



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

845 Brook Street  
Rocky Hill, Connecticut 06067

300 Main Street, 4th Floor  
Stamford, Connecticut 06901

T: 860.563.0015  
F: 860.563.4877  
www.ctcleanenergy.com

April 10, 2015

Dear Connecticut Green Bank Board of Directors:

We have a regular meeting of the Board of Directors scheduled for Friday, April 17, 2015 from 9:00 to 11:00 a.m. in the Colonel Albert Pope Board Room of the Connecticut Green Bank at 845 Brook Street, Rocky Hill, CT 06067.

You will note that for those attending in-person (and for those who want to stay online with us), we will be “soft launching” the new Connecticut Green Bank brand and microsite following the meeting. This is a very exciting time for the organization and we are all really enthusiastic to finally be launching our new Connecticut Green Bank identity. For those of you staying around for the launch, we will be providing light refreshments.

On the agenda we have the following items:

- **President’s Update** – I will report out on the progress we are making on legislative priorities, including the Governor’s Bill (i.e., the SHREC), C-PACE, and R-PACE.
- **Consent Agenda** – We have several items, including the meeting minutes for January 23, 2015 and a request to extend eleven (11) prior approved C-PACE transactions.
- **Commercial and Industrial Sector Programs** – we are bringing forth three (3) C-PACE transactions for your review and approval – totaling about \$4.9 million in financing. The larger of the transactions we brought to the Deployment Committee in March for recommendation to the full Board of Directors in April for approval contingent upon a revised investment structure that includes a sculpted reamortization schedule to reduce the long-term cash flow risks of the transaction. And we are also bringing back another transaction you have already approved because the property owner has decided to install a larger solar PV system as a result of successfully winning the ZREC auction. The finance team will also provide an update on the private capital RFP for C-PACE.
- **Residential Sector Programs** – we are bringing forth a recommendation to extend the CT Solar Lease an additional year. As you are aware, in partnership with US Bank, First Niagara, and Webster Bank, we created a \$60 million fund to invest in residential and commercial solar PV projects. We are requesting a one-year extension of the facility in order to invest all of the resources within the fund prior to changes in the federal ITC at the end of 2016. We will get you a memo on the extension request on Monday, April 13, 2015. We will also provide an update on our residential solar financing strategy. We are also bringing forth a guaranty and bridge loan for the Connecticut Housing Investment Fund to further our partnership with them and bring into alignment our financing products with the Smart-E Loan.

- **Sector Updates and Progress to Targets** – it is that time again for the team to provide an update on Q1 through Q3 progress to FY 2015 targets. We are making substantial progress deploying capital in several areas while still working through challenges – but making progress – in others. We have one more quarter in the fiscal year to deliver on our annual targets. We will also provide you with an updated picture of our financial position through February for FY 2015.
- **Executive Session** – per your request, we will spend some time discussing a draft succession plan for the Connecticut Green Bank. As you will see, the purpose of the plan is to ensure that the Green Bank has the senior leadership and key talent with the skills and depth of experience required to meet short, medium, and long-term operational and strategic plans of the organization. I look forward to having a conversation with you on the process, findings and recommendations.

If you have any questions, comments or concerns, please feel free to contact me at any time. Again, please join us following the meeting for the launch of the new Connecticut Green Bank brand and microsite.

We look forward to seeing you next week.

Sincerely,

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

Bryan Garcia  
President and CEO



# CLEAN ENERGY

## FINANCE AND INVESTMENT AUTHORITY

### AGENDA

Board of Directors of the  
Connecticut Green Bank  
845 Brook Street, Rocky Hill, CT 06067

Friday, April 17, 2015  
9:00– 11:00 a.m.

Staff Invited: George Bellas, Andy Brydges, Craig Connolly, Mackey Dykes, Brian Farnen,  
Bryan Garcia, Dale Hedman, Bert Hunter, Kerry O'Neill, and Genevieve Sherman

1. Call to order
2. Public Comments – 5 minutes
3. Update from the President – 5 minutes
4. Consent Agenda\* – 5 minutes
  - a. Approval of Meeting Minutes for January 23, 2015\*
  - b. Extension Request of Prior Approved C-PACE Transactions\*
5. Commercial and Industrial Sector Program Updates and Recommendations\* – 30 minutes
  - a. C-PACE Transactions\*
    - i. Bristol – C-PACE Transaction (Reapproval)\*
    - ii. Hamden – C-PACE Transaction\*
    - iii. Naugatuck – C-PACE Transaction\*
  - b. Update on Private Capital RFP
6. Residential Sector Program Updates and Recommendations\* – 30 minutes
  - a. CHIF Guaranty and Bridge Loan\*
  - b. Update and Request for Extension of the CT Solar Lease\*
  - c. Update on Residential Solar Financing Strategy
7. Sector Updates and Progress to Targets – 15 minutes
8. Executive Session\* – 30 minutes

9. Adjourn

\*Denotes item requiring Board action

Join the meeting online at <https://www4.gotomeeting.com/join/749661751>

Dial +1 (646) 749-3112

Access Code: 749-661-751

***Next Regular Meeting: Friday, June 19, 2015 from 9:00-11:00 a.m.  
Colonel Albert Pope Board Room at the  
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT***



# CLEAN ENERGY

## FINANCE AND INVESTMENT AUTHORITY

### RESOLUTIONS

Board of Directors of the  
Connecticut Green Bank  
845 Brook Street, Rocky Hill, CT 06067

Friday, April 17, 2015  
9:00– 11:00 a.m.

Staff Invited: George Bellas, Andy Brydges, Craig Connolly, Mackey Dykes, Brian Farnen,  
Bryan Garcia, Dale Hedman, Bert Hunter, Kerry O'Neill, and Genevieve Sherman

1. Call to order
2. Public Comments – 5 minutes
3. Update from the President – 5 minutes
4. Consent Agenda\* – 5 minutes
  - a. Approval of Meeting Minutes for January 23, 2015\*

#### Resolution #1

Motion to approve the minutes of the Board of Directors Regular Meeting for January 23, 2015.

- b. Extension Request of Prior Approved C-PACE Transactions\*

#### Resolution #2

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

**WHEREAS**, pursuant to the C-PACE program the Green Bank Board of Directors (the “Board”) or the Connecticut Green Bank Deployment Committee (the “Deployment Committee”) has approved and authorized the President of the Green Bank to execute financing agreements for the eleven (11) C-PACE projects described in the Memo submitted to the Board on April 10, 2015 (collectively, the “Finance Agreements”);

**WHEREAS**, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board or the Deployment Committee and shall be executed no later than 120 days from the date of Board or Deployment Committee approval; and

**WHEREAS**, due to delays in fulfilling pre-closing requirements for the C-PACE transactions listed above the Green Bank will need more time to execute the Finance Agreements.

**NOW**, therefore be it:

**RESOLVED**, that the Board extends authorization of the Finance Agreements to no later than 120 days from April 17, 2015 and consistent in every other manner with the original Board or Deployment Committee authorization for each Finance Agreement.

5. Commercial and Industrial Sector Program Updates and Recommendations\* – 30 minutes
  - a. C-PACE Transactions\*
    - i. Bristol Farms Associates – C-PACE Transaction (Re-approval)\*

### **Resolution #3**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$912,350 construction and (potentially) term loan under the C-PACE program to Bristol Farms Associates, LLC, the building owner of 1461 Farmington Avenue, Bristol, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the “Feasibility Study Loan”) from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred

ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated April 10, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from April 17, 2015;

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

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

ii. Hamden – C-PACE Transaction\*

#### **Resolution #4**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$3,473,197 construction and (potentially) term loan under the C-PACE program to 2319 Hamden Center I, LLC, the building owner of 2361 Whitney Avenue #B, Hamden, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated April 10, 2015, and as he or she shall deem to be in the

interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors; and

**RESOLVED**, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements, and that the lease on the property does not impact the Green Bank's ability to foreclose on the building.

iii. Naugatuck – C-PACE Transaction\*

### **Resolution #5**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$541,582 construction and (potentially) term loan under the C-PACE program to Albert's Hill Inc., the building owner of 300 Great Hill Road, Naugatuck, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated April 10, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from April 17, 2015;

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



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

b. Update on Private Capital RFP

6. Residential Sector Program Updates and Recommendations\* – 30 minutes

a. CHIF Guaranty and Bridge Loan\*

**Resolution #6**

**WHEREAS**, the Connecticut Green Bank (“Green Bank”) has an existing partnership with the Connecticut Housing Investment Fund (“CHIF”) focused on financing qualifying energy upgrades for affordable multifamily properties;

**WHEREAS**, the Green Bank and CHIF now desire to expand that partnership to provide long-term, low-cost financing to credit-challenged single-family homeowners for qualified energy upgrades;

**WHEREAS**, the Green Bank proposes extending a guaranty (the “Guaranty”), in an amount not to exceed \$1,500,000, to CHIF’s wholly-owned subsidiary the Connecticut Energy Efficiency Financing Company (“CEEFCo”) for the purpose of securing private capital to be used for financing energy upgrades for such credit-challenged customers; and

**WHEREAS**, the Green Bank further proposes extending a bridge loan (the “Bridge Loan”) to CEEFCo, in an amount not to exceed \$900,000, to be used for financing energy upgrades for credit-challenged customers until such private capital is sourced.

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank Board of Directors (“Board”) authorizes the President of the Green Bank and any other duly authorized officer of the Green Bank, to execute and deliver the Guaranty and Bridge Loan with terms and conditions consistent with the memorandum submitted to the Board dated April 10, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board.

**RESOLVED**, that the Board authorizes Green Bank staff to fund interest rate buy-downs (“IRBs”) associated with CEEFCo financing of credit-challenged single-family homeowners using existing budget allocated to IRBs for the Green Bank’s Smart-E loan program, as well as any such future budgetary authorization.

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

b. Update and Request for Extension of the CT Solar Lease\*

## **Resolution #7**

**WHEREAS**, at a special meeting of the Board of Directors of the Connecticut Green Bank (“Green Bank”) held on June 26, 2013, the Green Bank Board of Directors (the “Board”) approved resolutions for the CT Solar Lease 2 program (“Solar Lease 2”);

**WHEREAS**, the Green Bank intends to extend the duration of the tax equity and credit facilities supporting Solar Lease 2 and to implement certain changes in the mix of systems to be installed as set forth in the memorandum submitted to the Board dated April 10, 2015;

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank Board of Directors (“Board”) authorizes the President of the Green Bank and any other duly authorized officer of the Green Bank, to execute and deliver amendments and other related documentation to extend the duration of the tax equity and credit facilities supporting Solar Lease 2 and to implement certain changes in the mix of systems installed consistent with the memorandum submitted to the Board dated April 10, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board;

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

- c. Update on Residential Solar Financing Strategy
- 7. Sector Updates and Progress to Targets – 15 minutes
- 8. Executive Session\*– 30 minutes

## **Resolution #8**

**WHEREAS**, the Board of Directors of the Connecticut Green Bank (the “Green Bank”) requested that the President and CEO develop a succession plan (“the Succession Plan”) to ensure that the Green Bank has the senior leadership (i.e. Director level and above) and key talent with the skills and depth of experience required to meet the short, medium, and long-term operational and strategic plans of the organization;

**WHEREAS**, that the Succession Plan acknowledges the importance of developing future leaders and recognizing employee service;

**WHEREAS**, the Audit, Compliance and Governance, per Section 5.3.1(X) of the Bylaws of the Green Bank is responsible for the management of succession planning;

**WHEREAS**, the Succession Plan is a document drafted by the President and CEO for review by the Board of Directors; and

**WHEREAS**, the Succession Plan will serve as a roadmap for the Green Bank.

**NOW**, therefore be it:

**RESOLVED**, that the members of the Board of Directors will review and provide comments on the Succession Plan presented to the Board of Directors on April 17, 2015 to the Audit, Compliance and Governance Committee; and

**RESOLVED**, that the Audit, Compliance and Governance Committee is directed to take feedback from the Board of Directors and recommend final presentation of the Succession Plan to the Board of Directors at the regularly scheduled meeting on June 19, 2015.

9. Adjourn

\*Denotes item requiring Board action

Join the meeting online at <https://www4.gotomeeting.com/join/749661751>

Dial +1 (646) 749-3112

Access Code: 749-661-751

***Next Regular Meeting: Friday, June 19, 2015 from 9:00-11:00 a.m.  
Colonel Albert Pope Board Room at the  
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT***



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# **Board of Directors of the Connecticut Green Bank**

**Agenda Item #1**

Call to Order

April 17, 2015



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## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #2**

Public Comments

April 17, 2015



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## **Board of Directors of the Connecticut Green Bank**

### **Agenda Item #3**

Update from the President

April 17, 2015



- ▶ **Statements of Financial Interest** – please complete SFI by May 1<sup>st</sup>
- ▶ **Legislative Session** – organized various forums (e.g., January 29<sup>th</sup> with CEEF, February 23<sup>rd</sup> with DEEP and E&T Committee, March 17<sup>th</sup> with REEBA, and April 9<sup>th</sup> with Hydrogen Fuel Cell Coalition) and testified on bond funds and several proposed bills:
  - ▶ **House Bill No. 6991** – An Act Concerning the Commercial Property Assessed Clean Energy Program
  - ▶ **House Bill No. 6995** – An Act Concerning a Residential Property Assessed Clean Energy Program
  - ▶ **Governor’s Bill No. 6838** – An Act Concerning the Encouragement of Local Economic Development and Access to Residential Renewable Energy







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## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #4**

Consent Agenda

April 17, 2015



- ▶ **Approval of Minutes** – Board of Directors of January 23, 2015
- ▶ **Extension Request** – prior approved C-PACE transactions



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## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #5**

Commercial and Industrial Programs

April 17, 2015

# C-PACE

## Update



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- ▶ \$37.9 million closed (59) deals (including SL2);
- ▶ \$28.3 million (35) approved
- ▶ \$66.2 million since inception (including SL2)
- ▶ 109 towns = over 85% eligible market covered
- ▶ 33 banks have provided mortgage lender consent
- ▶ 38 contractors have approved projects
- ▶ Over 100 contractors registered



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## **Board of Directors of the Connecticut Green Bank**

### **Agenda Item #5ai**

Commercial and Industrial Programs

Bristol – C-PACE Transaction (Reapproval)

April 17, 2015

# 1461 Farmington Ave (Bristol)

## Ratepayer Payback



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- ▶ **\$912,350** to install 258 & 50kW solar PV system

**PHOTO REDACTED**

- ▶ Projected savings are **22,362 MMBtu** versus **\$912,350** 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 Bristol as it collects the C-PACE benefit assessment from the property owner.

# 1461 Farmington Ave (Bristol)

## Terms and Conditions



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- ▶ **\$912,350** construction loan at 5% and term loan set at a fixed 6%\* over the 20-year term
  - ▶ **\$912,350** loan against the property
    - ▶ Property valued at **REDACTED**
    - ▶ Loan-to-value ratio equals **REDACTED**; Lien-to-value ratio equals **REDACTED**
  - ▶ DSCR > **REDACTED**
- ▶ *\*This deal is part of a group marketing campaign, therefore the rate will be lower if the campaign reaches a critical dollar value of CPACE deals (5.75% for \$5M to 5% for \$20M of total deals)*

# 1461 Farmington Ave (Bristol)

## The Five W's



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- ▶ **What?** Receive approval for a **\$912,350** construction and (potentially) term loan under the C-PACE program to Bristol Farms Associates, LLC to finance the construction of specified energy upgrade
- ▶ **When?** Project to commence 2015
- ▶ **Why?** Allow Green Bank to finance this C-PACE transaction, continue to build momentum in the market, and potentially provide term financing for this project until Green Bank sells it along with its other loan positions in C-PACE transactions.
- ▶ **Who?** Bristol Farms Associates, LLC , the property owner of 1461 Farmington Ave, Bristol CT
- ▶ **Where?** 1461 Farmington Ave, Bristol CT





**REDACTED**

# Anticipated Green Bank cash flow



CEFIA Pro Forma			
<i>Project Basics</i>		<i>Cash Flows</i>	
Amount Financed	\$912,350	<u>Date</u>	<u>CEFIA \$</u>
Construction Period (years)	0.50	Feb 2015	<b>\$912,350</b>
Term (years)	20	Aug 2015	\$22,809
		Jan 2016	\$78,941
Construction Financing Rate	5.00%	Jan 2017	\$78,941
Term Financing Rate	6.00%	Jan 2018	\$78,941
		Jan 2019	\$78,941
Construction Interest Payment (bullet)	\$22,809	Jan 2020	\$78,941
Yearly Debt Service Payments (made semi-annually)	\$78,941	Jan 2021	\$78,941
		Jan 2022	\$78,941
		Jan 2023	\$78,941
		Jan 2024	\$78,941
		Jan 2025	\$78,941
		Jan 2026	\$78,941
		Jan 2027	\$78,941
		Jan 2028	\$78,941
		Jan 2029	\$78,941
		Jan 2030	\$78,941
		Jan 2031	\$78,941
		Jan 2032	\$78,941
		Jan 2033	\$78,941
		Jan 2034	\$78,941
		Jan 2035	\$78,941



**REDACTED**



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## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #5aii**

Commercial and Industrial Programs

Hamden – C-PACE Transaction

April 17, 2015

# 2361 Whitney Avenue #B (Hamden) Ratepayer Payback



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**PHOTO REDACTED**

- ▶ **\$3,473,197** to install 370kW solar PV system, Lighting upgrades, HVAC & EMS upgrades & Building Envelope upgrades
- ▶ Projected savings are **123,809 MMBtu** versus **\$3,473,197** 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 Hamden as it collects the C-PACE benefit assessment from the property owner.

# 2361 Whitney Avenue #B (Hamden)

## Terms and Conditions



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- ▶ **\$3,473,197** construction loan at 5% and term loan set at a fixed 5.85% over the 20-year term
- ▶ **\$3,473,197** loan against the property
  - ▶ Property valued at **REDACTED**
  - ▶ Loan-to-value ratio equals **REDACTED**; Lien-to-value ratio equals **REDACTED**
- ▶ DSCR > **REDACTED**

# 2361 Whitney Avenue #B (Hamden)

## The Five W's



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- ▶ **What?** Receive approval for a **\$3,473,197** construction and (potentially) term loan under the C-PACE program to 2319 Hamden Center I, LLC to finance the construction of specified energy upgrade
- ▶ **When?** Project to commence 2015
- ▶ **Why?** Allow Green Bank to finance this C-PACE transaction, continue to build momentum in the market, and potentially provide term financing for this project until Green Bank sells it along with its other loan positions in C-PACE transactions.
- ▶ **Who?** 2319 Hamden Center I, LLC, the property owner of 2361 Whitney Avenue #B, Hamden CT
- ▶ **Where?** 2361 Whitney Avenue #B, Hamden CT



**REDACTED**



# Anticipated Green Bank cash flow



Green Bank Pro Forma			
<i>Project Basics</i>		<i>Cash Flows</i>	
		<u>Date</u>	<u>CEFIA \$</u>
Amount Financed	\$3,473,197	May 2015	\$3,473,197
Construction Period (years)	0.50	Oct 2015	\$86,830
Term (years)	20	Jan 2016	\$320,000
Construction Financing Rate	5.00%	Jan 2017	\$320,000
Term Financing Rate	5.85%	Jan 2018	\$320,000
		Jan 2019	\$320,000
Construction Interest Payment (bullet)	\$86,830	Jan 2020	\$320,000
Yearly Debt Service Payments (semiannual, yrs 1-15)	\$320,000	Jan 2021	\$320,000
Yearly Debt Service Payments (semiannual, yrs 16-20)	\$182,559	Jan 2022	\$320,000
		Jan 2023	\$320,000
		Jan 2024	\$320,000
		Jan 2025	\$320,000
		Jan 2026	\$320,000
		Jan 2027	\$320,000
		Jan 2028	\$320,000
		Jan 2029	\$320,000
		Jan 2030	\$320,000
		Jan 2031	\$182,559
		Jan 2032	\$182,559
		Jan 2033	\$182,559
		Jan 2034	\$182,559
		Jan 2035	\$182,559



**REDACTED**



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## **Board of Directors of the Connecticut Green Bank**

### **Agenda Item #5aiii**

Commercial and Industrial Programs

Naugatuck – C-PACE Transaction

April 17, 2015

# 300 Great Hill Road (Naugatuck) Ratepayer Payback



**PHOTO REDACTED**

- ▶ **\$541,582** to install Lighting, HVAC, Controls & Roof Upgrades
- ▶ Projected savings are **2,989 MMBtu** per year versus **\$541,582** 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 Naugatuck as it collects the C-PACE benefit assessment from the property owner.

# 300 Great Hill Road (Naugatuck)

## Terms and Conditions



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- ▶ **\$541,582** construction loan at 5% and term loan set at a fixed 5.5% over the 15-year term
- ▶ **\$541,582** loan against the property
  - ▶ Property valued at **REDACTED**
  - ▶ Loan-to-value ratio equals **REDACTED**; Lien-to-value ratio equals **REDACTED**
- ▶ DSCR > **REDACTED**

# 300 Great Hill Road (Naugatuck)

## The Five W's



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- ▶ **What?** Receive approval for a **\$541,582** construction and (potentially) term loan under the C-PACE program to Albert's Hill Inc. to finance the construction of specified energy upgrade
- ▶ **When?** Project to commence 2015
- ▶ **Why?** Allow Green Bank to finance this C-PACE transaction, continue to build momentum in the market, and potentially provide term financing for this project until Green Bank sells it along with its other loan positions in C-PACE transactions.
- ▶ **Who?** Albert's Hill Inc., the property owner of 300 Great Hill Road, Naugatuck CT
- ▶ **Where?** 300 Great Hill Road, Naugatuck CT



**REDACTED**

# Anticipated Green Bank cash flow



## CEFIA Pro Forma

<i>Project Basics</i>		<i>Cash Flows</i>	
		<u>Date</u>	<u>CEFIA \$</u>
Amount Financed	\$541,582	Jun 2015	<b>\$541,582</b>
Construction Period (years)	0.42	Oct 2015	\$11,283
Term (years)	15	Jan 2016	\$53,491
Construction Financing Rate	5.00%	Jan 2017	\$53,491
Term Financing Rate	5.50%	Jan 2018	\$53,491
		Jan 2019	\$53,491
Construction Interest Payment (bullet)	\$11,283	Jan 2020	\$53,491
Yearly Debt Service Payments (made semi-annually)	\$53,491	Jan 2021	\$53,491
		Jan 2022	\$53,491
		Jan 2023	\$53,491
		Jan 2024	\$53,491
		Jan 2025	\$53,491
		Jan 2026	\$53,491
		Jan 2027	\$53,491
		Jan 2028	\$53,491
		Jan 2029	\$53,491
		Jan 2030	\$53,491





**REDACTED**



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## **Board of Directors of the Connecticut Green Bank**

### **Agenda Item #5b**

Commercial and Industrial Programs

Update on Private Capital RFP

April 17, 2015

# Commercial and Industrial Programs

## Update on Private Capital RFP



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### Summary of Needs for Additional Private Capital

#### ▶ Volume

- ▶ The Green Bank able to finance \$40M of C-PACE assessments on balance sheet
- ▶ Pre-sold \$30M portfolio of projects in 2014
- ▶ \$65M deals approved, currently rate \$4 - \$5M per month

#### ▶ Market

- ▶ External lender of record / SPV structure
- ▶ Supporting private origination models / less Green Bank capital

#### ▶ Economic

- ▶ Recapture economics to fund Green Bank origination and administration activities

#### ▶ Partnership potential

- ▶ Ability to take on some Green Bank functions will be evaluated during RFP and taken into account

# Commercial and Industrial Programs

## Update on Private Capital RFP



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### CRITERIA

- ▶ **Program and administrative cost recapture at minimum**
- ▶ **Value capture for the Green Bank, including:**
  - ▶ revenue potential for the Green Bank to recover some of its substantial upfront investment in C-PACE
- ▶ **Economic attractiveness to borrowers**
  - ▶ Low cost of capital and maximum advance rate / Minimum fees
- ▶ **Structure**
  - ▶ QCP or an SPV to be the Lender of Record (State contracting provisions)
  - ▶ Clarify term financing arrangements & ability to scale with program growth
- ▶ **Integration with current program operations**
  - ▶ Mutually designed underwriting criteria with ability to accommodate exceptions
  - ▶ Financing terms that are economically compatible with borrower rates and terms as published in the C-PACE program guidelines
- ▶ **Process**
  - ▶ Simplified documentation & compatible with program objectives

# Commercial and Industrial Programs

## Update on Private Capital RFP



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### STATUS

- ▶ Received several proposals to fulfill our needs and objectives
- ▶ Proposals from the best financial services firms, including:
  - ▶ 4 Global banking/investment banking firms (\$125 Bn to >\$1 Tn)
  - ▶ 2 “broker dealers” with mortgage-backed / ABS experience
  - ▶ A Billion \$ “Yieldco/REIT”
- ▶ \$50M - \$200M in facilities (\$50M minimum per RFP)
- ▶ Structured from “whole loan” purchase to a “warehouse” / securitization option
- ▶ All offered an ability to scale
- ▶ Short list (2) by 4/27 with final selection 1<sup>st</sup> week of May
- ▶ Complete term sheet with selected CP by end May
- ▶ Facility in place mid-summer



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FINANCE AND INVESTMENT AUTHORITY

## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #6**

Residential Sector Programs

April 17, 2015

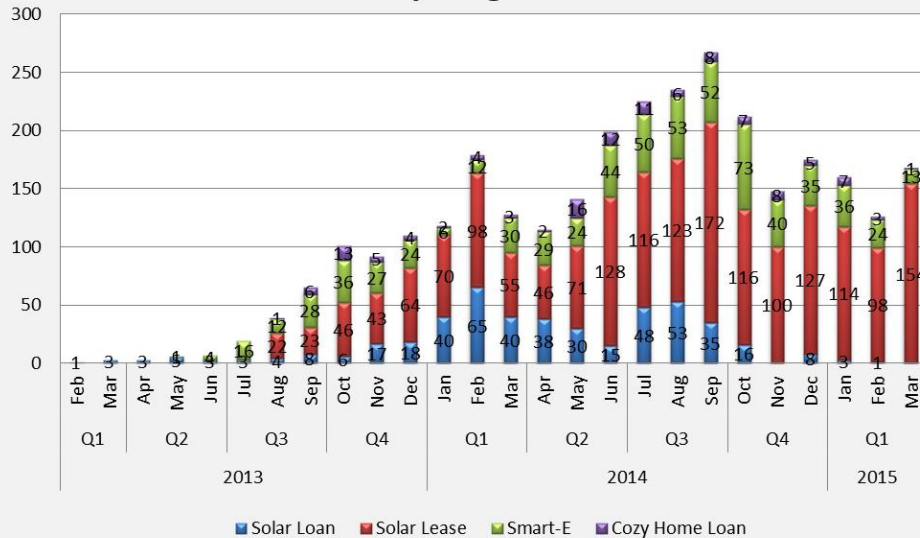
# Residential Sector

## Single Family/1-4 Update



**Applications # Received by Month by Program**

3/30/2015



- ▶ **Over 3000 applications to date across 4 products**
  - ▶ 52% pull-through to approval/close
  - ▶ Good credit quality and early performance
- ▶ **\$43.5M in Approved/Closed projects to date**
  - ▶ 1,063 Closed Projects for \$26.7M
  - ▶ 494 Approved Projects for \$16.8M
- ▶ **220+ Eligible contractors**
  - ▶ Top 10 contractors = 40% of apps to date
  - ▶ 121 have submitted projects, 55%
- ▶ **17 capital providers**

Product	Applications	Closed Loan/Lease (#)	Closed Loan / Lease (\$'s)	Avg. Loan / Lease	Approved (#)	Approved (\$'s)
CT Solar Lease	1786	419	\$14.9M	\$35,500	452	\$16.2M
CT Solar Loan	462	279	\$5.9M	\$21,300	2	\$0.04M
Smart-E	670	363	\$5.9M	\$16,100	40	\$0.6M
Cozy Home	124	2	\$0.02M	\$9,600	0	\$0.0M
<b>Grand Total</b>	<b>3,042</b>	<b>1,063</b>	<b>\$26.7M</b>	<b>\$25,100</b>	<b>494</b>	<b>\$16.8M</b>

# Residential Sector

## Single Family/1-4 Update



- ▶ **CT Solar Lease** – Strong momentum driven by promotion to incent faster closings, Solarize campaigns ending, and change to application requirements
  - ▶ ~\$8M in projects left to acquire – final applications sometime over summer
- ▶ **Smart-E** – Solid momentum driven by great lender engagement and Bundle offer, but still contending with ratepayer subsidized loan programs
- ▶ **EnergizeCT product coordination** –with DEEP, EEB, Green Bank, Utilities
  - ▶ **Encouraging**: CHIF/Smart-E product rationalization where Smart-E lenders will serve “mainstream” customers and CHIF will serve “credit challenged” customer and small \$ payment plan loan; on-bill repayment
  - ▶ **Concerning**: Expect extension request of gas companies’ 0% Heating Loan; Energize Norwich/Smart-E model showed significant ramp of uptake without 0%
- ▶ **Low Income** – Cozy social service agency outreach under way, successful Operation Fuel regional meetings with local fuel banks, but declines still high due to DTI, will evaluate in Sep.; success modifying single family standards with DOH



# Residential Sector Smart-E Update

- ▶ ~\$1M closed in 2013, ~\$4M 2014, ~1M in 1<sup>st</sup> 2 months of 2015
  - ▶ 1<sup>st</sup> quarter typically slow for consumer lending, already 300% increase over last year
- ▶ **9 lenders participating** – 3 are 70% of volume (Eastern Savings Bank, CorePlus Credit Union Nutmeg Financial Credit Union)
- ▶ **Strong credit portfolio:** 750 FICO, 31% DTI, 1 delinquency, 0 defaults
- ▶ **Average loan size going up across board** – Bundle major driver of recent volume, particularly solar bundles with lenders who go up to \$40,000
  - ▶ HVAC (50%) and Solar (33%) most popular; 1/3 projects have 2+ measures



**Spring for Home Improvements**

Enjoy 6 months no interest with a Smart-E loan!

Spring is the perfect time to start that energy improvement project you've put off all winter.

WINDOW REPLACEMENT · HEATING AND COOLING  
FUEL CONVERSION · SOLAR SYSTEMS · INSULATION

WITH SMART-E,  
**COMFORT AND SAVINGS ARE CHILD'S PLAY.**

NO MONEY DOWN & LONG TERM, LOW INTEREST FINANCING




	5 Yr.	7 Yr.	10 Yr. (Reg.)	10 Yr. (Bundle)	12 Yr.
% of Loans	34%	15%	19%	22%	8%
Avg. Loan	\$10,500	\$12,600	\$16,100	\$25,200	\$19,500

# Residential Sector Multifamily Update



- ▶ **Pipeline growing** – 4 closed projects, 28 in underwriting (2078 units); Over 100 properties under initial assessment/evaluation
  - ▶ Marketing and outreach through municipalities helps drive this: Bridgeport event held, Norwalk, New Haven, Stamford coming up
- ▶ **Green Bank–CHFA partnership** – netting results
  - ▶ Solarize for State Sponsored Housing Portfolio initiative has seen 20 projects in 12 housing authorities get ZREC awards
  - ▶ Supporting benchmarking of 500+ affordable multifamily buildings
- ▶ **Capacity ramp-up** – 1 staff, 4 new consultants
- ▶ **Low Income** – outreach conducted with wide set of stakeholders, onto planning
  - ▶ Working with DEEP, DOH, CHFA and utilities on analysis for interagency goal setting and recommendations into EEB 3 year Conservation and Load management plan
  - ▶ DEEP coordinating LEAN exercise for providers to make process easier for owners & developers to access resources: Green Bank, DOH, CHFA, CHIF, HUD, utilities, etc.





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FINANCE AND INVESTMENT AUTHORITY

## **Board of Directors of the Connecticut Green Bank**

### **Agenda Item #6a**

Residential Sector Programs

CHIF Guaranty and Bridge Loan

April 17, 2015

# CEEFCo Recapitalization

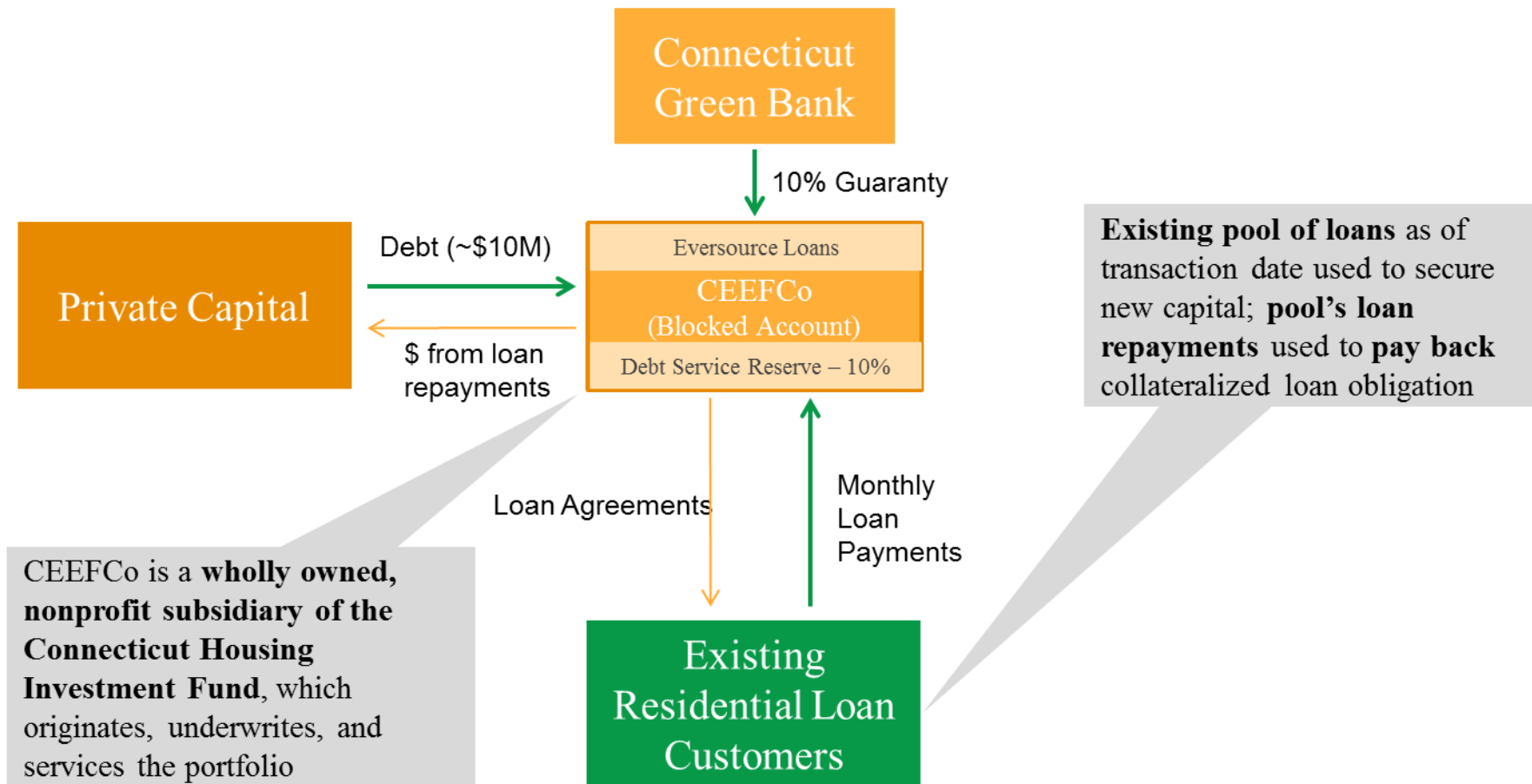
## Guaranty and Bridge Loan Request



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- ▶ **CHIF seeking liquidity event to raise new capital for further residential energy efficiency lending, with a specific focus on credit-challenged customers (FICO < 680)**
  - ▶ Capital raise underway, via financing of existing CEEFCo portfolio
    - ▶ Multiple private financial institutions interested in providing capital
    - ▶ ~80% “advance rate” against a portfolio of ~\$12.5 - \$14M (~\$10 – 11M raise)
    - ▶ **REQUEST:** Green Bank provide 10% guaranty ( $\leq$  \$1,500,000) to support portfolio financing and ensure low cost of capital secured
  - ▶ Prior to closing new capital facility, CHIF continuing to lend through CEEFCo
    - ▶ No new ratepayer allocation for resi financing from CEEF, per joint Green Bank / CEEF strategy
    - ▶ Bridge capital needed so as not to disrupt market as existing funds run out
    - ▶ **REQUEST:** Green Bank provide bridge loan ( $\leq$  \$900,000) with maturity in calendar year 2015 and incentive for full repayment by August 31, 2015

# CEEFCo Recapitalization Cash Flow Diagram



CEEFCo is a **wholly owned, nonprofit subsidiary of the Connecticut Housing Investment Fund**, which originates, underwrites, and services the portfolio

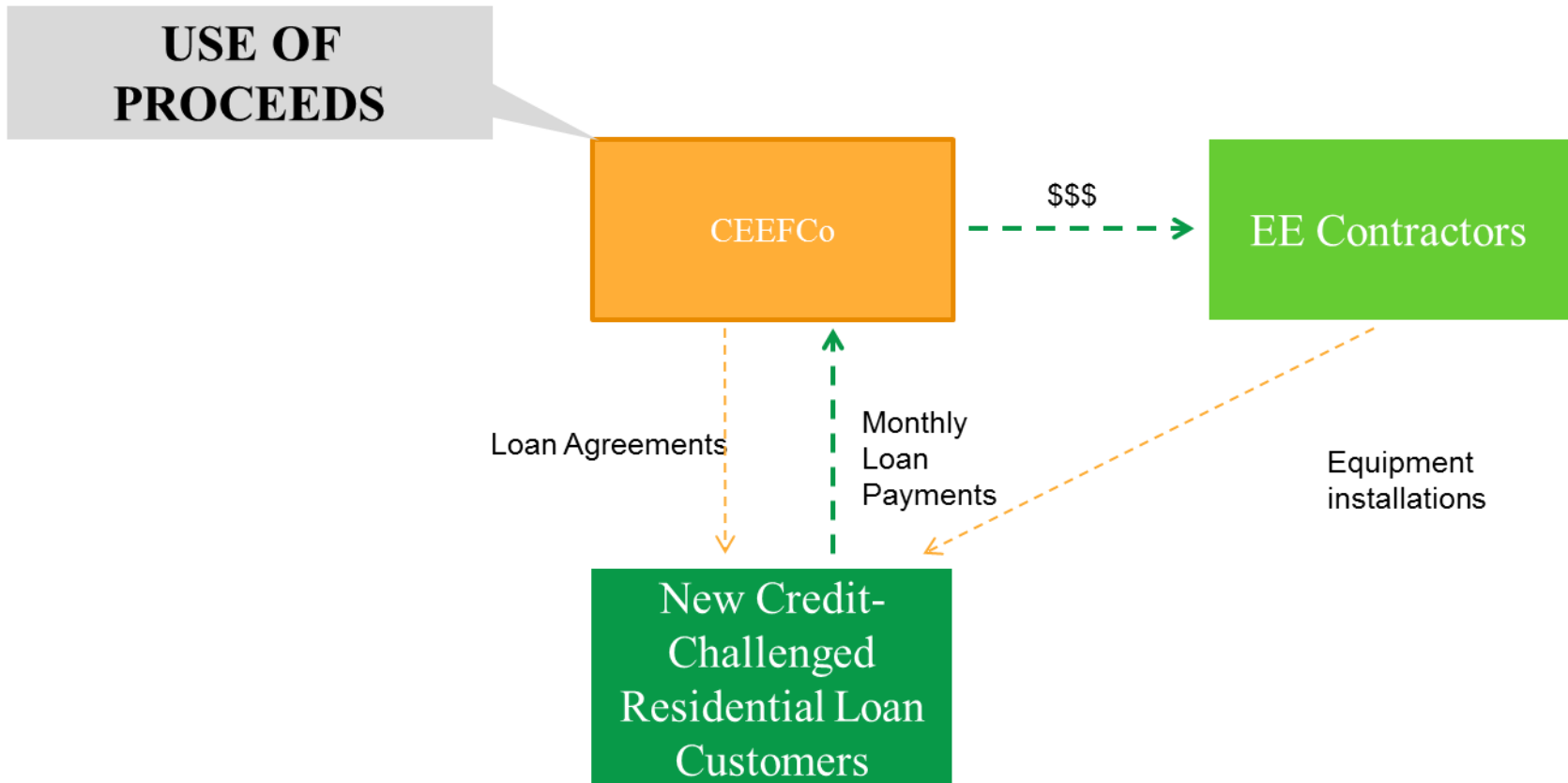
**Existing pool of loans** as of transaction date used to secure new capital; **pool's loan repayments** used to **pay back** collateralized loan obligation

# CEEFCo Recapitalization

## Use of Proceeds



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## **Board of Directors of the Connecticut Green Bank**

### **Agenda Item #6b**

Residential Sector Programs

Update and Request for Extension of the CT Solar Lease

April 17, 2015

# Update and Request for Extension CT Solar Lease



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- ▶ **Approved & Closed June 2013**
- ▶ **\$60M Resi + Commercial Scale Solar PV Fund**
  - ▶ \$9.5M Green Bank Investment + \$50.5M Tax Equity & Debt Capital
- ▶ **19 Residential Contractors & several Commercial**
- ▶ **1,800 residential applications P-T-D**
- ▶ **More commercial pipeline than capacity**
- ▶ **Overall ~40% of the fund utilized**
  - ▶ 462 residential systems (3.7Mw, \$17M total investment) approved by the fund
  - ▶ (total of >900 residential systems / 7.5Mw anticipated)
  - ▶ 6 commercial scale projects (2 multi-site) – 1.8 Mw - \$6.1M total investment
  - ▶ (total of 40-50 commercial projects / 9Mw+ anticipated)

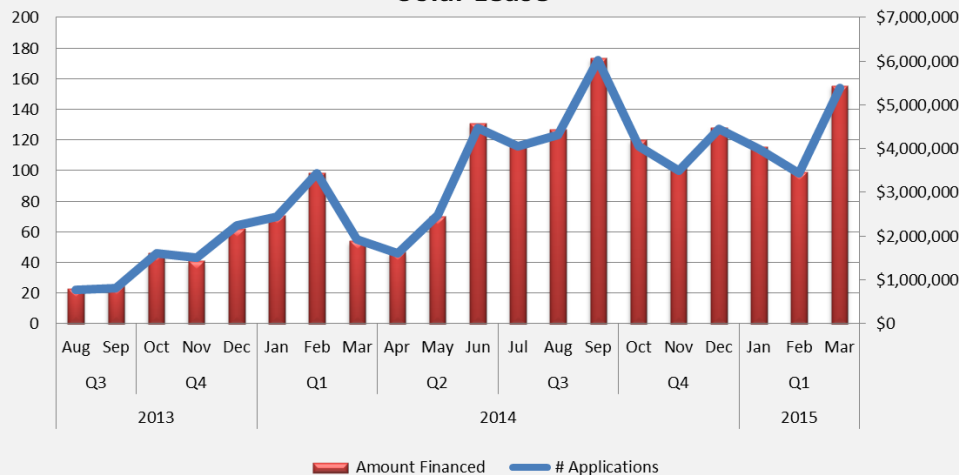


# CT Solar Lease

## Residential Volume as of 3/31/15

**Applications Received by Month  
Solar Lease**

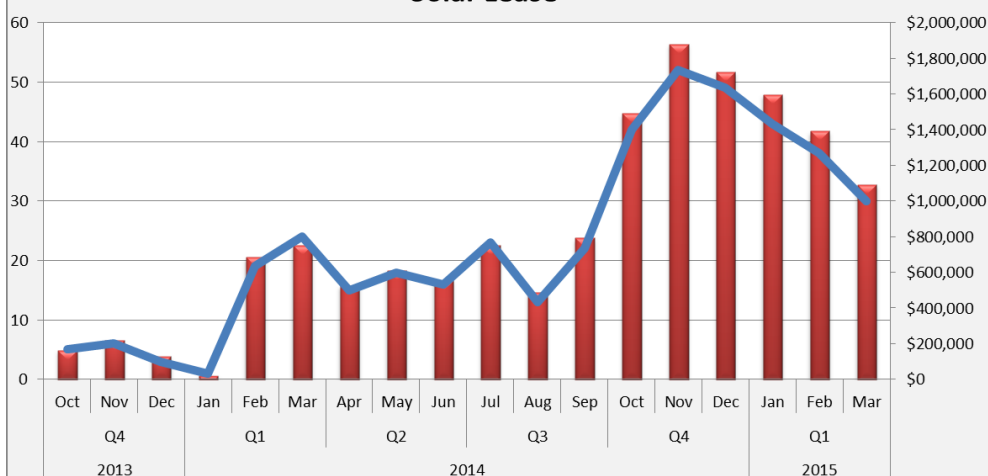
3/30/2015



- 1120 applications FY15 to date (Jul-Mar)
  - Quarter ended was 2<sup>nd</sup> biggest to date
  - 1786 apps to date from 17 installers
- 312 leases executed FY'15 to date vs. target of 270
  - 419 executed to date for \$14.9M, \$35,60 avg. value, 7.9 kW STC avg.

**Applications Closed by Month  
Solar Lease**

3/30/2015



- 483 approved or in process for \$17.2M
- 369 leases submitted to US Bank to date (for tranche A – \$13.9M, 256 for tranche B – \$9.6M)
- 26% decline rate, 33% withdrawn – 41% yield
- 19 PV Contractors eligible to offer CT Solar Lease, 4 SHW

# CT Solar Lease

## Representative Commercial Project #1



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- ▶ **JCC of Greater New Haven**
  - ▶ 750 kW ground mount system, producing 880,000 kWh annually
  - ▶ \$2.3 million construction project

- ▶ **First PACE-secured PPA in the country**
- ▶ **20-year PPA**
- ▶ **Source of community pride:**  
<http://www.jccnh.org/solar-carports>



# CT Solar Lease Representative Commercial Project #2



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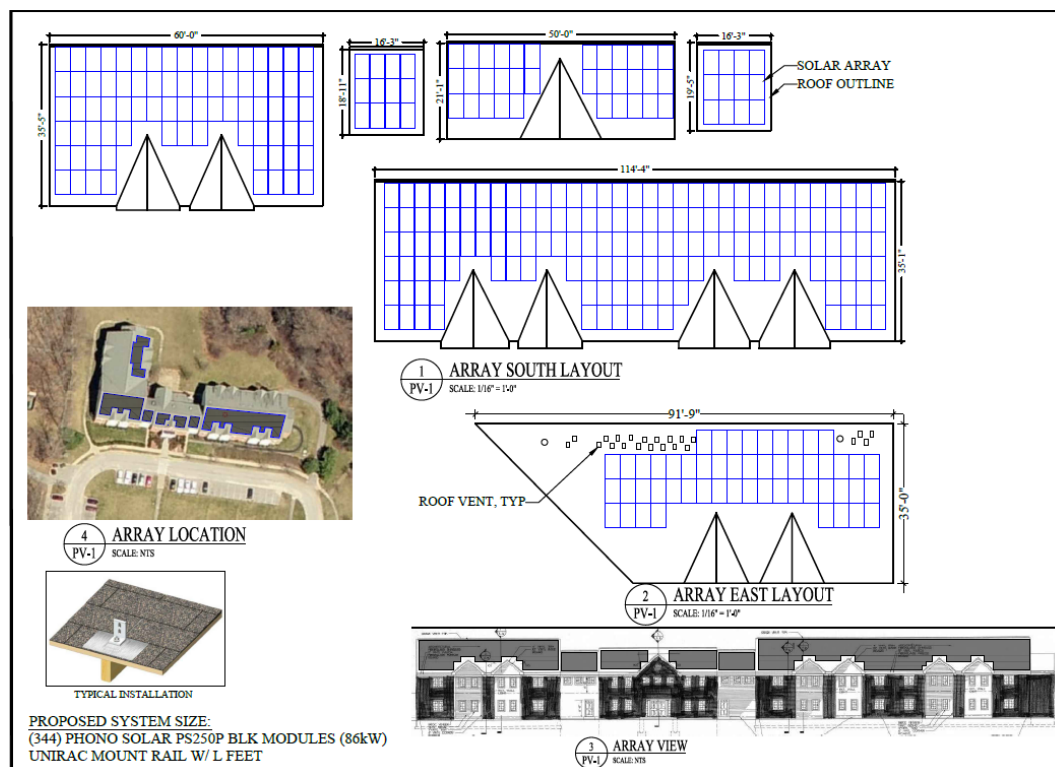
## ▶ Town of Ashford Multi-Site

- ▶ Three town projects, totaling 117 kW, and generating 150,000 kWh annually
- ▶ \$385,000 construction project

## ▶ Serving the community holistically (Town Hall, Firehouse, Senior Housing)

## ▶ 20-year PPA

## ▶ First Green Bank solar PPA serving the multifamily sector



# Update and Request for Extension CT Solar Lease



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- ▶ **Approved & Closed June 2013**
- ▶ **Original term 2 years (to 7/31/15)**
- ▶ **Need additional time to fully utilize fund**
- ▶ **All the parties have agreed “in principle” to extend 1 yr**
- ▶ **Expect final residential applications ~mid-summer**
  - ▶ **Transition to new partner per RFP in the works**
- ▶ **Expect final commercial contracts ~early fall**
  - ▶ **Transition to new partner being actively considered**
- ▶ **Final residential & commercial systems completed by end March (or so)**
- ▶ **Final wrap June/July 2016**



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FINANCE AND INVESTMENT AUTHORITY

## **Board of Directors of the Connecticut Green Bank**

### **Agenda Item #6c**

Residential Sector Programs

Update on Residential Solar Financing Strategy

April 17, 2015

# Residential Sector

## Update on Solar Financing Strategy



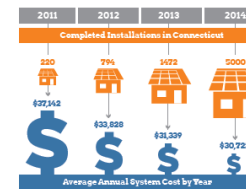
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FINANCE AND INVESTMENT AUTHORITY

- ▶ **State of play** – Rapid maturation of solar financing market matured quickly since we launched CT Solar Lease/Loan
  - ▶ Difficult for Green Bank to keep pace with market features
  - ▶ Credit enhancements not needed for market rate customers
- ▶ **Transitioning to Future State:**
  - ▶ **Focus on underserved markets w/ credit enhancement \$'s**
  - ▶ **Find one or more lease providers** for independent installers
  - ▶ **Running RFP process now**
    - ▶ Expect to select 1<sup>st</sup> independent lease provider and 1<sup>st</sup> low income solar financing partner by end of June
  - ▶ **GoSolarCT becomes the trusted source** for consumers
    - ▶ Homeowner resources: Solar Market Spotlight, web resources
    - ▶ Communications: e.g. earned media tour just wrapped up, collaboration with Dept. of Consumer Protection and Attorney General's office on consumer advisory



Go Solar CT's Solar Market Spotlight is shining a light on the current trends and economic benefits of solar PV, making it easier than ever before for homeowners to shop solar. Since 2011, the average cost of a residential solar PV system has decreased by 17%. Solar has never been more affordable.

### SOLAR TRENDS



**9610 SOLAR HOMES**  
Total Projects approved, in progress, and completed as of 12/31/14

**-17% DECREASE IN SYSTEM COST**  
Average costs decline since 2011

### CURRENT ECONOMICS\*

Average Total System Cost**	\$30,722
Average CGB RSP Incentive	\$4,725
System Cost after Incentive	\$25,997
30% Federal Investment Tax Credit	\$7,799
Average Cost to Homeowner	\$18,197

- Tips for Comparing Solar Quotes**  
It's important to shop around when you go solar. When reviewing residential solar installation quotes, here are a few primary factors to consider:
- ✓ Assumptions being used for your annual electric usage and cost, and the rate of escalation for future electric costs (we recommend a 3.0% escalation rate over a 25 year period)
  - ✓ Installed cost per Watt
  - ✓ Total system size

gogolarCT.com  
Solar Market Spotlight  
Volume 1 Issue 1 February 2015

Connecticut homeowners can learn all you need to know about solar energy systems at [www.GoSolarCT.com](http://www.GoSolarCT.com). Our web site combines objective, timely and comprehensive information with actionable advice to help you make informed decisions. Here are a few of the valuable resources available online.

**WHY GO SOLAR?** 10 REASONS

**Why go solar?** Here's a great place to start if you want to learn the benefits of going solar. [www.gosolarct.com/Why-Solar/Why-Go-Solar](http://www.gosolarct.com/Why-Solar/Why-Go-Solar)

**Solar 101** Once you understand the benefits, check out this video to learn about how solar works. [www.gosolarct.com/Why-Solar/Solar-101](http://www.gosolarct.com/Why-Solar/Solar-101)

**Buyers Guide** Learn about evaluating solar panel quality, how to choose equipment, find reviews, and more. [www.gosolarct.com/Why-Solar/Buyers-Guide](http://www.gosolarct.com/Why-Solar/Buyers-Guide)

**Frequently Asked Questions**

- How do I know if my home is suitable for solar?
- What sort of maintenance is required?
- How will solar affect my home's value?

Find answers to these and other common questions at [www.GoSolarCT.com](http://www.GoSolarCT.com) or email us at [info@gosolarct.com](mailto:info@gosolarct.com).

**Spotlight Success Story**

**THE CURRANS**  
They're saving \$1,353 a year on energy costs. The Currans were eager to find sustainable projects to help them save energy and money at home but found many of the investments too pricey to afford on their own. That's when they learned about the Smart-E Loan program, which helped them overcome the barriers of going solar. They're now saving over \$1,350 a year and putting money away for the future.

**ABOUT THE PROJECT**  
Location: Waterbury, CT  
Building Type: Split Ranch  
Building Year: 2,600 sq ft  
Year Built: 1979  
Project: 26 Solar Panels  
Total Project Cost: \$35,000  
CFEIA Financing Smart-E Loan  
Annual Energy Cost Savings: \$1,353  
Estimated Solar Panel Energy Production: 8,427 kWh/year  
Approximate Total Home Energy Usage: 26,781 kWh/year

For more information visit [www.GoSolarCT.com](http://www.GoSolarCT.com).



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #7**

Sector Updates and Progress to Targets

April 17, 2015

# Commercial and Industrial Programs

## FY 2015 Targets and Progress



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

### *Installed Capacity (MW) and Annual Clean Energy Generated and Saved (MMBtu)*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed)	+	Q1 – Q3 Closed	=	Total Approved & Closed	FY 2015 Targets
CT Solar Lease	0.1 / 366	-	0.0 / 0		1.0 / 3,144		1.0 / 3,144	-
C-PACE	1.4 / 18,419	0.9 / 11,452	6.4 / 50,931		3.2 / 35,876		9.6 / 86,807	8.8 / 114,517
Total	1.5 / 18,785	0.9 / 11,452	6.4 / 50,931		4.2 / 39,020		10.6 / 89,951	8.8 / 114,517

### *Projects and Funding*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed)	+	Q1 – Q3 Closed	=	Total Approved & Closed	FY 2015 Targets
Projects	10	6	35		33		68	63
Capital Deployed	\$5,801,503	\$5,000,000	\$28,209,404		\$19,662,637		\$47,872,041	\$50,000,000

**REFERENCES**

Closed includes closed and completed.  
Total Approved & Closed Projects = 25% EE, 58% RE and 17% Both.



# Institutional Programs

## FY 2015 Targets and Progress



### *Installed Capacity (MW) and Annual Clean Energy Generated and Saved (MMBtu)*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed)	+ Q1 – Q3 Closed	= Total Approved & Closed	FY 2015 Targets
Institutional Off-Credit ESA	0.0 / 0	0.0 / 0.0	0.0 / 0	0.0 / 0	0.0 / 0	0.0 / 66,668
LBE – Municipal	0.0 / 0	0.0 / 55,556	0.0 / 0	0.0 / 0	0.0 / 0	0.0 / 166,667
LBE- State	0.0 / 0	0.0 / 76,191	0.0 / 0	0.0 / 0	0.0 / 0	0.0 / 266,668
CT Solar Lease	0.1 / 447	0.4 / 1,674	0.0 / 0	1.3 / 4,338	1.3 / 4,338	2.0 / 8,370
<b>Total</b>	<b>0.1 / 447</b>	<b>0.4 / 133,421</b>	<b>0.0 / 0</b>	<b>1.3 / 4,338</b>	<b>1.3 / 4,338</b>	<b>2.0 / 508,373</b>

### *Projects and Funding*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed)	+ Q1 – Q3 Closed	= Total Approved & Closed	FY 2015 Targets
Projects	3	6	0	13	13	25
Capital Deployed	\$549,011	\$41,200,000	\$0	\$4,216,917	\$4,216,917	\$166,000,000

**REFERENCES**

Closed includes closed and completed.  
Total Approved & Closed Projects = 100% RE.

# Residential Programs

## FY 2015 Targets and Progress



### *Installed Capacity (MW) and Annual Clean Energy Generated and Saved (MMBtu)*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed)	+	Q1 – Q3 Closed	=	Total Approved & Closed	FY 2015 Targets
Cozy Home	0.0 / 0	0.0 / 204	0.0 / 0		0.0 / 10		0.0 / 10	0.0 / 680
Smart-E	0.3 / 1,282	0.2 / 1,380	0.2 / 857		0.8 / 5,137		1.0 / 5,994	0.7 / 5,518
Solar Lease	0.9 / 2,944	0.6 / 2,380	3.8 / 12,406		2.5 / 8,085		6.3 / 20,491	2.8 / 10,920
Solar Loan*	0.2 / 429	0.9 / 3,361	0.9 / 2,765		1.1 / 3,642		2.0 / 6,407	3.3 / 12,744
<b>Total</b>	<b>1.4 / 4,655</b>	<b>1.7 / 7,325</b>	<b>4.9 / 16,028</b>		<b>4.4 / 16,874</b>		<b>9.3 / 32,902</b>	<b>6.8 / 29,862</b>

### *Projects and Funding*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed)	+	Q1 – Q3 Closed	=	Total Approved & Closed	FY 2015 Targets
Projects	173	295	645		666		1,311	1,195
Capital Deployed	\$5,976,095	\$6,810,000	\$21,414,352		\$20,599,526		\$42,013,878	\$28,502,500

**REFERENCES**

Smart-E lender data is as of 02/28/2015.

Closed includes closed and completed.

Total Approved & Closed Projects = 10% EE, 82% RE, 3% Both and 5% unknown.

# Statutory and Infrastructure Programs

## FY 2015 Targets and Progress



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

### *Installed Capacity (MW) and Annual Clean Energy Generated and Saved (MMBtu)*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed) +	Q1 – Q3 Closed =	Total Approved & Closed	FY 2015 Targets
CHP and AD	0.0 / 0	2.5 / 115,602	6.7 / 423,020	0.0 / 0	6.7 / 423,020	14.8 / 684,364
Grid and Infrastructure	0.0 / 0	0.0 / 0	0.0 / 0	5.0 / 26,900	5.0 / 26,900	0.0 / 0
RSIP	14.1 / 45,858	5.8 / 22,889	N/A	38.8 / 125,922	38.8 / 125,922	23.1 / 91,556
Total	14.1 / 45,858	8.3 / 138,491	6.7 / 423,020	43.8 / 152,822	50.5 / 575,842	37.9 / 775,920

### *Projects and Funding*

Program	Q3 Closed	Q3 Targets	Approved (but not yet Closed) +	Q1 – Q3 Closed =	Total Approved & Closed	FY 2015 Targets
Projects	1,803	806	6	5,064	5,070	3,217
Capital Deployed	\$63,795,621	\$50,100,000	\$79,228,217	\$194,589,955	\$273,818,172	\$207,100,000

**REFERENCES**

Due to historically high average of approved projects moving to completion, RSIP projects are counted as closed upon approval.  
Total Approved & Closed Projects = 100% RE.

# Financial Position

## Statement of Net Position – February 2015



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

	<u>Feb 28, 2015</u>	<u>Feb 28, 2014</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash - unrestricted	\$ 45,523,339	\$ 69,989,592	\$(24,466,253)
Cash - restricted	\$ 3,905,512	\$ 4,506,123	\$ (600,611)
Total Cash	\$ 49,428,851	\$ 74,495,715	\$(25,066,864)
Other Current Assets	\$ 9,441,414	\$ 3,476,077	\$ 5,965,337
<i>Total Current Assets</i>	\$ 58,870,265	49% \$ 77,971,792	70% \$(19,101,527)
<i>Non Current Assets</i>			
Investment/advances to affiliates	\$ 18,872,089	\$ 6,568,069	\$ 12,304,020
Program Loans & Investments	\$ 39,103,029	\$ 24,684,580	\$ 14,418,449
Other assets	\$ 2,352,671	\$ 2,533,860	\$ (181,189)
<i>Total noncurrent assets</i>	\$ 60,327,789	51% \$ 33,786,509	30% \$ 26,541,280
<b>TOTAL ASSETS</b>	<u>\$ 119,198,054</u>	<u>\$ 111,758,301</u>	<u>\$ 7,439,753</u>
<b>LIABILITIES &amp; NET POSITION</b>			
Current Liabilities	\$ 947,810	\$ 1,293,373	\$ (345,563)
Net Position			
Investment in capital assets	\$ 283,283	\$ 316,371	\$ (33,088)
Restricted	\$ 3,905,512	\$ 4,506,123	\$ (600,611)
Unrestricted	\$ 114,061,449	\$ 105,642,434	\$ 8,419,015
<i>Total Net Position</i>	\$ 118,250,244	\$ 110,464,928	\$ 7,785,316
<b>TOTAL LIABILITIES &amp; NET POS.</b>	<u>\$ 119,198,054</u>	<u>\$ 111,758,301</u>	<u>\$ 7,439,753</u>
Unfunded program commitments:	<u>\$ 102,600,000</u>		

# Financial Position

## Statement of Revenues and Expenses - February



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

	<u>Jul - Feb 15</u>		<u>Jul - Feb 14</u>		<u>\$ Change</u>	
<b>Revenues</b>						
Utility customer assessments	\$ 18,651,551	65%	\$ 19,209,380	64%	\$ (557,829)	-3%
RGGI auction proceeds-renewables	\$ 2,864,656	10%	\$ 4,255,191	14%	\$ (1,390,535)	-33%
RGGI auction proceeds-energy efficiency	\$ 5,615,228	20%	\$ 5,973,878	20%	\$ (358,650)	-6%
Interest income	\$ 544,921	2%	\$ 415,502	1%	\$ 129,419	31%
Interest income, capitalized	\$ 392,201	1%	\$ -		\$ 392,201	
Other revenue	\$ 669,440	2%	\$ 388,209	1%	\$ 281,231	72%
<b>Total Revenues</b>	<u>\$ 28,737,997</u>	100%	<u>\$ 30,242,160</u>	100%	<u>\$ (1,504,163)</u>	-5%
<b>Operating expenses</b>						
Employee compensation	\$ 2,714,528	36%	\$ 2,269,626	36%	\$ 444,902	20%
Employee benefits	\$ 1,939,950	26%	\$ 1,692,236	27%	\$ 247,714	15%
Advisory/Program develop. & admin.	\$ 1,272,330	17%	\$ 680,124	11%	\$ 592,206	87%
Other operating expenses	\$ 1,638,990	22%	\$ 1,615,708	26%	\$ 23,282	1%
<b>Total operating expenses</b>	<u>\$ 7,565,798</u>	100%	<u>\$ 6,257,694</u>	100%	<u>\$ 1,308,104</u>	21%
<b>Program incentives/grants</b>						
Financial incentives-CGB grants	\$ 1,423,719		\$ 4,246,599		\$ (2,822,880)	
EPBB/PBI/HOPBI Incentives	\$ 4,257,640		\$ 4,218,040		\$ 39,600	
Interest rate buydowns	\$ 274,037		\$ 26,193		\$ 247,844	
<b>Total program incentives/grants</b>	<u>\$ 5,955,396</u>		<u>\$ 8,490,832</u>		<u>\$ (2,535,436)</u>	
<b>Net revenues over expenses</b>	<u><b>\$15,216,803</b></u>		<u><b>\$ 15,493,634</b></u>		<u><b>\$ (276,831)</b></u>	

# Financial Position

## Operating Budget to Actual February 2015



	<b>Variance</b>			
	<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Revenues</b>				
Utility customer assessments	\$ 18,651,551	\$ 18,998,000	\$ (346,449)	-1.8%
RGGI auction proceeds -renewables	\$ 2,864,656	\$ 3,400,000	\$ (535,344)	-15.7%
RGGI auction proceeds -energy efficiency	\$ 5,615,228	\$ 6,100,000	\$ (484,772)	-7.9%
Interest income	\$ 544,921	\$ 420,700	\$ 124,221	29.5%
Interest income,capitalized	\$ 392,201	\$ 400,000	\$ (7,799)	-1.9%
Other revenue	\$ 669,440	\$ 959,500	\$ (290,060)	-30.2%
<b>Total Revenues</b>	<b>\$ 28,737,997</b>	<b>\$ 30,278,200</b>	<b>\$ (1,540,203)</b>	<b>-5.1%</b>
<b>Operating Expenses</b>				
Employee compensation	\$ 2,714,528	\$ 3,064,300	\$ (349,772)	-11.4%
Employee benefits	\$ 1,939,950	\$ 2,328,800	\$ (388,850)	-16.7%
Advisory/Program develop. & admin.	\$ 1,272,330	\$ 1,869,000	\$ (596,670)	-31.9%
Other operating expenses	\$ 1,638,990	\$ 3,235,000	\$ (1,596,010)	-49.3%
<b>Total operating expenses</b>	<b>\$ 7,565,798</b>	<b>\$ 10,497,100</b>	<b>\$ (2,931,302)</b>	<b>-27.9%</b>
<b>Program incentives/grants</b>				
Financial incentives-CGB grants	\$ 1,423,719	\$ 3,525,000	\$ (2,101,281)	-59.6%
EPBB/PBI/HOPBI Incentives	\$ 4,257,640	\$ 9,600,000	\$ (5,342,360)	-55.6%
Interest rate buydowns	\$ 274,037	\$ 600,000	\$ (325,963)	-54.3%
<b>Total program incentives/grants</b>	<b>\$ 5,955,396</b>	<b>\$ 13,725,000</b>	<b>\$ (7,769,604)</b>	<b>-56.6%</b>
<b>Net revenues over expenses</b>	<b>\$ 15,216,803</b>	<b>\$ 6,056,100</b>	<b>\$ 9,160,703</b>	<b>151.3%</b>



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #8**

Executive Session

April 17, 2015



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

## **Board of Directors of the Connecticut Green Bank**

**Agenda Item #9**

Adjourn

April 17, 2015





General Assembly

January Session, 2015

***Raised Bill No. 6991***

LCO No. 4939



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

***AN ACT CONCERNING THE COMMERCIAL PROPERTY ASSESSED  
CLEAN ENERGY PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16a-40g of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) As used in this section:

4 (1) "Energy improvements" means (A) participation in a district  
5 heating and cooling system by qualifying commercial real property,  
6 (B) participation in a microgrid, as defined in section 16-243y,  
7 including any related infrastructure for such microgrid, by qualifying  
8 commercial real property, provided such microgrid and any related  
9 infrastructure incorporate clean energy, as defined in section 16-245n,  
10 (C) any renovation or retrofitting of qualifying commercial real  
11 property to reduce energy consumption, (D) installation of a  
12 renewable energy system to service qualifying commercial real  
13 property, or (E) installation of a solar thermal or geothermal system to  
14 service qualifying commercial real property, provided such

15 renovation, retrofit or installation described in subparagraph (C), (D)  
16 or (E) of this subdivision is permanently fixed to such qualifying  
17 commercial real property;

18 (2) "District heating and cooling system" means a local system  
19 consisting of a pipeline or network providing hot water, chilled water  
20 or steam from one or more sources to multiple buildings;

21 (3) "Qualifying commercial real property" means any commercial or  
22 industrial property, regardless of ownership, that meets the  
23 qualifications established for the commercial sustainable energy  
24 program;

25 (4) "Commercial or industrial property" means any real property  
26 other than a residential dwelling containing less than five dwelling  
27 units;

28 (5) "Benefited property owner" means an owner of qualifying  
29 commercial real property who desires to install energy improvements  
30 and provides free and willing consent to the benefit assessment against  
31 the qualifying commercial real property;

32 (6) "Commercial sustainable energy program" means a program that  
33 facilitates energy improvements and utilizes the benefit assessments  
34 authorized by this section as security for the financing of the energy  
35 improvements;

36 (7) "Municipality" means a municipality, as defined in section 7-369;

37 (8) "Benefit assessment" means the assessment authorized by this  
38 section;

39 (9) "Participating municipality" means a municipality that has  
40 entered into a written agreement, as approved by its legislative body,  
41 with the bank pursuant to which the municipality has agreed to assess,  
42 collect, remit and assign, benefit assessments to the bank in return for  
43 energy improvements for benefited property owners within such

44 municipality and costs reasonably incurred in performing such duties;  
45 [and]

46 (10) "Bank" means the Connecticut Green Bank; and

47 (11) "Third-party capital provider" means an entity, other than the  
48 bank, that provides loans directly to benefited property owners for  
49 energy improvements.

50 (b) (1) The bank shall establish a commercial sustainable energy  
51 program in the state, and in furtherance thereof, is authorized to make  
52 appropriations for and issue bonds, notes or other obligations for the  
53 purpose of financing, (A) energy improvements; (B) related energy  
54 audits; (C) renewable energy system feasibility studies; and (D)  
55 verification reports of the installation and effectiveness of such  
56 improvements. The bonds, notes or other obligations shall be issued in  
57 accordance with legislation authorizing the bank to issue bonds, notes  
58 or other obligations generally. Such bonds, notes or other obligations  
59 may be secured as to both principal and interest by a pledge of  
60 revenues to be derived from the commercial sustainable energy  
61 program, including revenues from benefit assessments on qualifying  
62 commercial real property, as authorized in this section.

63 (2) When the bank has made appropriations for energy  
64 improvements for qualifying commercial real property or other costs  
65 of the commercial sustainable energy program, including interest costs  
66 and other costs related to the issuance of bonds, notes or other  
67 obligations to finance the appropriation, the bank may require the  
68 participating municipality in which the qualifying commercial real  
69 property is located to levy a benefit assessment against the qualifying  
70 commercial real property especially benefited thereby.

71 (3) The bank (A) shall develop program guidelines governing the  
72 terms and conditions under which state and third-party financing may  
73 be made available to the commercial sustainable energy program,  
74 including, in consultation with representatives from the banking

75 industry, municipalities and property owners, developing the  
76 parameters for consent by existing mortgage holders and may serve as  
77 an aggregating entity for the purpose of securing state or private third-  
78 party financing for energy improvements pursuant to this section, (B)  
79 shall establish the position of commercial sustainable energy program  
80 liaison within the bank, (C) [shall] may establish a loan loss reserve or  
81 other credit enhancement program for qualifying commercial real  
82 property, (D) may use the services of one or more private, public or  
83 quasi-public third-party administrators to administer, provide support  
84 or obtain financing for the commercial sustainable energy program,  
85 [and] (E) shall adopt standards to ensure that the energy cost savings  
86 of the energy improvements over the useful life of such improvements  
87 exceed the costs of such improvements, and (F) may encourage third-  
88 party capital providers to provide loans directly to benefited property  
89 owners in lieu of or in addition to the bank providing such loans.

90 (c) Before establishing a commercial sustainable energy program  
91 under this section, the bank shall provide notice to the electric  
92 distribution company, as defined in section 16-1, that services the  
93 participating municipality.

94 (d) If a benefited property owner requests financing from the bank  
95 or a third-party capital provider for energy improvements under this  
96 section, the bank shall:

97 (1) Require performance of an energy audit or renewable energy  
98 system feasibility analysis on the qualifying commercial real property  
99 that assesses the expected energy cost savings of the energy  
100 improvements over the useful life of such improvements before  
101 approving such financing;

102 (2) If financing is approved, either by the bank or the third-party  
103 capital provider, require the participating municipality to levy a  
104 benefit assessment on the qualifying commercial real property with the  
105 property owner in a principal amount sufficient to pay the costs of the

106 energy improvements and any associated costs the bank or the third-  
107 party capital provider determines will benefit the qualifying  
108 commercial real property;

109 (3) Impose requirements and criteria to ensure that the proposed  
110 energy improvements are consistent with the purpose of the  
111 commercial sustainable energy program;

112 (4) Impose requirements and conditions on the financing to ensure  
113 timely repayment, including, but not limited to, procedures for placing  
114 a lien on a property as security for the repayment of the benefit  
115 assessment; and

116 (5) Require that the property owner provide written notice, not less  
117 than thirty days prior to the recording of any lien securing a benefit  
118 assessment for energy improvements for such property, to any existing  
119 mortgage holder of such property, of the property owner's intent to  
120 finance such energy improvements pursuant to this section.

121 (e) (1) The bank or the third-party capital provider may enter into a  
122 financing agreement with the property owner of qualifying  
123 commercial real property. After such agreement is entered into, and  
124 upon notice from the bank, the participating municipality shall (A)  
125 place a caveat on the land records indicating that a benefit assessment  
126 and a lien [is] are anticipated upon completion of energy  
127 improvements for such property, or (B) at the direction of the bank,  
128 levy the benefit assessment and file a lien on the land records based on  
129 the estimated costs of the energy improvements prior to the  
130 completion or upon the completion of [said] such improvements.

131 (2) The bank or the third-party capital provider shall disclose to the  
132 property owner the costs and risks associated with participating in the  
133 commercial sustainable energy program established by this section,  
134 including risks related to the failure of the property owner to pay the  
135 benefit assessment. The bank or the third-party capital provider shall  
136 disclose to the property owner the effective interest rate of the benefit

137 assessment, including fees charged by the bank or the third-party  
138 capital provider to administer the program, and the risks associated  
139 with variable interest rate financing. The bank or the third-party  
140 capital provider shall notify the property owner that such owner may  
141 rescind any financing agreement entered into pursuant to this section  
142 not later than three business days after such agreement.

143 (f) The bank or the third-party capital provider shall set a fixed or  
144 variable rate of interest for the repayment of the benefit assessment  
145 amount at the time the benefit assessment is made. Such interest rate,  
146 as may be supplemented with state or federal funding as may become  
147 available, shall be sufficient to pay the bank's financing and  
148 administrative costs of the commercial sustainable energy program,  
149 including delinquencies.

150 (g) Benefit assessments levied pursuant to this section and the  
151 interest, fees and any penalties thereon shall constitute a lien against  
152 the qualifying commercial real property on which they are made until  
153 they are paid. Such lien, or if the financing agreement provides that the  
154 benefit assessments shall be paid in installments then each installment  
155 payment, shall be collected in the same manner as the property taxes  
156 of the participating municipality on real property, including, in the  
157 event of default or delinquency, with respect to any penalties, fees and  
158 remedies. Each such lien may be recorded and released in the manner  
159 provided for property tax liens and, subject to the consent of existing  
160 mortgage holders, shall take precedence over all other liens or  
161 encumbrances except a lien for taxes of the municipality on real  
162 property, which lien for taxes shall have priority over such benefit  
163 assessment lien. To the extent benefit assessments are paid in  
164 installments and any such installment is not paid when due, the  
165 benefit assessment lien may be foreclosed to the extent of any unpaid  
166 installment payments and any penalties, interest and fees related  
167 thereto. In the event such benefit assessment lien is foreclosed, such  
168 benefit assessment lien shall survive the judgment of foreclosure to the  
169 extent of any unpaid installment payments of the benefit assessment

170 secured by such benefit assessment lien that were not the subject of  
171 such judgment.

172 (h) Any participating municipality may assign to the bank any and  
173 all liens filed by the tax collector, as provided in the written agreement  
174 between the participating municipality and the bank. The bank may  
175 sell or assign, for consideration, any and all liens received from the  
176 participating municipality. The consideration received by the bank  
177 shall be negotiated between the bank and the assignee. The assignee or  
178 assignees of such liens shall have and possess the same powers and  
179 rights at law or in equity as the bank and the participating  
180 municipality and its tax collector would have had if the lien had not  
181 been assigned with regard to the precedence and priority of such lien,  
182 the accrual of interest and the fees and expenses of collection. The  
183 assignee shall have the same rights to enforce such liens as any private  
184 party holding a lien on real property, including, but not limited to,  
185 foreclosure and a suit on the debt. Costs and reasonable attorneys' fees  
186 incurred by the assignee as a result of any foreclosure action or other  
187 legal proceeding brought pursuant to this section and directly related  
188 to the proceeding shall be taxed in any such proceeding against each  
189 person having title to any property subject to the proceedings. Such  
190 costs and fees may be collected by the assignee at any time after  
191 demand for payment has been made by the assignee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	16a-40g

**Statement of Purpose:**

To authorize the participation of third-party capital providers in the commercial property assessed clean energy program.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*



General Assembly

January Session, 2015

**Raised Bill No. 6995**

LCO No. 4964



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

**AN ACT CONCERNING A RESIDENTIAL PROPERTY ASSESSED  
CLEAN ENERGY PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-121n of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2016*):

3 (a) As used in this section:

4 (1) "Energy improvements" means any renovation or retrofitting of  
5 qualifying real property to reduce energy consumption or installation  
6 of a [renewable energy] system for clean energy, as defined in section  
7 16-245n, to service qualifying real property, [provided such] and that  
8 may include related improvements to address water conservation,  
9 health and safety issues, including, but not limited to, asbestos, mold  
10 and lead remediation, and resiliency measures, including, but not  
11 limited to, flood resistant construction and hurricane resistant  
12 construction. Any renovation, retrofit or installation [is] shall be  
13 permanently fixed to such qualifying real property and may include a  
14 third-party ownership arrangement, including, but not limited to, a



15 power purchase agreement and a lease agreement, provided the  
16 duration of any such agreement is not less than the lesser of the  
17 average estimated useful life of the principal components or ten years;

18 (2) ["Qualifying real property"] "Qualifying residential real  
19 property" means a single-family or multifamily residential dwelling  
20 [or a nonresidential building, regardless of ownership, that a  
21 municipality has determined can benefit from energy improvements]  
22 of four or fewer units that meets the qualifications established for the  
23 residential sustainable energy program;

24 (3) "Property owner" means an owner or owners of qualifying  
25 residential real property who [desires] desire to install energy  
26 improvements and [provides] who provide free and willing consent to  
27 the contractual assessment against the qualifying residential real  
28 property; [and]

29 [(4) "Sustainable energy program" means a municipal program that  
30 authorizes a municipality to enter into contractual assessments on  
31 qualifying real property with property owners to finance the purchase  
32 and installation of energy improvements to qualifying real property  
33 within its municipal boundaries.]

34 (4) "Residential sustainable energy program" means a program that  
35 facilitates energy improvements and utilizes the benefit assessment  
36 authorized by this section as security for the financing of energy  
37 improvements;

38 (5) "Municipality" means a municipality, as defined in section 7-369;

39 (6) "Benefit assessment" means the assessment authorized by this  
40 section;

41 (7) "Participating municipality" means a municipality that has  
42 entered into a written agreement, as approved by its legislative body,  
43 with the bank pursuant to which the municipality has agreed to assess,

44 collect, remit and assign benefit assessments to the bank in return for  
45 energy improvements for benefited property owners within such  
46 municipality and costs reasonably incurred in performing such duties;

47 (8) "Bank" means the Connecticut Green Bank; and

48 (9) "Third-party capital provider" means an entity, other than the  
49 bank, that provides loans, leases or power purchase agreements  
50 directly to benefited property owners for energy improvements.

51 [(b) Any municipality, that determines it is in the public interest,  
52 may establish a sustainable energy program to facilitate the increase of  
53 energy efficiency and renewable energy. A municipality shall make  
54 such a determination after issuing public notice and providing an  
55 opportunity for public comment regarding the establishment of a  
56 sustainable energy program.]

57 (b) (1) The bank shall establish a residential sustainable energy  
58 program in the state, and in furtherance thereof, is authorized to make  
59 appropriations for and issue bonds, notes or other obligations for the  
60 purpose of financing (A) energy improvements; (B) related energy  
61 audits; and (C) verification reports of the installation and effectiveness  
62 of such improvements. The bank may encourage third-party capital  
63 providers to provide financing directly to benefited property owners  
64 in lieu of or in addition to the bank providing such financing. The  
65 bonds, notes, other obligations or other financing provided by third-  
66 party capital providers may be secured as to both principal and  
67 interest by a pledge of the liens, such other collateral and the revenues  
68 to be derived from the residential sustainable energy program,  
69 including revenues from benefit assessments on qualifying residential  
70 real property, as authorized in this section.

71 (2) When the bank or third-party capital provider has made  
72 appropriations for energy improvements for qualifying residential real  
73 property or other costs of the residential sustainable energy program,  
74 including interest costs and other costs related to the issuance of

75 bonds, notes, other obligations or other financing provided to finance  
76 the appropriation, the bank shall require the participating municipality  
77 in which the qualifying residential real property is located to levy a  
78 benefit assessment against the qualifying residential real property  
79 especially benefited thereby.

80 [(c)] (3) [Notwithstanding the provisions of section 7-374 or any  
81 other public or special act that limits or imposes] The bank shall  
82 develop program guidelines governing the terms and conditions [on  
83 municipal bond issues, any municipality that establishes a sustainable  
84 energy program under this section may issue bonds, as necessary, for  
85 the purpose of financing (1) energy improvements; (2) related energy  
86 audits; and (3) renewable energy system feasibility studies and the  
87 verification of the installation of such improvements. Such financing  
88 shall be secured by special contractual assessments on the qualifying  
89 real property] under which funding may be made available to the  
90 residential sustainable energy program, in consultation with  
91 representatives from the banking industry, municipalities and  
92 property owners, and serving as an aggregate entity for the purpose of  
93 securing state or private third-party financing for energy  
94 improvements pursuant to this section.

95 (4) The bank shall adopt general standards to ensure that estimated  
96 energy cost savings of the energy improvements over the average  
97 estimated useful life of such improvements exceed the costs of such  
98 improvements.

99 (5) The bank may establish a loan loss reserve or other credit  
100 enhancement program for qualifying residential real property, and the  
101 bank may use the services of one or more private, public or quasi-  
102 public third-party administrators to administer, provide support or  
103 obtain financing for the residential sustainable energy program.

104 [(d)] (1) Any municipality that establishes a sustainable energy  
105 program pursuant to this section may partner with another

106 municipality or a state agency to (A) maximize the opportunities for  
107 accessing public funds and private capital markets for long-term  
108 sustainable financing, and (B) secure state or federal funds available  
109 for this purpose.

110 (2) Any municipality that establishes a sustainable energy program  
111 and issues bonds pursuant to this section may supplement the security  
112 of such bonds with any other legally available funds solely at the  
113 municipality's discretion.

114 (3) Any municipality that establishes a sustainable energy program  
115 pursuant to this section may use the services of one or more private,  
116 public or quasi-public third-party administrators to provide support  
117 for the program.]

118 [(e)] (c) Before establishing a program under this section, the  
119 [municipality] bank shall provide notice to the electric distribution  
120 company, as defined in section 16-1, that services the municipality.

121 [(f)] (d) If [the] a benefited property owner [of record of qualifying  
122 real property] requests financing from the bank, or a third-party  
123 capital provider, for energy improvements under this section, the  
124 [municipality implementing the sustainable energy program] bank  
125 shall:

126 [(1)] Require performance of an energy audit or renewable energy  
127 system feasibility analysis on the qualifying real property before  
128 approving such financing;

129 (2) Enter into a contractual assessment on the qualifying real  
130 property with the property owner in a principal amount sufficient to  
131 pay the costs of energy improvements and any associated costs the  
132 municipality determines will benefit the qualifying real property and  
133 may cover any associated costs;]

134 [(3)] (1) Impose requirements and criteria to ensure that the

135 proposed energy improvements are consistent with the purpose of the  
136 residential sustainable energy program; and

137 [(4)] (2) Impose requirements and conditions on the financing to  
138 ensure timely repayment, including, but not limited to, underwriting  
139 criteria and procedures for placing a lien on [a] the qualifying  
140 residential real property as security for [which an owner defaults on]  
141 repayment of the benefit assessment.

142 (e) (1) The bank or the third-party capital provider may enter into a  
143 financing agreement with the property owner of qualifying residential  
144 real property. After such agreement is entered into, and upon notice  
145 from the bank, the participating municipality shall (A) place a caveat  
146 on the land records indicating that a benefit assessment and a lien are  
147 anticipated upon completion of energy improvements for such  
148 property, or (B) at the direction of the bank, levy the benefit  
149 assessment and file a lien on the land records based on the estimated  
150 costs of the energy improvements prior to the completion or upon the  
151 completion of such improvements.

152 (2) The bank, or the third-party capital provider, shall disclose to the  
153 property owner the costs and risks associated with participating in the  
154 residential sustainable energy program established by this section and  
155 shall disclose to the property owner the terms and conditions of the  
156 assessment, including term, payments and remedies for default and  
157 foreclosure, including risks related, but not necessarily limited to (A)  
158 the failure of the property owner to pay the benefit assessment, (B) the  
159 benefit assessment remaining on the property until satisfied, (C) the  
160 potential to impair the sale of the property, (D) the potential for  
161 violation of certain provisions under any existing indebtedness  
162 secured by the benefited property, and (E) the potential for the  
163 assessment to be paid off when such indebtedness is refinanced or  
164 when the property is sold. The bank, or the third-party capital  
165 provider, shall disclose to the property owner the effective interest rate  
166 of the benefit assessment, including fees charged by the bank or the

167 third-party capital provider to administer the program. The bank or  
168 the third-party capital provider shall notify the property owner that  
169 such owner may rescind any financing agreement entered into  
170 pursuant to this section not later than three business days after such  
171 agreement.

172 [(g)] (f) Prior to entering a contractual assessment, the [municipality]  
173 bank or third-party capital provider shall provide each property owner  
174 the following notice, which shall be set forth in at least fourteen-point  
175 bold type: SEEK LEGAL ADVICE BEFORE PARTICIPATING IN THIS  
176 LOAN PROGRAM TO ENSURE UNDERSTANDING OF POTENTIAL  
177 CONSEQUENCES, INCLUDING A POSSIBLE DEFAULT UNDER  
178 YOUR MORTGAGE.

179 [(h)] (g) Any benefit assessment levied pursuant to this section shall  
180 have a term not to exceed the [calculated payback period for] lesser of  
181 (1) the average estimated useful life of the installed energy  
182 improvements, as determined by [the municipality, and shall have no  
183 prepayment penalty. The municipality] a contractor eligible to install  
184 such improvements under the residential sustainable energy program  
185 and consistent with the guidelines established by the bank, or (2)  
186 twenty-five years. The bank or the third-party capital provider shall set  
187 a fixed rate of interest or a fixed payment schedule for leases, power  
188 purchase agreements or other such approved financing structures for  
189 the repayment of the principal assessed amount at the time the benefit  
190 assessment is made. Such interest rate, as may be supplemented with  
191 state or federal funding as may become available, shall be sufficient to  
192 pay the financing costs of the program, including delinquencies.

193 [(i) Assessments] (h) Benefit assessments levied pursuant to this  
194 section and the interest, fees and any penalties thereon shall constitute  
195 a lien against the qualifying residential real property on which they are  
196 made until they are paid. [Such lien] If the agreement for the benefit  
197 assessment provides, the benefit assessment shall be [levied and] paid  
198 in installments and each installment payment shall be collected in the

199 same manner as the [general] property taxes of the participating  
200 municipality on real property, including, in the event of default or  
201 delinquency, [with respect to] any penalties, fees and remedies. [and  
202 lien priorities, provided such lien shall not have priority over any prior  
203 mortgages.]

204 [(j) The area encompassing the sustainable energy program in a  
205 municipality may be the entire municipal jurisdiction of the  
206 municipality or a subset of such.]

207 (i) Each such lien shall be recorded and released in the manner  
208 provided for property tax liens and take precedence over all other liens  
209 or encumbrances except a lien for taxes of the municipality on real  
210 property, which lien for taxes shall have priority over such benefit  
211 assessment lien. To the extent a benefit assessment is paid in  
212 installments and any such installment is not paid when due, the  
213 benefit assessment lien may be foreclosed, or enforced by levy and sale  
214 of such real property in accordance with chapter 204, to the extent of  
215 any unpaid installment payments and any penalties, interest and fees  
216 related thereto. In the event such benefit assessment lien is foreclosed,  
217 or enforced by levy and sale of the real property in accordance with  
218 chapter 204, such benefit assessment lien shall survive the judgment of  
219 the foreclosure, or levy and sale, to the extent of any unpaid  
220 installment payments of the benefit assessment secured by such benefit  
221 assessment lien that was not the subject of such judgment, or levy and  
222 sale. If the lien is enforced by levy and sale under chapter 204, the  
223 references in chapter 204 to (1) "taxpayer" shall mean the benefited  
224 property owner, (2) "tax" or "taxes" shall mean the unpaid benefit  
225 assessment or the unpaid installment payments of the benefit  
226 assessment, as applicable, (3) "collector" shall mean the participating  
227 municipality's tax collector, and (4) "municipality" shall mean the then  
228 owner and beneficiary of the benefit assessment lien, including any  
229 assignees of the participating municipality and the bank. The form of  
230 collector's deed pursuant to section 12-158 shall be used in a levy and  
231 sale of real property to satisfy a benefit assessment lien.

232 (j) A participating municipality shall assign to the bank, or the third-  
 233 party capital provider as applicable, any liens filed by the tax collector,  
 234 as provided in the written agreement between the participating  
 235 municipality and the bank. The bank or third-party capital provider  
 236 may sell or assign, for consideration, any and all liens received from  
 237 the participating municipality at its sole discretion. The assignee or  
 238 assignees of such liens shall have and possess the same powers and  
 239 rights at law or in equity as the participating municipality and its tax  
 240 collector would have had if the lien had not been assigned with regard  
 241 to the precedence and priority of such lien, the accrual of interest and  
 242 the fees and expenses of collection. The assignee shall have the same  
 243 rights to enforce such liens as any private party holding a lien on real  
 244 property, including, but not limited to, foreclosure and a suit on the  
 245 debt. In accordance with subsection (h) of this section, the assignee  
 246 shall also have the right to enforce the lien through the levy and sale  
 247 procedure under chapter 204. Costs and reasonable attorneys' fees  
 248 incurred by the assignee as a result of any foreclosure action or other  
 249 legal proceeding brought pursuant to this section and directly related  
 250 to the proceeding, including costs and fees incurred in enforcement of  
 251 the lien by the levy and sale under section 12-140 and subsection (c) of  
 252 section 12-157, shall be taxed in any such proceeding against each  
 253 person having title to any property subject to the proceedings. Such  
 254 costs and fees may be collected by the assignee at any time after  
 255 demand for payment has been made by the assignee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2016	7-121n

**Statement of Purpose:**

To create a residential property assessed clean energy program to help state residents finance and procure home energy efficiency improvements for their homes.



*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Subject to changes and deletions

## **CONNECTICUT GREEN BANK**

### **Board of Directors**

Draft Minutes – Special Meeting

Friday, January, 23, 2015

A special meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on January 23, 2015 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope board room.

1. **Call to Order:** Rob Klee, Vice Chairperson of the Connecticut Green Bank, called the meeting to order at 9:04 a.m. Board members participating: Mun Choi; Bettina Ferguson, State Treasurer’s Office; Tom Flynn (by phone); Norma Glover; John Harrity (by phone); Reed Hundt (by phone); Rob Klee, Vice Chairperson of the Green Bank and Commissioner of the Department of Energy and Environmental Protection (“DEEP”); Matthew Ranelli; Patricia Wrice.

Members absent: Catherine Smith, Chairperson of the Green Bank and Commissioner of the Department of Economic and Community Development (“DECD”).

Staff Attending: Jessica Bailey, George Bellas, Andy Brydges, Joe Buonannata, John D’Agostino, Mackey Dykes, Brian Farnen, Bryan Garcia, Ben Healey (by phone), Dale Hedman, Bert Hunter, Andrea Janecko, Suzanne Kaswan, Alexandra Lieberman, Matt Macunas, Kerry O’Neill, Cheryl Samuels, and Michael Yu.

Others Attending: Tracy Babbidge (DEEP), Denise Farrell (by phone).

2. **Public Comments**

There were no public comments.

3. **Update from the President**

Mr. Garcia welcomed Mr. Yu, the new Senior Manager for Clean Energy Finance, to the Connecticut Green Bank.

Mr. Garcia provided a legislative update to the Board, noting that Green Bank staff met with the legislative co-chairs of the Energy & Technology Committee (“E&T Committee”)

over the past few weeks and is working to put together a forum to showcase what the Green Bank is doing in the community. He explained that the forum, tentatively scheduled for February, will be focused on the Green Bank's financing programs and products.

Mr. Garcia next discussed the progress of the SHREC policy development, stating that the Green Bank is finishing two studies, one with Sustainable Energy Advantage and one with the University of Connecticut, to substantiate the policy position: one study on the cost of the policy (showing the benefit to ratepayers) and the other showing positive, economy-wide benefits from more rooftop solar deployed in the state.

He explained that the Green Bank closed on a contract to sell 100,000 of its Class I RECs for 2014-2016, which will generate \$5 million in revenue at an average REC price of over \$50.

Finally, Mr. Garcia informed the Board that in fulfillment of a directive by the legislature from the 2014 legislative session, the Green Bank finished a study on Residential Property Assessed Clean Energy ("R-PACE") that supports R-PACE policy in Connecticut. He noted that the Green Bank might receive a request from the E&T Committee to develop a policy, but that in the interim, Green Bank staff – led by Ms. O'Neill – and its external contractor (Clean Energy States Alliance) had stakeholder outreach to do to discuss the findings of the report. Ms. O'Neill added that while there is much work yet to do with R-PACE, Green Bank staff will leverage the successes of the C-PACE program that is already in place.

Mr. Klee asked if the Green Bank was thinking of taking steps towards R-PACE this legislative session, to which Mr. Garcia replied that the intention is to fulfill the mandate: doing the report and sharing it with the community for discussion and debate.

Mr. Ranelli posed the question of what steps could be taken to address the concerns regarding the litigation and regulatory issues raised by the Federal Housing Finance Agency ("FHFA"). Attorney Farnen replied that this is an ongoing legal issue being fought primarily in California and that he does not believe the legal and regulatory issues will be resolved in the next year; however, the Green Bank can take reasonable steps to mitigate such issues in implementing a R-PACE program with a senior lien position in Connecticut. Attorney Farnen explained that the relationship between banks and customers differs from the residential to commercial markets so a successful residential policy could not include a requirement for consent from existing mortgage holders. He further commented that any R-PACE program should be administered by the Green Bank, so any legislation that is drafted should come from the Green Bank. He

added, however, that the Green Bank is not ready to draft legislation because it has yet to commit to pushing legislation for a R-PACE program this legislative session. The current approach is to present the positive findings of the study, make a recommendation in favor of implementing a R-PACE program, then react if a request is made by the E&T Committee for legislation.

Ms. Glover asked if consent of an existing mortgage holder would be necessary, to which Attorney Farnen explained that unlike with C-PACE, on the residential side it is nearly impossible to get the consent of the existing mortgage holder due to the structure of the secondary residential markets. He further noted that without a senior position, you lose the benefits behind a PACE financing.

Mr. Hundt asked for clarification as to why Green Bank staff is unsure if R-PACE legislation will pass, to which Mr. Farnen said that it is possible that banking groups may fight it if they do not want a senior lien position to come in over them without their consent. Ms. Bailey added that it is too early to tell what the stance of the banking community will be, but since they are undoubtedly a key partner to have, the Green Bank should build a program that is not threatening to them.

Mr. Klee commented that this legislative session will likely be focused on the state budget and other broad topics, so the Green Bank will need to have a clear legislative agenda of items that it wants to move forward. He recommended that everyone begin reviewing the draft comprehensive study on R-PACE as that is where the conversation will start.

#### **4. Consent Agenda**

Mr. Klee requested a motion on the consent agenda, which included C-PACE transactions valued at under \$300,000 but no more in aggregate than \$1,000,000, various operational matters, and the approval of minutes from the December 2, 2014 and December 19, 2014 meetings of the Board of Directors.

Ms. Ferguson and Mr. Flynn both noted that they would abstain from voting on the approval of the December 19, 2014 meeting minutes as they were both absent for that meeting.

**Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Board members voted in favor of adopting the consent agenda as written, with Ms. Ferguson and Mr. Flynn abstaining from the approval of the December 19, 2014 meeting minutes.**

*Under \$300,000 C-PACE Transactions*

**Resolution #2**

**WHEREAS**, on January 18, 2013, the Connecticut Green Bank (the “Green Bank”) Board of Directors (the “Board”) authorized the Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank’s fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting, on July 18, 2014 the Board increase the aggregate not to exceed limit to \$1,000,000 (“Staff Approval Policy for Projects Under \$300,000”); and

**WHEREAS**, Green Bank staff seeks Board review and approval of the funding requests listed in the Memo to the Board dated January 23, 2015 which were approved by Green Bank staff since the last Deployment Committee meeting and which are consistent with the Staff Approval Policy for Projects Under \$300,000;

**NOW**, therefore be it:

**RESOLVED**, that the Board approves the funding requests listed in the Memo to the Board dated January 23, 2015 which were approved by Green Bank staff since the last Deployment Committee meeting. The Board authorizes Green Bank staff to approve funding requests in accordance with the Staff Approval Policy for Projects Under \$300,000 in an aggregate amount to exceed \$1,000,000 from the date of this January 23, 2015 Board meeting until the next Deployment Committee meeting.

*Operational Matters*

**Resolution #3**

**WHEREAS**, at the July 18, 2014, the Connecticut Green Bank (the “CGB”) Board of Directors (the “Board”) approved a new position structure for the CGB. One of the positions in the new structure was Managing Director, a senior position one level below the officers in the organizational structure.

**NOW**, therefore be it:

**RESOLVED**, pursuant to Section 3.6 of the CGB Bylaws and Section VII of the CGB Operating Procedures, the Board approves the following CGB staff positions, which are further described in the memo and attachments submitted to the Board dated January 16, 2015:

Managing Director of Commercial and Industrial Programs  
Managing Director of Residential Programs  
Managing Director of Institution Programs  
Managing Director of Statutory and Infrastructure Programs

## **5. Sector Updates and Progress to Targets**

Mr. Garcia informed the Board that the Green Bank is making great progress on its Fiscal Year 2015 Comprehensive Plan targets, and that each sector director would provide an update.

Of the Statutory and Infrastructure sector, Mr. Garcia stated that only six months into the fiscal year, the sector surpassed the \$200 million target set for the end of the fiscal year by approving and closing nearly \$210 million. Mr. Hedman explained that while there none of the Combined Heat and Power (“CHP”) or Anaerobic Digestion (“AD”) projects have fully closed, one of the AD projects is currently working through the closing process and several others remain in the pipeline. He added that these projects have to go through rigorous compliance and environmental permitting processes, which senior lenders often hesitate to move forward on unless they are already in place and therefore have permission to construct. Mr. Garcia also noted that banks are beginning to see the clean energy space as a prime area to invest their money, and some are even developing clean energy sectors within their institutions.

In the Residential sector, Ms. O’Neill stated that there are now over a thousand approved/closed transactions, meaning that many Connecticut residences are being touched by the Green Bank’s financing products. She explained that as the industry is trying to keep up with demand, there is a lot of time being taken for the solar contractors to install the projects and lenders are having to keep credit open for longer than they may be accustomed to. Overall, however, there is a lot of strong progress.

Mr. Hundt stated that lots of solar industry leaders are forecasting their volume to double each year and asked if the Green Bank’s solar products were on a similar growth curve. Ms. O’Neill replied that the Green Bank’s products were on a faster growth curve that does not show signs of abating. Mr. Hundt added that the Green Bank needs to think about how these programs will be sustained in years to come, to which Mr. Garcia responded that the Green Bank is now moving out of the start-up phase and is working to manage how to become more efficient and not be a market barrier.

Of the Commercial and Industrial sector, Mr. Garcia stated that six months into the fiscal year, the sector had already met its end of year targets. Ms. Bailey added that although she initially felt that the targets were too aggressive, the Green Bank has demonstrated the benefits of C-PACE and has shown tremendous results.

Mr. Garcia stated that Mr. Klee and Ms. Smith may need to lend support to the “Lead By Example” program in the Green Bank’s Institutional sector. Mr. Brydges explained that the State of Connecticut spends \$200 million in energy costs annually, but that the projects identified through the Lead By Example program could save 25-30% of those costs. He noted that the State agencies are desperate to do the work, but that the approval of a financing mechanism for the projects has taken very long.

Mr. Brydges explained that the Green Bank has identified private capital providers willing to put their money into these projects, but noted his concern that a financing solution could go against the State’s bond cap – thereby limiting how many projects can actually be done. He added that the private capital solution does not require any additional funds from the taxpayer, but that if all financing mechanisms go against the bond cap, then a legislative fix must be discussed as soon as possible. Mr. Brydges stated that showing that the first projects work will highlight the potentially huge energy cost savings for the State.

Ms. Ferguson added that the Office of the Treasurer (“OTT”) shares the Green Bank’s frustration with the delay in moving the projects forward. She explained that there was a bottleneck surrounding sovereign immunity, which is of vital importance to the Attorney General’s Office (“AGO”), but is encouraged by the notion that there may be a way to get around the issue. She noted that the OTT is working diligently with the AGO to move the discussion forward.

Mr. Klee asked for clarification on if the bond cap and sovereign immunity issues were linked, to which Mr. Brydges confirmed that they are separate issues. Attorney Farnen added that the Green Bank was getting close to closure on the issue and is confident with a resolution in the very near term, which Ms. Ferguson affirmed. Mr. Klee asked who made the decision on if Lead By Example financing would go against the bond cap. Attorney Farnen explained that the Green Bank is working with the OTT’s legal counsel to think through issues with the bond cap and would then go back to the Office of Policy Management (“OPM”) if necessary.

Mr. Klee offered his and Ms. Smith’s services to the Lead By Example program, noting that it is a program that will save the state money.

Mr. Bellas noted that things are progressing nicely from an Accounting perspective and reminded the Board that all of his materials are available to them in their packages. He noted that the Green Bank continues to move towards a balance sheet type operation with an increasing level of loans and investments being reflected in the financial statements.



**6. Commercial and Industrial Sector Program Recommendations**

a. C-PACE Transactions

Ms. Bailey provided an overview of the seven C-PACE transactions being recommended to the Board for approval. She explained that the transactions total about \$13.7 million, are standard energy efficiency and renewable energy transactions that are all structured in a manner familiar to the Board, and require Board approval due to their size.

Ms. Bailey informed the Board that the Green Bank was able to onboard the City of Bristol into the C-PACE program and thanked Mr. Klee for his support in making that happen. She noted that the first four projects being presented to the Board for their approval were from Bristol, and that all were part of the car dealership portfolio. She explained that the portfolio of car dealership projects is now eligible for a 25 basis point interest rate reduction.

Ms. Bailey explained that the Board would also hear about the Cargill Falls hydroelectric project in Putnam – which has several DEEP aspects to it, including soil and erosion control as well as fish passage facilities – and the Amgraph project in Sprague – which is the first fuel cell project to use C-PACE financing and includes several fuel cells manufactured in Connecticut by Doosan Fuel Cell America.

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*1461 Farmington Avenue, Bristol*

Ms. Bailey discussed the request for C-PACE financing to fund the \$591,675 installation of a 200-kilowatt solar photovoltaic system. She explained that the construction loan is set at 5% and term loan is at a fixed 6% over the 20-year term; however, since this deal is part of a group marketing campaign, the term loan rate will be lower if the campaign reaches a critical dollar value of C-PACE deals (5.75% for \$5 million to 5% for \$20 million of total deals).

*24 Redstone Street, Bristol*

Ms. Bailey discussed the request for C-PACE financing to fund the \$318,025 installation of a 100-kilowatt solar photovoltaic system. She explained that the construction loan is set at 5% and term loan is at a fixed 6% over the 20-year term; however, since this deal is part of a group marketing campaign, the term loan rate will be lower if the campaign

reaches a critical dollar value of C-PACE deals (5.75% for \$5 million to 5% for \$20 million of total deals).

*223 Broad Street, Bristol*

Ms. Bailey discussed the request for \$519,713 in C-PACE financing to fund the installation of a 175-kilowatt solar photovoltaic system. She explained that the construction loan is set at 5% and term loan is at a fixed 6% over the 20-year term; however, since this deal is part of a group marketing campaign, the term loan rate will be lower if the campaign reaches a critical dollar value of C-PACE deals (5.75% for \$5 million to 5% for \$20 million of total deals).

*1 Hartford Square, New Britain*

Ms. Bailey discussed the request for \$3,049,200 in C-PACE financing to fund the installation of a 1.25-megawatt ground mounted solar photovoltaic system. She explained that the construction loan is set at 5% and term loan is at a fixed 6% over the 20-year term.

Ms. Bailey explained this is the first project brought forth by the contractor (Resources Development Associates), and that the Green Bank hopes to see additional projects from them in the future.

Mr. Garcia added that this project is a 1.25-megawatt ground mounted system that has yet to receive a ZREC, but that the Green Bank and the property owner felt comfortable moving forward without including potential ZREC revenue. He noted that this is evidence of C-PACE assisting the market. Mr. Ranelli asked if the financial underwriting assumed the property owner would be awarded a ZREC, to which Mr. Hunter replied that no assumption was made and that any ZREC revenue would be an additional positive for the project.

*58 Pomfret Street, Putnam*

Ms. Bailey discussed the request for approximately \$2,250,000 in C-PACE financing to fund the installation of an 875-kilowatt hydroelectric system. She explained that the construction loan is set at 5% and the term loan is at a fixed 5.5% over a 15-year term.

Ms. Bailey explained that the Green Bank requested and received contingent approval for this project in 2014, and is now requesting the release of a portion of the total amount financed without the project having met a piece of a milestone. Mr. Hunter

added that there are seven (7) conditions present to advancing the funds and that two (2) remain open.

Mr. Healey stated that this is the first hydroelectric project to come through the C-PACE program and is at the oldest continuously operating mill site in the country. He explained that the project is missing a set of permits that do not get fully vetted until finalized drawings are in place, which is why the Green Bank is requesting funds be released in advance.

Ms. Glover stated that she believes this is a great project and hopes to see additional hydroelectric projects in the future. She asked if FERC was involved at some level, to which Ms. Bailey replied that this project required FERC permits. Mr. Hunter noted that this is an approximately \$25 million project with residential (some of which is considered affordable housing) and mixed-use areas. He continued that the project has secured a good deal of the capital stack, with the rest being residual. Mr. Hedman added that this project originated under the OSDG program of the Clean Energy Fund, from which it received funds for feasibility studies. He stated that this is an example of a legacy project being helped forward by the Green Bank's new financing programs.

Mr. Klee recommended that the Green Bank approach DEEP on issues where it may be helpful, including the energy and fisheries side, to which Mr. Healey acknowledged that DEEP staff had already been very responsive to questions from the Green Bank.

Mr. Ranelli expressed his concern on some pieces of the milestone not yet being approved by DEEP or the State Historic Preservation Office ("SHPO"). He noted that there are issues that may arise along the way with a mill site that can affect the project, and that it worries him to approve a pre-construction loan. Mr. Healey replied that, regarding permitting, the development team has shown the Green Bank permits and/or indicative letters of pre-approval, but some will not be finalized until final drawings are submitted. He acknowledged Mr. Ranelli's concerns as valid and explained that these concerns are why the bulk of the project's financing are being held by the Green Bank until the issues are resolved and documentation is in place. Mr. Healey added that the C-PACE lien helps secure the project when funds start to be released. He explained that the Green Bank underwrote the project assuming more of the hydroelectric power would be sold back into the grid, which should be able to cover the debt service, and that the commercial pieces of the project would also be served by the power produced.

Mr. Ranelli asked for clarification as to what assurance the Green Bank will have that the project will move forward if either the residential or commercial development piece is delayed, and if the project was insulated from environmental liability. Mr. Healey replied

that the remainder of the overall project's financing will close over the next six-to-eight months, while the hydroelectric project's construction will begin well before that. Mr. Hunter added that the project developers have also engaged environmental counsel. Mr. Ranelli restated his environmental concerns, noting that the standards are stricter than construction of a residential site. He asked if the risks of undercapitalization or environmental clean-up would impact the work on the hydroelectric portion of the project. Mr. Hunter stated that, regarding foreclosure, the C-PACE lien is superior, and Mr. Healey added that the remediation work on the site has been completed under a DEEP grant.

Attorney Farnen stated that the Board could vote on this resolution with a charge to staff to keep all of the Board members' concerns in consideration during the drafting of the definitive loan documentation. Mr. Ranelli noted that the charge is that pre-construction funds not be at risk.

*90 Versailles Road, Sprague*

Ms. Bailey discussed the request for \$6,765,892 in C-PACE financing to fund the installation of an 800-kilowatt fuel cell system. She explained that the construction loan is set at 5% and term loan is at a fixed 5.5% over the 15-year term.

Ms. Bailey explained Clear Edge Power, the original manufacturer of the fuel cells for this project, declared bankruptcy the day before this project was to be presented to the Board for approval in April 2014, so it was pulled from consideration. She added that the Green Bank re-underwrote the project after Doosan took control of the fuel cell company. Ms. Bailey noted that Ms. Lieberman took the lead on this project and that the Green Bank is excited to present the first LREC/C-PACE combined project.

Mr. Klee stated that this project also included a gas main expansion (which the gas company will do at no cost), so the hope is that other businesses and residences will be brought onto the main along the way. Ms. Lieberman added that an extension was initially granted so that the LREC would not begin until October 2016, however, PURA cut that timeline by six months to April 2016; regardless, Doosan has stated that the system will be in service by the end of 2015. She noted that the financing for this project is just shy of the largest C-PACE transaction to date, with the other being a large hotel. Mr. Garcia added that this project is an example of how Connecticut companies can become more competitive in the LREC auction, and stated that the Green Bank hopes Doosan and Fuel Cell Energy use C-PACE for their commercial projects.

Mr. Ranelli stated that the Green Bank should be aware that fuel cells are part of a single source industry, so that one when company goes out of business, the system cannot get serviced by someone else as the service agreements do not always transfer. He recommended that the Green Bank ensure that the maintenance agreements are tie so that if a company buys a technology, it also buys its service agreement – to which the Board and Green Bank all expressed agreement.

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With no further discussion, Mr. Klee requested a motion on the resolutions related to the seven C-PACE transactions.

**Upon a motion made by Ms. Glover, seconded by Mr. Ranelli, the Board members voted in favor of adopting the following resolutions regarding the C-PACE transactions for 1) 1461 Farmington Avenue, Bristol, 2) 24 Redstone Street, Bristol, 3) 9 Barber Street, Bristol, 4) 223 Broad Street, Bristol, 5) 1 Hartford Square, New Britain, 6) 58 Pomfret Street, Putnam, and 7) 90 Versailles Road, Sprague.**

*1461 Farmington Avenue, Bristol*

**Resolution #4**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$591,675 construction and (potentially) term loan under the C-PACE program to Bristol Farms Associates, LLC, the building owner of 1461 Farmington Avenue, Bristol, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the “Feasibility Study Loan”) from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from January 23, 2015;

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

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

*24 Redstone Street, Bristol*

**Resolution #5**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$318,025 construction and (potentially) term loan under the C-PACE program to 754 Pine Street, LLC, the building owner of 24 Redstone Street, Bristol, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility

Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from January 23, 2015;

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

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

### *9 Barber Street, Bristol*

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

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

**WHEREAS**, the Green Bank seeks to provide a \$302,763 construction and (potentially) term loan under the C-PACE program to 333 Associates, LLC, the building owner of 9 Barber Street, Bristol, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from January 23, 2015;

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

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

*223 Broad Street, Bristol*

**Resolution #7**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$519,713 construction and (potentially) term loan under the C-PACE program to 223 Broad Street, LLC, the building owner of 223 Broad Street, Bristol, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

**NOW**, therefore be it:



**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from January 23, 2015;

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

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

*1 Hartford Square, New Britain*

**Resolution #8**

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

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

**WHEREAS**, the Green Bank seeks to provide \$3,049,200 construction and (potentially) term loans under the C-PACE program to Hartford Square Associates LLC, the property owner of One Hartford Square, New Britain, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 150 days from January 23, 2015;

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

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

*58 Pomfret Street, Putnam*

**Resolution #9**

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

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

**WHEREAS**, the Green Bank seeks to provide a \$2,250,000 construction and (potentially) term loan under the C-PACE program to Historic Cargill Falls Mill, LLC, the property owner of 58 Pomfret Street, Putnam, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan, which Loan was conditionally approved by the Green Bank Deployment Committee at its May 15, 2015 meeting; and

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from January 23, 2015;

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

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

*90 Versailles Road, Sprague*

**Resolution #10**

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

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

**WHEREAS**, the Connecticut Green Bank seeks to provide a \$6,765,892 term loan under the C-PACE program to Amgraph Packaging, Inc., the property owner of 90 Versailles Road, Sprague, 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, contingent on the final project meeting all statutory and programmatic requirements;

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from January 23, 2015;

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

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

## **7. Residential Sector Program Updates and Recommendations**

### **a. Low Income and Multifamily – Private Foundation Program Related Investment**

Mr. Garcia spoke about the \$5 million program-related investment ("PRI") given to the Green Bank by a private foundation to support the Green Bank's emerging affordable/multifamily financing programs. He explained that the funds would first be used for predevelopment financing and that a request was being made to the Board to allow for the Green Bank to accept the PRI.

Ms. O'Neill added that Mr. Healey has done a tremendous amount of work building the relationship with private foundation and Ms. Stevenson has worked to nurture it. Mr. Garcia requested the Board's assistance with informing the Governor of this investment.

The Board commended the Green Bank for this achievement.

**Upon a motion made by Mr. Ranelli, seconded by Ms. Ferguson, the Board members voted in favor of approving the resolution allowing the Connecticut Green Bank to accept the program-related investment.**

### **Resolution #11**

**WHEREAS**, the Connecticut Green Bank ("Green Bank") is actively seeking to deploy private capital to support clean energy upgrades in the state's affordable multifamily housing sector;

**WHEREAS**, the John D. and Catherine T. MacArthur Foundation ("MacArthur") offers concessionary financing in the form of Program Related Investments ("PRIs") to support core social welfare goals;

**WHEREAS**, pursuant to Section 99 of Public Act No. 11-80 of the Connecticut General Assembly, as amended from time to time (the "Act"), the Green Bank is authorized to accept both charitable gifts and loans from philanthropic foundations; and

**WHEREAS**, the Green Bank drafted a proposal to MacArthur dated June 30, 2014, which the latter has accepted, for a \$5,000,000 PRI to support three or more new multifamily clean energy financing programs in Connecticut;

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and accept the MacArthur PRI, and in so doing obligate the Green Bank in a total amount not to exceed \$5,000,000 with terms and conditions consistent with the memorandum and associated exhibits submitted to the Board of Directors dated January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from January 23, 2015; and

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

## **8. Marketing**

Mr. Connolly informed the Board that the Green Bank's marketing team had run a solicitation process starting in November 2014 for a firm to assist with general marketing services and advertising platform development. He explained that the nine firms that responded to the solicitation were scored in a matrix based on sixteen different criteria. Three of the nine firms were invited to present to the Green Bank, and ultimately, two were selected to be presented to the Board for approval.

Mr. Connolly requested the Board's approval to select Cronin & Co. as the marketing and advertising agency of record, and explained that they will take on the services currently provided by MatchDrive. He also requested the Board's approval for the Green Bank to partner with The Verse Group, calling them a best in class branding consultancy with considerable experience with rebranding and an in-house green marketing practice.

Mr. Connolly informed the Board that the Green Bank developed an aggressive timeline for the rebranding, with a public launch targeted for early April. He explained the need to capture considerable insight from internal and external stakeholders, with the three phases of the project being (1) creating a strategic roadmap, (2) brand creation and (3) staging. He offered to conduct an optional meeting for Board members who might be

interested in learning more about where the Green Bank was in terms of branding and messaging.

Mr. Garcia added that the Green Bank has come a long way as an organization and noted that the upcoming launch would be focused on the name as well as the culture of the Green Bank. He explained that Ms. Smith felt that it was important for the Green Bank to go before the Board to discuss not only the process and recommendation to engage several contractors, but to also discuss the plans with the respect to brand launch.

Mr. Klee thanked the Green Bank for focusing on this with such detail and noted that an April launch would coincide with Earth Day, which is a great day to tie a launch event around.

**Upon a motion made by Mr. Choi, seconded by Ms. Glover, the Board members voted unanimously in favor of approving the following resolution related to the approval of marketing professional services agreements as written.**

**Resolution #12**

**WHEREAS**, pursuant to Section IX of the Connecticut Green Bank's (the "Green Bank") operating procedures, contracts for professional services requiring expenditure by the Green Bank over \$150,000 call for a process in which proposals are solicited from at least three qualified parties; and

**WHEREAS**, this Request for Qualifications (RFQ) process was recently performed by Green Bank staff and the qualifications of several marketing firms were assessed by the staff, as their professional service agreements were expected to exceed the \$150,000 threshold defined above. The outcome of this process is described in more detail in memo to the Board dated January 23, 2015.

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank's President and Chair hereby recommend to the Board of Directors approval of the professional services agreements ("PSAs"), as described in more detail in memo to the Board dated January 23, 2015, with:

- i. Cronin & Co, LLC; and
- ii. The Verse Group, LLC

for marketing and brand consulting services with the amounts of each PSA not to exceed the amount referenced in this memorandum; and

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to execute these professional service agreements.

## **9. Other Business**

Mr. Garcia informed the Board that there are two items as “other business.”

Firstly, Mr. Garcia stated that he would update the Board on the succession plan, stating that he has an initial draft of the plan underway and is working with Ms. Smith to refine it. He explained that it was important to know how to respond when someone leaves the Green Bank, as well as how to work with the next generation of leadership of the organization. Mr. Garcia noted that he would deliver the plan to the Board at the next meeting, scheduled for April 17, 2015.

Secondly, in honor of her service to the organization, Mr. Garcia requested the Board's approval to designate Ms. Bailey as the first Connecticut Green Bank Honorary Fellow. He explained that while there is no financing remuneration for the honor, it was similar to emeritus status in academia.

**Upon a motion made by Mr. Choi, seconded by Mr. Ranelli, the Board members voted unanimously in favor of approving the following resolution designating Ms. Bailey as the first Connecticut Green Bank Honorary Fellow.**

### **Resolution #13**

**WHEREAS**, the vision of the Connecticut Green Bank (“Green Bank”) is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security and address climate change;

**WHEREAS**, the mission of the Green Bank is to support the Governor's and Legislature's energy strategy to achieve cleaner, cheaper, and more reliable sources of energy while creating jobs and supporting local economic development;

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

**WHEREAS**, on August 30, 2013 the Green Bank hired Jessica Bailey as the Director of Commercial and Industrial Programs, including C-PACE;

**WHEREAS**, on April 8, 2014, Jessica Bailey was acknowledged by the Hartford Business Journal in their special edition Connecticut Green Guide as a “Green Warrior” for getting deals done;

**WHEREAS**, on April 17, 2014, Jessica Bailey was honored by President Obama as a “Champion of Change” for her efforts to promote and expand solar deployment through C-PACE;

**WHEREAS**, on November 19, 2014 the Green Bank’s C-PACE program was recognized by the Clean Energy States Alliance with a 2014 State Leadership in Clean Energy Awards; and

**WHEREAS**, the Board of Directors desire to recognize the significant contribution Jessica Bailey has made to the success of the Green Bank’s C-PACE Program together with her colleagues at the Green Bank, and those in the community who have benefitted from her public service.

**NOW**, therefore be it:

**RESOLVED**, that the Board of Directors of the Green Bank hereby designates Jessica Bailey as a Connecticut Green Bank Honorary Fellow to recognize her outstanding public service towards advancing private investment in clean energy deployment in Connecticut which has resulted in substantial energy savings, economic development and environmental protection.

- 10. Adjournment:** Upon a motion made by Ms. Glover, seconded by Ms. Ferguson, the Board voted unanimously in favor of adjourning the January 23, 2015 meeting at 10:31 a.m.

Respectfully Submitted,

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Rob Klee, Vice Chairperson





# Memo

**To:** The Connecticut Green Bank Board of Directors

**From:** Genevieve Sherman, Acting Director, C&I; Alex Kovtunenکو, Junior Counsel, C&I

**CC:** Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; Brian Farnen, General Counsel and CLO

**Date:** April 10, 2015

**Re:** Extending timeline for closing certain C-PACE transactions

## Summary

The Connecticut Green Bank Board of Directors (the “Board” or “BOD”) or the Connecticut Green Bank Deployment Committee (the “Deployment Committee” or “DC”) has previously approved and authorized C-PACE financing for the following eleven (11) properties:

Project Address	Approved	Expires
990 Main Street North, Southbury	9/16/14 by DC	1/14/2015
80 Newtown Road, Danbury	10/17/14 by BOD	2/14/2015
225 New Britain Avenue, Plainville	10/17/14 by BOD	2/14/2015
285 Lafayette Street, Bridgeport	11/14/14 by DC	3/14/2015
290 Pratt St, Meriden	12/2/14 by BOD (extension)	4/1/2015
999 Silver Lane, Trumbull	12/2/14 by BOD	4/1/2015
90 Scott Road, Waterbury	12/2/14 by BOD	4/1/2015
24 and 30 Adams Street, Manchester	12/2/14 by BOD	4/1/2015
600 Straits Turnpike, Watertown	12/19/14 by BOD	4/18/2015
273 Boombridge Rd, Stonington	12/19/14 by BOD	4/18/2015
77 Leibert Road, Hartford	12/19/14 by BOD	4/18/2015

Each financing agreement was authorized to be consistent with the terms, conditions, and memorandums submitted to the Board or Deployment Committee and made no later than 120 days from the date of Board or Deployment Committee approval.

Due to delays in fulfilling pre-closing requirements for the transactions listed above, the C-PACE program staff requests more time to close these transactions and execute the financing agreements. The staff requests an additional 120 days from the date of this April 18, 2015 Board Meeting to execute the financing agreements for these transactions.

## Resolutions

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

**WHEREAS**, pursuant to the C-PACE program the Green Bank Board of Directors (the "Board") or the Connecticut Green Bank Deployment Committee (the "Deployment Committee") has approved and authorized the President of the Green Bank to execute financing agreements for the eleven (11) C-PACE projects described in the Memo submitted to the Board on April 10, 2015 (collectively, the "Finance Agreements");

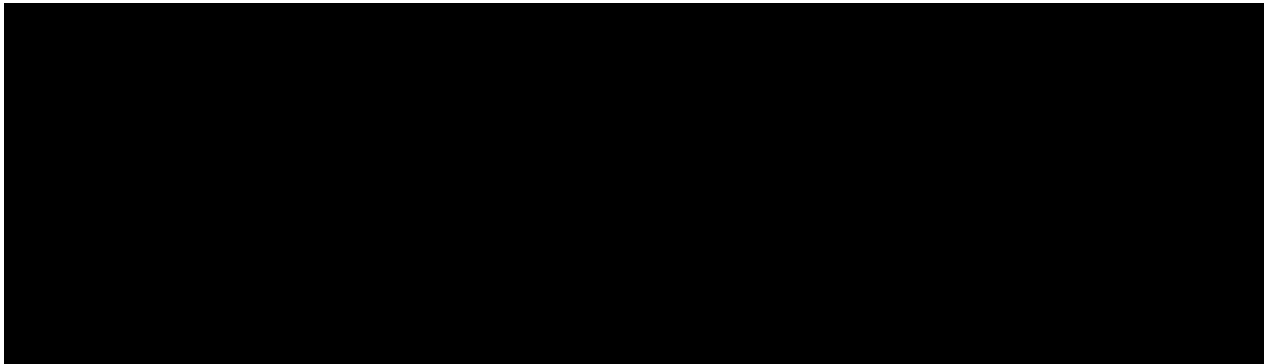
**WHEREAS**, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board or the Deployment Committee and shall be executed no later than 120 days from the date of Board or Deployment Committee approval; and

**WHEREAS**, due to delays in fulfilling pre-closing requirements for the C-PACE transactions listed above the Green Bank will need more time to execute the Finance Agreements.

**NOW**, therefore be it:

**RESOLVED**, that the Board extends authorization of the Finance Agreements to no later than 120 days from April 17, 2015 and consistent in every other manner with the original Board or Deployment Committee authorization for each Finance Agreement.

Submitted by: Bryan Garcia, President and CEO, Bert Hunter, EVP and CIO, Genevieve Sherman, Acting Director of Commercial and Industrial Programs, Brian Farnen, General Counsel and CLO



### Crowley Chrysler & Nissan: A C-PACE Project in Bristol, CT

<b>Address</b>		1461 Farmington Ave, Bristol, CT 06011	
<b>Owner</b>		Bristol Farms Associates, LLC	
<b>Proposed Assessment</b>		<del>\$912,350</del> <del>\$591,675</del>	
<b>Term (years)</b>		20	
<b>Term Remaining (months)</b>		Pending Construction Completion	
<b>Annual Interest Rate</b>		6.0%*	
<b>Annual C-PACE Assessment</b>		<del>\$78,941</del> <del>\$51,195</del>	
<b>Savings-to-Investment Ratio</b>		<del>1.33</del> <del>1.35</del>	
<b>Average Debt-Service Coverage Ratio</b>		[REDACTED]	
<b>Loan-to-Value Ratio</b>		[REDACTED]	
<b>Lien-to-Value Ratio</b>		[REDACTED]	
<b>Proposed Energy Saved and/or Produced</b>		RE	Total
	Per year (MMBtu)	<del>785-1,222</del> MMBtu	<del>785-1,222</del> MMBtu
<b>Estimated Cost Savings (including tax benefits)</b>	Over term (MMBtu)	<del>14,362-22,362</del> MMBtu	<del>14,362-22,362</del> MMBtu
	Per year (\$)	<del>\$104,404</del> <del>68,830</del>	<del>\$104,404</del> <del>68,830</del>
<b>Estimated Cost Savings (including tax benefits)</b>	Life Cycle (\$)	<del>\$2,088,084</del> <del>1,376,597</del>	<del>\$2,088,084</del> <del>1,376,597</del>
	<b>Objective Function</b>	24.5 kBtu per ratepayer dollar at risk	
<b>Location</b>		City of Bristol	
<b>Type of Building</b>		Retail – Big Box Car Dealership	
<b>Year of Build</b>		First building in 1975, second in 2002	
<b>Building Size (total sf)</b>		30,000	
<b>Year Acquired by Current Owner</b>		1999	
<b>Appraised Parcel Value</b>		[REDACTED]	
<b>Status of Mortgage Lender Consent</b>		[REDACTED]	
<b>Proposed Project Description</b>		<del>200-258</del> kW <del>and 50 kW</del> Rooftop Solar Photovoltaic	
<b>Est. Date of Construction Completion</b>		Pending closing	
<b>Current Status</b>		Pending CT Green Bank Board of Directors Approval	
<b>Energy Contractors</b>		[REDACTED]	
<b>Additional Comments:</b>		[REDACTED]	

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

845 Brook Street  
Rocky Hill, Connecticut 06067

300 Main Street, 4th Floor  
Stamford, Connecticut 06901

T: 860.563.0015  
F: 860.563.4877  
www.ctcleanenergy.com

## Memo

**To:** Connecticut Green Bank Board of Directors

**From:** Ben Healey, Assistant Director, Clean Energy Finance

**CC:** Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; Brian Farnen, General Counsel and CLO; Kerry O'Neill, Managing Director of Residential Programs

**Date:** April 10, 2015

**Re:** Expanded Partnership with CHIF: Green Bank Guaranty for CEEFCo Portfolio Financing, Bridge Loan through Closing of Such Financing, and use of ARRA funds for related IRBs

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### Summary

The Connecticut Green Bank (“Green Bank”) has an existing partnership with the Connecticut Housing Investment Fund (“CHIF”) – a Hartford-based community development financial institution (“CDFI”) with a successful track record of running energy efficiency financing programs for the State of Connecticut and the utility companies – focused on the affordable multifamily housing sector. Through the Low-Income Multifamily Energy Loan Program (“LIME”), the Green Bank has already made available \$1,000,000 in capital to CHIF, along with a \$300,000 loan loss reserve (“LLR”) that was awarded pursuant to their proposal into the Clean Energy Financial Innovation RFP in 2012, to provide long-term, low-cost financing to qualifying affordable multifamily properties looking to pursue energy upgrades. There are currently seven properties moving through the CHIF pipeline that are likely to make use of LIME loan financing in calendar year 2015, totaling nearly 700 units of housing.

The Green Bank now proposes to deepen our relationship with CHIF through a new partnership, under which the Green Bank would support CHIF in securing private capital to expand and redirect its existing single-family (i.e. 1-4 unit, owner-occupied) energy efficiency financing program (originally capitalized in 2011 with \$12.5 million in Connecticut Energy Efficiency Fund (“CEEF”) capital) to serve credit-challenged customers with FICO scores under 680.

**Specifically, Green Bank staff is requesting authorization from the Board of Directors (“Board”) for a 10% portfolio financing guaranty, in an amount not to exceed \$1.5 million, to attract private capital to finance new term lending via CHIF’s wholly-owned Connecticut Energy Efficiency Financing Company (“CEEFCo”), along with a short-term bridge loan to CHIF for use also by CEEFCo, in an amount not to exceed \$900,000, and**

**use of interest rate buy-down funds for CEEFCo loans using existing ARRA funding allocations or future budget authorizations.**

Under the proposed new paradigm, CHIF – through CEEFCo – would continue to provide financing for energy efficiency projects sourced through CEEF’s Home Energy Solutions program in Eversource territory (and perhaps also in United Illuminating territory), as well as from contractors in the open market, but would restrict its offerings to lower FICO customers, in line with its broader CDFI mandate. This would allow for a rationalization of the single-family energy efficiency financing market – a goal CEEF and the Green Bank have been working towards over the past two years – in that the Green Bank’s Smart-E program would then serve prime customers (i.e. those with FICO scores of 680 or above) through our participating community banks and credit unions, while CHIF would serve the credit-challenged segment. In essence, CHIF would become the credit-challenged lender for the Smart-E loan.

At the same time, in parallel with Green Bank objectives to finance clean energy deployment with private capital, CEEF has constrained additional ratepayer funding for CHIF’s initiatives. Accordingly, to move in the direction of serving more credit-challenged homeowners as well as providing further funding for the popular “alternative underwrite” / 0% “payment plan” loans for small projects, CHIF needs new capital, and is planning to raise funds from a private capital source by financing its current portfolio (that is, an existing asset base of loans within CEEFCo that will total approximately \$11-\$14 million in size, depending on when this new funding closes). In order to secure private financing at an attractive rate (i.e. an interest rate in the low-to mid-4% range), the Green Bank proposes to support this portfolio financing with a 10% guaranty, in an amount not to exceed \$1.5 million. This guaranty would be available to CEEFCo as a source of funds only if a 10% Debt Service Reserve Fund (“DSRF”), to be funded out of proceeds, were to be fully exhausted, and the Green Bank would be further protected in that CHIF and the Green Bank propose to over-collateralize the financing by approximately 20%. Given that the default rate on the underlying portfolio of CEEFCo loans is incredibly small (i.e. only a handful of loans out of more than 1,800 fully funded to date have experienced any issues at all), Green Bank staff sees the risk here as minimal. However, our participation in the transaction will attract private capital (while achieving a leverage ratio of 9:1), strengthening the opportunity from a private capital provider perspective and helping ensure a low cost of financing.

In addition to raising new private capital, the Green Bank proposes to provide a short-term bridge loan to CHIF, in an amount not to exceed \$900,000, for interim use by CEEFCo in providing qualifying energy efficiency loans to single-family homeowners. This facility is needed so as not to disrupt the market as CHIF’s original CEEFCo capitalization runs out and in advance of securing a new source of private capital (anticipated to occur later in Q2 2015). This bridge loan will be drawn monthly based on projected CEEFCo volume, and will mature no later than the end of calendar year 2015, at which point all funds drawn will be fully repaid out of proceeds from the private capital financing. Designed as a bridge facility, this loan will have a 2% interest rate through August 31, 2015, so as to incent a quick closing on a new source of private capital. However, if all funds are not repaid by that date, any funds drawn under the



Green Bank's bridge loan will then accrue interest at a rate of 4% per annum, calculated from the date drawn to the repayment date on a 365/360 basis.

Taken together, this proposal will leave the Green Bank and CHIF well aligned, collaborating in a partnership to serve not only the affordable multifamily market, but also the single-family market across the credit spectrum, with a suite of attractive energy efficiency financing products. Pending Board approval of this proposal, the Green Bank's overall financing exposure to CHIF will be as follows (with the new items described in this memo highlighted in italics):

<b>Sector</b>	<b>Product</b>	<b>Type / Amount of Support</b>	<b>Duration</b>
Multifamily	LIME Loan	Capitalization: \$1,000,000	10-12 years
Multifamily	LIME Loan	Loan Loss Reserve: \$300,000	10-12 years
<i>Single-family</i>	<i>CEEFCo suite of products</i>	<i>Guaranty (not-to-exceed): \$1,500,000</i>	<i>10 years</i>
<i>Single-family</i>	<i>CEEFCo suite of products</i>	<i>Bridge loan (not-to-exceed): \$900,000</i>	<i>Through calendar year 2015</i>

Finally, as part of this broader market transition / bifurcation with respect to single-family energy efficiency financing, Green Bank staff would like to reserve the right to provide interest rate buy-downs ("IRBs"), modeled on current best practices under the Smart-E program, to CEEFCo-originated loans, as well, through calendar year 2015 (and beyond, if determined appropriate). Funding for such IRBs would be taken from dollars already programmatically allocated to IRBs for the Green Bank's Smart-E loan program (using ARRA funds as approved by the Board), and/or from new budget allocations for FY2016 and beyond.

## Resolutions

**WHEREAS**, the Connecticut Green Bank (“Green Bank”) has an existing partnership with the Connecticut Housing Investment Fund (“CHIF”) focused on financing qualifying energy upgrades for affordable multifamily properties;

**WHEREAS**, the Green Bank and CHIF now desire to expand that partnership to provide long-term, low-cost financing to credit-challenged single-family homeowners for qualified energy upgrades;

**WHEREAS**, the Green Bank proposes extending a guaranty (the “Guaranty”), in an amount not to exceed \$1,500,000, to CHIF’s wholly-owned subsidiary the Connecticut Energy Efficiency Financing Company (“CEEFCo”) for the purpose of securing private capital to be used for financing energy upgrades for such credit-challenged customers; and

**WHEREAS**, the Green Bank further proposes extending a bridge loan (the “Bridge Loan”) to CEEFCo, in an amount not to exceed \$900,000, to be used for financing energy upgrades for credit-challenged customers until such private capital is sourced.

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank Board of Directors (“Board”) authorizes the President of the Green Bank and any other duly authorized officer of the Green Bank, to execute and deliver the Guaranty and Bridge Loan with terms and conditions consistent with the memorandum submitted to the Board dated April 10, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board.

**RESOLVED**, that the Board authorizes Green Bank staff to fund interest rate buy-downs (“IRBs”) associated with CEEFCo financing of credit-challenged single-family homeowners using existing budget allocated to IRBs for the Green Bank’s Smart-E loan program, as well as any such future budgetary authorization.

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

Submitted by: Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; Kerry O’Neill, Managing Director of Residential Programs; and Ben Healey, Assistant Director of Clean Energy Finance



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

845 Brook Street  
Rocky Hill, Connecticut 06067

300 Main Street, 4th Floor  
Stamford, Connecticut 06901

T: 860.563.0015  
F: 860.563.4877  
www.ctcleanenergy.com

## Memo

**To:** Connecticut Green Bank Board of Directors

**From:** Bert Hunter, EVP and CIO; Ben Healey, Assistant Director of Clean Energy Finance and Mike Yu, Sr. Manager, Clean Energy Finance

**CC:** Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO; Kerry O'Neill, Managing Director of Residential Programs

**Date:** April 10, 2015

**Re:** Extension of Solar Lease 2 Facilities with US Bank & First Niagara

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At a special meeting of the Board of Directors of the Connecticut Green Bank ("Green Bank") held on June 26, 2013, the Green Bank Board of Directors (the "Board") approved resolutions for the CT Solar Lease 2 program ("Solar Lease 2"), a public private partnership between the Green Bank, and private capital providers. Solar Lease 2 enables lease and power purchase agreement ("PPA") financing for residential and commercial scale solar PV systems in Connecticut installed by an array of independent contractors. The capital providers include U.S. Bank, the "Tax Equity Investor" providing \$23.6 million, and a syndicate of local and regional banks (the "Lenders"), including Webster Bank, Liberty Bank and People's United Bank, that committed to provide \$26.7 million in debt, led by First Niagara Financial Group. The Green Bank supports Solar Lease 2 by providing \$2,300,000 in subordinated debt, \$7,200,000 in sponsor equity and \$3,500,000 in loan loss reserves using repurposed ARRA-SEP funds (i.e., federal stimulus dollars.)

Solar lease 2 has been a programmatic success, and through March 2015 has resulted in over 400 residential systems representing more than 3.3 megawatts being approved by US Bank (300 residential systems / 2.4 megawatts installed) and nearly 2 megawatts of commercial scale projects approved by US Bank (500 kw installed). Between now and the end of the fund, Solar Lease 2 is expected to install over 900 residential systems representing a total of 7.5 megawatts and commercial systems totaling over 9 megawatts. This represents a change in the mix of the use of the fund for more commercial systems and fewer residential systems. The reason is that with several financing options available in the market (including the Smart-E loan, the CT Solar Loan (which ended in late October 2014) and financing from other "third party owners"), staff has reduced the amount of residential systems it expects to finance from 1,600 to somewhat above 900. At the same time, commercial system demand has exceeded expectations by

200%, in particular with several municipalities and school districts taking advantage of the Solar PPA product, as well as many not-for-profit organizations.

While the progress has been notable since its launch in the autumn of 2013 (following the financial close at the end of June), early progress with Solar Lease 2 lagged as Green Bank staff and AFC First Financial, the servicer for the program, worked to operationalize the program with the contractors selling this lease and PPA product and the staff managing and operating processes with the tax equity and lender investors. The program has been fully operational for more than a year now and residential application and installation volume has steadily increased throughout 2014. On the commercial side, we have now been through two ZREC auctions with the Solar Lease 2 program being active with increasing activity as a result of each successive round of ZREC awards.

The present plan for the fund anticipates residential applications being accepted through mid-summer 2015 as the program shifts from the Green Bank to a new program model, which will be operated and managed entirely by a private originator and capital provider sourced through an RFP conducted by the Green Bank. On the commercial side, we expect the fund to commit to its capacity by late summer to early fall 2015 (with a successor program (if any) to be determined). This will result in the final residential and commercial systems being “placed in service” around the end of the first calendar quarter of 2016, or at the latest by late spring of that same year.

At the present time, the US Bank and First Niagara facilities will terminate on or about July 31, 2015, meaning that the last system under the existing arrangements must be placed in service by that time. In order to provide for adequate time for the balance of the fund to be expended and the remaining systems to be installed, staff has agreed “in principle” to extend both facilities for a period of one year with U.S. Bank and First Niagara Financial Group. Accordingly, staff seeks approval of the Board to enter into amendments to the documentation previously approved by the Board to extend each facility for up to one year, including flexibility to use more of the fund for commercial scale systems.

## Resolutions

**WHEREAS**, at a special meeting of the Board of Directors of the Connecticut Green Bank (“Green Bank”) held on June 26, 2013, the Green Bank Board of Directors (the “Board”) approved resolutions for the CT Solar Lease 2 program (“Solar Lease 2”);

**WHEREAS**, the Green Bank intends to extend the duration of the tax equity and credit facilities supporting Solar Lease 2 and to implement certain changes in the mix of systems to be installed as set forth in the memorandum submitted to the Board dated April 10, 2015;

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank Board of Directors (“Board”) authorizes the President of the Green Bank and any other duly authorized officer of the Green Bank, to execute and deliver amendments and other related documentation to extend the duration of the tax equity and credit facilities supporting Solar Lease 2 and to implement certain changes in the mix of systems installed consistent with the memorandum submitted to the Board dated April 10, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board;

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

Submitted by: Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; Ben Healey, Assistant Director of Clean Energy Finance and Mike Yu, Sr. Manager, Clean Energy Finance