



**BUDGET AND OPERATIONS COMMITTEE OF THE  
CONNECTICUT GREEN BANK**

**Minutes – Regular Meeting**

845 Brook Street  
Rocky Hill, CT 06067

Friday, January 12, 2018  
10:00-11:00 a.m.

A regular meeting of the Budget and Operations Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on January 12, 2018 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

1. Call to order

Rob Klee called the meeting to order at 10:01 a.m. Committee members participating: John Harrity and Rob Klee.

Members Absent:

Staff Attending: Bert Hunter, Mackey Dykes, Eric Shrago, Bryan Garcia, Brian Farnen, Cheryl Samuels, George Bellas and Tyler Magnano.

2. Public Comments – 5 minutes

There were no public comments.

3. Consent Agenda\* – 5 minutes

- a. Approval of Meeting Minutes for August 24, 2017

Due to the lack of quorum, no action was taken on the meeting minutes.

**Resolution #1**

Motion to approve the minutes of the August 24, 2017 Meeting of the Budget and Operations Committee of the Connecticut Green Bank.

4. FY 2018 Targets\*\* – 50 minutes

**Proposed Revisions**

Eric Shrago proposed target adjustments to be made after budget changes. Proposing targets downward to support between no less than 5,966 projects (from 6,451) requiring investment of no less than \$218 million to deploy at least 49 MW of clean energy. John Harrity had a question

about 6,000 being a lot of projects. Eric said the majority is in RSIP, and is still shooting for an increase. Bryan Garcia said, what's happening is the rest of the contractor market in CT is rebounding from the Solar City drop in 2016 and 2017 – they were 40% of the market – and is growing and becoming more resilient to changes that's why we reached our RSIP target faster than expected.

Eric Shrago provided explanations to the proposal. He stated that infrastructure will see a proposed decrease of 0% of projects, 12% in investment, and 4% in MW. All changes in targets stem from the Anaerobic Digester pilot program. The project previously expected to close this year is no longer on target to do so and the Green Bank's ability to support such projects going forward remains tenuous. He stated that RSIP performance through December is strong.

Eric Shrago said he is proposing to revise the Anaerobic Digester program target, explaining it is a program the Green Bank can no longer support the way we have due to the budget reallocations. Rob Klee asked to look back at RSIP, questioned why the Green Bank are doing slightly less projects but still deploying the same amount of money. Bryan Garcia said staff would look into this. Rob Klee asked if that's an effective tactic to leave market. Rob added the Green Bank's fuel cell project for this fiscal year remains unchanged.

Eric Shrago provided insight on the Residential sector, proposing an increase of 63% in projects, 31% in investment, but a decrease of 3% in MW. He stated the overall increase in projects and investment is driven by strong performance of the Smart-E loan. The decrease in capacity target is due to slower growth for PosiGen and a smaller percentage of solar multifamily term loans. Eric added that the latest Smart-E special offer ended in December and that it was a very good quarter. Rob Klee asked why that was. Eric responded, the .99% special offer brought a lot of people in. Bryan Garcia said the demand shot up when the rate was lowered, and the Green Bank is checking to see how much federal ARRA funding it has left. Bryan added, now contractors are coming to us seeing if they can work with the credit unions to buy down interest rates themselves. It is to be determined if credit unions would be okay with this. Eric Shrago said we saw a 50% increase in one year. Eric added, we have scaled down support of PosiGen due to budget cuts. Activity we've seen in recent months has been 40 projects compared to last year which was over 60. He explained that Multifamily is not seeing as much projects but projects are larger than forecast thus suggesting revising targets based on performance.

Eric Shrago stated that for CI&I there is no change in targets for C-PACE or Commercial Lease. SBEA targets are adjusted to represent a Q3/4 close and only 1 quarter of activity. Mackey Dykes said that C-PACE has a lot of projects that have already closed. He added that these budget cuts will have real impacts next year, with less dollars to spend on customer acquisition and less capital to invest. He clarified that this year we will be okay, solar lease will be okay, and that all money was already allocated. He said that the budget impacts are felt in this year's target since the pipeline is already built, impacts won't be felt until 2019. Rob Klee asked, of the 51 projects how many are the CT Green Bank's? Mackey Dykes responded with 14.

Rob Klee expressed concern the Green Bank are doing half as much projects but acknowledged when you cut half the money, we can only do half the projects. Mackey Dykes responded, that they have also scaled back on market development and contractor trainings. Commissioner Klee said to make sure we are capturing these losses and impacts. He added that these were developing markets and now have no support. John Harrity asked if 2019 capital numbers are lower. Eric Shrago explained, we need to figure out how much capital of 8 million is allocated. John wondered about Energy on the Line and how much money they have put in. Mackey responded, \$800,000. John wondered if the fund could look at putting money

into C-PACE instead? John suggested restructuring funds to potentially use Energy on the Line funds as CPACE debt capital. Rob Klee agreed if C-PACE has no money, that incentive does nothing. Bryan Garcia suggested that the team put together a summary of progress to date and a request for additional support. Rob said, yes to ensure it keeps moving forward.

John Harrity discussed the voucher program and if that could be applied. Mackey Dykes responded, SBEA made progress recently, EEB plan said it should reflect savings. but we'll need clear acceptance of the terms of the CGB and JP Morgan proposal. Rob Klee asked, if there was an upcoming committee meeting. Bryan Garcia responded, that he had joined the committee meeting schedule for Wednesday January 17<sup>th</sup> because SBEA is part of the agenda. John said the way he understood it, the committee needs to realize that this was a good deal. Mackey responded, Eversource has said they believe this is still not a good deal.

Bert Hunter responded, they said this is for the benefit of the energy efficiency fund, which is disingenuous of the process, they were part of the process. Which is what Mackey is talking about, so we can bring in consultants. Bert added that we need to move beyond this. Mackey Dykes responded, we have a set of questions from Eversource to help move past the hopefully now resolved structure issues and to a new phase. Bert responded, I think as soon as Eversource stands down the rest of the board will let it go. Rob Klee said he wants to see the Green Bank move forward with SBEA and he'll do whatever is needed to see this push through.

Eric Shrago transitioned the topic to organizational target changes, and asked if there were any questions or concerns. Rob Klee asked if anaerobic digesters would be an area where DEEP might help. He added that long term contracts should help them find capital. At least in the near term there is a RFP. Brian Farnen advised that in absence of a third member of the committee present there was no quorum Bryan Garcia responded, that there was no need to make a resolution today. Commissioner Klee suggested, these should be the thoughts of the meeting and not a resolution. John Harrity wondered about the down turn in PosiGen, and if that is a concern. Bryan responded that Kerry O'Neil would be able to speak to that more clearly at the upcoming board meeting. John asked if Eric was concerned. Eric responded that PosiGen is having slowing growth while they are expanding to other markets. John asked if there is anything happening federally that's going to impact the organization. Bryan Garcia responded, while most clean energy tax credits remained untouched, fuel cells didn't make it into the final tax bill. Bert Hunter added that clean renewable energy bonds were lost. He added that we won't be able to use it moving forward, but we were able to secure the last of the CREBS. Private activity bonds were saved and some of the funds are trying to be allocated for fuel cells.

## 5. **Resolution #2**

Due to the lack of quorum, the two Committee members present expressed their concurrence with the target adjustments, but no action was taken on the resolution.

RESOLVED, the Budget and Operations Committee recommends the Connecticut Green Bank Board of Directors approve the fiscal year 2018 target adjustments outlined in Attachment A.

## 6. Adjourn

Upon a motion made by John Harrity, and seconded by Rob Klee, the meeting was adjourned at 10:47 a.m.

Respectfully Submitted,

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Rob Klee, Chairperson