



Deployment Committee of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Tuesday, November 13, 2018  
2:00 - 3:00 p.m.

Meeting held on November 13, 2018 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

Deployment Committee members participating: Bettina Bronisz, Rob Klee, Matt Ranelli (by phone)

Members Absent: None

Staff Attending: Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Mike Yu, Nick Zuba, Bert Hunter

Others: None

**1. Call to order**

Rob Klee called the meeting to order at 2:05 p.m.

**2. Public Comments**

Rob Klee asked for public comment. There were none.

**3. Consent Agenda**

- a. Approval of Meeting Minutes for September 18, 2018.

**Resolution #1**

Motion to approve the meeting minutes of the Deployment Committee for September 18, 2018.

**Upon a motion made by Bettina Bronisz and seconded by \_Matt Ranelli, the Committee unanimously voted to approve the Minutes from the September 18, 2018 meeting.**

#### 4. Investment Business

Mackey Dykes provided an overview of the proposed C-PACE transaction. There were several questions by the members of the Deployment Committee on items like carports versus rooftop installations, energy efficiency in the buildings, metering situation on the building, and additional loads for the building (e.g., renewable heating and cooling, EV's, etc.). The Green Bank staff answered the questions raised by the Deployment Committee.

a. C-PACE Transaction – East Windsor

#### **Resolution #2**

**WHEREAS**, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

**WHEREAS**, the Green Bank seeks to provide two construction and term loans in the amounts of **(1) \$291,102 and (2) \$649,882 for a total of \$940,984** under the C-PACE program to Sofia's Plaza, LLC, the building owner of 122 Prospect Hill Road and 2 North Road, East Windsor, Connecticut (the "Financings"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and 2

**WHEREAS**, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Financing amounts, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Financings and be repaid to the Green Bank upon the execution of the Financing documents.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Financings and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the total Financing amounts with terms and conditions consistent with the memorandum submitted to the Deployment Committee dated November 9, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

**RESOLVED**, that before executing the Financings, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Statute, including but not limited to the savings to investment ratio and lender consent requirements; and

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

**Upon a motion made by Bettina Bronisz and seconded by Robert Klee, the Committee**

**unanimously voted to approve Resolution #2, a. to provide two construction and term loans for C-PACE project at Sofia's Plaza, LLC, East Windsor, CT.**

b. C-PACE Transaction Restructuring – Bridgeport

### **Resolution #3**

Committee Review:

- Mr. Dykes presented a review of the project since it began in 2015 stating the increased costs, the inability of the contractor to complete the job scope and the realized construction interest as the project timeline expanded. Team acknowledged a substandard contractor whose incomplete work on the commercial art exhibition/artist studio space may not have been quoted appropriately for the job scope.
- With apparent sale of building pending, discussion continued to determine what, if any, interest to forgive and how to proceed. Ms. Duncan acknowledged that the building owner who borrowed the CPACE funds for the project sunk lots of additional out-of-pocket funds in to the project and that the contractor had contributed to resolving the issue by paying a portion of the accrued construction interest.

The Committee has a discussions around the nature of the interest to be forgiven and was briefed by staff on the background of the negotiations with the borrower, scope of the project, etc.

- It was confirmed that this contractor is no longer on the approved contractor list which is on the CGB website.
- Mr. Dykes stated under the circumstances he felt the interest forgiveness is reasonable. Mr. Klee asked if it is appropriate to provide a waiver for owners to sign for the interest forgiveness? Mr. Ranelli responded yes, and Mr. Farnen and Mr. Dykes agreed. Further agreed that the owner is solely responsible for the performance of the installation. It was agreed that a release would be drawn up and that CGB should obtain reasonable waivers from the borrowers and the successor owner when the building is sold; document should read "immediate successor & interest" so any new buyer of the property would not come back to CGB.

**Upon a motion made by Robert Klee and seconded by Bettina Bronisz, the Committee unanimously voted to approve Resolution #3 with modifications to execute and deliver the Restructured Loan to the building owner(s) of the 305 Knowlton Street, Bridgeport, CT.**

**WHEREAS**, pursuant to Section 16a-40g of the Connecticut General Statutes (as amended, the "Act"), the Connecticut Green Bank ("Green Bank") established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

**WHEREAS**, pursuant to the Act and its Bylaws, Green Bank entered into that certain Financing Agreement dated December 22, 2014 (as amended, the "Loan") with the MP

Development Associates LLC, the building owner of the 305 Knowlton St., Bridgeport, CT, to finance the construction of certain clean energy measures through C-PACE;

**WHEREAS**, on June 13, 2018, the Green Bank Board of Directors (“Board”) approved the Loan Loss Decision Framework and Process, set forth in that certain memo to the Board dated June 13, 2018 (the “Loss Process”), which established the process of dealing with provisional loss reserves, restructurings, and write-offs for assets on Green Bank’s balance sheet; and

**WHEREAS**, in accordance with Loss Process, since the principle value of the outstanding financing is above \$100,000 and less than \$1,000,000, Green Bank staff seeks the Green Bank Deployment Committee’s (“Deployment Committee”) approval to restructure the Loan by forgiving \$19,066.26 of construction interest accrued pursuant to the Loan (the “Restructured Loan”), as more particularly described in the memorandum submitted to the Deployment Committee dated November 8, 2018 (the “Memo”).

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Restructured Loan, with terms and conditions consistent with the Memo, as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of this Deployment Committee meeting provided that the borrower provided documentation that all other punchwork items were completed and a waiver and release is executed by the borrower and its immediate successor in interest to protect the Green Bank from future claims; and

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

## **5. Incentive Business Recommendation – 10 minutes**

### **a. RSIP and SHREC Securitization**

- Team noted that FICO scores are not part of the residential project information requirements and found that Kroll (after Kroll gave additional consideration of rating the SHREC bond issuance) is not able to rate CGB without them
- Team working to obtain FICO scores for 14,000+/- clients to provide Kroll the information they need to complete the rating
- It is likely that this will cause a delay in rating the SHREC bond issuance, potentially into early 2019

### **b. EEP Program and battery Storage Incentive**

- With limited time left for discussion, Mr. Garcia presented a graph showing the average consumption of households over a year by hour of the day, including the average solar production.
- Team is assembling a proposal to PURA through the Electric Efficiency Partner Program to reduce demand, specifically peak demand, through the combination of solar PV and battery storage.

- Mr. Garcia will go into greater detail at the December Board of Directors meeting on this emerging opportunity to support the Incentive Business of the Green Bank.

**6. Adjourn**

**Upon a motion made by Bettina Bronisz, and seconded by Robert Klee the meeting was adjourned at 3:05pm.**

Respectfully submitted,

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Robert Klee, Chairperson

DRAFT