

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



June 1, 2018

Dear Connecticut Green Bank Budget and Operations Committee:

We hope your spring is going well.

We have a meeting of the Budget and Operations Committee scheduled for Wednesday, June 6, 2018 from 3:00-4:30 p.m. in the Colonel Albert Pope Board Room of the Connecticut Green Bank at 845 Brook Street, Rocky Hill, CT 06067.

On the agenda we have the following items:

- **Meeting Minutes** – review and approval of the meeting minutes for January 12, 2018 and May 15, 2018.
- **FY 2019 Comprehensive Plan and Budget** –we are still working through the organization’s budgets with the team but are working using the cash projections model as our shown to the board earlier this year as our guide. We are still working on the Investment part of the budget and are planning on a third meeting of the committee to review later in the month. We thought that we would focus our discussions at this meeting on the following items:
 - a. **Expenses** – we will present the FY 2019 expense budget for discussion.

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

We look forward to seeing you next week.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Garcia".

Bryan Garcia
President and CEO

A handwritten signature in blue ink, appearing to read "Eric Shrago".

Eric Shrago
Director of Operations



AGENDA

Budget and Operations Committee of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Wednesday, June 6, 2018
3:00-4:30 p.m.

Staff Invited: George Bellas, Craig Connolly, Mackey Dykes, Brian Farnen, Bryan Garcia, Dale Hedman, Bert Hunter, Kerry O'Neill, and Eric Shrago

1. Call to order
2. Public Comments – 5 minutes
3. Approve Meeting Minutes for January 12, 2018 Regular Meeting* and May 15, 2018 Regular Meeting* – 5 minutes
4. FY 2018 – Budget (expenses)** – 80 minutes
5. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online <https://global.gotomeeting.com/join/188816069>

You can also dial in using your phone.
United States: +1 (872) 240-3212

Access Code: 188-816-069

Next Regular Meeting: Tuesday, June 19, 2018 from 1:00-2:30 p.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT

:



Resolutions

Budget and Operations Committee of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Wednesday, June 6, 2018
3:00-4:30 p.m.

Staff Invited: George Bellas, Craig Connolly, Mackey Dykes, Brian Farnen, Bryan Garcia, Dale Hedman, Bert Hunter, Kerry O'Neill, and Eric Shrago

1. Call to order
2. Public Comments – 5 minutes
3. Approve Meeting Minutes for January 12, 2018 Regular Meeting* and May 15, 2018 Regular Meeting* – 5 minutes

Resolution #1

Motion to approve the minutes of the Budget and Operations Committee meeting for August 24, 2017.

Second. Discussion. Vote

4. FY 2018 – Budget (expenses)** – 80 minutes
5. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online <https://global.gotomeeting.com/join/188816069>

You can also dial in using your phone.
United States: +1 (872) 240-3212

Access Code: 188-816-069

Next Regular Meeting: Tuesday, June 19, 2018 from 1:00 - 2:30 p.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT

:



Budget & Operations Committee

June 6, 2018



Budget & Operations Committee

Agenda Item #1

Call to Order

Budget & Operations Committee

Agenda Item #2

Public Comments

Budget & Operations Committee

Agenda Item #3

Approve January 12 and May 18 meeting minutes

Budget & Operations Committee

Agenda Item #4

Fiscal Year 2019 Budget and Goals

FY19 Budget Plan



1. Goals and Targets Recap
2. Revenues Recap
3. Expenses
 - Programs
 - Non-Profit Overview
 - General Operations
 - Core Partners Review
4. Cash Flow Update

5. Next Meeting: Investments



FY19 Budget

Goals and Targets



Program	FY19 Proposed		
	Projects	Investment	Capacity
RSIP	6,000	\$ 168,000,000	48.0
Total Infrastructure	6,000	\$ 168,000,000	48.0
Smart-E	540	\$ 8,775,000	1.3
Posigen	586	\$ 15,565,855	3.6
Multifamily Term	15	\$ 2,500,000	0.1
Multifamily PreDevelopment	4	\$ 70,000	0.0
Total Residential Sector	1,145	\$ 26,910,855	5.0
CPACE	57	\$ 24,082,500	6.6
Commercial PPA	25	\$ 14,062,500	6.3
Total CI&I	73	\$ 33,082,500	10.6
Strategic Investments	1	\$ 15,000,000	3.7
Total Green Bank	6,498	\$ 223,917,500	62.3

FY19 Budget

Revenues



Connecticut Green Bank				
FY 2019 General Operations Budget - DRAFT				
Revenue Detail				
	FY19 Budget Total	FY19 Budget Projected @ Feb-18	FY18 Budget Revised	FY18 YTD Actual (Mar) Total
Revenues				
Utility customer assessments	\$ 25,969,100	\$ 26,311,000	\$ 26,311,000	\$ 20,058,796
Utility customer assessments - Sweep	(14,000,000)	(14,000,000)	(14,000,000)	-
RGGI auction proceeds - renewables	3,050,700	2,300,000	3,265,534	965,534
RGGI auction proceeds - renewables - Sweep	(2,300,000)	(2,300,000)	(2,300,000)	
Income from Inclusive Prosperity Capital, Inc.	-	-	-	-
Interest Income - Cash Intercompany	64,544	61,447	61,447	47,272
Interest Income - Cash deposits	195,424	158,400	158,400	202,253
Interest Income - Delinquent CPACE payments	-	-	-	67
Interest Income - Capitalized construction interest	358,288	416,570	416,570	282,986
Interest Income - CPACE Warehouse, benefit assessments	1,027,018	732,592	732,592	567,103
Interest Income - Loan portfolio, other programs	1,192,894	940,603	940,603	925,992
Interest Income - CPACE Selldown Bonds	180,187	189,226	189,226	135,699
Interest Income - HA CPACE Promissory Notes	171,405	175,376	175,376	123,776
Interest Income - Solar lease I promissory notes, net	78,000	90,000	90,000	66,380
CPACE closing fees	135,000	100,000	100,000	77,220
Grant income (federal programs)	98,507	49,326	49,326	31,444
Grant income (DEEP)	-	-	-	1,500,000
Grant income (private foundations)	200,000	-	-	24,999
REC sales	843,059	676,979	676,979	132,500
REC sales to utilities under SHREC program	5,243,818	2,526,583	2,526,583	1,909,100
Other income - Programs	93,770	172,346	172,346	96,384
Other income - General	200,000	100,000	100,000	327,866
Total Sources of revenue:	\$ 22,801,714	\$ 18,700,448	\$ 19,665,982	\$ 27,475,370

FY19 Budget

Expenses



	FY19 Budget			FY19 Budget Projected @ Feb-18			FY18 Budget (Revised)			FY18 YTD
	General Operations	Programs	Total Operations & Programs	Total Operations & Programs	\$ Incr / (Decr)	% Incr / (Decr)	Total Operations & Programs	\$ Incr / (Decr)	% Incr / (Decr)	Total Operations & Programs
Expenses										
Employee compensation	\$ 923,362	\$ 3,223,392	\$ 4,146,754	\$ 4,106,403	\$ 40,351	1 %	\$ 5,173,801	\$ (1,027,047)	(25)%	\$ 4,014,387
Employee benefits - Pension	558,634	1,950,152	2,508,786	2,484,374	24,413	1 %	2,508,786	-	0 %	2,299,063
Employee benefits - Insurance, Payroll Tax	198,523	693,029	891,552	882,877	8,675	1 %	1,461,499	(569,946)	(64)%	845,671
Temporary Employees	-	-	-	22,150	(22,150)	0 %	22,150	(22,150)	0 %	17,955
Pension Expense	-	-	-	-	-	0 %	-	-	0 %	-
Program development and administration	-	2,332,650	2,332,650	2,163,185	169,465	7 %	2,758,419	(425,769)	(18)%	1,812,270
IPC Fee Human Capital Component	-	1,124,960	1,124,960	1,150,000	(25,040)	(2)%	-	-	0 %	-
IPC Fee Program Expenses Component	-	510,750	510,750	-	510,750	100 %	-	-	0 %	-
Marketing	407,000	765,500	1,172,500	965,558	206,942	18 %	1,178,367	(5,867)	(1)%	1,104,359
EM&V	135,000	325,000	460,000	370,000	90,000	20 %	430,600	29,400	6 %	352,300
Consulting & advisory fees	85,500	142,500	228,000	105,500	122,500	54 %	220,500	7,500	3 %	101,574
R&D expenditures	40,000	-	40,000	-	40,000	100 %	265,000	(225,000)	(563)%	93,001
Professional fees: legal and accounting	209,950	217,500	427,450	473,400	(45,950)	(11)%	477,950	(50,500)	(12)%	207,046
Bond Issuance Costs	-	2,500,000	2,500,000	-	2,500,000	100 %	-	2,500,000	100 %	-
Rent and location related expenses	104,029	363,137	467,166	591,184	(124,018)	(27)%	628,818	(161,652)	(35)%	418,766
Office, computer & other expenses	353,121	448,984	802,105	769,352	32,754	4 %	839,474	(37,369)	(5)%	536,342
Expenses before Financial Incentives:	\$ 3,015,118	\$ 14,597,555	\$ 17,612,673	\$ 14,083,982	\$ 3,528,692	20 %	\$ 15,965,364	\$ 11,600	0 %	\$ 11,802,734
Financial Incentives										
RSIP Financial Incentives	\$ -	\$ 12,746,354	\$ 12,746,354	\$ 13,329,079	\$ (582,725)	(5)%	\$ 13,329,079	\$ (582,725)	(5)%	\$ 11,361,011
Financial Incentives - Grants	-	198,507	198,507	265,000	(66,493)	(33)%	265,000	(66,493)	(33)%	22,952
Interest Rate Buydowns - CGB Funds	-	-	-	100,000	(100,000)	0 %	100,000	(100,000)	0 %	997
Financial Incentives:	\$ -	\$ 12,944,861	\$ 12,944,861	\$ 13,694,079	\$ (749,218)	(6)%	\$ 13,694,079	\$ (749,218)	(6)%	\$ 11,384,959
Non-Operating Expenses										
Provision for Loan Loss	\$ -	\$ 1,128,060	\$ 1,128,060	\$ 1,195,560	\$ (67,500)	(6)%	\$ 1,195,560	\$ (67,500)	(6)%	\$ 458,618
Interest Expense	-	94,468	94,468	71,726	22,742	24 %	71,726	22,742	24 %	(35,269)
Interest Rate Buydowns - ARRA	-	25,000	25,000	1,570,800	(1,545,800)	(6,183)%	1,570,800	(1,545,800)	(6,183)%	3,852,315
Bad Debt Expense	-	-	-	-	-	0 %	-	-	0 %	-
Unrealized (Gain) / Loss	-	-	-	-	-	0 %	-	-	0 %	-
Realized (Gain) / Loss	-	-	-	-	-	0 %	-	-	0 %	501,421
Non-Operating Expenses:	\$ -	\$ 1,247,528	\$ 1,247,528	\$ 2,838,086	\$ (1,590,558)	(127)%	\$ 2,838,086	\$ (1,590,558)	(127)%	\$ 4,777,085
Total Expenditures:	\$ 3,015,118	\$ 28,789,944	\$ 31,805,062	\$ 30,616,147	\$ 1,188,915	4 %	\$ 32,497,529	\$ (2,328,177)	(7)%	\$ 27,964,778
Total Revenues over (under) Expenditures:			\$ (9,003,348)	\$ (11,915,699)	\$ 2,912,351		\$ (12,831,548)	\$ 5,463,909		\$ (489,408)

FY19 Budget

Program Budgets (Expenses)



Sector	FY19 Total Budget		
	Green Bank	Inclusive Prosperity	Total
Residential 1-4	\$ 1,077,722	\$ 476,379	\$ 1,554,100
Multifamily	\$ 689,843	\$ 621,247	\$ 1,311,090
Commercial, Industrial, and Institutional	\$ 3,146,447	\$ 229,665	\$ 3,376,112
Infrastructure	\$ 6,524,524		\$ 6,524,524
Total	\$ 11,438,536	\$ 1,327,291	\$ 12,765,826

FY19 Budget

Non-Profit



Connecticut Green Bank	
FY 2019 General Operations Budget - DRAFT	
Program Administration Expenses - ICP	
	FY19 Budget
<u>Administrative Expenses</u>	
<u>Compensation and benefits</u>	
- Salaries & Wages	\$ 796,400
- Employee Benefits	318,560
- Temporary employees	10,000
Total Personnel Expense from NFP	\$ 1,124,960
<u>Program development and administration</u>	
- Program development costs	185,000
- Program administration costs	185,000
- Technology support costs	75,000
- Project Inspection fees	15,000
<u>EM&V</u>	-
<u>Marketing expenses</u>	-
<u>Legal expenses (BF to budget)</u>	-
<u>Other expenses</u>	
- Training/education	18,000
- Travel,meeting& related expenses	32,750
<u>Overhead Costs Allocated to Program:</u>	
Program Expense from NFP	\$ 510,750
Total Program Administration Expense from NFP	\$ 1,635,710

FY19 Budget

Staffing



Headcount is presently at 47 before the launching of Inclusive Prosperity Capital, Inc.

After launch the Green Bank will have 39 employees on July 2.

Convert 2 employees from durational to regular employees.

Focus in FY19 on process and technology efficiencies to support the growingly complex businesses we conduct and support.

FY19 Budget

Core Partners Review



Strategic Partners					
Partner	Department	RFP	Year of RFP	Work Performed	FY19 Budget
Adnet Technologies, LLC	General Operations	Y	2017	IT Outsourcing	\$ 375,000
Clean Power Research, LLC	S&I	Y	2016	PowerClerk Software	430,000
Cortland Capital Services	CI&I	Y	2013	CPACE - Loan Servicing	84,860
Locus Energy LLC	S&I	Y	2016	Revenue grade meters for PV Systems	570,000
METIS, Financial Network, Inc.	Resi	Y	2014	Resi Data Warehouse	200,000
New Ecology	Multifamily	Y	2015	Sherpa Loan Program administration	248,000
Paul Horowitz	General Operations	Y	2013	EMV Consulting	50,000
Strategic Environmental Associates	General Operations	N		EV Charging Carbon Offsets	95,000
Sustainable Real Estate Solutions, Inc.	CI&I	Y	2012	CPACE Third Party Administrator	619,750
CT Housing Coalition	Multifamily	N		Multifamily Programs - Outreach and Training	135,000
Wegowise	Multifamily	Y	2015	Multifamily Programs - Benchmarking	115,000
					\$ 2,922,610

Budget & Operations Committee

Agenda Item #7
Adjourn



**BUDGET AND OPERATIONS COMMITTEE OF THE
CONNECTICUT GREEN BANK
Draft Minutes – Regular Meeting**

845 Brook Street
Rocky Hill, CT 06067

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

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

1. Call to order

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

Members Absent:

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

2. Public Comments – 5 minutes

There were no public comments.

3. Consent Agenda* – 5 minutes

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

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

Resolution #1

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

4. FY 2018 Targets** – 50 minutes

Proposed Revisions

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

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

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

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

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

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

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

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

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

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

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

5. **Resolution #2**

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

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

6. Adjourn

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

Respectfully Submitted,

DRAFT



**BUDGET AND OPERATIONS COMMITTEE OF THE
CONNECTICUT GREEN BANK
Draft Minutes – Regular Meeting**

845 Brook Street
Rocky Hill, CT 06067

Tuesday, May 15, 2018
9:30-11:00 a.m.

A regular meeting of the Budget and Operations Committee of the Connecticut Green Bank (the “Green Bank”) was held on May 15, 2018 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

1. Call to Order

John Harrity called the meeting to order at 9:34 a.m. Committee members participating: Rob Klee, Eric Brown and John Harrity.

Members Absent:

Others Attending: Jonathan Mitchell

Staff Attending: Bryan Garcia, Eric Shrago, Cheryl Samuels, , Kerry O’Neill (by phone), Brian Farnen (by phone), Mackey Dykes (by phone), , George Bellas, Jane Murphy and Dale Hedman.

2. Public Comments

There were no public comments.

3. FY 2018 – Budget and Targets

Eric Shrago provided an overview of the Budget Revenues and Targets. He stated that they would discuss the expenses at the June 6th meeting. He stated that they are on course to outpace 2017. John Harrity questioned how this compares to what the target was. Eric stated that they are on pace to meet or exceed most targets. Eric Brown questioned if they have stats on the capital deployed. Eric Shrago stated that they do.

Eric Shrago stated that they have had substantial impacts on the budget because of the sweeps. He discussed the Residential Sector for the 2019 Fiscal Year, stating that they

are looking to deliver about 1,000 projects, 4.1 megawatts of clean energy. He stated that for the current Fiscal Year there are about 1900 projects through the end of March, with 6.1 megawatts of clean energy deployed. He stated that the target was 6.2. He stated that the largest decrease will be in Smart-E. He stated that the loan number is greater than what they were doing in 2016 but there will be a significant drop in Fiscal Year 2019 because of the lack of the S-mart-E special interest rate buydown offer. Commissioner Klee questioned if the interest rate is competitive. Kerry O'Neill stated that yes, it's very competitive. She stated that there is a 5-year term at 4.49% and up to 12 years at 6.99%. Commissioner Klee questioned how it compared to a home equity loan. Kerry O'Neill stated that home equity is around 3 ½ to 4% but stated that the application process is quite involved compared to a Smart-E loan. She stated that the unsecured loan application has a much bigger appeal. Eric Brown questioned if this was equally distributed across the board. Kerry O'Neill stated that Smart-E is a homeowner-based product. She stated that they were able to utilize the stellar performance of the portfolio product and translate that into a credit challenged product, which reduced the decline rate. She stated that they have a much better opportunity to serve low-income homeowners with Smart-E than they are doing. She stated that it all comes down to focus and outreach. She stated that due to the lack of marketing budget, it is coming down to the staff figuring out how to make connections. She stated that they've seen an improvement in their distribution in lower income census tracts, but not as good as it can be.

Eric Shrago discussed PosiGen and the target decreasing from 556 to 450. He stated that they are pretty confident that they will be able to achieve that. He stated that this is only due to the staff's outreach efforts since there is no marketing budget. Kerry O'Neill stated that these are the same staff members that are doing the low-income outreach for Smart-E.

John Harrity questioned when they can expect to see a change in the Net Metering/tariffs. Bryan Garcia stated that they will still have Net Metering as part of the RSIP through half of FY 2020 (or through CY 2019). Eric Brown wanted it clarified that they do not expect the transition to happen during this period. Bryan Garcia stated that it's more of the Green Bank trying to maintain a smooth and orderly transition and working with DEEP, PURA, and the industry to set-up the pilot tariff will be a focus.

Eric Shrago discussed the Multifamily Sector. He stated that the targets are representative of what's in the pipeline. He stated that the decrease is based on what they know is coming over the next 15 months. Kerry O'Neill stated that they have a large project closing soon that will bring up the numbers in FY 18'. She stated that the New Haven Housing Authority deal, part 1 will be closing soon. She stated that they have no timeline on parts 2 and 3. She stated that deals can take 18 months to 2 years to develop and that they are not included in FY 19'. John Harrity questioned what the total marketplace was in terms of Multi-Family. Kerry O'Neill stated that about 245,000 multifamily units are in the state. She stated that low income affordable naturally occurring is about half of that. She stated that to date, they have touched about 4,000 units. She stated that there is still quite a bit of market to serve. John Harrity questioned the number. Kerry O'Neill stated that 15 are projects, not units. She stated that they use

40 or 70 units as an average. Bryan Garcia stated that whale projects include non-energy related products. Kerry O'Neill stated that they have one coming, Success Village in Bridgeport. She stated that it will be a \$10 million project when it's ready, FY 20' or 21'.

Eric Shrago discussed Infrastructure. He stated that for RSIP, they are proposing a target of about 6,000 projects with 48 Mega Watts installed next year. He stated that that is in line with where they'll be this year. He stated that they are expecting to see the same volume, possibly a slight increase. Bryan Garcia stated that they anticipate that by the end of the calendar year 2019, they will work through the remaining amounts of Solar. He stated that they are working with DEEP to ensure a smooth transition to the new structure. He stated that they are working on how to connect battery storage into the balance of the plant. He stated that they want to shift Solar generation to being stored and deployed later to alleviate grid peak issues. He stated that changes in tax last year can have an impact. He stated that there are interesting Federal implications that could change how Solar gets financed. Dale Hedman stated that it looks like if a battery is being charged by a Solar System, that it will receive the current 30% tax credit.

Commissioner Klee questioned if this one fuel cell project is the only strategic investment for the Green Bank's balance sheet for 2018/2019. Eric Shrago stated that they are still working on the budget and this represents what they're aware of right now. Bryan Garcia stated that they approved a \$5 million investment, likely to be looking at \$3 million from the Green Bank and the rest from a local vendor.

Eric Shrago stated that they're looking to do more and that they have opportunities that they are working on. He stated that SBEA is another opportunity depending on what comes out of the RFP.

Eric Shrago went on to discuss Commercial and Industrial. He stated that there will be more projects, but they will be smaller. He stated that they are looking at delivering projects for Lead by Example. He stated that this is based on the work that they did this year with the Connecticut State Colleges and Universities. He stated that they worked with CSCU to put Solar on 5 campuses. He stated that that was the result of a lot of work with the Attorney General's Office. He stated that they are looking to replicate that this year with other State Agencies. He stated that they can replicate the PPA structure. He stated that they are trying to gauge the size of the projects in terms of the capital needs. Mackey Dykes stated that they've got a PPA that has been the starting point and that they're working with DEEP discussing the process for identifying sites and procurement. He stated that on procurement DAS states that agencies that have the statutory authority can enter directly into agreements to purchase power from the Green Bank. He stated that the benefit is also Clean Energy. He stated that there's a fairly aggressive time frame to work with a few agencies given the upcoming ZREC auction. He stated that they are working with DOC and DOT and state technical high schools to quickly identify a handful of sites to get them into the next ZREC round. He stated that they anticipate that to be sometime in June. Bryan Garcia stated that they would come back with a target and that the goal is to work with DEEP to help other agencies to lower their energy costs. He

stated that they want to go back to CSCU and that if they can talk to them about an energy savings payment structure they would have a tool to develop on energy efficiency.

Eric Brown requested clarification on the total C&I. Eric Shrago stated that they're overlapped projects. He stated that they're trying to figure out how to track and designate these LBE projects. Mackey Dykes stated that they had no sense of the available space to get this into the Pilot. He stated that they will get some information on it as they go out to other agencies. He stated that they've already started the outreach to see what buildings they want as part of the Pilot. He stated the reason the numbers don't add up is that wanted to avoid double counting. Eric Brown stated that it reflects a modest increase in CPACE projects. Mackey Dykes stated that the trend they are seeing is the project size decreasing over time. He stated that they are reflecting what the market is delivering. John Harrity stated that that might indicate that small business is more comfortable with the program. He stated that they have the least amount of resources for delving into this type of thing. He stated that CPACE and Lead by Example are important. Mackey Dykes stated that they are doing a great job of expanding their customer base. He stated that the project number is increasing this year. He stated that they are at 51 projects, but they are smaller. He stated that they are expecting to deploy less capital. Commissioner Klee stated that this is from a lot of effort from the Green Bank. Bryan Garcia stated that they've spent a lot of time and effort to ensure that the team worked very hard to make sure Solar was available to low to moderate-income households. He stated that at the Clean Energy States Alliance the Green Bank received a testament to the great work that the team has been involved in and that they're starting to see the results of that.

Commissioner Klee questioned if LMI and small business was a good opportunity for the Green Bank. Bryan Garcia stated that they would like to invest in LMI and small business projects. He stated that it's part of their plan.

Eric Shrago stated that the revenues and the budget RGGI funds will be decreased due to the fund sweeps. He stated that SHREC securitization is needed for FY 2019. He stated that income from the REC sales is also important.

Eric Shrago stated that expenses so far are in line with FY 2019. Commissioner Klee questioned the \$12 million of Green Bank capital generating \$60 million plus or minus of investment. Eric Shrago stated that this is in line with what they've done previously in terms of leverage. He stated that it's a little bit lower due to the desire to keep things on their own balance sheet. Bryan Garcia stated that they expect to get a return on those funds over time. He stated that SMART E is different, with no return there because it is a credit enhancement structure.

Eric Shrago provided an overview on the financials. He stated that they are going to have to return \$14 million to the State. He stated that they are expecting to receive \$3 million from RGGI auction proceeds and return \$2.3 million of that to the State. He stated that capitalized interest is built into the CPACE loans. He stated there are also Grants that they have already received and that are certain will be paid. He discussed the non-

SHREC REC sales as well as the SHREC RECS that come from the RSIP. Bryan Garcia stated that non-SHREC RECs and SHRECS are becoming a greater part of the revenue. He stated that for the SHREC RECS the Green Bank sets the price. He stated that the team is developing a tool to help them better estimate production. Commissioner Klee questioned how conservative the Green Bank was being on the range. Dale Hedman stated that they now get estimates from a program, which takes data and imaging and estimates that over a 20-year period on a monthly basis. He stated that they are looking to create an estimate on what they're seeing in their portfolio functioning at any given time. He stated that SHRECS are locked in based on a tranche. He stated that they pretty much know what the portfolio looks like and have at least 3 years of history to look at to make the estimates. He stated that it's a pretty conservative number based on how they've estimated. Bryan Garcia stated that they will work on that to break them out into a separate schedule for non-SHREC and SHREC RECs. Commissioner Klee questioned if this is based on the low end. Dale Hedman stated that it's plus or minus 5%. Bryan Garcia stated that they are able to look at net income for each line of business (i.e., investment and incentive) and make sure they're managing. He stated that it's good practice for them.

John Harrity stated that the team has done a great job, considering the sweeps and with what has been done. He stated that the adjustment while still in motion has been remarkable. He stated that it's remarkable that the team has put the Green Bank in a position to sustain and work on new projects. Bryan Garcia stated that the team has worked very hard, stating that it's really high-level finance on the SHRECs and that they are executing on the sustainability plan.

4. Adjourn

Upon a motion made by Commissioner Klee and, seconded by, Eric Brown, the meeting was adjourned at 10:46 a.m.

Respectfully Submitted,

John Harrity, Chairperson