



September 1, 2015

Dear Members of the EEB and Green Bank Board of Directors Joint Committee:

We have scheduled a special meeting of the Joint Committee for Tuesday, September 8, 2015 from 10:00-11:00 a.m. We will hold this meeting online on the GoToMeeting – details are below.

Join the meeting online at <https://global.gotomeeting.com/join/770434317>

Or call in using your telephone:

Dial (571) 317-3122

Access Code: 770-434-317

On the agenda we have the following items:

1. **Meeting Minutes** – review and approval of the meeting minutes of the July 22, 2015 meeting;
2. **Priorities** – review and approval of the Joint Committees priority document; and
3. **Bond Authorization Initiative** – the Connecticut Green Bank is proposing to use its Green Connecticut Loan Guaranty Program (the Program) to support several of the key areas of focus and priorities of the Joint Committee.

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

I look forward to our call next week.

Sincerely,

Eric Brown
Chair
Joint Committee



AGENDA

Joint Committee of the CT Energy Efficiency Board and the Connecticut Green Bank Board of Directors

**DEEP, 10 Franklin Square, New Britain, CT
Commissioner's Conference Room**

**Tuesday, September 08, 2015
10:00-11:00 a.m.**

1. Call to Order
2. Public Comments (5 minutes)
3. Review and approval of Meeting Minutes for July 22, 2015 meeting (5 minutes)
4. Priorities for the Joint Committee (20 minutes)
5. Bond Authorization Initiative – Support for the Green Connecticut Loan Guaranty Program (30 minutes)
6. Adjourn

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***Next Quarterly Joint Meeting: 1:30 - 3:30, Wednesday, October 28, 2015
Commissioner's Conference Room, DEEP, 10 Franklin Sq., New Britain***



RESOLUTIONS

Joint Committee of the CT Energy Efficiency Board and the Connecticut Green Bank Board of Directors

DEEP, 10 Franklin Square, New Britain, CT
Commissioner's Conference Room

Tuesday, September 08, 2015
10:00-11:00 a.m.

1. Call to Order
2. Public Comments
3. Review and approval of Meeting Minutes for July 22, 2015 meeting (5 minutes)

Resolution #1

Motion to approve the minutes of the Joint Committee Regular Meeting for July 22, 2015.

4. Priorities for the Joint Committee (15 minutes)

Resolution #2

WHEREAS, per Section 16-245m(d)(2) of the Connecticut General Statutes, the Joint Committee of the Energy Efficiency Board (EEB) and the Connecticut Green Bank (Green Bank) are to 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 Connecticut 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;

WHEREAS, the Joint Committee on January 21, 2015 mutually determined five areas of priority focus with respect to financing, including Small Business Energy Advantage (SBEA), Commercial Property Assessed Clean Energy (C-PACE), Lead by Example (LBE), Single Family, and Multifamily;

WHEREAS, the Joint Committee on April 22, 2015 established the following principle statement to guide its activities "The Energy Efficiency Board and the Green Bank have a shared goal to implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience";

WHEREAS, the Joint Committee on April 22, 2015 charged the staff of the Green Bank and electric distribution companies (i.e., Eversource Energy and United Illuminating), as well as the Department of Energy and Environmental Protection (DEEP) and consultants of the EEB, to organize into groups to draft collaborative documents on each area of priority focus as it applies to gaps and opportunities, coordinated goals and objectives, measuring progress, and areas of disagreement and pathways forwards, and be prepared to present and discuss findings at the July 22, 2015 Joint Committee meeting; and

WHEREAS, the staff of the Green Bank, electric distribution companies, DEEP, and consultants of the EEB are revising the document to include the feedback of the Joint Committee from the July 22, 2015 meeting.

NOW, therefore be it:

RESOLVED, that the Joint Committee recommends that the EEB and Board of Directors of the Green Bank approve of the Joint Committee Coordination on Goals and Priorities/All sectors document dated []; and

RESOLVED, that the Joint Committee recommends that the EEB and Green Bank incorporate these goals and priorities into their respective Conservation and Load Management Plan and Comprehensive Plan.

5. Bond Authorization Initiative – Support for the Green Connecticut Loan Guaranty Program (30 minutes)

Resolution #3

WHEREAS, pursuant to 16a-40d through 40f of the Connecticut General Statutes, the legislature authorized up to \$18 million in bond proceeds to be used by the Connecticut Green Bank (Green Bank) for guaranteeing loans made by participating lending institutions to individual (single family homes), nonprofit organizations, or small businesses for eligible energy conservation projects through the Green Connecticut Loan Guaranty Fund Program (the Program);

WHEREAS, the Green Bank in consultation with the Energy Efficiency Board (EEB) and the Connecticut Health and Educational Facilities Authority, will establish priorities for financing eligible energy conservation projects under the Program; and

WHEREAS, the proposed use of funds from the Program supports the principle statement guiding the activity of the Joint Committee as well as the Joint Committee Coordination on Goals and Priorities/All sectors document recommended for approval by the Joint Committee to the EEB and the Board of Directors of the Green Bank.

NOW, therefore be it:

RESOLVED, that the Joint Committee supports the Green Bank in taking all necessary steps to secure the State bond funds for the Program to continue to make progress in advancing the coordination of programs and activities as required per Section 16-245m(d)(2) and the Bylaws of the Joint Committee.

6. Adjourn

Join the meeting online at <https://global.gotomeeting.com/join/770434317>

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***Next Quarterly Joint Meeting: 1:30 - 3:30, Wednesday, October 28, 2015
Commissioner's Conference Room, DEEP, 10 Franklin Sq., New Britain***



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Joint Committee

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

September 8, 2015



Empowering you to make
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Agenda Item #1

Call to Order



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Agenda Item #2

Public Comments



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Agenda Item #3

Approval of Meeting Minutes of July 22, 2015



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Agenda Item #4

Priorities for the Joint Committee

Joint Committee

Coordination on Goals and Priorities

- **Statute** – Joint Committee established to examine opportunities to coordinate the programs and activities within each other’s plans that provide financing to increase the benefits of the programs and developed bylaws to support its governance
- **Areas of Coordination** – determined five areas of priority focus, including government (i.e., LBE), small business (i.e., SBEA), medium to large business (i.e., C-PACE), single family and multifamily
- **Principle Statement** – implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience
- **Coordination on Goals and Priorities** – staff of the CGB and EDCs, as well as DEEP and consultants of the EEB, drafted and revised goals and priorities for the Joint Committee, which have been reviewed and edited, and are being recommended for approval by the Joint Committee by the EEB and the BOD of the Connecticut Green Bank



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Agenda Item #5

Bond Authorization Initiative

Green Connecticut Loan Guaranty Fund

Joint Committee Priorities

Green Connecticut Loan Guaranty Fund Areas of Support

- **C&I Sector : Government**

- **C&I Sector : Small Business** – identify and engage alternative capital sources to lower the cost of and increase opportunities for financing.

- **C&I Sector : Medium and Large Businesses**

- **Residential Sector : Single Family** – identify strategy for expanding comprehensive loans for the 2016-2018 period. Calibrate incentive and buy-downs levels to achieve more comprehensive projects while reducing program costs.

- **Residential Sector : Multifamily**

Green Connecticut Loan Guaranty Fund

\$18 Million Authorization

- **Purpose** – guaranteeing loans made by participating *lending institutions* to a participating *qualified nonprofit organization* for *eligible energy conservation projects*
 - Lending Institution – bank, trust company, savings bank, savings and loan association or credit union, or insurance company
 - Nonprofit Organization – individual (single family homes), nonprofit organization, or small business (≤ 50 employees)
 - Energy Conservation Projects – EE, RE, natural gas, and other
- **Partners** – in consultation with **ECMB** and CHEFA
- **Parameters** – (1) integrates with existing programs, (2) performance target that program in coordination with existing financing programs enables efficiency improvements for at least 15% of single family homes by 2020, (3) agreements with lenders providing loan origination services, and (4) exercise other powers necessary for proper program administration

ARRA-SEP Fund Repurposing

\$4.5 Million Repurposed from LLR's to IRB's

- **Commitment** – CGB is committed to supporting the implementation of the CES and EEB goals of *going deeper* and using Smart-E special offers like the Bundle to do that
- **Request** – CGB, EEB and CEEF administrators and staff share the need for additional IRB funding sources to *keep Bundle offer in the market* for the foreseeable future for both solar PV, energy efficiency, and natural gas measures, *but at a lower cost* (i.e., buying down interest rate for 5-year vs. 10-year loan)
- **ARRA-SEP Funds** – best if used for IRB's vs. LLR's so that loans *don't maintain federal characteristics in perpetuity* (i.e., currently only 1 default on Smart-E Loan – ARRA-SEP funds revolve for LLR's)
- **Solution** – we repurpose \$4.5 million of ARRA-SEP allocated as LLR's for CT Solar Lease (\$3.5 million) and Smart-E Loan (\$1.0 million), apply GLGF as loan guarantees, and free-up additional \$4.5 million for IRB's (beyond the current budget of \$1.7 million)

CT Solar Lease (Residential)

Capture \$3.5 MM for IRB's

- **Source** – GLGF
- **Request** – \$3.5 million (2015) for total investment of \$35.0 million
- **Purpose** – provide sub-debt loan guaranty for syndicate of local lenders (i.e., First Niagara and Webster Bank) debt in the capital stack for residential solar PV leases
- **Benefit** – frees up \$3.5 million of ARRA-SEP funds used as LLRs for the CT Solar Lease to be used for Smart-E Loan IRBs



Energize CT Smart-E Loan

Capture \$1.0 MM for IRB's and Expand Lending to \$60 MM

- **Sources** – GLGF
- **Request** – \$5.3 million GLGF (2015-2018) for total investment of \$58.3 million
- **Purpose** – increase commitment to local lenders to expand access to the market (e.g., OBR, alternative underwriting, longer maturity) for residential energy improvements
- **Benefit** – frees up \$1.0 million of ARRA-SEP funds used as LLRs for the Smart- E Loan to be used for Smart-E Loan IRBs



Small Business Energy Advantage

Lower Cost of Capital and Support \$11 MM in Lending

- **Sources** – GLGF
- **Request** – \$2.5 million GLGF (2016-2018) for total investment of \$11.3 million
- **Purpose** – provide loan guaranty to local lenders to attract them into the market for lending to small businesses for energy improvements
- **Benefit** – provides CEEF with a lower cost of capital for SBEA program



**Local Lender(s)
to be Identified**

PosiGen

Expands Solar PV in LMI Market Segment

- **Sources** – GLGF and REEEFA
- **Request** – \$5.8 million (2015) REEEFA and \$4.2 million GLGF (2017-2018) for total investment of \$36.0 million
- **Purpose** – provide financing and sub-debt loan guaranty for a yet to be identified local lender for residential LMI solar PV leases and Energy Efficiency ESAs
- **Benefit** – provides additional cash to the organization to support future budgets



**Local Lender(s)
to be Identified**

CT Solar Lease (Commercial)

Expands Facility by \$10 MM for Non-Profits and Schools

- **Source** – GLGF
- **Request** – \$2.5 million (2016) for total investment of \$7.5 million
- **Purpose** – provide sub-debt loan guaranty for syndicate of local lenders (i.e., First Niagara and Webster Bank) debt in the capital stack for commercial solar PV leases
- **Benefit** – allows for expansion of CT Solar Lease facility for commercial installations



Green Connecticut Loan Guaranty Fund

Connecticut Green Bank Program

	2015	2016	2017	2018	Total
CTSL2 (Resi)	\$3.5				\$3.5
Smart-E	\$1.5	\$1.5	\$2.3		\$5.3
SBEA		\$1.0	\$1.5		\$2.5
PosiGen			\$1.2	\$3.0	\$4.2
CTSL2 (Comm)		\$2.5			\$2.5
Total	\$5.0	\$5.0	\$5.0	\$3.0	\$18.0

- Repurposes \$4.5 MM in ARRA-SEP funds from LLR's to IRB's for Smart-E Bundle
- Expands Smart-E Loan from \$30 MM to \$60 MM in private capital from local lenders
- Supports over \$11 MM in private capital from local lenders for SBEA while lowering the cost of capital from utilities



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Agenda Item #6
Adjourn



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board of Directors
10 Franklin Square, New Britain, CT**

**Wednesday, July 22, 2015
1:30-3:30 p.m.**

MINUTES¹ (Draft 3)

In Attendance

Voting Members: John Harrity, Amanda Fargo-Johnson (by phone), Diane Duva (DEEP Designee), and Eric Brown

Non-Voting Members: Bryan Garcia, Bert Hunter, Donna Wells (on behalf of Pat McDonnell), and Matt Gibbs

Others: Kerry O'Neill (by phone), Mackey Dykes (by phone), Chris Kramer (by phone), Steve Bruno, Andy Brydges, Ronald Araujo, Brian Farnen (by phone), Jeff Walsh (by phone), and Genevieve Sherman (by phone)

1. Call to Order

Eric Brown called the meeting to order at 1:32 p.m.

2. Public Comments

There were no public comments.

3. Review and approval of Meeting Minutes for April 22, 2015 meeting

Eric Brown stated that Bill Dornbos and Tracy Babbidge needed to be added as attendees. He also stated that there is a typo under Governance under the bylaws. He stated that it should read, it would be best practiced for the Joint Committee to abide by Roberts Rules. Eric Brown stated that the spelling on Ms. Babbidge's name needs to be corrected. He also stated that since there are so many committees they need to make clarification on what ones are committees and what ones are working groups.

Upon a motion made by John Harrity, seconded by Amanda Johnson the Committee voted unanimously in favor to approve the changes.

4. Organizational Strategic Planning Updates

¹ Materials for this meeting can be accessed at Box.net:

a. Connecticut Green Bank – Targets and Budget for FY 2016 Comprehensive Plan

Bryan Garcia provided an update on the targets and budget. He stated that on June 20th the fiscal year targets and budget by the Board of Directors of the Connecticut Green Bank had been approved. He provided an overview of the 2016 targets. He stated that there are four sectors that they are focusing on as an organization. He explained that the capital deployment target is \$670 million with the majority of those funds coming through the statutory and infrastructure projects with over 100 MW of deployment. He stated that they have set aside funding for future market studies, including renewable thermal technologies, storage, alternative fuel vehicles and infrastructure. He explained that 40% of greenhouse gases are from transportation and that they are looking into renewable thermal technology. He stated that they can support alternative fuel vehicles as being consistent with the state definition. He stated that they will spend a year looking at supporting that sector. He stated that they will be looking at energy storage and batteries.

Bryan Garcia stated that the Connecticut Clean Energy Fund, Department of Economic and Community Development, and Connecticut Energy Efficiency Fund had done a jobs baseline study back in 2008-2009 and that the Green Bank has set aside funding to update that study. He welcomed the ECMB and utility support for contributing to the study and suggested that he would follow-up on this.

Mackey Dykes provided clarification on the capital deployed metric. He stated that it includes Connecticut Green Bank dollars as well as the private dollars. Diane Duva questioned how they categorized the government buildings. Bryan Garcia stated that they are in the institutional sector. Andy Brydges stated that most of them are LBE projects with a small amount of municipal.

Kerry O'Neill provided an update on residential. She stated that there are about 2,100 projects and \$57 million capital deployed. She stated that they expect about 1,000 projects and \$16 million in Smart-E. She stated that they are working with EEB and the utilities on aligning the product offering. She stated that they are expecting to see a volume slowdown in solar in anticipation of the end of the tax credit at the end of 2016. She stated that CT Solar Lease has ended and that they are no longer accepting applications.

Kerry O'Neill stated that PosiGen is a big part of low income leases. She stated that there are about 100 loans in anticipation of a new loan product coming sometime in the next calendar year. She stated that the predevelopment loan fund for multifamily will lead to permanent financing. She stated that there are 43 projects and about \$11 million in permanent financing. She stated that the interest rate buy down for Smart-E is about \$1.7 million for the fiscal year – over \$1.5 million of which is repurposed ARRA-SEP funds and the rest of which is ratepayer funds through the Connecticut Green Bank.

Matt Gibbs questioned what the products were that were out to support without a buy down. He questioned whether there were other sources of revenue. Diane Duva stated

that if they wanted to increase the funding they would need to reallocate funds. Bryan Garcia stated that they will work through the committees for recommendations. He stated that they are already operating under budget constraints, but that they would be open to the group's recommendations. He stated that the Board would look at it noting that subsidies aren't what the Connecticut Green Bank focuses on for its use of funds. Diane Duva stated that mill rate funding is used in other sectors. Matt Gibbs stated that it assumes there is funding through January, and wanted to know if it would go through the rest of the year at the market rate. Ronald Araujo stated that they should still have a lot of projects due to having a market rate out there.

Ronald Araujo questioned if the multifamily line included C-PACE funding. Kerry O'Neill stated that it does and solar leases as well.

Mackey Dykes stated that with a funding facility that will be in place shortly with a private capital provider, the Green Bank will sell off nearly \$50 million in loans and fund the majority of new loans going forward. As a result, the Green Bank's portion of funding for C-PACE will be drastically reduced.

b. Connecticut Energy Efficiency Fund – Draft 2016-2018 C&LM Plan

Matt Gibbs explained that the plan is to file the next three year plan on 10/01. He stated that companies are committed to energy efficiency and that they want to maintain and continue the momentum. He stated that they have made a commitment to continuous improvement and creating a customer centered experience. He stated that there are changes in codes and standards and that there is continued pressure to achieve savings.

Steve Bruno stated that they are on track for the 10/01 submission and that the preliminary budget numbers have already been sent out. He stated that there is \$190 million for electric and \$48 million in gas budget. He stated that they had a conference call on 07/01 and that they had received the initial comments. He stated that they will get another version out next week.

5. Member discussion (comments/questions) of Draft Coordination documents for the following areas:

Eric Brown stated that at the last meeting the committee had requested that the groups working on specific areas put together a coordination of goals sheet. He thanked the work groups for their diligence on this effort.

a. SBEA

Steve Bruno provided an update on SBEA. He stated that they were using utility capital for a large portion of the loans. He stated that they need to find cheaper sources of capital. He stated that the way it works now is that you have to be a contractor in that small business sector. He stated that they are trying to address the people that don't go through that channel. He stated that they need to work on coordinating goals and objectives to find ways that C-PACE and SBEA can work together. He stated that they are working on ways to measure product progress. He stated that they will see the

savings if they find lower sources of capital. He stated that they will share the results of the program tracking across the group. He stated that they are still working on ensuring comprehensive services. He stated that on the residential financing they are thinking about an item to mirror the residential process. John Harrity questioned how small businesses find out about the program. Steve Bruno stated that it's through the small business program. He stated that the small business program is probably the most successful program. Eric Brown questioned if there was something in the measurements that would help to measure it. Steve Bruno stated that would be customer satisfaction, and that they already do customer satisfaction, cycle time and how quickly the project is completed.

b. Single Family

Steve Bruno provided an update on single family. He stated that he feels that they've made good headway. He stated that they're striving to narrow the gaps and opportunities. He stated that the overall objective is to achieve deeper and more savings. He explained that residential rebates are in the 10 – 11% range. He stated that they're attempting to promote and attract new and additional customers. He stated that they need to identify a strategy for comprehensive loans. He also stated that they need to explore options for alternative underwriting. He stated that they need to make sure lower income people get to the market as well. He stated that there is a need for a product in health and safety. He stated that the coordinated goals are increasing financing to get more energy savings and deeper measures. He stated that they need to increase the adoption of the Smart-E bundle. He stated that they are working on increasing the number and effectiveness of the projects and increasing the number of financed projects. He stated that they have developed models to look at those forecasts, but that they are fine tuning the forecast models. He stated that they are working on ways to measure the progress and they continue to develop metrics for tracking the progress.

c. LBE

Diane Duva provided an update on LBE. She stated that they need to clarify the importance and role of the Green Bank in this sector. She stated that there is a lack of funding source for this sector. She stated that they need to develop a master agreement aggregating some of the smaller municipalities. Andy Brydges stated that there is the issue of technical support and that they need to clarify what's available to support the municipalities. He stated that more knowledge is needed and that standardizing the process of getting data is needed.

Diane Duva stated they need to coordinate support for Green Bonds issuance and a standard process. Bryan Garcia stated that the Green Bond source of funds is very clear. He stated that they are developing a bond indenture and then looking at \$50 - \$100 million in bond issuances. He stated that the question is, how they will generate enough projects into that pipeline to make the bonding process worthwhile. Bert Hunter stated that the challenge is also that the language had been worked out between the Green Bank, DEEP and the OTT on "deemed appropriated," but then they did not get that language

during legislative session. He stated that now the SCRF may be required. He stated that the Green Bank doesn't know how its Board will feel about allocating certain reserves against the SCRF. He stated that it gets to the sustainability issue, since potentially there would be several hundred million dollars in state projects to be funded. He stated that Green Bank staff did develop and RFP to bounce ideas off of the capital market. He stated that they hope to get those ideas back by the end of the summer. He stated that the plan is to take in all the ideas and move forward with the initiatives based on that feedback. Diane Duva stated that they will know by September if Green Bonds will be able to be used as long term financing.

d. Multifamily

Ronald Araujo provided an update on multifamily. He stated that the opportunities that were looked at were how to serve multifamily properties and make sure that they're delivering to the tenants. He stated that they are also trying to find something that will make sure that they can get some deeper measures. He stated that the other gap was financing for capabilities for health and safety impediments. He stated that there needs to be better coordination from the energy efficiency perspective. He stated that they are trying to work together to coordinate those activities. John Harrity questioned what the health and safety impediments were. Ronald Araujo stated that mold and asbestos are the two key issues for health and safety. He stated that they need to include expanding into tenant spaces and some of the longer payback measures. He stated that they need to establish and align financing. He stated that they need to look at a market analysis of certain sectors to get a better understanding of the multifamily market space. Eric Brown questioned where they see the Green Bank helping to resolve the issues. Ronald Araujo stated that they have been working with the Green Bank. He stated that they are looking at ways to fund the areas the impact energy and efficiency, but aren't related such as health and safety. Kerry O'Neill stated that they are trying to understand the needs and come up with the right solutions. She stated that this is a great opportunity to streamline the processes. Eric Brown questioned whether the multifamily sector is solar and clean energy and if there is opportunity to get energy efficiency into the picture. Kerry O'Neill stated yes, and that they are working very closely with CHFA and the utilities on efficiency.

e. C-PACE

Eric Brown advised that they prioritize the goals and objectives to provide some guidance to the Green Bank. Matt Gibbs stated that they need to depend on one another to achieve the goals. He stated that they will use these elements to support the plan, but that they do need to shrink them. He feels that they're in support of the plan.

Eric Brown questioned how the committee felt about cost effective and whether they felt that coming up with a definition was necessary. Ronald Araujo stated that he feels that they look at cost effective similarly, but that they account for savings differently. He stated that neither one is wrong. Genevieve Sherman stated that there are different cost effectiveness definitions, but that they should try to come up with what cost effective means for the customer. Bryan Garcia stated that the term cost effective is a "term of art"

in the energy efficiency world and that they need to come up with a different term for the customer along the line of customer economics.

Eric Brown questioned whether the committee felt that given more time that they would be able to come up with a term that they would all be comfortable with. Genevieve Sherman stated that she felt that it set the foundation to start thinking about what the common goal is. Ronald Araujo stated that it's really a savings baseline. Bert Hunter stated that he did not feel that they would be able to agree on a definition as the utilities rely on a definition of cost effectiveness for determining incentives for projects, while C-PACE uses a "savings to investment ratio" for compliance with the C-PACE statute, but felt that they should discuss it. Eric Brown stated that the purpose is because they want the customer to understand why they should do this.

6. Next Steps – Joint Committee recommendations to Energy Efficiency Board and Connecticut Green Bank Board of Directors for approval of the CEEF-CGB documents on coordination for financing products including coordinated goals and objectives

Eric Brown asked that the working groups to consider the comments of today, and consolidate their documents into a maximum of three priorities for each area of focus. He requested that the three priorities reflect the Joint Committee principles, including a uniform customer experience as well as stretch targets. He also requested that each of those priorities include something specific to the customer experience.

Bryan Garcia proposed that the staff apply the principle of the Joint Committee to guide the recommendations. He suggested that they prioritize and recommend three goals to be included within their respective comprehensive plans. He stated that the groups should come back by the end of August to be prepared for the next meeting in October. Eric Brown stated that by the end of August the up to three goals will be forwarded to this committee through electronic communication. They will vote to recommend that the boards consider approval of those.

7. Adjourn

Eric Brown adjourned the meeting at 3:39 p.m.

Respectfully Submitted,

Eric Brown, Chairperson

Joint Committee of CEEF Board and CT Green Bank Board

Coordination on Goals and Priorities/all sectors

Draft consolidation resulting from meeting of 7-22-15

For review week of August 10, 2015; Revised August 13, 2015

The Energy Efficiency Board and the Connecticut Green Bank have a shared goal to implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience. The following key priorities, organized by areas of focus, are intended to ensure that principles of leveraging ratepayer funds and continuously improving the customer experience are built into their respective board's goals:

C&I Sector: Government

1. **Improve the Customer Experience**—Ensure seamless service delivery that is responsive to State and local governmental and institutional needs, including integration of appropriate CGB and other related services, especially for those that aren't currently served by Lead By Example (LBE)-Energy Savings Performance Contracts (ESPC).
2. **Develop a process for meeting technical service gaps** - Establish and communicate a process for customers undertaking ESPCs to receive technical support through internal utility resources and contracted "owner's representative" services.
3. **Establish a sustainable and cost-effective project financing pathway** – Develop sustainable and cost-effective funding mechanisms for both the preparatory and permanent project financing needs of ESPC projects, including technical support and incentives from CEEF and Green Bank's capability to finance ESPC projects at scale.
 - o **Develop new products to fill market gaps** - Develop a financing vehicle for aggregation of small-scale comprehensive energy saving projects at municipal or other institutional facilities that are, individually, too big for the Small Business Energy Advantage (SBEA) financing program but too small to be standalone ESPC projects. **[Question: Is this a sub-bullet of 3? If so, there should be 2 sub-bullets (format-wise) for item 3. Or could this be combined into the second bullet?]**

C&I Sector: Small Business

1. **Improve the Customer Experience** – Ensure seamless service delivery between CEEF and Connecticut Green Bank that is responsive to customers' needs, including integration of appropriate Connecticut Green Bank and other allied small business services, especially for those that aren't currently served by Small Business Energy Advantage (SBEA) contractors.
2. **Identify and engage alternative capitol sources to lower the cost of (, and increase opportunities for?) financing**
3. **Examine ways to couple SBEA and C-PACE (or other financing offerings)** - Promote more comprehensive projects (especially among higher energy usage customers) and longer-term payback measures.

C&I Sector: Medium/Large Businesses

1. **Improve understanding of opportunities within this market for deep energy efficiency improvements** - Build on available knowledge and analysis through **focus groups? surveys? customer interviews?** and other means to develop an effective and sustainable incentive and financing strategy for stimulating deeper energy investments and that meet all cost-effective energy efficiency goals.
2. **Increase customer savings and benefits from the C&I Programs** - Drive more projects with deeper energy savings, supported with increased financing options (including C-PACE) to help ensure comprehensive investment and closure of financing gaps
3. **Cross-leverage Connecticut Energy Efficiency Fund and Connecticut Green Bank programs** – Develop and implement communication and marketing strategies to insure maximum cross-leveraging of these opportunities to help achieve the state goals of acquiring all cost-effective energy efficiency and expanded renewable deployment through highly effective leveraging of ratepayer funds.

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Residential Sector: Single-Family

1. **Identify strategy for ~~utilizing? expanding?~~ comprehensive loans for the 2016-2018 period.** Calibrate incentive and buy-down levels to achieve more comprehensive projects while reducing program costs.
2. **Pursue all cost-effective energy efficiency in the residential sector, using financing and increasing the amount of private sector capital where effective** (and a simplified approval process where possible and appropriate), to leverage up ratepayer funds and achieve more and deeper savings.
3. **Increase financing in the HES/HPwES channel** to meet the market needs and drive deeper energy savings and more projects.
 - o Increase HES projects with completed follow-ons per the C&LM Plan, using financing as one of the tools to increase completed follow-ons.
 - o Increase the adoption of the Smart-E bundle and CHIF comprehensive loans.

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Residential Sector: Multi-Family

1. **Reduce energy consumption and costs in multifamily properties** consistent with goals in the Connecticut Green Bank's plan and the Conservation and Load Management Plan. [MMBTUs per unit].
2. **Establish, align and fund financing programs to fill current unmet needs** and gaps including projects driven by energy efficiency improvements where capital improvements are a subcomponent. Complete the tasks from workplan from May 2015 Lean event.
3. **Fund and complete a market analysis of certain sectors to quantify and qualify this segment** and identify gaps, opportunities, and best ways to serve by the end of 2016. Hard to reach sectors include certain rural areas and non-subsidized, non-rent restricted multifamily housing that is privately owned and serving low-income tenants (also referred to as naturally occurring affordable properties).

Joint Committee of CEEF Board and CT Green Bank Board
Coordination on Goals and Priorities/all sectors
Draft consolidation resulting from meeting of 7-22-15

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Joint Committee of CEEF Board and CT Green Bank Board

Coordination on Goals and Priorities/all sectors

Draft consolidation resulting from meeting of 7-22-15

For review week of August 10, 2015; Revised August 13, 2015

The Energy Efficiency Board and the Connecticut Green Bank have a shared goal to implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience. The following key priorities, organized by areas of focus, are intended to ensure that principles of leveraging ratepayer funds and continuously improving the customer experience are built into their respective board's goals:

C&I Sector: Government

1. **Improve the Customer Experience**—Ensure seamless service delivery that is responsive to State and local governmental and institutional needs, including integration of appropriate CGB and other related services, especially for those that aren't currently served by [Lead By Example \(LBE\)-Energy Savings Performance Contracts \(ESPC\)](#)~~LBE-ESPC~~.
2. **Develop a process for meeting technical service gaps** - Establish and communicate a process for customers undertaking [Energy Savings Performance Contracts \(ESPCs\)](#) to receive technical support through internal utility resources and contracted "owner's representative" services.
3. **Establish a sustainable and cost-effective project financing pathway** – Develop sustainable and cost-effective funding mechanisms for both the preparatory and permanent project financing needs of ESPC projects, including technical support and incentives from CEEF and Green Bank's capability to finance ESPC projects at scale.
 - o **Develop new products to fill market gaps** - Develop a financing vehicle for aggregation of small-scale comprehensive energy saving projects at municipal or other institutional facilities that are, individually, too big for the Small Business Energy Advantage (SBEA) financing program but too small to be standalone ESPC projects. **[Question: Is this a sub-bullet of 3? If so, there should be 2 sub-bullets (format-wise) for item 3. Or could this be combined into the second bullet?]**

C&I Sector: Small Business

1. **Improve the Customer Experience** – Ensure seamless service delivery between CEEF and Connecticut Green Bank that is responsive to customers' needs, including integration of appropriate Connecticut Green Bank's and other allied small business services, especially for those that aren't currently served by Small Business Energy Advantage (SBEA) contractors.
2. ~~Find-Identify and engage alternative~~ **capitol sources to lower the cost of (, and increase opportunities for?) of capital for financing**
3. **Examine ways to couple SBEA and C-PACE (or other financing offerings)** - ~~to p~~ promote more comprehensive projects (especially among higher energy usage customers) and longer-term payback measures.

C&I Sector: Medium/Large Businesses

Joint Committee of CEEF Board and CT Green Bank Board
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1. **Improve understanding of opportunities within this market for deep energy efficiency improvements** - Build on available knowledge and analysis through (focus groups? surveys? customer interviews?) and other means to develop and effective and sustainable incentive and financing strategy for stimulating deeper energy investments and that better understand the market for deep efficiency improvements and the opportunities for financing to help to meet all cost-effective energy efficiency goals.
2. **Increase customer savings and benefits from the C&I Programs** by a) driving Drive more projects with b) deeper energy savings, supported with increased financing options (including C-PACE) to help ensure comprehensive investment and closure of financing gaps
3. **Cross-leverage Connecticut Energy Efficiency Fund and Connecticut Green Bank programs** = Develop and implement communication and marketing strategies to insure maximum cross-leveraging of these opportunities to help achieve the state goal^s of acquiring all cost-effective energy efficiency and and expanded renewables-renewable deployment through highly effective leveraging of ratepayer funds as cost efficiently as possible.

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Residential Sector: Single-Family

1. **Identify strategy for (utilizing? expanding?) comprehensive loans for the 2016-2018 period.** Calibrate incentive and buy-down levels to achieve more comprehensive projects while reducing program costs.
2. **Pursue all cost-effective energy efficiency in the residential sector, using financing and increasing the amount of private sector capital where effective** (and a simplified approval process where possible and appropriate), to leverage up ratepayer funds and achieve more and deeper savings.
3. **Increase financing in the HES/HPwES channel** to meet the market needs and drive deeper energy savings and more projects.
 - o Increase HES projects with completed follow-ons per the C&LM Plan, using financing as one of the tools to increase completed follow-ons.
 - o Increase the adoption of the Smart-E bundle and CHIF comprehensive loans.

Residential Sector: Multi-Family

1. **Reduce energy consumption and costs in multifamily properties** consistent with goals in the Connecticut Green Bank's plan and the Conservation and Load Management Plan. [MMBTUs per unit].
2. **Establish, align and fund financing programs to fill current unmet needs** and gaps including projects driven by energy efficiency improvements where capital improvements are a subcomponent. Complete the tasks from workplan from May 2015 Lean event.
3. **Fund and complete a market analysis of certain sectors to quantify and qualify this segment** and identify gaps, opportunities, and best ways to serve by the end of 2016. Hard to reach sectors include certain rural areas and non-subsidized, non-rent restricted multifamily housing that is privately owned and serving low-income tenants (also referred to as naturally occurring affordable properties).

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Joint Committee of CEEF Board and CT Green Bank Board
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The Energy Efficiency Board and the Connecticut Green Bank have a shared goal to implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience. The following key priorities, organized by areas of focus, are intended to ensure that principles of leveraging ratepayer funds and continuously improving the customer experience are built into their respective board's goals:

C&I Sector: Government

1. **Improve the Customer Experience**—Ensure seamless service delivery that is responsive to State and local governmental and institutional needs, including integration of appropriate CGB and other related services, especially for those that aren't currently served by LBE-ESPC.
2. **Develop a process for meeting technical service gaps** - Establish and communicate a process for customers undertaking Energy Savings Performance Contracts (ESPCs) to receive technical support through internal utility resources and contracted "owner's representative" services.
3. **Establish a sustainable and cost-effective project financing pathway** – Develop sustainable and cost-effective funding mechanisms for both the preparatory and permanent project financing needs of ESPC projects, including technical support and incentives from CEEF and Green Bank's capability to finance ESPC projects at scale.
 - **Develop new products to fill market gaps** Develop a financing vehicle for aggregation of small-scale comprehensive energy saving projects at municipal or other institutional facilities that are, individually, too big for the Small Business Energy Advantage (SBEA) financing program but too small to be standalone ESPC projects.

C&I Sector: Small Business

1. **Improve the Customer Experience** – Ensure seamless service delivery between CEEF and Connecticut Green Bank that is responsive to customers' needs, including integration of appropriate Connecticut Green Bank's and other allied small business services, especially for those that aren't currently served by Small Business Energy Advantage (SBEA) contractors.
2. **Find alternative sources to lower the cost of capital for financing**
3. **Examine ways to couple SBEA and C-PACE (or other financing offerings)** to promote more comprehensive projects (especially among higher energy usage customers) and longer-term payback measures.

C&I Sector: Medium/Large Businesses

1. **Build on available** knowledge and analysis to **better understand the market for deep efficiency improvements and the opportunities for financing** to help to meet all cost-effective energy efficiency goals.

2. **Increase customer savings and benefits from the C&I Programs by a) driving more projects with b) deeper energy savings, supported with increased financing options (including C-PACE) to help ensure comprehensive investment** and closure of financing gaps
3. **Cross-leverage Connecticut Energy Efficiency Fund and Connecticut Green Bank programs** to help achieve the state goal of acquiring all cost-effective energy efficiency and renewables as cost efficiently as possible.

Residential Sector: Single-Family

1. **Identify strategy for comprehensive loans for the 2016-2018 period.** Calibrate incentive and buy-down levels to achieve more comprehensive projects while reducing program costs.
2. **Pursue all cost-effective energy efficiency in the residential sector, using financing and increasing the amount of private sector capital where effective (and a simplified approval process where possible and appropriate),** to leverage up ratepayer funds and achieve more and deeper savings.
3. **Increase financing in the HES/HPwES channel** to meet the market needs and drive deeper energy savings and more projects.
 - Increase HES projects with completed follow-ons per the C&LM Plan, using financing as one of the tools to increase completed follow-ons.
 - Increase the adoption of the Smart-E bundle and CHIF comprehensive loans.

Residential Sector: Multi-Family

1. **Reduce energy consumption and costs in multifamily properties** consistent with goals in the Connecticut Green Bank's plan and the Conservation and Load Management Plan. [MMBTUs per unit].
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Connecticut General Statutes **Section 16a-40e, 16a-40f and 16a-40d**

Green Connecticut Loan Guaranty Fund

(\$18 Million in Account)

Green Connecticut Loan Guaranty Program

Sec. 16a-40e. Green Connecticut Loan Guaranty Fund. The Connecticut Green Bank shall establish a “Green Connecticut Loan Guaranty Fund”. Such fund shall be used for the purposes of guaranteeing loans authorized under section 16a-40f, and may be used for expenses incurred by said authority in the implementation of the program under said section.

Sec. 16a-40f. Green Connecticut Loan Guaranty Fund program. (a) For the purposes of this section:

- (1) “Participating qualified nonprofit organizations” means individuals, nonprofit organizations and small businesses;
- (2) “Small business” means a business entity employing not more than fifty full-time employees;
- (3) “Eligible energy conservation project” means an energy conservation project meeting the criteria identified, as provided in subsection (d) of this section;
- (4) “Participating lending institution” means any bank, trust company, savings bank, savings and loan association or credit union, whether chartered by the United States of America or this state, or any insurance company authorized to do business in this state that participates in the Green Connecticut Loan Guaranty Fund program; and
- (5) “Bank” means the Connecticut Green Bank.

(b) The bank shall establish the Green Connecticut Loan Guaranty Fund program from the proceeds of the bonds issued pursuant to section 16a-40d for the purpose of guaranteeing loans made by participating lending institutions to a participating qualified nonprofit organization for eligible energy conservation projects, including for two or more joint eligible energy conservation projects. In carrying out the purposes of this section, the bank shall have and may exercise the powers provided in subsection (d) of section 16-245n.

(c) Participating qualified nonprofit organizations may borrow money from a participating lending institution for any energy conservation project for which the bank provides guaranties pursuant to this section. In connection with the provision of such a guaranty by the bank, (1) a participating qualified nonprofit organization shall enter into any loan or other agreement and make such covenants, representations and indemnities as a participating lending institution deems necessary or appropriate; and (2) a participating lending institution shall enter into a guaranty agreement with the bank, pursuant to which the bank has agreed to provide a first loss guaranty of an agreed percentage of the original principal amount of loans for eligible energy conservation projects.

(d) In consultation with the Energy Conservation Management Board and the Connecticut Health and Educational Facilities Authority, the Connecticut Green Bank shall identify types of projects that qualify as eligible energy conservation projects, including, but not limited to, the purchase and installation of insulation, alternative energy devices, energy conservation materials, replacement furnaces and boilers, and technologically advanced energy-conserving equipment. The bank, in consultation with said entities, shall establish priorities for financing eligible energy conservation projects based on need and quality determinants. The bank shall adopt procedures, in accordance with the provisions of section 1-121, to implement the provisions of this section.

(e) The bank shall, in consultation with the Energy Conservation Management Board and the Connecticut Health and Educational Facilities Authority, (1) ensure that the program established pursuant to this section integrates with existing state energy efficiency and renewable energy programs; (2) establish performance targets for the program to ensure that the program in coordination with existing financing programs will enable efficiency improvements for at least fifteen per cent of single family homes in the state by 2020; (3) enter into agreements with participating lending institutions that provide loan origination services; and (4) exercise such other powers as are necessary for the proper administration of the program.

(f) Financial assistance provided by participating lending institutions pursuant to this section shall be subject to the following terms:

- (1) Eligible energy conservation projects shall meet cost-effectiveness standards adopted by the bank in consultation with the Energy Conservation Management Board and the Connecticut Health and Educational Facilities Authority.
- (2) Loans shall be at interest rates determined by the bank to be no higher than necessary to result in the participation of participating lending institutions in the program.
- (3) The amount of a fee paid for an energy audit provided pursuant to this program may be added to the amount of a loan to finance the cost of an eligible project conducted in response to such energy audit. In such cases, the amount of the fee may be reimbursed from the fund to the borrower.

Sec. 16a-40d. Bond authorization for the Energy Conservation Loan Fund and the Green Connecticut Loan Guaranty Fund.

(a) The State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five million dollars per year. Except as provided in subsection (b) of this section, the proceeds of the sale of said bonds shall be deposited in the Energy Conservation Loan Fund established under section 16a-40a for the purposes of making and guaranteeing loans and deferred loans as provided in section 5 of public act 05-2 of the October 25 special session* and section 16a-46e. All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of sections 16a-40 to 16a-40b, inclusive, and this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to said sections 16a-40 to 16a-40b, inclusive, and this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. Said bonds issued pursuant to said sections 16a-40 to 16a-40b, inclusive, and this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

(b) As of July 1, 2010, proceeds of the sale of said bonds which have been authorized as provided in subsection (a) of this section, but have not been allocated by the State Bond Commission, and the additional amount of five million dollars authorized by this section on July 1, 2010, shall be deposited in the Green Connecticut Loan Guaranty Fund established pursuant to section 16a-40e, and shall be used by the Connecticut Health and Educational Facilities Authority for purposes of the Green Connecticut Loan Guaranty Fund program established pursuant to section 16a-40f, provided not more than eighteen million dollars shall be deposited in the Green Connecticut Loan Guaranty Fund. Such additional amounts may be deposited in the Green Connecticut Loan Guaranty Fund as the State Bond Commission may, from time to time, authorize.