



AGENDA

Joint Committee of the Connecticut Energy Efficiency Fund and the
Clean Energy Finance and Investment Authority
10 Franklin Square, New Britain, CT

Wednesday, July 16, 2014
1:30-3:30 p.m.

1. Call to Order
2. Public Comments – 5 minutes
3. Approval of Meeting Minutes for April 23, 2014 – 5 minutes
4. Governance – 15 minutes
5. Financing – 60 minutes
 - a. EEB Memo Follow-Up – Proposed Connecticut Green Bank Next Steps
 - Beyond SBEA and C-PACE – C&I Financing Market Gaps
 - SBEA Lower Cost of Capital
 - b. Updates
 - Maximize C-PACE and Optimize CEEF Incentives
 - Energize CT Single Family Products
 - Energize CT Multifamily Products
6. Measuring Success of Incentive and Financing Programs – 30 minutes
 - a. Cost Effectiveness Test
 - b. Market Transformation
 - c. CEFIA's Objective Function
7. Other Business – 5 minutes
8. Adjourn

*Denotes item requiring Committee action

Join the meeting online at <https://www4.gotomeeting.com/join/494770191>

Dial +1 (630) 869-1015

Access Code: 494-770-191

***Next Regular Meeting: Wednesday, October 22, 2014 from 1:30-3:30 p.m.
In the Commissioners Conference Room
at the Department of Energy and Environmental Protection
at 10 Franklin Square, New Britain, CT 06051***



Empowering you to make
smart energy choices

Joint Committee

Energy Efficiency Board and the Board of
Directors of the Connecticut Green Bank

Department of Energy and Environmental Protection
July 16, 2014

Agenda

Subtitle

- **Call to Order**
- **Public Comments – 5 minutes**
- **Approval of Meeting Minutes of April 23, 2014 – 5 minutes**
- **Governance – 15 minutes**
- **Financing – 60 minutes**
- **Measuring Success of Incentive and Financing Programs – 30 minutes**
- **Other Business – 5 minutes**
- **Adjourn**



Empowering you to make
smart energy choices

Agenda Item #1

Call to Order



Empowering you to make
smart energy choices

Agenda Item #2

Public Comments



Empowering you to make
smart energy choices

Agenda Item #3

Approval of Meeting Minutes of April 23, 2014



Empowering you to make
smart energy choices

Agenda Item #4

Governance

Bylaws

Background

- Joint Committee of the ECMB and the Green Bank was statutorily created pursuant to Public Act 11-80
- Joint Committee examines opportunities to coordinate activities and to provide financing to increase the benefits of programs funded by the C&LM Plan to reduce:
 - the long-term cost
 - environmental impacts
 - security risks of energy
- Bylaws meant to bring additional structure and formality to the process

Bylaws

Governance

	Voting	Non-Voting	Total
Green Bank	2	2	4
CEEF	2	2	4
DEEP	1	0	1
Total	5	4	9

- Both funds formally appoint members
- Appointed members will review and adopt joint committee bylaws
- Funding authorizations handled by each respective fund
- At least four meetings per year
- Quorum – 3 of the 5 voting members
- Committee Staff may assist upon majority vote



Empowering you to make
smart energy choices

Agenda Item #5

Financing

Overview of EEB Memo to CEFIA

- C&I Priorities
 - Work with the EEB and the Companies to evaluate C&I financing models not currently offered under EnergizeCT
 - Work with the EEB and the Companies to optimize financing and incentives for C-PACE
 - Help the EEB and the Companies explore alternative lower-cost capital sources for SBEA financing that do not increase total net program costs
- Single-Family Residential Priorities
 - Coordinate with the Companies and the EEB to ensure the effectiveness of single-family offerings under EnergizeCT
- Multifamily Priorities
 - Coordinate with the EEB and the Companies to ensure that the needs of multifamily customers are adequately met

Evaluate C&I Financing Models Not Currently Offered

- Primary products for C&I customers:
 - SBEA (peak demand between 10kW and 200kW; max loan \$100,000; average loan ~\$10,000)
 - C-PACE (“best suited” for projects above \$150,000; SIR ≥ 1 ; lender consent; C-PACE town)
- Gap exists for customers who do not qualify for either product
- Work with the EEB and the Companies to explore products that may help fill the gap
- Build on C-11 market research survey and any follow-up research

Beyond SBEA and C-PACE

Follow-Up

- **Request** – work with EEB and Companies to assess market gaps for financing outside of SBEA and C-PACE financing programs for C&I customers.
- **Response** – agree
- **Proposed Next Steps** – the following are next steps:
 - Assess the Market (Completion – by September 30, 2014) – what is the market? How big is the market? Who are the customers in the market? How do these customers differ from SBEA and C-PACE?
 - Develop the Product (Completion – by March 31, 2015) – determine an approach that uses a limited amount of ratepayer capital to attract multiples of low-cost and long-term private capital, develop the box or parameters for financing acceptable by EEB and CGB.
 - Attract the capital and then launch and implement the product

Optimize C-PACE Financing and Incentives

- C-PACE designed to be very attractive on its own
 - Very secure -> attractive rates and terms
 - $SIR \geq 1$ (projected)
 - Repayment through property tax rather than as debt
 - Transferable when property changes hands
- May be possible to reduce amount of incentives or rebates needed to close a deal
- Some incentives may still be needed to drive deeper savings, encourage longer-payback improvements
- EEB, Companies, and CEFIA should work together to determine how best to optimize mix of financing and incentives to make best use of limited CEEF funds and maximize use of private capital

SBEA Cost of Capital

- SBEA is a longstanding, successful, and award-winning program with high market penetration
- Program structure and delivery mechanism should remain in place
- Need is solely limited to identifying lower-cost capital (as compared to current source, i.e. utility shareholder capital) that does not raise total program costs
- NU is negotiating an arrangement that will lower its cost of capital
- CEFIA could work with UI and EEB to identify possible lower-cost sources of capital that are less expensive from an “all-in” standpoint

SBEA Lower Cost of Capital

Follow-Up

- **Request** – work with EEB and Companies to explore alternative lower-cost capital sources for SBEA financing that reduces total net program costs for UI only – CL&P has capital in place
- **Response** – happy to assist
- **Proposed Next Steps** – the following are next steps:
 - Meet with UI (Completion – by September 30, 2014) – assess their needs and what CGB can help with.
 - Develop the Concept (Completion – by March 31, 2015) – determine an approach that uses a limited amount of ratepayer capital to attract multiples of low-cost and long-term private capital, develop the box or parameters for financing acceptable by UI, and access the Green Loan Guaranty Fund.
 - Attract the capital and then launch and implement the solution

Energize CT Single Family Update

- Many single family products in the field
 - 0% payment plan
 - 2.99% HES comprehensive loan
 - Smart-E (standard and lower-rate bundles)
 - CHIF lower FICO/higher DTI
 - EnergizeCT Heating Loan
 - Energy Conservation Loan
- Critical to present to customers in clear way that meets their needs without confusion
 - Financing Wizard should help for customers on website
 - Need to consider options for customers and contractors in the field
- EEB and CEFIA previously agreed in concept with phased evaluation
- Agreed to launch Financing Wizard and see how it is working
- In the meantime, collaborating on reporting (Dashboard, financing matrix)
- Also collaborating on OBR

Energize CT Single Family Update

- Solar and HVAC are where engagement is on CEFIA products
 - Competing subsidized loan products means fewer EE and gas conversion projects
 - Handful of contractors are driving our volume to date
 - Solarize and Energize Norwich campaigns show strong application trends
- Smart-E Lenders and contractors see value in program participation
 - Variety of lender models: new customer acquisition/increased deposits, tie into small business lending with Smart-E contractors, PR/good community partner
 - Contractors like working capital solutions, financing options supporting growth
- Going deeper – Smart-E Bundle launched
 - Opportunity to work with engaged contractors to sell Solar+, HVAC+; HES contractors interested
- On-Bill Repayment
 - Filing amended PURA application after informal meeting
- Program analysis coordination – working with utilities and EEB on program cost analysis across products; pursuing data sharing agreement with NU to support

Energize CT Multifamily

Update

- Financing products and technical assistance established – good foundation to build from
 - Programs well underway with dedicated partners (CHIF “LIME” loan, C-PACE for Multifamily, credit enhancement RFP, CHFA pilot)
 - Utility companies involved in all aspects – great partners
- Strategic approach:
 - Holistic approach/ leverage incentives with financing to go deeper
 - Build process that is easy for owners to understand and use
 - Partner, coordinate, streamline, leverage
 - Collaboration with utility companies critical to all efforts
- Strategic marketing plan and execution, next push – need to develop a pipeline!
 - Will report back to EEB Resi Committee on pipeline specifics at next meeting
- FY15 product development to include condominium financing



Empowering you to make
smart energy choices

Agenda Item #6

Measuring Success of Incentive and Financing Programs

Measuring Success

- Overview
- Rigor of benefits and costs
- Connecticut cost effectiveness tests
- Cost-effectiveness reporting

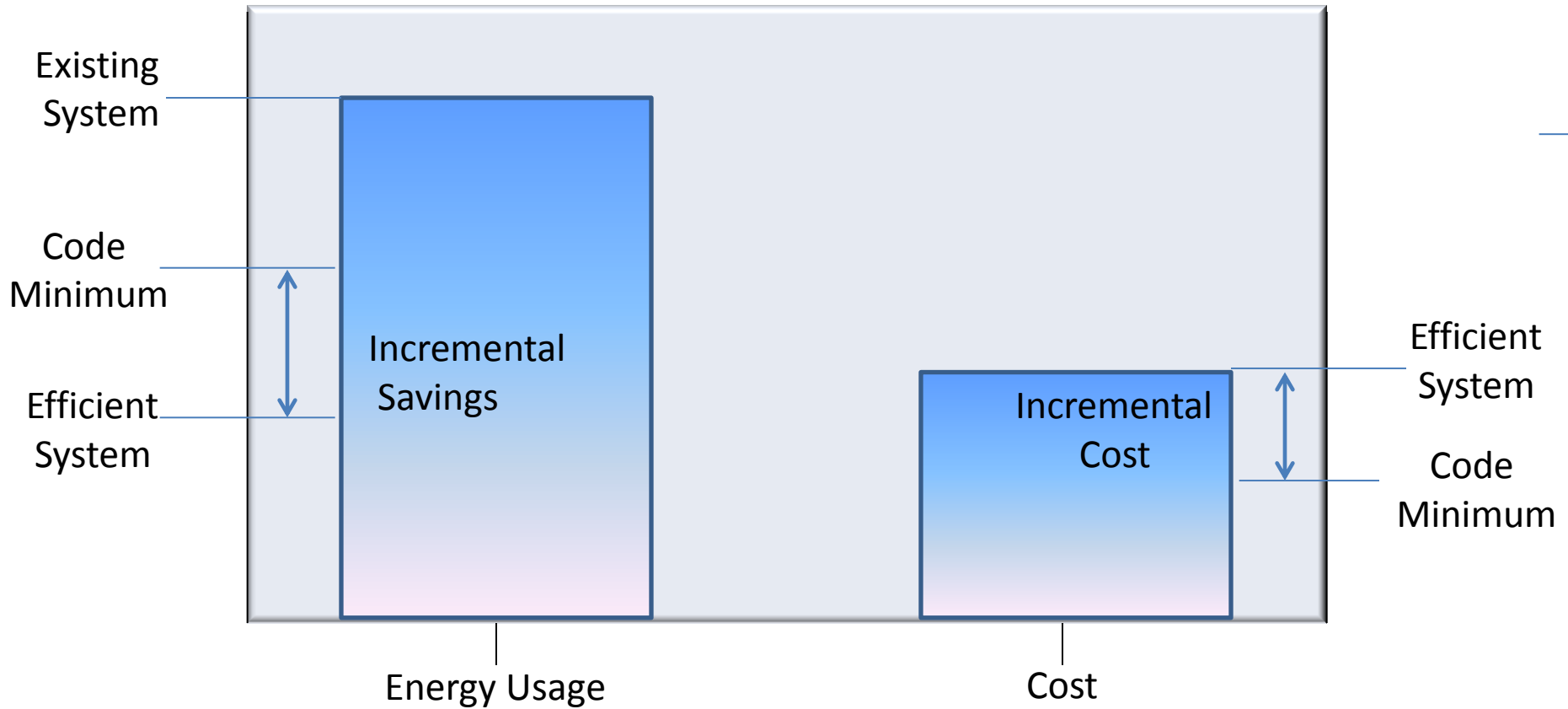
Connecticut Energy Efficiency Requirements

- Guided by CT General Statute 16-245m
 - Implement cost-effective energy conservation programs and market transformation initiatives
 - Compare the value of program benefits with program costs.
 - Programs reviewed and modified or terminated if they do not meet BC requirements (Benefit > Cost)
 - 3rd party independent evaluation to validate impacts
- Consistent Cost-Effectiveness Rigor
 - Informs planning, management, and reporting
 - Program Savings Document (PSD)

Cost-effectiveness Primer

- Cost effectiveness varies by perspective.
- Three Primary Tests are used.
 - Participant cost test
 - Program administrator cost test (primary)
 - Electric System Test
 - Gas System Test
 - Total resource cost test

Program Measure Impacts



$$\text{UCT} = \frac{\text{Avoided Energy Costs}}{\text{Program Costs} + \text{Incentives}}$$

Electric Benefits

- *Energy*
- *Transmission*
- *Distribution*
- *Capacity*
- *Price Effects (DRIPE)*
- *Oil and Propane (CT)*

Natural Gas Benefits

- Natural Gas
- Price Effects (DRIPE)
- Oil and Propane (CT)

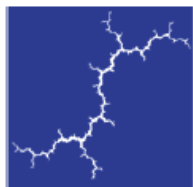
Total Resource Cost Test

$$\text{TRC} = \frac{\text{Energy} + \text{Non-Energy Benefits}}{\text{Program Costs} + \text{Measure Cost}}$$

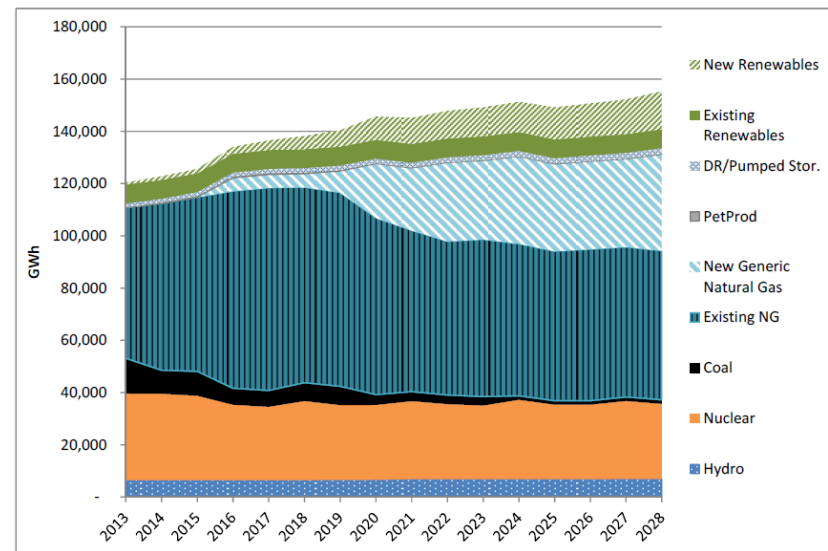
- The TRC is a more broader test which expands the benefits to include non-energy benefits such as water and maintenance savings. However, it also includes measure costs in addition to program costs.
- Some programs may be cost effective using the UCT but not the TRC, and vice-versa.

Planning

- Biannual Avoided Cost Study used to estimate electric, fossil fuel and environmental benefits.
- Detailed Avoided Cost projections are provided for 15 years and extrapolated for an additional 15 years.
- Results are provided geographically.



Synapse
Energy Economics, Inc.



Planning – C&LM Plan (Table B-2)

	Program Costs		
	a	b	c = b - a
2014 CL&P -	Budget	Total Resource Cost	Customer Cost
Total	\$144,614,089	\$226,415,677	\$81,801,588
Utility Benefit Cost Test	\$144,614,089	n/a	n/a
Total Resource Benefit Cost Test	n/a	\$226,415,677	n/a

	Program Benefits (000) and Benefit/Cost Ratios												
	Electric Energy	Transmission	Distribution	Capacity	Intrastate DRIPE	Rest of Pool DRIPE	Capacity DRIPE	Cross-fuel DRIPE	Emissions	Oil/Propane	Water	Non Resource	Benefit Benefit/Cost
2014 CL&P -													
Total	\$156,880,826	\$619,049	\$13,418,818	\$23,130,159	\$30,115,374	\$34,843,829	\$5,049,743	\$1,321,608	\$102,614,015	\$39,937,570	\$1,451,289	\$26,475,061	\$435,857,339
Utility Benefit Cost Test	1.08	0.00	0.09	0.16	0.21	0.24	0.03	0.01	n/a	0.28			2.11
Total Resource Benefit Cost Test	0.69	0.00	0.06	0.10	0.13	0.15	0.02	0.01	0.45	0.18	0.01	0.12	1.93

Reporting

- Quarterly Reports
- Annual Report
- EE Dashboard >>
- 3rd Party Evaluations



Market Transformation

- Motivate and Develop Markets
- Upstream initiatives – Residential and C&I
- High Performance Buildings
- Business and Energy Sustainability
- Strategic Energy Management
- Net Zero homes

Benefit/Cost	Utility Cost	Total Resource	Participant
<u>Benefits</u>			
Avoided Electric & Gas Costs	✓	✓	✓ (participant)
Alternate Fuels	Oil & Propane	✓	✓ (participant)
Other Customer Benefits	-	✓	✓ (participant)
Societal (environmental)	-	Emissions	No
<u>Costs</u>			
Program Costs	✓	✓	-
Incentive Costs	✓	-	-
Measure Costs	-	✓	✓

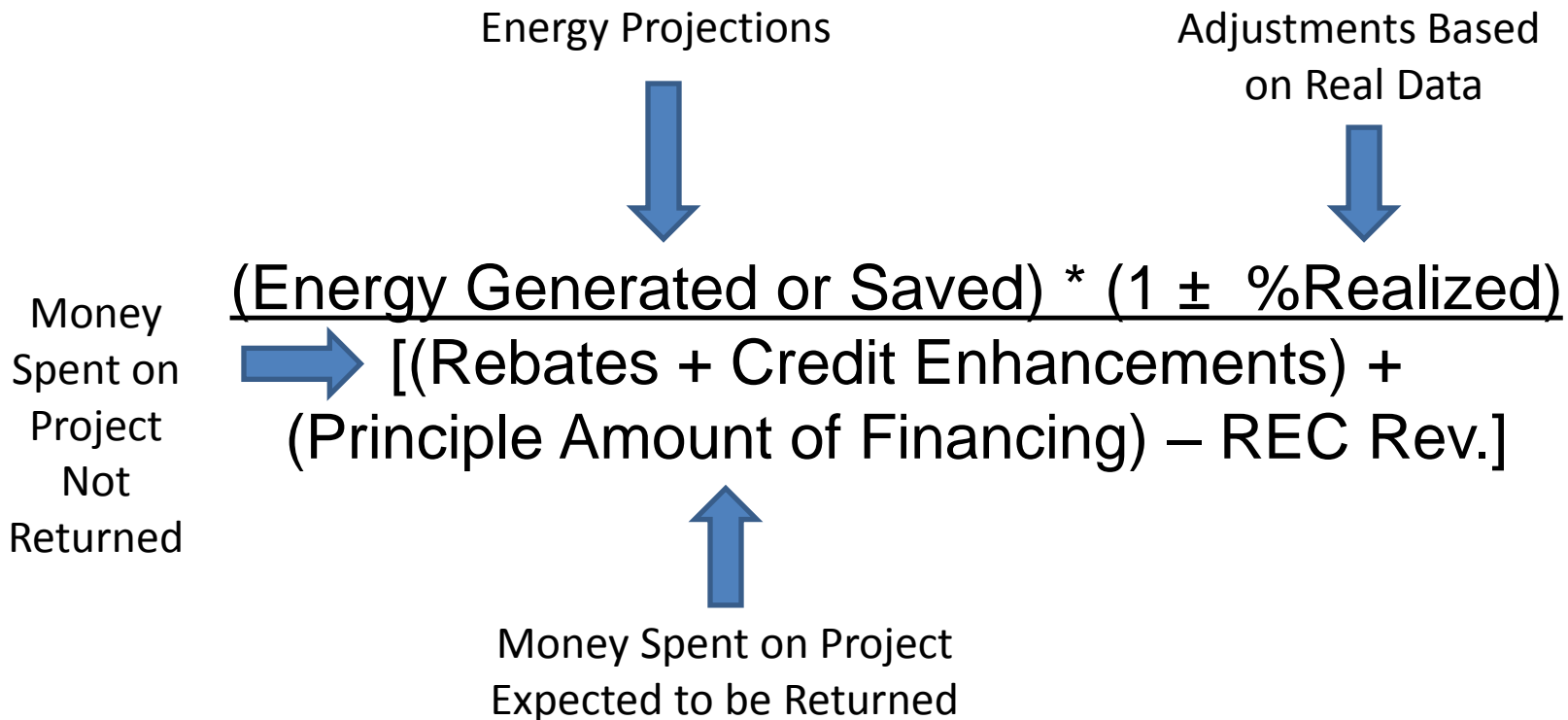
Connecticut Green Bank

Metrics of Success in Comprehensive Plan

- **Objective Function (Version 1.0)** – maximize the amount of clean energy generated (or energy saved) per dollar of ratepayer funds at risk.
- **Attract Capital** – total amount of public and private investment in clean energy, amount of private capital or non-ratepayer fund investment, amount of public capital or ratepayer fund investment, leverage ratio of public versus private, ratio of public investment in terms of subsidies (e.g., grants and rebates), credit enhancements (e.g., loan loss reserves), and financing (e.g., loans, leases, PPA's), and credit quality of borrowers.
- **Deploy Capital** – total amount of clean energy deployed (i.e., kW, kWpeak), amount of clean energy generated and or saved (i.e., kWh, MMBtu) over a year and life of the measure, savings to investment ratio, and customer acquisition costs (i.e., marketing expenses per energy unit generated or saved)
- **Public Benefit** – job creation (i.e., direct, indirect and induced), environmental protection (i.e., GHG, SO₂, and NO_x emission reductions), and equivalencies (i.e., cars off the road, acres of trees, etc.)

Connecticut Green Bank

Objective Function (Version 1.0)



Connecticut Green Bank

Objective Function – Examples

Type of Project	Numerator	Denominator	Objective Function (MMBtu/\$1)	Objective Function (kWh/\$1)
RSIP – EPBB	641	\$3,838	0.1669	48.9
RSIP – PBI	641	\$4,949	0.1295	37.9
RSIP – CT Solar Loan	641	\$11,118	0.0576	16.9
RSIP – CT Solar Lease	641	\$11,036	0.0581	17.0
RSIP – Smart-E Loan	641	\$5,938	0.1079	31.6
C-PACE – Solar PV (Small)	5,200	\$29,000	0.1795	52.5
C-PACE – Solar PV (Medium)	12,170	\$95,600	0.1275	37.5
C-PACE – Solar PV (Large)	103,687	\$500,595	0.2070	60.5
C-PACE – Energy Efficiency	138,307	\$358,169	0.3862	N/A
AD – WWTF and Food Waste	1,460,516	\$3,384,000	0.4316	N/A

References

For C-PACE projects, the denominator reflects the sell down of 80% of the value of the project through a securitization. Objective functions calculated for each of these different project types – memos are available.

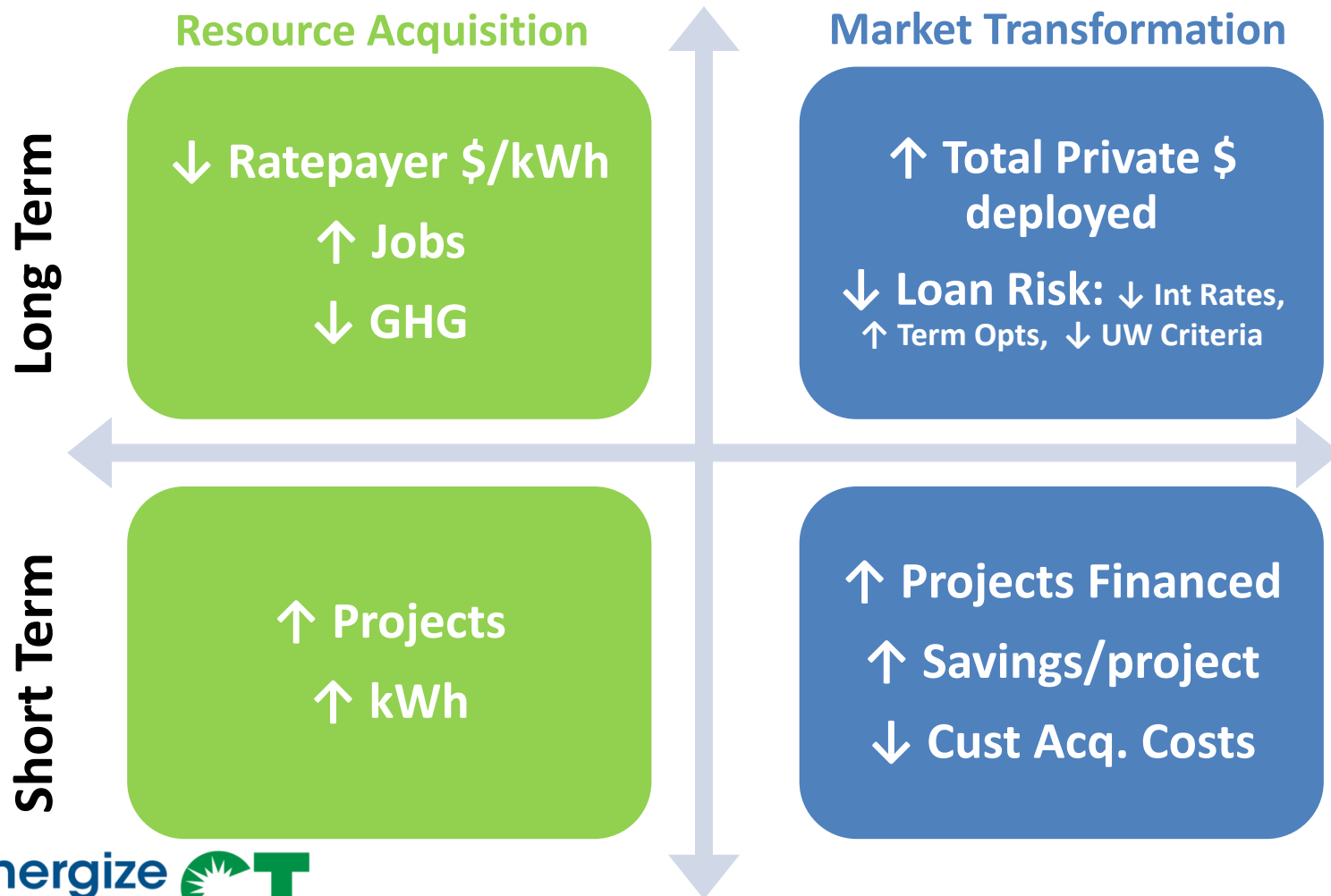
Connecticut Green Bank

Objective Function (Version 2.0) – Looking Ahead

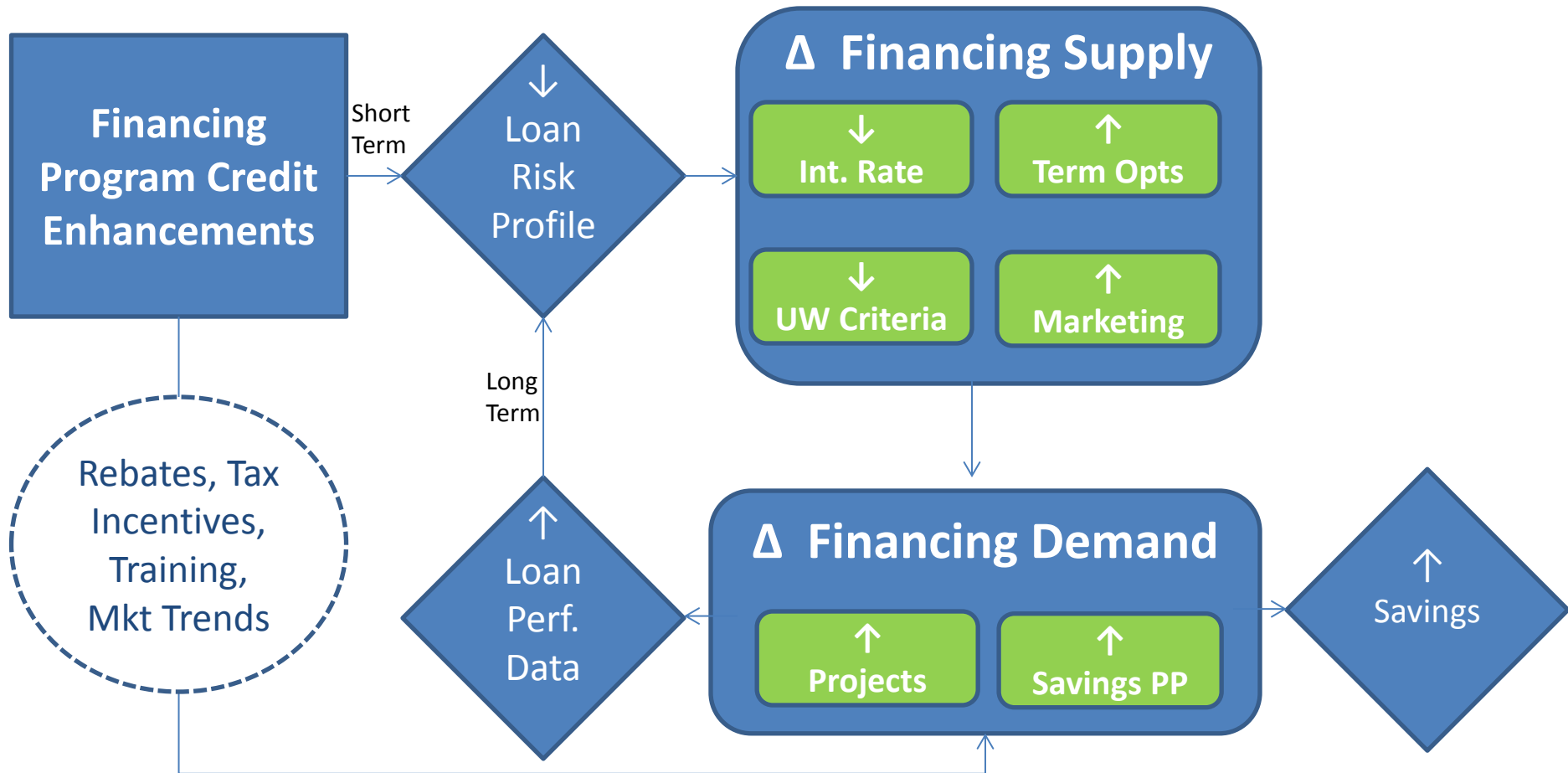
- **CEEF Rebate** – current Objective Function does not include CEEF rebates, it only includes Green Bank resources. This would be an additional expense in the denominator.
- **Energy or Environmental Attribute Revenue** – in the future, the Green Bank may earn additional revenue sources by monetizing certain energy (e.g., forward capacity market payments) and/or environmental (e.g., carbon credits) attributes. This would be an additional revenue source in the denominator.
- **Financing Returns** – include return of capital expended. This would be an additional revenue source in the denominator.
- **Servicing Costs** – reasonable to expect that the Green Bank will incur loan servicing costs to ensure loan repayment over time. This would be an additional expense included in the denominator.
- **Program and Administrative Costs** – next version to include Green Bank program and administrative costs. At some point, in a future version of the Objective Function, it would be good to include CEEF program and administrative costs as well. This would be an additional expense in the denominator.

Connecticut Green Bank

Resource Acquisition vs. Market Transformation Metrics



Financing Program Logic Model



Measuring Success – Next Steps

- Refine PLM
- Map programs against EM&V framework
 - Establish program specific metrics and tracking mechanisms
- Over time, measure progress toward short and long term goals
- Use results to optimize joint stakeholder programs



Empowering you to make
smart energy choices

Agenda Item #7

Other Business



Empowering you to make
smart energy choices

Agenda Item #8

Adjourn



**Joint Committee of the Connecticut Energy Efficiency Fund and the
Clean Energy Finance and Investment Authority**

10 Franklin Square, New Britain, CT

Wednesday, April 23, 2014

1:30-3:30 p.m.

MINUTES¹ (Draft)

1. **Call to Order.** The meeting was called to order at 1:30 pm. In attendance: Neil Beup, Bryan Garcia, Jamie Howland, Diane Duva, Bert Hunter, Kerry O'Neill, Ron Araujo, Rachel Warden, Carmen McClain-Flemming, Brian Farnen, Mackey Dykes, Norma Glover, Kathryn Boucher, Katie Dykes, Chris Ehlert (phone), Amanda Fargo-Johnson (phone), Pat McDonnell (phone), Chris Kramer (phone), Jessica Bailey (phone), Jeff Schlegel (phone), Craig Diamond
2. **Public Comment.** None
3. **Approval of Meeting Minutes for January 22, 2014.** Jamie Howland moved to approve the minutes. Norma Glover 2nd. All voted in favor. Minutes approved.
4. **Overarching Discussion – Strategic Objectives and Opportunities for Effective Coordination** (Note: a PowerPoint presentation (in Box.net - see footnote) was used extensively as a reference for the this and the remaining items on the agenda)
 - a. **Goals – Review of Statutory Language and Organizational Objectives.** Mr. Farnen provided an overview of the guiding statutory language requiring the joint EEB/CEFIA committee. Mr. Garcia and Mr. Hunter provided overview of CEFIA's requirements and organizational objectives. Mr. Howland and Mr. Araujo provided an overview of EEB statutory requirements and organization objectives. Mr. Howland said EEB's key metrics are peak demand savings, lifetime kWh savings, and CCF savings. Mr. Garcia commented that CEFIA measures savings in MMBtus. A question was asked about how the EEB decides which of the utilities does the work on any given activity. Mr. Araujo said it depends on the particular activity (work load, expertise, and other factors); it is a collaborative process between CL&P and UI.
 - b. **Comprehensive Plans and Processes.** Mr. Garcia provided an overview of CEFIA's key plans and processes. He said CEFIA uses an "objective function" which is maximizing the amount of clean energy produced and energy saved per dollar of ratepayer funds at risk. Mr. Howland provided an overview of EEB's planning process. He said the EEB plan is much larger than CEFIA plan, in large part because of regulatory oversight and extensive review of the plan. Mr. Farnen mentioned that Public Act 11-80, which is now codified at Conn. Gen.

¹ Materials for this meeting can be found at Box.net: <https://app.box.com/s/fushhva6y8x733jgr2yl>
<http://ctcleanenergy.com/tabid/770/Default.aspx>

Stat. 16-245m(d)(3) requires the EEB to consult with CEFIA when conducting cost-effectiveness analysis on all programs included in the C&LM Plan. He asked if we were doing this. Mr. Howland said he would look into that. He said that some key things that drive EEB programs are: 1) savings potential studies, 2) evaluation and market research, and 3) on-ground learning (market learning, customer feedback, etc.).

- c. Common vs. Other Objectives. This agenda item was not explicitly covered.

5. Governance

- a. Public Policy
- b. Bylaw – Number of Members by Fund, Appointer, Term, Quorum, Principal Functions and Responsibilities, Approval Authority, Role of the Non-Board Members, and Other
- c. Next Steps

Mr. Garcia proposed the creation of a joint EEB/CEFIA Deployment Committee comprised of Board members of EEB and CEFIA. This would have Board-level authority, and could make committee level recommendations to the CEFIA Board and EEB. Joint bylaws could be developed for this proposed committee. Mr. Garcia asked meeting participants for feedback on this idea. Mr. Beup said it was not clear what the proposed new joint committee would do differently than the current joint committee. Mr. Garcia said, as an example, that the committee could make joint recommendations on programs/approaches. Mr. Beup said he thought that would be beneficial. Ms. Fargo-Johnson said she likes the proposed idea. Other meeting participants asked if the meeting would be quarterly, and how many representatives from each Board should be on the committee. It was suggested perhaps three from each Board and a representative from DEEP. Mr. Howland and Mr. Garcia agreed to develop a proposal.

6. Financing

- a. Review of the EEB Memo
- b. Areas of Request for Assistance (Future)
 - Small Business Energy Advantage - Mr. Araujo said that this loan program currently uses CL&P capital. Incentives are also available, and the balance is financed on-bill at 0% interest. It is for small C&I customers only. He said that the weighted cost of capital is high (just under 11%). CL&P is exploring selling these loans and at the same time bringing in a private capital provider to reduce the cost of capital. Mr. Hunter said that CEFIA would be willing to be involved in that process only if CL&P's arrangement did not result in an exclusive relationship with investor capital provider (otherwise, little would stand to be gained by other capital providers following the consummation of such exclusive arrangement). Mr. Garcia suggested that this discussion be continued in more detail outside of the meeting.
 - Mid-Sized Commercial and Industrial Customers and C&I Survey. Mr. Beup said that he would like to conduct more C&I market research to better understand which financing and other EE offerings are best for different market segments. He suggested that the Institute for Sustainable Energy could do the research. He said that the EEB C&I Committee is pursuing market transformation (broader/deeper, changing systems/approaches at the company level). Mr. Beup referred to current research being conducted by the Evaluation Committee, but said additional and more timely research is needed. Mr. Beup said he would like to see the C&I programs play major role in identifying customers for C-PACE. Mr. Garcia said that CEFIA is still learning which customers are

best suited for C-PACE. Ms. Bailey said it is now clear what types of customers are best for C-PACE. There are a few types of customers and projects that don't work for C-PACE, but it works for many in the C&I sector. She said she would like to collaborate with the C&I programs in identifying potential customers whether or not they are strong candidates for C-PACE. A discussion ensued regarding whether leading with C-PACE causes some customers to lose interest in deeper/broader measures. Ms. Bailey explained that she believes – and the evidence suggests – that C-PACE allows customers to do deeper upgrades. Mr. Beup said that the EEB would be able to leverage the upcoming Customer Engagement Platform. Ms. Bailey said that, while we do need another product for customers who don't qualify for C-PACE, we need to make sure we do not create something that competes with C-PACE.

c. Areas of Coordination, Communication, and Evaluation (Ongoing). Mr. Howland said a key issue is figuring out how to use incentives in best way. For example, we don't need incentives if you have a 0% loan available. He said we need to think about this issue, in particular how to minimize free-ridership. Several present agreed that all customers will choose cash up front (incentive) over lower cost financing. Mr. Schlegel said we need to develop a strategic pathway for this issue.

- C-PACE and CEEF Programs - this topic was covered in the discussion noted above.
- Residential Financing Products – Single and Multifamily. Multi-family: the utilities are working with the Connecticut Housing Investment Fund. It was asked how CEFIA was playing a role in multi-family. Ms. O'Neill said CEFIA is working with CHIF on an unsecured loan product for affordable multi-family (providing a loan loss reserve and \$1M in initial capitalization), and CHIF will release the product soon. She said CEFIA also released an RFP for access to \$4M in credit enhancements for multi-family programs or projects (affordable or market rate); Urban Ingenuity has been engaged to source multi-family C-PACE deals; CEFIA is also working with CHFA on 5 pilot projects; and New Ecology is providing technical assistance across all multi-family financing products. CEFIA wants to learn what's needed in financing for multi-family through these various initiatives. For residential financing, the group deferred discussion to the ongoing monthly residential financing meetings held with DEEP, EEB, CEFIA and the utilities.

7. Marketing

a. Energize Connecticut.

- Joint Marketing Efforts Update. Mr. Dykes said EEB and CEFIA are doing a good job coordinating on marketing activities. They will be seeking approval from the CEFIA Board to contribute CEFIA funds to the marketing plan.
- Community-Based Campaign Update. Ms. O'Neill said CEFIA is trying to build on the success of the Solarize campaigns. She said they are considering "Solar Plus" and "Gas Conversion Plus" financing offers through Smart-E, promoted through contractors and lenders. CEFIA wants to see contractors go beyond single measures. She said they want to launch these offerings soon. Mr. Howland said we need to make sure that solar customers (or potential solar customers) are referred to HES and CEFIA responded that customers that go solar are required to have a

HES visit and in Solarize, HES is promoted at events to offer something for customers that can't go solar.

- b. Thermal Imaging Program Roll-Out Update. Ms. O'Neill provided an update on the Thermal Imaging Program. Ms. Duva asked if the EnergizeCT brand could be offered as part of these campaigns. Ms. O'Neill said that does not work for micro-campaigns at the municipal levels, and CEFIA was told they could not make it part of EnergizeCT. Mr. Dykes said they could explore use of the EnergizeCT brand going forward. Ms. Duva said this was more of a general issue: towns should be advised to promote the EnergizeCT brand when there are EE/solar activities at the town level.

The meeting was adjourned 3:40 pm.

The agenda noted that the next meeting of the Joint CEEF-CEFIA Committee would be held Wednesday, July 16, 2014 from 1:30-3:30 p.m. in the Commissioners Conference Room at the DEEP at 10 Franklin Square, New Britain.

Draft

**JOINT COMMITTEE OF THE ENERGY CONSERVATION
MANAGEMENT BOARD AND THE BOARD OF DIRECTORS OF
THE CONNECTICUT GREEN BANK**

BYLAWS

PURSUANT TO

Section 16-245m(d)(2) of the
Connecticut General Statutes

Adopted _____, 2014

ARTICLE I
NAME, PLACE OF MEETINGS

- 1.1. **Name of the Committee.** The name of the Committee shall be, in accordance with the Statute, the "Joint Committee of the Energy Conservation Management Board and the Connecticut Green Bank".
- 1.2. **Meetings of the Committee.** The meetings of the Committee shall be held at such place or places within the State of Connecticut as the Committee may designate.

ARTICLE II
COMMITTEE MEMBERSHIP

- 2.1. **Membership.** The Committee shall consist of no more than ~~seven (7)~~nine (9) members. Both the Board of Directors of the Connecticut Green Bank and the Energy Conservation Management Board shall appoint ~~three (3) members (either no more than (2) voting ~~or Directors and (2) nonvoting members)~~ from their respective boards to serve on the Committee. Additionally, the Commissioner of the Department of Energy and Environmental Protection, or her or his designee, shall be a voting ex officio member of the Committee.~~
- 2.2. **Term.** Each member of the Committee shall serve a term of two (2) years or until a successor is appointed, whichever is longer.
- 2.3. **Chairperson.** The Committee shall elect from its members a Chairperson who shall serve a term of one (1) year or until a successor is chosen by the Committee, whichever is longer. The Chairperson shall preside at all meetings of the Committee which he or she attends.
- 2.4. **Vice Chairperson.** The Committee shall elect from its members a Vice Chairperson who shall serve a term of one (1) year or until a successor is chosen by the Committee,

whichever is longer. In the absence or incapacity of the Chairperson, the Vice Chairperson shall perform all the duties and responsibilities of the Chairperson. In the absence or incapacity of the Vice Chairperson, or in case of his or her resignation or death, the Committee shall elect from amongst its members an acting Vice Chairperson during the time of such absence or incapacity or until such time as the Committee shall elect a new Vice Chairperson.

- 2.5. **Secretary.** A Secretary may be elected by the Committee. The Secretary shall perform the duties imposed by resolution of the Committee. In the absence or incapacity of the Secretary, or in case of his or her resignation or death, the Committee shall elect from amongst its members an acting Secretary who shall perform the duties of the Secretary during the time of such absence or incapacity or until such time as the Committee shall elect a new Secretary. The Secretary shall serve until a successor is elected by the Committee.

ARTICLE III POWERS AND DUTIES OF THE COMMITTEE

- 3.1. **Powers and Duties.** The Committee shall examine opportunities to coordinate the programs and activities contained in the plan developed under section 16-245n(c) of the General Statutes with the programs and activities contained in the plan developed under section 16-245m(d)(1) of the General Statutes and to provide financing to increase the benefits of programs funded by the plan developed under section 16-245m(d)(1) of the General Statutes so as to reduce the long-term cost, environmental impacts and security risks of energy in the state.

~~3.2. **Funding Resolutions.** Any resolution of the Committee to approve an expenditure of funds for any purpose must be approved by: (i) no less than four (4) members of the Committee, and (ii) there shall be at least two (2) members from both the Energy Conservation Management Board and the Connecticut Green Bank voting in the affirmative. In addition, all resolutions to approve an expenditure of funds for any purpose shall specify the allocation of expenditures between the Energy Conservation Management Board and the Connecticut Green Bank.~~

ARTICLE IV COMMITTEE MEETINGS

- 4.1. **Regular Meetings.** Regular meetings of the Committee for the transaction of any lawful business of the Committee shall be held in accordance with a schedule of meetings established by the Committee, provided that the Committee shall meet at least four (4) times per calendar year.
- 4.2. **Special Meetings.** The Chairperson may, when the Chairperson deems it expedient, call a special meeting of the Committee for the purpose of transacting any business designated in the notice of such meeting.
- 4.3. **Legal Requirements.** All meetings of the Committee shall be noticed and conducted in accordance with the applicable requirements of the Connecticut Freedom of Information Act, including without limitation applicable requirements relating to the filing with the Secretary of the State of any schedule of regular meetings and notices of special meetings, meeting notices to Committee members, public meeting requirements, the filing and public availability of meeting agenda, the recording of votes and the posting or

filing of minutes, the addition of agenda items at any regular meeting, and the holding of any executive session.

- 4.4. **Order of Business.** The order of business of any meeting of the Committee shall be as set forth in the agenda for such meeting, provided that the Committee may vary the order of business in its discretion.
- 4.5. **Organization.** At each meeting of the Committee, the Committee Chairperson, or in the absence of the Committee Chair, the Vice Chairperson, shall act as Presiding Officer. The Presiding Officer shall prepare or direct the preparation of a record of the business transacted at such meeting. Such record when adopted by a majority of the Committee members in attendance at the next meeting and signed by the Committee Chairperson shall be the official minutes of the Committee meeting.
- 4.6. **Attendance.** Any member of a Committee may participate in a meeting of the Committee by means of teleconference, videoconference, or similar communications equipment enabling all Committee members participating in the meeting to hear one another, and participation in a meeting pursuant to this Section shall constitute presence in person at such a meeting.
- 4.7. **Quorum.** A quorum of the Committee shall consist of a minimum of at least ~~four (4)~~ three (3) voting members.
- 4.8. **Enactment.** When a quorum is present, an affirmative vote of a majority of voting members ~~—attending the Committee meeting~~ shall be sufficient for action, including the passage of any resolution, except as may otherwise be required by these Bylaws or applicable law.

4.9. **Parliamentary Authority.** Robert's Rules of Order, current revised edition, shall govern the proceedings of the Committee when not in conflict with these Bylaws.

ARTICLE V COMMITTEE STAFF

5.1. **Committee Staff.** The Committee may from time to time and upon a majority vote of —the ~~Committee~~voting members request that employees and contractors from either the Connecticut Green Bank or the —Energy Conservation Management Board assist the Committee with its work. Said —assistance may include but not be limited to taking minutes of Committee meetings, conducting research or analyzing information.
conducting research or analyzing information.

5.2 [ADDITIONAL CLARITY OR DEFINITIONS AROUND THE EDC'S AS ADMINISTRATORS, EXECUTIVE SECRETARY, CONSULTANTS, AND EMPLOYEES?]

ARTICLE VI AMENDMENT

6.1. **Amendment or Repeal.** These Bylaws may be amended or repealed or new Bylaws may be adopted by the affirmative vote of not less than ~~five (5)~~four (4) voting members of the Committee.

ARTICLE VII DEFINITIONS

Definitions. Unless the context shall otherwise require, the following words and terms shall have the following meanings:

- 7.1.1. "Chairperson" means the Chairperson of the Committee appointed pursuant to these Bylaws.
- 7.1.2. "Committee" means the Joint Committee of the Energy Conservation Management Board and the Board of Directors of the Connecticut Green Bank.
- 7.1.3. "Connecticut Freedom of Information Act" means the Connecticut Freedom of Information Act, Connecticut General Statutes § 1-200 *et seq.*, as amended.
- 7.1.4. "General Statutes" means the Connecticut General Statutes, as amended.
- 7.1.5. "Majority", whether capitalized or lowercase, means one more than half.
- 7.1.6. "Presiding Officer" has the meaning attributed to that term in Article IV, Section 4.5 of these Bylaws.
- 7.1.7. "Secretary" means the Secretary of the Committee elected pursuant to these Bylaws.
- 7.1.8. "Statute" means Connecticut General Statutes § 16-245m(d)(2), as amended.
- 7.1.9. "Vice Chairperson" means the Vice Chairperson of the Committee elected pursuant to these Bylaws.

Energy Efficiency Board (EEB) Suggestions on CEFIA Priorities for Financing (EEB approved, 2/19/14)

C&I Priorities:

Work with the EEB and the Companies to evaluate C&I financing models not currently offered under EnergizeCT. The primary financing products for Connecticut C&I customers currently offered under EnergizeCT are SBEA and C-PACE. Given the eligibility requirements of SBEA (peak demand between 10kW and 200kW) and C-PACE (must be in a C-PACE town, need lender consent, must be cash-flow-positive from project completion, and projects ideally larger than \$150,000 according to c-pace.com guidelines), there are segments of the C&I market that will not qualify for either product. Given the roughly \$10,000 average loan amount under SBEA and the roughly \$800,000 average amount financed or approved thus far under C-PACE, many of these customers will be in the “mid-size” range. For example, a medium-sized business that wants to convert from oil to gas, install a new HVAC system, and implement efficiency measures may not have a financing solution under EnergizeCT. Certain financing products, such as commercial leasing, may work for at least some of these mid-size customers. CEFIA could help the EEB and the Companies to develop and incorporate financing solutions under EnergizeCT that meet the needs of C&I customers and market segments that are not fully covered by the available solutions. Market research on C&I financing is nearing completion and results are expected in Q2 2014, which will help inform which solutions are likely to be most effective.

Work with the EEB and the Companies to maximize the use of C-PACE financing for CEEF projects, and to optimize the use of limited CEEF resources to support financial incentives. The C-PACE product is designed to make the economics of a deal work with longer terms, cash-flow-positive project requirements, repayment through the property tax rather than as debt, and transferability from one customer to another when the property changes hands. These features are intended to allow financing that has a neutral or positive impact on customer budgets, potentially reducing the amount of additional “sweeteners” (other incentives or rebates) needed to close a deal. Still, some incentives may be needed to drive deeper savings; promote new technologies, high performance design, and effective energy management practices; and encourage improvements that have longer paybacks. The EEB, the Companies, and CEFIA should work together to determine how best to maximize the use of C-PACE financing in CEEF-related projects, more effectively coordinate program and customer services, and optimize the use of CEEF financial incentives for the C-PACE projects to make the best use of limited CEEF program funds.

Assist the EEB and the Companies to explore alternative lower-cost capital sources for Small Business (SBEA) financing that reduce total net program costs, to be procured by the Companies (as a replacement source of capital) or by CEFIA. The Small Business Energy Advantage (SBEA) program is a longstanding, successful, and award-winning program that uses a mix of incentives and 0% on-bill financing, which has proven successful in motivating customers to act in this difficult-to-address market segment. As such, the program structure and delivery mechanism should remain in place. The financing priority for SBEA is limited solely to identifying lower-cost capital that reduces and does not raise total program costs, which could be procured either by the Companies or by CEFIA. The financing aspect of the program currently relies upon utility shareholder capital with a weighted average cost of roughly 9.9%, which is bought down to the 0% rate offered to customers. The aim of this effort would be to secure capital that would be less expensive from an “all-in” standpoint (i.e., lower costs for interest rates, fees, and administrative costs combined).

Single-Family Residential Priorities:

Coordinate with the Companies and the EEB to ensure the effectiveness of single-family offerings under EnergizeCT. The number of single-family energy efficiency financing offerings under EnergizeCT continues to grow. It now includes an 0% payment plan for certain qualified measures, a 2.99% comprehensive HES loan, the Smart-E “single-measure” product, the CHIF product for customers who do not qualify for Smart-E, the residential Furnace and Boiler product, and the Energy Conservation Loan product. With all of these products in the marketplace, it is critical that they be presented to customers in a way that is clear and meets their needs without creating undue confusion. Moreover, all of these products must continue to meet the financing objectives adopted by the EEB, namely that they be convenient, attractive, economical, and available to meet the needs of the targeted markets. The EEB and CEFIA have agreed in concept to move forward with a phased evaluation that will assess, among other things, whether these objectives are being met. The EEB expects to collaborate with CEFIA to scope out this evaluation process and to continue working on a day-to-day basis to ensure these key objectives are met as products are implemented.

Multifamily Priorities:

Coordinate with the EEB and the Companies to ensure that the needs of multifamily customers are adequately met. The Companies and the Connecticut Housing Investment Fund (CHIF) have identified a need for multifamily project funding and have requested \$1 million in CEFIA capital, along with \$300,000 in credit enhancement from CEFIA to serve as a loan loss reserve. These funds would match \$1 million in loan capital that CHIF currently has on hand from the Opportunity Finance Network (OFN). By providing capital and credit enhancement for this product, CEFIA could assist the Companies in serving a market that has been historically difficult to reach.