

# **Deployment Committee of the Connecticut Green Bank**

**845 Brook Street**

**Rocky Hill, CT 06067**

**Tuesday, September 22, 2015**

**10:00 – 11:00 a.m.**

A special meeting of the Deployment Committee of the Board of Directors of the Connecticut Green Bank was held on September 22, 2015 at the office of the Green Bank, 845 Brook Street, Rocky Hill, CT.

## **1. Call to order**

Bryan Garcia called the meeting to order at 10:01 am. Deployment Committee members participating: Pat Wrice (by phone), Reed Hundt (by phone), and Bettina Ferguson (by phone).

**Staff Attending:** Bryan Garcia, Dale Hedman, Bert Hunter, Brian Farnen, Genevieve Sherman (by phone), Matthew Yourzinski, Kerry O’Neill (by phone), Anthony Clark, Rick Ross, and Alysse Buzzelli.

## **2. Public Comments**

There were no public comments.

## **3. Consent Agenda**

Bryan Garcia explained that there were three agenda items. Approval of the Special Meeting Minutes for August 17, 2015, four C-PACE transactions, and an a CHP Project. Bryan Garcia requested a motion to approve Resolutions 1 – 6.

**Upon a motion made by Pat Wrice, seconded Bettina Ferguson the Committee voted unanimously to approve Resolutions 1 - 6.**

### **a. Approval of Special Meeting Minutes for August 17, 2015**

#### **Resolution #1**

Motion to approve the minutes of the Deployment Committee for August 17, 2015 Special Meeting.

### **b. C-PACE Transactions**

#### **i. Bristol – C-PACE Transaction**

**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**, 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 \$377,250 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 Connecticut Green Bank Deployment Committee (the “Deployment Committee”) dated September 15, 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 Deployment Committee;

**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. Bristol – C-PACE Transaction**

**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 \$363,391 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 Connecticut Green Bank Deployment Committee (the “Deployment Committee”) dated September 15, 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 authorization by the Deployment Committee;

**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.

**iii. Groton – C-PACE Transaction**

**Resolution #4**

**WHEREAS**, pursuant to Section 16a-40g of the Connecticut General Statutes, as amended, (the “Act”), the Connecticut Green Bank (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**, 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 \$337,225 construction and (potentially) term loan under the C-PACE program to Ice Cube Building, LLC, the building owner of 541 Eastern Point Road, Groton, 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;

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than the Loan amount with terms and conditions consistent with the memorandum submitted to the Connecticut Green Bank Deployment Committee (the “Deployment Committee”) dated September 15, 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 Deployment Committee;

**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 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.

**iv. Windsor Locks – C-PACE Transaction**

**Resolution # 5**

**WHEREAS**, pursuant to Section 16a-40g of the Connecticut General Statutes, as amended, (the “Act”), the Connecticut Green Bank (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**, 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 \$822,500 construction and (potentially) term loan under the C-PACE program to Jin Hospitality, LLC, the building owner of 2

Loten Drive, Windsor Locks, 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 Act, 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 duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than the Loan amount with terms and conditions consistent with the memorandum submitted to the Connecticut Green Bank Deployment Committee (the "Deployment Committee") dated September 14, 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 Deployment Committee;

**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 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.

### **C. Statutory and Infrastructure Transaction**

Rick Ross provided an update on Statutory and Infrastructure.

#### **I. Thunderbird CHP Project**

##### **Resolution #6**

**WHEREAS**, in early 2013, Connecticut Green Bank ("Green Bank") released a rolling Request for Proposals (RFP) for combined heat and power projects to participate in a statutorily mandated CHP Pilot program pursuant to Section 103 of Public Act 11-80;

**WHEREAS**, the RFP is aimed at promoting the development of new combined heat and power projects in Connecticut that are below five megawatts in capacity size, to help promote economic prosperity of businesses by allowing them to use more efficient onsite generation to produce electricity and heat;

**WHEREAS**, New Britain Heat and Power, LLC submitted the CHP project proposal in response to develop, in the City of New Britain, a 2.0MW combined heat and power cogeneration project and, after a thorough review, was selected as a project that is consistent with the Green Bank's Comprehensive Plan and in the best interests of ratepayer;

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank Deployment Committee approves and authorizes the Green Bank staff to execute definitive loan documentation materially based on the term sheet set forth in this due diligence package dated September 15, 2015 for financial support in the form of a \$1,000,000 loan financing; and

**RESOLVED**, that this Deployment Committee action is consistent with Section 103 of Public Act 11-80; and.

**RESOLVED**, that the proper Green Bank 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 these Resolutions.

#### **4. Residential Sector Program Update**

Kerry O'Neill provided an update on the Residential Sector Program.

##### **a. Smart-E Program Update**

Kerry O'Neill explained that the Smart-E Program supports residential customers that are making energy updates. She advised that the program is run with community banks and credit unions and that the Green Bank supports them with loan loss reserves. She advised that they are starting to think about longer loan terms for the residential sector. She advised that some other opportunities to think about include alternative underwriting options. She advised that this expansion would live within the Smart-E Loan Program.

Kerry O'Neill advised that they are trying to figure out how to have the small banks and credit unions work with the Green Bank's utility on-bill repayment program. She advised that another way to include the community banks and credit unions is that they are seeking approval of a variance of the Smart-E Loan model. She advised that they are looking to raise capital from local lenders into a centralized fund and through an RFP hire an originator/servicer. She advised that it's just a slightly different way to manifest the Smart-E product in the market.

Bert Hunter advised that in some conversations with community banks and credit unions this fund model has some attractiveness, because the community banks and credit unions are used to purchasing participation in pools of loans. He advised that the community banks and credit unions are interested in this. He advised that Finance staff will try to work with these lenders to see what works. He advised that this is more than just a

financing consideration. He noted that there is the complexity of the payments mechanism and trying to integrate it with various bank and credit union operation platforms. The fact that these platforms are not uniform poses some challenges.

Bettina Ferguson questioned who the big loan processors were. Kerry O'Neill advised that this is very similar to the Master Servicer RFP. She advised that they put that RFP out to about 20 different providers. She also advised that they are starting to see specialized versions of those providers, familiar with energy loans. She advised that this is a relatively well known industry.

**b. CHIF LIME Loan**

**5. Adjourn**

Bryan Garcia requested a motion to adjourn.

**Upon a motion made by Bettina Ferguson, seconded by Pat Wrice the committee voted unanimously to adjourn the meeting at 10:13 am.**

Respectfully Submitted,

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Reed Hundt, Chairperson