

**BUDGET AND OPERATIONS COMMITTEE OF THE  
CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY  
Minutes – Special Meeting  
Thursday, May 9, 2013**

A special meeting of the Budget and Operations Committee (“Budget Committee”) of the Board of Directors of the **Clean Energy Finance and Investment Authority (the “CEFIA”)** was held on May 9, 2013, at the office of the Clean Energy Finance and Investment Authority, 845 Brook Street, Rocky Hill, CT 06067.

1. **Call to Order:** Daniel Esty, Chairperson of the Budget Committee, called the meeting to order at 3:55 p.m. Budget Committee members participating: Mun Choi (by phone), Daniel Esty, and Norma Glover.

Staff Attending: George Bellas, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Shelly Mondo, and Kerry O’Neill.

2. **Public Comments:** There were no public comments.

3. **Approval of Meeting Minutes:**

Mr. Esty asked the Budget Committee members to consider the minutes from the January 23, 2013 meeting.

**Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Budget Committee members voted unanimously in favor of adopting the minutes from the January 23, 2013 meeting as presented.**

4. **Discussion of FY14 Budget:**

Mr. Dykes summarized the actual utility assessment revenues compared with the projected budget for fiscal year 2013, noting that revenues for utility assessments were slightly under budget. Based on the actual to date for fiscal year 2013 and Conservation Load Management Plan estimates for fiscal year 2014, Mr. Dykes reported that projected utility assessment revenues for fiscal year 2014 are slightly lower. He discussed the projected income from the Regional Greenhouse Gas Initiative (“RGGI”), interest on bank deposits, interest income from the Solar Lease I Portfolio, grant income, Renewable Energy Credits and other income for fiscal year 2014.

Mr. Garcia mentioned that CEFIA has had discussions with DEEP and CI about the bonding available to CEFIA under Section 36-37 of Public Act 12-189 to provide grants, investments, loans and other forms of financial assistance to support renewable energy and energy efficiency. The funding will be an important piece of CEFIA’s Comprehensive Plan. Staff was asked to think about the role CEFIA can bring to provide lower interest-rate debt to attract financing for distributed generation elements

of microgrid projects. Mr. Dykes indicated that the cash flow statement reflects the \$18,000,000 of bond funds.

Mr. Dykes reviewed the program areas and the staff in charge of each of the areas. He mentioned that the position of Director of Institutional Programs has been filled. Mr. Dykes discussed the progress, metrics and budget requests for the residential programs. Mr. Hunter provided an update on the Smart-E Loan/Cozy Loan, the CT Solar Lease, the CT Solar Loan, the Solar PV Capital Competition and Energy Efficiency Loan programs and discussed the proposed budgets and operating expenses for each of the programs. Mr. Garcia stated that the proposed budget for the Solar PV Capital Contribution is a placeholder. He indicated that staff is evaluating the program to determine the right level of capital needed to leverage private capital to make low interest rate loans without subsidies.

Mr. Hunter talked about CHFA's participation with the C-PACE program and the affirmative opinion from CHFA's legal counsel about participating in a subordinated position. Staff reviewed the projected operating expenses for the programs. Mr. Dykes mentioned that the large increase in marketing expenses is because the focus for fiscal year 2014 is on deployment. Ms. O'Neill explained the channel marketing strategy. She discussed the video being developed that can be used broadly by stakeholders. The Committee members suggested utilizing public service announcements, the Governor and working with Energize CT.

Mr. Dykes provided an update on the Commercial and Industrial program performance. It was noted that the focus for fiscal year 2014 is on the deal flow for the C-PACE Program. Mr. Dykes discussed the targets for C-PACE. In response to a suggestion, Mr. Hunter indicated that targets are broken out by month, and staff will provide quarterly reports on how CEFIA is doing against the targets.

A discussion ensued on marketing efforts, and there was a discussion about a "Clean Energy Finance" day to provide education about the programs available. A suggestion was made to strategically separate and concentrate on targeting different sectors (i.e. nonprofits, manufacturing, etc). Staff was asked to work with DECD to decide on other sectors to prioritize. A suggestion was made to meet with the Chambers of Commerce and the Connecticut Business and Industry Association for marketing and targeting efforts and to have a strategic marketing focus for the next several months.

Questions arose regarding the Clean Energy Business Solutions Program. Mr. Garcia mentioned that CEFIA has been meeting with the Department of Economic and Community Development ("DECD") to educate the staff and move this initiative forward.

Mr. Dykes reviewed the performance of the Institutional programs. The Budget Committee members discussed the Campus Efficiency Now Program, and it noted that adjustments can be made if necessary to the program or marketing efforts.

Mr. Dykes talked about the infrastructure/grid-tied programs. There was a discussion about the enthusiasm for the microgrid projects and how CEFIA can help to make the projects and add-ons financeable. Mr. Dykes reported on the statutory programs, noting that significant progress has been made to meet the statutory goals and targets. He mentioned that installed costs are down. A comment was made that the statutory required programs do not necessarily leverage as much private capital as some of the other programs. Staff was asked to consider how to ramp up installations even more rapidly. Mr. Garcia talked about the significant increase in interest and success in the program over the last year.

Mr. Hedman reported on the anaerobic digester program and talked about the efforts being made to assess and evaluate the financing opportunities for approximately 18 waste water plants that have digesters. He provided updates on the Combined Heat and Power Program and the Residential Solar Investment Program.

Mr. Dykes discussed the staffing levels and mentioned that staff recommends an increase of 3 full-time equivalents in fiscal year 2014. Mr. Bellas reviewed the projected Statement of Cash Flows for fiscal year 2014.

The Budget Committee members will continue discussions on the proposed fiscal year 2014 budget at the meeting scheduled for May 28, at 1:30 p.m. The Budget Committee members asked for a more refined set of targets and timelines, more information on private capital needed/anticipated, staff resources and metrics to define successes, broken out for each program.

**5. Adjournment:** Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Budget Committee members voted unanimously in favor of adjourning the May 9, 2013, 2013 meeting at 5:15 p.m.

Respectfully submitted,

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Daniel Esty, Chairperson of Budget  
Committee