

CONNECTICUT GREEN BANK

Board of Directors

Meeting Minutes - Regular

Friday, October 17, 2014

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on October 17, 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: Bettina Ferguson, State Treasurer’s Office; Norma Glover; John Harrity; Rob Klee, Vice Chairperson of the Green Bank and Commissioner of the Department of Energy and Environmental Protection (“DEEP”); Kevin Walsh; Reed Hundt (by phone), Mun Choi (by phone) Catherine Smith, Chairperson of the Green Bank and Commissioner of the Department of Economic and Community Development (“DECD”).

Members participating by phone: Reed Hundt and Mun Choi.

Members absent: Matthew Ranelli and Patricia Wrice.

Staff Attending: Bryan Garcia, Bert Hunter, Brian Farnen, Dale Hedman, George Bellas, Mackey Dykes, Kerry O’Neill, Jessica Bailey, Andy Brydges, Craig Connolly, Suzanne Kaswan, Ali Lieberman, John D’Agostino, Joe Buonannata, Alex Kovtunencko, Andrea Janecko and Cheryl Samuels.

Others Attending: Katie Dykes (DEEP), Tracy Babbidge (DEEP) and Matt Storeygard (CI).

2. **Public Comments**

There were no public comments.

3. **Approval of meeting minutes for August 26, 2014**

Resolution #1

Upon a motion moved by Norma Glover and second by John Harrity the board unanimously approved the August 26, 2014 Board of Directors meeting minutes.

4. Update from the President

Staff Introduction

Mr. Garcia introduced Craig Connolly as the Green Bank's new Director of Marketing. Mr. Garcia added that Mr. Connolly joins the organization after successfully completing the organization's multi-part recruitment process and brings with him 20 years of experience in product marketing, brand development, and business development from managed care to luxury retail sectors. Mr. Connolly will be leading the upcoming rebrand strategy for the Green Bank and the team is very excited to have him on board. Mr. Garcia also introduced Alysse Lembo-Buzzelli who has joined the Green Bank as a Project Assistant on the C-PACE team.

Mr. Garcia also announced that at a reception held by U.S Bank and its partners, and attended by Mr. Bert Hunter and Ms. Ali Lieberman, U.S Bank attributed their start in conducting billions of dollars of tax equity investment in renewable energy to its transaction with the Connecticut Clean Energy Fund on the CT Solar Lease I back in 2007 and remains a valued partner of the Green Bank within the CT Solar Lease II. Mr. Hunter added that U.S Bank has since completed 1.6 GW of renewable investment with 1 GW being commercial or utility scale solar – ultimately speaking to the catalytic transition of the market. Mr. Hunter expressed that several comments were made pointing to the green bank model as the way to innovation.

In support of clean energy, environmental protection, and economic development, Mr. Garcia suggested the Green Bank submit public comments into Section 111(d) public proceedings of the Clean Air Act. Discussion ensued and board responded with unanimous support for this effort.

Lead by Example

Mr. Garcia thanked both Commissioners Smith and Klee for their support in coordinating the Lead by Example efforts with OPM to attract private capital investment - "I would also like to thank Bettina Ferguson for her support of the RFQ process for private capital providers and recognize Andy Brydges, Bert Hunter, Diane Duva, Matt Cohen and the Lead by Example team for their determination and patience in developing the initial projects and now qualifying private capital providers to support the ESPC for state facilities".

Mr. Brydges presented an example of the Connecticut Valley Hospital performance contract, noting its water was heated to 279 degrees but not circulating throughout the building. Mr. Brydges explained that after conducting an energy assessment with the state, results calculated an overall loss of 11 million gallons of water per year and 30,000 gallons per day. "This is endemic of what we are seeing at old operating state buildings and an example of one area that performance contracting can assist" stated Mr. Brydges. We are currently focusing on three projects (the Connecticut Valley Hospital, University of Connecticut, and Department of Motor Vehicles DMV) and expect to return to the Board in December to discuss a revolving working capital loan fund.

5. **Consent Agenda**

Ms. Smith proposed the implementation of a consent agenda process by which agenda items are established in advance of the meeting and motions on the consent agenda are preapproved. Board members vote on the consent agenda and may also request items be removed. Ms. Smith explained that this process will help expedite perfunctory agenda items, allowing for deeper discussions during board meetings.

Upon a motion made by Ms. Glover, seconded by Mr. Harrity, the Board members voted unanimously in favor of implementing consent agenda process.

a. ***Approval of Updated Green Bank Bylaws***

Resolution #2

WHEREAS, the Connecticut Green Board of Directors (the "Board") approved the Green Bank's By-Laws pursuant to Section 16-245n of the Connecticut General Statutes on August 3, 2011 and made subsequent revisions;

WHEREAS, the Board intends to revise the By-Laws to reflect the name change to the Connecticut Green Bank and to formalize its participation in the Joint Committee of the Energy Conservation Management Board and the Green Bank;

WHEREAS, the Audit, Compliance, and Governance Committee recommended to the Board of Directors of the Connecticut Green Bank approval of the revisions to the Green Bank Bylaws as presented on July 17, 2014.

NOW, therefore be it:

RESOLVED, that the Board hereby approves the attached revised CEFIA By-Laws dated October 17, 2014.

b. ***Operations Matters – Personal Services Agreements***

RESOLVED, that the Connecticut Green Bank Board of Directors hereby authorizes Green Bank staff to extend the professional services agreements (PSAs) currently in place with:

- i. Locus Energy, LLC;
- ii. Marketing Drive, LLC; and
- iii. SmartPower, Inc.;

for the remainder of fiscal year 2015 with the amounts of each PSA not to exceed the applicable approved budget line item; 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 execute these extensions.

6. Commercial Sector Program Updates and Recommendations

Ms. Bailey provided the Board with a progress report on the C-PACE program, stating that \$27 million in deals have been closed, nearly \$24 million in additional deals have been approved, 97 municipalities have opted into the program (covering approximately 85% of the eligible market), 25 banks have provided mortgage lender consent, and 30 of 100 eligible contractors have submitted projects. She added that the Commercial and Industrial team is looking to expand the number of contractors who regularly bring deals into the program.

Ms. Bailey explained to the Board that the Commercial and Industrial Programs team was recently joined by other Green Bank staff for an off-site meeting to reflect on the accomplishments of the program and to plan goals. She described the goals of the C-PACE program as building blocks of the overall goals of the Green Bank (maximizing the amount of private capital and clean energy deployed in the State and to become self-sustainable and replicable) and compared them to the efforts of Mr. Hundt at the Coalition for Green Capital.

Ms. Bailey reflected on the C-PACE program using three pillars: statutory – what was tasked to the Green Bank by the Legislature, programmatic – program development done by the C-PACE team, and warehouse – having \$20 million then \$40 million authorized by the Board to finance deals off of the Green Bank's balance sheet. She explained that the Finance team has been underwriting the C-PACE deals like a mortgage bank and that the program involves a range of work that has trickled down throughout the organization.

Lastly, Ms. Bailey presented the Board with a forecast for the C-PACE program, explaining that they estimate an additional \$100 million in approved projects by year-end 2015, increasing from 5-10 projects to 20 projects per month. To accommodate the growth, she explained that Green Bank may solicit proposals through an RFP for (a) an external warehouse funded substantially by private capital, and (b) a long-term funding program to replenish the external warehouse (potentially via a rated security). She added that the Green Bank would also like to open the market to other originators, providing a credit enhancement to deals but having the originator do the financial underwriting. She explained that a focus of the C-PACE program continues to be significantly increasing volume but not acting as a limit to growth in the marketplace.

Ms. Glover noted the substantial achievements of the program, highlighting the importance of having the consent of over two dozen banks.

Ms. Smith cautioned the Green Bank on the risks associated with outsourcing pieces of the program to other originators or partners, but commended the idea of leveraging resources. She added that she anticipates the Green Bank staff coming back to the Board with proposed paths

forward, assessing risks and rewards of each. She encouraged Green Bank staff to use the Deployment Committee for guidance.

Mr. Harrity inquired about who would control an external fund and what control the Green Bank would have over them. Ms. Bailey replied that issuing an RFP and evaluating responses over the next few months would help answer that question and guide what direction C-PACE moves in. She noted State contracting language as a potential barrier of the program, stating that borrowers are currently considered contractors of the State who must therefore comply with all contracting provisions.

Mr. Hunter added that the Green Bank will underwrite based off of the process of the external underwriter, and that the two processes will be in lockstep assessing risk as long as Green Bank (i.e., ratepayer) capital and reputation is at risk. He explained that the C-PACE program is growing beyond the capacity of the Green Bank and attributed the success to Ms. Bailey's leadership and the Green Bank staff's support.

Mr. Hundt asked who has expressed interest in partnering with the C-PACE program. Mr. Hunter replied that at a recent conference, it was clear that the asset class of PACE is most sought after because of its good returns and high security. He added that insurance companies, banks, investors in esoteric securities, and others are looking for good assets to invest in that have strong long-term yields, plus the added benefits of being associated with clean energy.

Ms. Bailey explained that demand was a challenge at the beginning of the C-PACE program, however, with the Board's guidance, the Green Bank sparked a new market. She added that the Connecticut C-PACE program is uniquely effective because it is a priority of the State, thereby giving confidence to building owners and mortgage lenders.

a. C-PACE Transactions

Ms. Bailey provided an overview of the five C-PACE transactions being presented to the Board for approval. She noted that the five transactions are standard energy efficiency and renewable energy transactions, that they are all structured in a manner familiar to the Board, and require Board approval due to their size.

5 Old Depot Hill Road, Enfield

Ms. Bailey discussed the request for C-PACE financing to fund the \$840,640 installation of a 290-kilowatt solar photovoltaic system. She explained that the construction loan would be at 5% and the term loan set at a fixed 6% over the 20-year term.

38 Security Drive, Avon

Ms. Bailey discussed the request for C-PACE financing to fund the \$629,352 installation of a 143-kilowatt solar photovoltaic system. 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 added that this transaction follows typical underwriting procedure and that both this and the Old Depot Road transaction are examples of the ZREC and C-PACE synergy.

80 Newtown Road, Danbury

Ms. Bailey discussed the request for \$718,082 in C-PACE financing to fund the installation of HVAC replacements, lighting upgrades, window replacements, and a building management system upgrade. She explained that the construction loan is set at 5% and term loan is at a fixed 5.8% over an 18-year term.

Ms. Bailey and Mr. Hunter highlighted the transaction's 80% loan-to-value rating as being above the Green Bank's standard guideline. They stated, however, that the Finance team had ensured that the property's cash flows are strong enough to support the loan. Mr. Hunter explained that 80 Newtown Road is a Holiday Inn hotel that was purchased by the present owners in January 2014. As a result, the hotel missed the prime corporate booking season for 2014 and the revenues associated with events normally booked in advance. Presently, he added, the hotel already has many events scheduled for 2015 and is on the preferred list of several corporations in the Danbury area. He added that this hotel is not the first location that the property owners renovated in this fashion and that those developments have been quite successful.

225 New Britain Avenue, Plainville

Ms. Bailey discussed the request for \$777,313 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 term loan is at a fixed 6% over the 20-year term.

Ms. Bailey noted that this transaction is for an automobile dealership – Crowley Ford – and that it was brought by its contractor in a group of several dealerships as part of a marketing effort in which term rates may decrease if multiple transactions are approved.

Ms. Bailey explained that the Green Bank is seeking the Board's approval of this transaction; however, the Legal team is still working to review the deed, as the building owners are currently in a long term lease with the owners of the land that the building is built on.

Mr. Klee noted that the automobile dealership sector in Connecticut has been very supporting of both C-PACE and the electric vehicle uptick in the State.

130 Coram Lane, Milford

Ms. Bailey discussed the request for \$492,323 in C-PACE financing to fund the installation of HVAC and lighting upgrades. 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.

Ms. Bailey noted that the transaction is for a golf course and club that has been operating at a loss over the last few years. She explained that Green Bank team is comfortable moving forward with the transaction because the building has an appraised value of \$15 million.

Ms. Bailey stated that the Green Bank is seeking the Board's approval of this transaction, however, the Finance team must still review the property owner's business plan. She added that the property owner currently contributes approximately \$1 million per year to their business and that the transaction would not close unless staff is comfortable with the overall business recovery plan.

Mr. Klee asked if the Board can wait to approve the transaction until the Green Bank completes its diligence. Ms. Bailey noted that Board approval will assist the furthering discussions with First Niagara, the mortgage holder of the property; however, she restated that diligence does need to be completed prior to any conversations with First Niagara. Mr. Hunter stated that the Green Bank would remove this transaction from the Board's consideration and would be instead present it to the Deployment Committee for approval once further diligence is conducted.

Upon a motion made by Ms. Glover, seconded by Mr. Harrity, the Board members voted unanimously in favor of adopting the following resolutions regarding the C-PACE transactions for 1) 5 Old Depot Hill Road, Enfield, 2) 38 Security Drive, Avon, 3) 80 Newtown Road, Danbury, and 4) 225 New Britain Avenue, Plainville.

5 Old Depot Hill Road, Enfield

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 ("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 (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program; and

WHEREAS, the Green Bank seeks to provide \$840,640 construction and (potentially) term loan under the C-PACE program to G&M Real Estate Enterprises, LLC, the property owner of 5 Old Depot Hill Road, Enfield 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 dated October 10, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from October 17, 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.

38 Security Drive, Avon

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 ("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 (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program; and

WHEREAS, the Green Bank seeks to provide a \$629,352 construction and (potentially) term loan under the C-PACE program to Norwich Commercial Group, Inc., the property owner of 38 Security Drive, Avon, Connecticut (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 dated October 10, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from October 17, 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.

80 Newtown Road, Danbury

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 ("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 (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program; and

WHEREAS, the Green Bank seeks to provide \$718,082 construction and (potentially) term loan under the C-PACE program to Danbury Hospitality, LLC, the property owner of 80 Newtown Road, Danbury, 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 dated October 10, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from October 17, 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.

225 New Britain Avenue, 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 (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 (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program; and

WHEREAS, the Green Bank seeks to provide a \$777,313 construction and (potentially) term loan under the C-PACE program to Crowley Ford LLC, the building owner and lessee of 225 New Britain Avenue, Plainville, Connecticut (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 dated October 10, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from October 17, 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 that the lease on the property does not impact the Green Bank's ability to foreclose on the building; 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.

b. *SRS Professional Service Agreement*

Ms. Bailey explained that Sustainable Real Estate Solutions ("SRS") inboxes the technical information on C-PACE projects from contractors. She stated that the SRS' platform has been a successful tool of the C-PACE program, yet expensive. Green Bank staff has been working with SRS to streamline their processes and thereby cut costs from 4% to 1.5% of project cost.

Ms. Bailey discussed the request for Board approval for the execution of a professional services agreement with SRS for an amount not to exceed \$2 million and consistent with the parameters presented in a memorandum to them.

Ms. Ferguson expressed her pleasure that SRS is a Connecticut based company. Ms. Bailey agreed, adding that SRS is also a Connecticut Innovations-backed company and that since its connection to C-PACE has been getting contracts with other states.

Upon a motion made by Mr. Harrity, seconded by Ms. Ferguson, the Board members voted unanimously in favor of adopting the following resolution regarding a PSA with Sustainable Real Estate Solutions.

RESOLVED, that the Board of Directors approves the execution of a professional service agreement (“PSA”) with Sustainable Real Estate Solutions, Inc. for an amount not to exceed \$2,000,000 and consistent with the parameters of this memorandum to the Board dated October 9, 2014;

RESOLVED, that the President of CEFIA and any other duly authorized officer of CEFIA, is authorized to execute and deliver, any contract or other legal instrument necessary to effectuate such financing on such terms and conditions as he or she shall deem to be consistent with the Program and in the best interests of CEFIA and the ratepayers; and

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

7. Residential Sector Program Updates – 15 minutes

a. Low Income Residential Solar PV Penetration Update – Where are We Now

Kerry O’Neill, Director of Residential Programs, reported on board directives to explore the Connecticut low income market – Ms. O’Neill shared that staff engaged UCONN’s Connecticut Center for Economic Analysis to run an analysis at the census tract level in CT to evaluate the deployment of solar projects in the state based on the area median income of census tracts, to understand and the extent to which solar is reach low income areas in Connecticut. Kerry O’Neill expressed that visualization data is still fresh and additional analysis needs to be conducted to address questions surrounding this complex segment, including those in multifamily housing. Ms. O’Neill added that further analysis and potential strategies will be presented at the December board meeting. Ms. Smith stated that DECD is also heavily focused on understanding this market and would be happy to collaborate. Ms. Smith expressed that community outreach will be an important tool in serving this market.

8. Audit, Compliance and Governance Committee*

a. FY 2014 Comprehensive Annual Financial Report

George Bellas, Vice President of Finance and Administration, updated the board on the draft 2014 Comprehensive Annual Financial Report (CAFR). Mr. Bellas stated that the annual audit for fiscal 2014, performed by Marcum LLP (Marcum), was nearly complete. Marcum has reported to the Green Bank Audit, Compliance and Governance Committee that the audit went smoothly and it is anticipated that there will be no substantive changes to CGB's balance sheet, income statement and statement of cash flows as presented in the draft report. Mr. Bellas added that no action is needed at this time, as a final CAFR will be presented at the December Board of Directors meeting subsequent to meeting with the ACG Committee.

Resolution #10

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

WHEREAS, the Committee recommended the Board of Directors of the Green Bank approve the issuance of the draft 2014 Comprehensive Annual Financial Report (CAFR) to the State Comptroller's Office at this time for use in preparing the State wide CAFR;

NOW, therefore be it:

RESOLVED, that the CGB Board of Directors approves the issuance of the draft 2014 CAFR to the State Comptroller's Office to be used in the preparation of the State CAFR for fiscal year 2014. **Legislative Update**

Based on discussions had the August Board of Directors meeting, Chief Legal Counsel Brian Farnen stated the Connecticut Green Bank's highest legislative priority will be focused on developing a policy to support the RSIP program by creating a "Solar Homes and Job Opportunities Act" that would create a Solar Home Renewable Energy Credit (SHREC). Mr. Garcia highlighted that as of July 2014 the Green Bank has achieved its legislative target of 30MW in approved projects, 8 years ahead of schedule. Mr. Garcia expressed that such dynamics and cap limitations are resultantly restricting the market from achieving its full potential. Mr. Farnen expressed that the RSIP program is proving to be a victim of its own success, as the market continues to double, the Green Bank remains limited to one-third of its statutory cap. Mackey Dykes, Chief Operating Officer, added that similar to the ZREC and LREC process, the SHREC solution would require the utilities to sign a 15-year REC purchase agreements with the Green Bank for RECs from projects supported through the RSIP program. Mr. Farnen added that an important goal for implementing SHREC is supporting residential ratepayers by allowing access to RPS market funds, and in-state economic development and job growth. Commissioner

Smith encouraged the team to engage with the utilities and provide an updated report at the December board meeting.

9. Role of Green Bank

Introductory discussions ensued however due to time constrictions Ms. Smith proposed an extra hour be added to the December Board of Directors meeting to further discuss the role of the Green Bank.

10. Other Business

a. Executive Session – Review of the Performance of the President and CEO

Upon a motion made by Mr. Harrity, seconded by Ms. Glover, the Board members voted unanimously in favor of transitioning meeting into executive session.

Upon a motion made by Mr. Harrity, seconded by Ms. Glover, the Board members voted unanimously in favor of exiting executive session.

11. Adjournment: Upon a motion made by Mr. Klee, seconded by Ms. Ferguson, the Board voted unanimously in favor of adjourning the October 17, 2014 meeting at 11:14 a.m.

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

Respectfully Submitted,

Catherine Smith, Chairperson