



AGENDA

Joint Committee of the CT Energy Efficiency Board and the Connecticut Green Bank Board of Directors

**CT Department of Energy and Environmental Protection
79 Elm Street, Hartford, CT
Russell Room, 3d Floor**

**Wednesday, July 19, 2017
1:30-3:30 p.m.**

1. Call to Order
2. Public Comments
3. Review and approval of Meeting Minutes for January 18, 2017 and April 19, 2017 meeting (5 min)
4. Sector Working Group Reports (65 min)
 - a. Deep Dive: C&I - Government (45 min)
 - b. Brief Report: C&I – Small and Medium/Large Business (10 min)
 - c. Brief Report: Residential – Single Family and Multi-Family (10 min)
5. SBEA Financing – presentation and discussion (30 min)
6. Issues for Resolution (10 min)
7. Planning for Next Meeting (10 min)
 - a. Goals and preparation for October 18 quarterly meeting with EEB and CGB Board Chairs and Vice-Chairs
8. Other Business
9. Adjourn

Join the meeting online at <https://global.gotomeeting.com/join/644945821>

Or dial in using your telephone:
Dial: (872) 240-3212 / Access Code: 644-945-821



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Joint Committee

Connecticut Energy Efficiency Board and the
Connecticut Green Bank Board of Directors

Eversource Energy
June 19, 2017



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Agenda Item #1

Call to Order



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Agenda Item #2

Public Comments



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Agenda Item #3

Approval of Meeting Minutes for
January 18, 2017 and April 19, 2017



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Agenda Item #4a

Deep Dive: C&I – Government



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Agenda Item #4b

Brief Report: C&I – Small and Medium/Large
Business



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Agenda Item #4c

Brief Report: Residential – Single Family and Multifamily



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Agenda Item #5

SBEA Financing



SBEA Recapitalization Updated Proposal with CGB Capital Investment

EEB & CGB Joint Committee

July 19, 2017

Utility Priorities for SBEA Recapitalization

UI / Avangrid

- Alleviate capital constraints for funding SBEA loans
 - e.g. address rationing of funds for municipal and state facilities
- Lower overall “unit cost” to rate payers of SBEA financing

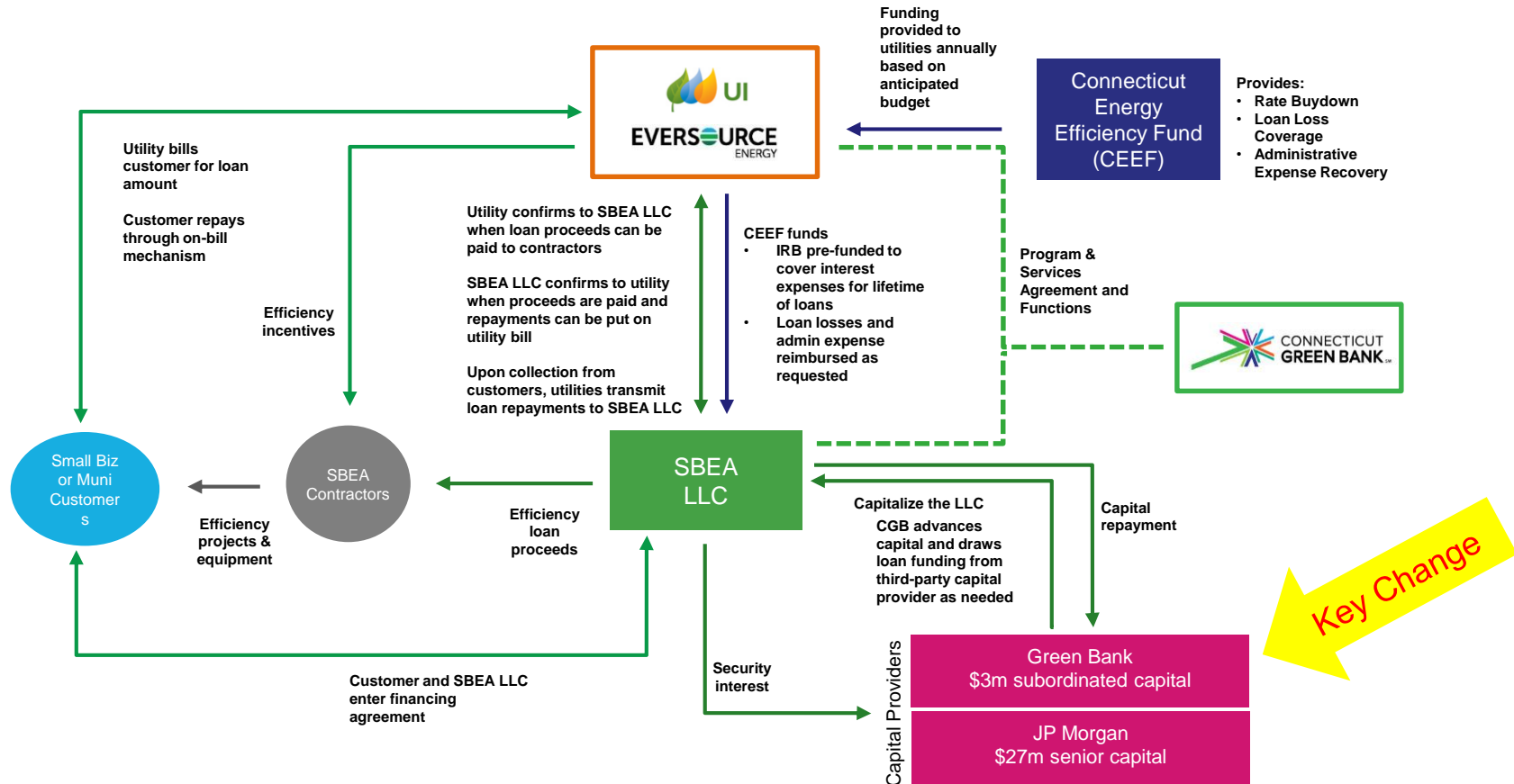
Eversource

- Move SBEA loans off of Eversource’s balance sheet
- Lower overall “unit cost” to rate payers of SBEA financing
- Free up CEEF money used to “self-fund” SBEA loans and repurpose for programmatic use
- Move away from serving “financial institution” roles for SBEA customers

Key Facility Benefits to Ratepayers & Utilities

- Alleviate capital constraints for funding SBEA loans through transition to private and Green Bank capital
- Lower overall “unit cost” to rate payers of SBEA financing
- Move SBEA loans off of Utilities’ balance sheets
- Mitigate future exposure to SBEA interest expense and budget uncertainty by prefunding interest expense in year of loan being made
- Provide flexibility to expand SBEA program

SBEA Recapitalization - Updated Structure

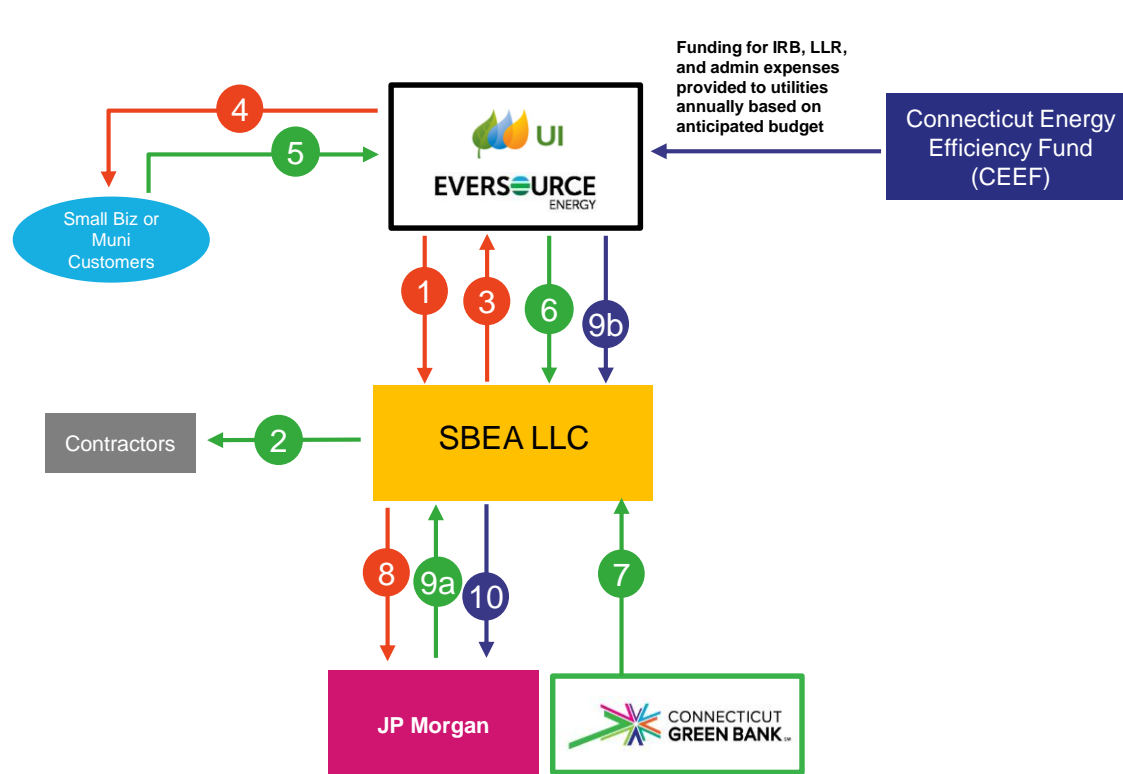


Updated SBEA Facility Proposal

- \$30m facility capacity
 - JPM provides \$27m
 - Green Bank provides \$3m in subordinated capital (10% of \$30m facility)
- No more pre-funded loan loss reserve requirement due to Green Bank's subordinated capital contribution
- Interest rate expenses:
 - Pre-funded for lifetime of loan for JPM's \$27m
 - Pre-funding not required on Green Bank's \$3m, interest expense paid as incurred
- Costs & fees:
 - JPM fees remain nearly the same, with slight increase in the upfront closing fee to [redacted]% (up from [redacted]%)
 - Green Bank cost of capital fixed at [redacted]% (JPM fees do not apply to Green Bank portion of capital)

SBEA steady-state operations and cash flows

- X Information Flow X Capital Flow
X CEEF Capital Flow
- 1 Utility confirms to SBEA LLC when loan proceeds can be paid to contractors
 - 2 SBEA LLC transmits loan proceeds to contractors per SLA requirements
 - 3 SBEA LLC confirms to utility when proceeds are paid and repayments can be put on customer's utility bill
 - 4 Utility Special Billing team adds repayment to customer account and customer is billed
 - 5 Customer repays loan as part of utility bill
 - 6 Utility remits customer repayment to SBEA LLC [weekly TBD]
 - 7 CGB capital disbursed first and continually recycled prior to JPM capital
 - 8 SBEA LLC makes (weekly) draw request from JPM (at least 3 days notice)
 - 9a JPM disburses capital in response to SBEA LLC draw request
 - 9b IRB drawn quarterly in advance to cover estimated IRB over lifetime of loans (may be topped up monthly, if needed)
 - 10 SBEA LLC transmits monthly interest to JPM & Green Bank, principal (if appropriate) and undrawn payment fees (quarterly) and coverage of defaults



SBEA Recapitalization Next Steps

- Model projected savings for Green Bank/JP Morgan facility relative to business-as-usual funding scenario (i.e. CEEF and utility capital) and to future utility capital scenario
- Prepare final proposal and recommendation for EEB C&I Committee and Full Board
- Respond to outcome of state budgeting process and potential impact to CEEF and Green Bank



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Agenda Item #6

Issues for Resolution



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Agenda Item #7

Planning for Next Meeting



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Agenda Item #8

Other Business



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Agenda Item #9

Adjourn



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board of Directors
Eversource Energy
107 Selden Street, Berlin, CT
Room 0-22E, East Building
Wednesday, January 18, 2017
1:30-3:30 p.m.**

MINUTES¹ (Draft)

In Attendance

Voting Members: John Harrity, Diane Duva, and Norma Glover

Non-Voting Members: Bryan Garcia, Bert Hunter (by phone), Pat McDonnell, and Ron Araujo

Others: Craig Diamond, Marissa Westbrook, Gentianna Darragjati, Steve Bruno, Pam Penna Verrillo, Kim Stevenson, Anthony Clark, Mackey Dykes, Brian Farnen (by phone), Chris Kramer (by phone), Kerry O'Neill (by phone), Glenn Reed (by phone), Nick Zuba (by phone)

1. Call to Order

Diane Duva called the meeting to order at 1:43 p.m.

2. Public Comments

There were no public comments.

3. Review and approval of Meeting Minutes for October 17, 2016 meeting

Upon a motion made by Diane Duva and, seconded by Norma Glover, the approval of the Meeting Minutes from October 17, 2016 passed unanimously.

4. Other Business

a. CT 2017 Energy Legislative Outlook

Brian Farnen provided an update on the Legislative Outlook. He discussed Residential PACE, explaining that they are working with EDC on the issue. He explained that CPACE has been a great success and that there is just a technical fix. He discussed the Residential Solar Investment Program and a potential legislative proposal to address a World Trade Order dispute between India and the US. He stated that there is USDA funding that the Connecticut Green Bank is going after, but

¹ Materials for this meeting can be accessed at Box.net:

they may need to make another legislative clarification in order to get access to this low-cost capital.

Diane Duva questioned the RSIP incentive for CT manufacturing. Brian Farnen explained that it's in the RSIP Statute, and not something that is actually in use.

b. Governor's Council on Climate Change

Diane Duva provided an update on the Governor's Council on Climate Change. She stated that timeline on the report for that group is within a few months. She stated that there is a lot data collection to be gone through. She stated that a lot of good information will come from the report from that group.

Bryan Garcia discussed the Retreat that the Connecticut Green Bank had in January stating that a takeaway from that was that the Connecticut Green Bank needs to find additional ways to help support zero emission vehicles, renewable thermal technologies, and grid modernization.

Norma Glover stated that the Connecticut Green Bank needs to find out how the utilities in other states are working with climate change in those states. She stated that her feeling is that if the utilities are not in on things, then they will not be able to achieve the goals that are set. Pat McDonell noted that not including the utilities on the council was a missed opportunity by the state.

Diane Duva discussed the pilots that the utilities are doing on grid modernization. She questioned if it would be helpful for the Connecticut Green Bank to see that presentation. She stated that the question can be asked of the utilities.

Ron Araujo discussed the way that they evaluate the program on the utility side. He explained that they look at the cost effectiveness of the programs. He stated that this was presented as part of the Plan Update. He stated that they will probably follow the CES.

John Harrity discussed the Council on Climate Change, stating that they have stakeholder meetings. He stated that they are a great opportunity to see what folks that don't have a lot of specific information, but that have a strong interest in climate change, where they are at. Bryan Garcia noted that the next meeting of the Governor's Council on Climate Change was set for February 9, 2017 at DEEP in Hartford at 2:00 p.m.

c. Comprehensive Energy Strategy

5. Report-Outs from Sector Working Groups: Emerging Opportunities and Issues to Resolve

a. Deep Dive: Residential – Single Family and Multifamily

Ron Araujo discussed the reports on Single and Multifamily Residential. He discussed the joint goals that were identified. He stated that they are looking to leverage up rate payer funds, increase financing in the Home Energy Solutions channel, and looking to reduce energy consumption and cost in Multifamily.

Ron Araujo discussed the integration of CHIF, which is now Capital for Change, into the Smart-E Program. He stated that the post-merger activities have been completed. He stated that they are awaiting the first report from Capital for Change.

Ron Araujo discussed tracking component costs on a monthly basis, and that this is ongoing. He stated that they are also tracking the add on measures. He stated that securing the bond process for the Smart-E Program did not make it to the Bond Commission Agenda in 2016, so they do not have an update on that.

Chris Kramer questioned if there had been any thoughts on adding CES items to the goals. Ron Araujo stated that he doesn't have an answer until they see the CES.

Bryan Garcia discussed the Mid-Year Progress Check that the Connecticut Green Bank has implemented and stated that they should revisit the goals for the Joint Committee. Ron Araujo was in agreement, in light of the new CES, when that comes out.

Ron Araujo stated that the Connecticut Green Bank and DEEP have been working together on Single Family for quite some time. He stated that Multifamily will be a bit more work. He stated that they are working to develop a tracking matrix. He stated that they have developed a draft tracking matrix, which ties into the tracking and savings per property basis and different financing in the area.

Kim Stevenson discussed the projects and where they are in terms of financing stating that there's an intense working process following up on the LEAN issues. She stated that they are meeting every few weeks.

Ron Araujo stated that they are conducting a study on the market itself to identify some of the areas that they were not aware of. He stated that they plan to meet on January 24, 2017.

Chris Kramer questioned if there was a way to track the impacts of the partnerships that are now in place, regarding the LEAN process. Ron Araujo stated that they had actually reported that out. He stated that they will continue to track that more going forward. Kerry O'Neill stated that those activities are captured in the tracking template that they have drafted.

Ron Araujo discussed Home Energy Solutions and the add ons. He stated that activity in 2015 was fairly robust. He stated that 2016 they did see a significant decline in activity with regard to customers who were having a visit. He explained that without a visit there was no recommended add on. He explained that they felt that this was due to warmer weather and lower fuel oil prices. He stated that they jumpstarted some of the marketing activity in March. He stated that that did cause an improvement overall. He stated that the price of the visit went up by \$25 as of September 1, 2016. He stated that a lot of customers took advantage of the service prior to the price increase. He stated that they did have a strong showing going into the end of the year.

Glenn Reed questioned the 2015 numbers. Ron Araujo stated that they are looking at cohorts for 2015/2016. Glenn Reed questioned if it was just add-on activity or participation in each. Ron Araujo stated that they are looking at those customers that have audits and had some sort of an upgrade in that year. Marissa Westbrook stated that it is master cohort data, but there is a bit of a lag on the rebates. She stated that the numbers will increase when more rebates are received.

Ron Araujo discussed Multi and Single Family Loan Programs. He stated that they had a comprehensive loan offered through HES and the Smart-E Bundles. He stated that if you disregard January you can see that the activity is fairly consistent, but lower on the HES side as the year went on and an increase on the Smart-E side.

Ron Araujo stated that they are showing a lot of upgrades being done with other financing mechanisms. He stated that they do have good penetration into the market to finance some of the upgrades.

Kerry O'Neill discussed the Smart-E interest rate buy downs. She stated that the credit enhancement component of the Smart-E is what is reserved and set aside on the balance sheet as part of the Loan Loss Reserve Program, not actual losses. Kerry stated that the EEB will no longer pay the origination and servicing fee for C4C Smart-E loans, stating that that will shift over to the Smart-E Program. Bryan Garcia stated that they had allocated \$8.25 million and that they're not seeing any losses. He stated that they're looking to shift those resources where it makes sense to expend federal money.

Ron Araujo explained that they are hosting quarterly contractor events and are trying to bring in other industry partners, such as the Department of Consumer Protection for value for all partners involved.

Ron Araujo discussed the Home Energy Score that is needed to qualify on the Solar incentive side. He stated that they're looking at evaluating HES and the Home Energy Score as the only options, but they would like feedback from the vendors on how this is going.

Ron Araujo stated that they are trying to come up with a common draft intake application for Multifamily and that will be finalized at the meeting on January 24, 2017. He stated that they added the logo to all of the presentations so now it appears that it's all part of the Energize CT offering. He stated that they are doing a review of the Connecticut Green Bank website to better align the terminology.

John Harrity questioned the upgrade numbers and why people did not do the upgrades. Ron Araujo stated that they do not know why people did not pursue that measure. Kerry O'Neill stated that they added another tool to the new Smart-E Bundle where you can get the lower 2.99% rate on your recommended upgrades if you go through HES Core Services.

b. Brief Report: C&I – Small, Medium, and Large Business (including update on SBEA Financing proposal)

Steve Bruno provided an update on C & I, Small, Medium, and Large Business. He discussed the action items that had been completed. He discussed the Joint CPACE

Programs stating that they are still working on those. He discussed different potential targets such as nursing homes. He also discussed the fact that they are working on capitalization of the Small Business Energy Advantage (SBEA) financing program with Connecticut Green Bank and private capital.

Anthony Clark provided an update on the SBEA. He discussed the proposal from JP Morgan in response to the RFP that the Connecticut Green Bank had sent out. He discussed that there is a significant opportunity to lower the cost per project to the CT Energy Efficiency Fund. He explained that the Green Bank and the utilities are working to ensure robust credit backstops. He also stated that they are looking to ensure that the budget that is already allocated to SBEA remains. He explained that overall the goal is to lower the cost of the program and have more money available.

Diane Duva commented that they need to be sure that they're comfortable with the credit backstops and to potentially ask to use rate payer funds if needed. Anthony Clark stated that the utility has been operating the program with that ratepayer guarantee. Chris Kramer stated that they need to be clear that they are talking about continuation of cost that is currently being covered by the rate payer.

Anthony Clark stated that by setting up the facility they could save approximately \$4.5 million in the first three years. He stated that they will be realizing savings every year that the program operates. He stated that if they do not create the credit backstop, it will result in higher recurring annual costs.

Diane Duva questioned if this has to be in place or if there was another option. Anthony Clark stated that it's the Connecticut Green Bank that will create the LLC. He stated that the Connecticut Green Bank Board needs to feel comfortable that the necessary pieces are in place. He stated that the Connecticut Green Bank is willing to take on some of the timing risk, but the full backstop is not something that they will take on.

Bert Hunter explained that JP Morgan is looking at this as a Municipal credit risk, the Energy Efficiency Fund combined with the risk of the Connecticut Green Bank. He stated that they will have to totally re-shop the RFP without the credit backstops in place.

Chris Kramer stated that they're not talking about a large default. He stated that there are currently rate payer funds that cover the costs. He stated that the only question is whether that would continue. He stated that they're talking about continuing rate payer coverage of costs that have already been approved. He stated that any risk along those lines would be fully under the control of the people that control the program currently. Steve Bruno stated that the additional risk is whether the Legislature decides to defund the CEEF and use those funds.

Diane Duva stated that this should be a topic for a future meeting.

c. Brief Report: Government

Diane Duva provided an update on the Government Sector. She discussed the Connecticut Valley Hospital Project and the upcoming Department of Corrections Project, which the Connecticut Green Bank is currently working on the financing vehicle. She stated that the next step is getting a Master Lease Agreement in place.

Bert Hunter stated that a concern is trying to get enough of an allocation of future projects approved so that a pipeline of transactions can be worked on. Unfortunately, he noted, the arrangements currently in place involve bond cap limitations. He stated that both projects as presently constructed rely on a mechanism that touches the bond cap. He stated that the Green Bank is working on a financing structure as an alternative that would not impact the bond cap.

6. Planning for Next Meeting

a. Identify topics for future 2017 meetings

Diane Duva stated that a topic for the next meeting is, updating the goals and revisiting them.

7. Adjourn

Upon a motion made by John Harrity and, seconded by Gentianna Darragjati, the meeting was adjourned at 3:34 pm.

Respectfully Submitted,

Eric Brown, Chairperson



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board of Directors**

**Eversource Energy
107 Selden Street, Berlin, CT
Room 0-22E, East Building
Wednesday, April 19, 2017
1:30-3:30 p.m.**

MINUTES¹ (Draft)

In Attendance

Voting Members: Amanda Fargo-Johnson (by phone) John Harrity (by phone), Diane Duva

Non-Voting Members: Bryan Garcia, Bert Hunter, Pat McDonnell, and Ron Araujo

Others: Craig Diamond, Gentianna Darragjati, Steve Bruno, Kim Stevenson, Anthony Clark, Mackey Dykes, Brian Farnen (by phone), Chris Kramer (by phone), Kerry O'Neill (by phone), Nick Zuba (by phone), Chris Plecs (by phone), Les Tumidaj (by phone), and Donna Wells

1. Call to Order

Diane Duva called the meeting to order at 1:37 p.m.

2. Public Comments

There were no public comments.

3. Review and approval of Meeting Minutes for January 18, 2017 meeting

The approval of the Meeting Minutes for January 18, 2017, was deferred to the next scheduled meeting of the Joint Committee of the Connecticut Energy Efficiency Board and the Connecticut Green Bank Board of Directors.

4. Other Business

a. Energy legislation in CT 2017 Legislative session

Bryan Garcia provided an update on CPACE House Bill 7208. Brian Farnen stated that the CPACE bill is just cleanup and a technical fix.

Bryan Garcia also provided an update on RPACE and Senate Bill 973. Brian Farnen stated that they are playing more of a support role for RPACE. Diane Duva questioned the energy audits. Brian Farnen stated that it's a financing program,

¹ Materials for this meeting can be accessed at Box.net:

covering a wide spectrum. He stated that they encourage audits, but requiring audits would not be appropriate in this case. Kerry O'Neill stated that the RPACE policy is broader than energy efficiency and that they don't believe that an audit requirement belongs in Legislation. Chris Kramer questioned if there is a likelihood that the Bill will pass. Brian Farnen stated that it must go through the Banking Committee next. He stated that it has already gone through Energy and Technology Committee.

Bryan Garcia provided an update on RPS, Senate Bill 630, stating that are continuing to advocate for lowering the rate payer impact cost through the alternative compliance payment.

Bryan Garcia also provided an update on ZREC – LREC, Senate Bill 860. He stated that they are looking to reduce the ceiling price, to communicate to the market the incentives being lowered over time. He also provided an update on Fuel Cells, Governor's Bill 7306. Amanda Fargo-Johnson voiced her concerns about the future of the REC program. Bryan Garcia stated that his feeling is that there is general support for extending the program.

Chris Kramer questioned the amount that is budgeted for Performance Contracting in the Bonding Budget. Diane Duva stated that she feels it will stay in the Budgeting Bill.

b. Governor's Council on Climate Change – Update

Diane Duva provided an update on the Governor's Council on Climate Change. She explained that the Efficiency Fund and their investments have increased over time. She explained that due to the volatility of fuel costs that they need to focus on Thermal Efficiency and using less electricity. She stated that businesses are using less electricity while producing an increasing quantity of goods and services. She stated that they are helping businesses to be more competitive. She stated that they had great success in overall demand, spreading the costs over fewer units. She stated that investment in Energy Efficiency will decrease the overall load. She stated that peak demand varies by sector. She stated that they need to customize solutions differently for each sector.

Bryan Garcia stated that this is probably the first time that the Council has had policy in front of it. He stated that they see this as an opportunity for getting things done on the Efficiency side. He noted that consideration should be given to the Societal Cost Test inclusion of a carbon price determined by the Council.

John Harrity questioned that with Connecticut having the highest electric rates in the country, is the complaint that the per Kilowatt rate is too high, or that the overall bills are too high. Diane Duva stated that it is both.

c. Comprehensive Energy Strategy – Update

Diane Duva provided a high-level overview on the Comprehensive Energy Strategy. She discussed the workshops that have been held. She stated that they are considering additional sessions.

d. Strategic electrification – Update/overview

Bryan Garcia provided an update on Strategic Electrification. He discussed decarbonizing the grid as well as, electric vehicles and renewable heating and cooling. He stated that the Council has been discussing how quickly in 2030 they can enable more zero emitting vehicles and deployment of renewable heating and cooling technologies, to reach the 2050 target. Kim Stevenson stated that the Thermal goals are based on existing loads of the buildings.

Chris Kramer questioned if there are implications in terms of where they can work together. Diane Duva stated that a great example is what they're already working on.

5. Report-Outs from Sector Working Groups: Emerging Opportunities and Issues to Resolve

a. Deep Dive: C&I – Small, Medium, and Large Business (including update on SBEA financing proposal)

Steve Bruno provided an update on Small, Medium, and Large Business sectors. He discussed the goals in the different sectors. He explained that Eversource has been using third party financing for Energy Efficiency projects, freeing up the Utility Capital. He explained that most of the focus has been on the Small Business Community financing.

Donna Wells stated that they have had some successful roundtables with nursing homes.

Regarding the SBEA small business financing, Donna Wells stated that utility companies use a combination of Utility Capital and self-funding from the Energy Efficiency Budget. Anthony Clark discussed the broader goals of the joint effort with the Green Bank to recapitalize the SBEA program. He explained that the key benefits remain the same.

Anthony Clark stated that there had been more than \$300 million in initial responses from the SBEA recapitalization RFP. He stated that at the request of the Utilities, they revisited the RFP respondents asking for proposals that incorporate prefunding of the interest rate buydown and loan loss reserve rather than a guaranteed backstop from CEEF. He explained that the best proposal was again from JP Morgan. He stated that there were a couple of changes. The term, which was previously 3 years changed to 1 year, with an option to renew. Another change was a slight uptick in the cost of the capital, a slight increase in the undrawn fee. With these changes the expected interest cost savings for CEEF during the first three years of the facility are \$3.7 million (adjusted from the \$4.5 million expected from the initial JP Morgan proposal with CEEF backstop). He stated that they have the ability to increase the size of the facility as needed. He stated that for the Loan Loss Reserve, JP Morgan is asking for 10% of the projected loan portfolio. Pat McDonnell

stated that the first couple of years will have a budget impact, but will allow them to do a lot more in the future.

Anthony Clark explained that there will be no change in what the Green Bank will do. He explained that they may not want to draw money from JP Morgan until the facility is set up. He stated that the Green Bank can provide some monies during startup. He stated that the Green Bank can provide a cushion in the LLC, regardless of the forecast of how the loans line up, and the Green Bank recently proposed to the utilities that it could provide a portion of the funds for the Loan Loss Reserve Fund. He explained that the Green Bank would be in the second loss position (with the funds from the CEEF in the first loss position). He stated that the money would be provided at a fixed rate of 3.5%. Diane Duva questioned the source of the money. Bert Hunter stated that it is third party funding. Diane Duva questioned if the money being earned is set aside in the Loan Loss Reserve. Bert Hunter stated that the money earned should be used to offset the administrative fees, but that in any event would be used by the LLC to offset costs.

Chris Kramer questioned why the dedicated rate payer funds that come into the Green Bank cannot be used for the Loan Loss Reserve. Bert Hunter stated that these are funds incremental to programs that already use Green Bank capital, so this is incremental capital the Green Bank would borrow and place in a restricted account like the CEEF funds. And because there is a risk of loss, there is a capital charge, as there is with other funds where Green Bank resources are at risk. Questions arose about other loan loss reserves by the Green Bank and Bert Hunter noted that the Smart-E program has used ARRA funds which were a Federal grant and have no cost of capital. Bryan Garcia expressed that the Connecticut Green Bank doesn't have an unlimited pool of ratepayer capital to invest and that there is an opportunity cost of using its capital.

In the interest of time, Diane Duva suggested that the conversation be continued at the next, regularly scheduled meeting.

b. Brief Report: Residential – Single Family and Multi-Family (including update on 4/18 meeting on multi-family program issues)

Ron Araujo provided a brief update on the Residential Single Family sector. He explained that they are now seeing Capital for Change on the Smart-E platform and flowing through the dashboard.

Kerry O'Neill stated that they are taking all special offer rates down to 0.99%, and that they will come back up in January. She stated that as of now, they know that their bundles are the most popular special offer. She explained that Gas Conversion is the least popular special offer. She explained that they will be looking at what they can do to drive more volume on the Renewable Thermal side.

Ron Araujo provided an update on the Multi-Family sector. He explained that they continue to meet regularly, the Utilities and the Green Bank. They are looking to streamline and align policies. He explained that they had a meeting with the Contractors and the Green Bank. He explained that the EEB Residential Committee held a special meeting to address concerns. He explained that the Green Bank and the Utilities address the concerns and went over the process flow in detail. He stated that they also discussed the available items on the Energize CT website.

c. Brief Report: Government

Diane Duva provided a brief report on Government, stating that they are hoping to see additional capitalization. She stated that there have been good discussions developing on Federal Projects. She stated that they are working on getting financing in place. Bert Hunter stated that financing is available through two routes. He stated that OPM and the Treasurer approved using Green Bank Green Bonds so long as the cost of access to the Green Bond shouldn't exceed the cost that the State could otherwise source via an alternative financing vehicle, which would be GO Bonds or direct placement bonds. He stated that they had approached Bank of America and that the Lease Backed Bonds would be more competitive, but that they require the SCRF. Accordingly the direct placement bonds ended up costing less, but has some uncertainties associated with issuance (like the legislative process, bond commission, etc.) The matter is scheduled for further discussion between DEEP, OPM, the Treasurer's office and the Green Bank soon.

6. Planning for Next Meeting

a. Propose and discuss updates/revisions to Joint Committee goals at July 2017 meeting

Diane Duva stated that they continue discussions in July. She advised that working groups should look at their goals and determine if any revisions need to be made to their goals. Bryan Garcia advised that the working groups should bring any revisions to the goals to the next meeting.

b. Identify additional topics for future 2017 meetings

7. Adjourn

Diane Duva adjourned the meeting at 3:44 p.m.

Respectfully Submitted,

Eric Brown, Chairperson

Commercial Metrics for Small Business, Government and Medium/Large C&I

July 19, 2017

Commercial Sector

C&I Sector: Government

1. Improve the Customer Experience. Ensure seamless service delivery that is responsive to State and local governmental and institutional needs, including
 - a. Integration of appropriate Connecticut Green Bank and other related services, especially for those that aren't currently served by Lead By Example (LBE)-Energy Savings Performance Contracts (ESPC); and
 - b. Providing technical support and incentives from the Connecticut Energy Efficiency Fund and the Connecticut Green Bank's capability to finance ESPC projects at scale. Establish and communicate a process for customers undertaking ESPCs to receive technical support through internal utility resources and contracted "owner's representative" services.
2. Establish sustainable and cost-effective financing mechanisms – Develop sustainable and cost-effective funding mechanisms for both the preparatory and permanent project financing needs of government sector energy savings projects.
3. Develop new products to fill market gaps – For example, develop a financing vehicle for aggregation of small-scale comprehensive energy saving projects at municipal or other institutional facilities that are, individually, too big for the Small Business Energy Advantage (SBEA) financing program but too small to be standalone ESPC projects.

C&I Sector: Small Business

1. Improve the Customer Experience – Ensure seamless service delivery between services of the Connecticut Energy Efficiency Fund and the Connecticut Green Bank that is responsive to customers' needs, including integration of appropriate Connecticut Green Bank and other allied small business services, especially for those that aren't currently served by Small Business Energy Advantage (SBEA) financing program.
2. Identify and engage alternative capital sources to lower the cost of and increase opportunities for project financing.
3. Examine ways to couple SBEA and C-PACE (or other financing offerings) - Promote more comprehensive projects (especially among higher energy usage customers) and longer-term payback measures.

Commercial Metrics for Small Business, Government and Medium/Large C&I

July 19, 2017

C&I Sector: Medium/Large Business

1. Improve understanding of opportunities within this market for deep energy efficiency improvements - Build on available knowledge and analysis to develop effective and sustainable incentive and financing strategies for stimulating deeper energy investments and that meet all cost-effective energy efficiency goals.
2. Increase customer savings and benefits from the C&I Programs - Drive more projects with deeper energy savings, supported with increased financing options (including C-PACE) to help ensure comprehensive investment and closure of financing gaps
3. Cross-leverage Connecticut Energy Efficiency Fund and Connecticut Green Bank programs – Develop and implement communication and marketing strategies to insure maximum cross-leveraging of these opportunities to help achieve the state goals of acquiring all cost-effective energy efficiency and expanded renewable deployment through highly effective leveraging of ratepayer funds.

Commercial Metrics for Small Business, Government and Medium/Large C&I

July 19, 2017

	Action Item	Measureme nt of Success	Challenges	Target Completion Date	Status	Satisfi es Items
	C&I Government					
1.	Companies allocate spending for technical support and incentives to develop ESPC projects. Ensure CEEF support for municipal ESPC owner’s representative via internal or contracted support.	Sufficient Funding available		Ongoing	Ongoing - Companies filed 2017 EE Budget Plan 10-1-16, and also revised budgets on 03-01-17	1, 2
2.	Identify low cost capital sources (non-utility capital) for municipal loans. Similar Goal for SBEA. Any other products contemplating for future for this sector? Example: pre-development loans.	Pool of low cost funds available for Municipal Loans. The cost of funds is lower than the utility cost of capital.	Unsecured Loans based on utility bill credit history; Process is consistent with SBEA Loan Process/Payment Plan.	Pending	Both Companies have faced capital constraints and have adopted interim solutions. Eversource is piloting use of third party capital (M-CORE) to finance Municipal and State Loans. Third party Muni Market rate capital at 5-6% (or lower) is being bought down to 0% which costs less than buying down utility cost of capital. 6 completed project (New Fairfield, Weston, Litchfield, Regional School Dist. 10, Town of Middlebury and Town of Vernon) and nine in the works (Windham Water Works, City of Norwalk, Town of Madison, Town of Woodstock, Regional School Dist.6 and 14, Thompson and Town of Mansfield).	2,3

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					<p>Eversource has also increased self-funding for financing SBEA and Municipal loans.</p> <p>United Illuminating is currently rationing the capital for the municipal and state customers. United Illuminating is piloting the use of third party capital (M-CORE) to finance Municipal Loans not requiring on bill repayment.</p> <p>The Companies have also utilized a PURA distributed generation/EE loan product with Bank of America on projects larger than \$1M and reduce kW demand. The subsidized rate is 1% below prime or customers lowest interest rate and subsidized through Federally Mandated Congestion Charges.</p> <p>Both companies, UI and Eversource, are working jointly with CT Green Bank to pursue a longer term, sustainable, and cost-effective option for the Green Bank to source more and lower cost capital. CT Green Bank issued an RFP in December 2016 and, together with the Companies, selected a proposal from JP Morgan to develop further.</p> <p>At the Companies' request, CT Green Bank developed a proposed facility that uses CT Green Bank subordinated capital to limit the need for regulatory approvals and use</p>
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					of CEEF money to fund a loan loss reserve. CT Green Bank and the Companies are currently working to outline the key costs and benefits and potential savings projections to be captured from the SBEA recapitalization proposal, and identify which funds are used for which functions	
3.	Update the Master Agreement between CEEF and state for state agencies to provide improved flexibility.	Master Agreement in place for both Eversource and UI	Financing cap imposed; resolution tied to item above	Done	Complete; though cap imposed, highlighting need for items above and below.	2,3
4.	Develop new products to fill market gaps: Example 1: develop financing for projects too large for SBEA and too small for ESPC Example 2: Develop a financing vehicle for aggregating smaller, long-term, comprehensive energy saving projects for multiple municipalities that don't fit the Small Business	Products in place for pre-development financing, for mid-sized projects, and for aggregated projects.	CT Green Bank researching potential solutions.	Pending	CT Green Bank's role is to close financing gaps that private investors and banks will not address. Next steps are to have CT Green Bank take on the role of financing a mid-sized program for small business customers and municipal and state customers. Additionally, develop a timeline. For municipalities and state facilities – current Green Bank strategy is to use the	2,3

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	Energy Advantage (SBEA) financing mechanism that ensures that energy savings from one town do not offset financing measures for another town.				<p>modified SBEA program (under development per the above) to act as an aggregation facility for smaller long term comprehensive energy savings projects and roll these into a term facility for the relevant municipalities.</p> <p>For regular C&I/non-municipalities – current Green Bank strategy is to develop a “product extension” of the modified SBEA program (under development per the above) – this will follow by some period of time after the modified program is launched.</p>	
5.	Issue Green Bond [revenue bonds] or other financing vehicle for LBE ESPC project for Department of Correction District 1;	Financing documents being drafted	Financing constraint; Pending completed project technical studies/scope	Pending	<p>Department of Correction District 1 ESPC project waiting for financing. On August 11, 2016 the Office of the Treasurer (OTT) and the OPM Secretary designated \$50M of bonding capacity for the DOC project to allow the CT Green Bank to move forward with a capital lease with DOC. CT Green Bank is drafting lease agreement and other financing and legal documents. DEEP is preparing interagency documents to provide for flow of payments between agencies. Budget considerations have affected this process and uncertainty remains, though may be getting addressed this quarter.</p>	2

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6.	CT Green Bank will continue to identify other financing vehicles for large projects [including ESPC] that do not involve bonding or other financing vehicles that trigger debt designation, both for municipal projects and state projects [might be different vehicles].			Ongoing	CT Green Bank is researching other financing mechanisms and legal agreements to be prepared for pipeline of new projects and to assess how debt capacity needs to be requested. Discussions continue with BAML on the structure that they successfully applied to City or Chicago buildings using an energy savings agreement (ESA) paired with a ESPC from a QESP.	2
7.	Execute on the PURA Distributed Generation/EE Loan with the Bank of America that provides an interest rate buy-down for this sector [usually for municipal performance contracts]	Execution	Execution dependent on projects completing technical studies/scope	Ongoing	CT Green Bank assessing viability for using for other performance contracts by using with Clean Renewable Energy Bonds for a project that will benefit the City of Meriden. With the Meriden project closed (bonds issued) work has progressed with BAML to adapt the structure (first) to solar projects for CT community colleges. [Note: only the portion of the project conserving electric demand qualifies for the interest rate buy down benefit]	2

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	Action Item	Measurement of Success	Challenges	Target Completion Date	Status	Satisfies Items
	Small Business					
1.	<p>Joint Projects with C-PACE to finance projects with longer term (i.e., greater than 4 year paybacks).</p> <p>CEEF funds would be provided for EE rebates on qualifying measures plus interest rate buy-downs on the EE customer portion of projects up to 4 years and less than \$100K.</p>	<p>Joint C-Pace Projects with CT Green Bank and the Utilities that include measures that have greater than 4 year paybacks.</p>	<p>Identification of Projects</p>	<p>Q3 2017</p>	<p>Continued communication and dialogue on the process. Continue to work together to further develop process on best points to intersect the CEEF and Green Bank promotion.</p>	<p>1, 2</p>
2.	<p>Identify low cost capital sources (non-utility capital) for SBEA loans. Similar Goal for Muni.</p>	<p>Pool of low cost funds available for SBEA Loans. The cost of funds is lower than the utility cost of capital.</p>	<p>Unsecured Loans based on utility bill credit history; Process is simple and sold by contractors</p>	<p>Q1 2017</p>	<p>Companies and Green Bank are pursuing solution that applies to muni, state, and small business customers. See update in government sector section.</p>	<p>2,3</p>

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	Action Item	Measurement of Success	Challenges	Target Completion Date	Status	Satisfies Items
	Medium / Large Business					
1.	Target Segments (i.e., Nursing Homes) to identify and develop a comprehensive project with financing options.	Completion of a joint Nursing Home Project which combines utility incentives plus C-PACE project financing.		Q4 2017	<p>Joint collaborative projects are being evaluated to maximize the potential for deep energy retrofits (i.e., Stamford Town Center, Bridgeport Diocese, etc.).</p> <p>Companies, Green Bank and DEEP are working together on outreach and engagement. The most recent roundtable in April 2017 drew representatives from approximately 20 health care facilities and resulted in approximately 12 facilities taking up an offer to provide benchmarking services.</p> <p>The Companies, Green Bank and DEEP are holding an event tailored for non-profits and manufacturers wanting to learn more about how to pursue an integrated energy efficiency and solar project. The event will be held on July 18th at a non-profit facility that has pursued significant energy efficiency and renewable energy upgrades and will include presentations from customers who have completed projects as well as the Companies, Green Bank, and select contractors.</p>	1, 2

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2.	Develop a tool / cut-sheet for a comprehensive project offering with financing options.	Simple and unified comprehensive / financing offer		Q3 2017	Utilities have begun pulling together existing tools / cut-sheets to share to develop a comprehensive project offering that includes financing options. Ongoing	2,3
3.	Develop an enhanced process flow model	Simple and unified process flow model		Q2	The focus had been on the SBEA and medium/large businesses Financing.	1,2,3
4.	Identify other cost effective segment and other project opportunities.	Identify segment, projects and complete a joint project in alignment with the findings from above. Create a summary report on Joint Projects.		Q3	Utilities and CT Green Bank have pulled together their studies, segment efforts and are developing a process for sharing cost effective project opportunities.	2,3

Residential Metrics for Single Family and Multi-Family

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Residential Sector: Single-Family

1. Identify coordinated strategies for expanding comprehensive loans for the 2016-2018 period. Calibrate incentive and buy-down levels to achieve more comprehensive projects while reducing program costs.
2. Pursue all cost-effective energy efficiency in the residential sector, using financing and increasing the amount of private sector capital where effective (and a simplified approval process where possible and appropriate), to leverage up ratepayer funds and achieve more and deeper savings.
3. Increase financing in the HES/HPwES channel to meet needs and drive deeper energy savings and more projects.
 - a. Increase HES projects with completed follow-ons per the C&LM plan, using financing as one of the tools to increase completed follow-ons.
 - b. Increase the adoption of the Smart E-bundle and CHIF comprehensive loans

Residential Sector: Multi-family

1. Reduce energy consumption and costs in multifamily properties consistent with goals in the Connecticut Green Bank's plan and the Conservation and Load Management plan. (MMBTU's per unit).
2. Establish, align and fund financing programs to fill current unmet needs and gaps including projects driven by energy efficiency improvements where capital improvements are a subcomponent. Complete the tasks from the work plan from the May 2015 Lean event.
3. Fund and complete a market analysis of certain sectors to quantify and qualify this segment and identify gaps, opportunities and best ways to serve by the end of 2016. Hard to reach sectors include certain rural areas and non-subsidized, non-rent restricted multifamily housing that is privately owned and serving low-income tenants (also referred to as naturally occurring affordable properties).

Residential Metrics for Single Family and Multi-Family

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Action Item	Measurement of Success	Challenges	Target Completion Date	Status	Satisfies Item
Single Family					
Fully Integrate CHIF into the Smart-E lending program.	CHIF is a Smart-E approved lender. CHIF will have been trained/integrated by the CGB. CHIF will be providing loans for both non- credit and credit challenged customers statewide and will be offering the Bundle. CHIF will be included in the dashboard, website and all marketing materials.	CHIF, now known as C4C has completed working through post-merger activities and are awaiting their first reports as Smart-E lender.	Original Target Q1-2016; C4C as a Smart-E lender became active effective December 1, 2016	Fully launched December 1, 2016. C4C Smart-E loans now showing under Smart-E on EnergizeCT dashboard	1, 2
Track loan activity vs. goals monthly (all loans, comprehensive loans, measures, etc.)	Utilizing the monthly financing cost comparison report data and the energy efficiency dashboard – graphically show an increase in Smart-E loan activity (quantity) for single measure and comprehensive loans.		Ongoing monthly	Ongoing/ Monthly Review	2,3
Track component costs on a monthly basis (average incentives, buy-down costs, financing costs, program costs, etc.)	Utilizing the monthly financing cost comparison report data – graphically show a decrease in overall financing costs for single measure and comprehensive loans.		Ongoing Monthly spreadsheet	Ongoing/ Monthly Review	1,2,3

Residential Metrics for Single Family and Multi-Family

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Track add-on measures monthly, including which ones receive financing	Utilizing the energy efficiency dashboard data, graphically show an increase in add-on measures and comprehensive jobs.		Ongoing monthly	Ongoing/ Monthly Review	2, 3
Secure GLGF bond proceeds for Smart-E	CGB has successfully secured GLGF bond proceeds to provide further support for Bundle/comprehensive loan buy-downs		Original target Q2-2016; Estimated – unknown, due to current budget environment	Legislative Finance Revenue and Bonding Committee removed the GLGF in the 2017 legislative session. CGB restructured ARRA-SEP funds to shift to IRBs to support Smart-E.	3

Residential Metrics for Single Family and Multi-Family

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Action Item	Measurement of Success	Challenges	Target Completion Date	Status	Satisfies Item
Multi-Family					
Develop a Tracking Matrix for multi-family (similar to residential) to include all methods being utilized to finance energy improvements to multifamily housing. This includes HES and HES-IE incentives for multi-family and CGB, CHFA, DOH financing, etc.	Develop a matrix depicting multi-family financing from CEEF, CGB sources, others as available (i.e., LIME, C-PACE, CHFA, DOH, HUD, others). Track activity ongoing once developed.		Q1-2016 for development , ongoing for tracking and reporting	A multi-family tracking matrix is developed.	1
Track savings per property financed on a monthly basis (energy savings per unit)	Utilizing company tracking system data – graphically show an increase in the savings per unit (ie., MMBTU/unit, MMBTU/Square Foot-where possible) for financed multi-family projects.		Ongoing, beginning Q2-2016	Companies and CGB met and are working to establish a joint tracking matrix	1
Create a matrix that aligns funding programs and gaps and develop solutions to fill in the gaps (for example; earlier involvement in CHFA projects, SBEA vendors perform some multi-family services, financing alternatives to CPACE, which	Completed matrix of gaps and solutions, and action plan to close the gaps.		End of Q1, 2016 for the Matrix of gaps End of Q4, 2016 for the	Ongoing and complete Joint utility – CGB contractor	2

Residential Metrics for Single Family and Multi-Family

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<p>doesn't work well below \$100K or for FHA financed or HUD insured properties, a large portion of the MFH market)</p>			<p>action plan to close the gaps</p>	<p>meeting held March 2nd. An integrated program with EE Incentives and Financing matrix presented.</p>	
<p>Fund and complete a market analysis of certain sectors to quantify and qualify the multifamily segment in a meaningful way. For example (small multi-family, condo's, other building structures and property types, etc., tenant paid vs. owner paid, affordable vs. market rate.</p>	<p>RFP is issued by Q1, 2016; vendor selected Q2, 2016 and study completed Q3, 2016. Use the analysis to update the solutions to the gaps identified above.</p>		<p>Develop and issue an RFP by the end of Q4, 2016 Complete study by the Q1, 2017</p>	<p>Companies and CGB met to discuss scope of work and have a working draft in discussion. Budget TBD.</p>	<p>2,3</p>