



**BUDGET AND OPERATIONS COMMITTEE OF THE  
CONNECTICUT GREEN BANK**

Minutes – Regular Meeting  
845 Brook Street  
Rocky Hill, CT 06067

Wednesday, May 15, 2019  
2:00 – 3:00 p.m.

A regular meeting of the Budget and Operations Committee of the Connecticut Green Bank (the “Green Bank”) was held on Wednesday, May 15, 2019 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 2:00pm

Committee members participating: John Harrity

Note – A quorum was not achieved for today’s meeting – no resolutions were presented for consideration

Members absent: Eric Brown

Others attending:

Staff attendees: Brian Farnen (by phone), Bert Hunter (by phone), Jane Murphy, Eric Shrago, Cheryl Samuels

**2. Public Comments**

There were no public comments.

**3. Approve Meeting Minutes for December 6, 2018 Regular Meeting**

**This will require Committee action so this agenda item was postponed until the next scheduled Committee meeting.**

**4. FY 2020 Comprehensive Plan – Budget and Targets**

Mr Shrago presented the plan for budget approval and recommendations to the Committee. This meeting would focus on program targets and budget revenues for FY 2020. The next committee meeting, on Wednesday, June 5, 2019, will focus on expenses.

Mr. Shrago began with “where we’ve been”—a review of results 2019 to-date—targets and what targets have been met Mr. Harrity asked how the Green Bank compares to others states He has been reviewing results from internet reports and that Connecticut is currently 45<sup>th</sup> out of 50 states regarding renewables. Mr. Shrago will pull some numbers for Mr. Harrity and connect with him separately.

Mr. Shrago presented a ‘target’ table defining the Investment Business and Incentive Business—as part of the overall review of growth. Mr. Shrago walked the committee through the program targets as they were proposed in the memorandum to the committee starting with those comprising the Investment Business, followed by those in the Incentive Business.

When discussing SBEA, Mr. Harrity asked if the hassles staff were experiencing operationalizing the purchase of the loans were due to working with Eversource or their systems. Mr. Hunter stated that the Eversource systems were not “built” for a loan repayment structure and they have been working to split and define the energy payments from the loan repayments. Catherine Duncan, Loan Administrator and Shawne Cartelli, Controller continue their work with Eversource to ascertain all the relevant loan repayment accounts. The 2<sup>nd</sup> purchase of loans is scheduled for June 2019.

Mr. Harrity asked if even with bumps in the road, is IPC’s business in line with where the everyone thought it would be?

Mr. Shrago stated that from a Green Bank perspective, programs were operating at a reduced cost and were expecting continued savings the next year due (strategic migration of SMART-E platforms). He mentioned that IPC still establishing itself. Recently they have obtained external pools of capital enabling them to get beyond CT. Mr. Hunter pointed out that IPC is a little bit behind their intended schedule due to their starting in August 2018 instead of July 2018, but emphasized that IPC is doing well.

Mr. Shrago reviewed target goals reflected in a chart for residential solar and EEPP – battery storage program. The RSIP is set to hit the statutory cap sometime this autumn but expectations are that the Connecticut legislature will increase the MegaWatts (MW) by 50. Mr. Farnen stated all are cautiously optimistic that the CT legislature will increase the statutory cap by 50MW to bridge the transition from *incentive* to the new *tariff* program.

When discussing the EEPP Battery Storage Program, Mr. Harrity asked if electricity would still be on the grid and would this negate the savings of customers energy expenses? Mr. Shrago stated

team is still working through the design but customer savings and resiliency are core components of why someone would participate.

a.

Mr. Shrago reviewed the forecast revenue report with detailed schedules, including interest income, Utility Customer Receipts (CEF) and RGGI Proceeds restored to pre-sweep levels, and REC sales. He mentioned that staff are expecting new income from monetizing Forward Capacity Markets and that the Green Bank is continuing to look at bonding as a source of funding. He thanked Mr. Hunter's team—especially Louise Venables—for identifying the opportunity in the Forward Capacity Markets. Mr. Harrity said whatever revenue is received, it “beats a poke in the eye”.

b. Investment

Although still being finalized, the Green Bank is looking to invest \$57M of its own capital in FY2020, which is well beyond the target set forth to the Board in the cash flow model Mr. Shrago provided a high level walk through of the proposed investments.

Mr. Shrago went on the state that expenses are using the previously presented sustainability plan as a guide but highlighted that the organization recognizes that it needs to continue to innovate and that they would be presenting a research and development budget again with a focus on renewable heating and cooling as a particular area ripe for innovation.

He also highlighted that while staff recognizes the need to keep the Green Bank lean, making more investments leads to additional and staffing requirements. He said that staff were proposing new headcount specifically for asset management (to optimize revenue) & accounting (to address compliance and reporting needs), and for the finance team (to source capital and support bonding efforts). Mr. Harrity asked if there is enough staffing for marketing C-PACE? Per Mr. Shrago there was a 4<sup>th</sup> requested “headcount” to help origination customers and projects and Mr. Harrity stated he felt that focus is important. Mr. Shrago declared there are a lot of customers still out there for Green Bank funding opportunities. Mr. Harrity pointed out those funding opportunities may look at the business as opaque and they may be nervous about world events/policy (Trump/Chinese) which may ratchet up pricing. Mr. Harrity asked how that will affect the Green Bank? Mr. Hunter asked if Mr. Harrity meant affecting solar in particular? Yes, but Mr. Harrity pointed out that these concerns may impact the Green Bank in other ways as well and asked “When might this affect or cause problems” for the Green Bank? Mr. Shrago stated there is a study/review/report about how these prices/tariffs would affect Green Bank business and feels—from this review—only a modest impact. Mr. Hunter pointed out that solar panels are a small portion of overall installation costs—smaller than one may think. Mr. Hunter went on to say that all other increased costs may be passed on to customers and that general administration and engineering costs may be affected more.

Mr. Shrago concluded stating this information is what he wanted to review today and will reach out to Mr. Harrity before the next Committee meeting in preparation to present information to Board members. Mr. Harrity acknowledged that this review consists of hundreds of hours of work and is appreciative of everyone's hard work. Mr. Shrago thanked him on behalf of team.

There were no further questions and Mr. Harrity said a warm farewell to

**5. Adjourn**

**Meeting was adjourned at 2:51pm**

Respectfully submitted,

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John Harrity, Chairperson