funds would be disbursed at equipment delivery or purchase and the second 50% at project completion.

**Upon a motion made by Mr. Ranelli, seconded by Ms. Ferguson, seconded by Ms. Ferguson, the Board members voted unanimously in favor of adopting the following resolution regarding the Clean Energy Business Solutions transaction as written.**

**RESOLVED**, that the President of the Connecticut Green Bank (the "Green Bank") and any other duly authorized officer of the Green Bank is authorized to execute and deliver a Clean Energy Business Solutions (CEBS) financial assistance award of \$1,000,000, to Cartus Corporation; and

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instrument not later than three months from the date of this resolution.

## **7. Statutory and Infrastructure Sector Program Recommendation**

### **a. Bridgeport District Heating and Cooling Project**

Mr. Hunter and Ms. Lieberman discussed the request for a \$338,000 strategic development loan to NuPower Thermal, LLC as an incremental investment following positive results from an initial feasibility study loan (awarded by the Green Bank in

2012) for a district energy facility being developed for the City of Bridgeport, the University of Bridgeport and other commercial and non-for-profit stakeholders; and, to support efforts suggested by the Comprehensive Energy Strategy to promote more effective utilization of waste-to-energy facilities.

Ms. Smith stated that this looks like a promising opportunity, but it is important that the risks associated with it are highlighted. Mr. Hunter explained that if the project does not succeed, it is unlikely that the Green Bank will be repaid the \$427,000 it lent to NuPower Thermal, LLC (\$89,000 in feasibility study loan from 2012 and \$338,000 strategic development loan being requested), but that in the event the project moves to construction and term financing, the Green Bank will be repaid for both loans.

Mr. Ranelli noted that he will abstain from a vote on this project because of his employer's association in this project.

**Upon a motion made by Ms. Glover, seconded by Mr. Harrity, the Board members voted in favor of adopting the following resolution regarding the Bridgeport District Heating and Cooling Project. Mr. Ranelli abstained from voting.**

**WHEREAS**, in accordance with Connecticut Green Bank's mandate to foster the growth, development and commercialization of clean energy sources and related enterprises, and to stimulate demand for clean energy and deployment of clean energy sources that serve end use customers in the State of Connecticut, Connecticut Green Bank has determined that it is in keeping with Conn. Gen. Stat. Section 16-245n for Connecticut Green Bank to fund certain commercial activities that support projects involving the use of distributed generation power production;

**WHEREAS**, NuPower Thermal, LLC, a limited liability company wholly-owned by NuPower, LLC, submitted an application for financial assistance under Connecticut Green Bank's Site-Specific Feasibility Study program for the purpose of verifying the technical and economic feasibility of installing certain clean energy generating equipment;

**WHEREAS**, the Connecticut Green Bank, by staff approval, approved a feasibility loan for the District Energy project in the amount of \$50,000 on February 13, 2013, which was expanded to \$89,000 on October 9, 2013;

**WHEREAS**, NuPower Thermal, LLC has successfully completed a feasibility study into the sizing, needs, sources, and basic design of an energy system to produce hot water and chilled water at a central plant utilizing waste

heat for delivery through pipes to individual buildings for space heating, domestic hot water heating and air conditioning (a “District Energy” system);

**WHEREAS**, the Connecticut Green Bank wishes to maintain its support and commitment to the success of the District Energy project and has budgeted in Fiscal Year 2014 for strategic opportunities for purposes such as these that support the Comprehensive Energy Strategy; and

**WHEREAS**, the Connecticut Green Bank staff recommends that the Board approve a strategic development loan in addition to the previously approved feasibility loans in an amount not to exceed \$338,000 to NuPower Thermal, LLC for the development of the downtown Bridgeport District Energy project, given the special capabilities of NuPower, LLC in developing large scale infrastructure projects in the State of Connecticut, the uniqueness of the project itself and its potential to achieve significant private and public leverage, the strategic importance of reducing heating costs and enhancing the operational costs at a large scale in a distressed municipality, and the multi-phase characteristics of the District Energy project.

**NOW**, therefore be it:

**RESOLVED**, that the Connecticut Green Bank Board of Directors approves of the NuPower Thermal, LLC loan for development of the downtown Bridgeport District Heating Loop as a Strategic Selection and Award pursuant to the Connecticut Green Bank Operating Procedures Section XII given the special capabilities of NuPower, LLC in developing large scale infrastructure projects in the State of Connecticut, the uniqueness of the project itself and its potential to achieve significant private and public leverage, the strategic importance of reducing heating costs and enhancing the operational costs at a large scale in a distressed municipality, and the multi-phase characteristics of the District Energy project.

**RESOLVED**, that the President of Connecticut Green Bank and any other duly authorized officer of Connecticut Green Bank is authorized to execute definitive loan documentation based on the terms in this due diligence package for financial support in the form of strategic development loan financing in an amount not to exceed \$338,000.

**RESOLVED**, that the Connecticut Green Bank Board of Directors’ approval is conditioned upon the completion of the Green Bank staff’s due diligence review, including review and reasonable satisfaction with all project documentation.

**9. Other Business**

Mr. Garcia requested that the Board go into Executive Session to discuss personnel matters. Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Board went into Executive Session at 11:09 a.m.

At 11:13 a.m., the Board resumed regular session.

**Upon a motion made by Mr. Choi, seconded by Mr. Klee, the Board voted unanimously in favor of approving the position description for the Vice President and Chief Operating Officer (VP and COO).**

**Upon a motion made by Mr. Choi, seconded by Mr. Ranelli, the Board voted unanimously in favor of appointing Mr. Dykes as an officer of the Green Bank for the position of Chief Operating Officer.**

**RESOLVED**, that the Board of Directors of the Connecticut Green Bank (the Green Bank) pursuant to Article III of the Green Bank Bylaws, approve of the position description for the Vice President and Chief Operating Office (VP and COO) including Chief of Staff in the Career Series and authorizes the appointment of Mackey Dykes as an officer of the Green Bank for the position of Chief Operating Officer.

**10. Adjournment:** Upon a motion made by Mr. Choi, seconded by Ms. Ferguson, the Board voted unanimously in favor of adjourning the July 18, 2014 meeting at 11:15 a.m.

Respectfully Submitted,

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Catherine Smith, Chairperson