

CONNECTICUT GREEN BANK

Minutes – Special Meeting

Friday, December 19, 2014

A special meeting of the Deployment Committee of the Board of Directors of the **Connecticut Green Bank** was held on December 19, 2014, at the office of the Green Bank, 845 Brook Street, Rocky Hill, CT.

1. **Call to Order**: Mr. Hundt (by phone) noting the presence of a quorum, called the Deployment Committee meeting to order at 8:41 a.m. Deployment Committee members participating: Matt Ranelli; and Patricia Wrice.

Staff Attending: Bert Hunter, George Bellas, Mackey Dykes, Brian Farnen, Bryan Garcia, Madeline Priest, Andy Brydges, Dale Hedman

2. **Public Comments**:

There were no public comments.

3. **Statutory and Infrastructure Sector Program Updates and Recommendations**:

Residential Solar Investment Program (RSIP) – Step 6 and Step 7

Mr. Garcia indicated that there have been 50 megawatts of projects submitted to the RSIP with 30 megawatts completed or in progress in 2014. This is an increase of 650% since the RSIP program's inception. The residential solar PV incentive has been reduced by 60% since the inception of the program. Reflecting upon the strength of the Green Bank's financing programs he noted there have been over 800 applications for financing in the first and second quarters of Fiscal Year 2015.

With the step 5 incentive, the Green Bank saw what would be considered an equivalent of \$50 Z-REC price or \$0.84 watt/stc . The Home Owner Performance Based Incentive (HOPBI) makes up 15% of the market and 85% are Performance Based Incentives (PBI) from companies such as Solar City and programs like the CT Solar Lease.

The Green Bank continues to work on the Solar Homes and Jobs Opportunity Act and it now has the Governor's support, along with other key stakeholders. The next steps are to pull together studies on the benefits versus costs analysis.

RSIP is ready to move to Step 6 and 7 for a continuation of reduction in the residential solar PV incentive. "Race to the Rooftop," is a 10 megawatt goal for January 1 set for Step 6. Once that target is met then the Green Bank will move on to a 10 megawatt goal Step 7.

Next steps are to analyze tax, marketing and administrative implications of giving customers a choice for how they receive the incentive. The Green Bank is looking at the options of providing the incentive upfront to the installer, over a period of time, or as a Renewable Energy Credit (REC) in lieu of the current RSIP program.

Reflecting upon the future of the RSIP, Mr. Garcia noted that if the Green Bank were to continue business as usual, with the remaining resources allocated by statute for the RSIP, adding 70 megawatts of additional solar, in a much more scaled up market. With limited capital, the Green Bank would need to look into securitization of the proposed SHREC, and other viable options, thereby enabling a transfer of the REC value to homeowners. This would be pushing the Green Bank to reflect and adapt on its role in the market as it grows.

Mr. Hundt stated that he was concerned that the current model cannot scale due to potentially not having enough capital on the Green Bank's balance sheet and ideally the organization should be moving toward no HOPBI payments. Mr. Hundt then asked Mr. Garcia to keep track of future dollars the organization might be at risk for.

Mr. Hundt then went on to say that the Green Bank is replacing cash subsidies from the balance sheet with the sale of the RECS. He stated that it is important that staff move to that process as soon as possible because the Green Bank will be running out of money at the current rate of demand. If there is no action, then the market will come to an end and the solar industry is a job creator would be stalled. Loan programs will become more necessary to help make solar more affordable.

Mr. Ranelli responded to Mr. Hundt statement by saying the issue is a good problem to have since it means the Green Bank has been successful and has met their legislative goal. He then went on to say that the focus on scaling up should transition from a focus on the overall market to a focus on distressed communities. If this does not occur, the gap between those who can access solar and those challenged financially to obtain solar will be harder to close. Mr. Ranelli suggested that there might be a need to "over incent" for those with a lower income to go solar. He stated that there will not be real success until more low income communities are also going solar.

Ms. Wrice mentioned that she had been visiting fuel banks and that the average age is clients is over 60. These are people who own their own homes but are struggling to meet their energy needs.

Mr. Hundt asked the Green Bank staff to take these comments to heart and continue to focus on these issues and to develop proposals in response.

9. Adjournment: Upon a motion made by Ms. Wrice, seconded by Mr. Ranelli, the Deployment Committee members voted unanimously in favor of adjourning the meeting at 9:02 a.m.

Respectfully submitted,

Reed Hundt, Chairperson of the
Deployment Committee