

845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
ctgreenbank.com



November 20, 2015

Dear Connecticut Green Bank Deployment Committee:

We have a special meeting of the Deployment Committee scheduled for Friday, November 20, 2015 from 3:00 to 4:00 p.m. in the Colonel Albert Pope Board Room of the Connecticut Green Bank at 845 Brook Street, Rocky Hill, CT 06067.

We have a very short agenda including the following items:

- **Commercial and Industrial Sector Programs** – we are bringing one (1) C-PACE transaction for your review and approval – totaling \$0.8 million in financing for a project in Plainville. As this project falls outside of our exception bucket for LTV, it will not be placed on the consent agenda, but instead discussed in detail.
- **C-PACE Consent Agenda Transaction Approval Process** – as we have determined that all C-PACE transactions that follow regular technical and financial underwriting are to be placed on the Consent Agenda for the Deployment Committee, we will be recommending a similar process for the Board of Directors. With our new private placement partner, the financial underwriting parameters have changed. The staff is recommending a process for C-PACE transactions to be placed on the consent agenda where appropriate, and when not, they will be placed on the agenda for full discussion by the Deployment Committee or the Board of Directors.

My apologies for not getting this mailing out one week in advance of the meeting. Given the short agenda, I felt that it was okay to get it out at the beginning of the week for your review.

If you have any questions, comments or concerns, please feel free to contact me at any time.

Sincerely,

Bryan Garcia
President and CEO



AGENDA

Deployment Committee of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, November 20, 2015
3:00-4:00 p.m.

Staff Invited: Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, and Genevieve Sherman

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda* – 5 minutes
 - a. Approval of Regular Meeting Minutes for September 22, 2015*
4. Commercial and Industrial Sector Program Updates and Recommendations* – 15 minutes
 - a. C-PACE Transactions*
 - i. Plainville – C-PACE Transaction*
5. C-PACE Consent Agenda Transaction Approval Process* – 15 minutes
6. Adjourn

*Denotes item requiring Board action

Join the meeting online at <https://www4.gotomeeting.com/join/891267951>

Or call in using your telephone:
Dial (312) 757-3111
Access Code: 891-267-951

***Next Regular Meeting: Tuesday, February 9, 2016 from 3:00-4:00 p.m.
Colonel Albert Pope Board Room at the
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT***



RESOLUTIONS

Deployment Committee of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, November 20, 2015
3:00-4:00 p.m.

Staff Invited: Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, and Genevieve Sherman

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda* – 5 minutes
 - a. Approval of Special Meeting Minutes for September 22, 2015*

Resolution #1

Motion to approve the minutes of the Deployment Committee for September 22, 2015 Special Meeting.

4. Commercial and Industrial Sector Program Updates and Recommendations* – 15 minutes
 - a. C-PACE Transactions*
 - i. Plainville – C-PACE Transaction*

Resolution #2

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 **\$800,249** construction and (potentially) term loan under the C-PACE program to Ice Cube Building, LLC, the building owner of 7 Johnson Avenue, Plainville, 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 November 12, 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.

5. C-PACE Consent Agenda Transaction Approval Process* – 15 minutes

Resolution #3

RESOLVED, that the Deployment Committee recommends that the Board of Directors approve of the C-PACE Transaction Approval Process as described in the Memorandum dated November 13, 2015.

6. Adjourn

*Denotes item requiring Board action

Join the meeting online at <https://www4.gotomeeting.com/join/891267951>

Or call in using your telephone:

Dial (312) 757-3111

Access Code: 891-267-951

***Next Regular Meeting: Tuesday, February 9, 2016 from 3:00-4:00 p.m.
Colonel Albert Pope Board Room at the
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT***



Deployment Committee

November 20, 2015





Deployment Committee

Agenda Item #1

Call to Order



Deployment Committee

Agenda Item #2

Public Comments





Deployment Committee

Agenda Item #3

Consent Agenda



Consent Agenda



- **Meeting Minutes – approval of meeting minutes of September 22, 2015**



Consent Agenda Slides

Agenda Item #4a(i)

Plainville



7 Johnson Avenue, Plainville Ratepayer Payback



- **\$800,249** to install a 228kW solar PV system & roof replacement
- Projected savings are **17,529 MMBtu** versus **\$800,249** of ratepayer funds at risk.
- Ratepayer funds will be paid back in one of the following ways
 - (a) through a take-out by a private capital provider at the end of construction (project completion);
 - (b) subsequently, when the loan is sold down to a private capital provider; or
 - (c) through receipt of funds from the Town of Plainville as it collects the C-PACE benefit assessment from the property owner.

7 Johnson Avenue, Plainville Terms and Conditions



- **\$800,249** construction loan at 5% and term loan set at a fixed 6.0% over the 20-year term
- **\$800,249** loan against the property
 - Property valued at [REDACTED]
 - Loan-to-value ratio equals [REDACTED]; Lien-to-value ratio equals [REDACTED]
- DSCR > [REDACTED]

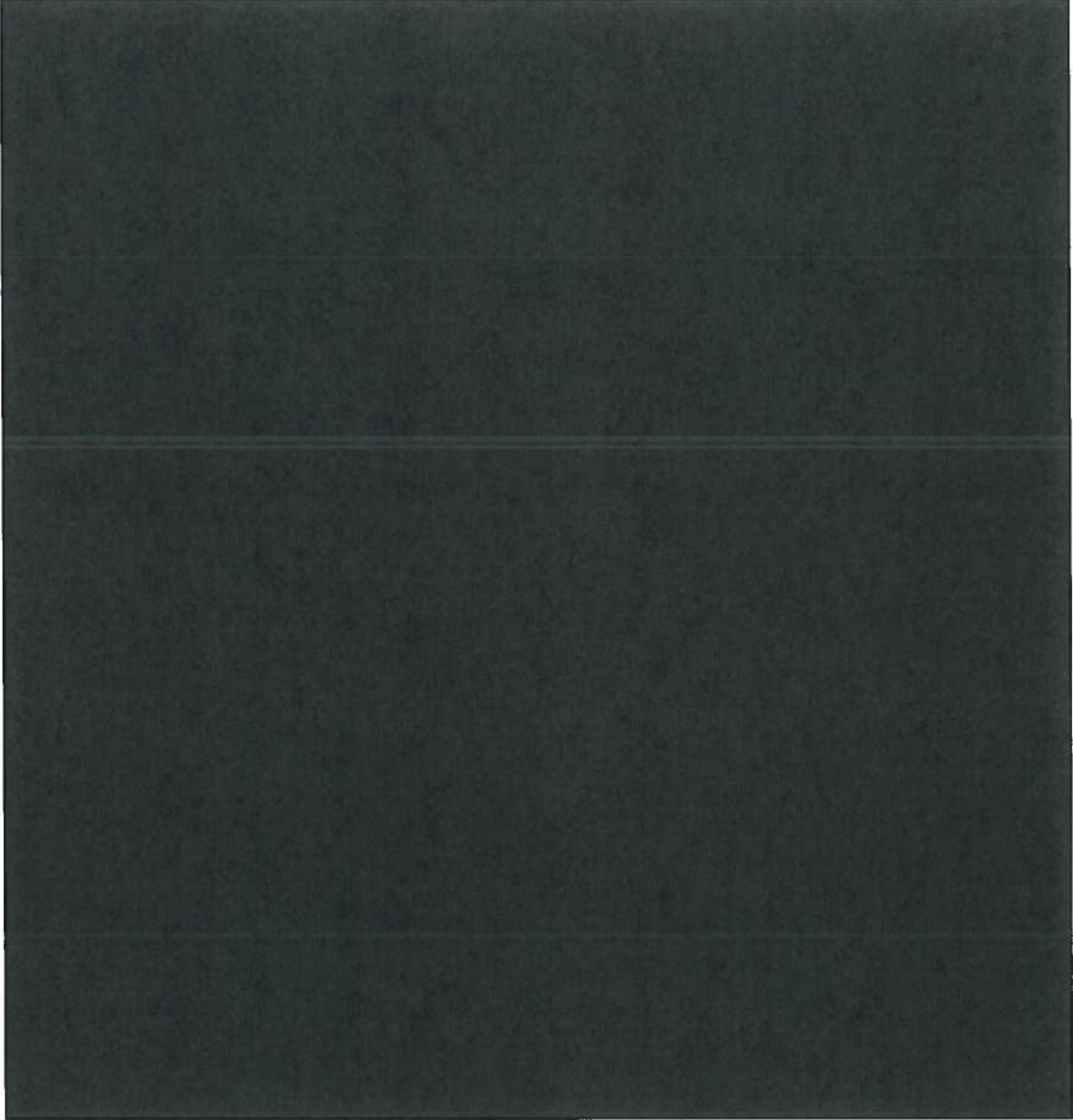
7 Johnson Avenue, Plainville

The Five W's



- **What?** Receive approval for a \$800,249 construction and (potentially) term loan under the C-PACE program to 7 Johnson Avenue, LLC to finance the construction of specified energy upgrade
- **When?** Project to commence 2015
- **Why?** Allow Green Bank to finance this C-PACE transaction, continue to build momentum in the market, and potentially provide term financing for this project until Green Bank sells it along with its other loan positions in C-PACE transactions.
- **Who?** 7 Johnson Avenue, LLC, the property owner of 7 Johnson Avenue, Plainville CT
- **Where?** 7 Johnson Avenue, Plainville CT

7 Johnson Avenue, Plainville Project Tear Sheet

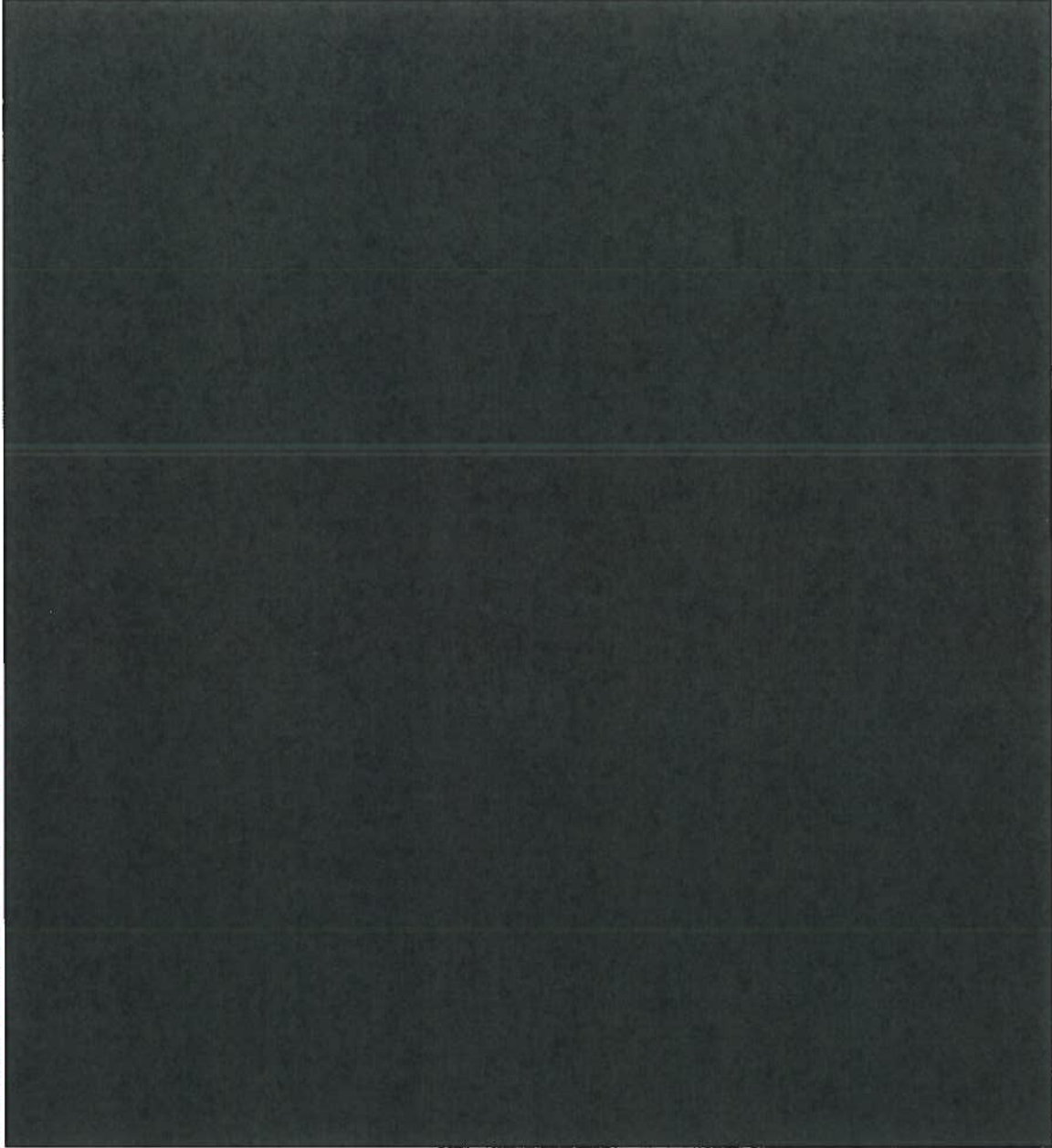


7 Johnson Avenue, Plainville Anticipated Cash Flow



CGB Pro Forma		Cash Flows	
<i>Project Basics</i>		<u>Date</u>	<u>CEFIA \$</u>
Amount Financed	\$800,249	Jan 2016	\$800,249
Construction Period (years)	0.42	Jun 2016	\$16,672
Term (years)	20	Jul 2016	\$69,241
Construction Financing Rate	5.00%	Jul 2017	\$69,241
Term Financing Rate	6.00%	Jul 2018	\$69,241
Construction Interest Payment (bullet)	\$16,672	Jul 2019	\$69,241
Yearly Debt Service Payments (made semi-annually)	\$69,241	Jul 2020	\$69,241
		Jul 2021	\$69,241
		Jul 2022	\$69,241
		Jul 2023	\$69,241
		Jul 2024	\$69,241
		Jul 2025	\$69,241

7 Johnson Avenue, Plainville Key Financial Metrics





Consent Agenda Slides

Agenda Item #5

C-PACE Consent Agenda

Transaction Approval Process

C-PACE Transaction Approval Process



	Under \$300k*	\$300k - \$2.5m	Above \$2.5m
Staff	X		
Deployment Committee	X	X	
Board of Directors	X	X	X

*up to \$1,000,000 in aggregate

C-PACE Transaction Existing “Standard” Underwriting Criteria



Loan/Lien to Value

- Total debt, including the C-PACE assessment, does not exceed 80% of the property's value.
- CGB exposure (generally) must not exceed 35% of the value of the property

Applicant financial performance should meet the following criteria, as applicable:

- Current on Mortgage Payments & Property Taxes
- Positive operating profit & NI in each of last 2 fiscal years
- Positive cash from operations in each of last 2 fiscal years
- EBITDA/debt service (including the proposed C-PACE assessment) of at least 1.25x for last fiscal year
- Current ratio of at least 1.25:1.00
- Total Liabilities / Tangible Net Worth not in excess of 2.00:1.00 (SPV holding only real estate investments generally \leq 4.00:1.00)
- Interim statements disclose no material adverse change in financial condition

C-PACE Transaction Existing “Boiler Lite” Underwriting Criteria



Lien-to-Value \leq 20%

Total Project Size \leq \$300,000

SIR \geq 1.0

Current on mortgage and taxes

Most recent two years of financials show no adverse condition (at finance team's discretion)

C-PACE Transaction Approval Process



REDACTED

C-PACE Transaction Approval Process



REDACTED

C-PACE Transaction Approval Process



REDACTED



Deployment Committee
Agenda Item #6
Other Business

CONNECTICUT
GREEN BANK



Deployment Committee
Agenda Item #7
Adjourn



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,

Reed Hundt, Chairperson

7 Johnson Avenue: A C-PACE Project in Plainville, CT

Address	7 Johnson Avenue, Plainville, CT 06062	
Owner	7 Johnson Avenue, LLC	
Proposed Assessment¹	\$800,249	
Term (years)	20	
Term Remaining (months)	Pending construction completion	
Annual Interest Rate	6.0%	
Annual C-PACE Assessment	\$69,241 ¹	
Savings-to-Investment Ratio (SIR)	1.01	
SIR Risk Rating	[REDACTED]	
Average Debt-Service Coverage Ratio	[REDACTED]	
Lien-to-Value	[REDACTED]	
Loan-to-Value	[REDACTED]	
Projected Energy Savings (mmBTU)		RE
	Over term of loan:	17,529
	Per year (avg):	917
Projected Cost Savings (incl. ZRECs and tax benefits)	Over term of loan:	\$1,391,687
	Per year (avg):	\$69,584
Objective Function	21.90 kBTU / ratepayer dollar at risk	
Location	Town of Plainville, CT	
Type of Building	Industrial	
Year of Build	1966	
Building Size (sq)	35,474	
Year Acquired by Current Owner	2009	
Appraised Value²	[REDACTED]	
Status of Mortgage Lender Consent	[REDACTED]	
Proposed Project Description	Solar PV and Roof Replacement	
Est. Date of Construction Completion	Pending closing	
Current Status	Awaiting deployment committee approval	
Energy Contractor	[REDACTED]	
Notes	[REDACTED]	

[REDACTED]



Memo

To: Connecticut Green Bank Deployment Committee
From: Mackey Dykes, VP & COO; Bert Hunter, EVP & CIO; Genevieve Sherman, Director, C&I
CC: Bryan Garcia, President & CEO
Date: November 13, 2015
Re: C-PACE Transaction Approval Process

In order to streamline approval of C-PACE transactions, Connecticut Green Bank (CGB) staff recommends the following guidelines:

Transactions under \$300,000 or where CGB participation is under \$300,000

Staff approves transaction with an aggregate approval limit of \$1,000,000 (inclusive of non-C-PACE transactions approved by staff). Upon reaching this limit, staff approvals are suspended pending a reporting out of the transactions then approved to either the Deployment Committee or the Board of Directors (BOD) to “reset” the aggregate outstanding approvals to zero.

Transactions funded by CGB or where CGB participation is between \$300,000 and \$2,500,000

Transactions that meet the requirements of Hannon C-PACE Facility Standard Underwriting Criteria (see Table 1 for Standard Underwriting Processes) are approved by the Deployment Committee or BOD in consent agenda.

Transactions that do not meet the requirements of Hannon C-PACE Facility Standard Underwriting Criteria (and instead meet either the Hannon “exception bucket” (see Table 2), Hannon “one-off”) are reviewed and approved by the Deployment Committee or BOD as individual meeting agenda items.

Transaction funded by CGB or where CGB participation exceeds \$2,500,000

Transactions that meet the requirements of Hannon C-PACE Facility Standard Underwriting Criteria are reviewed and recommended for BOD approval by the Deployment Committee in consent agenda. BOD approves in consent agenda.

Transactions that do not meet requirements of Hannon C-PACE Facility Standard Underwriting Criteria are reviewed and recommended for BOD approval by the Deployment Committee as individual meeting agenda items. BOD reviews and approves as individual agenda items¹.

CGB staff will bring any deals that present unique or undue risks (e.g., environmental concerns, potential conflict of interests, etc.) to the Deployment Committee or BOD for review regardless if they meet Standard Underwriting Criteria.

Table 1: Standard Underwriting Criteria - Base

<i>Criterion</i>	Boundary
REDACTED	

Table 1A: Expedited Underwriting Criteria (in addition to Standard Underwriting Criteria)

<i>Criterion</i>	Boundary
REDACTED	

¹ If no deployment committee meeting is scheduled before the next board meeting, deployment committee members will review individually in advance of board meeting with staff available to answer questions. Deployment committee members will give verbal approval during review portion of board meeting.

Table 1B: Full Underwriting Criteria (in addition to Standard Underwriting Criteria)

<i>Criterion</i>	Boundary
REDACTED	

Table 2: Exception Criteria

REDACTED

RESOLUTION

RESOLVED, that the Deployment Committee recommends that the Board of Directors approve of the C-PACE Transaction Approval Process as described in the Memorandum dated November 13, 2015.