

CONNECTICUT GREEN BANK

Board of Directors

Regular Minutes

Friday, April 27, 2018

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on April 27, 2018, at the office of the Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope boardroom.

1. Call to Order

Catherine Smith, Chairperson of the Green Bank, called the meeting to order at 9:02 a.m. Board members participating: Rob Klee, Betsy Crum (by phone), John Harrity, Matt Ranelli, Bettina Bronisz, and Eric Brown.

Members Absent: Tom Flynn, Gina McCarthy, and Kevin Walsh.

Others Attending: Guy West.

Staff Attending: Bryan Garcia, Bert Hunter, Eric Shrago, George Bellas, Mackey Dykes, Kerry O’Neill, Brian Farnen, Cheryl Samuels, Matt Macunas, Madeline Priest, Chris Magalhaes (by phone), Kim Stevenson, Ben Healey (by phone), Mike Yu (by phone), and Louise Venables (by phone) and Craig Connolly.

2. Public Comments

There were no public comments.

3. Consent Agenda

Upon a motion made by John Harrity, and seconded by, Eric Brown, the Board voted unanimously to approve.

Resolution #1

Motion to approve the minutes of the Board of Directors Meeting for April 3, 2018.

Resolution #2

WHEREAS, the Green Bank Board of Directors (“Board”) has previously approved a loan to support FCE’s development of a 3.7 megawatt high efficiency fuel cell project in Danbury, Connecticut (the “Term Loan”), as recommended and requested in the due diligence memorandum dated March 10, 2017 with terms and conditions for the Term Loan contained in the draft term sheet which accompanied the memorandum (the “Term Sheet”);

WHEREAS, staff set forth in the project qualification memo dated January 26, 2018 a request for the Board to approve, and the Board as of that date did approve, updates to the previously-approved Term Sheet, to set a new deadline for advance of May 1, 2018, and the ability to sell off all, or a portion, of the Term Loan to 3rd party investors and the ability to guaranty all (for a fee or additional consideration), or a portion, of the amount of the Term Loan sold subject to subsequent Board approval on the terms and conditions thereof; and

WHEREAS, staff has set forth in the project qualification memo dated April 27, 2018 a request for the Board to approve an additional extension of the deadline for advance from May 1, 2018 to December 31, 2018.

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby approves the new deadline for advance of the Term Loan be extended to December 31, 2018.

4. Investment Business – Clean Energy Finance

1. C-PACE Transaction – South Windsor

Mackey Dykes discussed the South Windsor C-PACE Transaction. He stated that it is the most significant Solar PV done through the C-PACE program, once it is completed. He said that it would be 1.375 MW on the roof. He stated that it has a slightly elevated LTV, but that the finance team is comfortable. He noted that the interest rate is a slight bit lower at 6%. He stated that Inter Solar has been working this deal for quite some time and that the Green Bank is honoring the rate. He noted that this deal meets the new investment threshold.

Upon a motion made by, John Harrity and seconded by, Eric Brown, the Transaction was approved.

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 \$3,115,000 construction and (potentially) term loan under the C-PACE program to Ticket Network Campus

Realty LLC., the building owner of 83 Gerber Road, South Windsor, 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 an 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 Board dated April 20, 2018, 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 Board of Directors;

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.

2. C-PACE Transaction – Fairfield (Tentative)

Mackey Dykes discussed the C-PACE Transaction in Fairfield. He stated that this is the first C-PACE project for this owner. He stated that this owner has a few buildings in CT. He stated that it is just over \$500,000. He stated that they built in, up to \$140,000 in roof upgrades. He stated that the cash flows on the project are negative for most of the years, but the SIR is positive. Commissioner Smith questioned if the cost of the roof repair was being included in the \$500,000. Mackey stated that yes, it's in the cost, John Harranty questioned if there is anything that is left behind by the Green Bank showing that it is a CT Green Bank project. Mackey Dykes stated that typically, no, but in some cases, there is a large sign that points the system out to people. Commissioner Klee questioned if the power will benefit the tenants. He stated that if so, the tenants may want to

highlight that they are being powered by Solar. Mackey Dykes stated that he would check into it, to take advantage of the marketing.

**Upon a motion made by John Harrity and, seconded by,
Commissioner Smith the Board voted unanimously to approve.**

Resolution #4

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 \$512,632 construction and (potentially) term loan under the C-PACE program to Lake Hills Shopping Center, LLC, the building owner of 2264 Black Rock Turnpike, Fairfield, 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 an 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 Board dated April 24, 2018, 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 Board of Directors;

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. Incentive Business – RSIP/SHREC

a. SHREC Update

Mike provided an update on the SHREC. He discussed the monetization. He stated that that sales team had been very busy committing to all of the deals to PURA. He stated that they expect that this tranche will be larger than the first. He stated that they expect to generate 880,000 MWh over 15 years. He stated that between the two tranches, there would be \$76 million in nominal cash flows. He stated that the cash to the Green Bank would be between \$36 and \$42 million in upfront cash. He stated that this would take time and into the fourth quarter for them to reach. He stated that a hurdle is the budget sweep. He stated that to meet the liquidity demands of the sweep, they will use a joint proposal from Liberty and Webster Banks. He stated that it would be a short-term facility. He stated that the overall costs of the warehouse and the joint proposal were comparable with about a \$15,000 difference. He stated that they're continuing relationships in the CT banking community. He stated that given the difficulties of working with other types of banks, they are keeping ties to the state as much as possible. He stated that for future tranches, being able to keep things in the warehouse will be important. He stated that they are looking at how to position themselves both immediately as well as, in the long term. He stated that they would renew the facility for future tranches.

Mike stated that with the upcoming sweep, they have a \$5 million revolver to be drawn on to fund it. He stated that they would keep the revolver for liquidity over the next five years. He also discussed the structure of the warehouse, stating that they will set up an SPV to draw on. He stated that all would be taken out by securitization. Commissioner Smith questioned if they will be using the LLC. Bert Hunter stated, yes. Commissioner Smith questioned if that will be for all future Securitization. Bert Hunter stated that they believe that they can use the same LLC for the Term ABS. He stated that it might be necessary to establish a separate vehicle for each ABS to stand on its own. Commissioner Smith questioned the amounts. Bert Hunter stated that \$9 million is the maximum draw against the first tranche but can go up to \$16 million. He stated that they could draw down the balance once the second tranche is in place. Bettina Bronisz questioned if the purpose was due the anticipation of another sweep in 2019. Bert Hunter stated, yes. He stated that they've already anticipated the \$1.3 million that they will have to turn over to the stated. Bettina Bronisz questioned why they need to do the securitization. Commissioner Smith stated that the SHREC is the most cash inefficient and that they need to make sure that they don't run out of cash due to the upfront costs. Bert Hunter stated that the revolver is separate security and has nothing to do with eh SHREC. Commissioner Smith stated that the revolver is only for short-term use as necessary. Matt Ranelli questioned how much wiggle

room they have and what the risks are to the collateral if it doesn't produce the revenue they anticipate. Mike stated that all of the projections are based on the likelihood of performance at 50%. He stated that there is a 50% likelihood of underperformance, based on experience. He stated that a major engineering firm behind does these projections. He stated that they have no indication that this will underperform.

Matt Ranelli questioned how long they would need the bridge before the revenues are adequate not to need the warehouse. Mike stated that the bridge is 12 months and stated that they should be up and running before that time. Bettina Bronisz questioned why they are not taking the lowest cost. Bert Hunter stated that if you walk through the economics of the fees that facility would have to stay in place and the Green Bank would end up paying only about \$15,000 difference after taking into account the fees and interest. Bettina Bronisz questioned if they could negotiate it down to something lower. Bert Hunter stated that overall, they'd be in a situation that would increase the difference between the two, but strategically having the Connecticut banks in place is very important. He stated that it does reflect a slightly higher cost, but that is where they landed regarding Connecticut banks.

Mike discussed the Term ABS, the proposal by RBC. He stated that they are going through the rating process and that the Green Bank has confidence in their ability. He stated that they'd have the conversation on the advanced rate side, as well as, the interest rate side, and the lowest pricing. Bert Hunter stated that there are no assurances, it is just what each firm expects. He stated that RBC has more confidence and that that is very encouraging. Mike stated that they recommend getting a rating from either S & P or Kroll. He stated that they are currently running a Green Bank RFP. He stated that they would provide an update to the Board. Bert Hunter stated that regarding rating, Eversource is rated A, by the S & P. He stated that their target would be to have the senior work and the junior slice in the securitization.

Bettina Bronisz questioned why they are calling it a Green Bond. Eric Shrago stated that it's based on the Green Bond initiative. Bettina Bronisz also questioned the pricing. Mike stated that they are looking at the SWAPS and matching those. Bettina Bronisz questioned if it would be a fixed rate. Mike stated that yes, it would be a fixed rate. Bert Hunter stated that they are setting the rate just over the Treasury Yield Code. Commissioner Smith questioned what the SWAP rate is today? Bert Hunter stated that it is usually about 10 – 20 basis points.

Mike discussed the proposed structure. Commissioner Smith stated that this is a different tone than the one established for the warehouse. Bert stated that yes, it is different. Eric Brown questioned the external societal benefit. Bettina Bronisz discussed the Green Bonds in Europe and their success. Eric Brown stated that they need to make certain that this is done with the highest level of data and that it is very verifiable. Commissioner Smith stated that they would track it over the life of the bonds. Bryan Garcia stated that they have the production based on the metering. He stated that it is input into the EPA backed models.

Upon a motion made by Commissioner Klee and, seconded by John Harrity the Resolution on the warehouse passed.

Resolution #5

WHEREAS, Connecticut Green Bank (“Green Bank”) staff has submitted to the Green Bank Board of Directors (“Board”) a proposal for Green Bank to enter into an agreement with Webster Bank and Liberty Bank (“Webster-Liberty”) for a \$16,000,000 secured revolving line of credit (“SHREC Revolving Credit Facility”) whereby the SHREC Revolving Credit Facility would be used for a period of up to one year in order to bridge Green Bank’s short-term liquidity and working capital needs prior to funding anticipated from the permanent asset backed securitization (“ABS”) financing of Tranche 1 and Tranche 2 of the Solar Home Renewable Energy Credit (“SHREC”) program;

WHEREAS, along with a general repayment obligation by the Green Bank, Webster-Liberty would be secured by a first priority security interest in, and an absolute assignment of all cash flows associated with Tranche 1 and Tranche 2 of the SHREC program and, in the event of a payment default under the SHREC Revolving Credit Facility, such additional Tranches of SHRECs as required by the Lenders together with all commercially necessary rights thereunder (the “SHREC Collateral”); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed SHREC Revolving Credit Facility, generally in accordance with the terms of the summary term sheet presented to the Board on April 27, 2018.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the SHREC Revolving Credit Facility with Webster-Liberty substantially as set forth in the memorandum to the Board dated April 27, 2018;

RESOLVED, that the Board approves Green Bank to establish a bankruptcy remote special purpose entity 100% owned by Green Bank, if required by the lenders to secure their interest in the SHREC Collateral;

RESOLVED, that the President, Chief Investment Officer and General Counsel of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the SHREC Revolving Credit Facility and to establish the SPV and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all any documents as they shall deem necessary and desirable to effect the above-mentioned legal instrument or instruments.

Resolution #6

WHEREAS, Connecticut Green Bank (“Green Bank”) staff has submitted to the Green Bank Board of Directors (“Board”) a proposal for Green Bank to proceed with an agreement with the Royal Bank of Canada (“RBC”) whereby RBC would structure, arrange and secure funding in accordance with a proposed permanent asset backed securitization (“ABS”) financing of Tranche 1 and Tranche 2 of the Solar Home Renewable Energy Credit (“SHREC”) program as described in the Confidential Memorandum to the Board of Directors dated April 27, 2018;

WHEREAS, RBC was selected pursuant to a Request for Proposal process as set for in the Operating Procedures of the Green Bank; and

WHEREAS, any bond or note issuance associated with the SHREC ABS financing will be subject to definitive documentation which will require approval by the Board.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into a Professional Services Agreement with RBC for the purpose of having RBC structure, arrange and secure funding in accordance with a proposed permanent ABS financing of Tranche 1 and Tranche 2 of the SHREC program substantially as set forth in the Confidential Memorandum to the Board of Directors dated April 27, 2018;

RESOLVED, that the President, Chief Investment Officer and General Counsel of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the SHREC Revolving Credit Facility and to establish the SPV and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all any documents as they shall deem necessary and desirable to effect the above-mentioned legal instrument or instruments.

b. Revolver

Bert Hunter provided a high-level overview of the revolver. He stated that they are concerned about the timing of the sweep and that they have to maintain a minimum cash balance free and clear of \$4 million. He stated that that is why they decided to explore a revolving credit facility. Louise discussed the terms of the facility and the

structure of the repayment. She stated that there is a \$5 million revolving line of credit within one year of the date of closing. She stated that the facility has interest payable only on the amount that is drawn. She stated that there is a small upfront commitment fee. She stated that the collateral is the Solar Lease One. Bettina Bronisz questioned if there is an unused fee. Louise stated that there is not, just the commitment fee. Bettina Bronisz questioned what the commitment fee was. Bert Hunter stated that it's \$20,000. Bettina Bronisz questioned what the interest rate was. Bert Hunter stated it is Prime. Bettina Bronisz questioned who Union Savings Bank was. Kerry O'Neill stated that they are a Smart E Lender. Bettina Bronisz questioned how much Solar Lease One was worth. Louise stated that it's roughly \$7 million. Commissioner Smith questioned the expectation about the need to draw this down and how long. Bert Hunter stated that it looks like the current cash situation using the Webster/Liberty Facility, they would probably not need to use the revolver to make the \$14 million payment in June. Commissioner Smith questioned if that will leave them with \$4 million in the bank. George Bellas stated that they should have north of \$6 to \$7 million plus the \$9 million from the facility. He stated that they are predicting about \$15 million in the bank after the draw from the warehouse.

Upon a motion made by Commissioner Klee and, seconded by Bettina Bronisz, the Board voted unanimously to approve.

Resolution #7

WHEREAS, Connecticut Green Bank ("Green Bank") staff has submitted to the Green Bank Board of Directors ("Board") a proposal for Green Bank to enter into an agreement with Union Savings Bank ("USB") for a \$5,000,000 secured revolving line of credit ("Revolving Credit Facility") whereby the Revolving Credit Facility would be used in order to meet the Green Bank's short-term liquidity and working capital needs for period of up to one year;

WHEREAS, along with a general repayment obligation by the Green Bank, USB would be secured by a first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Lease 1 Notes portfolio (the "Collateral"); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed Revolving Credit Facility, generally in accordance with the terms of the summary term sheet presented to the Board on April 27, 2018.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the Revolving Credit Facility with USB and approves of USB as a strategic selection to be the sole source provider of the Revolving Credit Facility;

RESOLVED, that the Board directs the Vice President Finance and Administration and the Chief Investment Officer of Green Bank to determine procedures for use of the

Revolving Credit Facility, including as part of such procedures the consent of the Chair of the Board or, in the Chair's absence, the consent of the Vice Chair of the Board (such procedures to be agreed by the President and Chief Executive Officer, the Chair of the Board and the Vice Chair of the Board and advised to the entire Board prior to any use of the Revolving Credit Facility);

RESOLVED, that the President, Chief Investment Officer and General Counsel of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the Revolving Credit Facility and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all any documents as they shall deem necessary and desirable to effect the above-mentioned legal instrument or instruments.

6. Non-Profit Organization – Underserved Markets

1. Green and Healthy Homes Initiative

Kerry O'Neill discussed the Green and Healthy Homes Initiative. She stated that its unique in that they will not contract with them unless they raise the foundation money. She stated that they do need permission to enter into an agreement. Commissioner Klee stated that this a big part of the project because there is a big energy burden. He stated that there is a huge gap in funding. He stated that this has been holding them back for a while and costing the state a lot of money. Kerry O'Neill stated that this is an opportunity to take advantage of things built into the Affordable Care Act. She stated that GHHI had piloted a model, the No Wrong Door model. It's a single intake service that addresses all of the issues in the home. She stated that outcomes are better health and related energy issues. She stated that the partnership is with the Green Bank and the Department of Health along with six other agencies. She stated that they are exploring programs to tap into the public health side. She stated that GHHI is the only organization of its kind in the country. She stated that they have to move quickly to work with energy funding providers. She stated that Connecticut is the first state to get access to Medicaid claims data. She stated that they would not be using any Green Bank funds. She stated that it would only be paid to the extent that funders come forward. Commissioner Klee stated that this segment is hard, but it has worked in other challenging areas. Kerry O'Neill stated that the Green Bank is going to be an intermediary going into homes and putting all the funding sources together on the revenue side. She stated that each state is different. She stated that the Pilot design has a big data design to it. John Harranty questioned if they track the people that use the service or if it's more actuarially. Kerry O'Neill stated that they use the Medicaid claims to see the dollars. She stated that at the Pilots

they will be tracking individuals. She stated that the Pilots will be 18 months to 3 years. Commissioner Smith stated that this seems to be way beyond the Green Bank's expertise. Kerry O'Neill stated that this came out of years of focusing on Low Income. She stated that they courted GHHI for two years. She stated that the Green Bank is not experts, but that they're the contracting agency. Eric Brown questioned how much of the Green Bank's money would be used. Kerry O'Neill stated that none of the Green Bank's money would be used. She stated that the agreements will be written so that they don't get any money unless the Green Bank raises it. Brian Farnen stated that there will be a value to the contract even if the Green Bank is not required to pay it. He stated that from an audit perspective, it's safest to have it. He stated that they can revise the Resolution.

Upon a motion made by Matt Ranelli and, seconded by Betsy Crum, the Board voted unanimously to approve, with the change in the Resolution.

Resolution #8

WHEREAS, the Connecticut Green Bank ("Green Bank") actively seeks to support the goal of supporting affordable and healthy buildings in low-to-moderate income and distressed communities across the state, as articulated in an organizational goal in its Comprehensive Plan.

WHEREAS, the Connecticut Green and Healthy Homes Project involves the following state agencies and organizations that are aligned in their common goals related to health, housing and energy: Connecticut Green Bank, Department of Public Health, Green & Healthy Homes Initiative, Department of Social Services, Department of Energy & Environmental Protection, Department of Housing, Department of Children and Families, Office of Early Childhood, Office of Chief State's Attorney, United Illuminating, and Eversource.

WHEREAS, Green and Healthy Homes Initiative (GHHI) has proposed a scope of work for research and project design for Phase II of the Project for \$200,000 to support the Green Bank's efforts to accelerate energy efficiency and clean energy generation across Connecticut; and

WHEREAS, Project partners are securing foundation and other grant funding in addition to Department of Energy Solar Energy Technologies Office grant funds to cover the full cost of GHHI's engagement.

WHEREAS, the proposed scope of work as a strategic selection and award pursuant to Green Bank Operating Procedures Section XII pursuant to the rationale in the memorandum to the Board of Directors dated March 27, 2018 setting forth GHHI's unique opportunity and approach to developing an integrated model to address health, housing, and energy needs in the Connecticut Green and Healthy Homes Project;

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 accept the GHHI proposal, and in so doing obligate the Green Bank in a total amount not to exceed \$200,000 with terms and conditions consistent with the memorandum submitted to the Board of Directors dated March 27, 2017, 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 March 27, 2018; and

RESOLVED, that the proper 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.

2. Staff Transitions

Bryan Garcia discussed the staff transitions along with the establishment of the non-profit. He stated that they would continue to serve the mission of underserved markets and credits. He stated that they support an orderly transition of the staff as well as, how to maintain continuity regarding benefits and pay. He stated that there would be four areas transitioning. He stated that the goal is for June 13th for PSA's drafted for each of those four areas. He stated that they are using the shared service MOU that they had with Connecticut Innovations and using that as a basis. He stated that that's the structure to go to the non-profit organization. He stated that in years 1 – 3 there will be a savings of about \$350,000 and in years 4 – 6 there will be almost \$1 million. Eric Brown questioned who would be paying for the benefits. Kerry O'Neill stated that it would be the non-profit. Bryan Garcia stated that the Green Bank would pay at a 40% level, and not the 78% level. He stated that as the non-profit grows there will be 0% compensation from the Green Bank to the non-profit. Commissioner Smith questioned if the Green Bank would get anything back. Bert Hunter stated that the services are what the Green Bank gets back. Brian Farnen stated that the staff would be acting as a servicing agency on behalf of the Green Bank. Commissioner Smith questioned if they're the servicing agency, how will the Green Bank stop paying them. Eric Shrago stated that they will still be paying for the program, but not the salary. Commissioner Smith stated that she's concerned that the Green Bank is in less financial security than the new non-profit. Bryan Garcia stated that the key priority is continuing benefits and ensuring continuity. He stated that they would be working on developing benefits and recommending benefits for the non-profit. He stated that they would notify the staff of them being hired to the non-profit and notify them of their end of work with the Green Bank. He stated that the contract for services between the Green Bank and the non-profit would be executed in early July. He discussed the timeline and stated

that this is tough, but that they all share a very common mission. He stated that the non-profit would be with the Green Bank as they transition over time.

Upon a motion made by John Harrity and, seconded by Commissioner Klee, with an abstention from Bettina Bronisz the Resolution passed.

Resolution #9

WHEREAS, on December 15, 2017, the Board of Directors of the Green Bank approved of a budget mitigation strategy consistent with the Sustainability Pathway Strategy, including the need for staff to present a detailed business plan, budget, and transition plan for certain employees to a Nonprofit;

WHEREAS, on April 3, 2018, the Board of Directors of the Green Bank was presented by staff a detailed business plan to which the Board of Directors then authorized the President and any other duly authorized officers of the Green Bank to participate in the formation of an independent nonprofit non-stock corporation to further the purposes of the Green Bank, including achieving operating leverage and attracting mission-oriented investors for a set of products serving underserved market segments; and

WHEREAS, on April 27, 2018, the Board of Directors of the Green Bank was presented a staff transition plan for those individual staff members of the Green Bank transitioning to the Nonprofit.

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Green Bank authorizes the President of the Green Bank and any other duly authorized officer of the Green Bank to ensure the orderly transition of individuals transitioning from the Green Bank to the Nonprofit, taking into consideration, but not limited to, the Advisory Opinion No. 2018-2 by the Office of State Ethics;

RESOLVED, that the Board of Directors of the Green Bank authorize the President of the Green Bank and any other duly authorized officer of the Green Bank to provide assistance to the Nonprofit to identify, analyze, and recommend benefits options for the staff transitioning from the Green Bank to the Nonprofit; and

RESOLVED, that the Board of Directors of the Green Bank directs the President of the Green Bank to notify the individuals that will be transitioning from the Green Bank to the Nonprofit of their last day with the Green Bank tentatively planned for June 30, 2018.

3. Business Plan – Assumptions

Bert Hunter provided a high-level overview of the business lines of the non-profit as well as, the origination strategy. Kerry O'Neill discussed the NRDC and their different programs.

Bert Hunter provided a high-level overview of the assumptions and the partners. He stated that Posigen is a back-level facility. He stated that they are talking to Solar Financiers currently. He stated that there's a Community Reinvestment Act Portfolio. He stated that this is the type of business outlined in the business plan. He stated that it's an outline of the strategy. Commissioner Smith questioned if the \$42 million in the first year is transferring off the Green Bank Balance Sheet. Bert Hunter stated that it's mostly new money. He stated that they are not touching the Green Bank's Balance Sheet. Bettina Bronisz questioned how much ratepayer or state funds would be used. Bert Hunter stated that they are getting \$6.5 million from DEEP. Commissioner Klee stated that those are dollars that are not going to any programs. Commissioner Smith questioned if they've ever done that much business in one year to hit the \$42 million. Bert Hunter stated that they have been limited to the Connecticut market, but that they have done \$16 million in financing. Commissioner Smith questioned what the level of risk is to the Green Bank and also the new entity. Bert Hunter stated that there is zero risk to the Green Bank. Bryan Garcia stated that they've been able to demonstrate over the last five years and that capital providers see the value of the non-profit. Bert Hunter stated that they've had to share the deployment with other capital providers. He stated that this is more focused on retaining that on the in the non-profit. Kerry O'Neill stated that in the last two years they had done about \$65 million.

Bettina Bronisz questioned if they are taking revenues from the Green Bank's Balance Sheet. Bert Hunter stated that they're not taking any revenues from the Green Bank's Balance Sheet. Brian Farnen stated that the program where there is a financial gain that is moving to the non-profit would be the Commercial Solar PPA. Commissioner Smith suggested that they have a special session to continue the discussion.

7. Other Business

There was no other business.

8. Adjourn

Upon a motion made by John Harrity and seconded by, Bettina Bronisz, the meeting was adjourned at 11:01 a.m.

Respectfully submitted,

Catherine Smith, Chairperson