# DEPLOYMENT COMMITTEE OF THE CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

**Minutes –Special Meeting**
**Monday, November 30, 2012**

A special meeting of the Deployment Committee of the Board of Directors of the **Clean Energy Finance and Investment Authority ("CEFIA")** was held on November 30, 2012, at the office of CEFIA, 865 Brook Street, Rocky Hill, CT.

**1.** **<u>Call to Order</u>**: Noting the presence of a quorum, Reed Hundt, Chairperson of the Deployment Committee, called the meeting to order at 12:12 p.m. Deployment Committee members participating: Reed Hundt; Sharon Dixon-Peay representing Denise Nappier, State Treasurer; Matthew Ranelli (by phone); and Patricia Wrice.

Other Board member present: Norma Glover.

Staff Attending: Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, Ben Healey (by phone), Dale Hedman, Bert Hunter, Alexandra Lieberman and Shelly Mondo.

Others Attending: Eric Brown, CBIA; Jamie Howland, Environment Northeast; and Walter Murphy, DEEP.

**2.** **<u>Public Comments</u>:**

Jamie Howland thanked CEFIA for its efforts, particularly on the creation of the residential programs. He provided written comments on behalf of the Connecticut Energy Efficiency Board about the draft residential financing programs and summarized some key criteria for product to be successful, including: 1) the financing process must be convenient from a customer's perspective and streamlined from a programmatic perspective; 2) the product must be attractive and economical from a customer's view; 3) the product should be economical from a program perspective; and 4) the product must meet the needs of the targeted market segments.

**3.** **<u>Approval of Meeting Minutes</u>:**

Mr. Hundt asked the Deployment Committee members to consider the minutes from the August 24, 2012 meeting.

> **Upon a motion made by Mr. Ranelli, seconded by Mr. Hundt, the Deployment Committee members voted in favor of adopting the minutes from the August 24, 2012 meeting as presented (Ms. Wrice abstained from the vote, and Ms. Dixon-Peay was not present for the vote).**

**4. <u>Review and Approval of Repurposed American Recovery and Reinvestment Act State Energy Program</u>:**

Mr. Garcia explained the background of the American Recovery and Reinvestment Act State Energy Program ("ARRA-SEP") funding. He summarized that the Connecticut Clean Energy Fund ("CCEF") received $20,000,000 of a $38,500,000 allocation to the Office of Policy and Management and then the Department of Energy and Environmental Protection ("DEEP") to support grant programs. Mr. Garcia stated that with the $20,000,000 of federal funding CCEF created two new programs and allocated $4,000,000 for solar thermal and $5,000,000 for geothermal. He mentioned that $3,000,000 was allocated to the existing solar PV program and $8,000,000 for the existing fuel cell program. Mr. Garcia indicated that after reporting on the status of the expenditure of the funds, the Board charged staff with coming up with options to ensure all the funds were expended within the required time frame. Staff worked with the U.S. Department of Energy and DEEP and repurposed $8,250,000 of the ARRA-SEP grant funds to support credit enhancement programs for the residential building sector. DEEP repurposed $110,000 of outstanding ARRA-SEP funds it had and contributed that to CEFIA's repurposed programs. Mr. Garcia stated that $1,360,000 has been designated for the Clean Energy Financial Innovation Program and $7,000,000 has been designated for the Residential Clean Energy Financing Program. He explained the rationale for focusing on the residential sector rather than the commercial sector with the repurposed funds, noting that there are fewer federal restrictions and more flexibility with the residential sector with respect to categorical exemptions from NEPA, Davis Bacon, and other requirements. Mr. Garcia mentioned that the residential focus is technology agnostic, allowing CEFIA to utilize the funds for all technologies. He noted that the funds are concentrated around credit enhancements, including interest rate buydowns, loan loss reserves and third-party insurance, rather than revolving loan funds. Mr. Garcia explained that utilizing the funds as credit enhancements will avoid having to comply with the Department of Energy reporting requirements in perpetuity. Staff was acknowledged for trying to develop programs that are not available or as feasible in the conventional market.

Mr. Garcia spoke about the Request for Proposals ("RFP") process for the Clean Energy Financial Innovation Program that lead to the Evaluation Committee recommending three proposals for approval by the Deployment Committee today and a fourth proposal in the near future. He described the following four proposals recommended by the Evaluation Committee: 1) Low-Income Energy Loan Fund (Pilot); 2) Equipment Replacement and Clean Energy Loan Fund (Pilot); 3) Solar Loan (Pilot) and 4) Solar PV and Solar Hot Water Systems Lease/PPA. Mr. Garcia summarized that $4,800,000 of ARRA-SEP repurposed funding is anticipated to leverage approximately $63,700,000 of private funds or a 6 to 1 leverage ratio to produce/save approximately 12.7 megawatts and 80,000 MMBtus of energy.

The Deployment Committee members questioned how staff plans to utilize the remaining estimated $3,500,000 of the ARRA-SEP funding. Mr. Hunter indicated that staff will analyze these programs over the next six months to determine which are more efficient and successful before making a recommendation to the Deployment Committee on how to utilize the remaining funds. In response to a question, it was noted that the success of the programs will be measured based on a set of defined metrics.

Mr. Garcia discussed the proposed Cozy Loan Program which has been proposed by the Housing Development Fund, Inc. ("HDF"). The program will allow CEFIA to leverage a $410,000 credit enhancement mechanism to support a $2,500,000 fund of third-party capital (6 to 1 leverage). Mr. Hunter explained that under the program, unsecured loans will be provided at a low interest rate to low- and moderate-income homebuyers and potential homebuyers to finance comprehensive energy audit and upgrades. The program will be administered by HDF. In response to a question, it was noted that the loans are for current owner-occupied borrowers and prospective homebuyers. The goals of the program were discussed, and it was noted that HDF has the capacity and ability to market to this segment for "quality" energy upgrades. Staff indicated that the program is consistent with CEFIA's Comprehensive Plan because it creates a replicable pilot program that encourages private investment into energy upgrades in the low- to moderate-income space. Mr. Hunter described how the program will be implemented and CEFIA's role. A suggestion was made to eventually restrict some of the funding to the lowest-income homeowners/homebuyers and to analyze the costs versus the benefits of the pilot program. Mr. Hunter mentioned that a program model in Massachusetts was utilized to help develop this program because it has similar characteristics, and information about that model will be sent to the Committee members. The Committee asked staff, as the data collection process begins, to identify the expectations, clearly explain the savings for the homeowner relative to income and the size of the loan and analyze the repayment data.

**Upon a motion made by Ms. Wrice, seconded by Ms. Dixon-Peay, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding funding for the Clean Energy Financial Innovation Program:**

**WHEREAS,** the Clean Energy Finance and Investment Authority ("CEFIA") has entered into a Memorandum of Agreement ("MOA") with the Department of Energy and Environmental Protection ("DEEP") to repurpose American Recovery and Reinvestment Act State Energy Program ("ARRA-SEP") fund for the undertaking of a project of mutual interest; and

**WHEREAS,** the project of mutual interest set forth in the MOA is to provide funding for credit enhancements (i.e., loan loss reserves, interest rate buy-downs, third-party loan insurance) for two financing programs administered by CEFIA. The two programs supported by this funding are the Residential Clean Energy Financing Program and the Clean Energy Financial Innovation Program; and

**WHEREAS,** the Clean Energy Financial Innovation Program shall be used to leverage additional public and private sector sources of capital through a competitive solicitation process designed and administered through CEFIA; and

**WHEREAS,** the Housing Development Fund, Inc. submission of the Cozy Loans Program ("Program") was down selected under CEFIA's competitive solicitation process for the Clean Energy Financial Innovation Program.

**NOW,** therefore, be it:

**RESOLVED:**

(1) that funding be approved for the Program in an amount not to exceed $360,000 for a Loan Loss Reserve ("LLR") and $50,000 for an Interest Rate Buydown ("IRB") ("Credit Enhancements") through the use of repurposed ARRA-SEP program funds; and

(2) that the President of CEFIA and any other duly authorized officer of CEFIA is authorized to execute and deliver, any contract or other legal instrument necessary to effect the Credit Enhancements on such terms and conditions consistent with the term sheet dated November 21, 2012 and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than six months from the date of this resolution; and

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

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**b. <u>Review and Approval of Residental Energy Efficiency and Equipment Replacement Loan Program—Public-Private Partnership with Connecticut-Based Credit Unions and Community Banks</u>:**

Mr. Garcia talked about the CT Home Energy Loan Program ("CT HELPs"). Under the program, CEFIA will leverage approximately $7,000,000 in private sector capital for investment into deep energy efficiency retrofits, renewable energy deployment and fuel and equipment conversions in single-family homes in the state. Staff was asked to clearly identify the meaning of "deep" energy efficiency retrofits in the documentation. Mr. Hunter stated that by creating a loan loss reserve CEFIA will support local credit unions in providing capital under a program with United Illuminating, Next Step Living, Inc. ("NSL") and other qualified contractors approved by United Illuminating ("UI") and CEFIA. As the program gets rolled out, it is anticipated that other lending institutions will participate. Mr. Hunter explained how the program can be beneficial to the credit unions by helping to expand membership and increase loan activities. Mr. Hunter stated that CEFIA's funds will leverage private capital 11 to 1 under the proposed program. He mentioned that a similar program in Massachusetts has been very productive and successful. It was noted that the program is consistent with CEFIA's Comprehensive Plan as well as Connecticut's Draft Comprehensive Energy Strategy.

Mr. Hunter and Ms. Lieberman explained how the program will support the natural gas conversion and the potential savings as a result. Mr. Hunter described the structure of the proposal, noting that no ratepayer funds will be used to support the program. CEFIA's funding will be provided through the repurposed ARRA-SEP funds. He noted the likelihood of coming back to the Deployment Committee to request additional funding because of high interest and demand for the program. In response to a question, Mr. Garcia stated that as the pilot program rolls out, it is anticipated that the program will be expanded to Connecticut Light and Power ("CL&P") and other lending institutions. Mr. Howland indicated that CL&P is ready and willing to participate. A suggestion was made to increase the funding for the program so that CL&P and CMEEC territories can participate, and there was consensus to modify the resolution to include additional funding to expand participation. A discussion ensued on the loan loss reserve and the importance of understanding the portfolio and potential losses in order to effectively manage the loan loss reserve fund.

In response to a suggestion, Mr. Garcia stated that under the program, financing of related improvements that do not contribute directly to enhanced energy efficiency (i.e. asbestos removal, lead abatement, etc.) is allowed as long as they do not exceed 20 percent of a given loan's value. Some concern was expressed with not being able to serve the homeowners of older homes and higher density neighborhoods, and a suggestion was made to create a parallel product for a broader class of ratepayers.

For this proposal/program and the other proposals/programs that will be presented, staff was asked to report back on the following: 1) what CEFIA is trying to accomplish, 2) a specific timeframe for determining accomplishments, 3) why CEFIA is doing the program/proposal, 4) what the program/proposal is for, 5) where the program/proposal will most likely be done, and 6) a specific date by which staff will report back on the status of each of the programs.

Questions arose about opening the program to others and why a similar program previously run by United Illuminating was ineffective. Ms. Lieberman mentioned that the marketing of the program will be done in coordination with NSL, the contractors and the credit unions. It is anticipated that the marketing and branding will also be done in coordination with Energize Connecticut, so there is a unified approach. In response to a question, it was noted that the four credit unions piloting the program are located in different areas of UI's service territory state so there is some geographic diversity.

> **Upon a motion made by Ms. Wrice, seconded by Ms. Dixon-Peay, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding funding for the Residential Energy Efficiency and Equipment Replacement Loan Program—Public—Private Partnership with Connecticut-Based Credit Unions and Community Banks:**

**WHEREAS,** the Clean Energy Finance and Investment Authority ("CEFIA") has entered into a Memorandum of Agreement ("MOA") with the Department of Energy and

Environmental Protection ("DEEP") to repurpose American Recovery and Reinvestment Act State Energy Program ("ARRA-SEP") fund for the undertaking of a project of mutual interest; and

**WHEREAS,** the project of mutual interest set forth in the MOA is to provide funding for credit enhancements (i.e., loan loss reserves, interest rate buy-downs, third-party loan insurance) for two financing programs administered by CEFIA. The two programs supported by this funding are the Residential Clean Energy Financing Program and the Clean Energy Financial Innovation Program; and

**WHEREAS,** the Clean Energy Financial Innovation Program shall be used to leverage additional public and private sector sources of capital through a competitive solicitation process designed and administered through CEFIA; and

**WHEREAS,** the Next Step Living, Inc. ("NSL") submission of the CT HELPS Program ("Program") was down selected under CEFIA's competitive solicitation process for the Clean Energy Financial Innovation Program.

**NOW,** therefore, be it:

**RESOLVED:**

(1) that funding be approved for the Program in an amount not to exceed $2,500,000 for a Loan Loss Reserve ("LLR") ("Credit Enhancements") through the use of repurposed ARRA-SEP program funds, of which $300,000 will be set aside for a period of 18 months from the program's launch date to support financing provided to customers of NSL;

(2) that the President of CEFIA and any other duly authorized officer of CEFIA is authorized to execute and deliver, any contract or other legal instrument necessary to effect the Credit Enhancements with terms and conditions consistent with the term sheet substantially in the form included in the amended Deployment Committee Due Diligence package dated November 30, 2012, (which will include United Illuminating, Connecticut Light & Power and CMEEC territories) and as he or she shall deem to be in the interests of CEFIA and the ratepayers; and

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

**c. <u>Review and Approval of Residential Solar PV Loan Program—Public-Private Partnership with Mass Mutual and Sungage</u>:**

Mr. Hunter described the proposed Residential Solar PV Financing Program presented to CEFIA by Sungage. The proposed program will enable CEFIA to promote solar ownership in Connecticut with a $300,000 loan loss reserve, a subordinated debt term loan component of $500,000 and a revolving loan of a maximum of $2,200,000. Mr. Hunter described Sungage's program that allows Connecticut homeowners with FICO scores of at least 680 to own a solar PV system and take advantage of the Investment Tax Credit. He discussed the proposed financing terms under the program. Mr. Hunter noted that the proposed program is consistent with CEFIA's strategic plan. He reviewed the background of Sungage and stated that CEFIA has options with other servicers if the partnership does not work with Sungage. Also, Mr. Hunter said discussions were continuing with MassMutual about their participation in the program as a senior lender, but that he was confident CEFIA would be able to attract another senior lender if that became necessary. He explained how the program will be implemented. Questions arose and there was a discussion about solar PV not working when there is an electrical outage. Mr. Hedman explained that solar is intermittent and any excess energy from the solar goes back to the grid. Therefore, a switch gear is necessary so that the solar is not locked out during an electrical outage. Staff was asked to determine whether financing for switch gears can be included under this or any of the other programs.

> **Upon a motion made by Mr. Ranelli, seconded by Ms. Wrice, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding financing for the Residential Solar PV Loan Program—Public-Private Partnership with Mass Mutual and Sungage:**

**WHEREAS,** the Clean Energy Finance and Investment Authority ("CEFIA") has entered into a Memorandum of Agreement ("MOA") with the Department of Energy and Environmental Protection ("DEEP") to repurpose American Recovery and Reinvestment Act State Energy Program ("ARRA-SEP") fund for the undertaking of a project of mutual interest; and

**WHEREAS,** the project of mutual interest set forth in the MOA is to provide funding for credit enhancements (i.e., loan loss reserves, interest rate buy-downs, third-party loan insurance) for two financing programs administered by CEFIA. The two programs supported by this funding are the Residential Clean Energy Financing Program and the Clean Energy Financial Innovation Program; and

**WHEREAS,** the Clean Energy Financial Innovation Program shall be used to leverage additional public and private sector sources of capital through a competitive solicitation process designed and administered through CEFIA; and

**WHEREAS,** Sungage, Inc.'s submission of the Solar Loan Program ("Program") was down selected under CEFIA's competitive solicitation process for the Clean Energy Financial Innovation Program.

**NOW,** therefore, be it:

**RESOLVED:**

(1) that funding be approved for the Program in an amount not to exceed $300,000 for a Loan Loss Reserve ("LLR") through the use of repurposed ARRA-SEP program funds; and

(2) that the Deployment Committee hereby recommends to the CEFIA Board of Directors that the Board of Directors grant approval for CEFIA to establish special purpose vehicles (limited liability companies, "SPVs") to facilitate the funding for the proposed Program; and

(3) that the Deployment Committee hereby recommends to the CEFIA Board of Directors that the Board of Directors grant approval for CEFIA to lend to the SPVs for the purposes of funding the loans to be grants to Connecticut homeowners under the Program subject to the following limits:

a. A maximum limit for all long-term loans of $500,000;
b. A maximum limit for revolving loan advances of:
    i. $1,500,000 in the event CEFIA is the sole senior lender to the SPV, or
    ii. $2,200,000 in the event CEFIA is a subordinated lender to the SPV with a senior lender providing not more than $4,500,000 to the SPV; and

(4) that the President of CEFIA and any other duly authorized officer of CEFIA is authorized to execute and deliver, any contract or other legal instrument necessary to effect the Credit Enhancements, senior debt and subordinated debt on such terms and conditions consistent with the term sheet dated November 21, 2012 and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than six months from the date of this resolution; and

(5) that the proper CEFIA officers are authorized and empowered to do all other acts and execute and deliver all other documents as they shall deem necessary and desirable to effect the above-mentioned legal instrument; and

(6) that the Deployment Committee action is consistent with CEFIA's purposes as codified in Section 16-245n(d)(1) of the Connecticut General Statutes, its Board approved Resolution of Purposes and CEFIA's Comprehensive Plan.

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Mr. Ranelli left the meeting at this time.

**5. <u>Review and Recommendation for Approval of Step 3 and Step 4 of the Residential Solar Investment Program and Capital Competition Loan</u>:**

Mr. Garcia explained that CEFIA launched a Residential Solar Investment Program in March 2012, in accordance with Section 106 of Public Act 11-80. The program offers rebates and performance-based incentives ("PBI") to support homeowners who install solar photovoltaic systems. Mr. Garcia discussed the performance of the program to date and explained some of CEFIA's goals with respect to the program. He summarized that there has been an increase in PBI competition, costs are declining, customer demand is increasing, and the ratepayer subsidies are decreasing. The goals under the program include: developing a sustainable market in Connecticut, achieving a higher leveraging ratio of non-ratepayer funds to ratepayer funds, reducing installed costs, providing energy efficiency measures and shifting from a subsidy-based incentive to a long-term financing mechanism. Mr. Garcia mentioned that approximately 640 projects have been approved since the program was launched, utilizing approximately $7,500,000 of incentives which have been leveraged by an additional $14,400,000 in private investments.

Mr. Garcia explained the proposed changes to the incentive levels for steps 3 and 4 noting that only the proposed change for step 3 would be published at this time if approved by the Board. A discussion ensued on the differences with the proposed incentive changes between the rebates and PBIs, and staff was asked to explain the rationale for the differences in the changes to each of the models and the expected outcome as a result of the changes. Mr. Garcia explained that the incentive proposed is comparable on a present value basis for both sides of the market. The Deployment Committee members also discussed the differences in costs between the two models, the electrons generated per dollar for each of the models and tax benefits generated for each model. Questions arose as to whether or not CEFIA should be providing more incentives for one model over another. A comment was made that CEFIA should reward the model that is more effective. The Committee discussed the importance of sustaining the market in Connecticut. Mr. Garcia explained how staff attempts to balance the incentives with costs and noted that if the incentives are kept at the same level, CEFIA will run out of incentives and the market will be in a boom-bust cycle of deployment. Staff was asked to revisit the proposal to determine whether further adjustments should be made to the PBI model in step 3 before the December Board meeting. There was consensus to bring this issue proposal or a substantially similar proposal forward to the Board with no formal recommendation from the Deployment Committee.

**a. <u>Review and Approval of Residential and Commerical Solar PV and Solar Hot Water Lease Program—Public-Private Partnership with AFC First Financial</u>:**

Mr. Hunter discussed the CT Solar Lease 2 Program, which builds on the success of the CT Solar Lease 1 Program which was active from 2008 to 2011. Under the first program, approximately 855 solar PV systems were leased to Connecticut residents, and there were only 2 defaults which are both expected to be worked out. Mr. Hunter stated that the program was administered by AFC First Financial. CCEF's CT Solar Lease Program was the first residential solar leasing program in the United States. Mr. Hunter described the proposed CT Solar Lease 2 Program, noting that CEFIA proposes that the program will also be administered by AFC First Financial. He explained how the program will be implemented and structured, pointing out some of the differences from the first program. Mr. Hunter noted that as a result of the proposed new structure of ownership all ratepayer funds paid in under the PBI will be returned to the Connecticut ratepayers.

**Upon a motion made by Ms. Wrice, seconded by Ms. Dixon-Peay, the Deployment Committee members voted in favor of adopting the following resolution regarding financing for the Residential and Commercial Solar PV and Solar Hot Water Lease Program (Mr. Ranelli was not present for the vote):**

**WHEREAS,** the Clean Energy Finance and Investment Authority ("CEFIA") has entered into a Memorandum of Agreement ("MOA") with the Department of Energy and Environmental Protection ("DEEP") to repurpose American Recovery and Reinvestment Act State Energy Program ("ARRA-SEP") fund for the undertaking of a project of mutual interest; and

**WHEREAS,** the project of mutual interest set forth in the MOA is to provide funding for credit enhancements (i.e., loan loss reserves, interest rate buy-downs, third-party loan insurance) for financing programs administered by CEFIA. The program supported by this funding is the CT Solar Lease 2 Program (the "Program"); and

**WHEREAS,** CEFIA proposes to reintroduce its Solar Lease Program which builds on the success of the first Solar Lease Program and achieves the additional benefits of enabling Connecticut homeowners to work with qualified installers of their choice, ensuring that Connecticut's solar installer base remains robust, diverse and able to reach all Connecticut residents, permit homeowners to lease systems for a 20-year period (5 years longer than the first program and competitive with the major national installers), permit financing of solar hot water systems and make a portion (20%) of the fund proposed available to non-residential end-users; and

**WHEREAS,** CEFIA's Program Partners are desirous of moving to the capital raise phase of the program, having achieved a capital structure and program design that CEFIA staff and CEFIA's advisors believe will be successful.

**NOW,** therefore, be it:

**RESOLVED:**

(1) that the Deployment Committee recommends that the CEFIA Board of Directors

approves funding for the Program in the following amounts :

a. an amount not-to-exceed $3,500,000 for a Lease Loss Reserve ("LLR") through the use of repurposed ARRA-SEP program funds; and
b. an amount not-to-exceed $7,200,000 for Sponsor Equity to be invested into the SPV to be established for the Program; and
c. an amount not-to-exceed $2,300,000 for Subordinated Debt; and

(2) that the Deployment Committee authorizes CEFIA staff to work with the Reznick Group to manage a capital raise in an amount not to exceed $60,000,000 for the Program; and

(3) that the President of CEFIA and any other duly authorized officer of CEFIA is authorized to execute and deliver, any contract or other legal instrument necessary to secure a non-binding agreement with senior lender(s) and a tax equity investor and subject to final approval by CEFIA's Board of Directors on such terms and conditions consistent with the presentation in Staff's Program Qualification Memo dated November 30, 2012 and as he or she shall deem to be in the interests of CEFIA and the ratepayers no later than six months from the date of this resolution; and

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

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**b. Review and Approval of Residential Solar Investment Program Capital Competition Pilot Loan Program:**

Mr. Garcia reviewed the proposed Capital Competition Pilot Loan Program. He explained that under the pilot program, CEFIA would provide a $1,000,000 loan to help demonstrate the application of low-interest long-term loan financing that is repaid over time in lieu of the need for subsidies to support residential solar PV. Mr. Garcia explained the proposed terms and conditions of the loan financing. A capital competition RFP will be issued to identify a developer-financier that can "deliver the most amount of clean electrons per dollar of ratepayer funds at risk." The winning developer-financier will not be able to access the rebate or PBI, but will retain the Renewable Energy Certificates and other environmental attributes from the residential solar PV projects.

**Upon a motion made by Ms. Dixon-Peay, seconded by Ms. Wrice, the Deployment Committee members voted in favor of adopting the following resolution regarding funding for the Residential Solar Investment Program Capital Competition Pilot Loan Program (Mr. Ranelli was not present for the vote):**

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

**WHEREAS**, CEFIA seeks to provide a $1 million loan pilot program to the portfolio of incentives offered to support the residential solar PV program through a Request for Proposal competitive solicitation to provide a long-term and low-interest loan to the winning bidder for delivering the maximum amount of clean energy produced without the use of an expected performance-based incentive (Rebate) or performance based incentive (PBI).

**NOW,** therefore, be it:

**RESOLVED:**

(1) that the Deployment Committee authorizes the issuance of a Request for Proposals competitive solicitation to provide a long-term and low-interest loan in an amount not to exceed $1,000,000 to the winning bidder for delivering the maximum amount of clean energy produced without the use of a Rebate or PBI incentive pursuant to Section 106 of Public Act 11-80; and

(2) that if the pilot loan program is successful, the Deployment Committee will recommend to the Board of Directors an expansion of funds up to $10,000,000 for full rollout of the program.

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**6. <u>Review and Approval of C-PACE Transactions</u>:**

Mr. Garcia mentioned that staff will be coming back at the next meeting for approval of C-PACE transactions.

**7. <u>Review and Approval of Technical High School Training Program</u>:**

Mr. Garcia stated that the 2013 Comprehensive Plan includes funding for several programs in transition. He explained that CCEF was involved in workforce development programs (a program in transition), and the proposed funding request is to complete the E-House partnership with the Connecticut Energy Efficiency Fund and the Connecticut Technical High School system. Funding of up to $395,000 will support the development of E-Houses at 12 technical high schools in the state.

**Upon a motion made by Ms. Wrice, seconded by Ms. Dixon-Peary, the Deployment Committee members voted in favor of adopting the following resolution regarding funding for the Technical High School Training Program (Mr. Ranelli was not present for the vote):**

**WHEREAS,** the Clean Energy Finance and Investment Authority ("CEFIA") Board of Directors approved a Comprehensive Plan and Budget for Fiscal Year 2013; and

**WHEREAS,** workforce development is a "program in transition" in the Comprehensive Plan that is intended to support post-secondary green job training programs offered by the Connecticut Technical High School system, including professional development, curriculum materials, hands-on solar PV and solar hot water systems, diagnostic and troubleshooting equipment and materials to construct "E-Houses" as reiterated in the Comprehensive Plan; and

**WHEREAS,** CEFIA focuses on financing the development of commercially available technologies, the workforce development programs will be transitioned to another government entity and /or the Energy Efficiency Fund; and

**WHEREAS,** CEFIA has funded E-Houses through the Connecticut Technical High School System ("CTHSS") that included clean energy technologies at six (6) technical high schools (E.C. Goodwin—New Britain, Oliver Wolcott—Torrington, Grasso—Groton, Norwich—Norwich, Kaynor—Waterbury, Henry Abbott—Danbury); and

**WHEREAS,** the Energy Efficiency Fund will at a minimum match CEFIA's funding commitment and take over the administration of the E-House Program at twelve (12) new schools, including Platt—Milford, Bullard-Havens—Bridgeport, Cheney—Manchester, O'Brien—Ansonia, Windham—Willimantic, Vinal Regional—Middletown, Bristol—Bristol, A.I. Prince—Hartford, Ellis—Danielson, H.C. Wilcox—Meriden, Eli Whitney Regional—Hamden and J.M. Wright—Stamford.

**NOW,** therefore, be it:

**RESOLVED:**

(1) that the Board of Directors of CEFIA has determined that funding for the remaining twelve (12) E-House Projects ("Project") in the form of a grant, is consistent with CEFIA's Comprehensive Plan's Programs in Transition, and that funding be approved for the Project in an amount not to exceed $395,000 (the "Grant"); and

(2) that the President of CEFIA and any other duly authorized officer of CEFIA is authorized to execute and deliver, not later than six months from the date of this resolution, any contract or other legal instrument necessary to effect the Grant on such terms and conditions as he or she shall deem to be in the interests of CEFIA and the ratepayers; and

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

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**8. Proposed Amendment and Recommendation of Approval to the Board of Directors of CEFIA Bylaws Section 5.3.3. Deployment Committee:**

Attorney Farnen explained that CEFIA's Bylaws give the Deployment Committee authority to approve project and programmatic funding requests between $300,000 and $2,500,000. He noted that the Bylaws are silent on the approval of project and programmatic funding requests below $300,000, and a staff recommendation is being made for the Deployment Committee to recommend to the Board an authorization for staff to approve funding requests below $300,000 pursuant to a formal approval process, consistent with the Comprehensive Plan and within CEFIA's fiscal budget. Attorney Farnen indicated that the CCEF Board had approved a resolution permitting CCEF staff to approve funding requests below $300,000. After discussion on the issue, some concern was expressed with delegating Board responsibility. A suggestion was made to develop specific guidelines (i.e. a maximum amount that can be delegated for each month and/or quarter) before considering this issue. The matter will be presented to the Board in December after staff determines a limit on the total aggregate amount they can approve between a-to-be determined fixed-period of time.

**9. Review and Approval of Deployment Committee Regular Meeting Schedule for 2013:**

Deployment Committee members will be contacted about proposed 2013 Deployment Committee meeting dates.

**10. Adjournment**: Upon a motion made by Ms. Wrice, seconded by Ms. Dixon-Peary, the Deployment Committee members voted unanimously in favor of adjourning the meeting at 2:37 p.m.

Respectfully submitted,

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Reed Hundt, Chairperson of the Deployment Committee