

## REQUEST FOR PROPOSALS FOR CREDIT ENHANCEMENT FOR C-PACE CAPITAL PROVIDERS

---

*Proposals Due: June 17, 2019, 5:00 PM EST*

### I. PURPOSE

The Connecticut Green Bank (“Green Bank”) seeks proposals from Approved Third-Party C-PACE Capital Providers (as defined in the [C-PACE program guidelines](#), the “CPs”) who wish to partner with the Green Bank to provide financing for Commercial and Industrial Property Assessed Clean Energy (“C-PACE”) projects throughout the State of Connecticut. The Green Bank may provide up to \$5 million of credit enhancement to support the CPs deployment of C-PACE financing.

### II. GREEN BANK BACKGROUND

The Green Bank was established by Connecticut’s General Assembly on July 1, 2011 as a quasi-public agency that superseded the former Connecticut Clean Energy Fund. The Green Bank’s vision is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut in order to achieve economic prosperity, create jobs, promote energy security, and address climate change. The Green Bank’s mission is to support the Governor’s and Legislature’s energy strategy to achieve cleaner, cheaper and more reliable sources of energy while creating jobs and supporting local economic development. As the nation’s first “green bank”, the Green Bank leverages public and private funds to drive investment and accelerate clean energy deployment in Connecticut. For more information about the Green Bank, please visit [www.ctgreenbank.com](http://www.ctgreenbank.com).

### III. PROGRAM BACKGROUND

In 2012, Connecticut passed legislation that gives property owners access to a new form of financing for building energy upgrades. C-PACE is a financing program that allows Connecticut building owners to access cleaner, cheaper, and more reliable energy. The Green Bank is empowered by the statute to administer the program.

C-PACE allows property owners to access financing from either the Green Bank or CPs to undertake qualifying energy efficiency and clean energy improvements on their buildings and repay the investment through an additional charge (“assessment”) on their property tax bill. C-PACE is available to commercial and industrial properties

(including those owned by not-for-profit entities), as well as to multifamily properties with five or more units. The Green Bank supports a robust and competitive C-PACE market in Connecticut, with alternative sources of financing provided by itself and CPs. Strengthening such a market, with multiple capital providers, will allow a larger deployment of clean energy at a more affordable cost to customers.

While over 30 states have statutes enabling commercial PACE, the Connecticut C-PACE Program is widely recognized as among the most successful commercial PACE program in the nation and frequently cited as a model for other states.

Achieving this success started with appropriate statutory provisions detailed in Connecticut General Statutes Section 16a-40g (the “C-PACE Statute”), which specifies administration on a statewide basis under the authority of the Green Bank. The C-PACE Statute works because it:

- Respects existing mortgage holders’ rights by requiring their consent for a C-PACE benefit assessment lien to be placed on a property on which they hold a first lien;
- Requires a robust process to evaluate energy savings by requiring the confirmation that energy savings exceed the cost of the energy improvements through a savings to investment ratio (“SIR”)<sup>1</sup> requirement;<sup>1</sup> and
- Allows municipalities to opt in, ensuring the buy-in of these essential participants in the placement of the benefit assessment lien on the property. The timely placement of the benefit assessment lien is fundamental to providing security to the CPs, and is the key to unlocking millions of dollars of economic activity and jobs to local communities across the state.

The full statute is in Attachment I.

#### **IV. SCOPE OF SERVICES**

To further its goal of building a robust and competitive C-PACE market in Connecticut, the Green Bank is issuing this RFP to develop a CP-owned capital facility with the goal of accelerating market growth. The Green Bank is seeking a facility to enable term finance with up to \$5 million of Green Bank credit enhancement. The facility would (1) be an external facility (i.e., not funded on the books of the Green Bank) and (2) establish or be under the control of an entity as the lender of record for C-PACE loans separate and not under the control of the Green Bank.

A credit enhancement could be in the form of junior debt, a loan loss reserve, or another structure, as described by the applicant.

---

<sup>1</sup> The SIR requirement is only a confirmation for C-PACE eligibility pursuant to statutory requirements and is not a guarantee by the Green Bank of energy savings or energy production.

Given that one of the Green Bank's goals is to "develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers," an important aspect of the winning RFP will be demonstrating a successful capital deployment strategy utilizing a cost-effective financing arrangement.

## **V. SUBMISSION CRITERIA & OTHER REQUIREMENTS**

Respondent will be assessed based on the following items in their response. Evidence or description of ability to provide these items should be clearly addressed within the response to this RFP.

- a. Terms of the proposed credit facility between the CP and the Green Bank including size, rate and term
- b. Economic profile of the credit facility within the CP's overall financial structure.
- c. Security provided to the Green Bank.
- d. Ability to demonstrate how the credit facility would lead to additional deployment of C-PACE projects across the state. The response should be both qualitative and quantitative (i.e., how much incremental capital would the credit enhancement allow the CP to provide, and how would that capital translate into clean energy deployment).
- e. Efficiency of deployment of Green Bank capital or support (meaning how deployment of total capital to Green Bank capital is maximized).

### **Experience & Capabilities**

Respondent should also include information on the following, demonstrating applicable experience:

- Description of C-PACE projects deployed across the state since 2014. Please provide data and descriptions by year.
  - Number of C-PACE projects funded across the state
  - Brief description of C-PACE projects funded across the state (e.g., 200 kW rooftop installation, boiler replacement, etc.)
  - Funding deployed for C-PACE across the state
  - C-PACE interest rates (range)
- Number of projects and total funding of C-PACE projects deployed across the country since 2014. Please provide data by year.

## **VI. RFP MILESTONES AND TIMING**

### **Submission Process**

Each respondent shall carefully examine this RFP and any and all amendments, exhibits, revisions, and other data and materials provided with respect to this RFP process. Respondents should familiarize themselves with all proposal requirements prior to submitting their proposal. Should the respondent require clarifications or wish

to request interpretations of any kind, the respondent shall submit a written request electronically to [desiree.miller@ctgreenbank.com](mailto:desiree.miller@ctgreenbank.com) by June 3, 2019. The Green Bank shall respond to such written requests in kind and may, if it so determines, disseminate such written responses to other prospective respondents.

The following requirements must be observed for all proposals:

- a. Proposals must be received no later than **5:00 pm Eastern Time on June 17, 2019**. Proposals received after the aforementioned date and time will not be considered.
- b. Proposals must be submitted electronically at the following email address: [desiree.miller@ctgreenbank.com](mailto:desiree.miller@ctgreenbank.com). The subject line should be identified as: "C-PACE RFP Response".
- c. The Green Bank reserves the right to request an interview, supplemental information, and/or clarification from respondents as deemed necessary.
- d. Key Dates:

<b>Project Milestone</b>	<b>Estimated Date</b>
RFP Released	May 20, 2019
Clarification Questions Due	June 3, 2019
RFP Responses Due	June 17, 2019
Award Notification	July 1, 2019

### **Proposal Format**

The following format should be followed in order to provide Green Bank with a working basis on which to compare one proposal with another. Each of the elements within this outline is expected to be addressed in any submitted proposal. However, additions may be made where necessary for purposes of clarification or amplification.

1. The response must contain a cover letter addressed to the Green Bank, signed by an officer of the firm or an individual authorized by the firm to commit the firm to the contents of the response. The cover letter should include the following information:
  - a. Respondent Information:
    - i. Name of Respondent
    - ii. Business address of headquarters and Connecticut office(s), if applicable
    - iii. Respondent's main contact name, title, telephone number and e-mail address

- iv. Acknowledge receipt, completion and submission of required Legal and Policy Attachments; and
    - v. A statement that the Respondent has thoroughly reviewed the RFP and acknowledges compliance with the requirements of the RFP and accepts all terms and conditions included in the RFP.
2. Executive summary outlining the proposed structure
  - a. Include a capital flow chart
  - b. Include a proposed milestone table
3. Key structuring and economic terms including bridge facility (if applicable), mini-perm facility (if applicable), cost of capital, advance rate, use of credit enhancement, costs, etc.
4. General background of your organization, including experience on analogous deals the firm has completed. Describe any specialized business segments that your firm can bring to the Green Bank's transaction.
5. Provide a summary of qualifications for each of the individuals in your firm who would be assigned to the deal.
6. Description of any litigation, pending judgments, etc., which could affect the proposer's ability to enter into an agreement with Green Bank. A description of the circumstances involved in any defaults by the proposer. If you have been subjected to any outside audits in the past three years, state by whom the audit was performed, for whom, the facility involved, and the results of the audit.
7. Other: include in the proposal any other information you may deem relevant or helpful in Green Bank's evaluation of the proposal.

## **VII. GENERAL TERMS AND CONDITIONS**

If CP elects to respond to this RFP, submission of your proposal assumes the acceptance of the following understandings:

1. The Green Bank reserves the right to reject any or all of the proposals received in response to the RFP, to waive irregularities or to cancel or modify the RFP in any way, and at any time the Green Bank chooses, in its sole discretion, if the Green Bank determines that it is in the interest of the Green Bank.
2. The Green Bank further reserves the right to make awards under this RFP without discussion of the proposals received. Proposals should be submitted on the most favorable terms from a technical, qualifications, and price standpoint. The Green Bank reserves the right not to accept the lowest priced proposal.

3. Proposals must be signed by an authorized officer of the CP. Proposals must also provide name, title, address and telephone number for individuals with authority to negotiate and contractually bind Underwriter, and for those who may be contacted for the purpose of clarifying or supporting the information provided in the proposal.

4. The Green Bank will not be responsible for any expenses incurred by any proposer in conjunction with the preparation or presentation of any proposal with respect to this RFP.

5. The Green Bank's selection of a CP(s) through this RFP is not an offer and the Green Bank reserves the right to continue negotiations with the selected CP(s) until the parties reach a mutual agreement.

6. Green Bank and any selected CP(s) shall enter into a term sheet outlining the material terms of the mutual agreement between the parties.

**THE GREEN BANK IS SUBJECT TO THE REQUIREMENTS OUTLINED IN SECTIONS 16-245N OF THE CONNECTICUT GENERAL STATUTES. THE GREEN BANK SHALL HAVE NO LIABILITY OR OBLIGATION OF ANY SORT HEREUNDER, INCLUDING, WITHOUT LIMITATION, IF FOR ANY REASON OR NO REASON A BINDING AGREEMENT IS NOT ENTERED INTO WITH ANY PROPOSER. IN MAKING ITS SELECTION OF A SUCCESSFUL BIDDER, THE GREEN BANK MAY CONSIDER ANY AND ALL FACTORS AND CONSIDERATIONS WHICH GREEN BANK, IN ITS SOLE DISCRETION, DEEMS RELEVANT, THE RELATIVE IMPORTANCE OF WHICH SHALL BE IN THE SOLE DISCRETION OF THE GREEN BANK.**

#### VIII. ATTACHMENTS & APPENDICES

##### List of Attachments

- I. C-PACE PROGRAM GUIDELINES
- II. CERTIFICATION OR AFFIDAVIT REGARDING NONDISCRIMINATION AND AFFIRMATIVE ACTION PROVISIONS - Applicable to all contracts. (Conn Gen. Stat. §§ 4a-60 and 4a-60a)
- III. CERTIFICATION REGARDING OCCUPATIONAL SAFETY AND HEALTH ACT COMPLIANCE - Applicable to all contracts. (Conn. Gen. Stat. § 31-57b)
- IV. GIFT AFFIDAVIT AND CERTIFICATION - Applicable to certain contracts or series or combination of contracts with a total value of more than \$500,000 in a calendar or fiscal year. (Conn. Gen. Stat. §§ 4-250 and 4-252)
- V. CERTIFICATION REGARDING CAMPAIGN CONTRIBUTIONS - Applicable to certain contracts valued at \$50,000 or more, or a combination or series of such contracts valued at \$100,000 or more in a calendar year. (Conn. Gen. Stat. § 9-612)

- VI. AFFIDAVIT REGARDING CONSULTING AGREEMENTS - Applicable to certain contracts valued at \$50,000 or more in any calendar or fiscal year. (Conn. Gen. Stat. § 4a-81)
- VII. AFFIRMATION OF RECEIPT OF STATE ETHICS LAW SUMMARY - Applicable to certain contracts valued at more than \$500,000. (Conn. Gen. Stat. §§ 1-101mm and 1-101qq)
- VIII. AFFIRMATION OF WHISTLEBLOWING STATUTE - Applicable to contracts valued at \$5,000,000 or more. (Conn. Gen. Stat. § 4-61dd)
- IX. AFFIRMATION OF APPLICABLE EXECUTIVE ORDERS - Applicable to all contracts.
- X. CERTIFICATION REGARDING INVESTMENTS IN IRAN - Applicable to certain contracts or series or combination of contracts with a total value of more than \$500,000 in a calendar or fiscal year. (Public Act No. 13-162)