



CLEAN ENERGY

FINANCE AND INVESTMENT AUTHORITY

AGENDA

Deployment Committee of the
Clean Energy Finance and Investment Authority
865 Brook Street, Rocky Hill, CT 06067

Friday, May 11, 2012 – Special Meeting
1:00-1:30 p.m.

Staff Invited: Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, and Dale Hedman

1. Call to order
2. Public Comments – 5 minutes
3. Approval of meeting minutes for May 2, 2012* – 5 minutes
4. Update, review and recommend approval of modifications to the Residential Solar Investment program* – 20 minutes
5. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

***Next Meeting: Friday, August 17, 2012
Clean Energy Finance and Investment Authority, 865 Brook Street, Rocky Hill, CT***



CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

Residential Solar Investment Program

NPV of Incentive Comparisons

Deployment Committee Meeting
May 11, 2012

Statute

Section 106 (c)(5)



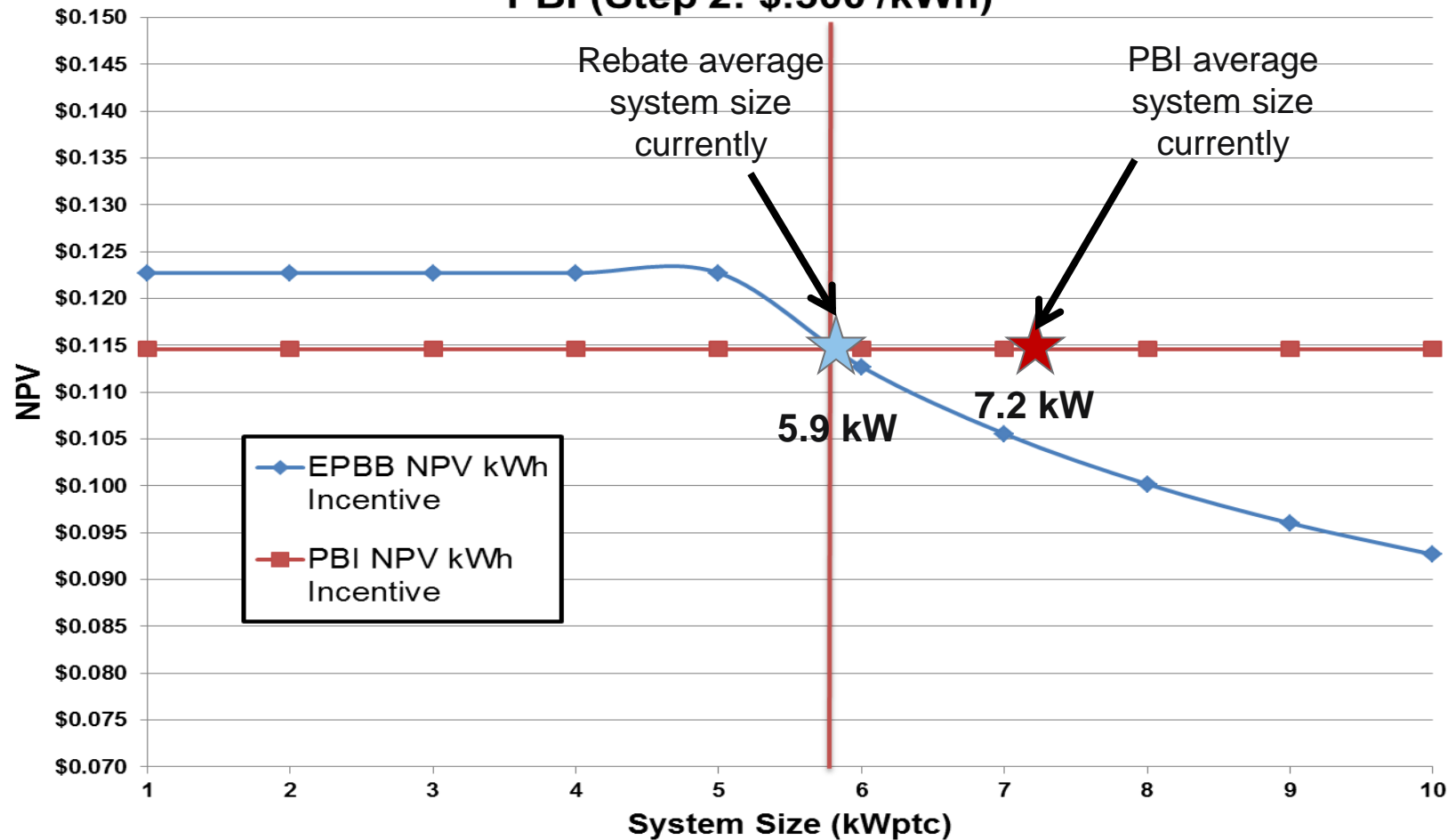
- ▶ ...and (5) provide comparable economic incentives for the purchase or lease of qualifying residential solar photovoltaic systems.

Comparisons

NPV of Incentive Analysis (Step 1)



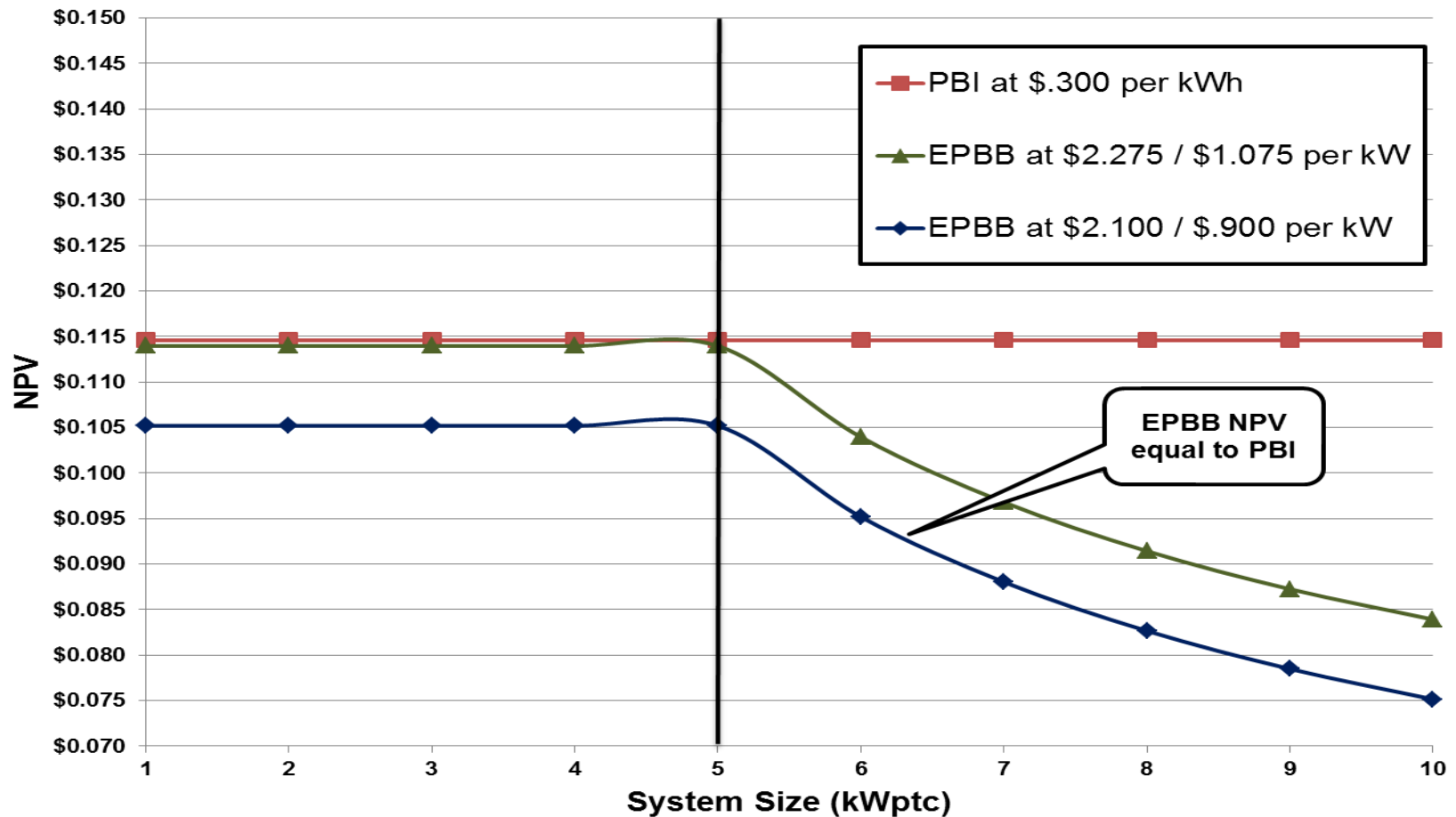
NPV Comparison - Approved Step 1
EPBB (Step 1: \$2.45 /kWptc, Step 1: \$1.25 /kWptc),
PBI (Step 2: \$.300 /kWh)



Comparisons

NPV of Incentive Analysis (Step 2 – Comparisons)

NPV Comparison of the Proposed and Approved EPBB Step 2 and PBI Step 1 RSIP Incentives



Subject to changes and deletions

**DEPLOYMENT COMMITTEE OF THE
CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY
Draft Minutes – Special Meeting
Wednesday, May 2, 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 May 2, 2012, at the office of CEFIA, 865 Brook Street, Rocky Hill, CT.

1. Call to Order: Noting the presence of a quorum, Reed Hundt, Chairperson of the Deployment Committee, called the meeting to order at 1:10 p.m. Deployment Committee members participating: Reed Hundt; Donald Kirshbaum representing Denise Nappier, State Treasurer; Matthew Ranelli; and Patricia Wrice (by phone).

Absent: .

Staff Attending: Christin Cifaldi, Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, Dale Hedman, Dave Ljungquist, Shelly Mondo, and Rick Ross.

Others Attending: Jessica Bailey, the Rockefeller Brothers Fund (by phone); Matthew Brown, Harcourt Brown and Carey; Dave Carey, Harcourt Brown and Carey; Asa Davis, Bloom Energy; Peggy Diaz, Department of Energy and Environmental Protection (by phone); and Erik Robie, Bloom Energy.

2. Public Comments:

Mr. Davis and Mr. Robie from Bloom Energy indicated that they have applied for funding under the On-Site Distributed Generation transition program for a fuel cell project at the Macy’s Distribution Warehouse in Cheshire and are available to answer any questions. Mr. Davis noted that this will be Bloom Energy’s first installation in Connecticut.

3. Approval of Meeting Minutes:

Mr. Hundt asked the Deployment Committee members to consider the minutes from the February 9, 2012 meeting.

Upon a motion made by Mr. Kirshbaum, seconded by Ms. Wrice, the Deployment Committee members voted unanimously in favor of adopting the minutes from the February 9, 2012 meeting as presented.

4. Review and Approval of Onsite Distributed Generation RFP Proposals:

Mr. Garcia explained that in March, as part of the discussion of the Comprehensive Plan, the Board discussed several Connecticut Clean Energy Fund (“CCEF”) programs that would be eliminated because CEFIA is moving away from grant funding and

transitioning to financing the deployment of clean energy. He stated that the Zero Emissions Renewable Energy Credit (“ZREC”) and Low Emissions Renewable Energy Credit (“LREC”) Programs will be driving incentives for the distributed generation program going forward. However, CEFIA’s Comprehensive Plan includes funding for several transition programs. Mr. Garcia stated that the Comprehensive Plan includes \$4,500,000 to support a ZREC-like transition program (Solar PV). He mentioned that \$1,500,000 of the \$4,500,000 is available for projects less than or equal to 100kW_{ac} and \$3,000,000 is available for projects greater than 100kW_{ac}. Additionally, \$3,500,000 is available to support the LREC-like transition program (fuel cell and other low emissions technologies).

Mr. Hedman stated that the Request for Proposals (“RFP”) was issued in September 2011. He noted that 39 total proposals were received, and staff scored 9 proposals in the more than 100kW_{ac} Solar PV category. Staff anticipates making recommendations about the proposals that were less than or equal to 100kW_{ac} at the next meeting. Mr. Hedman stated that staff recommends 7 solar PV projects in the greater than 100kW_{ac} each category, for a total project kW of 1,658.7 and total project incentives of \$2,954,194. Staff also recommends two fuel cell projects for a total project kW of 1,000 and total project incentive of \$1,506,645. Noting a potential conflict of interest, Mr. Ranelli did not participate in any of the discussions regarding the fuel cell project at Western Connecticut State University.

Mr. Hedman stated that the RFP for the PV projects was done on a competitive basis. He reviewed the evaluation criteria and weighting for evaluating the PV projects. Mr. Hedman noted that some of applicants with outright purchases scored lower than those with Power Purchase Agreements because the outright purchasers are not eligible for federal tax credits. Mr. Hedman reviewed each of the recommended projects. In response to a question, Mr. Hedman indicated that even though the scoring for the 7th and 8th ranked projects was close, staff only recommends the top scored 7 projects because of the funding availability. Mr. Garcia stated that effort was made through the RFP to help installers and the industry understand the transition to the ZREC prices and policies by showing the comparable ZREC prices. The Deployment Committee members asked that this type of background information be included in committee and/or Board packages.

Mr. Hedman and Mr. Garcia explained how staff determined and calculated the recommended grant incentives. Ms. Cifaldi mentioned that the top scored project had the lowest per kW price and will be retiring the renewable energy credits. Mr. Garcia explained the differences with the ZREC market, noting that the incentive is based approximately 90 percent on economics. The chart presented will be corrected to indicate that the incentive recommendation for RHAM High School, Hebron is \$250,300 rather than \$407,364.

Mr. Ross stated that the RFP for fuel cells was done on a rolling applications’ basis with a specific timeframe for submission of applications. He described the two fuel cell proposals recommended for an incentive under the transition program. Mr. Garcia

noted that the LREC ceiling price is \$200 per MWh, and the prices submitted are approximately 1/3 of the ceiling and should send a message about expectations for price ranges. Mr. Garcia talked about the strength of the LREC and ZREC policy and stated that it is likely that the megawatt capacity will increase significantly as a result of the new policies.

Some questions and concerns were raised with the language in the Financial Assistance Agreement (“FAA”) and whether staff is satisfied that the language provides CEFIA with protection from liability and recourse in the event of a default or failure. Staff was asked to confirm why CEFIA is not liable. Attorney Farnen stated that some of the language in the FAA is outdated and will be revised.

A suggestion was made to take out the language in the resolution that indicates “if sufficient funds are available.” After further discussion on the rationale for putting in the language, there was consensus to leave the language in at this time. The Deployment Committee members considered each of the resolutions for the recommended PV projects and fuel cell projects.

Upon a motion made by Mr. Kirshbaum, seconded by Ms. Wrice, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding Goodwives Shopping Center, Darien:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the solar photovoltaic (PV) project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA’s On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (ptc)	Grant (not-to-exceed)
Stop & Shop Supermarket – Goodwives Shopping Center	25 Old Kings Hgwy	Darien, CT	213.0	\$406,155

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.

Upon a motion made by Mr. Kirshbaum, seconded by Mr. Ranelli, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding John C. Mead School, Ansonia:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the solar photovoltaic (PV) project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (ptc)	Grant (not-to-exceed)
John C. Mead School	75 Ford St.	Ansonia, CT	226.3	\$338,906

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.

Upon a motion made by Mr. Kirshbaum, seconded by Ms. Wrice, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding The Eagle Leasing Company, Orange:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the solar photovoltaic (PV) project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (ptc)	Grant (not-to-exceed)
The Eagle Leasing Company	148 Boston Post Rd	Orange, CT	135.5	\$221,166

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The

authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.

Upon a motion made by Mr. Kirshbaum, seconded by Mr. Ranelli, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding Galleria Design Center—Stone Resources, LLC, Middletown:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the solar photovoltaic (PV) project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (ptc)	Grant (not-to-exceed)
Galleria Design Center – Stone Resources, LLC	234 Middle St	Middletown, CT	216.5	\$585,495

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.

Upon a motion made by Mr. Kirshbaum, seconded by Mr. Ranelli, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding Lake Gaillard Treatment Plant, North Branford:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the solar photovoltaic (PV) project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (ptc)	Grant (not-to-exceed)
Lake Gaillard Treatment Plant	775 Foxon Rd	North Branford, CT	273.4	\$681,908

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.
-

Upon a motion made by Mr. Kirshbaum, seconded by Mr. Ranelli, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding Firestone Building Products, Bristol:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the solar photovoltaic (PV) project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (ptc)	Grant (not-to-exceed)
Firestone Building Products	789 James P. Casey Rd	Bristol, CT	108.0	\$313,200

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.
-

Upon a motion made by Mr. Kirshbaum, seconded by Mr. Ranelli, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding RHAM High School, Hebron:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the solar photovoltaic (PV) project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (ptc)	Grant (not-to-exceed)
RHAM High School	85 Wall St	Hebron, CT	154.3	\$250,300

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.
-

Upon a motion made by Mr. Kirshbaum, seconded by Mr. Ranelli, the Deployment Committee members voted unanimously in favor of adopting the following resolution regarding Macy's Distribution Warehouse, Cheshire:

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the fuel cell project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (kW)	Grant (not-to-exceed)
Macy's Distribution Warehouse	475 Knotter Dr	Cheshire, CT	600.0	\$913,121

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.

Upon a motion made by Mr. Kirshbaum, seconded by Ms. Wrice, the Deployment Committee members voted in favor of adopting the following resolution regarding Western Connecticut State University, Danbury (Mr. Ranelli recused himself from the vote):

RESOLVED:

- (1) that the Deployment Committee of the Clean Energy Finance and Investment Authority (CEFIA), has determined that the fuel cell project listed below (Project), is consistent with the CEFIA Comprehensive Plan, within the principal functions, responsibilities, and areas of cognizance of the Deployment Committee pursuant to Section 5.3.3 of the CEFIA By-Laws and in the interests of ratepayers; and
- (2) that funding be approved for the Project in an amount not-to-exceed as listed below and that said Grant is contingent upon sufficient funds being available to CEFIA for the purpose of funding renewable energy projects under CEFIA's On-site Renewable Distributed Generation Program:

Project Name	Address	City/Town	System Size (kW)	Grant (not-to-exceed)
Western CT State University	308 Osborne St	Danbury, CT	400.0	\$593.524

- (3) that if sufficient funds are available to fund the Project, then the President of CEFIA; and any other duly authorized officer of CEFIA, is authorized to execute and deliver for, and on behalf CEFIA, not later than July 31, 2012 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, in conformance with the wishes of the CEFIA Board, and in conformance with Section XI of the operating procedures of CEFIA. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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.

5. Update on the ARRA-SEP Grant Repurposing and Discussion of Residential Clean Energy Financing Programs in Development:

Mr. Garcia discussed the background of the American Recovery and Reinvestment Act ("ARRA") funding. He noted all but \$8,250,000 of the \$20,000,000 allocated to CEFIA by the Federal Department of Energy ("DOE") through the Connecticut Office of Policy and Management has been expended within the timeframe identified by DOE. Mr. Garcia stated that the Board gave the President the authority to engage in discussions with DOE and DEEP to determine the feasibility of transitioning a portion of CEFIA's ARRA SEP funds to financing programs and to take steps necessary to begin and

complete the transition process as quickly as possible. Mr. Garcia stated that he worked with DEEP and DOE to create a financing program for the residential sector. He explained the rationale for focusing on the residential sector. Funding in the amount of \$1,350,000 will be utilized for Clean Energy Financial Innovation. Mr. Garcia stated that an RFP has been issued seeking input from financial institutions to help CEFIA achieve the goals of the program to identify and attract new and innovative financing strategies to finance clean energy in Connecticut, to develop and implement strategies that bring down the cost of clean energy to make it more accessible and affordable to consumers and to reduce the reliance of grants, rebates and other subsidies. Mr. Garcia noted that DEEP has provided CEFIA with an additional \$110,000 of funds for the Clean Energy Financial Innovation portion of the program. Mr. Garcia stated responses to the RFP are due in May, and the Deployment Committee will be asked to help evaluate the responses. Some concern was expressed that the Deployment Committee and/or Board members did not have a chance to see the details of the RFP or concept of the program before the RFP was issued.

Mr. Garcia briefly discussed the \$7,000,000 that will be utilized for the Residential Clean Energy Financing Program. He mentioned that funding will be held in escrow for projects as a loan loss reserve to help mitigate risks or for interest rate buy downs to lower the interest rate. Mr. Garcia explained several different types of credit enhancements that are considered eligible by the DOE under the financing program. He indicated that the RFP was sent to a number of financial institutions and a public meeting was held with different end users and groups. In response to a question about the sustainability of the program and creating a revolving program, Mr. Garcia explained that the goal is to utilize the funding and not have a revolving program with the ARRA SEP funds because of the reporting requirements to DOE with a revolving program.

Mr. Brown stated that the Residential Clean Energy Financing Program was developed based on the "Michigan Saves" program. He explained the successful Michigan program which provided \$60,000,000 in funding from credit unions for residential customers to make loans for energy efficiency improvements in homes. Mr. Brown discussed the objectives of CEFIA's program which includes the funding of energy efficiency improvements and solar thermal installations and renewable energy projects such as solar PV. The key elements of the program include contractor management, origination and servicing, investors and financial incentives/credit enhancements. Mr. Brown stated that CEFIA will accomplish the goals of the program by partnering with industry and financial institutions, and the partnerships will likely be in the form of credit enhancement, marketing partnerships and/or structures to ensure quality control and contractor management. He spoke about the different product types that could be offered by the partners—unsecured home improvement loans, secured home improvement loans and solar leases. Mr. Brown reviewed different options for structuring the program, including: 1) delegated underwriting and servicing/centralized assignment of loans, 2) fund option with foundation participation, 3) fund option structure details, 4) solar fund only option with foundation participation and 5) capital markets finance option. He discussed some of the advantages and disadvantages with each of the options. Mr. Brown reviewed some of the lessons learned, and he

mentioned that CEFIA's role will be to set up an infrastructure to originate loans, manage contractor network, address quality control and marketing, take on some limited credit risk and recruit financial institutions to provide capital. The Deployment Committee and Board will be kept abreast.

6. Update, Review and Recommend Approval of Modifications to the Residential Solar Investment Program:

Mr. Garcia provided an update on the Residential Solar Investment Program that was launched on March 2, 2012 and approved by the Board in February 2012. He stated that to date CEFIA has approved 188 applications, 176 rebates and 12 performance based incentives ("PBI") that will lead to 1,240 kW of clean energy. CEFIA is receiving approximately 5 applications per day, and the average incentive level is \$1,750 each which is approximately 30 percent lower than anticipated because the average system sizes are greater than 5kW. The incremental incentive above 5kW receives a lower rebate. Mr. Garcia stated that the PBI participation began very slowly. The Board approved a \$7,500,000 funding allocation, and the DEEP approved a schedule of incentives for Step 1 and Step 2 incentives. Since only 10 percent of the funds remain and the Step 1 allocation is nearly complete, staff recommends changes before transitioning to Step 2.

Mr. Garcia reviewed the goals of the program. He explained that staff recommends revising the Step 2 incentive so that it is not as steep (a decline of 7 percent versus 14 percent or from \$2.450/W to \$2.275/W instead of \$2.100/W) of a decline as originally proposed for the rebate and maintaining the PBI at the Step 1 level. Mr. Garcia stated that if the Deployment Committee recommends the changes, the Board would also be asked to approve an increase the budget of Step 2 from \$6,000,000 to a total of \$11,000,000. It was noted that DEEP approval would also be required to change the schedule of incentives.

Mr. Kirshbaum questioned whether Board input should be sought since some concern was raised at a previous meeting about the level of the incentives. Mr. Ranelli questioned why staff is recommending the changes, especially to the rebate program. He stated that he believes it is too early to make a decision and asked staff to provide more information on the rationale for the change to the originally proposed Step 2 for the rebate program. He asked for a more tangible explanation of why the \$2.100/W incentive originally proposed for Step 2 is not sufficient. With respect to the PBI Program, Mr. Garcia stated that CEFIA is not receiving as many applications as it had anticipated, and staff recommends not reducing the incentive in Step 2. The PBI will allow more low to moderate income people to participate. A suggestion was made to have staff send out more information about this issue to the Deployment Committee and Board before the May Board meeting. It was noted that even though it is likely that funding will be exhausted before the Board meeting, Board approval is necessary to increase funding under the program. Additionally, Board and DEEP approval is necessary to make any changes to the incentive schedule. Staff discussed the applications in the pipeline. Staff was asked to make a recommendation about the

incentive level for the applications currently in the pipeline. A discussion ensued on how to proceed and the following options were suggested and discussed: 1) forward the proposal to the Board without a recommendation, 2) forward the proposal to the Board with a recommendation, 3) schedule a special telephonic Deployment Committee meeting a week before the Board meeting or the morning of the Board meeting so that the Deployment Committee can reach consensus on the issue and/or 4) send additional information to the full Board to get input. After discussion of each of the options, staff was asked to provide the Deployment Committee with the additional information in an attempt to reach a consensus before the Board meeting.

7. **Adjournment:** Upon a motion made by Mr. Kirshbaum, seconded by Mr. Hundt, the Deployment Committee members voted unanimously in favor of adjourning the May 2, 2012 meeting at 3:16 p.m.

Respectfully submitted,

Reed Hundt, Chairperson of the
Deployment Committee

<u>Date</u>	<u>Article/ Article Link</u>	<u>Source</u>	<u>Press Perspective</u>
2/7/12	Solar City Powers up in Connecticut Today	New Haven Register	positive
2/7/12	Solar City Expands to Connecticut	Business Wire	positive
2/10/12	Connecticut to Vote on New Residential Solar Program	Clean Techies	positive
2/13/12	Solar Installers Increasingly Liking Connecticut	The Hartford Business Journal	positive
2/19/12	Controversy Flares in New Solar Program for Homeowners	The CT Mirror	negative
2/19/12	Solar Businesses: Conn. Incentives too Short-Term	Stamford Advocate	negative
2/24/12	Connecticut Solar Installers Frustrated Over Legislation	CleanEnergyAuthority.com	negative
2/26/12	Solar Connecticut	Republican American	neutral
2/27/12	Solar Energy News – A Look Back to Last Week	CleanEnergyAuthority.com	negative
3/2/12	Final Approval on New Home Solar Program	The CT Mirror	neutral
3/2/12	CT Launches \$40M Residential Solar Fund	The Hartford Business Journal	neutral
3/2/12	DEEP Chief Approves New Program to Promote Residential Solar Power	Republican American	neutral
3/12/12	CT Pushing for More Companies Like STR	Hartford Business Journal	neutral
4/9/12	CT OK's \$1.4M to Make Solar System Installations More Affordable	TheStreet.com	positive
4/10/12	CT Program OK's 126 Home Solar Rooftop Systems	Boston.com	neutral
4/10/12	State Program OK's 126 Home Solar Rooftop Systems	The Hartford Courant	neutral
4/11/12	126 Applications so far for Residential Solar Systems	TheDay.com	positive
4/11/12	CT Approves 126 Home Solar Projects	The Hartford Business	positive

		Journal	
4/19/12	New Connecticut Solar Program Exceeds Expectations	CleanEnergyAuthority.com	positive



Market Watch Report

Residential Solar Investment Program

The Weekly Market Watch Report provides up-to-date information on how the Residential Solar Investment Program is performing. This program provides Connecticut residents with incentives to make smart investments and save money on their electric bills.

The Clean Energy Finance and Investment Authority now offers two different incentive models to help customers. The first model (Rebate) supports residential consumers who seek to purchase a solar PV system. The second model (PBI) is a third-party financing model designed to allow consumers access to solar PV systems with no or limited up-front costs.

Executive Summary

- To date, we have approved applications for 190 EPBBs (Rebates) and 18 PBIs;
- The average system size is 7 kW STC
- The total amount of approved incentives is \$2,467,870;
- Of these approved applications, the average system cost is 5,285 / kW;
- The average incentive per kW STC is \$1,773
- Step 1 is expected to be fully subscribed by May 11, 2012

Program Data as of 8-May-2012

	Rebate	PBI	Total	Average
# Projects	190	18	208	
Total Cost	\$6,660,020	\$696,133	\$7,356,153	
Total kW STC	1,247	145	1,392	
Average Total Cost	\$35,053	\$38,674		\$35,366
Total Incentive Amount	\$2,206,113	\$261,757	\$2,467,870	
Incentive / kW STC	\$1,769	\$1,802		\$1,773
ZREC Equivalent Incentive Price	\$0.12	\$0.11		
Funds Remaining (Step 1)	(\$956,113)	\$988,243	\$32,130	

Environmental Factors

Lifetime CO ₂ Reduction	Lifetime NO _x Reduction	Lifetime SO ₂ Reduction	Annual Cars off the Road	Equivalent Acres of Trees Planted
34,300,116 lbs.	15,546 lbs.	14,223 lbs.	114	229

About the Clean Energy Finance and Investment Authority

CEFIA was established by Connecticut's General Assembly on July 1, 2011 as a part of Public Act 11-80. This new quasi-public agency supersedes the former Connecticut Clean Energy Fund. CEFIA's mission is to help ensure Connecticut's energy security and community prosperity by realizing its environmental and economic opportunities through clean energy finance and investments. As the nation's first full-scale clean energy finance authority, CEFIA will leverage public and private funds to drive investment and scale-up clean energy deployment in Connecticut.

The Authority invests its resources in an array of enterprises, initiatives and projects aimed to:

- Attract and deploy capital to finance the clean energy goals of Connecticut
 - Help Connecticut become the most energy efficient state in the nation
 - Help scale-up the deployment of renewable energy in the state
 - Provide support for the infrastructure needed to lead the clean energy economy
- Develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers
- Reduce reliance on grants, rebate and other subsidies and move towards innovative low-cost financing of clean energy deployment



CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

865 Brook Street
Rocky Hill, Connecticut 06067
www.ctcleanenergy.com

T: 860-563-0015
F: 860-563-4877