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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

July 12, 2013

Dear Clean Energy Finance and Investment Authority Board of Directors:

The Board of Directors will be meeting on Friday, July 19, 2013 from 9:00 to 11:00 a.m. in the board room of Connecticut Innovations at 865 Brook Street, Rocky Hill, CT 06067.

We have a full agenda, including:

- **C-PACE Transactions** – an update on C-PACE, including recommendations by the Deployment Committee for CEFIA to provide a loan for two projects – 100 Roscommon Street (Middletown) and 80 Lamberton Road (Windsor). Since these loans exceed the $2.5 million approval authority of the Deployment Committee, they are recommending the full board's approval for these C-PACE transactions.

- **Residential Solar PV Loan Financing** – in light of the next Deployment Committee meeting in September, and in order to ensure that we are continuing to move programs forward quickly to originate loans, we are bringing forth a recommendation to support SunGen Capital Management. This recommendation arises from the Capital Competition pilot program we announced earlier this year. CEFIA will be providing a low-interest long-term loan to a financier and developer of residential solar PV projects in lieu of, or foregoing any rebates and incentives offered through the Residential Solar Investment Program. We will also be proposing an expansion of capital for the Solar PV Loan because more access to capital is needed to support that facility which will be expanded to serve all solar PV contractors.

- **Marketing and Outreach** – as we have identified customer demand as our #1 focus for FY 2014 because we need to deploy over $100 million of private capital, we are proposing a strategic marketing partner for CEFIA in MatchDrive. We are also proposing to scale up our best practice Solarize Connecticut efforts in partnership with SmartPower to further reduce soft costs of customer acquisition while growing customer demand for solar PV and financing in communities throughout the state.

- **Budget** – given the request of the Board of Directors at our last meeting on the FY 2014 budget and personnel, we are returning with some recommendations for cost of living adjustments and other areas of compensation given recent actions being taken by state government and quasi-public agencies in Connecticut. The Budget and Operations Committee will be meeting on Monday to discuss this. The materials will be sent out to the Board next week once the Committee has discussed the situation and identified recommendations for the full Board's consideration.

If you have any questions, comments or concerns, please feel free to contact me at any time.

Have a great weekend.

Sincerely,

Bryan Garcia
President and CEO

AGENDA

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

Friday, July 19, 2013
9:00-11:00 a.m.

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

1. Call to order

2. Public Comments – 5 minutes

3. Approval of meeting minutes for June 21, 2013* and June 26, 2013* – 5 minutes

4. Update from the President – 5 minutes

5. Commercial and Industrial Sector Program Updates and Recommendations for Approval – 30 minutes

   a. 100 Roscommon Street (Middletown, CT)*
   b. 80 Lamberton Road (Windsor, CT)*

6. Statutory and Infrastructure Sector Program Updates and Recommendations for Approval – 30 minutes

   a. Capital Competition: SunGen Capital Management*
   b. Solarize Connecticut*

7. Residential Sector Program Updates and Recommendations for Approval – 10 minutes

   a. Residential Solar Loan Program Update and Funding Request*

8. Institutional Sector Program Updates – 5 minutes

9. Other Business* – 30 minutes

   a. Budget and Operations Committee – FY 2014 Budget*
   b. Marketing Support – MatchDrive*

10. Adjourn

*Denotes item requiring Board action

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Next Regular Meeting: Friday, September 13, 2013
Clean Energy Finance and Investment Authority, 865 Brook Street, Rocky Hill, CT

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

REVISED RESOLUTIONS

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

Friday, July 19, 2013
9:00-11:00 a.m.

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

1. Call to order

2. Public Comments – 5 minutes

3. Approval of meeting minutes for June 21, 2013* and June 26, 2013* – 5 minutes

Resolution #1

Motion to approve the minutes of the Board of Directors meeting for June 21, 2013 Regular Meeting and June 26, 2013 Special Meeting. Second. Discussion. Vote.

4. Update from the President – 5 minutes

5. Commercial and Industrial Sector Program Updates and Recommendations for Approval – 30 minutes

   a. 100 Roscommon Street (Middletown, CT)*

Resolution #2

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

WHEREAS, the CEFIA Board of Directors has approved a $20,000,000 C-PACE construction and term loan program; and

WHEREAS, the Deployment Committee recommended the approval of a $2,535,766 construction and term loan under the C-PACE program to Roscommon Infinity, LLC, the property owner of 100 Roscommon Drive, Middletown, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the Board of Directors authorizes the President of CEFIA and any other duly authorized officer of CEFIA, to execute and deliver the Loan in an amount not to be greater than one hundred and ten percent of $2,535,766 with terms and conditions consistent with the memorandum submitted to the Board of Directors dated July 19, 2013, and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from July 19, 2013;

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

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

b. 80 Lamberton Road (Windsor, CT)*

Resolution #3

WHEREAS, Section 99 of Public Act 11-80 "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future" (the "Act"), CEFIA is directed to, amongst other things, develop separate programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects and such others as the authority may determine;

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

WHEREAS, the CEFIA Board of Directors has approved a $20,000,000 C-PACE construction and term loan program; and

WHEREAS, the Deployment Committee recommended the approval of a $3,090,444 construction and term loan under the C-PACE program to Lamberton LLC, the property owner of 80 Lamberton Road, Windsor, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the Board of Directors authorizes the President of CEFIA and any other duly authorized officer of CEFIA, to execute and deliver the Loan in an amount not to be greater than one hundred and ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board of Directors dated

July 19, 2103, and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than 90 days from July 19, 2013;

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

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

6. Statutory and Infrastructure Sector Program Updates and Recommendations for Approval – 30 minutes

   a. Capital Competition: SunGen Capital Management*

Resolution #4

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

WHEREAS, on November 30, 2012, CEFIA's Deployment Committee authorized the issuance of a Request for Proposal ("RFP") for a competitive solicitation to provide a long-term and low-interest loan in an amount not to exceed $1 million dollars to the winning bidder for delivering the maximum amount of clean energy produced without the use of a Rebate or PBI incentive pursuant to Section 106 of Public Act 11-80; and

WHEREAS, CEFIA staff has reviewed and selected SunGen Capital Management's ("SunGen") RFP proposal which will use approximately $1 million in ratepayer capital as subordinated debt to leverage $2.6 million in private capital, to be repaid at an interest rate no greater than ~~of~~ 1.4% ~~over ten years~~annually (the "Program").

NOW, therefore be it:

RESOLVED, that funding be approved for the Program in a total amount not-to-exceed $1,525,000, of which not more than $1,000,000 may support a subordinated debt investment into an SPV established by SunGen for the purpose of executing the Program, and not more than $525,000 may support the purchase of Renewable Energy Credits (RECs) produced by the portfolio established under the Program;

RESOLVED, that CEFIA's funding of the Program is contingent upon SunGen securing written commitments for third party financing such that the ratio of private capital to ratepayer funds invested in the Program is not less than 2.5 : 1;

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 effect the subordinated debt investment on such terms and conditions consistent with the language of this memo (inclusive of the draft term sheet) and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than six months from the date of this resolution; 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.

b. Solarize Connecticut*

Resolution #5

WHEREAS, the Solarize Connecticut℠ program (“the Program”) is a proven marketing strategy that has significantly increased the deployment of residential solar PV in participating communities by reducing customer acquisition costs and, correspondingly, total system costs;

WHEREAS, SmartPower, Inc. (“SmartPower”) is a non-profit marketing organization with extensive marketing, education and outreach experience developed in the pilot phase of the Solarize Connecticut program and similar programs in other states;

WHEREAS, pursuant to Section 9 of the Operating Procedures the President of CEFIA and any other duly authorized officer may contract for professional services on any terms necessary to carry out CEFIA’s purposes;

WHEREAS, pursuant to Section 9 of the Operating Procedures contracts for professional service shall be awarded by CEFIA in such manner, including on the basis of a sole-source procurement, as the Board determines to be appropriate and in CEFIA’s best interests in the circumstances;

WHEREAS, pursuant to Section 9 of the Operating Procedures contracts requiring an expenditure by CEFIA of over one hundred fifty thousand dollars ($150,000) shall, whenever possible, be awarded on the basis of a process of competitive negotiation where proposals are solicited from at least three (3) qualified parties;

WHEREAS, SmartPower is unique in that it will attract $100,000 in leveraged funding from private philanthropic foundations for this phase of the Program;

WHEREAS, SmartPower has played a critical role in the early successes of this Program and has a thorough familiarity with all facets of the Program, unlikely to be matched by any other service provider without an unacceptable delay; and

WHEREAS, due to SmartPower’s unique expertise and the current time constraints, with the anticipated launch of this phase of the Program in August, it is not possible to initiate a competitive proposal process without delaying the launch and it would be in CEFIA’s best interest to execute a sole-source procurement of SmartPower’s services for this Program.

NOW, therefore be it:

RESOLVED, that the Board of Directors approves the selection of SmartPower, to assist in the marketing and management of this phase of the Program, as in the best interest of CEFIA;

RESOLVED, that the Board of Directors approves the execution of a professional service agreement ("PSA") substantially in the form of CEFIA's standard PSA with SmartPower for an amount not to exceed $200,000 to assist in the marketing and management of the Program;

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 and Recommendations for Approval – 10 minutes

a. Residential Solar Loan Program Update and Funding Request*

<u>Resolution #6</u>

WHEREAS, Section 99 of Public Act 11-80 "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future" (the "Act"), CEFIA is directed to, amongst other things, to develop separate programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects and such others as the authority may determine;

WHEREAS, CEFIA seeks authorization to lend to the CT Solar Loan subsidiary for the purposes of funding loans to be granted to Connecticut homeowners under the CT Solar Loan program; and

WHEREAS, this CT Solar Loan program will support homeowners who desire to purchase solar PV systems for their homes, in line with Public Act 11-80, the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the Board of Directors grant approval for CEFIA to lend to the CT Solar Loan subsidiary for the purposes of funding the loans to be granted to Connecticut homeowners under the Program subject to the following limits:

A. A maximum limit for all long term loans, subordinated to senior investors, of $1,000,000;

B. A maximum limit for revolving loan advances to aggregate a portfolio of Solar Loans in the amount of $5,000,000 for a period not to exceed three (3) years;

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 effect the senior investors acquisition of a portion of the portfolio of Solar Loans on such terms and conditions materially consistent with the term sheet dated November 21, 2012 and approved by the Deployment Committee and the memorandum submitted to the Board of Directors on July 12, 2013 and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than six months from the date of this resolution;

RESOLVED, that actions taken by the President of CEFIA and any other duly authorized officer of CEFIA since the Deployment Committee approved the establishment of the CT Solar Loan program at its regular meeting held November 30, 2012 are hereby ratified and confirmed; 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.

8. Institutional Sector Program Updates – 5 minutes

9. Other Business* – 30 minutes

   a. Budget and Operations Committee – FY 2014 Budget*

Resolution #7

WHEREAS, Article V of the Clean Energy Finance and Investment Authority (CEFIA) Operating Procedures requires the CEFIA Board of Directors (the "Board") to approve any increases to the operating budget in excess of seventy-five thousand dollars;

WHEREAS, the Budget and Operations Committee reviewed a staff proposal for an increase in fiscal year 2014 staff salaries and wages;

WHEREAS, the Budget and Operations Committee recommended that CEFIA staff present up to three options to the Board for their consideration;

NOW, therefore be it:

RESOLVED, that the Board approves a cost of living adjustment equal to [X] percent of budgeted fiscal year 2014 salaries and wages as a result of inflation;

RESOLVED, that the Board approves a merit compensation pool equal to [X] percent of budgeted fiscal year 2014 salaries and wages to increase selected staffs' salary based on outstanding fiscal year 2013 performance;

RESOLVED, that the Board approves a promotion pool equal to [X] percent of budgeted fiscal year 2014 salaries and wages to promote staff throughout fiscal year 2014 for outstanding performance and taking on increased responsibilities consistent with a higher position; and

RESOLVED, that the Board approves an increase in fiscal 2014 employee benefits to 74.38% of budgeted fiscal year 2014 CEFIA employee salaries and wages and a corresponding increase in the fringe benefit rate for CI employees performing shared services for CEFIA.

Resolution #8

WHEREAS, Article V of the Clean Energy Finance and Investment Authority (CEFIA) Operating Procedures requires the CEFIA Board of Directors (the "Board") to approve any increases to the operating budget in excess of seventy-five thousand dollars;

WHEREAS, the Budget and Operations Committee recommended approval to the Board of Directors;

NOW, therefore be it:

RESOLVED, that the Board approves that the unspent or unallocated fiscal year 2013 marketing budget be added to the fiscal year 2014 marketing budget.

b. Marketing Support – MatchDrive*

Resolution #9

WHEREAS, CEFIA seeks a partner to provide marketing support for its residential and commercial and industrial financial products;

WHEREAS, CEFIA released a request for proposals for marketing services in February of 2013; and

WHEREAS, Marketing Drive LLC, d.b.a. Match Drive ("MatchDrive") was selected as the leading marketing proposal and is a Connecticut-based, award-winning advertising agency with relevant energy experience.

NOW, therefore be it:

RESOLVED, that the Board of Directors approves the selection of MatchDrive, to provide marketing support to CEFIA for its residential and commercial and industrial financial products, as in the best interest of CEFIA;

RESOLVED, that the Board of Directors approves the execution of a professional service agreement ("PSA") substantially in the form of CEFIA's standard PSA with MatchDrive for an amount not to exceed $1,053,550;

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.

10. Adjourn

*Denotes item requiring Board action

Join the meeting online at https://www4.gotomeeting.com/join/704737343

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Next Regular Meeting: Friday, September 13, 2013
Clean Energy Finance and Investment Authority, 865 Brook Street, Rocky Hill, CT

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #1

Call to Order

July 19, 2013

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #2

Public Comments

July 19, 2013

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #3

Approval of Meeting Minutes June 21, 2013 and June 26, 2013

July 19, 2013

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #4

Update from the President

July 19, 2013

Update from the President

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- **Solar Lease** – closed the $60 million fund with tax equity and debt providers. Leverages $9.5 million of ratepayer funds to attract $50 million of private capital—a ratio of better than 5:1. Provides best in the nation customer access, reaching credit scores as low as 640. Full CEFIA team effort that will result in a great program.

- **RGGI Update** – draft model rule issued by DEEP on July 16, 2013 which transfers RGGI allowance proceeds to CEFIA up to $25,400,000 for energy efficiency – this is above and beyond allowance revenues received by CEFIA for renewable energy. Included in your packet are DEEP's responses to your questions on Connecticut emissions (i.e. total and per capita) in comparison to other states and RGGI minimum and maximum allowance price and auction proceed projections for FY 2014 and FY 2015.

Update from the President

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- **<u>Competitive Federal Grants</u>** – continue to compete for and win federal grants to bring "race to the top" funds to Connecticut

Project	Federal Agency	CEFIA Administrator	Other Administrator	Total
EECBG*	DOE	$4,200,000	-	$4,200,000
SunShot Initiative**	DOE	$480,000	-	$480,000
Energy Innovation Fund***	HUD	-	$2,625,000	$2,625,000
SunShot Initiative****	DOE	<u>-</u>	<u>$1,800,000</u>	<u>$1,800,000</u>
		$4,680,000	**$4,425,000**	**$9,105,000**

<u>REFERENCE</u>
* - Energy Efficiency Conservation Block Grant supported the Neighbor to Neighbor Energy Challenge. The project involved 14 cities and towns throughout Connecticut (2011-2013)
** - SunRise New England – Open for Business is a grant to lower soft costs, including permitting, siting, and financing. The project involved 12 cities and towns throughout Connecticut (2012-2013)
*** - HUD's Energy Innovation Fund provided a grant in the amount of $5.25 million to Winn-LISC to support a financial innovation project called the Multifamily Energy Loan Fund which will support projects in Massachusetts through the MassCEC, New York through NYCEEC, and Connecticut through CEFIA and CHFA.
**** - Through a project called "The Influence of Novel Behavioral Strategies in Promoting the Diffusion of Solar Energy," a SEEDS grant through the SunShot Initiative, Yale University, New York University, and SmartPower will experiment with Solarize Connecticut to understand its effectiveness, cost effectiveness, persistence, and other attributes (2013-2015)

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

Agenda Item #7

Residential Sector Programs

July 19, 2013

Residential Programs
Product Updates

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- **Smart-E Loan** – focus remains on bringing on lenders, training contractors, solidifying operations
  - 7 lenders live, Liberty Bank and Union Savings in final stages of documentation
    - Will bring us to ~50% of state's towns and ~2/3 of borrowers
    - 4 apps received by CEFIA for technical review, 3 of 4 closed at lenders, 10+ pre-approvals with lenders, loan apps received at 5 of 7 lenders
  - 85 contractors trained, future focus on trade associations
    - Local 777 integrating us into required training for 3,000 plumbers
    - Scheduling trainings for CHCC members, solar thermal installers, and key suppliers
  - Marketing
    - Moving to 6 month IRB promo across the board
    - Energize Waterbury/Hamden just launched, utility-run adaptation of Solarize with focus on EE and fuel conversions
    - Energize Norwich in RFP for fuel conversion contractors, CEFIA-led partnership w/ NPU, SmartPower and 2 lenders, focus on fuel conversions launching mid-August
    - Lender-specific collateral completed for branch distribution, need to develop contractor marketing package
    - Online test running yesterday/today promoting high efficiency AC w/ Smart-E 60 sec video

Residential Programs
Product Updates

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- **CT Solar Lease** – gearing up for launch to contractors 1st week of August and consumers mid-August
  - Current focus is on marketing materials and finalizing operational processes
- **Cozy Home Loan –** application process went live this week
  - With 7 trained contractors, focus is on training more
- **Working Capital –** Wells Fargo actively promoting to our contractor base; negotiating security arrangements with Webster and Liberty
  - Will support installers for CT Solar Lease, CT Solar Loan, Smart-E and Cozy Home Loans
- **Operations –** ARRA documentation requirements for state historic preservation and waste management impacting all 4 residential products
  - Significant pushback from contractors on paperwork/process
  - Working to streamline required docs and burden on contractors as much as possible

Residential Programs
CT Solar Loan Update

- Deployment Committee approved/recommended LLR & Loan Funds
- Due to limits on funding – only working with 2 installers
- Closed 4 loans through June ~$90,000; expect $500,000 approved/closed by end July (Solarize)
- Senior investor progress good - very positive about structure and overall quality of the offering
- Two promising leads – likely to result in a $1 million commitment plus a listing with the Mission Markets platform

Residential Programs
CT Solar Loan Request

Need For Funding

- Investors want “on the shelf – ready to go” investments
- With $1.5M limit – can’t open to all installers – capacity could be quickly exhausted
- Higher limit would enable Finance to assemble "investor ready" bundles of investments without risking a "stockout" situation

REQUEST

- Up to $5M limit for immediate expansion to all eligible PV installers
- CEFIA to retain on a long term basis up to 20% of total (i.e., sell-down $4M to investors)

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Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #6

Statutory and Infrastructure Sector Programs

July 19, 2013

Capital Competition
Overview

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- **Solar Loan Pilot** – provide $1 MM to start of low-cost (i.e. 2% interest rate) and long-term (i.e. 20 years) capital as a loan
  - Capital competition RFP to identify a developer-financier that can "maximize the amount of clean energy produced per dollar of ratepayer funds at risk"
  - Winning developer-financier will not be able to access the rebate or PBI through the RSIP, but will retain the RECs and other environmental attributes from the residential solar PV projects (which it can sell to CEFIA) – a "green bank" model

Capital Competition

Solar Loan Pilot Partners

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SUNGEN CAPITAL MANAGEMENT

FIRST NIAGARA

ONEROOF ENERGY

Member Manager

- Manage the SPV and the pilot
- Raise private capital
- Originate the loans
- Service the loans
- Manage RECs

Capital Provider

- Connecticut lender
- Provide capital of $2.6 MM senior debt

Installer

- Acquire customers
- Install the projects

Capital Competition
Solar Loan Pilot Facility

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- **$3.44 Million facility**
- **75% Senior debt**
- **25% Subordinated debt (CEFIA)**
- **Projected number of loans – 115**
- **Target consumer interest rates:**

Loan Term	Interest Rate
3	4.56%
5	4.90%
7	4.52%
10	5.93%

Capital Competition
Solar Loan Pilot Terms and Conditions

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- **$1 million loan with a max term of 10 years**
  - $860,000 as subordinate debt
  - $140,000 as startup capital*
  - Projected number of loans – 115
- **Loan interest rate:**

Loan Years	Rate to SunGen
3	0.42%
5	0.70%
7	0.98%
10	1.40%

- **RECs to be purchased by CEFIA at $55 MWh (the ACP) and sold into ZREC market (i.e. below 100 kW lottery) or open market**

* **$100,000 of Startup Capital is forgiven if 50% of the estimated loans are closed and the remainder if the total estimated loans are closed.**

Capital Competition
Solar Loan Pilot versus RSIP

	RSIP	SunGen Loan Facility
Estimate Number of Loans	115	115
Average System Size	7kW	7kW
Incentive (Rebate)	$1.133 Million	$0
Total kWs (10-years)	152,081	152,081
Estimated Interest Differential from Senior Debt (10-year Loans)	N/A	$276,967
REC Purchase Cost Differential ($.055/kWh ACP vs. $.030/kWh Estimated Average Market Price (10-years)	N/A	$224,095
Total	$1.133 Million	$501,062
Saving		$631,938
# of Watts per $ of CEFIA Investment	134	304

Solarize Connecticut

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Year 1/Phase 1 Highlights:

- **Exponential Increases in Clean Energy Installations** – 284 contracts & >2.2 MW in four communities
- **Lowered System Costs –** Avg. price of $3.68/watt vs. $5.00/watt at outset
- **Reduced Customer Acquisition Costs** – < $90/kw (direct program spend) and $135/kW ("all in")
- **Attraction of Federal Funding for Academic Research** - $1.9M DOE Solar Energy Evolution and Diffusion Studies grant to team led by Yale University and NYU

Solarize Connecticut

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FINANCE AND INVESTMENT AUTHORITY

Year 1/Phase 2 Highlights:

- **Continued Growth of Clean Energy Installations** – Anticipate 204 contracts and 1.3 MW (approx. 72% and 62% of Phase I, respectively)
  - 2 distressed communities
  - Smaller avg. system sizes (7 kW vs. 8 kW)
- **System Costs Still Lower than State Average –** average price of $3.93/watt vs. $4.62/watt (Step 3 avg. as of June 20, 2013)
  - Slightly higher adders as compared to Phase I due to volume of highly efficient U.S. – made panels & trackers
- **Program Extended Until July 31** – Will allow residents to utilize new CEFIA financing products including Solar Lease

Solarize Connecticut

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FINANCE AND INVESTMENT AUTHORITY

Year 2 Goals:

- **Broaden Reach to More Communities** - 13 towns applied for Phase III including 2 coalitions of three towns each
- **Drive Down System Costs** – lower customer acquisition & other "soft" costs (e.g., streamlined permitting, reduced fees)
- **Extend to Other Applications** –
  - Affinity partners (e.g., University of Connecticut, The Hartford…large employers as an employee benefit)
  - Other renewable technologies (e.g., solar hot water)
  - Energy Efficiency
- **Transition to Standardized Model** – Develop protocols & tools for towns and/or installers to conduct Solarize campaigns with significantly reduced involvement by CEFIA

Solarize Connecticut

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Request:

- **Enter into PSA with SmartPower not to exceed $200,000 to continue marketing & outreach support for Solarize Connecticut℠**

- **Leverage:**
  - $100,000 in private philanthropic foundation funding
  - SEEDS Research – Academic analysis by Yale/NYU of cost-effectiveness of various program components; implementation of Solarize-like campaigns in at least 4-8 additional communities

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #5

Commercial and Industrial Sector Programs

July 19, 2013

Commercial and Industrial Programs
Where are we?

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- 49 towns on board
- 60% of the CT market eligible
- 170 contractors trained
- 164 deals in the pipeline = $55M*
- 11 qualified capital providers
- 6 deals received lender consent from 5 different banks
- $20M in CEFIA capital

***assuming the 70% of the deals (those marked ‘high or medium’ priority) convert.**

Commercial and Industrial Programs
C-PACE Deals at a Glance

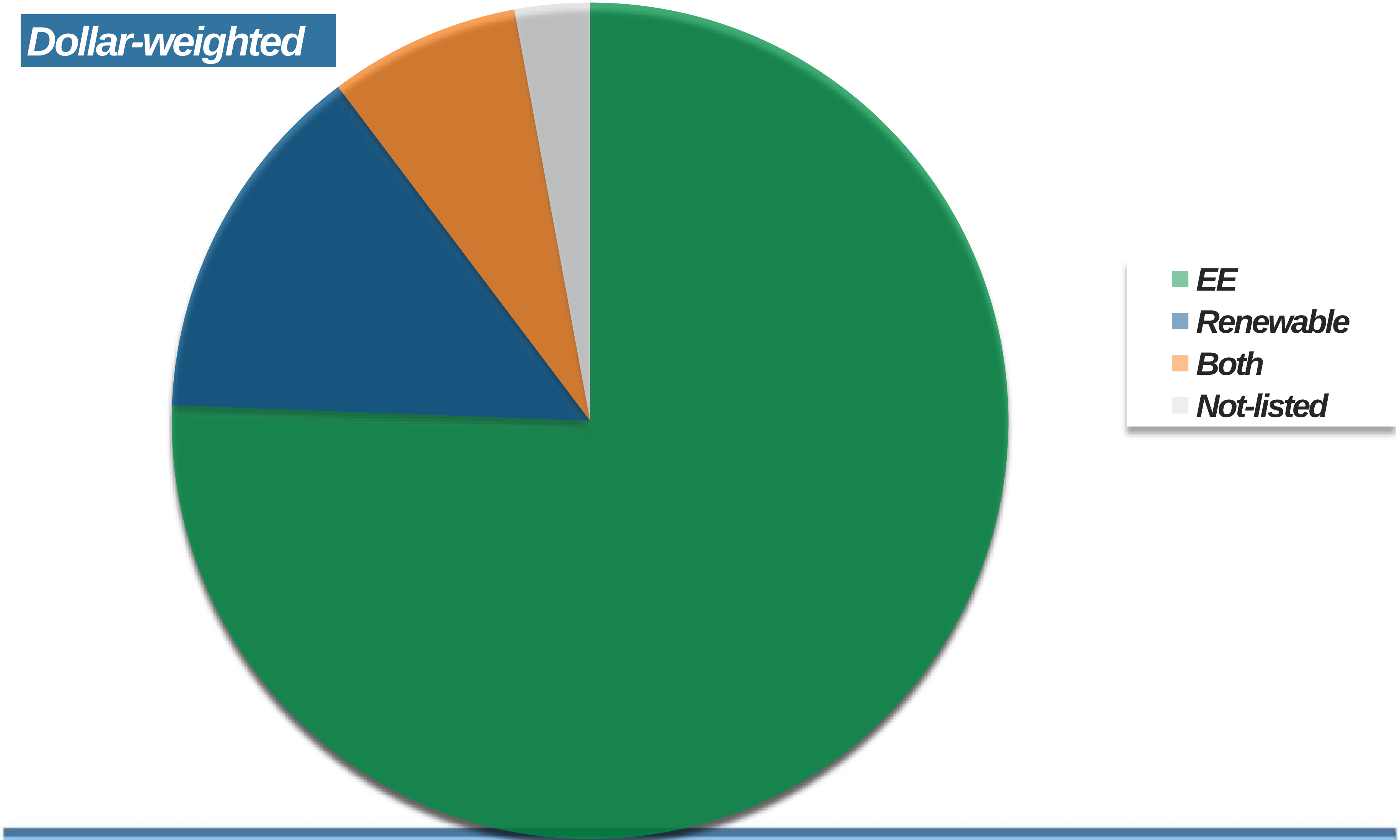
CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

Closed			
542 Westport Ave (Lighting)	Energy Efficiency	$185,000	50,000 sqft
Bushnell Theatre	Energy Efficiency	$384,000	139,000 sqft
ID Products	Energy Efficiency	$107,566	15,846 sqft
		$676,566	**204,846 sqft**
Approved			
41 Walnut Street	Renewable	$170,000	34,500 sqft
542 Westport Ave (Solar)	Renewable	$456,650	50,000 sqft
855 Main Street	Energy Efficiency	$1,992,683	100,000 sqft
Bridgeport International Academy	Both	$548,784	55,000 sqft
Danbury YMCA	Energy Efficiency	$87,938	17,107 sqft
		$3,256,055	**256,607 sqft**
On Docket for July 2nd and 19th			
290 Pratt	Energy Efficiency	$1,990,000	459,292 sqft
86 Hopmeadow	Energy Efficiency	$693,227	42,456 sqft
1841 Broad Street	Renewable	$325,000	40,000 sqft
100 Roscommon	**Both**	**$2,535,766**	**81,368 sqft**
80 Lamberton	**Both**	**$3,090,444**	**165,000 sqft**
		$8,634,437	**788,116 sqft**
In Process			
Cargill Falls Mill	Both	$2,125,000	35,000 sqft
221 Route 81	Both	$259,000	20,000 sqft
Bourdon Forge	Energy Efficiency	$444,394	65,000 sqft
Coventry	Renewable	$156,652	12,000 sqft
		$2,985,046	**132,000 sqft**

Renewable	Energy Efficiency	Both	All
$1,108,302	$6,985,252	$7,557,550	**$15,651,104**
136,500 sqft	594,409 sqft	650,660 sqft	**1,381,569 sqft**

Commercial and Industrial Programs

C-PACE Pipeline by Project Type



Commercial and Industrial Programs
TAM and SAM

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

Total Available Market (TAM):

14,950 buildings = 739,593,992 square feet

Total Eligible Market (opted into C-PACE so far):

8,925 buildings = 457,440,591 square feet

Share Achieved in eligible Market (SAM): in pipeline

91 buildings = 11.5M square feet

2.5% eligible market footprint achieved to date

C-PACE Transactions
Key Questions

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- **Strategic Plan** – is C-PACE consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?
- **Ratepayer Payback** – How much clean energy is being produced from the project versus the dollars of ratepayer funds at risk?
- **Terms and Conditions** – What are the terms and conditions of the ratepayer payback, if any?
- **Capital Expended** – How much of the ratepayer and other capital that CEFIA manages is being expended on the project?
- **Risk** – What is the maximum risk exposure of ratepayer funds for the project?
- **Target Market** – Who are the end-users of the project?

100 Roscommon Drive (Middletown)

Ratepayer Payback

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- $2,535,766 in energy efficiency upgrades.
- Projected savings are **66,779,720 kBTU** versus **$2,535,766** of ratepayer funds at risk.
- Ratepayer funds will be paid back in one of the following ways
  - (a) through a take-out by a private capital provider at the end of construction (project completion);
  - (b) subsequently, when the loan is sold down to a private capital provider; or
  - (c) through receipt of funds from the City of Middletown as it collects the C-PACE benefit assessment from the property owner.

REDACTED

REDACTED

100 Roscommon Drive (Middletown)
CEFIA Cash Flow

CEFIA Pro Forma

Project Basics		*Cash Flows*	
Amount Financed	$2,535,766	Date	CEFIA $
Construction Period (years)	0.42	Oct 2013	$2,535,766
Term (years)	20	Mar 2014	$52,828
		Jul 2014	$210,628
Construction Financing Rate	5.00%	Jul 2015	$210,628
Term Financing Rate	5.50%	Jul 2016	$210,628
		Jul 2017	$210,628
Construction Interest Payment (bullet)	$52,828	Jul 2018	$210,628
Yearly Debt Service Payments (made semi-annually)	$210,628	Jul 2019	$210,628
		Jul 2020	$210,628
		Jul 2021	$210,628
		Jul 2022	$210,628
		Jul 2023	$210,628
		Jul 2024	$210,628
		Jul 2025	$210,628
		Jul 2026	$210,628
		Jul 2027	$210,628
		Jul 2028	$210,628
		Jul 2029	$210,628
		Jul 2030	$210,628
		Jul 2031	$210,628
		Jul 2032	$210,628
		Jul 2033	$210,628

100 Roscommon Drive (Middletown)
Scenario Report

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

REDACTED

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

REDACTED

100 Roscommon Drive (Middletown)

Terms and Conditions

- $2,535,766 construction loan with interest rate of 1.75% over the Prime Rate, or 5%, and the term loan will be set at a fixed 5.5% over the 20-year term.
- **REDACTED** LTV
- DSCR of **REDACTED**

100 Roscommon Drive (Middletown)
The Five W's

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- **What are you trying to do?**
  - Receive approval for $2,535,766 construction and (potentially) term loan under the C-PACE program to Roscommon Infinity, LLC, owned by Mark Greenberg, to finance the construction of the energy efficiency upgrades.
- **When are you doing it by?**
  - Project to commence Fall 2013
- **Why are we doing it?**
  - Approval will allow CEFIA to finance this C-PACE transaction, prime the pump of C-PACE projects and build momentum in the market, but it would also – for an interim period – potentially provide term financing for these projects until CEFIA manages to sell off all or most of its loan positions in the C-PACE transactions.

100 Roscommon Drive (Middletown)
The Five W's (cont'd)

- **Who is it for?**
  - The end-user of the project includes Roscommon Infinity, LLC, owned by Mark Greenberg, and the building's current and future tenants.
- **Where are we doing it?**
  - 100 Roscommon Drive in Middletown, CT

80 Lamberton Road (Windsor)
Ratepayer Payback

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- $3,090,444 in energy efficiency upgrades.
- Projected savings are **119,300,760 kBTU** versus **$3,090,444** of ratepayer funds at risk.
- Ratepayer funds will be paid back in one of the following ways
  - (a) through a take-out by a private capital provider at the end of construction (project completion);
  - (b) subsequently, when the loan is sold down to a private capital provider; or
  - (c) through receipt of funds from the Town of Windsor as it collects the C-PACE benefit assessment from the property owner.

REDACTED

REDACTED

80 Lamberton Road (Windsor)
CEFIA Cash Flow

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

CEFIA Pro Forma

Project Basics		*Cash Flows*	
		Date	CEFIA $
Amount Financed	$3,090,444	Oct 2013	$3,090,444
Construction Period (years)	0.42	Mar 2014	$64,384
Term (years)	20	Jul 2014	$256,702
Construction Financing Rate	5.00%	Jul 2015	$256,702
Term Financing Rate	5.50%	Jul 2016	$256,702
		Jul 2017	$256,702
Construction Interest Payment (bullet)	$64,384	Jul 2018	$256,702
Yearly Debt Service Payments (made semi-annually)	$256,702	Jul 2019	$256,702
		Jul 2020	$256,702
		Jul 2021	$256,702
		Jul 2022	$256,702
		Jul 2023	$256,702
		Jul 2024	$256,702
		Jul 2025	$256,702
		Jul 2026	$256,702
		Jul 2027	$256,702
		Jul 2028	$256,702
		Jul 2029	$256,702
		Jul 2030	$256,702
		Jul 2031	$256,702
		Jul 2032	$256,702
		Jul 2033	$256,702

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

REDACTED

REDACTED

80 Lamberton Road (Windsor)
Terms and Conditions

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- $3,090,444 construction loan with interest rate of 1.75% over the Prime Rate, or 5%, and the term loan will be set at a fixed 5.5% over the 20-year term.
- **REDACTED** LTV based on 'as complete' appraisal value (with anticipated lease-up and improvements).
- DSCR of **REDACTED**

80 Lamberton Road (Windsor)
The Five W's

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- **What are you trying to do?**
  - Receive approval for $3,090,444 construction and (potentially) term loan under the C-PACE program to 80 Lamberton Road Realty Company, LLC, owned by Mark Greenberg, to finance the construction of the energy efficiency upgrades.
- **When are you doing it by?**
  - Project to commence Fall 2013
- **Why are we doing it?**
  - Approval will allow CEFIA to finance this C-PACE transaction, prime the pump of C-PACE projects and build momentum in the market, but it would also – for an interim period – potentially provide term financing for these projects until CEFIA manages to sell off all or most of its loan positions in the C-PACE transactions.

80 Lamberton Road (Windsor)
The Five W's (cont'd)

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- **Who is it for?**
  - The end-user of the project includes 80 Lamberton Road Realty Company, LLC, owned by Mark Greenberg, and the building's current and future tenants.
- **Where are we doing it?**
  - 80 Lamberton Road in Windsor, CT

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

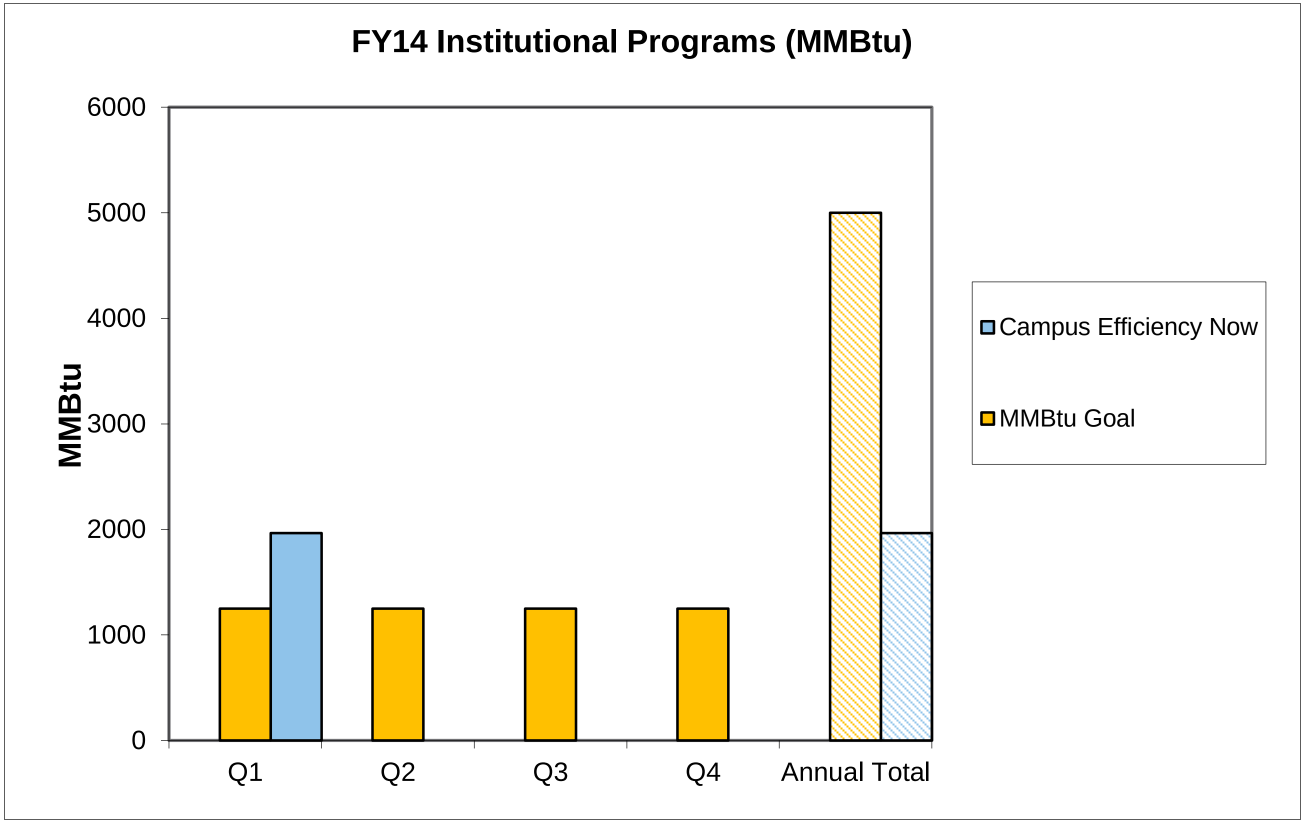
Agenda Item #8

Institutional Sector Programs

July 19, 2013

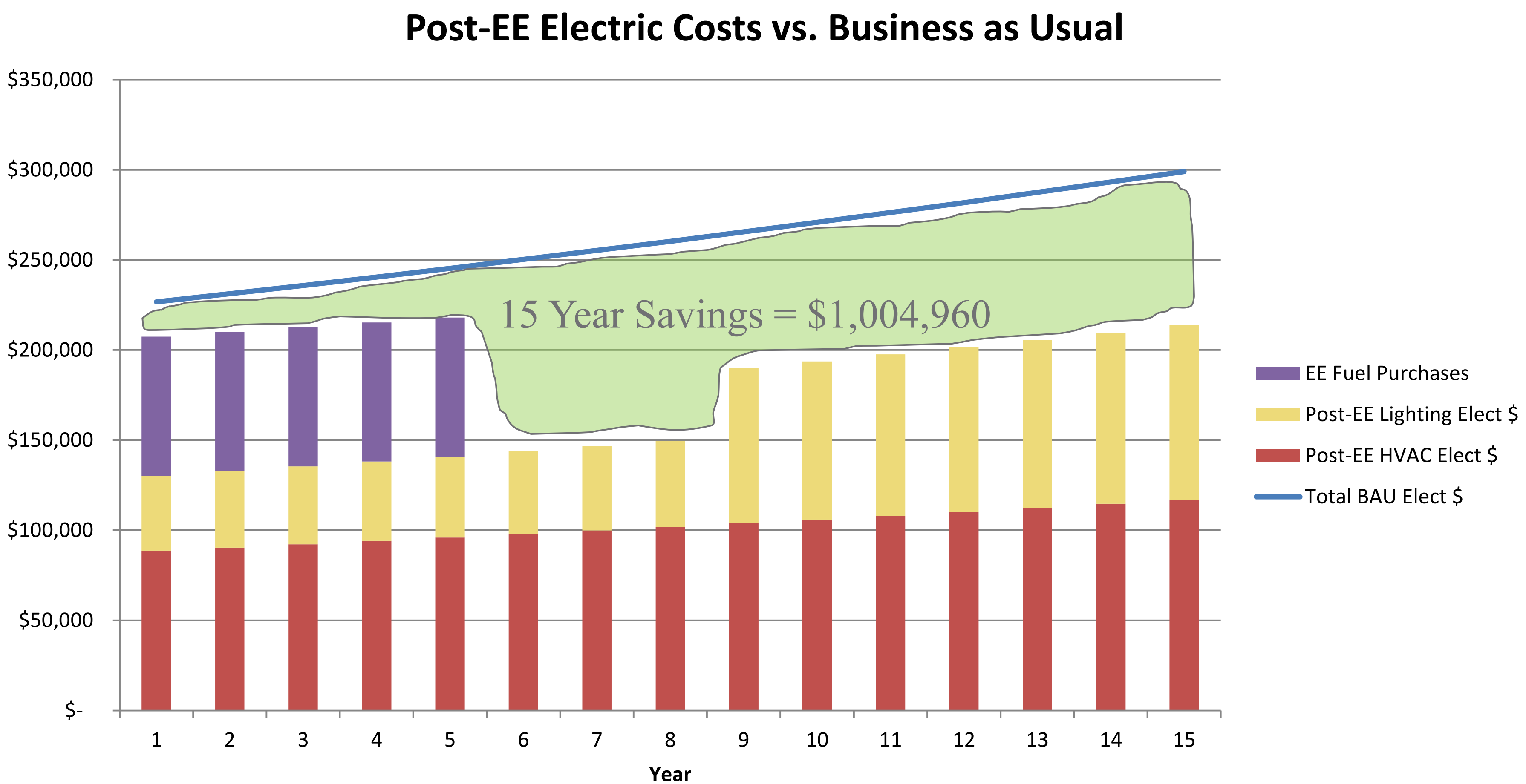
Campus Efficiency Now
Progress

- **One project closed in Campus Efficiency Now program**
  - University of New Haven: $256k, will save 1,966 MMBtu annually



Campus Efficiency Now
University of New Haven ESA

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY



Notes: Assumes 15 year life for HVAC improvements, 8 year life for lighting control improvements (occupancy sensors) [Source: DEER 2011]

Institutional Program Updates
FY 2014

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- **Campus Efficiency Now**
  - Seek to leverage UNH commitment to finalize 4 other CEN contracts

- **WINN LISC**
  - Financing structure is complete and several CT affordable housing owner candidates are being considered
  - Kickoff meeting is July 22; funding for initial projects is anticipated during the summer of 2013.

- **CT Solar Lease launching Summer 2013**
  - ZREC auction results to be announced about July 18, 2013

- **Leading By Example**
  - With DEEP BETP, responding to initial community interest in DEEP model ESCO process; clarifying CEFIA roles

- **Responding to other institutional stakeholder requests**
  - Tunxis CC
  - City of Milford

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #9

Other Business

July 19, 2013

Other Business

Salary Adjustments in FY 2014

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

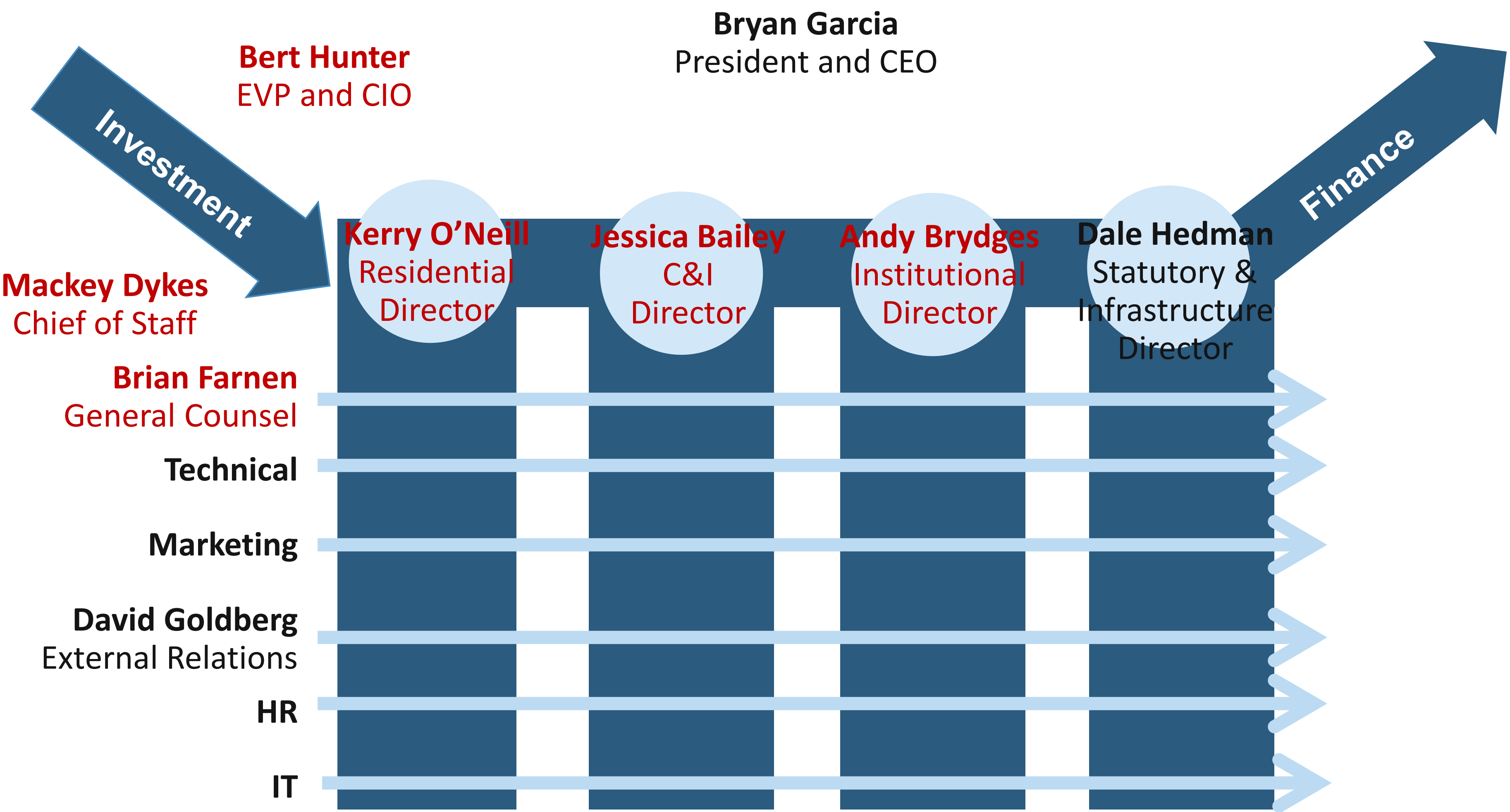
- **Cost of Living Adjustment (COLA)** – percentage increase across the board as a result of inflation for those employees that "meet expectations"
- **Merit Pool** – pool of funds for management to increase selected staffs' salary based on outstanding FY 2013 performance (subject to individual performance reviews by supervisors and rankings)
- **Promotion Pool** – pool of funds for the President and CEO to use to promote staff throughout FY 2014 for outstanding performance and taking on increased responsibilities consistent with a higher position

Other Business

Connecticut Benchmarks

Salary Adjustments	State BU	State Managers	CI	CHFA
COLA	3.0%	3.0% July 1st	3.0%	No COLA
Merit Pool	Annual Increase 2.0% to 3.0%	Annual Increase 2.0% to 3.0% September 3rd	1.5%	4.5%
Promotion Pool			1.5%	Unsure
Other	Also annualizing longevity July 1st	Also Annualizing longevity July 1st	NA	NA
Total	**5.0%-6.0%+**	**5.0%-6.0%+**	**6.0%**	**4.5%**

Rebuilt the Organization
24-7 Commitment



Other Business
Proposed Options

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Salary Adjustments	**Original Proposal** (Mirror CI)	**Option #1**	**Option #2**	**President's Proposal**
COLA	3.0%	2.0%	4.5%	2.0%
Merit Pool	1.5%	2.0%		2.5%
Promotion Pool	1.5%	1.0%	0.0%	1.0%
Total	**6.0%**	**5.0%**	**4.5%**	**5.5%**
Cost	**$315,223**	**$263,590**	**$236,417**	**$289,858**
Savings from Original Proposal	-----	($51,633)	($78,806)	($25,365)

Acknowledge the cost of living impacts of the past 3 years while creating a culture driven by results and performance focused on the new "green bank" mission of CEFIA

Other Business
Overhead Cost

- The overhead cost per employee has increased from 66.2% of salary to 74.4%, due to an increase in the charge for the state retirement system
- Requires an increase of $X to employee benefits line items

Other Business
Unused FY13 Marketing

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- The fiscal year 2013 marketing budget was set at $1,368,600 to begin to build the creative and strategic foundation for the launch and ongoing customer acquisition for CEFIA's suite of financing products
- Due to the timeline for product development and delays in developing marketing plans, much of the initial investment planned did not happen

	General Operations	Programs	Total Operations & Program Budget
Budget	$236.10	$1,132.50	$1,368.60
Spent and Committed	$146.40	$961.88	$1,108.28
Remaining	$89.70	$170.62	**$260.32**

- CEFIA staff requests that the Board of Directors approve a "rollover" of the unused fiscal year 2013 marketing dollars and add the final amount to the fiscal year 2014 budget, for a total of $2,058,820
- Can be applied to MatchDrive (pending approval) contract, freeing up FY14 dollars for other customer acquisition efforts, such as C-PACE marketing grants or Energize community campaigns

Other Business
Marketing Support – Match Drive

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

- **Goal: Support 3 product launches – 2 residential products statewide (Smart-E Loan and CT Solar Lease), 1 residential product in 3 counties (Cozy Home Loan)**
  - AND drive FY14 customer acquisition for 2,600 loans and leases in residential sector/$44MM in financing and 55 C-PACE deals/$30MM in financing
- **Marketing Strategy: employ a *<u>channel marketing approach</u>*, which is most cost effective way to leverage CEFIA marketing budget in combination with channel partners' marketing budgets**
  - What this means? CEFIA develops materials and campaigns that can be delivered by both us and our channel partners
    - Channels include contractors, lenders, community partners, etc.
    - Example 1: CEFIA-developed integrated print and online campaign for Smart-E is paid for by a participating lender in their local market
    - Example 2: Local newspaper ads and radio spots for CT Solar Lease paid for by contractors participating in a co-op model

Other Business
Marketing Support – Match Drive

- **FY14 Marketing Budget of $1.8MM approved on 6/21/13**
  - Budget was constructed from the bottom up for a channel marketing approach
  - Budget was designed with the intent to ID *one strategic partner* to help CEFIA develop and execute on product launches and channel marketing strategy

- **CEFIA is proposing Match Drive as our strategic partner with a not-to-exceed budget of $1,053,550 for FY14**
  - This represents 59% of the FY14 marketing budget

Other Business

Marketing Support – MatchDrive Clients

Other Business
Marketing Support – Proposal

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- **Support Smart-E Loan, Cozy Home Loan, CT Solar Lease product launches and customer acquisition, & CPACE customer acquisition**
- **Includes**
  - Development and production of marketing materials for Contractor, Lender Channels, Community Channel
    - Contractor marketing materials, lender branch visibility kits, training materials, newsletters, case studies, community “campaign in a box”
  - CEFIA earned, paid and social media support, targeting and placement
    - Earned media campaign, online and print advertising, Facebook, Linked In, and Twitter advertising/strategy, PSAs
  - Campaign development and execution
    - Localized, lender-based awareness campaign; statewide CT Solar Lease & Smart E launches; regional Cozy Home Loan launch; seasonal/weather-driven/themed campaigns
  - Website support
    - Zip cope-driven lender finder tool, consumer payback calculator, loan comparison tool

Other Business

Marketing Support – Proposal

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

Residential Programs	Creative/Consulting	Production/Media Buys
Situation Analysis & Program Kickoff	$ 23,250.00	$ -
Channel Marketing Support	$ 170,775.00	$ 65,000.00
Campaigns & Ongoing Media Outreach	$ 133,550.00	$ 195,000.00
Website Support	$ 9,375.00	$ 8,000.00
General & Administrative Costs	$ 42,675.00	$ 20,000.00
TOTAL	$ 379,625.00	$ 288,000.00
C-PACE	**Creative/Consulting**	**Production/Media Buys**
Situation Analysis & Program Kickoff	$ 20,525.00	$ -
Channel Marketing Support	$ 55,625.00	$ 75,000.00
Campaigns & Ongoing Media Outreach	$ 51,625.00	$ 105,000.00
Website Support	$ 9,375.00	$ 5,000.00
General & Administrative Costs	$ 43,775.00	$ 20,000.00
TOTAL	$ 180,925.00	$ 205,000.00
Creative/Consulting Total	$ 560,550.00	
Production/Media Buys Total	$ 493,000.00	
Grand Total	**$ 1,053,550.00**	

- **Large Creative/Consulting budget due to up-front investment to develop the channel marketing materials – we are simultaneously launching 3 products and doing customer acquisition in the residential sector**

Other Business
Marketing Support – Selection Process

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

- RFP released in February to solicit proposals for broad, strategic marketing support
- Received 6 proposals and interviewed 3 firms
- MatchDrive selected based on
  - Experience working with state energy funds and leveraging limited marketing budgets for maximum impact;
  - Experience marketing energy efficiency financing products (i.e. Maine PACE);
  - Ability to provide nationally-recognized integrated marketing and communications services for consumer products and services; and
  - Good fit between CEFIA and MatchDrive size and belief CEFIA will receive good ongoing support.

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Board of Directors of the Clean Energy Finance and Investment Authority

Agenda Item #10

Adjourn

July 19, 2013

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY
Board of Directors
Draft Minutes – Regular Meeting
Friday, June 21, 2013

A regular meeting of the Board of Directors of the **Clean Energy Finance and Investment Authority (the "CEFIA")** was held on June 21, 2013, at the office of Connecticut Innovations, 865 Brook Street, Rocky Hill, CT.

1. **Call to Order**: Catherine Smith, Chairperson of CEFIA, called the meeting to order at 9:02 a.m. Board members participating: Mun Choi; Daniel Esty, Vice Chairperson of CEFIA and Commissioner of the Department of Energy and Environmental Protection ("DEEP"); Tom Flynn; Norma Glover; Reed Hundt (by phone); Sharon Dixon-Peay, State Treasurer's Office; John Olsen (by phone); Catherine Smith, Chairperson of CEFIA and Commissioner of the Department of Economic and Community Development ("DECD"); and Patricia Wrice (by phone).

Members Absent: Matthew Ranelli.

Staff Attending: Jessica Bailey, George Bellas, Andy Brydges, Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, Dale Hedman, Bert Hunter, Kerry O'Neill, Shelly Mondo, Cheryl Samuels and Kimberly Stevenson.

Others Attending: Tracy Babbidge, DEEP; Eric Brown, CBIA; Denise Farrell, State Treasurer's Office; and Jaimeson Sinclair, DEEP.

There being no objection, the order of the agenda was changed.

2. **Public Comments:**

Mr. Brown asked processing questions about the Regional Greenhouse Gas Initiative ("RGGI") auction proceeds. He questioned how the RGGI funds are transferred and whether there is flexibility or limitations about the RGGI funds used by CEFIA. Mr. Brown asked the Board to comment on the process involved with the mill increase to the Connecticut Energy Efficiency Fund. Mr. Esty indicated that the increase of RGGI funding for CEFIA would have to be used for efficiency oriented programs or projects.

3. **Approval of Minutes of Meeting of May 7, 2013:**

Ms. Smith asked the Board to consider the minutes from the May 7, 2013 meeting.

> **Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Board members voted in favor of adopting the minutes from the May 7, 2013 meeting as presented (Mr. Olsen was not present for the vote).**

4. Update from the President:

Mr. Garcia mentioned that he received a letter of resignation from Mr. Olsen. Mr. Olsen indicated that he will stay on until his replacement has been appointed. Ideas on a reception to honor Mr. Olsen for his dedication to the State and Board should be directed to Mr. Garcia.

Mr. Garcia introduced Andy Brydges, who was recently hired as Director of CEFIA's Institutional Programs. He spoke about Mr. Brydges experience and background.

5. Legislative Session Overview:

Mr. Goldberg provided an update on some of the favorable legislation that passed impacting CEFIA and other energy stakeholders. He reported on the property tax exemption bill (S.B. 203 and P.A. 13-61). Effective January 4, 2014, municipalities are required to exempt clean energy projects defined under Section 16-1 from property tax for commercial and industrial projects. Mr. Goldberg mentioned that House Bill 6360 provides enhancements to the Commercial Property Assessed Clean Energy ("C-PACE") Program, including benefit assessments before construction, the definition of the foreclosure impacts and clarification of the mortgage holder consent. Mr. Goldberg indicated that H.B. 6360 also includes on-bill repayment as an option for the residential sector financing tool for clean energy. He spoke about the Energize Connecticut inclusions in the act as a result of CEFIA's success with Solarize Connecticut. Mr. Goldberg discussed the Renewable Energy and Efficient Finance Program (included in H.B. 6360) which is a collaboration between CEFIA, DEEP, DECD, and the Treasurer's office to utilize bond funds to provide grants, investments and loans for clean energy. Legislation passed this session also includes district heating and cooling systems within C-PACE and provides the opportunity to support microgrid and other projects.

In response to a question, Mr. Garcia indicated that there was a lot of support for CEFIA and for clean energy and energy efficiency in Connecticut during the legislative session that is likely to result in more investment in clean energy and energy efficiency in the state. Mr. Hunter discussed the need to have more frequent discussions with legislators to keep them informed about CEFIA.

6. Transfer from CEFIA to General Fund and RGGI Allowance:

Mr. Dykes discussed the transfer of funding from CEFIA to the State General Fund. He explained how CEFIA was successful with reducing the original proposed amount down to a total of $25,400,000 for fiscal years 2014 and 2015. Mr. Dykes described how a portion of the Regional Greenhouse Gas Initiative ("RGGI") auction proceeds will be transferred to CEFIA over the next two years to replace CEFIA's funds that will be transferred to the State General Fund. It was noted that without the additional RGGI proceeds, the transfer of funds to the State General Fund would have severely impacted the Green Bank mission of CEFIA. In response to a question, Mr. Dykes indicated that the Governor has pledged to look at ways to find a solution to the State budget short-fall to try to reduce or eliminate the amount transferred from CEFIA in fiscal year 2015. Mr. Esty stated that it is his intent to ensure that CEFIA is made whole or better. In response to a concern expressed with ensuring there is a written agreement about the arrangement, Ms. Babbidge stated that the transfer of RGGI funds is effectuated through a regulation, and the process will be clearly documented. There was a request from the board to Mr. Esty to provide a written commitment of his support for using RGGI proceeds to offset the General Fund transfer to which he agreed. Mr. Garcia explained the legislation that will take effect July 1, 2013 allocating excess RGGI funds to CEFIA to invest in energy efficiency programs and projects. He talked about the funds budgeted by Connecticut Light & Power and United Illuminating and the anticipated excess RGGI funds over an beyond what was submitted to PURA for fiscal years 2013 through 2015.

Ms. Babbidge introduced Jameson Sinclaire, Climate Control Director at DEEP. She discussed the background of RGGI which was launched in 2008. Ms. Babbidge spoke about the program review, the conclusions and adjustments made to the program. In response to a question, Ms. Babbidge stated that there was no overall impact on Connecticut with New Jersey exiting the regional arrangement. The Board asked for a per capita price comparison and how Connecticut ranks nationally and regionally. Ms. Babbidge discussed the RGGI projections through 2020, including the projected proceeds, projected allowance prices, Connecticut cap and allowance reserve. There was a discussion about a federal program, and it was noted that the RGGI program is equivalent to what is being proposed by the federal government. Ms. Babbidge talked about the distribution of RGGI proceeds from DEEP to CEFIA. A discussion ensued on how the funds from CEFIA to the General Fund will be transferred, and the Board concurred that the best option for CEFIA is to have a monthly transfer of funds from CEFIA to the General Fund. Ms. Babbidge reviewed the key regulation review dates. After discussion about the proposed resolution, there was general consensus that the draft resolution is not necessary.

> **Upon a motion made by Ms. Wrice, seconded by Mr. Choi, the Board voted unanimously in favor of supporting a monthly withdrawal process rather than a lump sum for the CEFIA funds that are required to be transferred to the General Fund of the State of Connecticut.**

7. Budget and Operations Committee Updates and Recommendations:

Fiscal Year 2014 Budget:

Mr. Garcia summarized the major accomplishments for fiscal year 2013. He discussed the process for reviewing the 2014 proposed budget, noting that the Budget and Operations Committee met several times and recommends the approval of the proposed budget with the exception of not making a recommendation with respect to salary adjustments (cost of living adjustment, merit increases, salary range revisions and incentive plan) and the proposed increase in staff.

Mr. Garcia provided an overview of the program performance for fiscal year 2013 in comparison with the Comprehensive Plan. He noted that approximately $40,000,000 of ratepayer or public capital at risk attracted approximately $180,000,000 of private capital. Mr. Garcia mentioned that in fiscal year 2013, CEFIA closed out and transitioned the technology innovation programs. He indicated that CEFIA will retain the Clean Energy Communities Program, but the program has been restructured to align with the new mission of clean energy deployment and financing and support of CEFIA's goals for the four sectors. Mr. Garcia stated that staff was able to reduce outstanding commitments from $27,000,000 to $11,700,000. He mentioned that the sector directors established quarterly targets for fiscal year 2014 for each of the respective sectors. With the targets, CEFIA will have deployed about the same megawatts as the Connecticut Clean Energy Fund deployed over 10 years. Mr. Garcia explained the need to hire support staff in order to achieve its very ambitious targets.

Mr. Dykes reviewed the projected revenues for fiscal year 2014 and discussed the rationale for the projections. He discussed the proposed fiscal year 2014 budget for each of the program sectors. It was noted that $5,000,000 has been budgeted for an Energy Efficiency Loan Program which staff is developing. Mr. Dykes summarized that the 2014 budget focuses on deployment to meet key goals.

Mr. Garcia reviewed the proposed new positions and the proposed timing for the new hires. He explained the need to retain and attract qualified staff. Staff asked for guidance from the Board about the proposed new positions, a 3 percent cost of living adjustment, salary range revisions, and merit compensation. Mr. Hunter explained that the proposed budget includes the appropriate staff necessary to realize the ambitious targets and goals. Several Board members expressed the desire to have more information and comparisons with the state about the proposed salary adjustments (cost of living increase, merit increase, salary range revisions and incentive plan) before making a decision on how to proceed. The Board members generally agreed with recommended increase in staff as long as the staffing is appropriately sized when the programs grow or not grow. In response to a question it was noted that the proposed budget for fiscal year 2014 includes funding for four additional full-time equivalent staff which aligns with the goals of the budget.

> **Upon a motion made by Mr. Flynn, seconded by Ms. Wrice, the Board voted in favor of adopting the proposed budget for fiscal year 2014 that includes funding for four additional full-time equivalent staff but does not include funding for cost of living increases, merit increases, salary range adjustments or a compensation incentive plan (Mr. Esty and Ms. Smith were not present for the vote).**

There was general consensus for staff to bring more detailed information about salary adjustments to the Budget and Operations Committee for further discussion before consideration again by the Board.

Restructure of Clean Energy Communities Program:

Attorney Farnen explained the recommendation to restructure the Clean Energy Communities Program to align with the new mission of clean energy deployment and financing and to support the goals of CEFIA's four sectors.

Upon a motion made by Ms. Wrice, seconded by Ms. Glover, the Board members voted in favor of adopting the following resolution regarding the Clean Energy Communities Program (Mr. Esty and Ms. Smith were not present for the vote:

WHEREAS, the Clean Energy Finance and Investment Authority ("CEFIA") proposes to revise its Clean Energy Communities Program so as to encourage municipalities to take actions to support clean energy deployment and to motivate residential, commercial, industrial and institutional customers to make smart energy choices, including the adoption of renewable energy systems, energy efficiency upgrades, fuel conversions, and utilize CEFIA's innovative financing products; and

WHEREAS, the Budget and Operations Committee has reviewed CEFIA's Proposed FY2014 Operating and Program Budget and intends to recommend its approval to the Board of Directors;

NOW, therefore be it:

(1) **RESOVLED,** that the Board of Directors approves as part of the fiscal year 2014 Operating and Program Budget funding in the amount of FIVE HUNDRED FIFTY THOUSAND DOLLARS ($550,000) to implement the revised Clean Energy Communities Program focused on CEFIA's new mission as a Green Bank (the "Program");

(2) **RESOLVED,** that staff will develop and publish revised Program Guidelines consistent with the Memorandum to the Board of Directors dated June 13, 2013;

(3) **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;

(4) **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.

8. Audit, Compliance and Governance Committee Updates and Recommendations:

Dissolution of Technology Innovations Committee:

Mr. Choi stated that the Technology Innovations Programs have been transitioned or phased out so that CEFIA can focus on its Green Bank mission. He acknowledged the excellent work done by staff to transition the programs. Since the transition is complete, the Audit, Compliance and Governance Committee recommends the dissolution of the Technology Innovation Committee. Attorney Farnen explained that CEFIA's Bylaws have been amended to reflect the change.

Upon a motion made by Ms. Wrice, seconded by Mr. Choi, the Board members voted in favor of adopting the following resolution regarding the dissolution of the Technology Innovation Committee (Mr. Esty and Ms. Smith were not present for the vote):

WHEREAS, Section 99 of Public Act 11-80, "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future," (the "Act") directs the Clean Energy Finance and Investment Authority ("CEFIA") to develop a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand clean energy and deployment of clean energy sources that serve end use customers in the state; and

WHEREAS, CEFIA has been strategically transitioning funding from technology innovation towards a focus on low-cost financing of commercially available clean energy deployment pursuant to CEFIA's Board approved Comprehensive Plan; and

WHEREAS, CEFIA has four Standing Committees of the Board consisting of an Audit, Compliance and Governance ("ACG") Committee, a Budget and Operations Committee, a Deployment Committee and a Technology Innovation Committee; and

WHEREAS, the ACG Committee recommended, effective July 1, 2013, that the CEFIA Board of Directors approves the dissolution of the Technology Innovation Committee.

NOW, therefore be it:

RESOLVED, that the CEFIA Board of Directors hereby approves, effective July 1, 2013, the dissolution of the Technology Innovation Committee and that CEFIA's Bylaws are amended and restated to reflect such change.

Policy Statement Regarding Closeout of Technology Innovation Programs:

Attorney Farnen explained that a public policy statement has been developed to communicate the closeout and transition of CEFIA's early stage technology investment programs to sustain a focus on driving the deployment of commercially mature clean energy technologies in Connecticut.

Upon a motion made by Ms. Glover, seconded by Ms. Wrice, the Board members voted in favor of adopting the following resolution regarding the policy statement for the closeout of the Technology Innovation Programs (Mr. Esty and Ms. Smith were not present for the vote):

WHEREAS, the CEFIA Board of Directors approves, effective July 1, 2013, the dissolution of the Technology Innovation Committee.

NOW, therefore be it:

RESOLVED, that the CEFIA Board of Directors supports the public statement as presented to the Board dated June 21, 2013 to be issued by the President regarding the dissolution of the Technology Innovation Committee.

Retention of Independent Auditor:

Attorney Farnen explained that a Request for Proposals ("RFP") was issued for the retention of an independent auditor. The responses were rated and ranked, and the Audit, Compliance and Governance Committee recommends the retention of Marcum, LLP. Marcum has served as auditor for the last three fiscal years and was eligible to apply during this RFP. In accordance with state statutes, independent auditors for quasi-public agencies cannot serve for more than six consecutive fiscal years. Attorney Farnen mentioned that the Reznick Group, a finance and tax accounting firm, has been involved in the development of CEFIA's solar lease program, and staff recommends conducting a competitive process for the performance of audit work for CEFIA's holdings and subsidiaries.

Upon a motion made by Ms. Glover, seconded by Ms. Wrice, the Board members voted in favor of adopting the following resolution regarding independent auditing services (Mr. Esty and Ms. Smith were not present for the vote):

WHEREAS, Article V. Section 5.3.1(i) of the Clean Energy Finance and Investment Authority ("CEFIA") Operating Procedures requires that the Audit, Compliance and Governance ("ACG") Committee recommends to the Board of Directors (the "Board") the selection of the auditors; and

WHEREAS, Connecticut Innovations provides administrative and accounting services to CEFIA, has reviewed and scored auditor bids and recommends Marcum, LLP; and

WHEREAS, the ACG Committee recommends to the Board Marcum, LLP as CEFIA's auditor for the fiscal years ending June 30, 2013, 2014, and 2015.

NOW, therefore, be it:

RESOLVED, that the Board approves Marcum, LLP as CEFIA's auditor for the Fiscal Years ending June 30, 2013, 2014 and 2015 and authorizes CEFIA staff to conduct competitive bid process between Reznick Group and Marcum for CEFIA Holdings (and subsidiaries) only. ______________________

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

There was no other business to discuss.

10. <u>Adjournment</u>: Upon a motion made by Mr. Ranelli, seconded by Mr. Esty, the Board members voted unanimously in favor of adjourning the June 21, 2013 meeting at 11:03 a.m.

Respectfully submitted,

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Catherine Smith, Chairperson

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY
Board of Directors
Draft Minutes – Special Meeting
Wednesday, June 26, 2013

A special meeting of the Board of Directors of the **Clean Energy Finance and Investment Authority (the "CEFIA")** was held on June 26, 2013, at the office of CEFIA, 845 Brook Street, Rocky Hill, CT.

1. Call to Order: Noting the presence of a quorum, Catherine Smith called the meeting to order at 11:02 a.m. Board members participating: Daniel Esty, Vice Chairperson of CEFIA and Commissioner of the Department of Energy and Environmental Protection ("DEEP") (by phone); Norma Glover (by phone); Reed Hundt (by phone); John Olsen (by phone); Matthew Ranelli (by phone); Catherine Smith, Chairperson of CEFIA and Commissioner of the Department of Economic and Community Development (by phone); and Patricia Wrice (by phone).

Members Absent: Mun Choi; Tom Flynn; and Sharon Dixon-Peay, State Treasurer's Office.

Staff Attending: Brian Farnen, Bryan Garcia, David Goldberg, Dale Hedman, Bert Hunter, Shelly Mondo, Kerry O'Neill, Cheryl Samuels and Kimberly Stevenson.

Others Attending: Patrick Nevins, Wiggin and Dana.

Mr. Garcia explained that the purpose of the special meeting is to review, discuss and approve the final terms of the Solar Lease 2 Program.

2. Public Comments: There were no public comments.

3. Solar Lease 2.0 Program:

Mr. Hunter emphasized that the program being presented is a result of CEFIA team effort from finance, legal, deployment and communications and marketing staff. He noted the efforts made through the program to open the market to a broader array of installers and capital providers to bring solar photovoltaic and solar hot water to all sectors. Mr. Hunter talked about previous challenges in the commercial sector and noted that the proposed product provides access to that part of the market which is very important to the deployment of solar photovoltaic.

Mr. Hunter described the stakeholders that will be participating in the Solar Lease 2.0 Program. He mentioned that the capital providers include U.S. Bank, the "Tax Equity Investor" at $23.6 million, and a syndicate of local and regional banks (the "Lenders"), including Webster Bank, Liberty Bank and People's United Bank, that will provide $26.7 million in debt, led by First Niagara. Mr. Hunter reviewed the goals of the program which are to attract private capital, scale up the deployment of solar in Connecticut, earn a return for ratepayers, strengthen and enhance supplier diversity, deepen solar access to more Connecticut residents and manage the transition to less ratepayer support. Mr. Hunter explained that CEFIA will provide $2,300,000 in subordinated debt, $7,200,000 in sponsor equity, $3,500,000 in loan loss reserves using repurposed ARRA-SEP funds and act as the member manager of the CT Solar Lease 2 LLC. He mentioned that US Bank is prepared to significantly increase the number of solar hot water leases made if there is sufficient demand. Mr. Hunter talked about the return for the ratepayers, noting that CEFIA's internal rate of return for funds invested based on the financial projections is approximately 9 percent. He indicated that it is anticipated that all or most of the performance based incentives will be returned over the life of the fund.

Mr. Hunter explained that CEFIA's program provides access to all eligible installers and opens the program to applicants scoring 640 or above and based on CEFIA's Experian® database, 85 percent of homeowners will have access to the market for this product. No upfront costs for homeowners results in cheaper and cleaner energy.

Mr. Hunter mentioned that the installer will be responsible for sizing, locating and installing the systems. He explained some of the differences between the Solar Lease 1 and Solar Lease 2 programs, noting that the installer now gets the incentive at the completion of the project rather than a portion when the materials are dropped at the site. Mr. Hunter explained that Webster Bank, Liberty Bank and Wells Fargo have developed a solution to working capital issues as a result of the change.

In response to a question, Mr. Hedman indicated that there are currently about 40 installers, and CEFIA is looking for and open to additional installers joining. Mr. Hunter talked about the roles of the homeowner, the installer and the CT Solar Lease 2 LLC. He spoke about the innovative "worry-free" arrangement under the Assurant Warranty Management and Insurance Plan for the entire 20-year lease period that CT Solar Lease 2 LLC is in the process of documenting with Assurant under a Professional Services Agreement. Under the plan, Assurant provides property and liability insurance and is responsible for warranty performance issues even if the original manufacturer goes out of business.

Mr. Hunter reviewed the structure of the program, the summary of returns, the lender's major terms and conditions and a summary of the limited guarantees by CEFIA in favor of the Tax Equity Investor and the Lenders.

The Board commended and thanked staff for their work putting the program together.

> **Upon a motion made by Mr. Ranelli, seconded by Mr. Esty, the Board voted in favor of adopting the following resolution regarding the Solar Lease 2 Program (Mr. Hundt was not present for the vote):**

WHEREAS, the Clean Energy Finance and Investment Authority ("CEFIA") staff has previously presented the Board of Directors of CEFIA (the "Board") with a summary of its plan to reintroduce a Solar Lease Program to build on the success of the first Solar Lease Program and achieve the additional benefits of enabling Connecticut homeowners to work with qualified installers of their choice, ensuring that Connecticut's solar installer base remains robust, diverse and able to reach all Connecticut residents, permit homeowners to lease systems for a 20-year period, permit leasing of solar hot water systems and make a portion (approximately 20%) of the fund proposed available to non-residential end-users (the "Solar Lease Program 2.0"); and

WHEREAS, CEFIA staff has previously presented the Board with a summary of the proposed Solar Lease Program 2.0, as detailed in the Program Qualification Memo dated November 30, 2012, the Proposal to Complete Development of Solar Lease II dated February 11, 2013, and the Proposal to Establish Special Purpose Holding Company and Special Purpose Subsidiaries dated February 11, 2013, (collectively, the "Program Proposals"), detailing, among other things, the manner in which CEFIA would organize and administer the Solar Lease Program 2.0, including the manner in which it would select program partners to participate in the organization, financing and administration of the Solar Lease Program 2.0; and

WHEREAS, at the Board meeting held on February 15, 2013, the Board approved resolutions authorizing the introduction and organization of the Solar Lease Program 2.0 in a manner consistent with the Program Proposals, which such resolutions included the following approvals:

1) Funding for the Solar Lease Program 2.0 in the following amounts:

    a. an amount not-to-exceed $3,500,000 for a Lease/Loan Loss Reserve ("LLR") through the use of repurposed American Recovery and Reinvestment Act State Energy Program ("ARRA-SEP") program funds;
    b. an amount not to exceed $7,200,000 for sponsor equity to be invested into the special purpose vehicle to be established for the Solar Lease Program 2.0; and
    c. an amount not to exceed $2,300,000 for subordinated debt.

2) Establishment of special purpose vehicles or entities (so-called "SPVs") for the purpose of developing the Solar Lease Program 2.0, among other certain key initiatives of CEFIA.

3) Authorization for CEFIA to secure a non-binding agreement with senior lender(s) and a tax equity investor subject to final approval by the Board.

WHEREAS, CEFIA has successfully coordinated a credit-approved syndicate capital raise with lead bank First Niagara for $26,700,000 in debt financing for the Solar Lease Program 2.0 that is materially consistent with the Program Proposals. The syndicate also includes the following local Connecticut banks: Webster Bank, Liberty Bank and Peoples United Bank (collectively, the "Bank Syndicate"); and

WHEREAS, CEFIA has successfully obtained final credit approval from an affiliate of U.S. Bank (the “Tax Equity Investor”) to invest approximately $23,600,000 in tax equity financing for the Solar Lease Program 2.0 that is materially consistent with the Program Proposals; and

WHEREAS, on the date hereof, CEFIA staff presented the Board with a summary of the proposed definitive transaction agreements with the Bank Syndicate and the Tax Equity Investor for the Solar Lease Program 2.0, which such presentation detailed, among other things, the manner in which the transactions contemplated by the proposed definitive agreements materially differs from the Program Proposal, which includes certain limited guarantees made by CEFIA in favor of the Tax Equity Investor and the Bank Syndicate; and

WHEREAS, CEFIA staff recommends that the Board approve the proposed definitive transaction agreements with the Bank Syndicate and the Tax Equity Investor for the Solar Lease Program 2.0 and authorize CEFIA to, itself and through certain SPVs organized in connection with the Solar Lease Program 2.0, organize, administer and provide financial assistance for the Solar Lease Program 2.0 in the manner contemplated by such proposed definitive transaction agreements; and

WHEREAS, the Board has previously approved the strategic selection of Solar Lease Program 2.0 partners AFC First Financial, as the originator and servicer of the customer agreements, and an affiliate U.S. Bank, as the Tax Equity Investor, because of their special capabilities, uniqueness, strategic importance, urgency and timeliness to act (U.S. Bank only) and the fact that this is a multiphase project building upon our successful partnership from the first Solar Lease Program; and

WHEREAS, CEFIA staff recommends that an SPV organized in connection with the Solar Lease Program 2.0 enter into a definitive agreement with AFC First Financial for, among other things, the provision of origination and servicing services for customer agreements in connection with the Solar Lease Program 2.0; and

WHEREAS, CEFIA staff recommends Federal Warranty Service Corporation, a subsidiary of Assurant, Inc. (“Assurant”) , as a strategic selection to provide warranty management, claims adjudication, and insurance coverage for the residential solar PV and solar thermal leases under the Solar Lease Program 2.0; and

WHEREAS, CEFIA staff recommends Alternate Energy Technologies, LLC (“AET”) as a strategic selection to be the sole source provider of the solar thermal panels under the Solar Lease Program 2.0; and

WHEREAS, CEFIA staff recommends the authorization of payment to Reznick Group, P.C. and its wholly owned subsidiary, Reznick Capital Markets Securities, LLC (collectively, the “Reznick Group”) through CT Solar Lease 2 LLC (an SPV organized in connection with the Solar Lease Program 2.0) in the amount of $405,000 for advisory and consulting services regarding the financial and tax aspects of structuring the Solar

Lease Program 2.0, coordinating the selection of the Bank Syndicate, and assisting with the negotiation of the definitive agreements with the Tax Equity Investor, the Bank Syndicate and certain other program partners in connection with the Solar Lease Program 2.0; and

WHEREAS, CEFIA staff recommends the authorization of payment to the Bank Syndicate through CT Solar Lease 2 LLC in the amount of $319,500 for upfront fees.

NOW, therefore be it:

RESOLVED, that the Board approves the Solar Lease Program 2.0 in the manner described in the Program Proposals and in CEFIA staff's presentation to the Board on the date hereof, including the provision of certain limited guarantees by CEFIA in favor of the Tax Equity Investor and the Bank Syndicate as additional financial assistance in furtherance of CEFIA's investment in the renewable energy sources contemplated by the Solar Lease Program 2.0.

RESOLVED, that the Board approves the definitive transaction agreements with the Bank Syndicate and the Tax Equity Investor for the Solar Lease Program 2.0 and the transactions contemplated thereby and authorizes CEFIA, itself and through the SPVs organized in connection with the Solar Lease Program 2.0, to execute, deliver and perform in the name of and on behalf of CEFIA and such SPVs the definitive transaction agreements with the Bank Syndicate and the Tax Equity Investor for the Solar Lease Program 2.0 and such other definitive agreements contemplated thereby.

RESOLVED, that the Board approves the definitive agreement with AFC First Financial for the provision of origination and servicing services for customer agreements in connection with the Solar Lease Program 2.0 and authorizes CEFIA, through an SPV organized in connection with the Solar Lease Program 2.0, to execute, deliver and perform in the name of and on behalf of such SPV the definitive agreement with AFC First Financial for the Solar Lease Program 2.0.

RESOLVED, that the Board approves Assurant as a strategic selection to provide warranty management, claims adjudication, and insurance coverage for the residential solar PV and solar thermal leases under the Solar Lease Program 2.0 because of their special capabilities, uniqueness, and strategic importance.

RESOLVED, that the Board approves AET as a strategic selection to be the sole source provider of solar thermal panels under the Solar Lease Program 2.0 because of their special capabilities, uniqueness, and strategic importance.

RESOLVED, that the Board approves of the payment to the Reznick Group in the amount of $405,000 for advisory and consulting services regarding the financial and tax aspects of structuring the Solar Lease Program 2.0, coordinating the selection of the Bank Syndicate, and assisting with the negotiation of the definitive agreements with the

Tax Equity Investor, the Bank Syndicate and certain other program partners in connection with the Solar Lease Program 2.0.

RESOLVED, that the President, Chief Investment Officer and General Counsel of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver on behalf of CEFIA or any of the SPVs organized in connection with the Solar Lease Program 2.0 any of the definitive agreements described in the foregoing resolutions and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of CEFIA and the ratepayers in furtherance of the Solar Lease Program 2.0 and in order to carry out the intent and accomplish the purpose of the foregoing resolutions.

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

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4. **Adjournment**: Upon a motion made by Mr. Olsen, seconded by Mr. Ranelli, the Board members voted unanimously in favor of adjourning the June 26, 2013 meeting at 11:28 a.m.

Respectfully submitted,

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Catherine Smith, Chairperson

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: CEFIA Board of Directors

Date: July 19, 2013

Re: C-PACE Transaction: Recommendation from July 2, 2013 Deployment Committee meeting to fund $2,535,766 in energy efficiency and renewable energy upgrades at 100 Roscommon Drive, Middletown, CT

Project Name	Roscommon			
Owner	Mark Greenberg/Roscommon Infinity, LLC			
Location	100 Roscommon Drive, Middletown, CT			
Type of Building	Office facility			
Year of Build	1988			
Building Size (sf)	81,368			
Lot Size (acres)	56.577			
Year Acquired by Current Owner	2008			
As-Is Appraised Valuation	[redacted]			
Current Mortgage Principal Balance	[redacted]			
Current Mortgage Holder	[redacted]			
Status of Lender Consent	Consented			
Proposed Project Description	Installation of air units, variable frequency drives, high efficiency lights, occupancy sensors, air leakage improvements; and a 260 kW ground-mounted photovoltaic system. Upgrade of energy management system.			
Total Cost of Proposed Measures	$2,813,671 (less $277,906 utility incentives)			
Amount financed (CEFIA $ at Risk)	$2,535,766			
Energy Contractor	Trane, U.S. Inc.			
Proposed Energy Savings		EE	RE	Total
	Per year	2,556,772 kBTU	425,090 KWh	4,007,490 kBTU
	Over term of loan	51,135,440 kBTU	81,501,800 KWh	66,779,720 kBTU
Proposed Cost Savings	Per year	$107,258	$87,989	$195,247
	Life Cycle	$2,470,081	$2,281,423	$4,751,504
Term (years) Date	20			

Annual Interest Rate	5.5%
Expected Maturity Date	July 2033
C-PACE Lien (per year)	$189,953
Savings-to-Investment Ratio	1.13
Transaction History	[redacted]

[redacted]

[redacted]

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: CEFIA Deployment Committee

Date: July 19, 2013

Re: C-PACE Transaction: Recommendation from July 2, 2013 Deployment Committee meeting to fund $3,090,444 in energy efficiency upgrades and a solar PV installation at 80 Lamberton Road, Windsor, CT

Project Name	Lamberton			
Owner	Mark Greenberg/Lamberton Road Realty Company, LLC			
Location	80 Lamberton Road, Windsor, CT			
Type of Building	Office facility			
Year of Build	1985			
Building Size (sf)	165,000			
Lot Size (acres)	13.86			
Year Acquired by Current Owner	1998			
As-Is Appraised Valuation	[redacted]			
Current Mortgage Principal Balance	[redacted]			
Current Mortgage Holder	[redacted]			
Status of Lender Consent	Consented			
Proposed Project Description	Energy efficiency: high efficiency lighting, occupancy sensors, envelope improvements, new rooftop units, an energy management system upgrade Renewable energy: roof-mounted PV system			
Total Cost of Proposed Measures	$3,491,400			
Amount financed (CEFIA $ at Risk)	$3,090,444			
Energy Contractor	[redacted]			
Proposed Energy Savings		EE	RE	Total
	Per year	4,375,255 kBTU	465,824 KWh	5,965,038 kBTU
	Over term of loan	87,505,100 kBTU	9,316,480 KWh	119,292,929 kBTU
Proposed Cost Savings	Per year	$140,918	$92,559	$233,477
	Life Cycle	$2,918,052	$2,235,526	$5,153,578
Term (years)	20			

Annual Interest Rate	5%
Expected Maturity Date	July 2033
C-PACE Lien (per year)	$256,702
Savings-to-Investment Ratio	1.01
Transaction History	[redacted]

[redacted]

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Capital Competition Loan Program Awardee: SunGen

A Residential Solar PV Financing Program

Due Diligence Package

July 19, 2013

Document Purpose: This document contains background information and due diligence on the awardee under the Capital Competition Loan Program and the organizations involved, including SunGen, LeaseDimensions, One Roof Energy, and the proposed senior lenders for this initiative. This information is provided to the CEFIA Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Clean Energy Finance and Investment Authority.

In some cases, this package may contain among other things, trade secrets, and commercial or financial information given to the Clean Energy Finance and Investment Authority in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public discourse under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential.

Program Qualification Memo

To: CEFIA Board of Directors

From: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO,

Dale Hedman, Director of Statutory and Infrastructure Programs
Ben Healey, Senior Manager, Clean Energy Finance

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

Date: July 12, 2013

Re: Capital Competition Loan Program Awardee – SunGen

Summary

On November 30, 2012, the Deployment Committee approved the creation of a Capital Competition Loan Program (the "Program"), which staff publicly announced via RFP at the end of January, 2013. The Program is designed to demonstrate how the application of low-interest long-term loan financing, which is repaid over time, can function in lieu of the need for CEFIA subsidies (i.e. rebates and PBI). In an attempt to continue to transition the residential solar PV market away from subsidies and towards financing where ratepayer capital is returned, the Deployment Committee approved the launch of a pilot capital competition to secure a contractor and/or third-party financier who would be able to deliver the most amount of clean energy produced per dollar of ratepayer funds at risk.

SunGen Capital Management ("SunGen") responded to the Program RFP with a proposal to use just under $1 million in ratepayer capital as subordinated debt to leverage $2.6 million in private capital, to be repaid at an interest rate of 1.4% over ten years. This capital would support – via a residential loan offering – the financing of 115 solar PV systems for homeowners across the state. As part of this Program, CEFIA would also commit to purchasing the Renewable Energy Credits ("RECs") produced by these residential systems, at a price of $55, but these systems will receive zero rebate or PBI dollars.

The proposed senior lenders for this Program are First Niagara Financial Group (as the lead lender) and Darien Rowayton Bank. Funds management and loan application / administration responsibilities will be handled by LeaseDimensions, an established major consumer loan administrator whose client list includes GE Capital, Volkswagen Credit, Coca-Cola, Hewlett-Packard, Ford Credit, and the CEFIA Solar Loan program. The major marketing and sales channel will be via OneRoof Energy, an established player in the solar leasing market that has built its business on partnerships with roofing installers and integrators.

Program Description

SunGen's proposed loan offering would allow Connecticut homeowners with FICO scores greater than 660 to own solar photovoltaic (PV) and take advantage of the Investment Tax Credit (ITC), previously out of reach for those who could not afford the entire upfront cost of PV installations. The standard loan rate will be a nominal 8.25%, but that rate will be bought down via REC purchases to a real value of under 6%. The tenor of individual loans will be 10 years. SunGen will work with an installer partner(s) to market the loan to homeowners.

Strategic Plan

The Program is consistent with CEFIA's Comprehensive Plan:

CEFIA Comprehensive Plan: New Residential Program Requirements	**Capital Competition Loan Program**
Comprehensive program for clean energy upgrades	Financial product specifically for solar PV installations
Long-term, Low-Interest Loan and/or leasing program	Effective 6% rate, max of 10 year tenor
Uses ARRA-SEP funds and/or ratepayer capital	Utilizes $1 million of ratepayer capital
Creates a Loan and/or Credit Enhancement	Provides subordinated loan at 1.4%, as well as the security of a guaranteed REC off-taker

Ratepayer Payback

For the subordinated debt portion of the deal, CEFIA expects to receive a return of 1.4% over ten years. For the REC purchases, which are expected to account for about half a million dollars in nominal value over the max ten-year life of the loans originated under the Program, CEFIA expects to take a loss according to the following estimated schedule:

Market Value of RECs	**Expected CEFIA Loss**
$20	$321,839
$30	$229,885
$40	$137,931

Terms and Conditions

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

CEFIA's investment into the Program is a subordinated loan, to be amortized in a straight-line fashion over ten years at the rate of 1.4%. If the Program succeeds in financing at least 57 systems, $100,000 of the overall loan value will be forgiven, with another $50,000 to be forgiven if the Program successfully finances the full 115 systems projected within eight months of launch.

Capital Expended

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

CEFIA will expend up to $1,000,000 of ratepayer capital, in tranches of $250,000, as called upon by SunGen after loans are advanced and warehoused using private capital.

Risk

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

The maximum exposure of ratepayer funds is $1,000,000, if the Program succeeds in fully financing 115 systems. Ratepayer funds will only be put at risk after sufficient loans have been advanced and aggregated to justify the investment of each $250,000 tranche.

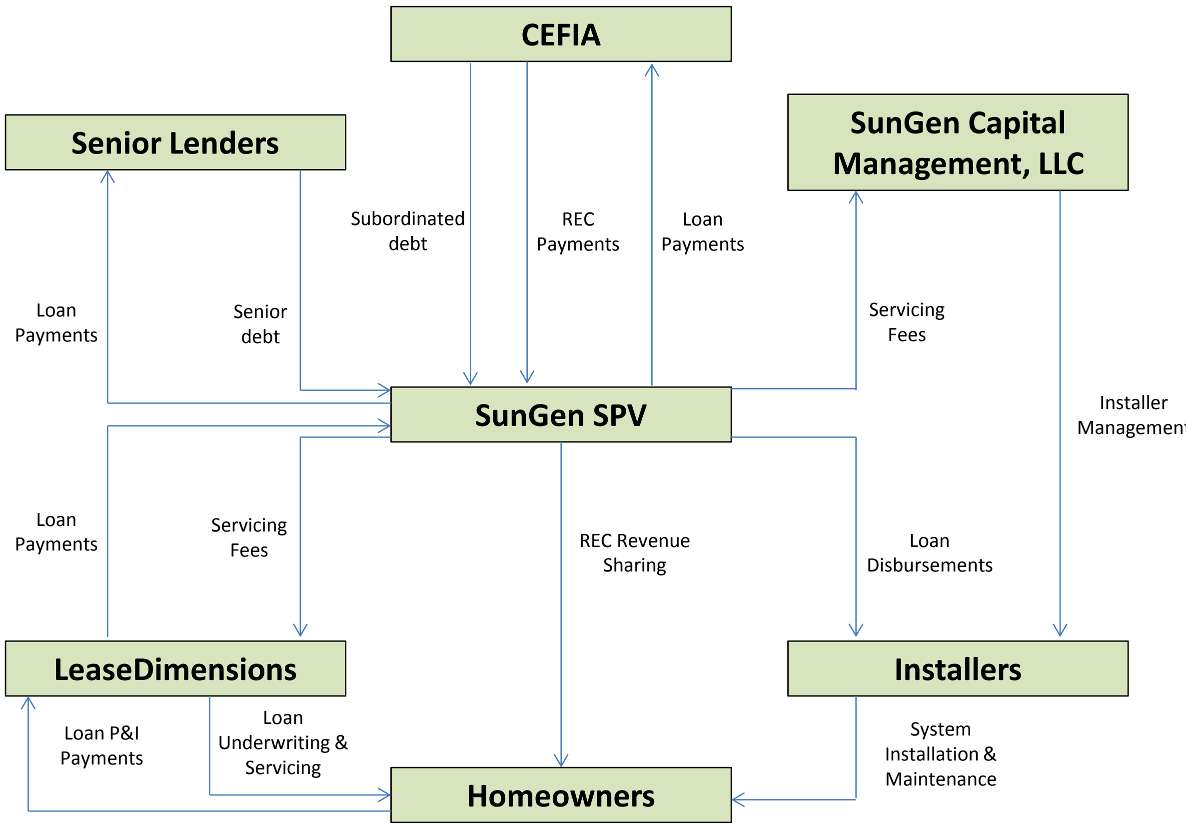
Financial Statements

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

As funds are advanced for subordinated loans, there would be a reduction in the CEFIA Cash and Cash Equivalents Account (Current Asset on the Balance Sheet) and a corresponding increase in "Subordinated Promissory Notes – Capital Competition Loan Program" (Non-Current Asset on the Balance Sheet).

As RECs are purchased, there would be a reduction in the CEFIA Cash and Cash Equivalents Account (Current Asset on the Balance Sheet) and a corresponding increase in "Renewable Energy Credits" (Current Asset on the Balance Sheet).

Capital Flow Diagram



Target Market

Who are the end-users of the program?

End-users are homeowners in Connecticut who prefer to own (rather than lease) solar PV systems but may not want to, or be able to, pay the full cost upfront. Eligible homeowners will have FICO scores of 660 or above, debt-to-income ratios ≤ 45%, and no bankruptcies in the last five years. Homeowners who participate in this Program will be those looking for a shorter financing term than others currently offered in the market, along with zero down payment. SunGen estimates that with the level of investment CEFIA is providing, they should be able to offer loans to an initial 115 homeowners under this Program.

CEFIA Role, Financial Assistance & Selection/Award Process

CEFIA issued a Capital Competition Loan Program RFP in late January and received a proposal from SunGen in early April. Since receiving SunGen's proposal, CEFIA staff has worked with SunGen to refine and improve the proposal to ensure that it is both attractive to homeowners and achieves CEFIA's goals under the RFP.

Under this Program, CEFIA will provide two sources of funding:

- Up to $1,000,000 in subordinated debt, allocated in tranches of $250,000; and
- A commitment to purchase all RECs generated by systems financed through the Program, at a price equivalent to the Alternative Compliance Payment ("ACP") ceiling of $55.

Program Partners

SunGen: A renewable energy finance and investment management firm that specializes in developing financing platforms in the markets for residential rooftop and small commercial solar PV, as well as residential and commercial energy efficiency.

First Niagara Financial Group (proposed lead senior lender): First Niagara, through its wholly owned subsidiary, First Niagara Bank, N.A., is a multi-state community-oriented bank with nearly 430 branches, approximately $35 billion in assets, $28 billion in deposits, and approximately 6,000 employees providing financial services to individuals, families and businesses across Upstate New York, Pennsylvania, Connecticut and Massachusetts.

OneRoof Energy: A fast-growing residential solar financing company, backed by financial institutions including Morgan Stanley, Black Coral Capital, Alternergy, and a strategic financial partner, Hanwha Group (a Korean global industry leader fully integrated in all parts of the photovoltaic (PV) supply chain, from mining poly silicon to manufacturing ingots, wafers, cells and highly efficient modules).

LeaseDimensions: A leading lease and loan servicer to the equipment and vehicle industries founded in 1995, and based in Portland, OR. Since its founding, LeaseDimensions has serviced over 100,000 leases and loans, representing over $2B in value. Clients include: GE Capital, Volkswagen Credit, Coca-Cola, Hewlett-Packard, and Ford Credit.

Risks and Mitigation Strategies

Participation of First Niagara (and Darien Rowayton Bank): CEFIA funds will only go out the door once appropriate commitments from senior lenders have been obtained. As this program is expressly designed to leverage private capital with the use of low-cost ratepayer financing and no other subsidy, no CEFIA dollars will be expended until the participation of the senior lenders becomes firm.

Company risk: SunGen is a startup with a light track record. CEFIA believes the proposed program is structured to limit the SunGen-specific risk: 1) the use of an experienced loan servicer (LeaseDimensions) limits the risk of SunGen as a going concern to the origination period; 2) the limited origination period and small fund size further limits CEFIA's exposure to SunGen; and 3) the use of a Special Purpose Vehicle ("SPV") will keep funds within a project financing structure, and not with SunGen itself.

Origination risk: CEFIA believes that OneRoof Energy's participation in this program mitigates this risk. As an experienced residential solar financing provider with national contractor networks, OneRoof should be able to serve as an excellent source of marketing and sales leads.

Underwriting risk: CEFIA has had input in determining the underwriting criteria. Borrowers will be required to have FICO scores of 660 or above with a DTI of ≤ 45%.

Operating Procedures

CEFIA will fund the SPV in $250,000 increments as needed. As LeaseDimensions originates loans, they will draw down funds from the SPV. CEFIA will receive written notifications from LeaseDimensions when funds are needed, which can be checked against PowerClerk data. CEFIA will be repaid from the SPV on a straight-line schedule over ten years (with the potential for $100,000 to be forgiven if SunGen succeeds in financing at least 57 projects, another $50,000 forgiven if the Program fully funds 115 systems with eight months of Program launch).

SunGen will work with OneRoof Energy to train and educate installers. CEFIA will assist in identifying qualified contractors in Connecticut. LeaseDimensions will manage loan servicing.

CEFIA will purchase all Renewable Energy Credits (RECs) produced by the portfolio.

Resolutions

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

WHEREAS, on November 30, 2012, CEFIA's Deployment Committee authorized the issuance of a Request for Proposal ("RFP") for a competitive solicitation to provide a long-term and low-interest loan in an amount not to exceed $1 million dollars to the winning bidder for delivering the maximum amount of clean energy produced without the use of a Rebate or PBI incentive pursuant to Section 106 of Public Act 11-80; and

WHEREAS, CEFIA staff has reviewed and selected SunGen Capital Management's ("SunGen") RFP proposal which will use approximately $1 million in ratepayer capital as subordinated debt to leverage $2.6 million in private capital, to be repaid at an interest rate of 1.4% over ten years (the "Program").

NOW, therefore be it:

(1) Resolved, that funding be approved for the Program in a total amount not-to-exceed $1,525,000, of which not more than $1,000,000 may support a subordinated debt investment into an SPV established by SunGen for the purpose of executing the Program, and not more than $525,000 may support the purchase of Renewable Energy Credits (RECs) produced by the portfolio established under the Program;

(2) Resolved, that CEFIA's funding of the Program is contingent upon SunGen securing written commitments for third party financing such that the ratio of private capital to ratepayer funds invested in the Program is not less than 2.5 : 1.

(3) 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 effect the subordinated debt investment on such terms and conditions consistent with the language of this memo (inclusive of the draft term sheet) and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than six months from the date of this resolution; and

(4) 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.

Submitted by: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO, Dale Hedman, Director of Project Deployment, Benjamin Healey, Senior Manager of Clean Energy Finance

Proposed Draft Term Sheet with SunGen

1. SunGen will provide 3, 5, 7 and 10 years unsecured solar loans, with effective rates to homeowners at 6% or less (for a 10-year loan). These loans will be provided through an SPV that will be established for the program. The SPV will borrow funds from certain CT-based lenders, which will be used by the SPV to make the loans to the consumers.

2. The consumer loans will finance the total system cost, before any ITC benefits, and will allow pre-payments and pay-downs. The rate of the loan remains the same regardless if prepayments and pay-downs are made or not.

3. The pilot program will finance up to 115 systems at an estimated cost of about $3.6 million.

4. The source of funds raised for the pilot program is:
   a. Senior debt: About $2.6 million, raised by SunGen from First Niagara (lead lender) and Darien Rowayton Bank, subject to approval from the banks.
   b. A $1 million 10-year loan from CEFIA, at 1.4%.

5. The base rate of the loan to the homeowner will be 8.25% for a 10-year loan. For the term of each loan, SunGen will be reducing the homeowner's monthly payments by rebating its REC revenue to the homeowner, essentially lowering the consumer loan rate to below 6% for a 10-year term; the rates will be lower for 3, 5 and 7 year loans.

6. Consumer credit criteria: Minimum FICO score 660, maximum debt to income ratio 45%, no personal bankruptcies within the last 5 years.

7. A 10-year REC Purchase Agreement with CEFIA, at the following prices:
   a. $55 per REC created by facilities whose loans have not been bought-out, with 100% of this REC revenue going to the homeowner.
   b. After a loan buy-out, and for the remaining of the 10-year period, CEFIA will purchase the RECs at market price.
   c. SunGen will be responsible for, and will provide the services needed for the issuance and trading of RECs.

8. Assuming the program succeeds in financing at least 57 systems, $100,000 of the subordinated debt investment would be forgiven and the obligation would be cancelled, with another $50,000 to be forgiven upon the successful financing of 115 systems with eight months of Program launch.

9. Program Marketing: SunGen will partner with OneRoof Energy to market the program.

SunGen

Mission

SunGen has been in business since February 2012. The firm's financing programs allow homeowners, businesses and state and local government organizations to install affordable solar energy and hot water systems, and implement energy efficiency projects in their properties.
SunGen invests its own capital, as well as capital raised from investors, working directly with state and local governments, banks, equity investors and other capital providers to provide tax equity investments and medium and long-term debt financing. SunGen designs and structures transactions to maximize federal tax benefits attributable to renewable energy for the benefit of its customers. In originating and managing its portfolios, SunGen partners with state and federal agencies, regulators, loan origination and servicing providers, and project developers.

Programs/Programmatic Strengths/Service Area

Previously, SunGen has worked successfully with its partner, AFC First Financial Corp., to structure and secure a commitment for an initial pilot financing program under the FHA guaranty "PowerSaver" energy efficiency financing program. There are numerous PowerSaver programs with the permanent funding coming from state entities. SunGen, however, has launced the first PowerSaver program based 100% on private capital raised by SunGen. SunGen's financing structure for the PowerSaver program, which is very similar to the proposed structure for this CEFIA pilot program, was critical in securing a financing commitment from a large regional bank. SunGen is confident that it can secure similar financing commitments for this pilot program and follow-on financing programs that will promote residential solar development and benefit CT residents.

SunGen management has developed and managed numerous programs and products of similar or greater scale than this Program, including programs such as the NEPOOL GIS, the ISO-NE interim markets, and structured renewable energy finance deals worth billions of dollars. Combined with the skills of its servicing partner, LeaseDimensions, SunGen is well positioned to manage this Program.

Leadership

John Bowes is a senior executive in financial services with over 25 years of experience. Mr. Bowes has extensive experience in creating successful companies and managing them to substantial profitability.

Mr. Bowes was the principal founder and Chairman of the Darien Rowayton Bank, a state-chartered commercial bank in Darien, CT. Mr. Bowes sold a controlling interest in 2010.

Mr. Bowes was the founder of Lyon Credit Corporation (LCC), a mid-market financing subsidiary of Credit Lyonnais. Mr. Bowes created and grew LCC to over $400 million in six years. It was successfully sold in 1999 to a regional bank. One of LCC's most successful businesses focused on mid-market renewable energy and successfully developed and financed many renewable energy projects.

Mr. Bowes was the CEO of Chrysler Capital from 1987 through 1992 and grew the company from a mid-market finance company to a $7 billion commercial finance company providing financing and services to a wide variety of commercial clients. Many of those clients were in the energy space, ranging from major utilities to local developers. He started his career at GE Capital and later moved on to EF Hutton where he developed tax strategies and financing products for EF Hutton clients.

Mr. Bowes has a B.A. from the Univ. of Connecticut and an M.B.A. from the Univ. of Bridgeport.

Sakis Asteriadis has over 25 years of professional experience with pioneering work in the power and alternative energy markets, with broad expertise in the financing, trading, regulatory, and program development areas.

Mr. Asteriadis has held executive positions with leading financial and energy companies. Most recently, he was the Chief Executive Officer at a project developer and asset manager of renewable energy and emission reduction projects.

From 2008 to 2010 he was Global Head of Environmental Markets at Phoenix Partners Group, a global financial brokerage firm, where he created and managed the energy brokerage desk. From 2004 to 2008 he was Managing Director at APX (currently NYSE Blue), where he created and led the environmental markets division and was instrumental in designing, developing & operating all major market-based renewable energy programs in the US.

From 2000 to 2004 he was with the Bank of New York Mellon, where he managed the EnergyClear clearinghouse for OTC energy trading. From 1985, he was with ESCA Corp (currently Areva T&D) where he led the development and deployment of numerous wholesale electricity markets worldwide such as NEPOOL and PJM, and developed power trading tools for major utilities and energy traders.

Mr. Asteriadis has an M.Sc.E. from Purdue University.

Steve Marcus is a senior executive with over 25 years of experience in Capital Markets. Mr. Marcus's primary focus was to market and sell several types of consumer debt and structured products that included MBS, ABS, CMBS, and CDOs. Most recently Mr. Marcus was Managing Partner at NPM Capital, a fixed income hedge fund. Prior to that, Mr. Marcus was an Executive Director in Structured Products Sales at JPMorgan, and held similar positions at UBS, Smith Barney, Kidder Peabody and Bear Stearns.

Financial Condition/Funding Sources & Stability

SunGen Capital Management, LLC has been in existence for just over one year. As such, there are no meaningful financial statements, audited or unaudited available. SunGen, however, has been collaborating with CT, NY and MA solar installers and CT and regional banks in developing financing programs for residential solar and energy efficiency projects. SunGen's management team has extensive experience in both program development and financing through prior relationships. SunGen has extensive banking relationships in CT and other states that it will employ in providing financing for this program.

SunGen has recently secured a financing commitment from a large regional bank to finance a similarly structured residential energy efficiency lending program that takes advantage of certain federal guaranties offered by HUD under its Title I lending program. Through creative financial structuring and key partnership relationships, SunGen is confident that it can produce an effective, efficient and cost effective financing program for CT residents that can be scaled and expanded over time to support significant residential solar development in the state.

First Niagara

Leadership

Gary M. Crosby

Interim President and Chief Executive Officer

Gary M. Crosby was named interim President and Chief Executive Officer on March 19, 2013. Prior to this he served as Executive Vice President and Chief Administrative and Operations Officer since July 2009. Before joining First Niagara, he had left the private sector in 2004 for full-time community service with the Buffalo City School District, the second largest in New York State, as Chief Financial Officer and Chief Operating Officer until 2009. From 1999 to 2003 he was a venture capital partner with Seed Capital Partners. From 1991 to 1999, he was a founding stockholder of ClientLogic Corporation, where he was Chief Financial and Operating Officer. Prior to this he held senior financial leadership positions in banking and manufacturing and was a CPA with KPMG Peat Marwick. Crosby is a magna cum laude graduate of Canisius College. A special committee of the Board's independent directors has been formed to initiate a search for a permanent President and CEO. Gary is an active volunteer in the Western New York community and was recognized as CFO of the year in 2008 for his community service. He is currently a board member of the Buffalo Public School Foundation; Buffalo Arts and Technology Center; and Buffalo Niagara Enterprise. He also serves on the Buffalo Niagara Enterprise Steering Committee and is trustee emeritus of the YMCA of Buffalo Niagara.

Daniel E. Cantara III

Senior Executive Vice President and Chief Banking Officer

Daniel Cantara is Senior Executive Vice President and Chief Banking Officer. He is responsible for oversight and leadership of all of First Niagara's customer facing businesses including Commercial Services, Consumer Finance and Retail Banking operations. He has led the Commercial Services Group since 2007, and its financial services businesses, including insurance, benefits consulting and wealth management since 2001, when he first joined the company. Under his leadership, the company's commercial lending business has established itself as a top regional franchise, with industry leading growth and performance. Prior to joining First Niagara, Cantara spent more than 20 years in public accounting, including eight with Price Waterhouse and 12 as the managing partner of a regional accounting firm he co-founded. He earned his bachelor's degree in accounting and an MBA from the State University of New York at Buffalo.

Gregory W. Norwood

Senior Executive Vice President and Chief Financial Officer

Gregory Norwood is Senior Executive Vice President and Chief Financial Officer. He joined First Niagara in April 2011, and previously served as Chief Risk Officer of Ally Bank. He also served as a Senior Risk Officer for the parent company, Ally Financial, formerly known as GMAC Financial, Inc. Prior to joining Ally in 2009, Norwood served as Treasurer of Wachovia from July 2008, having served in various other senior treasury positions since joining Wachovia in 2005. From 2001 to 2005, he was Corporate Controller for Bank of America. Previously, he was a partner with KPMG, LLP, serving financial services clients including some of the nation's largest banks from the firm's New York and Charlotte, North

Carolina offices. He started his career with KPMG in 1980 and was a Professional Accounting Fellow at the Securities and Exchange Commission from 1989 – 1991. Norwood earned his bachelor's degree in accounting from Northern Arizona University.

Richard M. Barry
Executive Vice President, Chief Risk Officer

Richard Barry is Executive Vice President and Chief Risk Officer. He was appointed to this role in July, 2012. He joined First Niagara in December 2011 as Chief Credit Officer. Barry’s background includes more than 25 years of leadership experience in credit and banking, including at Citizens Financial Group, where he served as Chief Credit Officer for Wholesale Banking. He also served as President of the company’s Connecticut region. Prior to Citizens, Barry held a series of leadership positions in lending and credit with BayBank and Fleet. He earned a bachelor’s degree in finance from Bentley University and an MBA from Babson College.

Andrew D. Fornarola
Executive Vice President, Consumer Finance

Andrew Fornarola is Executive Vice President, Head of Consumer Finance. He is responsible for managing all activities within the Consumer Finance lines of business. He has led Consumer Finance since 2011 with strategic and operating oversight for all of First Niagara’s consumer lending, residential mortgage, indirect lending and credit card lines of business. Fornarola joined First Niagara from M&T Bank, where he was a senior leader of the Mortgage/Consumer Lending business, with full responsibility for all consumer lending and card products, as well as product management responsibilities for residential mortgage products. Prior to M&T, Fornarola held a variety of positions with HSBC and Chase Manhattan Bank in both consumer and commercial banking over a 20 year period. While at HSBC, he served as the Regional Executive of the Southern Tier of New York, and managed several business lines, including the Community Reinvestment function. Fornarola has a bachelor’s degree with a major in economics from University of Rochester, and an MBA from the University of Rochester, William E. Simon School of Business Administration.

Mark R. Rendulic
Executive Vice President, Retail Banking

Mark R. Rendulic is Executive Vice President, Retail Banking at First Niagara Bank. He leads the retail branch network across First Niagara’s Northeastern franchise, including Western and Eastern New York, Western and Eastern Pennsylvania, Connecticut and Massachusetts. Mark manages the development and implementation of the bank’s Retail Sales and Service Strategy, and drives Product Management and Development, Delivery Planning, Customer Call Centers and Branch Operations and Review. In addition, Mark oversees First Niagara Investment Services, and is responsible for all Marketing, Corporate Communications, Foundation and Sponsorship activities across all regions. Mark joined First Niagara in September 2009 as Regional Sales Manager for the Western Pennsylvania Region, after the bank acquired 57 former National City branches from PNC Financial Services Group, Inc. Prior to joining

First Niagara, Mark was the Executive Vice President of Consumer and Small Business Financial Services for National City Bank of Pennsylvania. He also served as Community Banking Network Executive for National City Bank and held various leadership roles within Retail Banking over the last 25 years.

Financial Condition/Funding Sources & Stability

	December 31, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	$ 430,862	$ 836,555
Investment securities:		
Available for sale, at fair value (amortized cost of $10,658,220 and $9,178,001 in 2012 and 2011; includes pledged securities that can be sold or repledged of $585,967 and $2,344,710 in 2012 and 2011)	10,993,605	9,348,296
Held to maturity, at amortized cost (fair value of $1,373,971 and $2,752,723 in 2012 and 2011; includes pledged securities that can be sold or repledged of $31,139 and $1,210,995 in 2012 and 2011)	1,299,806	2,669,630
Federal Home Loan Bank and Federal Reserve Bank common stock, at amortized cost and fair value	420,277	358,159
Loans held for sale	154,745	94,484
Loans and leases (net of allowance for loan losses of $162,522 and $120,100 in 2012 and 2011)	19,547,490	16,352,483
Bank owned life insurance	404,321	392,468
Premises and equipment, net	410,561	318,101
Goodwill	2,483,787	1,708,345
Core deposit and other intangibles, net	134,023	94,895
Other assets	526,755	637,199
Total assets	$ 36,806,232	$ 32,810,615
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	$ 27,676,531	$ 19,405,115
Short-term borrowings	2,983,718	2,208,845
Long-term borrowings	732,425	5,918,276
Other	487,000	480,201
Total liabilities	31,879,674	28,012,437
Stockholders' equity:		
Preferred stock, $0.01 par value, 50,000,000 shares authorized; Series B, noncumulative perpetual preferred stock, $25 liquidation preference; 14,000,000 shares issued in 2012 and 2011	338,002	338,002
Common stock, $0.01 par value, 500,000,000 shares authorized; 366,002,045 shares issued in 2012 and 2011	3,660	3,660
Additional paid-in capital	4,230,574	4,228,477
Retained earnings	398,711	374,840
Accumulated other comprehensive income	157,303	67,812
Common stock held by employee stock ownership plan, 2,179,315 and 2,357,257 shares in 2012 and 2011	(17,825)	(19,070)
Treasury stock, at cost, 13,381,063 and 14,167,733 shares in 2012 and 2011	(183,867)	(195,543)
Total stockholders' equity	4,926,558	4,798,178
Total liabilities and stockholders' equity	$ 36,806,232	$ 32,810,615

See accompanying notes to consolidated financial statements.

FIRST NIAGARA FINANCIAL GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(in thousands, except per share amounts)

	Year ended December 31, 2012	2011	2010
Interest income:			
Loans and leases	$ 813,912	$ 704,664	$ 495,989
Investment securities and other	362,176	360,643	249,599
Total interest income	1,176,088	1,065,307	745,588
Interest expense:			
Deposits	66,649	83,237	71,150
Borrowings	86,164	100,823	76,684
Total interest expense	152,813	184,060	147,834
Net interest income	1,023,275	881,247	597,754
Provision for credit losses	92,300	58,107	48,631
Net interest income after provision for credit losses	930,975	823,140	549,123
Noninterest income:			
Deposit service charges	91,237	66,144	56,149
Insurance commissions	68,166	65,125	51,634
Merchant and card fees	38,758	29,253	26,137
Wealth management services	41,315	30,729	19,838
Mortgage banking	31,857	15,182	12,230
Capital markets income	26,849	8,349	2,270
Lending and leasing	14,837	11,425	5,466
Bank owned life insurance	13,705	11,129	7,261
Gain on securities portfolio repositioning	21,232	—	—
Other	11,574	7,973	5,630
Total noninterest income	359,530	245,309	186,615
Noninterest expense:			
Salaries and employee benefits	427,494	341,895	246,619
Occupancy and equipment	99,409	78,163	54,964
Technology and communications	100,514	62,376	45,698
Marketing and advertising	31,685	21,850	18,388
Professional services	40,514	36,017	18,528
Amortization of intangibles	45,035	25,544	19,458
Federal deposit insurance premiums	34,693	28,860	18,923
Merger and acquisition integration expenses	177,512	98,161	49,890
Restructuring charges	6,453	42,534	—
Other	87,834	70,933	50,860
Total noninterest expense	1,051,143	806,333	523,328
Income before income taxes	239,362	262,116	212,410
Income taxes	70,940	88,206	72,057
Net income	168,422	173,910	140,353
Preferred stock dividend	27,756	—	—
Net income available to common stockholders	$ 140,666	$ 173,910	$ 140,353
Earnings per share:			
Basic	$ 0.40	$ 0.64	$ 0.70
Diluted	0.40	0.64	0.70
Weighted average common shares outstanding:			
Basic	348,960	271,301	200,274
Diluted	349,368	271,612	200,596
Dividends per common share	$ 0.32	$ 0.64	$ 0.57

See accompanying notes to financial statements.

FIRST NIAGARA FINANCIAL GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(in thousands)

	Year ended December 31, 2012	2011	2010
Cash flows from operating activities:			
Net income	$ 168,422	$ 173,910	$ 140,353
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of fees and discounts, net	29,745	11,804	5,412
Provision for credit losses	92,300	58,107	48,631
Depreciation of premises and equipment	42,541	33,591	28,449
Amortization of intangibles	45,035	25,544	19,458
Gain on securities portfolio repositioning	(21,232)	—	—
Origination of loans held for sale	(1,504,417)	(794,602)	(717,946)
Proceeds from sales of loans held for sale	1,453,331	740,886	717,501
ESOP and stock based-compensation expense	12,825	10,720	8,868
Deferred income tax expense	33,983	1,088	37,762
Contributions to defined benefit pension plans	(112,014)	—	—
(Increase) decrease in other assets	(39,071)	45,743	(4,595)
(Decrease) increase in other liabilities	(42,564)	23,025	(10,916)
Net cash provided by operating activities	158,884	329,816	272,977
Cash flows from investing activities:			
Proceeds from sales of securities available for sale	3,238,787	637,588	122,655
Proceeds from maturities of securities available for sale	242,310	479,833	684,080
Principal payments received on securities available for sale	2,107,634	1,401,274	1,120,809
Purchases of securities available for sale	(6,272,724)	(3,774,187)	(3,808,152)
Principal payments received on securities held to maturity	481,418	422,633	262,392
Purchases of securities held to maturity	—	(87,458)	(204,629)
Purchases of Federal Home Loan Bank and Federal Reserve Bank common stock	(62,118)	(53,538)	(61,794)
Purchase of bank owned life insurance	—	(35,000)	—
Proceeds from surrender of bank owned life insurance	—	27,342	—
Net increase in loans and leases	(1,814,224)	(950,210)	(604,151)
Acquisitions, net of cash and cash equivalents	7,703,349	(51,344)	1,129,295
Purchases of premises and equipment	(104,224)	(69,337)	(45,509)
Other, net	53,361	46,548	21,315
Net cash provided by (used in) investing activities	5,573,569	(2,005,856)	(1,383,689)
Cash flows from financing activities:			
Net (decrease) increase in deposits	(1,645,495)	838,991	(493,129)
Proceeds from (repayments of) short-term borrowings, net	774,873	729,956	(302,919)
Proceeds from long-term borrowings	—	864,488	2,146,534
Repayments of long-term borrowings	(5,126,718)	(644,364)	(150,000)
Purchases of treasury stock	—	(126,876)	—
Issuances of preferred stock, net	—	338,002	—
Issuance of common stock in follow-on stock offerings, net	—	467,683	—
Dividends paid on noncumulative preferred stock	(27,756)	—	—
Dividends paid on common stock	(112,026)	(174,614)	(114,635)
Other, net	(1,024)	5,509	2,413
Net cash (used in) provided by financing activities	(6,138,146)	2,298,775	1,088,264
Net (decrease) increase in cash and cash equivalents	(405,693)	622,735	(22,448)
Cash and cash equivalents at beginning of year	836,555	213,820	236,268
Cash and cash equivalents at end of year	$ 430,862	$ 836,555	$ 213,820

OneRoof Energy

Mission

OneRoof Energy offers simple and affordable solar financing programs that people can trust. OneRoof Energy provides homeowners with financing options for solar electric systems, while receiving industry-leading, warranties, eliminating the prohibitive up-front capital investment and providing ongoing maintenance. Beyond exceptional financing, OneRoof Energy offers highly innovative technologies, and some of the best warranties in the industry. OneRoof Energy believes in the collaborative power of people and their ideas, bringing together the most reputable electricians, solar installers, roofers, project managers and solar finance experts to manage the entire process with ease and expertise.

Leadership

David Field, President and Chief Executive Officer

As the CEO and co-founder of OneRoof Energy, David Field brings more than 20 years of experience leading successful executive teams, startups and early stage companies within the energy sector. Before joining the company, he led the reorganization and turnaround of Applied Solar, LLC as its president and CEO. During this time, he transformed the company from a manufacturer of Building Integrated Photovoltaic (BIPV) products into a developer and licensor of BIPV product IP, and he partnered with some of the largest corporate names in both solar and building products. Prior to his tenure at Applied Solar, David served as a senior executive at Clark Security Products, the largest independent vertically integrated security distribution company in North America. In 2001, he founded and was CEO of Clarus Energy Partners, a leading developer, owner and operator of distributed generation projects, which was acquired by Hunt Power in 2004. David also co-founded Omaha-based Kiewit Fuels, a renewable energy company specializing in the development of biofuels production. In addition to a career in sustainable energy development, David also has an extensive background in water technology and infrastructure development with companies such as Bechtel, Peter Kiewit, and Poseidon Resources, as well as in corporate finance with Citicorp. David holds a MBA from the Thunderbird School of International Management.

Dale Vander Woude, Executive Vice President, Capital Markets, Mergers and Acquisitions, and Strategy

Dale Vander Woude brings more than two decades of financial management experience to OneRoof Energy. As vice president of corporate strategy, Dale oversees corporate finance, mergers and acquisitions, working to secure corporate and project financing to meet OneRoof Energy's growth and revenue objectives. Dale also leads market and credit enterprise risk management initiatives and develops consumer credit policies and procedures to maximize market opportunities. Prior to joining OneRoof Energy, Dale led capital markets origination for Citigroup Global Markets, a U.S.-based brokerage and securities arm of banking company Citigroup, where he directed a wide range of investments. He also served as the senior transactor for multiple renewable energy investments, including a residential solar fund and wind farm development company. Dale graduated from Central

College with a bachelor’s degree in economics and business management and also received an MBA from Loyola Marymount University.

Alan Whiting, Senior Vice President, Finance and Co-Founder

Alan Whiting comes to OneRoof Energy with a long track record of renewable energy and financial management experience. Prior to co-founding the company, he served as senior vice president for Applied Solar LLC, where he was responsible for developing its residential solar financing program. In 2001, Alan served as vice president of finance with Clarus Energy Partners, a leading developer, owner and operator of distributed generation projects in California, which was acquired by Hunt Power in 2004. Prior to Clarus Energy, he co-founded and served as chief financial officer of Omaha-based Kiewit Fuels, a biofuels technology and development company. Alan also served in various commercial banking and real estate finance positions as corporate vice president with Citicorp. Alan has a bachelor’s degree in business administration with an emphasis in finance from the University of Wisconsin.

Nick Hofer, Vice President, Marketing

As the vice president of marketing, Nick Hofer leads the marketing efforts to help establish OneRoof Energy’s corporate brand. He brings more than 20 years of experience with leading brands such as Gateway Computers, Kodak, Sony, Hewlett Packard, Live Nation and 24 Hour Fitness among others. Before joining OneRoof Energy, Nick served as the general manager and chief marketing officer for Zeta Interactive, a full-service interactive marketing agency. In 2008 Nick was the chief executive officer and chief marketing officer for CHR & B LLC, a credit card rewards company where he led the start-up to successfully raising operating capital and secured more than $4 million in funding for the company. Nick graduated from the Stanford Executive Program from the Stanford Graduate School of Business. He also holds a bachelor’s degree from University of South Dakota in fine arts and mass communications.

Kirk Mulligan, Vice President Business Development

Kirk Mulligan brings more than ten years of experience developing strategy, leading, and growing companies within the solar industry. He comes to OneRoof Energy with a deep understanding of the industry and its complexities. Prior to joining OneRoof, Kirk was a co-founder and CEO of Clean Power System, one of Southern California’s largest solar integration companies. From 2002 through 2008, he managed the company’s sales, marketing, and operational efforts. Additionally, Kirk developed strategic alliances with a number of top manufacturers, solar financing companies and developers, as well as developing the company’s differentiating strategy of a holistic energy approach to consumer energy needs. During his tenure, the company won numerous awards for business growth and installation quality. Prior to Clean Power Systems, Kirk Mulligan was a regional sales manager for a large global solar products distributor where he developed a solar strategy for the U.S. grid. Kirk’s experience spans several business disciplines including installation, sales, marketing, financing and business development. Kirk Mulligan received a bachelor of science in integrated science and technology from James Madison University.

Dalton Sprinkle, Vice President, Corporate Development and General Counsel

Dalton Sprinkle brings more than 14 years of executive Wall Street and regional law practice in corporate settings. Dalton's experience lays in start-up and renewable energy transactions with a history of success in securities, mergers and acquisitions. Prior to joining OneRoof Energy, he served as executive vice president, chief legal officer for Carbon Motors Corporation for three years where he oversaw all legal operations and took part in developing the world's first purpose-built law enforcement patrol vehicle. In 2009 Dalton served as senior vice president of business development and general counsel at Applied Solar, Inc. where he administered several complex financing structures and transactions and co-developed a patent-pending project financing structure for residential solar installations. Dalton has produced several publications and patents in relation to public and corporate tax laws. He holds a bachelor of arts degree in political science from the University of Southern California and a juris doctorate from Georgetown University Law Center.

Financial Condition/Funding Sources & Stability

Current financials for OneRoof Energy are not available. However, according to a February 28, 2013 press release, OneRoof Energy has raised and secured commitments for more than $200 million in corporate capital, project financing and tax equity funding since it closed its first tax equity fund in September 2011, including most recently a $100 million capital commitment from Morgan Stanley to finance residential solar installations.

LeaseDimensions

Mission

LeaseDimensions, founded in 1995, is a full-spectrum lease and loan services provider located in Portland, Oregon. LeaseDimensions provides Third-Party Origination and Servicing, IT Outsourcing, Technology Consulting and Hosted-Software (ASP) services to companies in the vehicle and equipment finance industries. The company has provided lease and loan servicing to clients ranging from Fortune 500 companies to emerging-growth organizations, including GE Capital, Volkswagen Credit, Coca-Cola, Hewlett-Packard, and Ford Credit. LeaseDimensions' services encompass both commercial and consumer portfolios and include a wide array of equipment and vehicle assets.

LeaseDimensions' services encompass both commercial and retail customers and include a wide array of vehicle and equipment assets. To handle third-party servicing functions, LeaseDimensions engages highly experienced loan and lease servicing and processing personnel. They manage transactions on a secure state-of-the-art data platform and utilize the robust capabilities of the *LeasePak™* lease and loan management system.

Leadership

William D. Allen, President & CEO

Mr. Allen founded LeaseDimensions in 1995, using his experience in executive management and strategy development for financial institutions to develop the Company's unique outsourcing business model. Since the Company's inception, he has provided hands-on executive management of LeaseDimensions' business development, marketing, operations, accounting and finance functions.

Prior to founding LeaseDimensions, Mr. Allen served as Senior Vice-President of Operations and Chief Credit Officer for Industrial Leasing Corporation where he managed the company's credit, lease administration, collections, customer service and equipment management functions. Mr. Allen also spent five years as a management consultant for Edgar, Dunn and Company in San Francisco, where he specialized in operations improvement and strategy development consulting for financial institutions. He earned his MBA degree from the University of California at Berkeley.

Robert A. Hingst, Executive Vice-President & CIO

As a co-founder of LeaseDimensions, Mr. Hingst has developed the Company's Technology Consulting business and implemented LeaseDimensions' technology strategy. Mr. Hingst has particular expertise in large-scale data conversion projects. Since 1985 he has managed over 45 lease and loan system conversions for banks, captive leasing companies, independent lessors, and servicing organizations.

Mr. Hingst has more than 20 years of professional technical experience and has provided technology consulting services to more than 30 major finance companies since co-founding LeaseDimensions in 1995. Previously Mr. Hingst served in a variety of senior management and technical positions at Industrial Leasing Corporation, Paccom Leasing Corporation, and Pacific Telecom, Inc.

Mr. Hingst is Vice President of the Leasepak Users Group and User Chairperson of the Leasepak Technology Committee.

Kent R. Williams, Executive Vice President

Mr. Williams brings nearly 20 years of servicing expertise to LeaseDimensions, and is responsible for all servicing operations. During his career he has consistently produced superior servicing results for all types of portfolios: secured and unsecured; consumer and commercial; super-prime to sub prime. Asset classes for which he has run servicing operations include all types of vehicles, equipment, mortgages, credit-based lending, student lending, leisure craft, marine and other custom lending products.

Prior to joining LeaseDimensions, he was the founding operations partner of Loan Servicing Enterprise (LSE), one of the nation's largest third-party servicers of non-prime and sub-prime consumer auto loan portfolios. He was concurrently Executive Vice President and Chief Operating Officer at MSA Solutions, in Tempe, Arizona. In his 15-plus years at MSA, he pioneered MSA's entry into several diverse servicing arenas, helping MSA grow from a small servicer to one of the largest third-party service centers in the U.S.

Mr. Williams is nationally-recognized speaker on servicing and collection matters, and is invited to speak at a variety of conferences, including CBA, AFSA, ELA, and other independent conferences sponsored by IMN, SRI, WRG, etc.

Cindy L. Bullen, Vice-President, Operations

Bringing over 20 years of experience in managing collections and customer service functions for financial institutions, Ms. Bullen heads up LeaseDimensions' Customer Service, Collateral Administration and Lease Administration Departments. She also serves as a key liaison for the Company's servicing clients. Prior to joining LeaseDimensions, she served as Collections Manager and Team Leader for Portfolio Financial Servicing Company. Her responsibilities included managing collections, bankruptcy and litigation support as well as customer service functions for various portfolio-servicing clients.

Ms. Bullen has also served as Collection Supervisor for Industrial Leasing Corporation and as a Collection and Customer Service training coordinator for Nissan Motor Acceptance Corporation.

Financial Condition/Funding Sources & Stability

Current financials for LeaseDimensions are not available. Nonetheless, the company has converted and serviced portfolios of up to 25,000 lease contracts and $1.4 billion in net asset value. Moreover, LeaseDimensions' management has direct experience servicing more than 300,000 accounts at a time, and their partners have the capacity and wherewithal to supplement their services, as needed, to service up to one million accounts. LeaseDimensions' servicing software is scalable to over a million contracts. The company's automation tools and management have demonstrated the ability to manage portfolios with large numbers of accounts and/or asset values. As references for LeaseDimensions' portfolio services encompassing larger portfolios, the company offers GE Capital, Navistar Financial, and

Wells Fargo Corporate Trust. Based on this list of clients, CEFIA staff feels very comfortable moving forward with LeaseDimensions as a servicing partner.

Due Diligence Questions

Question #1 – as a start-up, what are SunGen's current financing and business development prospects?

Why question asked:

SunGen has little to no balance sheet of its own, and CEFIA must manage the risk of the company not surviving the length of the Program.

Response:

Risk mitigation is achieved through three elements of the program design: i) financing structure, ii) limited fund size and origination window, and iii) use of a well-established servicing partner.

As contemplated, the financing structure will incorporate a SunGen-managed SPV as the funding entity, from which LeaseDimensions will draw upon a loan closing. All closings will be completed through wire transfer and/or ACH mechanisms. Therefore, all funds will remain in an SPV-controlled account until payments are made directly to installers.

The initial pilot sizing is approximately $3.6 million, which is expected to be deployed over a 12-18 month origination period. During this period, SunGen's continued operational capacity is most crucial, as loan originating activities take place. The origination risk is mitigated through the limited sizing of the Program, the finite origination period, and the marketing channel benefits of SunGen's partnership with OneRoof Energy, which is discussed further in the response to Question 2 below.

Following the origination of a loan, primary servicing activities (invoicing, billing, collections, and payment transfers) will be managed by LeaseDimensions. LeaseDimensions is a lease and loan servicing provider that serves many Fortune 500 companies that offer financing to commercial and retail customers. Notable customers include GE Capital, Volkswagen Credit, Coca-Cola, Hewlett-Packard, Fifth Third Bank, Key Bank, and Ford Credit among others. Founded in 1995, LeaseDimensions currently services 20,000 solar leases. Through the SPV's agreement with LeaseDimensions, the servicing of loans can continue absent SunGen.

Question #2 – can SunGen successfully market this Program and drive sufficient uptake to prove the case?

Why question asked:

SunGen has a light track record, and may not be able to ramp up marketing fast enough to get the loans out in a timely manner.

Response:

This is why OneRoof Energy is so important to the Program's success. To date, OneRoof has helped finance thousands of residential solar PV installations across the country, with a goal of financing at least another 10,000 in 2013 alone. OneRoof's channeling marketing and sales strategy is the key to SunGen successfully originating 115 loans in Connecticut under this Program, a number which is certainly achievable if the partnership bears fruit.

Question #3 – can CEFIA support this Program absent the participation of First Niagara and/or Darien Rowayton Bank?

Why question asked:

As of this writing, no formal agreement exists between SunGen and any private capital provider for the latter to serve as the senior debt provider for this Program.

Response:

Although the senior lender does not have to be First Niagara and/or Darien Rowayton Bank, CEFIA will not commit funds to the Program absent a firm commitment from a private capital provider that is substantially consistent with the terms outlined in this memo. This Program is designed as a leveraging initiative, with the goal of maximizing the amount of clean energy generation per dollar of ratepayer funds at risk.

Program Implementation Plan

Human Resources

CEFIA Office of General Counsel will work with SunGen to oversee program documentation such as application forms, data release forms, loan agreements, etc.

CEFIA Office of the Chief Investment Officer and the Director of Statutory and Infrastructure Programs will track metrics and targets based on SunGen reporting. Staff will work with SunGen to refine loan documentation and processing, underwriting, and marketing/origination targets and plans, as well as ensure the sole use of eligible installers under the Program.

CEFIA Marketing Department will work with SunGen to ensure CEFIA and EnergizeCT, a pan-state agency coalition around energy, are represented appropriately.

Financial Resources

CEFIA will commit up to $1,000,000 to this program, deployed in tranches of $250,000 after sufficient loans are sold to justify the capital call.

Metrics, Targets, Measurement, Verification & Reporting

Targets:

- The proposed structure will leverage third-party capital to CEFIA funds at a nearly 3 ~~:~~: 1 ratio.
- Assuming a 7kW system on average (with an average loan size of approximately $30,450), the facility will result in over 9,000 MWh of clean energy produced over its ten-year life.

CEFIA will collect data on the following metrics:

- Loan acceptance and declination rate
- Loan size
- Repayment rate
- Default rate
- All customary and usual energy generation figures tracked through the Residential Solar Investment Program

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

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REQUEST FOR PROPOSAL
For
Residential Solar PV Capital Competition Pilot Loan Program

Program Opportunity # CEFIA-FI-13-001

Revised March 4, 2013

Questions or clarifications about this document should be directed to:

Clean Energy Finance and Investment Authority
Dale Hedman, Director of Statutory and Infrastructure Programs
865 Brook Street
Rocky Hill, CT 06067-3444
Telephone: 860.563.0015
Fax: 860.563.4877
E-mail: **info@ctcleanenergy.com**

This document is available on the following CEFIA web page:

www.ctcleanenergy.com/RFP

Background and Executive Summary

As part of the Residential Solar Investment Program (RSIP), a statutory mandated program under Section 106 of Public Act 11-80 (the "Act") "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning For Connecticut's Energy Future," passed in July of 2011 and a key component of the Clean Energy Finance and Investment Authority ("CEFIA") comprehensive plan and budget for FY 2013, CEFIA has established the **RESIDENTIAL SOLAR PV CAPITAL COMPETITION PILOT LOAN PROGRAM (Pilot Loan Program).** This pilot program is seeking to demonstrate the application of low-interest long-term loan financing that is repaid over time in lieu of direct cash subsidies (i.e. rebates and performance based incentives through the RSIP). CEFIA will provide a One Million and No/100 Dollars ($1,000,000) loan for a term of 20-years at an annual interest rate of two percent (2.0%) to an entity that can best demonstrate that it can use the loan proceeds to produce the greatest amount of residential rooftop solar PV deployed per dollar of CEFIA funds at risk . The Pilot Loan Program is open to residential solar PV installers, developers, third-party financiers and any other entity that can use such funds to generate new residential rooftop solar PV generation. If the Pilot Loan Program is successful, in FY 2014 CEFIA intends to provide up to an additional Ten Million and No/100 Dollars ($10,000,000) loan over a long term and low interest rate to a firm(s) that can maximize the amount of solar PV deployed per dollar of ratepayer funds at risk. CEFIA will explore with other state "green banks" the opportunity of pooling resources to attract private investment through the use of low-interest long-term loans in lieu of subsidies.

About the Clean Energy Finance and Investment Authority

Public Act 11-80 (the "Act") "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning For Connecticut's Energy Future," passed in July of 2011, created a new quasi-public organization – CEFIA – which, among other things, administers a $30 million a year system benefit fund called the Clean Energy Fund. The mission of the organization is to ensure Connecticut's energy security and community prosperity by realizing its environmental and economic opportunities through clean energy finance and investments. The goals of the organization are the following:

1. Attract and deploy capital to finance the clean energy goals for Connecticut:

    a. Help Connecticut become the most energy efficient state in the nation;
    b. Help scale-up the deployment of renewable energy in the state;
    c. Provide support for the infrastructure needed to lead the clean energy economy.

2. Develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers.

3. Reduce reliance on grants, rebates and other subsides and moves towards innovative, low cost financing of clean energy deployment.

Scope of Work

Description
CEFIA shall offer $1,000,000 to provide a loan for the Pilot Loan Program – a competitive market solicitation for identifying a financing strategy that maximizes the deployment of new residential rooftop solar PV installations per dollar of CEFIA investment.

Program Goal
The Pilot Loan Program goal is to create a capital competition that produces a financial strategy that maximizes the amount of new residential rooftop solar PV system generation per dollar of CEFIA investment, demonstrating that loans can be used effectively in lieu of direct cash subsidies to finance residential rooftop solar PV installations.

Procurement Objective
To provide a low-interest, long-term loan to an entity that has demonstrated the ability to produce the maximum amount of residential rooftop solar PV generation per dollar of CEFIA investment without utilizing RSIP financial incentives.

Terms and Conditions of Loan

1. $1,000,000 loan
2. 20-year amortizing term
3. 2% annual interest rate
4. If loan proceeds are used to fund residential solar PV leases, purchase power agreements (PPAs) or energy services contracts (ESA's), a CEFIA eligible Third-Party PV System Owner must own the residential solar PV system
5. If the Applicant (Proposed Borrower), or partners of the Applicant are a CEFIA eligible Third-Party PV System Owner, it will have the option to retain renewable energy credits (RECs) and all environmental attributes or sell them to CEFIA at their present value
6. The Applicant and partners of the Applicant will not have access to rebates or PBIs offered by CEFIA under the RSIP to reduce the system installation costs or lease, PPA or ESA payments to homeowners for this Pilot Loan Program
7. The Applicant must provide CEFIA with annually reports on the performance of all residential solar PV systems installed with proceeds from the loan
8. See Section 5 of this RFP for additional terms and conditions

If successful, CEFIA intends to expand upon the Pilot Loan Program by providing up to an additional $10,000,000 loan. CEFIA will seek to identify other state partners with "green banks" to potentially pool public capital to provide long-term low-interest loans in lieu of subsidies that will attract private investment.

Proposal Schedule
CEFIA staff team will be responsible for reviewing all submitted proposals. Key steps and schedule for the RFP process are as follows

Revised RFP issued by CEFIA	March 4, 2013
Pre-bid conference call	March 21, 2013 (10:00am EST.)
Proposals due	April 5, 2013 (4:00pm EST.)
Projects selected by CEFIA for negotiations	April 12, 2013
CEFIA Board approval of Terms and Conditions	April 30, 2013

These dates are subject to change by CEFIA and CEFIA will notify Applicants that have submitted a notice of intent to propose of any changes.

Questions may be submitted up to 3pm on March 29, 2013 and answers will be posted on CEFIA website by 4pm on April 2, 2013. Questions must be submitted electronically to the following email: CCEFinfo@ctcleanenergy.com . CEFIA may modify this RFP prior to the date fixed for submission of proposal by issuance of an addendum that will be posted on CEFIA website. Addenda will be numbered consecutively, the first being A-1.

All proposals shall be submitted electronically and delivered to Dale Hedman at CCEFinfo@ctcleanenergy.com. CEFIA is not responsible for lost or misdirected proposals for whatever reason. CEFIA will respond electronically to Applicants indicating receipt of the proposal and the Applicant should not assume a proposal has been received by CEFIA until a confirmation email is received. For problems with electronic submittals, contact Mary Vigil at dale.hedman@ctcleanenergy.com.

Written communications with CEFIA are encouraged but shall not be binding on CEFIA and shall in no way modify this RFP or excuse Applicants from the requirements set forth in the RFP. Such modifications shall only be made in writing through RFP addenda as indicated above.

An optional “pre-submittal” conference call will be held on March 21, 2013, 10:00am EST. This conference call is an opportunity for Applicants to learn more about the Program and ask questions. CEFIA, its advisors, and other relevant Program Partners will be in attendance. To participate in this conference call, send an email to dale.hedman@ctcleanenergy.com to receive call-in instructions.

CEFIA's selection of an Applicant pursuant to this RFP process does not mean that CEFIA accepts all aspects of the Applicant’s proposal, modifications to which may be requested and agreed to during contract negotiations. Costs for preparing proposals are entirely the responsibility of each Applicant and shall not be chargeable to CEFIA.

Instructions and Proposal Outline
These instructions prescribe the format and general content for proposals. Applicants are required to submit **electronic** copies of the following components using the provided **Proposal Form**. CEFIA seeks to reduce waste in all our activities. Submittals shall be as PDF attachments to emails only.

- Cover letter. Letter transmitting the proposal form must be executed by a responsible authorized official of the Applicant.
- Proposal: See description of required materials below and the Connecticut Freedom of Information Act instruction on last page. Please use Proposal Form provided for your responses.

This is a competitive process. Applicants are asked to be creative in their proposals aimed at achieving the goal of the Pilot Loan Program: to maximize the amount of new residential rooftop solar PV system deployment per dollar of CEFIA investment, demonstrating that loans can be used effectively to transition away from direct cash subsidies to finance residential solar PV installations.

Proposals should be as concise as possible while addressing the following points:

4.1 Program Description

Please describe in detail the following:

1. The Applicant for the loan:
   a. The Applicant's business
   b. Number of years in business
   c. Affiliations with other business entities owned, subordinate or partnering with the proposed borrower pertaining to the business of installing residential rooftop solar PV
2. How the loan proceeds with be used to achieve the goal of the Pilot Loan Program
3. Any pro forma statements and other analysis that supports how the loan proceeds will be used to achieve the goal of the Pilot Loan Program
4. Estimated amount of residential rooftop solar PV systems deployed (i.e. kW) and annual clean energy generated (i.e. kWh) from the use of the loan in the capital structure for a $1 million, a $5 million, and a $10 million loan.
5. Financial structure diagram showing how the CEFIA Pilot Loan Program will leverage private capital investment in residential rooftop solar PV system deployment

4.2 Qualifications & Experience, Officers and Staffing

Please briefly summarize the proposed borrower's qualifications and experience to undertake this pilot program.

Please provide a brief summary of the program manager qualifications. Overall, please describe the level of effort and services the Applicant will devote and the general management approach the Applicant will take to make this Program succeed.

4.4 Collaborative Services, Technical Assistance & Training Needs

Please describe the ideas, if any, for assistance Applicant would like to receive from CEFIA and other partners to make this pilot program a success.

4.5 Additional Statements and Materials

Additional Statements and Materials: Please attach the Applicant's audited financial statements or annual report for the last 3-years. If audited statements are not available, please provide unaudited financial statements. CEFIA recommends marking all financial statements as "CONFIDENTIAL INFORMATION" for your protection.

If necessary, Applicant may include key additional statements, ideas, and materials that demonstrate an understanding of the Program goals and how the Applicant could implement the Program.

4.6 Page Limit

Proposals have a page limit of 15 pages, not including financial statements.

4.7 Selection Process

Proposals will be reviewed by CEFIA staff for completeness and scored and ranked by an Evaluation Committee. The Evaluation Committee may consist of CEFIA representatives and their advisors. CEFIA will evaluate proposals according to the following criteria:

- Ability for the borrower to maximize the amount of residential rooftop solar PV installations for the $1,000,000 long-term and low-interest loan from CEFIA
- Feasibility and expected performance of strategy;
- Simplicity and ease of administration of proposed strategy and coordination with Pilot Loan Program partners;
- Skills of staff, services, and level of effort the Applicant will provide to make this Program successful; and,
- Additional statements, ideas and materials that demonstrate the Applicant understands the Pilot Loan Program goals and how the Applicant could implement the Pilot Loan Program.

CEFIA will select one Applicant to proceed to negotiations. Please note: selection of the Applicant will be a selection for negotiation—that is, CEFIA and the selected Applicant will further refine the elements of the proposal to arrive at final agreements. If CEFIA is unable to reach an agreement with the Applicant originally selected, it may select the next highest-ranking respondent from the original list, without the need to go out for another RFP.

Following selection of the Applicant for negotiation, and upon reaching general agreement on terms, the proposed agreements will be submitted to CEFIA Board of Directors' Deployment Committee for approval prior to the launch of the Program.

Section 5 – Terms and Conditions of the Program

The following terms and conditions are AGREED TO BY the Applicant upon acceptance by CEFIA of this Application. For purposes of this Section 5, Contractor and Applicant shall have the same meaning and Contract and Proposal shall have the same meaning.

State Contracting Obligations
Applicant understands and agrees that CEFIA will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a. Applicant agrees to comply for the Period of Performance with these state contracting obligations.

Conn. Gen. Stat. § 4a-60(a):

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

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

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

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

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

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

Conn. Gen. Stat. § 4a-60a(a):

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

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

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

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

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

Contractor represents and warrants that, prior to entering into this Agreement, Contractor has provided CEFIA with documentation evidencing Contractor's support of the nondiscrimination agreements and warranties of the statutory nondiscrimination sections, above. A form of the Nondiscrimination Certification to be signed by the Contractor is attached to the Application for Approved Contractors and Third-Party PV System Owners.

No Commitment; Reserved Rights

CEFIA reserves the right to reject any or all Applications; waive defects or irregularities in any Application; enter into discussions with selected Applicants; discontinue discussions with any Applicant at any time and for any reason; correct inaccurate awards; change the timing or sequence of activities related to this program; modify, suspend or cancel this program; and condition, modify or otherwise limit awards pursuant to this program.

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

Any final award is contingent upon the execution of a financing agreement mutually acceptable to the parties.

Applicant's Costs
The Applicant shall bear all costs associated with the preparation of its Application, any related investigative or due diligence activities and any resulting discussions or negotiations.

Choice of Law/Jurisdiction.
This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Connecticut, without regard to its principles relating to conflicts of law. EACH PARTY HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF CONNECTICUT FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, (a) ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT; AND (b) ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Indemnity
Applicant agrees to indemnify CEFIA, and its officers, directors, employees, agents, and affiliates against, and defend and hold each of them harmless, from any and all claims or liabilities related to or arising in any manner from this Program other than claims or liabilities resulting from the gross negligence or willful misconduct of CEFIA.

Limitation of Liability
CEFIA shall not be liable to the Applicants for any special, indirect, incidental, consequential, punitive, or exemplary damages of any kind whatsoever, whether based on contract, warranty, tort (including negligence or statutory liability), or otherwise, in connection with the performance of this Agreement.

Applicant further understands that neither CEFIA nor the State of Connecticut: (1) endorses the workmanship of any eligible contractor; nor (2) guarantees, warranties, or in any way represents or assumes liability for any work proposed or carried out by an eligible contractor. Additionally, CEFIA is not responsible for assuring the design, engineering, and construction of any PV system is proper or complies with any particular laws, regulations, codes, licensing, certification and permit requirements, or industry standards. CEFIA does not make any representations or assume any liability of any kind regarding the results to be achieved by the solar PV system or the adequacy or safety of such measures.

Publicity and Marketing Materials
Applicant shall collaborate with CEFIA in accordance with Section 1.7, subsections (i) – (n) of this Agreement in the preparation and dissemination of all marketing materials related to this Program.

Duration of Agreement
This Agreement shall remain in effect for one (1) year after CEFIA approves the last incentive award to the Applicant under the Program.

Freedom of Information Act and Confidential Material
CEFIA is a “public agency” for purposes of the Connecticut Freedom of Information Act (FOIA). Accordingly, upon receipt at CEFIA’s office, the Application, the request for financial assistance, and any files or documents associated with this Application, including e-mails or other electronic files, will be considered a public record and will be subject to disclosure under FOIA. Under C.G.S. §1-210(b) and §16-245n(d), FOIA includes exemptions for, among other things, “trade secrets” and “commercial or financial information given in confidence, not required by statute.” Only the particular information falling within a statutory exemption can be withheld by CEFIA if CEFIA receives a FOIA request that encompasses a particular proposal or request for financial assistance.

All Applicants submitting responses to this program must specifically identify particular sentences, paragraphs, pages, sections or exhibits it claims are confidential and should be exempt, and provide these confidential materials in a separate sealed envelope clearly marked “Confidential.” All Application materials not placed in a separate, sealed envelope clearly marked as confidential will not be treated as confidential and will be made available for public view upon an FOIA request. Applicants may not submit the entire program response marked as confidential.

The Applicant must also provide a statement of the basis for each claim of exemption. It will not be sufficient to state generally that the proposal is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with C.G.S. § 1-210(b) must be provided.

Further, Applicants should be aware:

(i) CEFIA has no obligation to notify any Applicant of any FOIA request received by CEFIA, although it may make an effort to do so;

(ii) CEFIA may disclose materials claimed to be exempt if in its judgment such materials do not appear to fall within a statutory exemption;

(iii) CEFIA may in its discretion notify Applicants of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but CEFIA has no obligation to initiate, prosecute or defend any legal proceeding or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request;

(iv) the Applicant will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding; and

(v) in no event shall CEFIA or any of its officers, directors or employees have any liability for the disclosure of documents or information in CEFIA's possession where CEFIA, or such officer, director or employee in good faith believes the disclosure to be required under FOIA or other law.

In the event of a public records request for an Application, CEFIA may request from the Applicant a version of such Application from which all information for which an FOIA exemption has been claimed has been redacted. By submitting such an Application, the Applicant agrees to provide such a redacted version upon request by CEFIA.

Use of Information and Ownership of Work Product

Except for information falling within a statutory FOIA exemption as described in the section above dealing with the FOIA, CEFIA is not restricted in its right to use or disclose any or all of the information contained in any Application and can do so without compensation to the Applicant, notwithstanding any language in the Application to the contrary. Except as otherwise expressly provided in an agreement with CEFIA, all work products developed under a contract awarded as a result of this program shall be the sole property of CEFIA.

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

CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Solarize Connecticut Program

Due Diligence Package

July 19, 2013

Document Purpose: This document contains background information and due diligence on the Solarize Connecticut Program and the organization involved. This information is provided to the Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Clean Energy Finance and Investment Authority.

In some cases, this package may contain among other things, trade secrets, and commercial or financial information given to the Clean Energy Finance and Investment Authority in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public discourse under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential.

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Program Qualification Memo

To: Board of Directors

From: Bryan Garcia, Bob Wall and Robert Schmitt

Date: July 12, 2013

Re: Solarize Connecticut Program

Summary

The staff proposes to continue the highly successful Solarize Connecticut^{SM} program ("the Program") for a second year, using SmartPower as its marketing and outreach partner. CEFIA anticipates selecting between eight and sixteen additional communities (which may include town coalitions) to participate in each of the next two phases of the Program, which will launch in in August/September 2013 and February/March 2014, respectively.

The pilot program has achieved significant accomplishments during 2012-2013 including a reduction in the cost of solar PV systems compared to statewide averages by lowering customer acquisition costs and dramatic increases in the number of clean energy installations in communities throughout Connecticut. With multiple new innovative financing products now available, the staff believes that more residents, at diverse income levels, will be able to adopt renewable energy systems as well as other energy improvements for their homes.

Program Description

Solarize Connecticut is based on a proven residential aggregation model designed to bring down the cost of solar photovoltaic (PV) systems when residents sign up for a pre-selected installer's offering. The more residents who sign up to install solar, the more the price decreases for everyone who participates in the program. As a result of the installer, the equipment, and the exact price of PV systems being provided upfront, it is much easier for residents to make the decision to purchase solar.

This past fall, CEFIA realized great success with its marketing and outreach partner, SmartPower in the first phase of the Solarize Connecticut pilot. As reported to the Board[1], the results of Phase 1 exceeded expectations by achieving the following results:

- **Exponential Increases in Clean Energy Installations -** More than 2.2 Megawatts of new solar PV capacity will ultimately be deployed across the four communities, close to triple what was installed in those towns during the preceding eight years. Nearly 300 projects contracted, representing at least a doubling in the number of homeowners "going solar" in all towns, with Durham *quintupling* its solar ownership.

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[1] CEFIA Board of Directors Regular Meeting – March 15, 2013, http://www.ctcleanenergy.com/Portals/0/board-materials/Solarize%20Pilot%20Phase%20I%20Wrap-Up%20Memo_FINAL.pdf

- **Lowered System Costs -** Dramatically reduced costs for solar PV, with all towns hitting Tier 5 pricing and cumulative savings of over $2.2 million. The average, all-in installed costs for Phase I were $3.68/watt as compared to the state average of $5.00/watt at the program's outset – delivering homeowners a payback of 6 years.

- **Reduced Customer Acquisition Costs -** Compelling drops in customer acquisition costs, at < $90/kilowatt (kW) from a direct program spend perspective and $135/kW "all-in" – significantly less than both the industry average of $670/kW (per DOE analyses) and local installers' estimates at $250-$500/kW.

- **Attraction of Federal Funding for Academic Research -** Yale University and New York University winning a $1.9 million DOE Solar Energy Evolution and Diffusion Studies (SEEDS) grant to understand the effects of Solarize and other community-led bulk solar purchases in Connecticut.

The second phase of the pilot is being conducted in Bridgeport, Canton, Coventry and a community partnership between Mansfield and Windham and is scheduled to conclude on July 31, 2013. To date, the installers selected by the communities in the second phase have signed 103 contracts for systems to be installed through the Residential Solar Investment Program. This represents greater than 700 kW of residential solar PV, contracted at an average price of $3.93/w. Data indicates that the contracted capacity in kW for the second phase of Solarize Connecticut is approximately 62% of that achieved at the same time in the first phase. If these trends continue, it would be expected that the second phase would result in approximately 1.3 MW of residential solar. However, the introduction of additional options for homeowners, such as the CT Solar Lease during the final weeks of the program, could result in additional uptake. The University of Connecticut has become an active partner and their involvement will help us expand the Solarize model from the geographic boundaries of cities and towns to the employees of large organizations that live in communities throughout the state.

Among the issues that are impacting the model in the second phase are the inclusion of distressed communities and towns without an existing volunteer task force, the effect of reduced and capped incentives and the availability (or lack thereof) of multiple financing options. CEFIA is observing certain changes as a result of these factors such as slightly smaller average system sizes, which has had the effect of increasing acquisition costs. Systems contracted during the first phase of the Solarize Connecticut program were an average of 7.8 kW, while systems contracted thus far in the second phase have averaged 6.8 kW.

Program Partner

SmartPower is the nation's leading non-profit marketing firm dedicated to promoting clean, renewable energy and energy efficiency. It has been highly successful in driving demand for smart energy choices in numerous award-winning campaigns in Connecticut and throughout the United States. Unlike models in other states, Connecticut utilized an experienced marketing and outreach consultant to assist with a Solarize campaign and was rewarded by this decision – with better than average performance than other states like Massachusetts, Oregon and Utah. We attribute a significant part of the Solarize program's success to SmartPower's experience with executing community-based campaigns and extensive market research on residential PV.

SmartPower will continue to organize community-based marketing and outreach strategies, campaign-planning, kickoff workshops and other community events, provide standardized marketing materials explaining the installers' offerings; develop and manage the Solarize Connecticut landing page; forward website-generated leads to installers; draft media communications; coordinate and participate in outreach activities within the community; manage weekly data reports from installers and aggregation of data; convene weekly meetings and/or conference calls to coordinate program progress and conduct market research of customers, non-customers who expressed interest in "going solar", team volunteers and installers.

Ultimately, CEFIA wishes to build upon the lessons learned in the first year of the program and apply the strategy more broadly across the State of Connecticut. By scaling up the Solarize program and broadening its reach in year two of the Solarize Connecticut program, CEFIA will continue to drive down the "soft costs" of residential PV and gain access to further potential customers.

In addition to accessing more of the available market for residential solar PV in year two, the second year of the Solarize Connecticut program also aims to establish the framework necessary to transition the model to a market-based one. In establishing best practices, we can move closer towards a goal of standardizing materials and documents or "toolkits" so that municipalities, affinity partners, and/or installers can access them and take advantage of the Solarize Connecticut model without CEFIA's oversight or investment.

Already, it has become apparent that the market is primed to offer community-based outreach campaigns, with models similar to our own, such as the CT Solar Challenge, becoming available. So as to continue to transition the market reliance of rebates and subsidies and towards low-cost long-term financing, in year two of the Solarize Connecticut program, we will seek to better understand how we can transition to a model in which the market (not CEFIA) drives such outreach at scale and with similar results – lower installed costs and increased consumer demand.

With new CEFIA financing products that support the deployment of residential solar PV now widely available, including the CT Solar Loan, CT Solar Lease, Smart-E Loan and Cozy Home Loan, CEFIA can expect that the technology will be even more accessible and affordable for consumers. Targeted community outreach plans, such as Solarize, will provide a platform through which CEFIA can promote the uptake of its new financing products. Year two of the Solarize Connecticut program will allow CEFIA to better observe how financing options interplay with the model, as the majority were not available until the latter part of year one activity. Understanding how financing products impact a Solarize Connecticut campaign will allow us to include such information in recommendations for the future.

Year two of the Solarize Connecticut program will also support CEFIA's statutory mandate of deploying 30 MW of residential solar PV by raising awareness of the benefits of solar and helping to drive down costs even in non-participating communities. The first year has surpassed the original deployment goal of 2 MW (based on at least 300 contracts) and the goal for year two will be to expand on that number by reaching approximately 3 MW (based on at least 480 contracts) in 8-16 participating municipalities.

Strategic Plan

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

The Solarize Connecticut Program proposal is consistent with the Board approved Comprehensive Plan to "develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers." It is also consistent with the program Budget for FY 2014. This request to enter into a professional service agreement with SmartPower to assist with the Program is consistent with that plan and budget.

The Program further helps support the statutory requirement underneath Section 106 of Public Act 11-80 as well as various CEFIA Residential Finance products, including the CT Solar Lease, CT Solar Loan, Smart-E Loan and Cozy Loan.

Ratepayer Payback

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

Because the funding for this Program will be paid as a Personal Services Agreement, there is no direct ratepayer payback.

Nevertheless, the Program is anticipated to result in at least 480 new residential solar PV installations in participating communities, which are expected to produce over 20 years approximately 80 GWh.

Ratepayers who participate in Solarize Connecticut stand to realize significant savings over those ratepayers who participate in the Residential Solar Investment Program without achieving the group discounts realized through Solarize. Assuming an average system size of 6.8 kW (the current average in the second phase of Solarize Connecticut), the typical ratepayer participating in the second phase of Solarize Connecticut will save $4,488 on the net cost of a solar PV system (assuming an average installed cost of $3.93/w in Solarize versus a Step 3 non-Solarize RSIP average of $4.59/w).

Terms and Conditions

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

Because the funding for this Program will be paid as a Personal Services Agreement, there is no direct ratepayer payback. However, as a result of Solarize, we expect that households participating in the second year of Solarize Connecticut will avoid $2.15 million in installed costs (i.e. $4,488 per household), resulting in a payback of 8 - 10 years.

Capital Expended

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

Per CEFIA's FY 2014 program budget, we will use $200,000 of ratepayer funds for this Program, which will attract $100,000 of additional funding from private foundations into Connecticut.

Risk

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

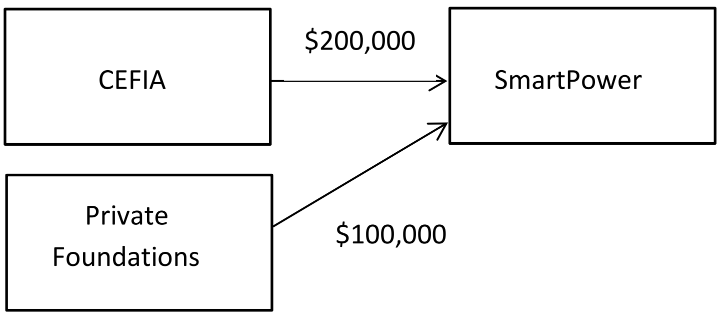
Although the proposed PSA will include performance-based payment milestones, we anticipate that no more than $200,000 will be expended.

Financial Statements

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

The funding support for the Personal Services Agreement with SmartPower would be in the form of an upfront payment to provide working capital, followed by a series of performance-based payments over the course of the Program. Once paid the expense will be reflected on CEFIA's balance sheet as a reduction to "cash" (current assets) with a corresponding entry on the profit and loss statement under "Operating Expenses" in the relevant ledger account under "Programmatic Marketing Expenses," which will have the effect of reducing unrestricted net assets.

Capital Flow Diagram



Target Market

Who are the end-users of the program?

The recipient of funding for this program is a non-profit organization that will provide marketing, education and outreach to participating towns and affinity groups (i.e. large employers like the University of Connecticut) to encourage the adoption of solar PV systems (and potentially solar hot water systems and other residential energy upgrades). Ultimately, the end-users of the program are residential ratepayers. These ratepayers are interested in either owning solar PV systems or paying a reduced electricity rate as a result of a solar PV system installed on their home.

CEFIA Role, Financial Assistance & Selection/Award Process

CEFIA's role is to administer the Program. Financial assistance being offered through the Program is based on general Residential Solar Investment Program guidelines developed by staff and a schedule of incentives approved by the Department of Energy and Environmental Protection.

Program Partners

The program partners will be the municipal governments and volunteer teams in the respective communities, affinity partners who we will attempt to partner with, as well as the solar contractors selected by the respective Requests for Proposals for the next phases of this Program.

Risks and Mitigation Strategies

Risk: Coalitions of multiple towns may result in a high volume of demand that could strain the resources of both Program administrators (i.e., CEFIA/SmartPower) as well as installers.

Mitigation Strategy: Program administrators will carefully consider the experience and likelihood of successful collaboration between potential coalition partners in the community selection process, as was done successfully in Phase II with the Mansfield-Windham coalition. Similarly, staff has instructed interested installers to provide information on how they would scale up to meet potentially high demand generated in coalitions, including expansion of existing staffs, subcontracting with an affiliated installer or sharing the workload among a coalition of installers.

Operating Procedures

SmartPower was chosen pursuant to Section IX – Professional Services of the Operating Procedures.

Program Implementation Plan

Human Resources

CEFIA Outreach Department will lead in administering the Program including supervision of SmartPower's contract , issuing Requests for Proposals to communities and installers, participation in regular meetings and calls with SmartPower, community teams and installers, preparing and editing communications, and providing technical assistance and troubleshooting in connection with installer selection and issues that arise during the course of the Program.

Deployment Department will process all purchase and lease applications as part of its implementation of the Residential Solar Investment Program.

CEFIA Office of General Counsel and the Communications and Residential Finance Departments will assist with legal documentation, communications and financing opportunities associated with the Program.

Financial Resources

This program will be supported by a $200,000 Professional Services Agreement with SmartPower.

Metrics, Targets, Measurement, Verification & Reporting

Metrics:

- Amount of clean energy produced per dollar of ratepayer funds at risk
- Annual clean energy generation
- Total amount of investment

Targets:

- Deploy approximately 3.3 MW of Class I renewable sources in Connecticut
- Produce 4,000 MW hours of Class I renewable sources per year for 20-years
- Reduce installed costs by at least 10%
- Payback of less than 7 years

CEFIA will collect data on the following, but not be limited to:

- Installed capacity
- # of projects
- Installed costs
- Actual clean energy produced
- Benefits achieved including environmental (i.e. emissions avoided) and economic development (i.e. jobs created)

Resolutions

WHEREAS, the Solarize Connecticut℠ program ("the Program") is a proven marketing strategy that has significantly increased the deployment of residential solar PV in participating communities by reducing customer acquisition costs and, correspondingly, total system costs;

WHEREAS, SmartPower, Inc. ("SmartPower") is a non-profit marketing organization with extensive marketing, education and outreach experience developed in the pilot phase of the Solarize Connecticut program and similar programs in other states;

WHEREAS, pursuant to Section 9 of the Operating Procedures the President of CEFIA and any other duly authorized officer may contract for professional services on any terms necessary to carry out CEFIA's purposes;

WHEREAS, pursuant to Section 9 of the Operating Procedures contracts for professional service shall be awarded by CEFIA in such manner, including on the basis of a sole-source procurement, as the Board determines to be appropriate and in CEFIA's best interests in the circumstances;

WHEREAS, pursuant to Section 9 of the Operating Procedures contracts requiring an expenditure by CEFIA of over one hundred fifty thousand dollars ($150,000) shall, whenever possible, be awarded on the basis of a process of competitive negotiation where proposals are solicited from at least three (3) qualified parties;

WHEREAS, SmartPower is unique in that it will attract $100,000 in leveraged funding from private philanthropic foundations for this phase of the Program;

WHEREAS, SmartPower has played a critical role in the early successes of this Program and has a thorough familiarity with all facets of the Program, unlikely to be matched by any other service provider without an unacceptable delay;

WHEREAS, due to SmartPower's unique expertise and the current time constraints, with the anticipated launch of this phase of the Program in August, it is not possible to initiate a competitive proposal process without delaying the launch and it would be in CEFIA's best interest to execute a sole-source procurement of SmartPower's services for this Program;

NOW, therefore be it:

RESOLVED, that the Board of Directors approves the selection of SmartPower, to assist in the marketing and management of this phase of the Program, as in the best interest of CEFIA;

RESOLVED, that the Board of Directors approves the execution of a professional service agreement ("PSA") substantially in the form of CEFIA's standard PSA with SmartPower for an amount not to exceed $200,000 to assist in the marketing and management of the Program;

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.

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: Bryan Garcia, Mackey Dykes, Karen Harris, Dale Hedman, Ed Kranich, Neil McCarthy, Brian F. Keane

From: Ben Healey, Bob Wall, Robert Schmitt, and Toni Bouchard

Date: March 8, 2013

Re: Solarize Connecticut Pilot Phase I Wrap-Up

Executive Summary

If there is one lesson to take from the first phase of the Solarize Connecticut pilot, it is this: not even a "superstorm" can stop motivated Connecticut communities from achieving big things when they work together. Sandy delayed the towns, but it did not deter them, and Durham, Fairfield, Portland, and Westport all concluded their Solarize campaigns with resounding success in mid-January, 2013.

By way of background, Solarize Connecticut is a partnership between CEFIA and the non profit organization SmartPower with support from the John Merck Fund and Putnam Family Foundation. The goal is to make solar more affordable for residents by lowering costs and simplifying the process. A pilot program was launched by these partners in the summer of 2012 with four towns. Results of Solarize Connecticut Phase I exceeded expectations.

The highlights are as follows (see Table 1):

- Over 2.2 MW of new solar PV capacity deployed across the four communities, close to triple what was installed in those towns during the preceding eight years;
- Nearly 300 projects completed, representing at least a doubling in the number of homeowners "going solar" in all towns, with Durham *quintupling* its solar ownership
- Dramatically reduced costs for solar PV, with all towns hitting Tier 5 pricing and cumulative savings of over $2.2 million
- Compelling drops in customer acquisition costs, at < $90/kW from a direct program spend perspective and $135/kW "all-in" – significantly less than both the industry average of $670/kW (per DOE analyses) and local installers' estimates at $250-$500/kW

Table 1. Residential Solar PV Deployment Pre-Solarize vs. Campaign Results

Town	Pre-Solarize Projects[1]		Solarize Projects[2]	
	# of Projects	# of kW Deployed	# of Projects	# of kW Deployed
Durham	23	189	116	1,008
Fairfield	41	265	73	586
Portland	14	80	44	319
Westport	39	243	51	316
Total	**118**	**778**	**284**	**2,229**

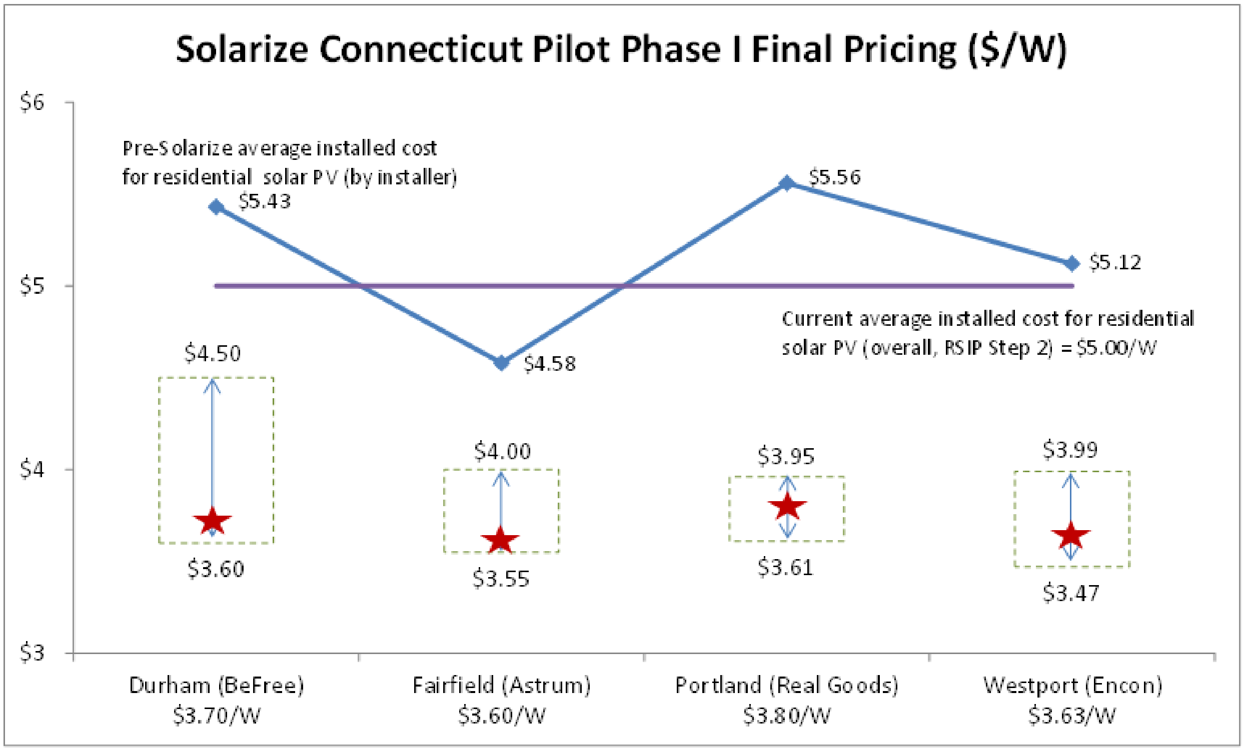
Program Savings

Pre-Solarize, the average installed cost for solar PV in Connecticut was approximately $5.00/W, with three of the installers chosen to serve Solarize communities in fact having average installed costs above that level (see Chart 1). However, each installer selected not only bid into the program with pricing well below the industry average, but – in partnership with their host communities – they all achieved the lowest pricing tier possible under the program. Even including "adders" (or extra costs due to steep roofs, higher-priced modules, etc.), which increased prices up to 6% above the base price quoted, all four communities ended up with average installed costs at or below $3.80/W – representing savings of at least 20% from pre-Solarize levels, and more than achieving our goal of driving installed costs down to $4.25/W through the Solarize pilot.

[1] Pre-Solarize projects are all of the residential solar PV projects installed from 2004 through August of 2012 in participating communities.

[2] Information on one additional project representing 10 kW was reported after preparation of this memorandum and is not reflected in analyses presented herein. Please note that 11 contracts reported by installers at conclusion of Phase I are not included in final data for various reasons such as late-filed incentive applications and inclusion of one commercial ZREC project.

Chart 1. Solarize Connecticut Pilot Phase I Final Pricing



Red stars represent all-in final pricing, including adders

Savings realized under Solarize Connecticut's first pilot phase were both tangible and significant[3]. The average homeowner in Fairfield saved $5,500 versus Astrum's pre-Solarize pricing, for Portland the average savings figure stood at $7,500 (Real Goods Solar), and customers in Durham and Westport saved about $9,000 on average versus what BeFree and Encon, respectively, were charging before the program began (see Table 2).

Even comparing Solarize customer costs against the $5.00/W average statewide cost of residential solar PV pre-Solarize, homeowners across the four towns would still have saved, again on average, just about $7,500. These savings are in addition, of course, to a weighted average CEFIA incentive per Solarize home of about $12,500 in ratepayer support. Overall, this pilot initiative saved homeowners across the four communities in excess of $2.2 million, meaning that from a CEFIA investment of $100,000, ratepayers achieved an immediate and impressive return of 2,100% over the course of this initial pilot round.

[3] Savings estimates based on purchased systems only.

Table 2. Solarize Connecticut Savings

Town	Average Customer Savings	Collective Savings (Townwide)	Cumulative Savings (across four towns)
Durham	$8,779	$1,018,364	**$2,214,938**
Fairfield	$5,508	$402,084	
Portland	$7,539	$331,716	
Westport	$9,074	$462,774	

Looking at the savings realized in terms of payback time and the levelized cost of energy ("LCOE")[4] gives further indication of Solarize's positive impact (see Table 3). Across three towns, simple payback periods for a solar PV investment were cut almost in half, and for the fourth (Fairfield), Solarize reduced the payback period by a third. Again, comparing against the entire market, Solarize cut the average payback period from nearly 11 years to about 6.5 years on average across all four towns. Additionally, in all towns, Solarize pricing reduced the LCOE to at or below $0.20/kWh overall – meaning Solarize customers are now enjoying clean electricity at an estimated cost of about $0.09/kWh after federal and ratepayer support. This is an incredible discount to standard electricity rates in Connecticut (equal to a discount of about 36% in Connecticut Light & Power territory, and nearly 50% in United Illuminating territory).

Table 3. Solarize Connecticut Payback Periods and LCOE

Town	Pre-Solarize Payback (years)	Solarize Payback (years)	Pre-Solarize Levelized Cost of Energy	Solarize Levelized Cost of Energy (Total)	Solarize Levelized Cost of Energy (End-User)
Durham	12.2	6.2	$0.287	$0.195	$0.089
Fairfield	9.5	6.1	$0.242	$0.190	$0.087
Portland	12.1	6.0	$0.294	$0.201	$0.087
Westport	11.6	6.4	$0.270	$0.192	$0.091

Customer Acquisition

Turning now to the subject of customer acquisition, the first pilot phase of Solarize has demonstrated significant potential. Based on initial results, we have found that community-based social marketing under a deadline-driven campaign model – together with a tiered discount approach and sufficient public support to make the process of going solar as simple as possible – can drastically reduce the costs of acquiring a solar customer (and thus contribute to lower soft costs overall). Overall, the program produced 1,500 leads and a 20% conversion rate (consistent among all installers), including generating a final customer base of whom 20% had not considered solar prior to program.[5] Quantitatively, CEFIA committed $100,000 to support Solarize in these initial four towns, matched by grants made to SmartPower,, from the John Merck Fund and the Putnam Family. Dividing that $200,000 total by the number of customers acquired, and then again by the average size of a Solarize installation, gives us the average customer acquisition cost per kilowatt of solar PV deployed (see Table 4). At $90/kW on a direct

[4] Relevant assumptions for payback and LCOE analyses include electricity pricing of $0.17/kWh with no escalation, a 13% capacity factor for solar PV, a 25-year expected useful life of the system, and 15-year debt financing at 6.49% to pay for post-incentive installed costs

[5] According to 218 responses to a post-campaign survey emailed to about 900 households in three Solarize towns

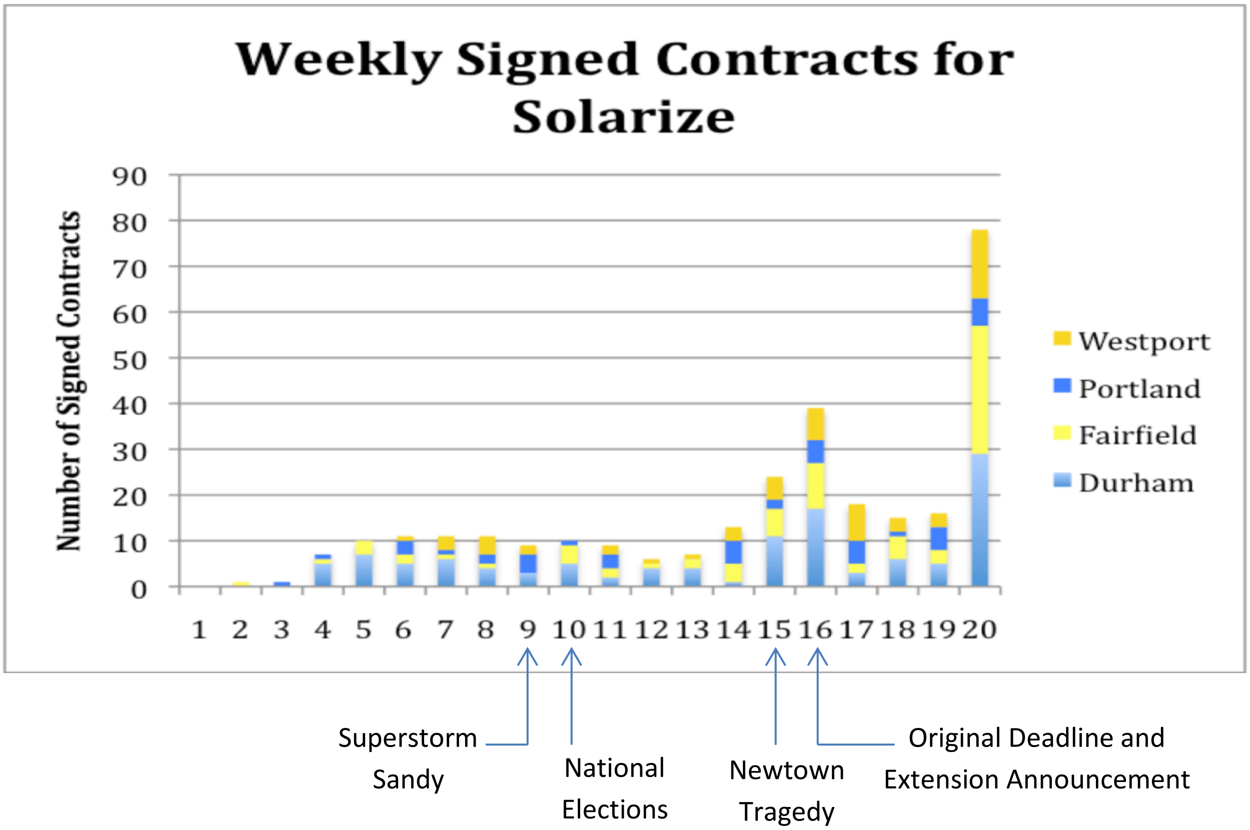
cost basis, Solarize has delivered a customer acquisition cost figure that is a discount of 86% from the national average of $670/kW, as reported by the DOE. Even adding in estimated installers' direct marketing costs across the four towns, plus the value of CEFIA staff time, Solarize still demonstrates tremendous customer acquisition savings at $135/kW. Again, the results we achieved strongly outpaced CEFIA's goal for this metric, which we had pegged at $190/kW.

Table 4. Solarize Connecticut Customer Acquisition Costs

Description	Cost	Acquisition Cost / kW
CEFIA direct contribution	$100,000	$89.72
Foundations' matching grants	$100,000	
Est. installer expenditures	$30,000	$13.46
Est. value of CEFIA staff time	$72,000	$32.30
Total	$302,000	$135.48

Of course, given the campaign-style, deadline-driven nature of Solarize, customer acquisition was not at all linear over the course of the initial pilot, and future planning efforts should take this into account (see Chart 2). The first quarter of the campaign produced only about 5% of total signups, with a stable but plateauing ramp-up in the second quarter to less than 20% of total signups. It was only as the original deadline approached (before eventually being moved back due to Sandy), that a steep increase occurred, with nearly a quarter of all customers acquired in just two weeks. Then, as the ultimate (post-Sandy) deadline came into focus, customers finally jumped together in a big way. More than 27% of all customers signed contracts in the very last week of the campaign. The importance of this deadline in moving people to action cannot be overstated.

Chart 2. Solarize Connecticut Customer Acquisition Timeline



At the end of Solarize's first pilot phase, then, Table 5 shows where things stand from a global perspective. Durham has become the only town in the state with a residential solar PV penetration rate greater than 5%, a significant first, and a goal towards which other communities can now strive.

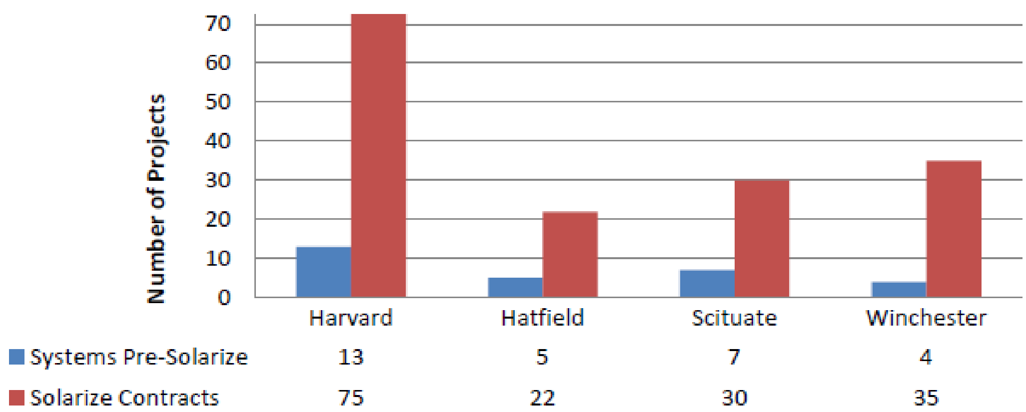
Table 5. Residential Solar PV Penetration across Solarize Towns and Statewide

Town	Residential Solar PV Projects per Household (Penetration Rate)	Installed Residential Solar PV Watts per Person
Durham	5.7%	162
Fairfield	0.6%	14
Portland	1.5%	42
Westport	1.0%	21
All Solarize	1.1%	29
Statewide	0.23%	6

Comparison to Massachusetts

Before giving a preview of Solarize's second pilot phase and thinking about next steps, it is worth taking a minute to compare Connecticut's success through our initial Solarize effort to what happened in Massachusetts at a similar stage in the development of the Bay State's program. First of all, in terms of ramping up the number of installs in each community, the two programs had similar results, with Massachusetts doing slightly better on a percentage basis due to a smaller installed base to start with in each town (see Chart 3).

Chart 3. Solarize Massachusetts Pilot (Solar PV Projects Pre-Solarize and Contracts Signed under Pilot)



Looking at results from the perspective of jobs completed and kW deployed, again the two programs are fairly comparable, with Massachusetts communities signing slightly more contracts on a per capita basis, and Connecticut outperforming our neighbor to the north in terms of kW of capacity installed (see Table 6).[6]

Table 6. Solarize Massachusetts Pilot Results

Town	# of Projects	# of kW Deployed	Price
Harvard	75	403	$4.00/W
Hatfield	22	147	$5.03/W
Scituate	30	115	$5.27/W
Winchester	35	165	$5.03/W
Total	162	830	

The only real area where Connecticut comes out ahead in a major way is with regard to pricing. Across the board, Connecticut's Solarize towns achieved more significant savings than did those in Massachusetts. From July 8 to November 4, 2011, Massachusetts installers completed a total of 883 projects, of which about 18% were Solarize jobs (based on publicly available information on the MassCEC website). Non-Solarize jobs came in at $5.81/W, and Solarize jobs

[6] This table reflects the numbers reported in the MassCEC's February 2012 report, "Solarize Mass Pilot Overview." Anecdotal evidence has suggested that although this report accurately represents the number of contracts signed under their initial Solarize campaigns, not all of those installations were completed.

averaged out at $5.05/W (after adders), for a savings of 13%. In Massachusetts' second Solarize round, looking at all projects completed between July 11, 2012 and January 22, 2013, we find a total of 1,598 installations done, of which about 28% were Solarize jobs. Non-Solarize projects came in at $4.68/W, and Solarize installations averaged out at $4.40/W (after adders), for a savings of only 6%. Connecticut's Solarize towns, on the other hand, saw a savings of 42% versus non-Solarize jobs from September 10, 2012 to January 23, 2013 – with 92% of that decrease due to reduced soft costs (see Table 7).[7]

Table 7. Connecticut Residential Solar PV Installations during Solarize Connecticut Timeframe

Category	Projects	kW	Cumulative Project Costs	Average Cost / W	Average Hardware Costs / W	Average Soft Costs / W
Non-Solarize	410	2,898	$13,720,000	$4.76	$2.38	$2.38
Solarize	284	2,229	$8,208,000	$3.68	$2.29	$1.39
			Raw Decrease -->	$1.08	$0.09	$0.99
			% Decrease -->	23%	4%	42%
			% of Decrease from Soft Costs -------------------------->			92%

Overview of Key Lessons Learned

Taking seriously the idea of Solarize as a pilot program, staff worked hard to learn and adapt as the four campaigns rolled out, including making many changes to our original program structure that we either implemented in stride or are now deploying for Phase II. Other findings will require further consideration before we make any kind of course correction. Below follow some of the most important lessons learned from the program's first pilot phase, and the status of our response to them.

Operating and Management Lessons within the RSIP Framework

- **Changes to incentive levels** – Step 2 of CEFIA's expected performance based buydown ("EPBB" rebate) was exhausted prior to the conclusion of Solarize Phase I but was extended for participating communities for several weeks. Similarly, Step 2 of CEFIA's performance based incentive ("PBI") will be closed by no later than April 1, 2013, in the middle of Phase II of the program. The reduction of incentives during a campaign phase creates potential customer confusion and can result in lost contracts. On the other hand, to the extent that CEFIA guarantees certain incentive levels to Solarize customers (as was the case in Phase I), it can result in perceived unfairness to non-Solarize installers and customers in non-participating towns. This is an issue to grapple with going forward. Regardless, we should closely gauge the effect of reduced and capped incentives on the market in Phase II, particularly in distressed communities.

- **Energy audits** – the upfront energy audit requirement in Step 2 resulted in delays in application submissions to CEFIA via PowerClerk, although this issue has now been

[7] It is important to note that installers self-report much of this data via PowerClerk, and CEFIA does not verify every data point.

remedied under new Step 3 protocols. Furthermore, CEFIA was made aware of installer concerns regarding Home Energy Solutions vendors attempting to dissuade customers from acquiring solar. Staff brought this issue to the attention of the administrators of the Connecticut Energy Efficiency Fund. A formal memo was sent to the RSIP contractors outlining steps they must take to report an issue to CEFIA, which after investigation would result in a formal action by CEEF with respect to the violating HES contractor.

- **Working capital for installers** – the high volume of sales combined with the previous Step 2 EPBB payment schedule (60% payment upon material delivery, 40% payment upon successful inspection) may have created cash flow issues for some installers, particularly the smaller ones. The new payment schedule (70% / 30%) should help alleviate such pressures to some extent, especially if CEFIA provides working capital for installers offering our lease and loan products.

- **PowerClerk submissions** – the tiered-pricing structure of Solarize required staff to track pricing information outside of our existing administrative systems (which adversely impacted our ability to secure accurate and timely data). A related issue will arise under Step 3's new 35% incentive cap, insofar as final Solarize prices come in significantly lower than the original contracts submitted. Staff has worked with members of CEFIA's Deployment team to address both matters.

Marketing Lessons

- **Positive ripple effects** – the Solarize campaigns resulted in other solar PV installations in the communities, including from non-Solarize installers matching or even undercutting Tier 5 pricing. In addition, at least one installer extended Solarize pricing to a neighboring community. Multiple installers continue to market aggressively in the communities with which they partnered, and are now exploring opportunities with other residents and commercial entities in those towns.

- **Utility rate escalators** – certain installers used inaccurate base utility prices and aggressive escalators in their sales pitches, which implied an unrealistic payback for customers. As a consumer protection measure, staff worked with installers in an effort to use consistent and conservative projections for both utility prices and escalation rates, in addition to introducing more stringent marketing requirements for RSIP Step 3 and beyond.

Technology Lessons

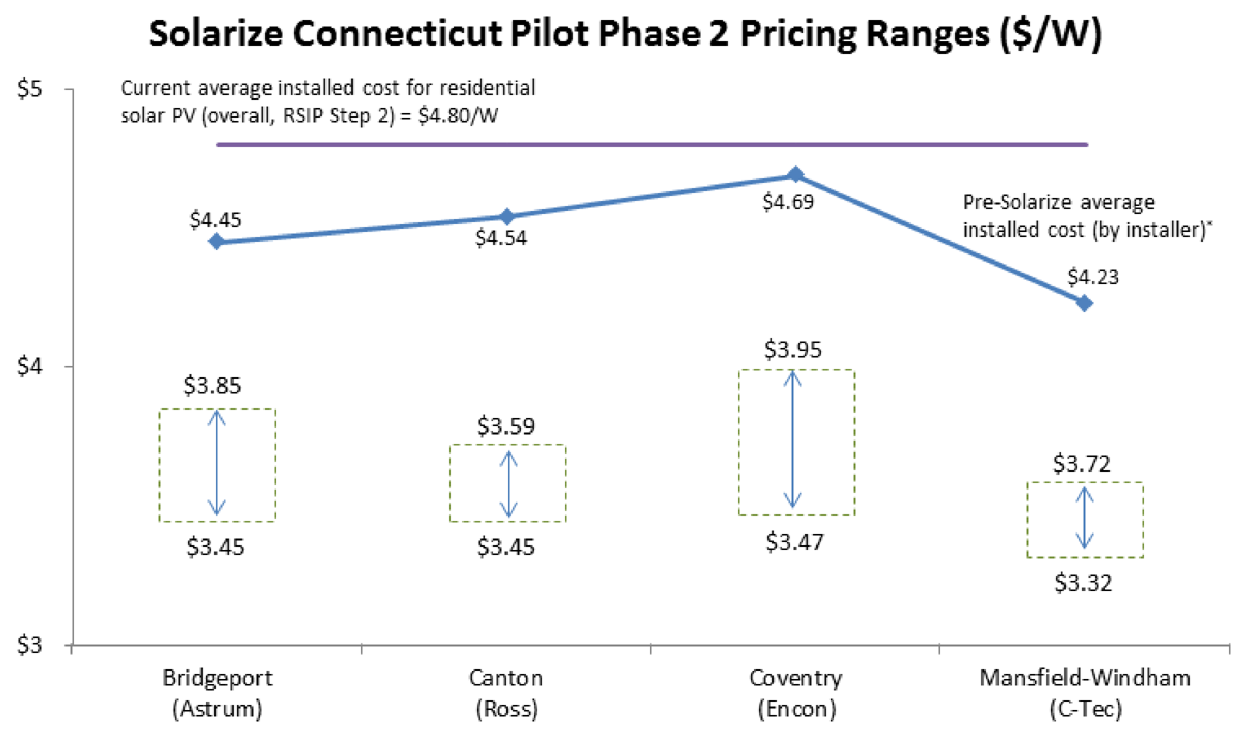
- **Equipment changes** – due to various factors, several contractors were unable to procure the modules identified in their proposals. It was necessary to evaluate proposed change orders to ensure that customers received equipment of equivalent value.

- **Solar hot water** – one Phase I town (Westport) requested that its chosen installer offer solar hot water systems, and include contracted solar hot water capacity towards the town achieving tiered pricing discounts. Although the installer agreed, they made no solar hot water sales during the campaign.

Next Steps

For the second phase of the Solarize Connecticut pilot, five new towns (two in partnership: Mansfield and Windham) have signed up, and they will partner with two experienced Solarize installers and two installers that are new to the program (see Chart 4). Two distressed communities are participating in Phase II (Bridgeport and Windham), and CEFIA's new financing products – most prominently, our solar loan and lease offerings – will be available before the campaign deadline. All of these factors will lead to new challenges, new opportunities, and new lessons learned.

Chart 4. Solarize Connecticut Pilot Phase II Pricing Ranges versus Average Installed Costs



* Pre-Solarize average excludes Phase I Solarize jobs by Astrum and Encon

From where we stand now, however, even before going through the second phase of our pilot, we can offer the following thoughts about how we might best structure the Solarize program's future design in Connecticut. In addition to the on-the-ground lessons listed out above, these insights are partly informed by a post-Solarize email poll sent to about 900 households by SmartPower. We received 218 responses to this poll, of which nine were from town volunteers, 97 were from Solarize customers, and 112 were from Solarize "prospects" (that is, those who indicated an interest in going solar but were unable to do so for one reason or another).

1) **<u>The basic program model is sound and effective</u>** – we believe our approach to structuring a Solarize campaign requires no fundamental overhauls. Tiered discount

pricing and the prospect of lower monthly electricity bills get customers excited (see Chart 5), and deadlines and simple program design get them to act.

2) **<u>CEFIA's financing products are important to expanding the success of Solarize</u>** – high upfront costs are still the single biggest reason why potential customers do not move forward, outside of the technical feasibility of an installation (see Chart 6). Solarize should be an excellent vehicle for originating both loans and leases – by way of evidence, in the only Phase I town where a lease product was offered (Fairfield), nearly 50% of eventual Astrum customers chose to finance their systems via a lease. Two other installers pledged to provide third-party ownership options under Solarize, but were not able to deliver during the Phase I period.

Chart 5. Solarize Connecticut Pilot Phase I Survey – Customer Motivations for "Going Solar"

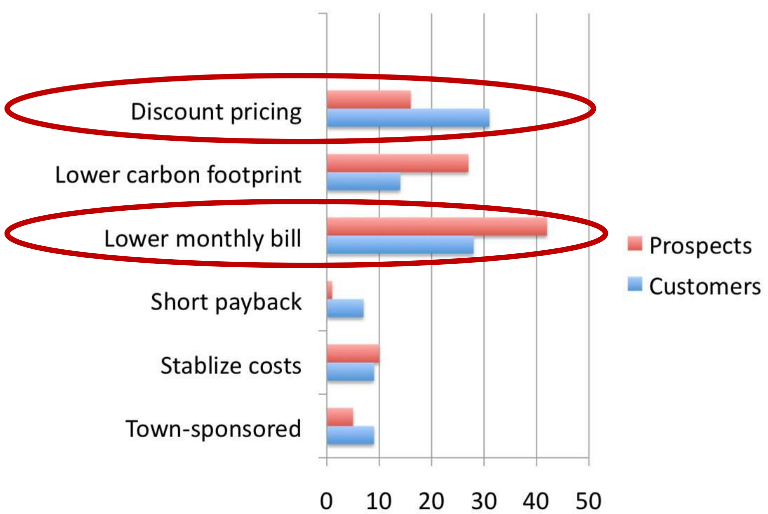
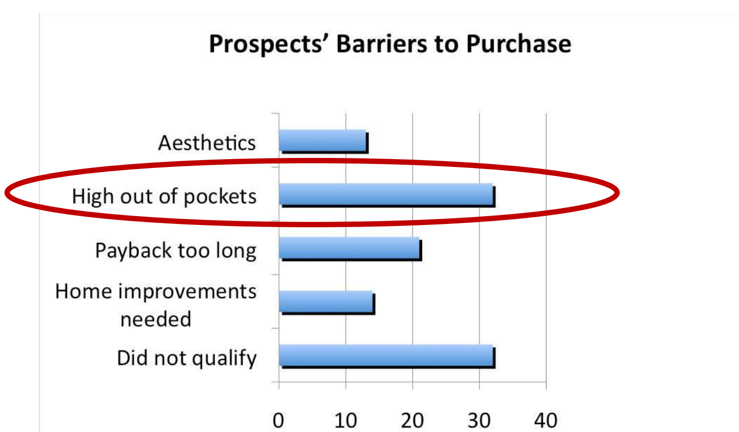


Chart 6. Solarize Connecticut Pilot Phase I Survey – Barriers to Purchase



3) **<u>CEFIA could grow its commitment to Solarize with limited incremental budget impact through rolling admissions and start dates</u>** – because the bulk of CEFIA resources go towards overcoming start-up obstacles in each town, spacing out start dates should make a big difference in allowing us to provide the support necessary to launch successful campaigns across a larger number of communities. Phase II will provide many additional lessons about performance with reduced incentives and new financing options, distressed communities, multiple town coalitions and other issues, all of which will inform our decisions about how we can expand the program.

4) **<u>Solarize is inspiring market innovation</u>** – private sector actors want to move ahead on Solarize without CEFIA. The installer Aegis has already arranged a similar model (the "Connecticut Solar Challenge") with several communities, and two other installers have also inquired about running a Solarize initiative without CEFIA support. We are currently discussing with these installers how best to support them administratively, as it relates to PowerClerk submissions and the application of incentive caps in the context of tiered pricing changes, and will continue the conversation as it relates to more substantive matters (especially marketing and outreach).

   Although CEFIA should not get in the middle of discussions between installers and towns that are working well on their own, we might want to support other installers in approaching towns (and vice-versa) about potential "private sector Solarize" partnerships, by marketing to both parties the power of the model – highlighting the savings to be realized and the value to both individual customers and the broader community. Over the long run, this may be the best path to truly scaling up the program.

5) **<u>Adapting Solarize to other technologies</u>** – there is no doubt that we have an opportunity to translate this model beyond solar PV. If we can combine community-based social marketing with a campaign-style deadline and a simple decision-making process (in addition to tiered discount pricing, if possible), the Solarize approach might very well work for HVAC conversions or energy efficiency. Our partners at the utility companies are well aware of Solarize and recognize its potential power in helping support Connecticut's fuel conversion and conservation and load management goals, but the difficulty is in creating a program that offers both the "sexiness" of solar, as well as its simplicity for technologies that are not nearly so uniform across homes. We think the idea of working with the municipal gas and electric utility in Norwich, which is interested in running a broad natural gas conversion campaign, might be the perfect opportunity to see whether and how a "Solarize-esque" campaign would work for another technology… after which we could apply the lessons learned there to follow-on campaigns in the territories of the state's investor-owned utilities.

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: Board of Directors

From: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO, Ben Healey, Senior Manager of Clean Energy Finance and Alexandra Lieberman, Manager of Clean Energy Finance

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

Date: July 12, 2013

Re: CT Solar Loan – Staff Request to Loan an Additional $3,500,000 for Program Expansion to All Eligible Solar PV Installers in the Residential Solar Investment Program

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As part of the CEFIA-Sungage CT Solar Loan program, Staff requests $5,000,000 be made available for an expansion of the CT Solar Loan program to all eligible solar PV installers in the Residential Solar Investment Program. The increase is anticipated to result in:

1. Immediate and additional funding open to all eligible solar PV installers in the Residential Solar Investment Program (at the moment – limited to two installers) and in particular those installers in CEFIA's current Solarize program.

2. Permit CEFIA to aggregate tranches of $1,000,000 in senior loan investments that can be made available to Senior Investor(s), facilitating the "sell down" process.

Background

On November 30, 2012, the Deployment Committee approved the establishment of the CT Solar Loan program. The CT Solar Loan program, developed with Sungage of Amherst, MA is the result of an RFP for Financial Innovation programs issued by CEFIA in April 2012. Sungage was one of four projects selected to negotiate the receipt of credit enhancements through repurposed ARRA-SEP funds, from the US Department of Energy.

The Deployment Committee approved and recommended respectively two sources of financing:

- Approved $330,000 in Loan Loss Reserve (LLR) from the repurposed ARRA-SEP funds

- Recommended $500,000 (term) - $2,200,000 (revolving loan) in subordinated debt using ratepayer funds

Additionally, CEFIA is providing technical and financial input as Sungage develops the program.

Staff noted in its submission to the Deployment Committee that in the event CEFIA is unable to raise senior debt prior to the launch of the program, CEFIA should invest $1,500,000 of ratepayer capital in lieu of the subordinated debt CEFIA is planning to provide.

Loan Origination Update

Sungage is currently working with two active installer partners to originate the CT Solar Loan and continues to onboard additional installers. To date, four residential solar loans with a combined principal amount of $86,271 have been closed. Five additional applicants have been either pre-qualified or fully approved for loans totaling approximately $118,000 for a combined total of $204,000.

Within the last 30 days, the pipeline of potential CT Solar Loan transactions has increased by approximately $220,000. At least 17 active leads, totaling over $325,000, are for projects associated with Ross Solar Group's Solarize Canton program. Since, under the terms of Solarize, homeowners can qualify for a low price solar PV system by signing up by July 31, 2013, Sungage believes that many potential Solarize customers have not yet made a final decision regarding a solar installation or a solar financing option. It is likely that additional CT Solar Loans originations will result from just the Solarize Canton campaign.

Initial program data indicates that homeowners who are prequalified for the CT Solar Loan are likely to apply for and ultimately take a loan. Prequalification is done through a quick and easy online process. Sungage is working with installers to encourage more homeowners to get prequalified for the CT Solar Loan. As additional installers are trained and gain experience effectively selling solar with the CT Solar Loan financing option to their customers, origination levels are expected to rise.

Update on CEFIA Efforts to Secure a Senior Investor(s) for the CT Solar Loan Fund

Over the past several months, CEFIA staff and our partners at Sungage have had extensive conversations with representatives from numerous capital providers about the CT Solar Loan Fund investment opportunity. In general, we have received positive feedback about the structure of the deal and the overall quality of the offering, and at the moment we are actively pursuing two of the avenues for securing a senior investor that appear most promising.

The first is a potential investment from the Hampshire Foundation. Hampshire is a Connecticut-based family foundation with assets currently in excess of $19 million. The foundation, which was created in 2000, has a focus on sustainable environmental practices combined with an interest in "creating positive incentives for businesses to flourish and lives to prosper." Hampshire has already shown itself to be a supporter of innovative clean energy financing models in Connecticut, having provided past grant support to help launch the State's Leading By Example program. After several conversations with both senior leadership at Hampshire and the foundation's investment advisors, CEFIA staff believes Hampshire will likely make a commitment to come in as a senior investor into the CT Solar Loan Fund, in the approximate range of $1 million. It is clear that Hampshire hopes to be part of a lending syndicate, and that their goal is for their investment to help spur other mission-related investors to provide debt financing into the fund, as well. As of this writing, CEFIA staff estimates that the likelihood of this investment moving forward is about 75%.

The second avenue that staff is pursuing is a listing of the CT Solar Loan Fund investment opportunity on the Mission Markets Capital Marketplace (http://www.missionmarkets.com/mmx). Mission Markets has created a transaction platform for the "sustainable capital markets," including primary funding offerings and secondary liquidity across a variety of sectors. Currently, Mission Markets has a stable of over 100 "impact investors" – pension funds, foundations, family offices, high net worth individuals, etc. – who are looking to execute transactions in the clean energy space (among other sectors with a positive social benefit). Mission Markets will serve as a broker in connecting those investors to the CT Solar Loan Fund opportunity.

Previously, Mission Markets raised $5.8 million in capital in 2011, with the largest transaction sized at $2.75 million. Although their marketplace temporarily shut down in November 2011 due to a change in broker-dealer, they re-launched in February of this year and currently have six live listings representing $17.75 million in prospective deal flow. The Mission Markets team includes finance professionals who have executed billions of dollars of public finance transactions, and among their bench of investors are a number of interested stakeholders in Connecticut whom they believe will be eager to explore the CT Solar Loan opportunity. CEFIA staff is now in the final stages of negotiating a listing agreement with Mission Markets, and expects to publicly list the CT Solar Loan Fund opportunity within the next several weeks.

Need for Additional CEFIA Loan Capacity

A key part of CEFIA's mission is attracting private capital into the CT market for clean energy investment. In the last fiscal year, staff was successful – with $65 million incented toward the Bridgeport Fuel Cell project, $50 million attracted to the CT Solar Lease 2 program, and with solid progress demonstrated in building a group of Smart-E lenders that will soon provide up to $30 million in funds for residential energy efficiency retrofits and renewable energy investments. With more than $125 million already attracted to CT using just under $15 million of ratepayer funds, Staff has been effective as well as efficient in achieving CEFIA's ambitious goals set by its leadership and the Board.

With the Solar Loan, it is clear that investors want "on the shelf – ready to go" investments, meaning that when the investor is ready to commit capital to what are effectively "fixed income" investments, their funds need to be employed promptly. At the moment, with the originally proposed $1.5 million in ratepayer funds, CEFIA is not able to open the Solar Loan to all installers. Our concern is that if all installers had access, our $1.5 million in authorized capacity could be quickly exhausted. At the same time, our investors want an investment commitment that is "fully utilized" so that the investor can earn a full yield starting immediately. This situation creates a dilemma for staff that is preventing progress on both fronts.

With the solid progress on the investment side, staff is encouraged that it will soon land an investor for the Solar Loan fund. At the same time, even though staff anticipates CT Solar Loans outstanding will soon top $500,000, it is clear from our interactions with investors that it is best to work off of a deeper portfolio of loans that is actively generating income. Increasing CEFIA's limit to $5 million from the originally proposed $1.5 million will enable additional funding to open the CT Solar Loan program to all eligible solar PV installers in the Residential Solar Investment Program and in particular those installers in CEFIA's current Solarize program. At the same time, the additional capacity and availability to more installers will permit CEFIA to aggregate tranches of $1,000,000 in senior loan investments that can be made available to Senior Investor(s), facilitating the "sell down" process. Furthermore, it is likely that a senior investor "Loan to Value" ratio of 80% could be needed, so staff would also intend to retain in portfolio on a long term basis up to $1,000,000 after the "sell down" process is complete.

Recommendation

Staff recommends that the Board of Directors authorize:

1. a total of up to $5,000,000 to be made available for an immediate expansion of the CT Solar Loan program to all eligible solar PV installers in the Residential Solar Investment Program; and

2. CEFIA may retain on a long term basis up to 20% of total outstanding Solar Loans (i.e., $1,000,000 of the $5,000,000) after selling down the senior investment portion of the portfolio.

RESOLUTION

WHEREAS, Section 99 of Public Act 11-80 “An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut’s Energy Future” (the “Act”), CEFIA is directed to, amongst other things, to develop separate programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects and such others as the authority may determine;

WHEREAS, CEFIA seeks authorization to lend to the CT Solar Loan subsidiary for the purposes of funding loans to be granted to Connecticut homeowners under the CT Solar Loan program;

WHEREAS, this CT Solar Loan program will support homeowners who desire to purchase solar PV systems for their homes, in line with Public Act 11-80, the State’s Comprehensive Energy Strategy and CEFIA’s Strategic Plan;

NOW, therefore be it:

RESOLVED, that the Board of Directors grant approval for CEFIA to lend to the CT Solar Loan subsidiary for the purposes of funding the loans to be granted to Connecticut homeowners under the Program subject to the following limits:

A. A maximum limit for all long term loans, subordinated to senior investors, of $1,000,000;

B. A maximum limit for revolving loan advances to aggregate a portfolio of Solar Loans in the amount of $5,000,000 for a period not to exceed three (3) years;

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 effect the senior investors acquisition of a portion of the portfolio of Solar Loans on such terms and conditions materially consistent with the term sheet dated November 21, 2012 and approved by the Deployment Committee and the memorandum submitted to the Board of Directors on July 12, 2013 and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than six months from the date of this resolution;

RESOLVED, that actions taken by the President of CEFIA and any other duly authorized officer of CEFIA since the Deployment Committee approved the establishment of the CT Solar Loan program at its regular meeting held November 30, 2012 are hereby ratified and confirmed;

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; and

Submitted by: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO, Benjamin Healey, Senior Manager of Clean Energy Finance and Alexandra Lieberman, Manager of Clean Energy Finance

Clean Energy Finance and Investment Authority

FY 14 Operations and Program Budget

Statement of Income and General Operations and Program Expenses

(in thousands)

	FY 2014			FY 2013				
	General Operations	**Total Programs**	**Total Operations & Program Budget**	**General Operations**	**Total Programs**	**Total Operations & Program**	**Inc(Dec)**	**% Inc.**
Income								
Utility customer assessments	$ 27,600.0	$ -	$ 27,600.0	$ 27,850.0	$ -	$ 27,850.0	$ (250.00)	-0.9%
RGGI auction proceeds	$ 5,900.0	$ -	$ 5,900.0	$ 2,000.0	$ -	$ 2,000.0	$ 3,900.00	195.0%
RGGI proceeds additional sources	$ 12,800.0	$ -	$ 12,800.0	$ -	$ -	$ -	$ 12,800.00	
Interest on bank deposits	$ 100.0	$ -	$ 100.0	$ 120.0	$ -	$ 120.0	$ (20.00)	-16.7%
Interest Income - Solar Lease I Portfolio, net of fees	$ 110.0	$ -	$ 110.0	$ 150.0	$ -	$ 150.0	$ (40.00)	-26.7%
Grant income (Federal Programs)	$ -	$ 300.0	$ 300.0	$ -	$ 2,156.5	$ 2,156.5	$ (1,856.50)	-86.1%
Renewable Energy Credits,net of fees	$ 50.0	$ -	$ 50.0	$ 50.0	$ -	$ 50.0	$ -	
Other income	$ 100.0	$ -	$ 100.0	$ 75.0	$ -	$ 75.0	$ 25.00	33.3%
Total revenues:	$ 46,660.0	$ 300.0	$ 46,960.0	$ 30,245.0	$ 2,156.5	$ 32,401.5	$ 14,558.5	44.9%
Expenses								
Compensation								
-Salaries & Wages - CEFIA Employees	$ 601.3	$ 2,701.9	$ 3,303.2	$ 1,089.8	$ 1,741.6	$ 2,831.4	$ 471.77	16.7%
-Salaries & Wages - CI Shared Services	$ 430.3	$ -	$ 430.3	$ 361.4	$ 15.4	$ 376.8	$ 53.52	14.2%
-Employee Benefits - CEFIA Employees	$ 447.2	$ 2,009.7	$ 2,456.9	$ 675.7	$ 1,079.8	$ 1,755.5	$ 701.40	40.0%
-Employee Benefits - CI Shared Services	$ 347.3	$ -	$ 347.3	$ 224.3	$ 9.3	$ 233.6	$ 113.70	48.7%
-Temporary employees	$ 30.0	$ 40.0	$ 70.0	$ 25.0	$ -	$ 25.0	$ 45.00	180.0%
Consulting and professional fees								
- Legal	$ 35.0	$ 285.0	$ 320.0	$ 35.0	$ 270.0	$ 305.0	$ 15.00	4.9%
- Accounting & Audit	$ 45.0	$ -	$ 45.0	$ 25.0	$ -	$ 25.0	$ 20.00	80.0%
- Consulting fees	$ 20.0	$ 1,109.2	$ 1,129.2	$ 85.0	$ 1,025.0	$ 1,110.0	$ 19.17	1.7%
- Project Inspection Fees		$ 306.4	$ 306.4	$ -	$ 318.3	$ 318.3	$ (11.88)	-3.7%
Marketing/External relations	$ 276.0	$ 1,522.5	$ 1,798.5	$ 311.1	$ 1,057.5	$ 1,368.6	$ 429.90	31.4%
EM&V		$ 430.0	$ 430.0	$ -	$ 305.0	$ 305.0	$ 125.00	41.0%
Rent and location related expenses								
-Rent/Utilities/Maintenance	$ 48.8	$ 219.2	$ 268.0	$ 48.4	$ 229.5	$ 277.9	$ (9.90)	-3.6%
-Telephone/Communications	$ 11.6	$ 51.9	$ 63.5	$ 9.5	$ 44.8	$ 54.3	$ 9.20	16.9%
-Depreciation FF&E	$ 31.1	$ 139.9	$ 171.0	$ 16.3	$ 76.6	$ 92.9	$ 78.10	84.1%
Office, computer & other expenses								
-Office expense	$ 15.5	$ 69.5	$ 85.0	$ 13.8	$ 65.0	$ 78.8	$ 6.20	7.9%
-IT operations	$ 10.9	$ 381.6	$ 392.5	$ 10.7	$ 205.3	$ 216.0	$ 176.50	81.7%
-Training/education/subsriptions	$ 51.0	$ 70.8	$ 121.8	$ 62.8	$ 60.0	$ 122.8	$ (1.00)	-0.8%
-Travel,meeting& related expenses	$ 85.0	$ 127.6	$ 212.6	$ 63.2	$ 100.0	$ 163.2	$ 49.40	30.3%
-Insurance	$ 62.0	$ -	$ 62.0	$ 58.1	$ -	$ 58.1	$ 3.90	6.7%
Expenses before Financial Incentives:	$ 2,548.0	$ 9,465.2	$ 12,013.2	$ 3,115.1	$ 6,603.1	$ 9,718.2	$ 2,295.0	23.6%
Federal (N2N)Grant expenditures		$ 300.0	$ 300.0	$ -	$ 1,707.0	$ 1,707.0	$ (1,407.00)	
Financial Incentives- Grants and Rebates		$ 16,325.0	$ 16,325.0	$ -	$ 20,281.0	$ 20,281.0	$ (3,956.00)	
Interest Rate Buydowns		$ -	$ -	$ -	$ 250.0	$ 250.0	$ (250.00)	
Provision for Loan Loss		$ 3,432.7	$ 3,432.7	$ -	$ 2,500.70	$ 2,500.7	$ 932.00	
Financial Incentives:	$ -	$ 20,057.7	$ 20,057.7	$ -	$ 24,738.7	$ 24,738.7	$ (4,681.0)	-18.9%
Total Expenditures:	$ 2,548.0	$ 29,522.9	$ 32,070.9	$ 3,115.1	$ 31,341.8	$ 34,456.9	$ (2,386.0)	-6.9%
Total Expenditures over Revenue:			$ 14,889.1			$ (2,055.4)		

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: Board of Directors

From: Bryan Garcia, President and CEO, and Mackey Dykes, Chief of Staff

Cc: George Bellas, Vice President of Finance and Administration for Connecticut Innovations

Date: July 15, 2013

Re: Fiscal Year 2013 Marketing Budget Rollover

Background

CEFIA has set a goal of deploying over $200 million of private and public capital by the end of 2014. Strong marketing support to drive demand for CEFIA's financial products will be a key factor in our success. The fiscal year 2013 marketing budget was set at $1,368,600 to begin to build the creative and strategic foundation for the launch and ongoing customer acquisition for CEFIA's suite of financing products. However, due to the timeline for product development and delays in developing marketing plans, much of the initial investment planned did not happen, leaving just over $260,320 in marketing dollars unspent or committed (table 1).

Table 1. Fiscal Year 2013 Marketing Budget and Spending ($000's)

	General Operations	Programs	Total Operations & Program Budget
Budget	$236.10	$1,132.50	$1,368.60
Spent and Committed	$146.40	$961.88	$1,108.28
Remaining	$89.70	$170.62	**$260.32**

$1,798,500 was budgeted for marketing in FY 2014. The FY 2013 rollover would increase the budget to a total of $2,058,820 in FY 2014.

In partnership with our marketing partner MatchDrive (pending board approval of engagement), we will develop and execute upon a channel marketing strategy for the residential, commercial and industrial sectors in early fiscal year 2014. This will represent a significant investment and these unused 2013 resources, intended to be part of product launch budgets, will help support this and allow fiscal year 2014 budget to be spent on ongoing customer acquisition.

Recommendation

CEFIA staff requests that the Board of Directors approve a "rollover" of the unused fiscal year 2013 marketing dollars and add the final amount to the fiscal year 2014 budget.

Resolution

WHEREAS, Article V of the Clean Energy Finance and Investment Authority (CEFIA) Operating Procedures requires the CEFIA Board of Directors (the “Board”) to approve any increases to the operating budget in excess of seventy-five thousand dollars;

WHEREAS, the Budget and Operations Committee recommended approval to the Board of Directors;

NOW, therefore be it:

RESOLVED, that the Board approves that the unspent or unallocated fiscal year 2013 marketing budget be added to the fiscal year 2014 marketing budget.

Submitted by: Bryan Garcia, President and CEO, and Mackey Dykes, Chief of Staff

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CLEAN ENERGY
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Memo

To: Board of Directors

From: Bryan Garcia, President and CEO, and Mackey Dykes, Chief of Staff

Cc: George Bellas, Vice President of Finance and Administration for Connecticut Innovations
Sue Kaswan, Director of Human Resources for Connecticut Innovations

Date: July 15, 2013

Re: FY 2014 Operating Budget – Salary Adjustments for COLA, Merit, and Promotion as well as Overhead Cost Adjustments

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Salary Adjustments for COLA, Merit, and Promotion Pools

Pursuant to the CEFIA Board of Directors meeting on Friday, June 21st, several board members expressed the desire to have more information and comparison with the state and other quasi-public entities about the proposed salary adjustments recommended by management before making a decision for the FY 2014 operating budget. The Board of Directors came to a general consensus that CEFIA management bring more detailed information about salary adjustments to the Budget and Operations Committee for further discussions before consideration again by the full Board of Directors. At a special meeting of the Budget and Operations Committee on July 15, 2013, CEFIA management recommended the need for:

- **Cost of Living Adjustment (COLA)** – as a percentage increase of salaries for employees as a result of inflation;
- **Merit Pool** – as a pool of funds for management to increase selected staffs' salary based on outstanding fiscal year 2013 performance, which is subject to individual staff performance reviews by supervisors; and
- **Promotion Pool** – a pool of funds for the President and CEO to use to promote staff throughout fiscal year 2014 for outstanding performance and taking on increased responsibilities consistent with a higher position.

These proposed salary adjustments are intended to not only be consistent with the direction and steps being taken by various organizations operating within the State of Connecticut with its adjustments (see Table 1), but to also continue to drive the organization towards greater performance in order to achieve the ambitious goals outlined in the two-year Comprehensive Plan.

Table 1. Comparison of FY 2014 Salary Adjustments by Organization

	State Bargaining Unit	State Managers	Connecticut Innovations	Connecticut Housing and Finance Authority	CEFIA Management Original Proposal
COLA	3.0%	3.0% (starting 7/1)	3.0%	No COLA	3.0%
Merit Pool	Annual Increase of 2.0% to 3.0%	Annual Increase of 2.0% to 3.0%	1.5%	4.5%	1.5%
Promotion Pool			1.5%	Unsure	1.5%
Other	Also annualizing longevity 7/12	Also annualizing longevity 7/12	N/A	N/A	N/A
Total	**5.0%-6.0%**	**5.0%-6.0%**	**6.0%**	**4.5%**	**6.0%**

As CEFIA has gone without regular salary adjustment's over the last three years consistent with the state's employee bargaining agreement and given the administrative support provided by CI to CEFIA, the original CEFIA management proposal was to match CI's approved salary adjustments.

The Budget and Operations Committee met on July 15th and after reviewing what adjustments are being taken by other agencies, suggested several other options for consideration by the Board of Directors in addition to Management's original proposal – see Table 2.

Table 2. Salary Adjustment Options for Consideration as Proposed by Management and the Budget and Operations Committee

	CEFIA Management Original Proposal	B&O Option 1	B&O Option 2
COLA	3.0%		2.0%
Merit Pool	1.5%	4.5%	2.0%
Promotion Pool	1.5%		1.0%
Total	**6.0%**	**4.5%**	**5.0%**

These options will be discussed at the Board of Directors meeting and a recommendation will be made by the President.

The cost of each option is outlined in tables 3-5.

Table 3. CEFIA Management Original Proposal

	Without	3.0% COLA	1.5% Merit	1.5% Promotion	Rate Increase for benefits	With
Salaries & Wages	$3,122,400.00	$90,384.00	$45,192.00	$45,192.00	$0.00	$3,303,168.00
Employee Benefits	$2,186,628.00	$67,227.61	$33,613.84	$33,613.81	$135,789.00	$2,456,872.26
Total:	**$5,309,028.00**	**$157,611.61**	**$78,805.84**	**$78,805.81**	**$135,789.00**	**$5,760,040.26**

Table 4. Budget and Operations Committee Option #1

	Without	0.0% COLA	4.5% Merit	0.0% Promotion	Rate Increase for benefits	With
Salaries & Wages	$3,122,400.00	$0.00	$135,576.00	$0.00	$0.00	$3,257,976.00
Employee Benefits	$2,186,628.00	$0.00	$100,841.42	$0.00	$135,789.00	$2,423,258.42
Total:	**$5,309,028.00**	**$0.00**	**$236,417.42**	**$0.00**	**$135,789.00**	**$5,681,234.42**

Table 5. Budget and Operations Committee Option #2

	Without	2.0% COLA	2.0% Merit	1.0% Promotion	Rate Increase for benefits	With
Salaries & Wages	$3,122,400.00	$60,256.00	$60,256.00	$30,128.00	$0.00	$3,273,040.00
Employee Benefits	$2,186,628.00	$44,818.41	$44,818.41	$23,313.05	$135,789.00	$2,435,366.87
Total:	**$5,309,028.00**	**$105,074.41**	**$105,074.41**	**$53,441.05**	**$135,789.00**	**$5,708,406.87**

These options will be discussed at the next meeting of the Board of Directors on Friday, July 19th and the President will make a recommendation.

Overhead Cost Adjustments

Additionally, the overhead, or “fringe” cost, for each employee has changed due to an increase in the state charge for the pension fund. The cost will increase from 66.2% per employee to 74.4%, requiring a change in the fiscal year 2014 employee benefits line of $135,789 plus the effect of the corresponding salary adjustment package being proposed. The Budget and Operations committee recommended approval of this increase to the Board.

The salaries and wages and employee benefits in each table above refer to the highlighted portion of attachment A, the fiscal year 2014 operations and program budget, where what is included is the CEFIA Management Original Proposal numbers.

<u>Recommendation</u>

The President will make a recommendation based on the discussion and feedback at Friday’s Board of Directors’ meeting on July 19th.

Resolution

WHEREAS, Article V of the Clean Energy Finance and Investment Authority (CEFIA) Operating Procedures requires the CEFIA Board of Directors (the "Board") to approve any increases to the operating budget in excess of seventy-five thousand dollars;

WHEREAS, the Budget and Operations Committee reviewed a staff proposal for an increase in fiscal year 2014 staff salaries and wages;

WHEREAS, the Budget and Operations Committee recommended that CEFIA staff present up to three options to the Board for their consideration;

NOW, therefore be it:

RESOLVED, that the Board approves a cost of living adjustment equal to [X] percent of budgeted fiscal year 2014 salaries and wages as a result of inflation;

RESOLVED, that the Board approves a merit compensation pool equal to [X] percent of budgeted fiscal year 2014 salaries and wages to increase selected staffs' salary based on outstanding fiscal year 2013 performance;

RESOLVED, that the Board approves a promotion pool equal to [X] percent of budgeted fiscal year 2014 salaries and wages to promote staff throughout fiscal year 2014 for outstanding performance and taking on increased responsibilities consistent with a higher position; and

RESOLVED, that the Board approves an increase in fiscal 2014 employee benefits to 74.38% of budgeted fiscal year 2014 CEFIA employee salaries and wages and a corresponding increase in the fringe benefit rate for CI employees performing shared services for CEFIA.

Attachments

Attachment A – Fiscal Year 2014 Operations and Program Budget

Submitted by: Bryan Garcia, President and CEO, and Mackey Dykes, Chief of Staff

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CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Memo

To: Board of Directors

From: Bryan Garcia, President and CEO, and Mackey Dykes, Chief of Staff.

Cc: Brian Farnen, General Counsel, Jessica Bailey, Director of C-PACE, and Kerry O'Neill, Director of Residential Programs

Date: July 12, 2013

Re: Recommendation to select MatchDrive as marketing consultant for CEFIA

Summary

CEFIA will enter Fiscal Year 2014 with a full suite of financing products and ambitious targets to deploy over $100,000,000 of private and public capital in the residential and commercial and industrial sectors. Marketing to drive demand for these financing products will be key component of our success. This is reflected in the Fiscal Year 2014 marketing budget of $1,800,000. After an internal reorganization of the marketing team, we decided that outside help was needed to develop a strategic channel marketing and communications plan across the organization and help execute on targeted campaigns to increase awareness of CEFIA's new products and create demand. Staff seeks permission to enter into a professional service agreement (PSA) with MatchDrive for an amount not-to-exceed $1,053,550 to provide these services.

Background

The marketing team released an RFP to solicit proposals for both specialized services (i.e. copywriting, photography) as well as broad, strategic marketing assistance (i.e. campaign design, strategic media planning, media buying and analysis, creative, website design, etc.). We received six submissions for these general services and three were selected, based on quality of proposal, for interviews:

- **MatchDrive** (formerly Marketing Drive) – a Norwalk, Connecticut based, nationally recognized full-service marketing agency. With an active consumer promotion business including such clients as CVS, Dunkin Donuts and Nestle Waters, MatchDrive also has an Energy & Education practice that works with other states in the region on energy efficiency branding (i.e. Massachusetts, Rhode Island, Maine) as well as the U.S. EPA.

- **Eric Mower** – a New York based marketing firm with an energy practice that represents such clients as NYSERDA, National Fuel, and Schlumberger

- **Pita Group** – a smaller, Connecticut based marketing firm who represents many regional companies and has worked with the Connecticut Clean Energy Fund in the past

CEFIA convened a selection committee of representatives from marketing, communications and finance programs to review the RFP proposals and interview the candidates. The proposals were evaluated based on qualifications, cost, experience, and other important determining factors to ensure the best assistance in meeting our demand goals.

Based on the selection committee's review, CEFIA recommends MatchDrive to provide marketing services across all CEFIA's programs. The decision was based on several factors, including but not limited to:

- Experience working with state energy funds and leveraging limited marketing budgets for maximum impact;
- Experience marketing energy efficiency financing products (i.e. Maine PACE);
- Ability to provide nationally-recognized integrated marketing and communications services for consumer products and services; and
- Good fit between CEFIA and MatchDrive size and belief CEFIA will receive good ongoing support.

Although Pita Group's proposal was the lowest hourly blended rate, the selection committee believed the creative work was not up to the standard of MatchDrive and that the firm lacked the same amount of energy and consumer marketing experience. Eric Mower did not have the same experience working with smaller state funds and limited budgets and CEFIA staff didn't feel we would receive the same level of service given Mower's larger size.

Compensation and Scope of Work

As compensation for its support of CEFIA in providing marketing services for C-PACE and Residential Sector programs, MatchDrive would be paid a fee not to exceed $1,053,550 for the period starting July 1, 2013 through June 30, 2014. These services include support of CEFIA's Smart-E, Cozy and Solar Lease residential programs and C-PACE commercial and industrial program.

CEFIA is pursuing a channel marketing strategy, working with our channels (contractors, lenders, communities, etc.) to give them the tools they need to educate consumers and drive demand for CEFIA financing products. MatchDrive would create and produce marketing materials tailored for each of these channels. For contractors, this includes tools such as collateral, online templates for e-marketing, case studies, newsletters and education materials. For lenders, this includes branch visibility kits, newsletters, and training materials.

MatchDrive would also provide support with targeted marketing campaigns and earned media strategy. This includes such tactics as Public Service Advertising (PSAs), online search marketing, targeted social media buys, local earned media, and hyper-targeted print advertising.

The cost breakdown for all these services is outlined in Table 1. We anticipate that much of the channel marketing support (development of marketing tools for our channel partners), as well as the analysis and program kick-off, spending to represent a one-time investment in the launch of these four financing products.

Table 1 – MatchDrive cost breakdown

Residential Programs	Labor	Hardcosts*	Total
Analysis & Program Kick-off	$ 23,250.00	$ -	
Channel Marketing Support	$ 170,775.00	$ 65,000.00	
Campaigns & Ongoing Media Outreach	$ 133,550.00	$ 195,000.00	
Website Support	$ 9,375.00	$ 8,000.00	
General & Administrative Costs	$ 42,675.00	$ 20,000.00	
TOTAL	$ 379,625.00	$ 288,000.00	**$ 667,625.00**

Commercial and Industrial Programs	Labor	Hardcosts*	Total
Analysis & Program Kick-off	$ 20,525.00	$ -	
Channel Marketing Support	$ 55,625.00	$ 75,000.00	
Campaigns & Ongoing Media Outreach	$ 51,625.00	$ 105,000.00	
Website Support	$ 9,375.00	$ 5,000.00	
General & Administrative Costs	$ 43,775.00	$ 20,000.00	
TOTAL	$ 180,925.00	$ 205,000.00	**$ 385,925.00**

Labor Grand Total	$ 560,550.00
Hardcost Grand Total	$ 493,000.00
Labor + Hardcost Grand Total	**$ 1,053,550.00**

*hardcosts includes items such as production of printed collateral and online and print ad targeting and buys

Recommendation

Staff recommends that the Board of Directors approve the selection of MatchDrive and authorize staff to enter into a personal services agreement not-to-exceed $1,053,550.

Resolution

WHEREAS, CEFIA seeks a partner to provide marketing support for its residential and commercial and industrial financial products;

WHEREAS, CEFIA released a request for proposals for marketing services in February of 2013;

WHEREAS, Marketing Drive LLC, d.b.a. Match Drive (MatchDrive) was selected as the leading marketing proposal and is a Connecticut-based, award-winning advertising agency with relevant energy experience;

NOW, therefore be it:

RESOLVED, that the Board of Directors approves the selection of MatchDrive, to provide marketing support to CEFIA for its residential and commercial and industrial financial products, as in the best interest of CEFIA;

RESOLVED, that the Board of Directors approves the execution of a professional service agreement ("PSA") substantially in the form of CEFIA's standard PSA with MatchDrive for an amount not to exceed $1,053,550;

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.

<u>Attachments</u>

MatchDrive Scope of Work
Draft MatchDrive Budget

Submitted by: Bryan Garcia, President and CEO, and Mackey Dykes, Chief of Staff

Match Drive - Scope of Work
CEFIA Residential Marketing
July 1, 2013 – June 30, 20014

Project Overview

Marketing Drive has been hired to provide marketing services to CEFIA for the period starting July 1, 2013 through June 30, 2014. These services include support of CEFIA's Smart-E, Cozy and Solar Lease residential programs. The outlined scope of work includes development of marketing materials for Contractor, Lender Channels, Community Channel, as well as CEFIA earned, paid and social media support, campaign development and execution and possible website support. The following line-items provide a breakdown of each project and the lump-sum Not-To-Exceed labor costs associated with each Task.

Task	Labor	Hard Costs	
Task 1	$ 23,250.00	$ -	
Task 2	$170,775.00	$ 65,000.00	
Task 3	$133,550.00	$195,000.00	
Task 4	$ 9,375.00	$ 8,000.00	
Task 5	$ 42,675.00	$ 20,000.00	
TOTAL	$379,625.00	$288,000.00	**$667,625.00**

Marketing Drive and CEFIA will adhere to the following creative process for work outlined below:
1. CEFIA will provide brief to Marketing Drive
2. Marketing Drive will present two (2) or three (3) white paper concepts
3. Client will approve one (1) selected white paper concept
4. CEFIA & Marketing Drive will define list of creative elements needed
5. Marketing Drive will create suite of creative elements
6. CEFIA will provide comments and revisions
7. Marketing Drive will make revisions (no more than 2 rounds of revisions)
8. All additional creative requests outside of this process will be estimated and billed as agreed to by the parties in writing.

TASK # 1

Situation Analysis/Program Kick Off

- Complete review and assessment of all CEFIA Residential marketing materials (collateral, web, videos, on-boarding materials, brochures)
- Complete review and assessment of paid, earned and social media support of CEFIA Residential programs under the Energize CT campaign platform
- Hold Kick-Off meeting: to review findings, discuss opportunities and agree to specific task and priority order (early July)

TASK # 2

Channel Marketing Support

- Create and produce channel marketing materials
  - Contractors
    - Collateral Development
    - Online templates for Contractor websites/e-marketing
    - CEFIA Newsletter/communications template
    - Contractor Case studies
    - Contractor "Marketing Best Practice Guides"

        - Contractor on-boarding/training materials
    - Lenders (Smart-E only)
        - Branch Visibility Kit
            - Tabling, online templates, member communications
        - Lender on-boarding/training materials
        - CEFIA Newsletter/communications template
    - Communities
        - Clean Energy Communities Toolkit
        - Employer-based/employee campaign toolkit
        - Community partner (i.e. YMCA) toolkit
        - CEFIA Newsletter/communications template

TASK # 3

Campaigns & Ongoing Media Outreach

- Create and implement media strategy to support CEFIA loan/lease targets, communication goals, channels and Integrated Media Support, including
    - Earned Media
        - Hyper-local outreach to traditional and online media outlets and cable access
        - Create content for website press page
    - Paid Media
        - Search marketing,
        - Awareness/Lead generation marketing
    - Social Media
        - Facebook advertising and content development for Energize CT Facebook page
        - Recommendations for fully leveraging Linked In and/or Twitter
    - Public Service Advertising
        - Consider opportunities and create recommendation for public service advertising across traditional and online media

- Develop specific CEFIA awareness/lead-driving campaigns , including:
        - Localized, Lender-based awareness campaign and/or lead-driving campaigns
        - Statewide CEFIA Residential "Launch" campaigns for CT Solar Lease and Smart-E
        - Targeted communication initiatives, including
            - Seasonal/Weather-driving campaigns
            - Technology-specific initiatives

TASK #4

Website Support

- Complete discovery/assessment of existing resources and make recommendations on development of stand-alone website or component parts, including common lead intake form for lenders, zip code-driven lender finder tool, consumer payback calculator, loan comparison tool
    - NOTE: All programming/development work to be budgeted separately based on results of discovery/assessment

TASK #5

General & Administrative Costs

- Status Reports, calls and meetings
- Finance/Billing support
- Materials/travel/expenses

Match Drive - Scope of Work
CEFIA C-PACE Marketing
July 1, 2013 – June 30, 20014

Marketing Drive has been hired to provide marketing services to CEFIA for the period starting July 1, 2013 through June 30, 2014. These services include support of CEFIA's Smart-E/Cozy and Solar Lease residential programs. The outlined scope of work includes development of marketing materials for Contractor, L ender Channels, Communality Channel, as well as CEFIA earned, paid and social media support, possible campaign development and execution and website support. The following line-items provide a breakdown of each project and the lump-sum Not-To-Exceed labor costs associated with each Task.

Task	Labor	Hard Costs	
Task 1	$ 20,525.00	$ -	
Task 2	$ 55,625.00	$ 75,000.00	
Task 3	$ 51,625.00	$105,000.00	
Task 4	$ 9,375.00	$ 5,000.00	
Task 5	$ 43,775.00	$ 20,000.00	
TOTAL	$180,925.00	$205,000.00	**$385,925.00**

Marketing Drive and CEFIA will adhere to the following creative process for work outlined below:
1. CEFIA will provide brief to Marketing Drive
2. Marketing Drive will present two (2) or three (3) white paper concepts
3. Client will approve one (1) selected white paper concept
4. CEFIA & Marketing Drive will define list of creative elements needed
5. Marketing Drive will create suite of creative elements
6. CEFIA will provide comments and revisions
7. Marketing Drive will make revisions (no more than 2 rounds of revisions)
8. All additional creative requests outside of this process will be estimated and billed as agreed to by the parties in writing.

TASK # 1:

Situation Analysis/Program Kick Off

- Complete review and assessment of all CEFIA C-PACE marketing materials (collateral, web, videos, on-boarding materials, brochures)
- Complete review and assessment of paid, earned and social media support of C-PACE program under the Energize CT campaign platform
- Hold Kick-Off meeting: to review findings, discuss opportunities and agree to specific task and priority order (early July)

TASK # 2

Marketing Support

- Create and produce marketing materials, including video content, case studies, testimonials and visual demonstration of C-PACE value proposition (i.e. one-page info-graphic approach)

TASK # 3

Campaigns & Ongoing Media Outreach

- Create and implement media strategy to support C-PACE communication goals, channels and Integrated Media Support, including earned media, paid media and social media, public service advertising and targeted outreach

TASK #4

Website Support

- Complete discovery/assessment of existing resources and make recommendations on development of stand-alone website or component parts
  - NOTE: All programming/development work to be budgeted separately based on results of discovery/assessment

TASK #5

General & Administrative Costs

- Status Reports, calls and meetings
- Finance/Billing support
- Materials/travel/expenses

Residential Programs	Labor	Hardcosts	Total
Analysis & Program Kick-off	$ 23,250.00	$ -	
Channel Marketing Support	$ 167,825.00	$ 65,000.00	
Campaigns & Ongoing Media Outreach	$ 129,050.00	$ 195,000.00	
Website Support	$ 9,375.00	$ 8,000.00	
General & Administrative Costs	$ 42,675.00	$ 20,000.00	
TOTAL	$ 372,175.00	$ 288,000.00	**$ 660,175.00**

Commercial and Industrial Programs	Labor	Hardcosts	Total
Analysis & Program Kick-off	$ 20,525.00	$ -	
Channel Marketing Support	$ 55,625.00	$ 75,000.00	
Campaigns & Ongoing Media Outreach	$ 51,625.00	$ 105,000.00	
Website Support	$ 9,375.00	$ 5,000.00	
General & Administrative Costs	$ 43,775.00	$ 20,000.00	
TOTAL	$ 180,925.00	$ 205,000.00	**$ 385,925.00**

Labor Grand Total	$ 553,100.00
Hardcost Grand Total	$ 493,000.00
Labor + Hardcost Grand Total	**$ 1,046,100.00**

		Rate	Total Hours	
Account				
Cindy Jolicoeur	*Vice President, Account Service*	$ 225	425	
Mike Beamer	*Account Director*	$ 200	653	
TBD AAE	*Assistant Account Executive*	$ 100	625	
Finance				
Debbie Liu	*Financial Coordinator*	$ 175	36	
Media				
Andrea Lenig	*Vice President, Media*	$ 225	244	
Regan Tierney	*Assistant Account Executive*	$ 100	155	
Creative				
Matthew Lenig	*Vice President, Creative*	$ 225	210	
Jeff Hunt	*Art Director*	$ 150	383	
Rob Hoffman	*Copywriter*	$ 100	155	
Proofreader	*Proofreader*	$ 100	100	
Creative Services/Production				
Todd Adams	*Creative Services Manager*	$ 175	120	
Andy Jefferson	*Senior Digital Production Artist*	$ 125	145	
Creative Services Assistant	*Creative Services Assistant*	$ 100	125	
Digital				
Interactive Developer	*Interactive Developer*	$ 150	39	
Blended/Total		**$ 153.57**	**3415**	3415 check

Resi Situation Analysis/Program Kick-Off

		Review & Assessment of Marketing Materials		Review & Assessment of Media		Finding Report Creation		Kick-Off Meeting to Present Findings to Client & Action Plan Development			
	Rate	Hours	$	Hours	$	Hours	$	Hours	$	Total Hours	Total $
Account											
Cindy Jolicoeur	$ 225	8	$ 1,800.00	5	$ 1,125.00	8	$ 1,800.00	9	$ 2,025.00	30	$ 6,750.00
Mike Beamer	$ 200	8	$ 1,600.00	5	$ 1,000.00	8	$ 1,600.00	9	$ 1,800.00	30	$ 6,000.00
AAE	$ 100		$ -		$ -		$ -		$ -	0	$ -
Media											
Andrea Lenig	$ 225		$ -	15	$ 3,375.00			5	$ 1,125.00	20	$ 4,500.00
Regan Tierney	$ 100		$ -	5	$ 500.00		$ -		$ -	5	$ 500.00
Creative											
Matthew Lenig	$ 225	10	$ 2,250.00		$ -	1	$ 225.00	5	$ 1,125.00	16	$ 3,600.00
Jeff Hunt	$ 150	10	$ 1,500.00		$ -		$ -		$ -	10	$ 1,500.00
Rob Hoffman	$ 100		$ -		$ -		$ -		$ -	0	$ -
Proofreader	$ 100		$ -		$ -	1	$ 100.00		$ -	1	$ 100.00
Creative Services/Production											
Todd Adams	$ 175		$ -		$ -		$ -		$ -	0	$ -
Andy Jefferson	$ 125		$ -		$ -		$ -		$ -	0	$ -
Creative Services Assistant	$ 100		$ -		$ -				$ -	0	$ -
Digital											
Interactive Developer	$ 150	2	$ 300.00		$ -		$ -		$ -	2	$ 300.00

Labor Totals	38	$ 7,450.00	30	$ 6,000.00	18	$ 3,725.00	28	$ 6,075.00	114	$ 23,250.00

Hardcost Deliverable	**Description**	**Cost (Gross)**
	Hardcost Total	$ -

Tab Labor + Hardcost	**$ 23,250.00**

Resi Channel Marketing Support

	Rate	CONTRACTORS Collateral Development Online Web/E-Mark Templates Newsletter/Communication Template Case Study Template Best Practice Guide On-Boarding/Training Materials		LENDERS Branch Visibility Kit Newsletter/Communication Template On-Boarding/Training Materials		COMMUNITIES Clean Energy Communities Toolkit Employer/Employee Campaign Toolkit Community Partner Toolkit Newsletter/Communication Template			
		Hours	$	Hours	$	Hours	$	Total Hours	Total $
Account									
Cindy Jolicoeur	$ 225	50	$ 11,250.00	15	$ 3,375.00	20	$ 4,500.00	85	$ 19,125.00
Mike Beamer	$ 200	69	$ 13,800.00	40	$ 8,000.00	50	$ 10,000.00	159	$ 31,800.00
AAE	$ 100	100	$ 10,000.00	50	$ 5,000.00	50	$ 5,000.00	200	$ 20,000.00
Media									
Andrea Lenig	$ 225	2	$ 450.00	2	$ 450.00			4	$ 900.00
Regan Tierney	$ 100	5	$ 500.00	5	$ 500.00	5	$ 500.00	15	$ 1,500.00
Creative									
Matthew Lenig	$ 225	50	$ 11,250.00	25	$ 5,625.00	25	$ 5,625.00	100	$ 22,500.00
Jeff Hunt	$ 150	100	$ 15,000.00	50	$ 7,500.00	50	$ 7,500.00	200	$ 30,000.00
Rob Hoffman	$ 100	50	$ 5,000.00	15	$ 1,500.00	15	$ 1,500.00	80	$ 8,000.00
Proofreader	$ 100	40	$ 4,000.00	10	$ 1,000.00	10	$ 1,000.00	60	$ 6,000.00
Creative Services/Production									
Todd Adams	$ 175	30	$ 5,250.00	15	$ 2,625.00	15	$ 2,625.00	60	$ 10,500.00
Andy Jefferson	$ 125	50	$ 6,250.00	15	$ 1,875.00	15	$ 1,875.00	80	$ 10,000.00
Creative Services Assistant	$ 100	50	$ 5,000.00	25	$ 2,500.00			75	$ 7,500.00
Digital									
Interactive Developer	$ 150		$ -		$ -		$ -	0	$ -
Labor Totals		596	$ 87,750.00	267	$ 39,950.00	255	$ 40,125.00	1118	$ 167,825.00

Hardcost Deliverable	**Description**	**Cost (Gross)**
Production	Printing, shipping, etc. of printed collateral	$ 40,000.00
Production	Printing, shipping, etc. of printed toolkits	$ 25,000.00
	Hardcost Total	$ 65,000.00

Tab Labor + Hardcost	**$ 232,825.00**

Resi Campaigns and Ongoing Media Outreach

	Rate	EARNED MEDIA Hyper-Local to Traditional, Online & Cable Access Website Press Page Content		PAID MEDIA Paid Search Marketing Awareness/Lead Gen Marketing		SOCIAL MEDIA Energize CT Facebook Page Content Development Linked In & Twitter Reco		PSA Local, Lender Based Awareness & Lead Driving Campaign Statewide CEFIA Resi "Launch" Campaign Seasonal/Weather Driven Campaigns Tech Specific Initiatives			
	Rate	Hours	$	Hours	$	Hours	$	Hours	$	Total Hours	Total $
Account											
Cindy Jolicoeur	$ 225	5	$1,125.00	20	$4,500.00	5	$1,125.00	50	$11,250.00	80	$18,000.00
Mike Beamer	$ 200	15	$3,000.00	30	$6,000.00	15	$3,000.00	75	$15,000.00	135	$27,000.00
AAE	$ 100	10	$1,000.00	30	$3,000.00	40	$4,000.00	40	$4,000.00	120	$12,000.00
Media											
Andrea Lenig	$ 225		$0.00	70	$15,750.00			15	$3,375.00	85	$19,125.00
Regan Tierney	$ 100		$0.00	50	$5,000.00	15	$1,500.00	10	$1,000.00	75	$7,500.00
Creative											
Matthew Lenig	$ 225	5	$1,125.00	15	$3,375.00	5	$1,125.00	20	$4,500.00	45	$10,125.00
Jeff Hunt	$ 150	10	$1,500.00	40	$6,000.00	10	$1,500.00	35	$5,250.00	95	$14,250.00
Rob Hoffman	$ 100		$0.00	20	$2,000.00	5	$500.00	10	$1,000.00	35	$3,500.00
Proofreader	$ 100		$0.00	10	$1,000.00	3	$300.00	5	$500.00	18	$1,800.00
Creative Services/Production											
Todd Adams	$ 175		$0.00	10	$1,750.00	10	$1,750.00	15	$2,625.00	35	$6,125.00
Andy Jefferson	$ 125		$0.00	15	$1,875.00	10	$1,250.00	10	$1,250.00	35	$4,375.00
Creative Services Assistant	$ 100		$0.00		$0.00				$0.00	0	$0.00
Digital											
Interactive Developer	$ 150	5	$750.00	30	$4,500.00		$0.00		$0.00	35	$5,250.00
Labor Totals		50	$8,500.00	340	$54,750.00	118	$16,050.00	285	$49,750.00	793	$129,050.00

Hardcost Deliverable	Description	Cost (Gross)
Public Relations	Pass through cost of time and materials of a public realtions agency for 12 months	$ 30,000.00
Media - Paid Search	Labor and inventory for KUMMA to paid search for 12 months	$ 80,000.00
Media - Display Ads	Banner ad inventory on hyper targetted pubs	$ 40,000.00
Media - Print Ads	Print ad inventory on hyper targetted pubs	$ 40,000.00
Imagery		$ 5,000.00
	Hardcost Total	$ 195,000.00

Tab Labor + Hardcost	$ 324,050.00

Resi Website Support

	Rate	Discovery/Assessment of Website & Related Digital Components		Development of Discovery Phase Report & Presentation Development of Estimate for Client Requested Online Tools			
	Rate	Hours	$	Hours	$	Total Hours	Total $
Account							
Cindy Jolicoeur	$ 225	5	$1,125.00	10	$2,250.00	15	$3,375.00
Mike Beamer	$ 200	10	$2,000.00	15	$3,000.00	25	$5,000.00
AAE	$ 100	5	$500.00	5	$500.00	10	$1,000.00
Media							
Andrea Lenig	$ 225		$0.00		$0.00		
Regan Tierney	$ 100		$0.00		$0.00	0	$0.00
Creative							
Matthew Lenig	$ 225		$0.00		$0.00	0	$0.00
Jeff Hunt	$ 150		$0.00		$0.00	0	$0.00
Rob Hoffman	$ 100		$0.00		$0.00	0	$0.00
Proofreader	$ 100		$0.00		$0.00	0	$0.00
Creative Services/Production							
Todd Adams	$ 175		$0.00		$0.00	0	$0.00
Andy Jefferson	$ 125		$0.00		$0.00	0	$0.00
Creative Services Assistant	$ 100		$0.00		$0.00		
Digital							
Interactive Developer	$ 150	0	$0.00	0	$0.00	0	$0.00

Labor Totals	20	$3,625.00	30	$5,750.00	50	$9,375.00

Hardcost Deliverable	Description	Cost (Gross)
Weld	Pass through labor to do Discovery phase	$ 8,000.00
	Hardcost Total	$ 8,000.00

Tab Labor + Hardcost	**$ 17,375.00**

Resi General and Administrative Costs

	Rate	Status Report Development & Weekly Status Calls for 12 Months		Finance & Billing Support for 12 Months		Resi Recap			
	Rate	Hours	$	Hours	$	Hours	$	Total Hours	Total $
Account									
Cindy Jolicoeur	$ 225	30	$6,750.00	6	$1,350.00	10	$2,250.00	46	$10,350.00
Mike Beamer	$ 200	37	$7,400.00	7	$1,400.00	20	$4,000.00	64	$12,800.00
AAE	$ 100	40	$4,000.00	25	$2,500.00	15	$1,500.00	80	$8,000.00
Finance									
Debbie Liu	$ 175		$0.00	18	$3,150.00			18	$3,150.00
Media									
Andrea Lenig	$ 225	30	$6,750.00		$0.00	5	$1,125.00	35	$7,875.00
Regan Tierney	$ 100		$0.00		$0.00	5	$500.00	5	$500.00
Creative									
Matthew Lenig	$ 225		$0.00		$0.00		$0.00	0	$0.00
Jeff Hunt	$ 150		$0.00		$0.00		$0.00	0	$0.00
Rob Hoffman	$ 100		$0.00		$0.00		$0.00	0	$0.00
Proofreader	$ 100		$0.00		$0.00		$0.00	0	$0.00
Creative Services/Production									
Todd Adams	$ 175		$0.00		$0.00			0	$0.00
Andy Jefferson	$ 125		$0.00		$0.00		$0.00	0	$0.00
Creative Services Assistant	$ 100		$0.00		$0.00		$0.00	0	$0.00
Digital									
Interactive Developer	$ 150		$0.00		$0.00		$0.00	0	$0.00
Labor Totals		137	$24,900.00	56	$8,400.00	55	$9,375.00	248	$42,675.00

Hardcost Deliverable	Description	Cost (Gross)
Travel	Travel to CT, or as needed, for meetings, etc. for 12 months to serveice the resi acct	$ 10,000.00
Misc	Misc $ to use as needed	$ 10,000.00
	Hardcost Total	$ 20,000.00

Tab Labor + Hardcost	**$ 62,675.00**

C-PACE Situation Analysis/Program Kick-Off

		Review & Assessment of Marketing Materials		Review & Assessment of Media		Finding Report Creation		Kick-Off Meeting to Present & Review Findings			
	Rate	Hours	$	Hours	$	Hours	$	Hours	$	Total Hours	Total $
Account											
Cindy Jolicoeur	$225	8	$1,800.00	5	$1,125.00	10	$2,250.00	5	$1,125.00	28	$6,300.00
Mike Beamer	$200	8	$1,600.00	5	$1,000.00	10	$2,000.00	5	$1,000.00	28	$5,600.00
AAE	$100		$ -		$ -		$ -		$ -	0	$ -
Media											
Andrea Lenig	$225		$ -	10	$2,250.00			5	$1,125.00	15	$3,375.00
Regan Tierney	$100		$ -	5	$ 500.00		$ -		$ -	5	$ 500.00
Creative											
Matthew Lenig	$225	8	$1,800.00		$ -	1	$ 225.00	5	$1,125.00	14	$3,150.00
Jeff Hunt	$150	8	$1,200.00		$ -		$ -		$ -	8	$1,200.00
Rob Hoffman	$100		$ -		$ -		$ -		$ -	0	$ -
Proofreader	$100		$ -		$ -	1	$ 100.00		$ -	1	$ 100.00
Creative Services/Production											
Todd Adams	$175		$ -		$ -		$ -		$ -	0	$ -
Andy Jefferson	$125		$ -		$ -		$ -		$ -	0	$ -
Creative Services Assistant	$100		$ -		$ -				$ -	0	$ -
Digital											
Interactive Developer	$150	2	$ 300.00		$ -		$ -		$ -	2	$ 300.00

Labor Totals	34	$6,700.00	25	$4,875.00	22	$4,575.00	20	$4,375.00	101	$20,525.00

Hardcost Deliverable	Description	Cost (Gross)
	Hardcost Total	$ -

Tab Labor + Hardcost	**$ 20,525.00**

C-PACE Marketing Support

	Rate	Hours	$	Total Hours	Total $
		Marketing Material Development Video Content Case Studies Testimonial Visual Demo of C-PACE Value Proposition (Infographic)			
Account					
Cindy Jolicoeur	$ 225	30	$6,750.00	30	$6,750.00
Mike Beamer	$ 200	50	$10,000.00	50	$10,000.00
AAE	$ 100	75	$7,500.00	75	$7,500.00
Media					
Andrea Lenig	$ 225		$0.00	0	$0.00
Regan Tierney	$ 100		$0.00	0	$0.00
Creative					
Matthew Lenig	$ 225	25	$5,625.00	25	$5,625.00
Jeff Hunt	$ 150	60	$9,000.00	60	$9,000.00
Rob Hoffman	$ 100	30	$3,000.00	30	$3,000.00
Proofreader	$ 100	15	$1,500.00	15	$1,500.00
Creative Services/Production					
Todd Adams	$ 175	20	$3,500.00	20	$3,500.00
Andy Jefferson	$ 125	30	$3,750.00	30	$3,750.00
Creative Services Assistant	$ 100	50	$5,000.00	50	$5,000.00
Digital					
Interactive Developer	$ 150		$0.00	0	$0.00
				0	$0.00
Labor Totals		385	$55,625.00	385	$55,625.00

Hardcost Deliverable	Description	Cost (Gross)
Production	Misc and to be used as needed	$ 75,000.00
	Hardcost Total	$ 75,000.00

Tab Labor + Hardcost	**$ 130,625.00**

C-PACE Campaigns and Ongoing Media Outreach

	Rate	Hours	$	Total Hours	Total $
		Media Strategy Implementation of Earned, Paid & Social Media Tactics as well as PSA & Targeted Outreach			
Account					
Cindy Jolicoeur	$ 225	50	$11,250.00	50	$11,250.00
Mike Beamer	$ 200	75	$15,000.00	75	$15,000.00
AAE	$ 100	50	$5,000.00	50	$5,000.00
Media					
Andrea Lenig	$ 225	50	$11,250.00	50	$11,250.00
Regan Tierney	$ 100	30	$3,000.00	30	$3,000.00
Creative					
Matthew Lenig	$ 225	10	$2,250.00	10	$2,250.00
Jeff Hunt	$ 150	10	$1,500.00	10	$1,500.00
Rob Hoffman	$ 100	10	$1,000.00	10	$1,000.00
Proofreader	$ 100	5	$500.00	5	$500.00
Creative Services/Production					
Todd Adams	$ 175	5	$875.00	5	$875.00
Andy Jefferson	$ 125		$0.00	0	$0.00
Creative Services Assistant	$ 100		$0.00	0	$0.00
Digital					
Interactive Developer	$ 150		$0.00	0	$0.00

Labor Totals	295	$51,625.00	295	$51,625.00

Hardcost Deliverable	Description	Cost (Gross)
Public Relations	Pass through cost of time and materials of a publicrealtions agency for 12 months	$ 30,000.00
Media	Misc and to beused as needed	$ 75,000.00
	Hardcost Total	$ 105,000.00

Tab Labor + Hardcost	**$ 156,625.00**

C-PACE Website Support

	Rate	Discovery/Assessment of Website & Related Digital Components		Development of Discovery Phase Report & Presentation Development of Estimate for Client Requested Online Tools			
	Rate	Hours	$	Hours	$	Total Hours	Total $
Account							
Cindy Jolicoeur	$ 225	5	$1,125.00	10	$2,250.00	15	$3,375.00
Mike Beamer	$ 200	10	$2,000.00	15	$3,000.00	25	$5,000.00
AAE	$ 100	5	$500.00	5	$500.00	10	$1,000.00
Media							
Andrea Lenig	$ 225		$0.00		$0.00		
Regan Tierney	$ 100		$0.00		$0.00	0	$0.00
Creative							
Matthew Lenig	$ 225		$0.00		$0.00	0	$0.00
Jeff Hunt	$ 150		$0.00		$0.00	0	$0.00
Rob Hoffman	$ 100		$0.00		$0.00	0	$0.00
Proofreader	$ 100		$0.00		$0.00	0	$0.00
Creative Services/Production							
Todd Adams	$ 175		$0.00		$0.00	0	$0.00
Andy Jefferson	$ 125		$0.00		$0.00	0	$0.00
Creative Services Assistant	$ 100		$0.00		$0.00		
Digital							
Interactive Developer	$ 150		$0.00		$0.00	0	$0.00
Labor Totals		20	$3,625.00	30	$5,750.00	50	$9,375.00

Hardcost Deliverable	Description	Cost (Gross)
Weld	Pass thorugh labor to do Discovery phase	$ 5,000.00
	Hardcost Total	$ 5,000.00

Tab Labor + Hardcost	**$ 14,375.00**

C-PACE General and Administrative Costs

	Rate	Status Report Development & Weekly Status Calls for 12 Months		Finance & Billing Support for 12 Months		C-PACE Recap			
	Rate	Hours	$	Hours	$	Hours	$	Total Hours	Total $
Account									
Cindy Jolicoeur	$ 225	30	$6,750.00	6	$1,350.00	10	$2,250.00	46	$10,350.00
Mike Beamer	$ 200	35	$7,000.00	7	$1,400.00	20	$4,000.00	62	$12,400.00
AAE	$ 100	45	$4,500.00	25	$2,500.00	10	$1,000.00	80	$8,000.00
Finance									
Debbie Liu	$ 175		$0.00	18	$3,150.00			18	$3,150.00
Media									
Andrea Lenig	$ 225	30	$6,750.00		$0.00	5	$1,125.00	35	$7,875.00
Regan Tierney	$ 100	15	$1,500.00		$0.00	5	$500.00	20	$2,000.00
Creative									
Matthew Lenig	$ 225		$0.00		$0.00		$0.00	0	$0.00
Jeff Hunt	$ 150		$0.00		$0.00		$0.00	0	$0.00
Rob Hoffman	$ 100		$0.00		$0.00		$0.00	0	$0.00
Proofreader	$ 100		$0.00		$0.00		$0.00	0	$0.00
Creative Services/Production									
Todd Adams	$ 175		$0.00		$0.00			0	$0.00
Andy Jefferson	$ 125		$0.00		$0.00		$0.00	0	$0.00
Creative Services Assistant	$ 100		$0.00		$0.00		$0.00	0	$0.00
Digital									
Interactive Developer	$ 150		$0.00		$0.00		$0.00	0	$0.00

Labor Totals	155	$26,500.00	56	$8,400.00	50	$8,875.00	261	$43,775.00

Hardcost Deliverable	Description	Cost (Gross)
Travel	Travel to CT, or as needed, for meetings, etc. for 12 months to serveice the C-PACE acct	$ 10,000.00
Misc	Misc to use as needeed	$ 10,000.00
	Hardcost Total	$ 20,000.00

Tab Labor + Hardcost	**$ 63,775.00**