



Board of Directors

Meeting Date

December 14, 2018





Board of Directors

Catherine Smith, Chair

Commissioner, CT Department of
Economic and Community Development
(DECD)

Rob Klee, Vice Chair

Commissioner, CT Department of
Energy and Environmental Protection
(DEEP)

Betsy Crum

Former Executive Director, Women's
Housing Institute

Gina McCarthy

Former Administrator, Environmental
Protection Agency

Thomas M. Flynn

Managing Member, Coral Drive Partners
LLC

Denise L. Nappier

Treasurer, State of Connecticut

Eric Brown

Senior Counsel, CT Business & Industry
Association

Matthew Ranelli, Secretary

Partner, Shipman & Goodwin LLP

John Harrity

President, Connecticut State Council of
Machinists

Kevin Walsh

GE Energy Financial Services' Power and
Renewable Energy

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



December 7, 2018

Dear Board of Directors:

We have our last regularly scheduled meeting for next week Friday, December 14, 2018 from 9:00-11:00 a.m. in the Colonel Albert Pope Board Room of the Green Bank at 845 Brook Street, Rocky Hill, CT 06067.

On the agenda we have the following items:

- **Consent Agenda** – approval of the meeting minutes for October 26, 2018. And we have also included a fact sheet on C-PACE New Construction with the USGBC and our October 2018 Financial Statements. These statements will be sent out by COB on Tuesday, December 11, 2018.
- **Cash Flow Update** – we will discuss the status of our cash position. These statements will be sent out by COB on Tuesday, December 11, 2018.
- **Committee Recommendations** – recommendations by the Budget & Operations Committee to revise the FY 2019 targets and budget. Given the turnover of the members of the Board of Directors, the B&O Committee is recommending early, instead of in January, adjustments to targets and revisions to the FY 2019 budget. These materials will be sent out by COB on Tuesday, December 11, 2018.
- **Investment Business** – as we continue to implement the Sustainability Plan, we have a number of transactions that we are bringing to you for your review and approval, including:
 - a. **Groton Subbase Fuel Cell Project** – adjustment to prior board-approved transaction seeking a secured bridge loan facility during project construction;
 - b. **Bridgeport Fuel Cell Project** – proposed operational fuel cell repurchasing financing facility; and
 - c. **Small Business Energy Advantage** – expansion of the Green Bank commitment towards the recapitalization of the SBEA.
- **Incentive Business** – the Infrastructure and Finance teams will provide updates on the RSIP SHREC securitization. We will also provide an introduction to a battery storage incentive program we are designing for the Electric Efficiency Partners (EEP) Program.

- **Other Business** – we are seeking a line of credit from Amalgamated Bank, providing an overview of the strategic planning process, and saying farewell to several leaders of our Board of Directors and Staff.

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

We look forward to seeing you next week. Have a great weekend!

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Garcia', with a long horizontal flourish extending to the right.

Bryan Garcia
President and CEO



AGENDA

Board of Directors of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, December 14, 2018
9:00-11:00 a.m.

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

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes
4. Cash Flow Update of the Connecticut Green Bank – 15 minutes
5. Committee Recommendations and Updates – 15 minutes
 - a. Budget and Operations Committee – 15 minutes
 - i. Proposed Revisions to FY 2019 Targets
 - ii. Proposed Revisions to FY 2019 Budget
6. Investment Business Recommendations – 40 minutes
 - a. FuelCell Energy – Groton Subbase Project – 15 minutes
 - b. FuelCell Energy – Bridgeport Project – 15 minutes
 - c. Small Business Energy Advantage – Purchase Commitment Revision – 10 minutes
7. Incentive Business Updates and Recommendations – 20 minutes
 - a. RSIP and SHREC Securitization Update – 10 minutes
 - b. Electric Efficiency Partners (EEP) Program – Battery Storage Proposal – 10 minutes
8. Other Business – 20 minutes
 - a. Line of Credit – Amalgamated Bank – 5 minutes
 - b. Strategic Planning for FY 2020 and Beyond – 10 minutes
 - c. Farewells and New Beginnings – 5 minutes

d. Other Business

9. Adjourn

Join the meeting online at <https://global.gotomeeting.com/join/748385421>

Or call in using your telephone:

Dial (646) 749-3131

Access Code: 748-385-421

Next Regular Meeting: Friday, February 22, 2019 from 9:00 -11:00 a.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



RESOLUTIONS

Board of Directors of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, December 14, 2018
9:00-11:00 a.m.

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

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for October 26, 2018

4. Cash Flow Update of the Connecticut Green Bank – 15 minutes
5. Committee Recommendations and Updates – 15 minutes
 - a. Budget and Operations Committee – 15 minutes
 - i. Proposed Revisions to FY 2019 Targets
 - ii. Proposed Revisions to FY 2019 Budget

Resolution #2

WHEREAS, the Connecticut Green Bank Staff has assessed program and product performance, as well as use of resources year to date,

WHEREAS, the Connecticut Green Bank Board of Directors Budget and Operations Committee has reviewed and recommended the approval of these new targets and the proposed revisions to the Fiscal Year 2019 Budget,

NOW, therefore be it:

RESOLVED, the Connecticut Green Bank Board of Directors approves the fiscal year 2019 target and budget adjustments outlined above.

6. Investment Business Recommendations – 40 minutes
 - a. FuelCell Energy – Groton Subbase Project – 15 minutes

Resolution #3

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut (“FCE”) has used previously committed funding (the “Bridgeport Loan”) from the Connecticut Green Bank (“Green Bank”) to successfully develop a 15 megawatt fuel cell facility in Bridgeport, Connecticut (the “Bridgeport Project”), and FCE has operated and maintained the Bridgeport Project without material incident, is current on payments under the Bridgeport Loan, and has received approval from the Green Bank for funding from the Green Bank (the “Triangle Loan”) to develop a 3.7 megawatt high efficiency fuel cell project in Danbury, Connecticut (the “Triangle Project”);

WHEREAS, FCE has requested financing support from the Green Bank to develop a 7.4 megawatt fuel cell project in Groton, Connecticut located on the U.S. Navy submarine base and supported by a power purchase agreement (“PPA”) with the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) (the “Project”) and the Green Bank Board of Directors (the “Board”) approved a \$5,000,000 credit facility (the “Term Facility”) at its meeting held October, 26, 2018;

WHEREAS, staff has been requested to consider in addition to the Term Facility a \$3,500,000 bridge facility (the “Bridge Facility”) to be utilized by FCE during the construction of the project, with the Bridge Facility to be repaid from a combination of advances under the Construction Facility from Fifth Third Bank and a full payment corporate-parent guaranty from FCE, and other security as set forth in the memorandum to the Green Bank Board of Directors (“Board”) dated December 14, 2018;

WHEREAS, Green Bank staff recommends that the Green Bank Board of Directors (“Board”) approve of the Bridge Facility, in an amount not to exceed \$3,500,000.

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby approves the Bridge Facility in an amount not to exceed \$3,500,000 for the Project, as a strategic selection and award pursuant to Green Bank Operating Procedures Section XII; and

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to provide the Bridge Facility to FCE (or a special purpose entity wholly-owned by FCE) in an amount not to exceed \$3,500,000 with terms and conditions consistent with the memorandum submitted to the Board dated December 14, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from the date of authorization by the Board of Directors; 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 effect the above-mentioned Bridge Loan.

b. FuelCell Energy – Bridgeport Project – 15 minutes

Resolution #4

WHEREAS, in early 2008, the Connecticut Clean Energy Fund (“CCEF”) released a Request for Proposals in the third round of solicitations for renewable energy projects to participate in statutorily mandated Project 150, an initiative aimed at increasing clean energy supply in Connecticut by at least 150MW of installed capacity and the program is designed to encourage financing of renewable energy projects through the stability of long-term energy purchase agreements for grid-tied projects;

WHEREAS, FuelCell Energy, Inc. (“FCE”) submitted a proposal for the 14.9 MW fuel cell project located in Bridgeport, CT (the “Project”) in response which, after thorough review, was ultimately selected and ranked by CCEF as the number one project out of the nine projects submitted in the third round;

WHEREAS, CCEF, by Board resolution dated October 27, 2008, approved grant funding for the Project in an amount of \$1,550,000 subject to conditions set forth in the Project 150 Program;

WHEREAS, the Connecticut Green Bank (“Green Bank”), by Board resolution dated November 30, 2012, approved loan financing for the Project in an amount not to exceed \$5.8 million for the purposes of funding Project development costs and an operational and performance reserve account;

WHEREAS, the Green Bank has maintained its commitment to the growth, development, and commercialization of renewable energy sources and related enterprises, and to stimulate demand for renewable energy and the deployment of renewable energy sources that serve end use customers in Connecticut, including projects that utilize fuel cell technology;

WHEREAS, the Green Bank intends to refinance the original \$5.8 million loan approved for the Project (the “Original Use Loan”), which has since increased in principal to \$6,026,165 due to capitalized interest, as a subordinate loan secured by all Project assets and cashflows for the purpose of participation in a financing facility that facilitates FCE’s acquisition of the Project from its current owner (the “Refinanced Loan”);

NOW, therefore be it:

RESOLVED, that the Board of Directors hereby approves the conversion of the Original Use Loan to the Refinanced Loan as described in the Project Qualification Memo submitted by the staff to the Board of Directors and dated December 14, 2018 (the “Memorandum”) as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, uniqueness, strategic importance, urgency and timeliness, and multi-phase characteristics of the Bridgeport Fuel Cell Project;

RESOLVED, that the Board of Directors authorizes the Green Bank staff to execute definitive documentation based on the terms and conditions set forth in the Memorandum;

RESOLVED, that the Board of Directors’ approval is conditioned upon the completion of Green Bank staff’s due diligence review, including review and reasonable satisfaction with all relevant project documentation;

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 effect the above-mentioned Refinanced Loan.

c. Small Business Energy Advantage – Purchase Commitment Revision – 10 minutes

Resolution #5

WHEREAS, pursuant to Conn. Gen. Stat. Section 16-24n the Connecticut Green Bank (“Green Bank”) has a mandate to develop programs to finance clean energy investment for small business, industrial, and municipal customers in the State;

WHEREAS, recapitalizing the Small Business Energy Advantage (“SBEA”) program with private sector capital is a recognized priority in the Green Bank’s Comprehensive Plan and is a goal of the CT Energy Efficiency Board and Green Bank Joint Committee;

WHEREAS, The Connecticut Light and Power Company d/b/a Eversource Energy and The United Illuminated Company (together, the “Utilities”) have requested the Green Bank’s assistance sourcing low cost private sector capital;

WHEREAS, the Green Bank released a Request for Proposals for Small Business Energy Advantage Program Alternative Financing Solutions (the “RFP”) on May 2, 2018;

WHEREAS, Amalgamated Bank responded to the RFP with a comprehensive and flexible solution offering the lowest cost capital to recapitalize the SBEA program;

WHEREAS, Green Bank staff, together with Utility staff and the EEB, selected Amalgamated’s proposal to recapitalize the SBEA program and the Green Bank’s Board of Directors (the “Board”) approved at its October 26, 2018 meeting Green Bank’s \$5,000,000 participation as a subordinated lender in a loan purchase facility proposed by Amalgamated;

WHEREAS, Green Bank staff now recommends that the Green Bank support the recapitalized SBEA Loan Purchase Facility by raising its participation in the loan purchase facility with Amalgamated from \$5.0 million previously approved to \$5.6 million as set forth in the memorandum submitted to the Board dated December 6, 2018; and

WHEREAS, all other terms and conditions set forth in the memorandum submitted to the Board dated October 26, 2018 remain substantially the same as presented to the board, including the fact that Eversource will continue to make funding available from the Connecticut Energy Efficiency Fund (“CEEF”) to reimburse loan losses and administrative costs associated with the recapitalized SBEA program.

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 agreements with the relevant parties (including but not limited to Amalgamated, the Utilities, and CEEF) to invest in the SBEA Loan Purchase Facility in an amount not to exceed \$5.6 million with terms and conditions materially consistent within the memorandums submitted to the Board dated October 26, 2018 as modified by the memorandum dated December 14, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 270 days from the date of authorization by the Board; 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 effect the above-mentioned legal instruments.

7. Incentive Business Updates and Recommendations – 20 minutes
 - a. RSIP and SHREC Securitization Update – 10 minutes
 - b. Electric Efficiency Partners (EEP) Program – Battery Storage Proposal – 10 minutes
8. Other Business – 20 minutes
 - a. Line of Credit – Amalgamated Bank – 5 minutes

Resolution #6

WHEREAS, Connecticut Green Bank (“Green Bank”) staff has submitted to the Green Bank Board of Directors (“Board”) a proposal for Green Bank to enter into an agreement with Amalgamated Bank (“Amalgamated”) for a \$5,000,000 secured revolving line of credit (“Revolving Credit Facility”) whereby the Revolving Credit Facility would be used in order to meet the Green Bank’s short-term liquidity and working capital needs; and

WHEREAS, the selection of Amalgamated as the provider of the Revolving Credit Facility follows the completion of a Request for Proposals (“RFP”) process in accordance with Green Bank operating procedures that closed October 19, 2018;

WHEREAS, along with a general repayment obligation by the Green Bank, Amalgamated would be secured by a first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Lease 1 Notes portfolio (the “Collateral”); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed Revolving Credit Facility, generally in accordance with memorandum summarizing the Revolving Credit Facility and the terms of the summary term sheet, both presented to the Board on December 14, 2018.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the Revolving Credit Facility with Amalgamated and approves of Amalgamated as a competitive selection to be the sole source provider of the Revolving Credit Facility; and

RESOLVED, that the President, Chief Investment Officer and General Counsel of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the Revolving Credit Facility and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions.

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

- b. Strategic Planning for FY 2020 and Beyond – 10 minutes
- c. Farewells and New Beginnings – 5 minutes
- d. Other Business

9. Adjourn

Join the meeting online at <https://global.gotomeeting.com/join/748385421>

Or call in using your telephone:
Dial (646) 749-3131
Access Code: 748-385-421

Next Regular Meeting: Friday, February 22, 2019 from 9:00 -11:00 a.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



CONNECTICUT
GREEN BANK SM

Board of Directors Meeting

December 14, 2018

Colonel Albert Pope Board Room

Board of Directors

Agenda Item #1

Call to Order

Board of Directors

Agenda Item #2

Public Comments

Board of Directors
Agenda Item #3
Consent Agenda

Consent Agenda

Resolution 1



1. **Meeting Minutes** – approval of the meeting minutes of October 26, 2018
 - **Fact Sheet** – C-PACE New Construction with the USGBC
 - **Financial Statements** – through October 2018 for FY2019

Board of Directors

Agenda Item #4

Cash Flow Update

Board of Directors

Agenda Item #5a

Committee Recommendations and Updates

Budget & Operations Committee

FY2019 Targets and Budget Updates

FY2019 Targets Revisions



	Closed Total	Closed Target	% to Target	New Closed Target	Capital Deployed Amount	Capital Deployed Target	% to Target	New Capital Target	Capacity installed (MW):	Capacity Installed Target (MW):	% to Target	New Capacity Target
CPACE Total	14	57	25%		\$6,618,818	\$24,082,500	27%		1.7	6.6	26%	
Commercial Lease Total	11	25	44%		\$6,776,135	\$14,062,500	48%		2.5	6.3	40%	
CI&I Total	22	73	30%		\$12,045,130	\$33,082,500	36%		3.8	10.6	36%	
Smart-E Total	324	540	60%		\$3,970,623	\$8,775,000	45%		0.3	1.3	23%	
Low Income Loans/Leases (PosiGen)	287	586	49%		\$7,665,381	\$15,565,855	49%		1.8	3.6	50%	
Multi-Family Term Total	8	15	53%		\$29,002,222	\$2,500,000	1160%		0.1	0.1	114%	
Multi-Family Pre-Dev Total	2	4	50%		\$56,400	\$70,000	81%		0.0			
Residential Total	621	1,145	54%		\$40,694,626	\$26,910,855	151%		2.2	5.0	44%	
Residential Solar	3,742	6,000	62%	7,250	\$107,966,315	\$168,000,000	64%	\$203,000,000	31.5	48.0	66%	58.0
Infrastructure Total	3,742	6,000	62%	7,250	\$70,345,216	\$168,000,000	42%	\$203,000,000	17.7	48.0	37%	58.0
Strategic Investment Total	0	1	0%		\$0	\$15,000,000	0%		0.0	3.7	0%	
Total Green Bank	4,098	6,498	63%	7,748	115,419,591	\$223,917,500	52%	\$258,917,500	22	62.3	35%	72.3

FY2019 Budget

Revenue Revisions



- **RECs** – reduce revenue forecast by \$590,000 (or nearly 70%) due to the market price for non-SHREC RECs (i.e., over-supply in Class I RPS resulting in lower REC prices in CT)
- **RECs** – reduce revenue forecast by \$160,000 (or 3%) due to fewer RECs generated for the year due to weather conditions
- **Interest Income** – Additional \$100,000 in revenue is forecast coming from the Green Bank’s financing takeout for SBEA

FY2019 Budget Expense Revisions



- **RSIP Incentives** – this is to cover the increased incentive for 1,250 projects in line with the new target for the fiscal year.
- **Employee Compensation** – since the launch of IPC was delayed by a month, transitioning staff remained with the Green Bank for that time. This is offset by a reduction in fees from IPC.
- **Employee Benefits** – the overhead rate charged by the state of Connecticut has increased significantly resulting in a \$370,000 variance.
- **Other Expenses** – Included in this are \$150,000 to fix faulty meters for RSIP, \$125,000 to cover new battery storage program, about \$60,000 for the development of our green mini-bonds platform, \$100,000 for technical consultants to assist with the “Lead by Example” solar PV projects we recently won ZREC contracts for, and about \$50,000 for strategic planning and EM&V. This is almost offset by a reduction in marketing expenses of \$426,000.

FY2019 Budget

Investment Revisions



- **Investment Budget** – Increased to cover the approved financing takeout for SBEA to \$5.6 million

Board of Directors
Agenda Item #6a
Investment Business
FuelCell Energy – Groton Subbase Project

FCE Groton Project

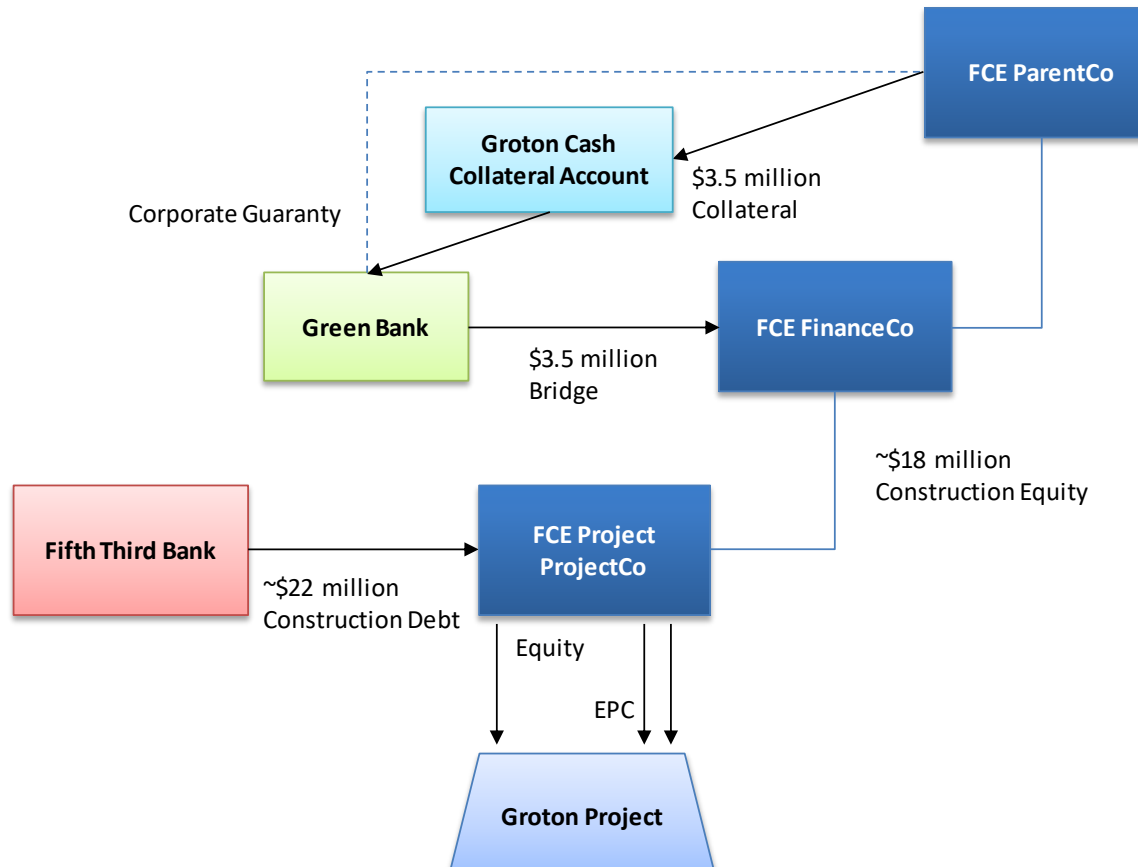


Project Summary – Construction Bridge

- **Project**: 7.4 MW FuelCell Energy (“FCE”) plant located on U.S. Navy Submarine Base in Groton, CT;
- **Project Cashflows**: 20-year PPA with CMEEC and Class I RECs;
- **Green Bank Participation**: (i.) Advisor on raising 3rd party capital, (ii.) Term Lender, and (iii.) construction bridge lender
- **Green Bank [Term] Exposure**: \$5 million secured Term Loan, subordinated to \$18 million of senior debt, fully amortizing across 15-year Term (approved October 2018);
- **Green Bank [Construction] Exposure**: \$3.5 million, fully cash collateralized by a \$3.5 million pledged account + pledged “HoldCo” interests in “ProjectCo”;
- **Private Capital Leverage**: \$22.4 Construction Debt and \$18 million Senior Term Debt relative to \$5 million Green Bank debt (~8x leverage ratio);
- **Green Bank Strategic Selection**: Project meets criteria of all 5 Strategic Selection categories: Special Capabilities, Uniqueness, Strategic Importance, Urgency and Timeliness, and Multiphase Project.

FCE Groton Project

Structure Diagram – Construction Bridge



FCE Groton Project

Risk Mitigation – Construction Bridge



- Fully cash collateralized in a pledged depository account
- Full corporate parent payment guaranty
- Pledged “HoldCo” membership interests in “ProjectCo”
- Short term (~2 month exposure)
- 3rd party I.E. review
- Significant construction progress to date, with CP of satisfactory evidence of good standing prior to advance
- Significant equity cushion

Board of Directors
Agenda Item #6b
Investment Business
FuelCell Energy – Bridgeport Project

FCE Bridgeport Project

Project Summary



- **Project**: 14.9 MW FuelCell Energy (“FCE”) plant located in Bridgeport, CT – operating since December 2013 (5 years operating history)
- **Project Cashflows**: 10-year remaining PPA with Eversource and Class I RECs;
- **Original Use Loan**: ~\$6.0 million outstanding term loan utilized in 2013 for development & construction and funding of an operating reserve and performance escrow account;
- **Refinancing Loan**: Repurposing the ~\$6.0 million Original Use Loan into a subordinated loan, secured by a lien on all Project assets and assignment of Project contracts and cashflows, second in priority to up to approximately \$25 - \$28 million in senior loans;
- **Green Bank Exposure**: ~\$6.0 million secured Term Loan, subordinated to approximately \$25 - \$28 million of senior debt, fully amortizing across 7-year Term;
- **Green Bank Strategic Selection**: Project meets criteria of all 5 Strategic Selection categories: Special Capabilities, Uniqueness, Strategic Importance, Urgency and Timeliness, and Multiphase Project.

FCE Bridgeport Project

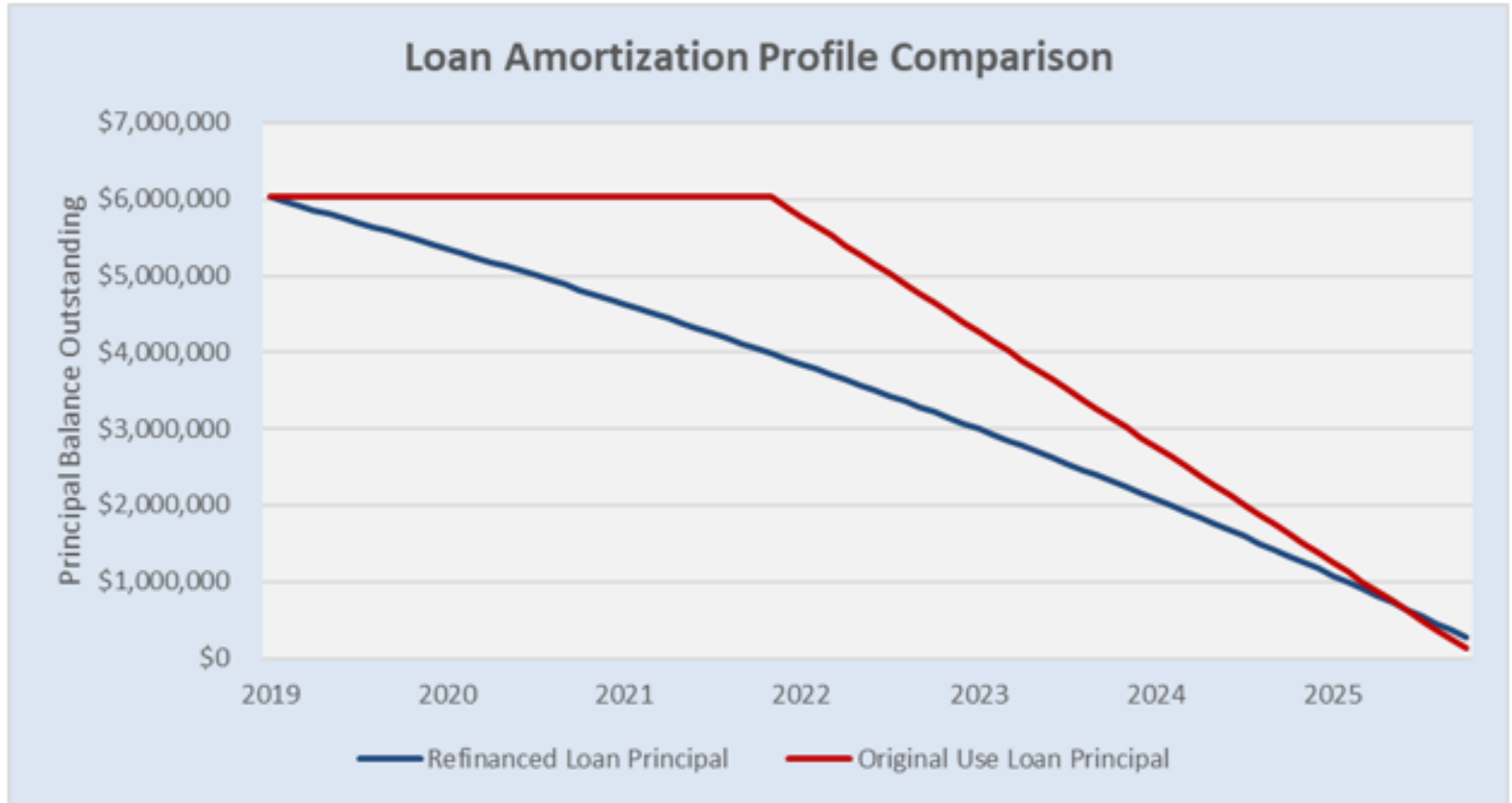
Comparison Table



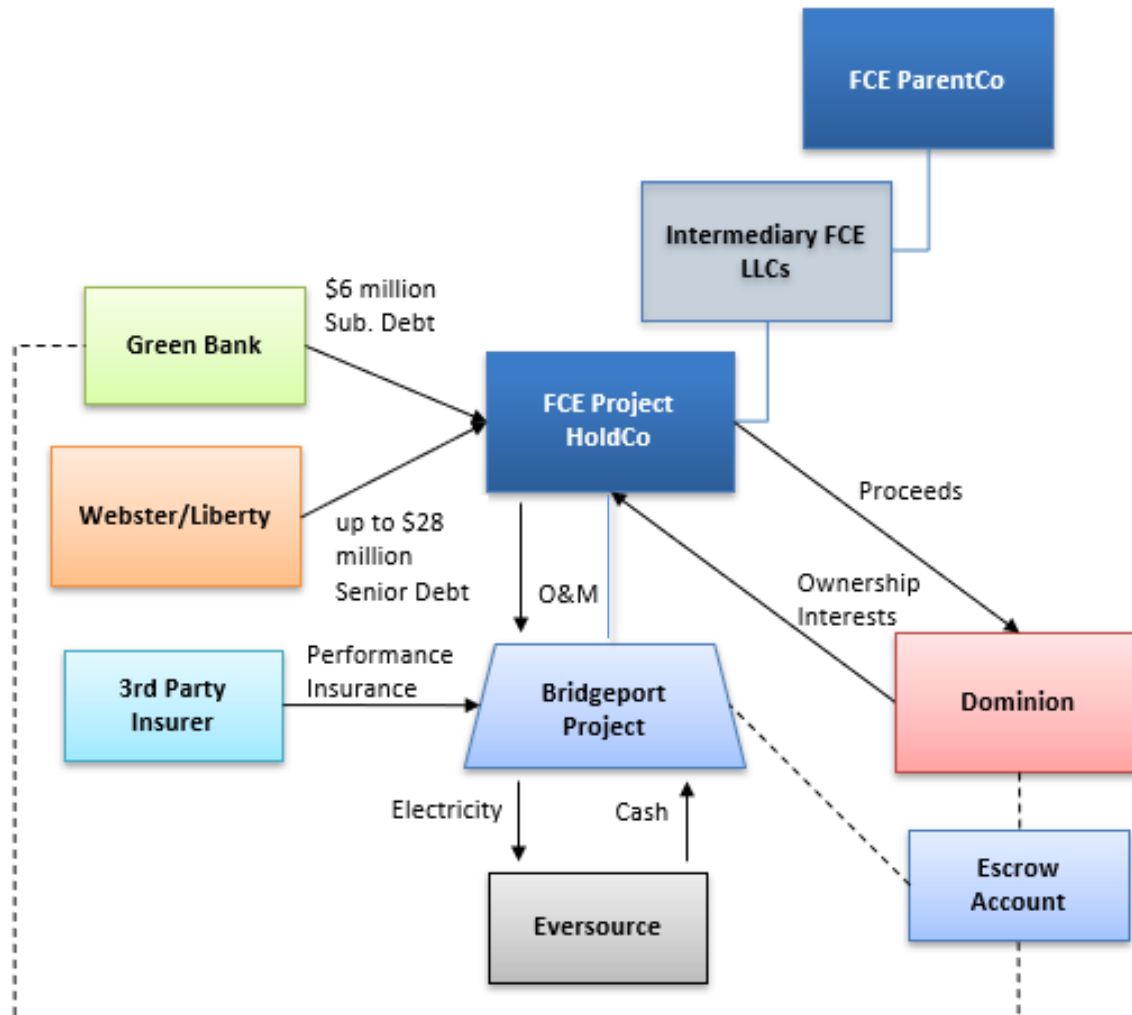
CATEGORY	Original Use Loan	Refinanced Loan
Collateral	<ul style="list-style-type: none"> • Subordinated (2nd priority) interest in \$15 million Escrow Account • First priority interest in FCE's right to receive interest on Escrow Account Balance 	<ul style="list-style-type: none"> • Subordinated (2nd priority) lien in (a.) all Project assets and (b.) assignment of Project cashflows
Debt Service Coverage Ratio ("DSCR")	<ul style="list-style-type: none"> • N/A 	Contracted cashflow DSCR: <ul style="list-style-type: none"> • 1.40x min. senior debt coverage • 1.16x min. Green Bank coverage (i.e., DSCR for CGB is inclusive of the debt service burden of the senior debt.
Interest Rate (P.A.)	<ul style="list-style-type: none"> • 5.00% 	<ul style="list-style-type: none"> • 8.00%
Total Interest from January 2019 to Maturity	\$1,468,878	\$1,863,543
Amortization; Term (Yrs)	<ul style="list-style-type: none"> • Interest only until December 2021 • 4-year level principal payments • Final payment November 2025 	<ul style="list-style-type: none"> • Fully amortizing 7-year term (expected start January 2019) • Mortgage-style P&I Payments • Final payment December 2025
Weighted Average Life ("WAL") from January 2019	<ul style="list-style-type: none"> • 4.88 Years 	<ul style="list-style-type: none"> • 3.87 Years

FCE Bridgeport Project

Amortization Profiles



FCE Bridgeport Project Structure Diagram



FCE Bridgeport Project

Risk Mitigation



- 5 year operating history + 3rd Party I.E. report
- High DSCR against contracted cashflow + REC value upside
- 3rd party production insurance
- Cash sweeps and reserves (O&M + DSRA)
- Short term (7 years) with 3-year PPA “tail”
- Immediate amortization of principle (vs extended “I-O” period)
- No natural gas/fuel exposure

Board of Directors
Agenda Item #6c
Investment Business
Small Business Energy Advantage

Small Business Energy Advantage

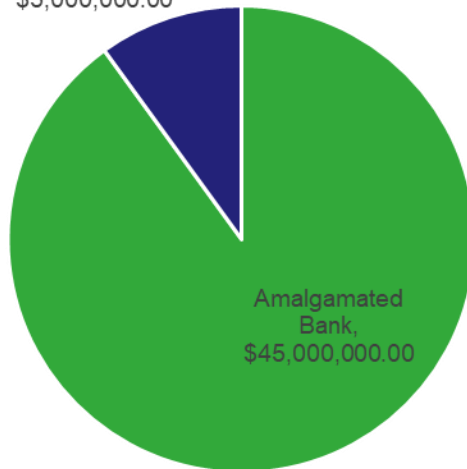
Expansion Request



Current

\$50m Purchase

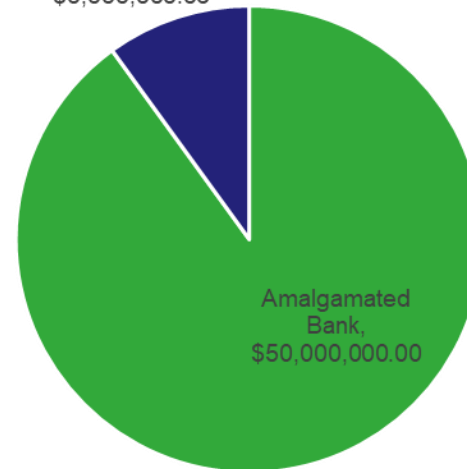
CT Green Bank,
\$5,000,000.00



Request

\$55.56m Purchase

CT Green Bank,
\$5,555,555.56



Board of Directors
Agenda Item #7a
Incentive Business
RSIP and SHREC Securitization Updates

SHREC Securitization Update



Securitization milestones

- Independent Engineer's reports: close to completion
 - 3rd party verification of production estimates

- Rating Agency (Kroll) review underway
 - Kroll furnished with information on the Green Bank, RSIP, data on the 14,000+ systems in Tranches 1 and 2
 - Closing out diligence requests, focused on credit quality of portfolio
 - Timing delay as we collect credit scores
 - Feedback pending on structure to achieve investment grade rating

- Agreed Upon Procedures provider (KPMG) appointed
 - Sample selection: 125 systems across two Tranches; review of third party supporting documentation

SHREC Securitization



Securitization milestones (continued)

- Positive discussions held with investors
- Social Impact – Green Bond Verification review underway
 - CAR-Kestrel joint team
 - Social impact statement drafted and nearly finalized
 - Preparatory Green Bond verification work underway
 - Impact and Climate Bonds Certification to be complete for marketing
- March execution and placement
 - FICO received by Dec 21
 - Rating Agency report received by Jan 11
 - Marketing period Jan 14 – Feb 8
 - Negotiation with selected bidder Feb 11-22
 - Documentation Feb 25-Mar 15
 - Closing Mar 18-Mar 31

Board of Directors

Agenda Item #7b

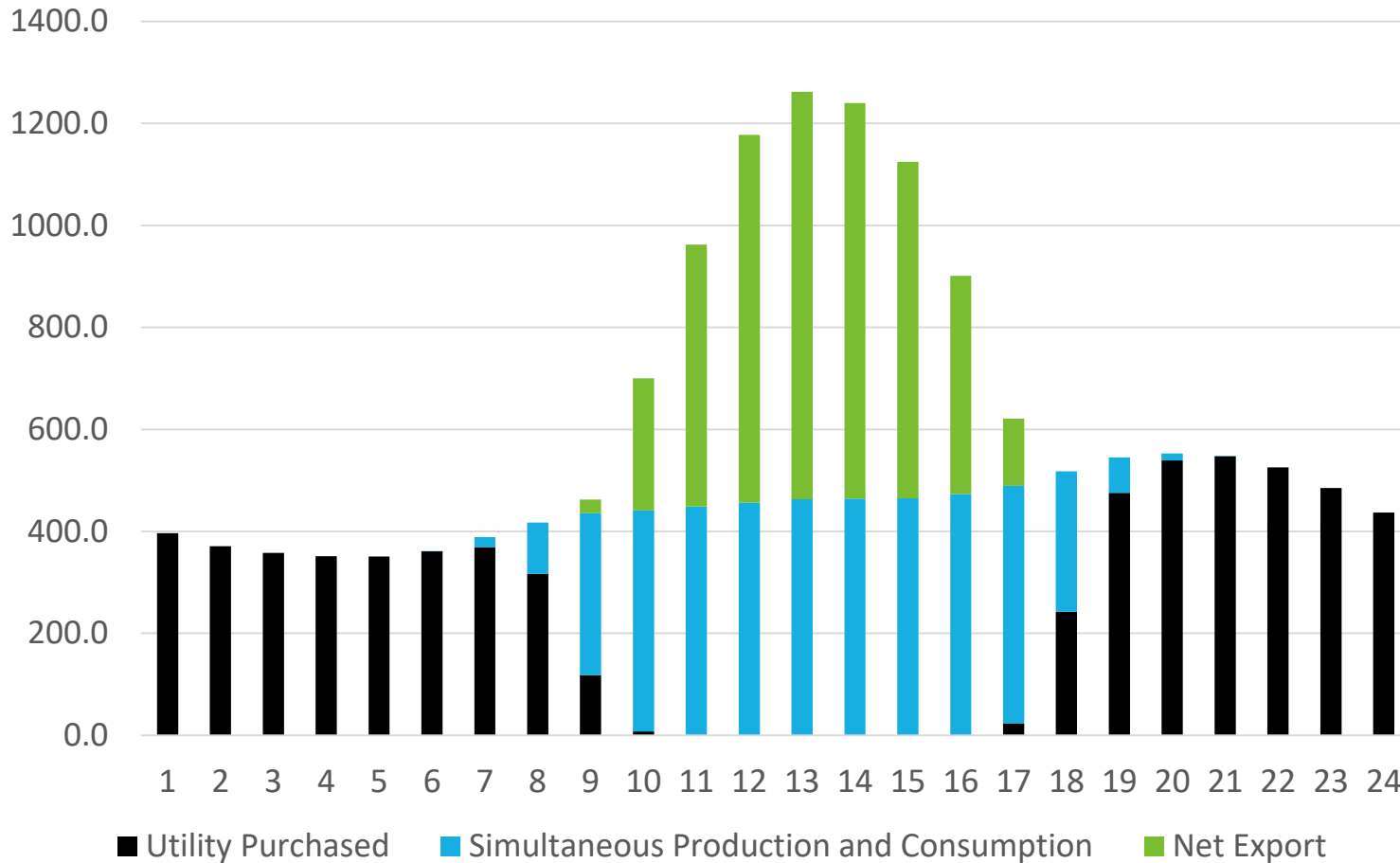
Incentive Business

Introduction to the Electric Efficiency Partner
Program – Battery Storage Proposal

Residential Solar PV (8 kW)



Production, Consumption, and Net Export (Annual)



51% simultaneous production and consumption vs. 49% net export ...turn net export into battery storage to reduce peak demand and for back-up

Electric Efficiency Partners

Program Overview



- **Purpose** – persons and **entities** providing **enhanced demand-side management technologies** to assist electric consumers to **conserve electricity** and **reduce demand** in Connecticut
- **Technologies** – means demand-side management solutions, **customer-side emergency dispatchable generation resources, customer-side renewable energy generation, load shifting technologies**, conservation and load management technologies, and high efficiency natural gas and oil boilers and furnaces
- **Payback** – portion of the **total cost of each project** that shall be **paid by the customer** and the total cost **paid by ratepayers** through the EEP program ensuring ratepayer investment **achieves 2 to 1 payback ratio** (i.e., UCT) whereby technology shall be maintained for a **period sufficient to achieve payback ratio**. PURA requires that **incentives pay no more than 50% of the cost** of the approved technology.

Electric Efficiency Partners

Program Overview (cont'd)



- **Funding** – annual ratepayer contribution shall be **no more than \$60 million** and **not less than 75%** of such annual ratepayer investment shall be **used for the technologies themselves**. No person receiving funding from the **C&LM Fund** can receive funding from the EEP Program
- **Certificate of Public Convenience** – must demonstrate to PURA that applicant possesses and demonstrates **adequate financial resources, managerial ability, and technical competency**
- **Financing** – PURA shall develop a **long-term low-interest loan program** to assist with the implementation of the EEP program through (1) section 16-243j, (2) **CDA**, or (3) competitive bid

Battery Storage Proposal

Partners



EM&V Partner



Technology Partners



Goals

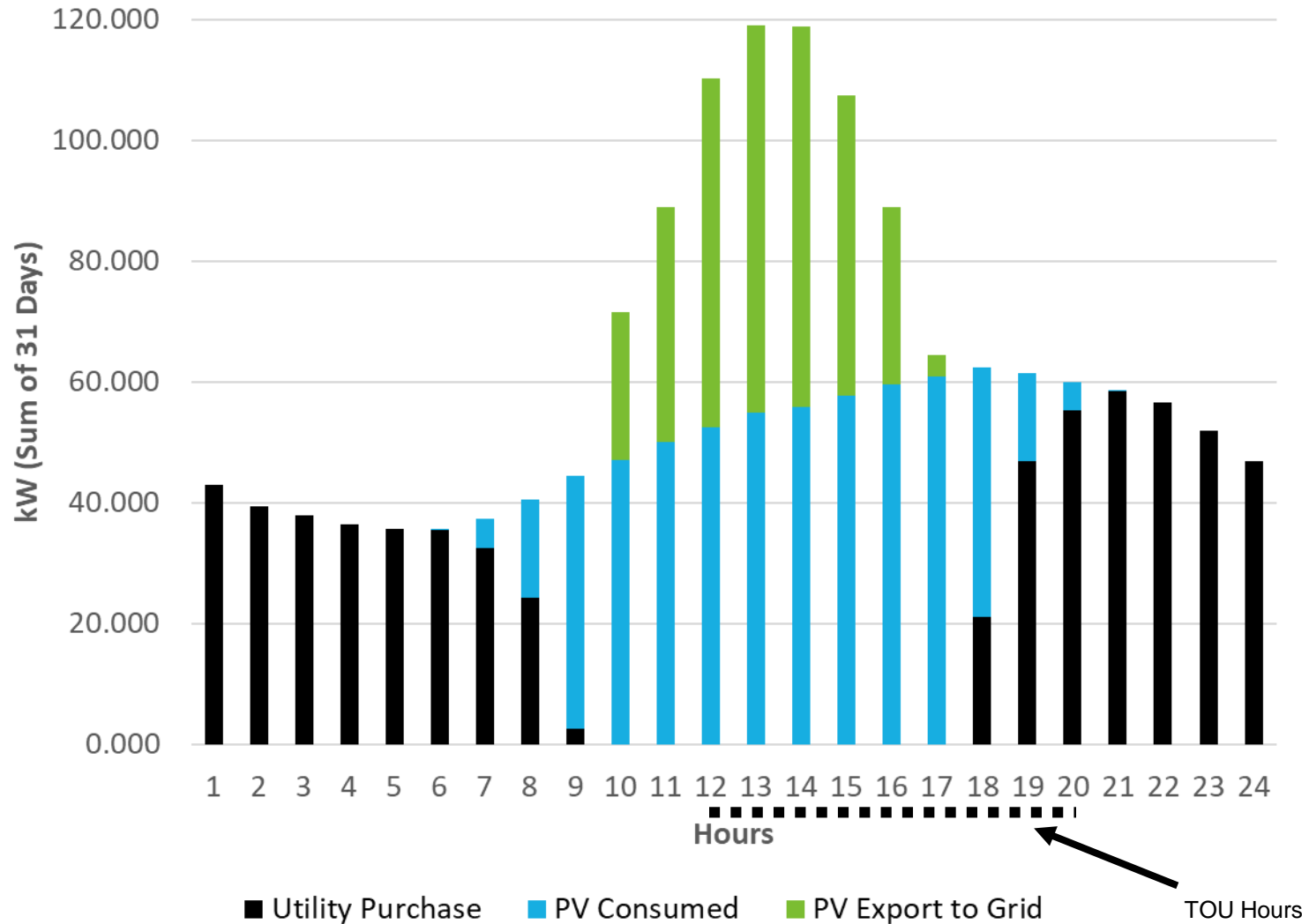
Partners



- **Program** – to reduce no less than **30 MW** of summer and winter peak demand through “cost-effective” residential solar PV and battery storage deployment by the **end of 2022** through the RSIP and EEP Program
- **Industry** – ...to provide incentives that decline over time that foster the sustained, orderly development of a state-based solar **and battery storage** industry...

Reducing Peak Demand

Residential Solar PV – Summer Peak (July)



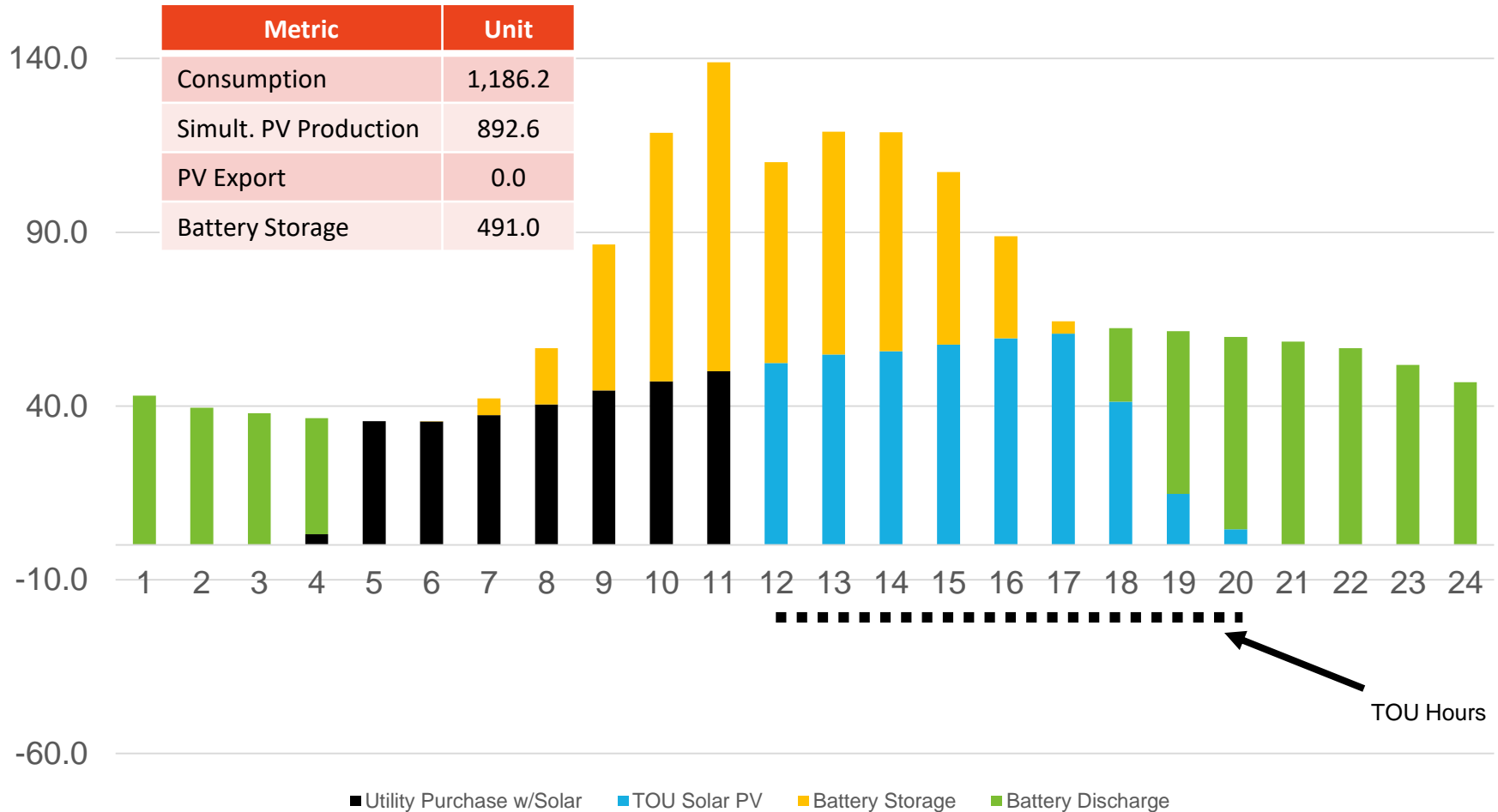
REFERENCES

Interval data for a typical residential customer in Connecticut came from Eversource Energy

Solar data is derived from PV Watts for a typical residential solar PV system in Connecticut that is 8 kW with a capacity factor of 0.1253

Reduce Peak Demand

Summer Peak (July) – TOU Use Case



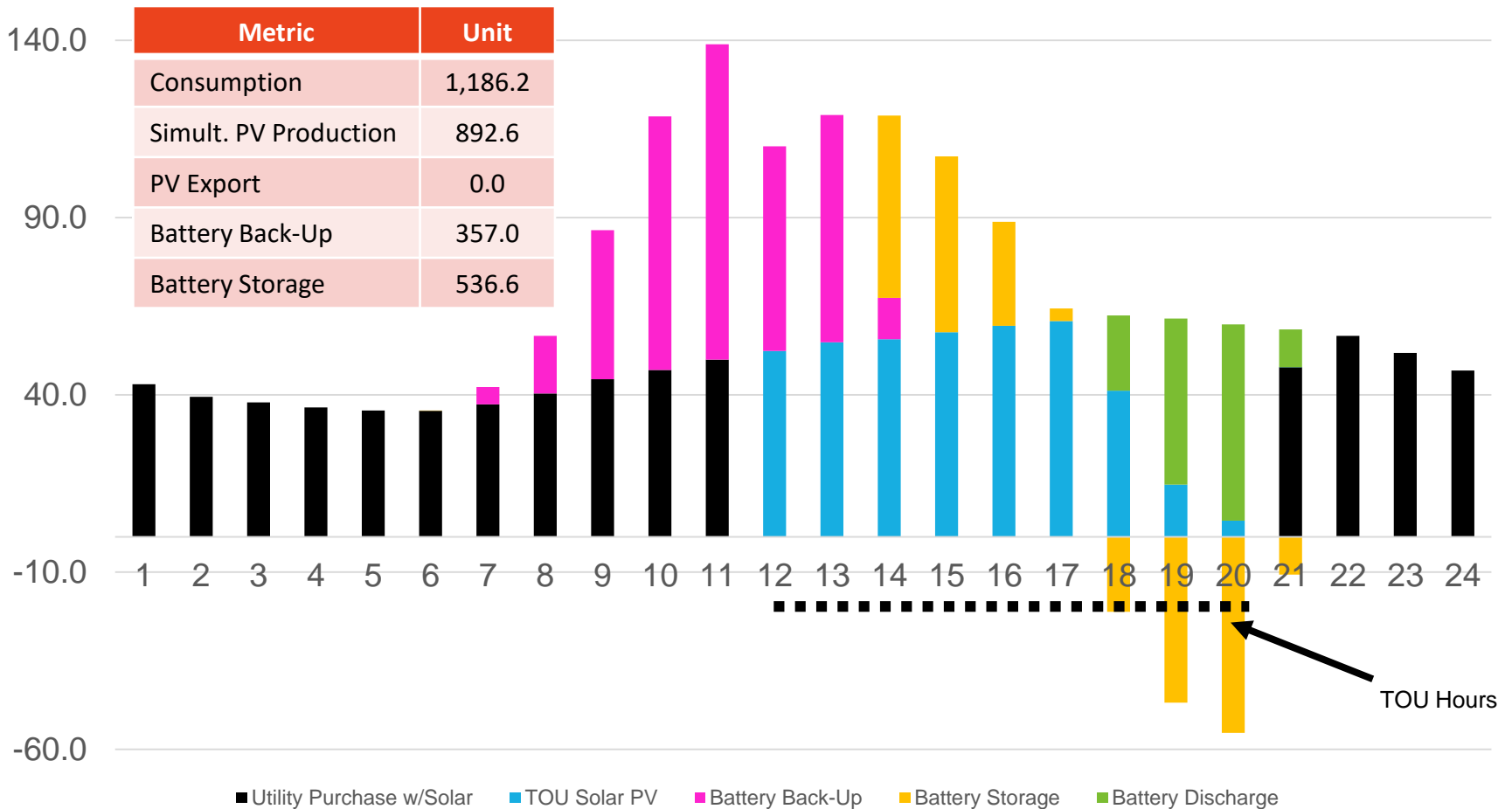
REFERENCES

Interval data for a typical residential customer in Connecticut came from Eversource Energy

Solar data is derived from PV Watts for a typical residential solar PV system in Connecticut that is 8 kW with a capacity factor of 0.1253

Reduce Peak Demand

Summer Peak (July) – TOU and Back-Up Use Case



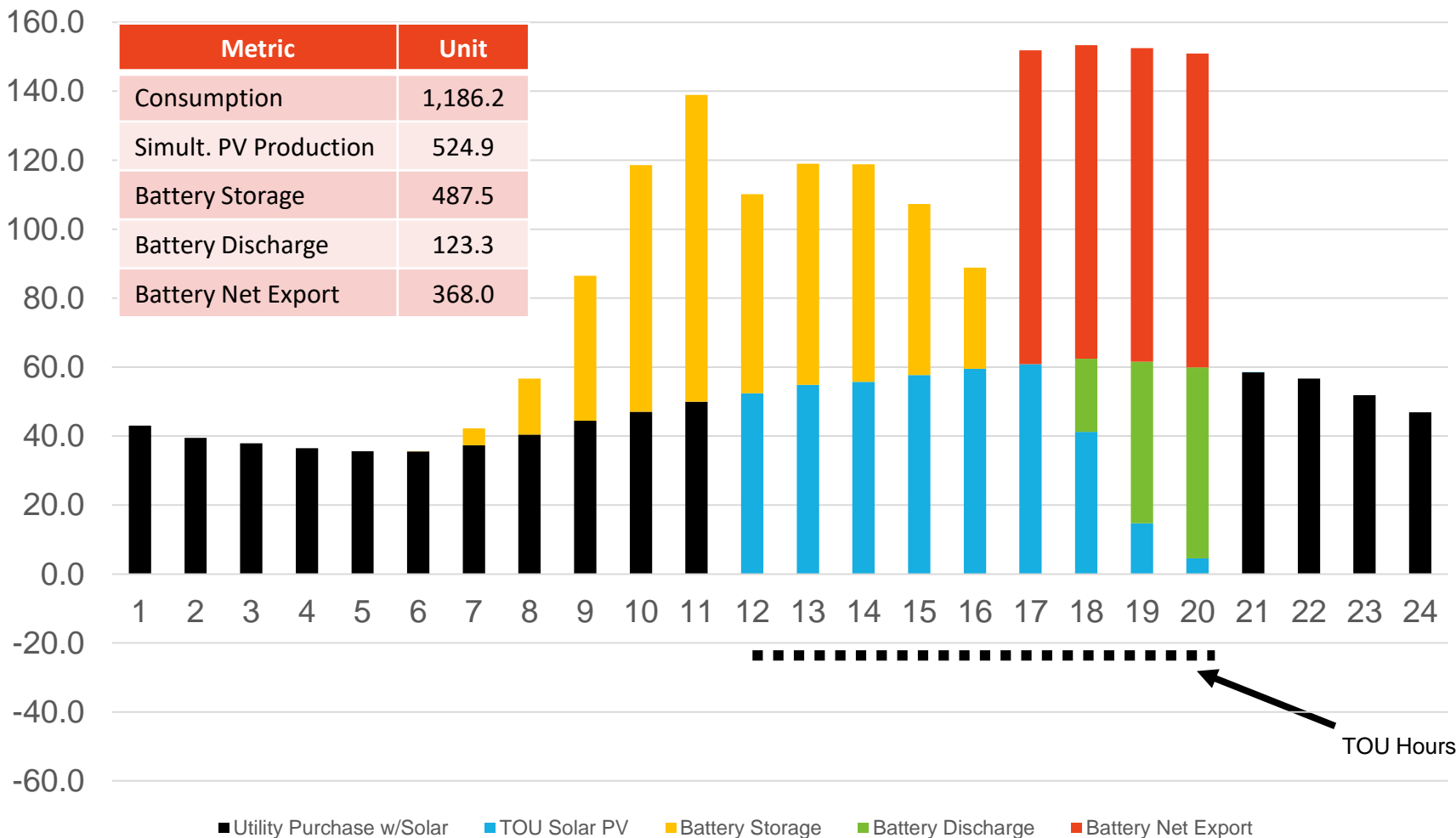
REFERENCES

Interval data for a typical residential customer in Connecticut came from Eversource Energy

Solar data is derived from PV Watts for a typical residential solar PV system in Connecticut that is 8 kW with a capacity factor of 0.1253

Reduce Peak Demand

Summer Peak (July) – TOU and Peak Net Export Use Case



REFERENCES

Interval data for a typical residential customer in Connecticut came from Eversource Energy

Solar data is derived from PV Watts for a typical residential solar PV system in Connecticut that is 8 kW with a capacity factor of 0.1253

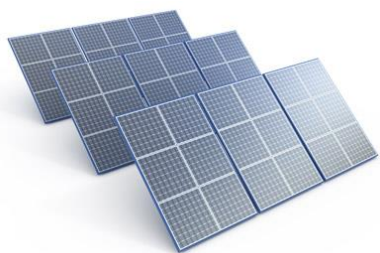
Vision through EEP

Grid Modernization and Decarbonization

Identify Improvement Location



DER System Planning



Solar PV



Battery Storage

“Cost-Effective” Solar PV and Battery Storage to then include additional loads (RH&C, EV)

GATEWAY



Renewable Heating & Cooling



Electric Vehicles

Next Steps

Timeline



- **PURA Follow-Up** – submit questions for PURA (Complete)
- **Partner Application** – Connecticut Green Bank to file an application to become a partner under the EEP program before September 30, 2018 (Submitted)
- **Technology Application** – Connecticut Green Bank to file a technology application on behalf of partners in the project through the EEP program in December of 2018
- **Program Launch** – assuming the partner and technology applications are approved, launch the program on July 1, 2019 for battery storage

Board of Directors
Agenda Item #8a
Other Business
Line of Credit

Revolving Credit Facility

Background



- Budget sweep led to an assessment of future liquidity needs:
 - Green Bank must maintain minimum cash balance of \$4 million under Solar Lease 2 and 3 facilities
 - Cash advances for C-PACE and CT Solar PPA transactions are difficult to predict from month to month
- Decision made to pursue revolving credit facility:
 - Address liquidity concerns
 - Flexible way to manage transaction timelines
 - Effective cash flow management will increase market confidence in Green Bank's ability to close transactions
- Selection of Amalgamated Bank:
 - Unable to close with Union Savings Bank in May 2018; staff ran RFP process that closed October 19, 2018
 - Two bidders; Amalgamated Bank offered most attractive terms

Revolving Credit Facility

Amalgamated Bank Proposal



- Maximum borrowing limit: \$5,000,000
- Interest rate: [To Be Discussed]
- Front End Fee: [To Be Discussed]
- Unused Fee: [To Be Discussed]
- Collateral:
 - Absolute assignment of revenues associated with Solar Lease 1 (“SL1”) Notes
 - General repayment obligation of CGB
- Minimum 2.0x Debt Service Coverage Ratio, tested quarterly

Board of Directors
Agenda Item #8b
Other Business
Strategic Planning for FY2020 and Beyond

Strategic Planning

From Concept to Execution

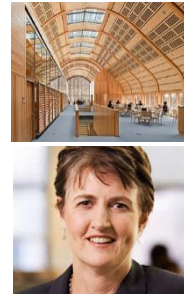
10% Strategy
90% Opportunity

90% Strategy
10% Opportunity

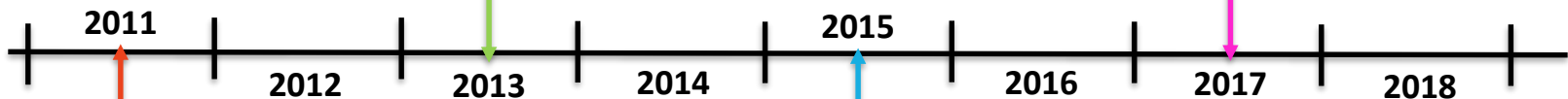
Strategic Staff Retreat
Middlefield, CT
09/10/13



Strategic BOD-Staff Retreat
New Haven, CT
01/05/17



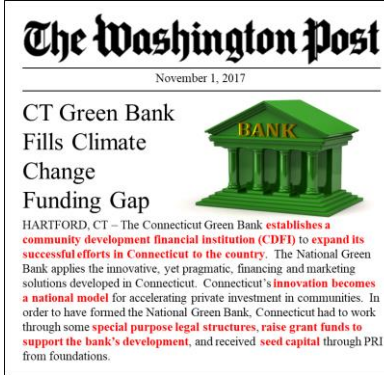
25% CCEF staff at CGB today!



Strategic Stakeholder Retreat
Pocantico, NY
11/07-08/11



Strategic Staff Retreat
New Haven, CT
11/16/15



FY 2020 and Beyond?

Connecticut Green Bank

Realizing a Vision




★ **\$1 BILLION** ★
CLEAN ENERGY
INVESTMENT ACROSS THE
STATE

THE CONNECTICUT
INNOVATIONS IN AMERICAN GOVERNMENT AWARD WINNER

HARVARD Kennedy School
ASH CENTER
for Democratic Governance
and Innovation



★ **13,000** ★
NEW JOBS CREATED



★ **2.6 MILLION** ★
TONS OF CO2 EMISSIONS
REDUCED IN THE STATE

THE 2017 INNOVATIONS
AWARD WINNER

ASH.HARVARD.EDU
@HARVARDASH



"As cities and states across this country confront climate change, green banks can help mobilize more private investment and accelerate the growth of their local green energy economies"

★ **CONNECTICUT GOVERNOR DANIEL P. MALLOY** ★

THE CONNECTICUT GREEN BANK, THE 2017 INNOVATIONS IN AMERICAN GOVERNMENT AWARD WINNER

HARVARD Kennedy School
ASH CENTER
for Democratic Governance
and Innovation

ASH.HARVARD.EDU
@HARVARDASH

 **HARVARD Kennedy School**
ASH CENTER
for Democratic Governance
and Innovation

Connecticut Green Bank

Strategic Retreat



- **Title** – Connecticut Green Bank 2.0 – From 1 to 2 Orders of Magnitude
- **Location** – Pocantico Conference Center of the Rockefeller Brothers Fund
- **Time** – February 6-7, 2019
- **Facilitator(s)** – Jonathan Raab...and a visual artist from DPict
- **Participants** – “green storm” potential list of no more than thirty (30) participants



Board of Directors
Agenda Item #8c
Other Business
Farewells and New Beginnings

Farewells and New Beginnings

Staff and Board Members



**Gina
McCarthy**



**Dale
Hedman**



**George
Bellas**

Board of Directors

Agenda Item #9

Adjourn



Board of Directors of the
Connecticut Green Bank
Meeting Minutes

Friday, October 26, 2018
9:00 - 11:00 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on October 26, 2018 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

Board members participating: Bettina Bronisz, Eric Brown (by phone), Betsy Crum (by phone), John Harranty, Rob Klee and Gina McCarthy (by phone).

Board Members Absent: Thomas Flynn, Kevin Walsh, Matt Ranelli and Catherine Smith

Staff Attending: Bryan Garcia, Cheryl Samuels, Mackey Dykes (by phone), Brian Farnen, Dale Hedman, George Bellas, Kim Stevenson, John D’Agostino, Fiona Stewart, Anthony Clark, Alex Kovtunencko, Alysse Buzzelli, Craig Connolly, Eric Shrago, Nick Zuba, Barbara Waters, Mike Yu (by phone), Mackey Dykes (by phone) and Bert Hunter.

Others (from IPC): Ben Healey (by phone) and Chris Magalhaes

1. Call to order

Rob Klee call the meeting to order at 9:07 am

2. Public Comments

None

3. Consent Agenda

Commissioner Klee called for any public comments. No public comments.
Klee discusses the Consent Agenda and that Bryan Garcia walks through details.

Mr. Garcia mentioned the Tax Revenue Generation Methodology- approval of the methodology to estimate sales, individual and corporate income tax generation from clean energy investment. Eric Shrago worked with the department of revenues team and Navigant to develop the estimated sales for personal incorporate tax revenue generation for clean energy production.

Mr. Garcia refreshed the board's memory on the Loan Loss Reserve decision framework – Q1 Report Back in June it was approved, we didn't have any losses this quarter.

Mr. Garcia highlighted the FY 2019 Progress to targets memos on the consent agenda and mentioned that for the first quarter, the organization is ahead of its targets.

Mr. Hunter gave a quick update on the Bridgeport Thermal Loop Project.

Bryan Garcia pointed out that the Green Bank Impact report FY 2012 through FY 2018 was included in the consent agenda.

Finally, he reminded the Board about the Nissan Leaf Special offer, telling them, "If you are in the market for a new car, we are continuing our partnership with Nissan offering a \$5,000 rebate off vehicles."

With a motion by Commissioner Klee and a second by John Harrity, the Board approved the following resolutions to approve the consent agenda:

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for August 21, 2018 and September 18, 2018.

Resolution #2

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), "AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE," which created the Connecticut Green Bank (the "Green Bank") to develop programs to finance and otherwise support clean energy investment per the definition of clean energy in Connecticut General Statutes Section 16-245n(a);

WHEREAS, the Act directs the Green Bank to develop a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand clean energy and deployment of clean energy sources that serve end use customers in this state;

WHEREAS, on July 22, 2016, the Board of Directors of the Connecticut Green Bank approved a Comprehensive Plan for FY 2017 and FY 2018, including an annual budget and targets for FY 2018, which were revised on December 15, 2017 per a Sustainability Plan as a result of the legislative sweeps; and

WHEREAS, on July 27, 2018, the Board of Directors of the Connecticut Green Bank approved of the draft Program Performance towards Targets for FY 2018 memos for the Infrastructure, Residential, Commercial, Industrial, and Institutional sectors.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the restated red-line Program Performance towards Targets for FY 2018 memos dated October 26, 2018, which provide an overview of the performance of the Infrastructure, Residential, Commercial, Industrial, and Institutional sectors with respect to their FY 2018 targets.

RESOLVED, that Board has also reviewed and approved the Investment and Public Benefit Performance memo dated October 26, 2018.

Resolution #3

Motion to approve the Regular Meeting Schedules for 2019 for the Board of Directors, ACG Committee, B&O Committee, and Deployment Committee.

This resolution was unanimously approved.

Resolution #4

WHEREAS, the Connecticut Green Bank and the Connecticut Department of Revenues Services working with Navigant Consulting to assess tax revenue generation from investments in clean energy deployment;

WHEREAS, DRS has demonstrated support for the tax revenue generation methodology as a reasonable estimation; and

WHEREAS, the Audit, Compliance, and Governance Committee at a meeting on October 10, 2018, reviewed and now recommends that the Board of Directors (the "Board") approve the proposed Connecticut Green Bank and DRS Evaluation Framework – Societal Perspective – Tax Revenue Generation Methodology documentation;

NOW, therefore be it:

RESOLVED, that the Board approves the proposed Connecticut Green Bank and DRS Evaluation Framework – Societal Perspective – Tax Revenue Generation Methodology documentation to be used for reporting, communication, and other purposes as deemed necessary.

Klee: moves to consent agenda, John Harrity seconded – none opposed, none abstained, approved.

Klee turns over to Brian Farnen to explain "late breaking news". Mr. Farnen explained that there was a determination in the lawsuit filed against the state from various clean energy advocates and contractors as it relates to the energy sweeps that occurred last legislative session—

The plaintiffs motion for summary judgement to recoup the energy funds lost under the sweeps from last year was denied. Mr. Farnen was impressed with the plaintiffs and their legal counsel on their novel legal approach in the arguments that they set forth. The judge bought into much of the analysis of the plaintiffs but did not buy into the ultimate outcome. This outcome is in "the eye of the beholder" – it could potentially embolden those who approved sweeps and on the other hand, for those who did not approve act now have a path to potentially revise the applicable statutes to protect the funds from future sweeps. Plaintiffs have not yet decided whether or not to appeal. Klee requests to have an easily digestible overview of the outcome which Mr. Farnen offered to provide by close of business.

4. Cash Flow Update of the Connecticut Green Bank

George Bellas gave the Board an update on cash projections. He highlighted:

- Cash flow model presented to Board in May has been updated with actual data through September.
- Total unrestricted cash balance as of September 30th was \$15.4 million. Current cash balance is \$15.0 million.
- \$6 million of the available \$16 million short term LOC secured by SHREC revenues has been drawn down as of September 30th. Included in cash flow.
- Cash flow projections reflect the planned securitization of SHREC revenues in November. Portion of proceeds will be used to repay the short term LOC and purchase the Hannon CPACE portfolio.
- The Board requested that an actual to variance be included in future reports

Bert Hunter mentioned that the Green Bank has issued an RFP for a new line of credit and expect to close on it after the SHREC securitization. Bettina Bronisz agreed this was a good idea.

5. Committee Recommendations and Updates

A. Audit, Compliance, and Governance Committee

i. Comprehensive Annual Financial Report

George Bellas, on behalf of the Audit Compliance and Governance Committee presented their recommendation of the FY2018CAFR and the audited financials by Blum Shapiro. He first thanked his team and Eric's team for their hard work. George then highlighted:

- Unmodified "clean" audit opinion will be issued.
- Report on internal control and compliance at the Financial Statement level will be issued to the Board.
- No material weaknesses or significant deficiencies in internal controls were identified.
- No instances of noncompliance with internal controls over financial reporting were identified.
- A report will be issued to the Board with required Auditor Communications
- No transactions were entered into during the year for which there is a lack of authoritative guidance or consensus.
- All significant transactions have been recognized in the financial statements in the proper period.
-
- Blum Shapiro informed the ACG Committee that they did not encounter significant difficulties in dealing with management in performing and completing the audit.
- Blum Shapiro did not inform the ACG of any other audit findings or issues that required their attention. As they do every year, they offered their contact information directly to the board in the case that any member of the board have questions. Audit team contact information:
 - Ronald W. Nossek, CPA Engagement Partner 401-330-2743
rnossek@blumshapiro.com
 - Jessica Aniskoff, CPA Engagement Manager 860-570-6451
janisoff@blumshapiro.com

George also discussed the new liability on the financials of \$25 in retirement healthcare (OPEB) expenses allocated to the Green Bank. He said that he and Bert had been working with lenders so that they could better explain it. In response to John Harrity, George said that this CAFR does not include Inclusive Prosperity Capital (IPC) and the spin out as that occurred this fiscal year. He also responded to a question from Bettina with regard to IPC needing to do a CAFR stating that they do not as they are not a governmental entity. Bettina mentioned that this is the best CAFR she has ever seen.

With a motion by Klee, seconded by Bettina, the Board unanimously approved the following resolution:

Resolution #5

WHEREAS, Article V, Section 5.3.1(ii) of the Connecticut Green Bank (“Green Bank”) Operating Procedures requires the Audit, Compliance, and the Governance Committee (the “Committee”) to meet with the auditors to review the annual audit and formulation of an appropriate report and recommendations to the Board of Directors of the Green Bank (the “Board”) with respect to the approval of the audit report;

WHEREAS, the Committee met on October 10, 2018 and recommends to the Board the approval of the proposed draft Comprehensive Annual Financial Report (CAFR) and draft Federal Single Audit Report contingent upon no further adjustments to the financial statements or additional required disclosures which would materially change the financial position of the Green Bank as presented.

NOW, therefore be it:

RESOLVED, that the Board approves of the proposed draft Comprehensive Annual Financial Report (CAFR) and draft Federal Single Audit Report contingent upon no further adjustments to the financial statements or additional required disclosures which would materially change the financial position of the Green Bank as presented.

II. Auditors of Public Account (APA) – Severance Issues

Bryan Garcia discussed the findings of the APA in their latest audit. The Auditors of Public Account (“APA”) suggest that the Green Bank have all Severance Agreements reviewed and approved by the full Board of Directors. Bryan explained that central to the issue is that the Green Bank eliminated three positions in the audit period while providing maximum severance equal to 26 weeks totaling about \$150,000. He noted that these employees served the State of Connecticut for more than 35 years. Their separation was part of an effort to restructure an entire department to focus it on the new direction of the organization. He noted that the Bylaws allow the Budget & Operations Committee to manage and oversee the policies related to the separation and severance of employees, including the “just and fair treatment of all employees”. The APA expressed an opinion that the severance payments may not have been a prudent use of resources. Mr. Garcia noted that as a result of the severance and the restructuring of the Green Bank, that the organization was actually reducing costs. APA’s Recommendation was to revise the Bylaws to require separation agreements to be approved by the Board of Directors based on the recommendation of the B&O Committee.

Upon consultation with Mr. Farnen, and after hearing opinions from Bettina, Gina, and Betsy, Mr. Klee expressed the sentiment of the Board that going forward if there are severances involving more than one person or one package with more than \$125K, then they should be

brought through the Budget and Operations committee for a review and recommendation with final approval and authorization by the Board of Directors.

III. Governance Transitions

Bryan Garcia reminded the Board that there are potential transitions due to gubernatorial changes. The Board meeting for January is being moved to February for next year to give time to set up new positions.

Brian Farnen stated that the staff might reach out to Commissioner Klee to discuss Designees that are currently on staff so there is coverage during this transition period. Garcia also mentioned that Reed Hundt's vacancy still needs to be filled.

6. Investment Business Recommendations

a. Cargill Falls Hydro Project – From MacArthur Foundation to C-PACE

Kim Stevenson reminded the Board of the details of Cargill Falls Hydro Project. Ben Healey explained the opportunity to utilize C-PACE financing for the project while preserving limited MacArthur Foundation multifamily energy efficiency PRI funds for other uses.

Upon a motion from Klee and a second from Bettina, the Board unanimously approved the following resolution:

Resolution #6

WHEREAS, the Board of Directors ("Board") of the Connecticut Green Bank ("Green Bank") previously approved a C-PACE benefit assessment with a not-to-exceed amount of \$4,700,000 to Historic Cargill Falls Mill, LLC ("HCFM"), the property owner of 58 Pomfret Street, Putnam, CT to finance the construction of specified clean energy measures (the "Project") in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan;

WHEREAS, the Project is part of a larger property redevelopment effort (the "Mill Redevelopment") that requires gap financing in the amount of \$1,500,000 to achieve closing on approximately \$30,000,000 in total funds;

WHEREAS, the Mill Redevelopment includes numerous energy conservation measures that align with the goals and priorities of the Green Bank's multifamily housing program;

WHEREAS, the Green Bank continues to find that the Project will enjoy a savings-to-investment ratio greater than 1.0x, as required by statute; and

WHEREAS, the Green Bank now seeks to amend its outstanding C-PACE financing agreement ("Financing Agreement") with HCFM to provide up to \$1,500,000 in new money for the Mill Redevelopment effort, inclusive of finalizing the existing Project work.

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 an amended Financing Agreement in a total amount not to exceed the sum of (i) the existing C-PACE benefit assessment, plus any and all interest accrued, plus (ii) \$1,500,000, with terms and conditions consistent with the memorandum submitted to the Board dated October 19, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from October 26, 2018; 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 effect the above-mentioned legal instrument.

b. Canton Hydro Project

Bert Hunter asked Ben Healey to present. Ben gave the overview of the proposed Canton Hydro Project where the Green Bank is being asked to support a 1 MW Run of river hydro, employing Kaplan turbine with an expected average annual production of 4.3 GWh, with the developer sourced by the Town of Canton through a competitive bid process. This includes the construction of a fishway passage and low level fish guidance barrier. The project is expected to cost \$6.5 million.

After a motion by John Harrity and a second from Bettina Bronisz, the Green Bank Board of Directors approved the following resolution, with Commissioner Klee abstaining due to DEEP's involvement in the project as both regulator and customer:

Resolution #7

WHEREAS, in accordance with (1) the statutory mandate of the Connecticut Green Bank ("Green Bank") to foster the growth, development, and deployment of clean energy sources that serve end-use customers in the State of Connecticut, (2) the State's Comprehensive Energy Strategy and (3) Green Bank's Comprehensive Plan for Fiscal Years 2015 and 2016 (the "Comprehensive Plan"), Green Bank continuously aims to develop financing tools to further drive private capital investment into clean energy projects;

WHEREAS, Canton Hydro, LLC ("Developers") was awarded exclusivity by the Town of Canton to redevelop a 1 MW hydroelectric facility located at the Upper Collinsville Dam ("Dam"), on the Farmington River, in Canton, Connecticut (the "Project") and has requested financing support from the Green Bank;

WHEREAS, Green Bank staff recommends that the Green Bank Board of Directors ("Board") approve subordinate debt financing in an amount to exceed \$1,200,000 along with an unfunded guaranty, in an amount not to exceed \$500,000 to support the Project.

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby authorize staff to execute definitive documentation materially based on the term sheet and the terms and conditions set forth in this due diligence package dated October 26, 2018 for financial support in the form of a subordinate debt financing in an amount not to exceed \$1,200,000 and a guaranty in an amount not to exceed \$500,000;

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 effect the above-mentioned legal instruments.

c. Green Solar PPA with IPC

Bert Hunter and Ben Healey of IPC discussed the continued offering of a PPA product by the Green Bank. They explained that this is a modification and extension of the previously approved investment in a new PPA fund that will operate in conjunction with the extended

arrangement with Onyx. This investment will be between \$5 and 15 million and will serve underserved markets in the state (and will ultimately be part of IPC's greater solar PPA fund). It is in line with the sustainability plan.

After a motion by Klee and a second from John Harrity, the Board unanimously approved the following resolution:

Resolution #8

WHEREAS, the Connecticut Green Bank ("Green Bank") is uniquely positioned to continue developing a commercial solar PPA pipeline through local contractors in response to continued demand from commercial-scale off-takers;

WHEREAS, the market for commercial solar PPA financing continues to evolve, as various financing providers are entering the small commercial solar financing space with the ability to provide long-term financing for projects originated by the Green Bank;

WHEREAS, there is still demonstrated need for flexible capital to continue expanding access to financing for commercial-scale customers looking to access solar via a PPA, while both bolstering project returns for investors and enhancing project savings profiles for customers; and

WHEREAS, the Green Bank is implementing a Sustainability Plan that invests in various clean energy projects and products to generate a return to support its sustainability in the coming years.

NOW, therefore be it:

RESOLVED, that the Board of Directors approves funding, in a total not-to-exceed amount of \$15 million in new money, subject to budget constraints, for the continued development of commercial-scale solar PV PPA projects, to be utilized for the following purposes pursuant to market conditions and opportunities:

1. Development capital;
2. Construction financing; and
3. Financing one or more 3rd-party ownership platforms, in the form of sponsor equity and/or debt.

RESOLVED, that the President of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to continue to develop and finance commercial PPA projects on such terms and conditions as are materially consistent with the memorandum submitted to the Green Bank Board on October 19, 2018; and

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

- d. FuelCell Energy – CMEEC / Groton Naval Sub Base Project

Bert Hunter gave an overview of a proposed engagement where financing by the Green Bank and IPC has been sought. Ultimately the Green Bank will lend and advise on raising additional capital for a 7.4 MW fuel cell for the Groton Naval Sub Base. The Green Bank will provide up to \$5 million in subordinated debt to finance the fuel cell and provide advisory services alongside IPC to Groton. Bert, and Chris Magalhaes of IPC highlighted the project's economics including a 20-year PPA and class 1 recs.

After a motion from Klee, seconded by Bettina, the Board unanimously approved the following resolution:

Resolution #9

WHEREAS, in accordance with (1) the statutory mandate of the Connecticut Green Bank ("Green Bank") to foster the growth, development, and deployment of clean energy sources that serve end-use customers in the State of Connecticut, (2) the State's Comprehensive Energy Strategy ("CES") and Integrated Resources Plan ("IRP"), and (3) Green Bank's Comprehensive Plan for Fiscal Years 2018 and 2019 (the "Comprehensive Plan") in reference to the CES and IRP, Green Bank continuously aims to develop financing tools to further drive private capital investment into clean energy projects;

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut ("FCE") has used previously committed funding (the "Bridgeport Loan") from Green Bank to successfully develop a 15 megawatt fuel cell facility in Bridgeport, Connecticut (the "Bridgeport Project"), and FCE has operated and maintained the Bridgeport Project without material incident, is current on payments under the Bridgeport Loan, and has received approval from the Green Bank for funding from the Green Bank (the "Triangle Loan") to develop a 3.7 megawatt high efficiency fuel cell project in Danbury, Connecticut (the "Triangle Project");

WHEREAS, FCE has requested financing support from the Green Bank to develop a 7.4 megawatt fuel cell project in Groton, Connecticut located on the U.S. Navy submarine base and supported by a power purchase agreement ("PPA") with the Connecticut Municipal Electric Energy Cooperative ("CMEEC") (the "Project");

WHEREAS, staff has considered the merits of the Project and the ability of FCE to construct, operate and maintain the facility, support the obligations under the Loan throughout its 15-year term, and as set forth in the due diligence memorandum dated October 26, 2018, has recommended this support be in the form of a term loan not to exceed \$5,000,000, secured by all project assets, contracts and revenues as well as a and limited payment guarantee of FCE (the "Credit Facility");

WHEREAS, Green Bank staff recommends that the Green Bank Board of Directors ("Board") approve of the Credit Facility, in an amount not to exceed \$5,000,000.

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby approves the Credit Facility in an amount not to exceed \$5,000,000 for the Project, as a strategic selection and award pursuant to Green Bank Operating Procedures Section XII; and

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to provide the Credit Facility to FCE (or a special purpose entity wholly-owned by FCE) in an amount not to exceed \$5,000,000 with terms and conditions

consistent with the memorandum submitted to the Board dated October 26, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from the date of authorization by the Board of Directors; 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 effect the above-mentioned Term Loan.

e. C-PACE Transaction – Norwalk

Nick Zuba discussed a C-PACE transaction in Norwalk for approximately \$1 million.

After a motion by Klee, seconded by John Harrity, the board unanimously approved the following resolution:

Resolution #10

WHEREAS, pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), 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 Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide a **\$1,024,636** construction and (potentially) term loan under the C-PACE program to 310 Wilson Avenue LLC., the building owner of 310 Wilson Avenue, Norwalk, Connecticut (the "Loan"), 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

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, 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 Loan and be repaid to the Green Bank upon the execution of the Loan 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 Loan and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated October 19, 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 Loan, 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 Act, 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 effect the above-mentioned legal instruments.

f. Small Business Energy Advantage

Anthony Clark updated the Board on the progress made bringing in market capital to fund the Small Business Energy Advantage program for Eversource. Anthony highlighted that this new proposal is a lot easier from a CGB administrative perspective than some of the previous ones. Through a joint RFP process, the Green Bank identified Amalgamated Bank to provide up to \$50 million of debt and the Green Bank will supply \$5 million in subordinated debt as a credit enhancement. This includes a 3-year commitment with Amalgamated.

The Board discussed this progress and congratulated staff on getting to this solution after much efforts. Upon a motion from Klee, seconded by Bettina, the Board then unanimously approved the following resolution:

Resolution #11

WHEREAS, pursuant to Conn. Gen. Stat. Section 16-24n the Connecticut Green Bank (“Green Bank”) has a mandate to develop programs to finance clean energy investment for small business, industrial, and municipal customers in the State;

WHEREAS, recapitalizing the Small Business Energy Advantage (“SBEA”) program with private sector capital is a recognized priority in the Green Bank’s Comprehensive Plan and is a goal of the CT Energy Efficiency Board and Green Bank Joint Committee;

WHEREAS, The Connecticut Light and Power Company d/b/a Eversource Energy and The United Illuminated Company (together, the “Utilities”) have requested the Green Bank’s assistance sourcing low cost private sector capital;

WHEREAS, the Green Bank released a Request for Proposals for Small Business Energy Advantage Program Alternative Financing Solutions (the “RFP”) on May 2, 2018;

WHEREAS, Amalgamated Bank responded to the RFP with a comprehensive and flexible solution offering the lowest cost capital to recapitalize the SBEA program;

WHEREAS, Green Bank staff, together with Utility staff and the EEB, has selected Amalgamated’s proposal to recapitalize the SBEA program and now recommends that the Green Bank support the recapitalized SBEA Loan Purchase Facility by committing \$5 million to the facility structure; and

WHEREAS, Eversource will continue to make funding available from the Connecticut Energy Efficiency Fund (“CEEF”) to reimburse loan losses and administrative costs associated with the recapitalized SBEA program.

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 agreements with the relevant parties (including but not limited to Amalgamated, the Utilities, and CEEF) to invest in the SBEA Loan Purchase Facility with terms and conditions materially consistent within the memorandum submitted to the Board dated October 26, 2018, and as he or she shall deem to be in the interests

of the Green Bank and the ratepayers no later than 270 days from the date of authorization by the Board; 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 effect the above-mentioned legal instruments.

7. Incentive Business Updates and Recommendations

a. SHREC Update

Mike Yu gave an update on the progress made towards the SHREC securitization. Mike informed the board that the Independent engineer's report is close to completion and is an essential part of 3rd party verification of production estimates. Mike mentioned that the Rating agency review is underway by Kroll.

He stated that the "Agreed upon Procedures Audit" provider (KPMG) has been appointed and that they will sample 125 systems across two tranches, review of third party supporting documentation. Staff still expects a Mid-December Execution and placement.

Commissioner Klee thanked the team for this update and highlighted that it is breaking a lot of new ground.

8. Executive Session – Personnel Matters

With a motion made by Klee, the Board then moved to executive session at 10:51 for personnel related matters.

9. Adjourn

Upon a motion made by Mr. Klee and seconded by Bettina the meeting was adjourned at 11:05.

Respectfully submitted,

Rob Klee, Vice Chairperson



CONNECTICUT GREEN BANK AND LEED CERTIFICATION

SUMMARY

The country's first Green Bank is now the first to include Leadership in Energy and Environmental Design ([LEED](#)) certification, consulting costs, and capital improvements made alongside energy improvements as part of LEED certification as Eligible Associated Measures for funding in its Commercial Property Assessed Clean Energy ([C-PACE](#)) program.

HOW CONNECTICUT GREEN BANK HELPS OWNERS

[Connecticut's Green Bank](#) was established in 2011 to support the Legislature's energy strategy to achieve cleaner, less expensive, and more reliable sources of energy while creating jobs and supporting local economic development.

In support of that strategy, the Green Bank has developed a myriad of solutions across all building sectors. The state's C-PACE program targets deep energy retrofits of existing commercial properties, and is now offering loans for achieving highly efficient new construction.

Through C-PACE, building owners can enjoy the advantages of energy upgrades immediately and pay for them over time through a voluntary benefit assessment lien, levied and recorded against the benefiting property, to be repaid along with real property taxes. This allows businesses to retain capital and borrowing capacity for other investments.

C-PACE PROJECTS CAN NOW INCLUDE LEED RELATED IMPROVEMENTS AND FEES

The Green Bank recently updated its guidelines for the C-PACE program. The guidelines expressly authorize property owners to apply money received through the program towards the costs of LEED certification and associated consulting fees. Additionally, capital improvements made alongside energy improvements as part of LEED certification are considered Eligible Associated Measures that program funds can be used for under the newly issues guidelines. The total project

package must still satisfy the requirement for an energy savings to investment ratio (SIR) greater than one.

These changes enable property owners taking advantage of Connecticut's C-PACE program to perform energy upgrades on their facilities to undertake additional measures to further increase the efficiency and sustainability of their property and achieve LEED certification.



Connecticut Science Center (LEED Gold Certified)

BENEFITS OF LEED

LEED certification is a globally recognized symbol of excellence in green building. LEED buildings perform better across the board than conventional buildings and continue to raise the bar in saving energy and water and reducing waste. Many credit categories in LEED directly address energy and water use while many others substantially contribute to a building's overall energy efficiency and embodied carbon. LEED's flexible, credit-based structure allows project teams to pursue a tailored benefit package that best suits the project's location, climate zone, building type, budget, and market positioning.

Third-party review and certification provide value in protecting investment.¹ For example, LEED certified buildings have been shown to maintain higher occupancy rates and higher rental rates and have been associated with increased performance amongst

reducing energy use while contributing to greater workforce capacity and the local economy.

MORE INFORMATION

The updates to Connecticut’s C-PACE guidelines make it easier for property owners and occupants to reap all the benefits associated with green building, specifically LEED-certified buildings, with attractive financing of the costs associated with ensuring a project meets the stringent, ever-evolving LEED standard.

For more information on C-PACE, please contact the Connecticut Green Bank [c-pace@ctgreenbank.com]

For more information about [LEED](#), please contact James Albis, Executive Director, Connecticut Green Building Council [james@ctgbc.org] or USGBC at [publicpolicies@usgbc.org]



Figure 1: LEED Rating Systems and Credit Categories

occupants on a variety of metrics including higher cognitive functioning, less sick days, and higher occupant satisfaction.²

C-PACE AND LEED

C-PACE projects investing in deep energy retrofits now have an easier means of going one step further and creating additional value, with adding LEED certification. Depending on the profile of a C-PACE project, additional upgrades may be needed to qualify for LEED, as well as certification fees and support from a consultant to complete the LEED process.

Likewise, prospective LEED projects that are making significant energy retrofits can benefit from this new source of financing.

While studies have shown that LEED’s integrative process can result in more sustainable buildings without significantly higher cost, on any given project – especially an existing building retrofit – there may be specific areas that need to be addressed to meet LEED prerequisites and credits.

The new guidelines allow projects to include costs of additional capital investments that are needed for LEED and will be made in conjunction with energy upgrades; consulting fees; and certification fees.

Seeking LEED certification through the C-PACE program helps contribute to the state’s larger goal of



Yale University’s Kroon Hall (LEED Platinum Certified)

¹ See, e.g., <https://www.usgbc.org/articles/new-research-supports-business-case-lead>

² Green Design and the Market for Commercial Office Space (August 2010): <https://link.springer.com/article/10.1007/s11146-008-9142-2>



Connecticut Green Bank

October 2018 Financial Package

Connecticut Green Bank
October 2018 Financial Package

Index

<u>Connecticut Green Bank:</u>	Page
1. Executive Summary.....	1
2. CGB Balance Sheet.....	2-3
3. CGB Statement of Revenues and Expenditures.....	4-5
4. CGB Budget to Actual Reports (Including Investment and Incentive Business Reports).....	6-10
5. CGB Analysis of Compensation and Benefits.....	11-12
6. CGB Statement of Cash Flows	13
7. CGB Summary of Unfunded Commitments.....	14
8. CGB Summary of Loan Guarantees.....	15
9. CGB Summary of Loan Loss Reserves.....	16
 <u>Affiliates:</u>	
10. Executive Summary.....	17
11. CEFIA Holdings LLC Balance Sheet.....	18
12. CEFIA Holdings LLC Profit and Loss Statement.....	19
13. CT Solar Loan I LLC Balance Sheet.....	20
14. CT Solar Loan I Profit and Loss Statement.....	21
15. CEFIA Solar Services, Inc. Balance Sheet.....	22
16. CEFIA Solar Services, Inc. Profit and Loss Statement.....	23
17. CT Solar Lease 2 LLC Balance Sheet.....	24-25
18. CT Solar Lease 2 LLC Profit and Loss Statement.....	26
19. CT Solar Lease 3 LLC Balance Sheet.....	27-28
20. CT Solar Lease 3 LLC Profit and Loss Statement.....	29
21. CGB Meriden Hydro LLC Balance Sheet.....	30
22. CGB Meriden Hydro LLC Profit and Loss Statement.....	31
 <u>Consolidated Financial Statements:</u>	
23. Consolidated Balance Sheet.....	32
24. Consolidated Statement of Revenues and Expenditures.....	33

Connecticut Green Bank
Executive Summary
October 2018

Overview

This financial package contains financial information for the Connecticut Green Bank (CGB) through Oct 2018 with comparisons to Oct 2017 and versus Budget for the Statement of Revenue and Expenditures. Schedules of unfunded commitments and loan guarantees are also presented.

Balance Sheet

- ✓ CGB's current assets/cash increased by \$17m, while non-current assets decreased by \$11m. Beginning Sep-18 we are no longer restricting a portion of our cash for PBI commitments, worth \$13m year over year.
- ✓ The non-current asset decrease of \$11m is driven by decreases in advances to affiliates of \$7m, Restricted Cash of \$5m and Solar Lease I promissory notes of \$1m, partially offset by an increase in CPACE loans of \$3m.
- ✓ We have booked a \$14m Payable to State of CT liability with an offsetting \$14m Deferred Outflow for the FY19 payment.
- ✓ The reserve for RSIP payments is \$47.3m, which represents a \$0.4m decrease for the fiscal year (PBI -\$0.3, EPBB -\$0.1m).

Statement of Revenues and Expenditures vs. Prior Year

Fiscal YTD Net Revenues Over Expenses of \$1.8m are \$2.8m above prior year. Revenues are \$1.1 above prior year and Expenses are \$1.7m below prior year.

- ✓ Utility Customer Assessments are \$0.6m above prior year.
- ✓ Rec Sales are \$1.4m above prior year due to Tranche 2.
- ✓ Compensation and Benefits are \$0.3m below prior year. See page 11 for a detailed compensation analysis.
- ✓ Program Development and Administration is \$0.3m below prior year due to timing of invoices for PowerClerk.
- ✓ Program Incentives and Grants are \$1.7m below prior year. The decrease is due to the SolarCity buyout of \$1.7m last year.
- ✓ Realized Losses are \$0.5m lower than prior year.
- ✓ The Provision for Loan Losses is \$1.1m higher than prior year.

Statement of Revenues and Expenditures vs. Budget

Fiscal YTD Net Revenues Over Expenses of \$1.8m are \$0.5m above budget. Revenues are on \$0.6m above budget and Expenses are \$0.1m below budget.

- ✓ Utility Customer Assessments are \$0.3m above budget.
- ✓ Compensation and Benefits are \$0.3m above budget. See page 11 for a detailed compensation analysis.
- ✓ Program Development Costs are \$1.0m below budget due to timing of PowerClerk invoices of \$0.6, and small variances across remaining programs.
- ✓ Marketing Expenses are \$0.3m below budget with small variances across all programs.
- ✓ Program Incentives and Grants are \$0.3m above budget due to a higher RSIP incentive payments of \$0.7m (PBI \$0.7m), partially offset by a decrease in the RSIP reserve of \$0.4m. Incentives include accruals of \$3.5m (17Q3/Q4 of \$0.2m, 18Q1/Q2 of \$0.3m, 18Q3 of \$2.7m, 18Q4 of \$0.3m).
- ✓ ARRA Interest Rate Buydowns are \$0.9m above budget. Funding for these IRBs is in a restricted cash account.

Unfunded Commitments

CGB has a total of \$77m in unfunded commitments, an increase of \$11m for the Fiscal Year.

- ✓ The major program commitments are: 1. Solar PV at \$49m; 2. Fuel Cells at \$10m; 3. Multifamily/LMI at \$6m; 4. CPACE at \$5m; and 5. SBEA at \$5m. The increase from the prior Fiscal Year is due to increases in SBEA of \$5m, Fuel Cells of \$5m, Hydropower of \$1.5m and Multifamily/LMI of \$3m, partially offset by a decrease in CPACE of \$3.7m.

Connecticut Green Bank

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Assets					
Current Assets					
Cash and Cash Equivalents					
Cash - Unrestricted	13,026,880	2,590,921	10,435,959	14,553,881	(1,527,001)
Total Cash and Cash Equivalents	13,026,880	2,590,921	10,435,959	14,553,881	(1,527,001)
Other Current Assets					
Accounts Receivable	10,095,418	3,241,842	6,853,576	3,471,753	6,623,665
Other Receivables	663,448	1,000,098	(336,650)	1,541,211	(877,763)
Prepaid Assets	153,702	137,056	16,646	204,855	(51,154)
Total Other Current Assets	10,912,568	4,378,996	6,533,572	5,217,819	5,694,748
Total Current Assets	23,939,448	6,969,917	16,969,531	19,771,700	4,167,747
Fixed Assets					
Furniture & Equipment, net	7,879	23,126	(15,247)	8,336	(456)
Computer Hardware & Software, net	28,747	57,195	(28,448)	33,735	(4,988)
Leasehold Improvements, net	21,664	82,754	(61,090)	22,537	(873)
Total Fixed Assets	58,290	163,075	(104,785)	64,608	(6,317)
Investment in/Advances to Affiliates	41,908,554	49,122,442	(7,213,889)	41,253,593	654,961
Other Assets					
CPACE & Other Loans, net of reserves	43,348,550	40,286,879	3,061,672	43,305,590	42,960
CPACE Sell-down Bonds and Notes	4,988,993	5,098,335	(109,342)	5,060,821	(71,828)
Solar Lease I Promissory Notes, net of reserves	7,034,467	7,902,874	(868,407)	7,101,264	(66,797)
Other Assets	547,557	654,768	(107,211)	547,557	0
Total Other Assets	55,919,567	53,942,856	1,976,712	56,015,232	(95,665)
Restricted Assets					
Cash - Restricted - Energy Programs	18,873,397	23,942,652	(5,069,255)	18,839,359	34,037
Cash - Restricted - Escrow and Custodial Liabilities	582,048	750,284	(168,236)	620,698	(38,650)
Total Restricted Assets	19,455,445	24,692,936	(5,237,492)	19,460,057	(4,613)
Total Assets	\$ 141,281,304	\$ 134,891,226	\$ 6,390,077	\$ 136,565,190	\$ 4,716,113
Deferred Outflows of Resources					
Deferred Amount for Pensions	8,778,670	9,978,107	(1,199,437)	8,778,670	0
Deferred Amount for OPEB	1,999,011	0	1,999,011	1,999,011	0
Deferred Payments to State of Connecticut	14,000,000	28,000,000	(14,000,000)	14,000,000	0
Total Deferred Outflows of Resources	\$ 24,777,681	\$ 37,978,107	\$ (13,200,426)	\$ 24,777,681	\$ 0

Connecticut Green Bank

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Liabilities					
Current Liabilities					
Accounts Payable	291,833	500,860	(209,027)	347,518	(55,685)
Accrued Expenses	4,497,953	6,228,309	(1,730,356)	7,154,081	(2,656,128)
Deferred Revenue	6,500,000	0	6,500,000	1,500,000	5,000,000
Accrued Interest - CREBs	255,499	56,122	199,377	255,499	0
Line of Credit-SHREC	6,000,000	0	6,000,000	6,000,000	0
Custodial Liability	582,048	750,284	(168,236)	620,698	(38,650)
Other Current Liabilities	15,206	15,734	(528)	64,565	(49,359)
Total Current Liabilities	18,142,539	7,551,309	10,591,230	15,942,361	2,200,178
Other Liabilities					
Due to Affiliates					
Due to CT Solar Lease 2	385,000	733,405	(348,405)	338,318	46,681
Total Due to Affiliates	385,000	733,405	(348,405)	338,318	46,681
Bonds Payable-CREBs	12,006,283	2,957,971	9,048,311	12,006,283	0
Payable to State of Connecticut	14,000,000	28,000,000	(14,000,000)	14,000,000	0
Reserve for RSIP Payments	47,266,677	46,897,059	369,618	46,131,655	1,135,022
Pension Liability	24,636,114	25,245,439	(609,325)	24,636,114	0
OPEB Liability	24,875,889	0	24,875,889	24,875,889	0
Total Other Liabilities	123,169,963	103,833,874	19,336,088	121,988,259	1,181,703
Total Liabilities	\$ 141,312,502	\$ 111,385,183	\$ 29,927,318	\$ 137,930,620	\$ 3,381,881
Deferred Inflows of Resources					
Deferred Pension Inflow Liability	47,042	0	47,042	47,042	0
Deferred OPEB Inflow Liability	624,950	0	624,950	624,950	0
Total Deferred Inflows of Resources	\$ 671,992	\$ 0	\$ 671,992	\$ 671,992	\$ 0
Net Position					
Investment in Capital Assets	58,291	163,075	(104,784)	64,608	(6,317)
Restricted-Energy Programs	19,455,445	24,692,936	(5,237,491)	19,460,057	(4,612)
Unrestricted Net Position	4,560,756	36,628,138	(32,067,383)	3,215,594	1,345,162
Total Net Position	\$ 24,074,491	\$ 61,484,150	\$ (37,409,659)	\$ 22,740,259	\$ 1,334,232

Connecticut Green Bank
Statement of Revenues and Expenditures
For the Fiscal Year to Date ended October 31, 2018

	<u>10/31/2018</u>	<u>07/01/2018</u> <u>Through</u> <u>10/31/2018</u>	<u>07/01/2017</u> <u>Through</u> <u>10/31/2017</u>	<u>\$ Change</u>
	Current Month	FY to Date	Prior FY to Date	Year over Year
Revenue				
Operating Income				
Utility Customer Assessments	2,050,314	9,648,558	9,019,037	629,521
CPACE Closing Fees	0	12,224	45,615	(33,391)
REC Sales	1,729,313	2,568,629	1,146,550	1,422,079
Grant Income-Federal Programs	0	14,000	14,856	(856)
Grant Income-DEEP	0	0	1,500,000	(1,500,000)
PPA Income	6,930	14,177	0	14,177
Total Operating Income	<u>3,786,557</u>	<u>12,257,588</u>	<u>11,726,058</u>	<u>531,530</u>
Interest Income	210,346	951,590	752,538	199,052
Interest Income, Capitalized	34,377	132,734	131,704	1,030
Other Income	367,131	380,466	45,862	334,604
Total Revenue	<u>\$ 4,398,411</u>	<u>\$ 13,722,378</u>	<u>\$ 12,656,162</u>	<u>\$ 1,066,216</u>
Operating Expenses				
Compensation and Benefits				
Employee Compensation	283,733	1,489,773	1,785,337	(295,564)
Employee Benefits	240,986	1,373,465	1,408,207	(34,743)
Total Compensation and Benefits	<u>524,719</u>	<u>2,863,238</u>	<u>3,193,544</u>	<u>(330,307)</u>
Program Development and Administration	265,108	1,008,350	1,259,037	(250,686)
Marketing Expense	23,036	82,826	381,782	(298,956)
E M & V	63,968	149,098	171,350	(22,252)
Commitment Fees	0	15,903	0	15,903
Consulting and Professional Fees				
Consulting/Advisory Fees	5,204	63,433	22,230	41,203
Accounting and Auditing Fees	0	25,053	23,136	1,917
Legal Fees & Related Expenses	99,021	178,966	59,840	119,126
Total Consulting and Professional Fees	<u>104,225</u>	<u>267,452</u>	<u>105,206</u>	<u>162,246</u>
Research and Development	0	16,625	28,924	(12,299)

Connecticut Green Bank
Statement of Revenues and Expenditures
For the Fiscal Year to Date ended October 31, 2018

	<u>10/31/2018</u>	<u>07/01/2018</u> <u>Through</u> <u>10/31/2018</u>	<u>07/01/2017</u> <u>Through</u> <u>10/31/2017</u>	<u>\$ Change</u>
	Current Month	FY to Date	Prior FY to Date	Year over Year
Rent and Location Related Expenses				
Rent/Utilities/Maintenance	23,367	93,470	116,368	(22,897)
Telephone/Communication	5,366	25,185	33,356	(8,172)
Depreciation & Amortization	3,205	14,438	40,947	(26,509)
Total-Rent and Location Related Expenses	<u>31,938</u>	<u>133,093</u>	<u>190,671</u>	<u>(57,578)</u>
Office, Computer & Other Expenses				
Office Expense	8,356	28,734	36,293	(7,560)
Insurance	6,974	26,994	25,695	1,300
Subscriptions	11,250	22,497	22,918	(421)
Training & Education	10,077	30,887	27,629	3,258
IT Operations	27,556	98,063	96,441	1,621
Travel, Meeting & Related Expenses	3,458	19,658	28,673	(9,014)
Total-Office, Computer & Other Expenses	<u>67,671</u>	<u>226,833</u>	<u>237,649</u>	<u>(10,816)</u>
Total Operating Expenses	<u>\$ 1,080,665</u>	<u>\$ 4,763,418</u>	<u>\$ 5,568,163</u>	<u>\$ (804,745)</u>
Program Incentives and Grants				
Program Expenditures-Federal Grants	0	14,000	5,506	8,494
EPBB/PBI/HOPBI Incentives	604,981	5,290,851	7,015,703	(1,724,851)
Incr/(Decr) in Reserve for RSIP Payments	1,135,022	(362,018)	(266,230)	(95,788)
Interest Rate Buydowns-CGB	47,722	111,099	0	111,099
Total Program Incentives and Grants	<u>\$ 1,787,725</u>	<u>\$ 5,053,933</u>	<u>\$ 6,754,979</u>	<u>\$ (1,701,046)</u>
Operating Income/(Loss)	<u>\$ 1,530,021</u>	<u>\$ 3,905,028</u>	<u>\$ 333,021</u>	<u>\$ 3,572,007</u>
Non-Operating Expenses				
Interest Expense	21,284	69,974	5,000	64,974
Realized (Gain) Loss	10,695	10,695	501,421	(490,726)
Provision for Loan Loss	163,810	1,175,096	75,740	1,099,356
Interest Rate Buydowns-ARRA	0	891,829	789,442	102,387
Total Non-Operating Expenses	<u>\$ 195,789</u>	<u>\$ 2,147,594</u>	<u>\$ 1,371,603</u>	<u>\$ 775,991</u>
Net Revenues Over (Under) Expenses	<u>\$ 1,334,232</u>	<u>\$ 1,757,434</u>	<u>\$ (1,038,582)</u>	<u>\$ 2,796,016</u>

Connecticut Green Bank
Budget to Actual Financial Analysis
For the Fiscal Year to Date ended October 31, 2018

	07/01/2018 Through 10/31/2018				FY Ended 06/30/2019
	Actual	Budget	\$ Variance	% Variance	Budget
Revenue					
Operating Income					
Utility Customer Assessments	9,648,558	9,325,100	323,458	3.5 %	25,969,100
Payments to State of Connecticut	0	0	0	0.0 %	(14,000,000)
RGGI Auction Proceeds-Renewables	0	0	0	0.0 %	750,700
CSPACE Closing Fees	12,224	45,000	(32,776)	(72.8) %	135,000
REC Sales	2,568,629	2,558,539	10,090	0.4 %	5,780,580
Grant Income-Federal Programs	14,000	31,567	(17,567)	(55.6) %	98,507
Grant Income-Private Foundations	0	0	0	0.0 %	200,000
PPA Income	14,177	11,950	2,227	18.6 %	41,000
LREC/ZREC Income	0	490	(490)	(100.0) %	16,170
Total Operating Income	12,257,588	11,972,646	284,942	2.4 %	18,991,057
Interest Income	951,590	927,559	24,031	2.6 %	3,257,611
Interest Income, Capitalized	132,734	124,238	8,495	6.8 %	358,288
Other Income	380,466	117,200	263,267	224.6 %	236,600
Total Revenue	\$ 13,722,378	\$ 13,141,643	\$ 580,735	4.4 %	\$ 22,843,556
Operating Expenses					
Compensation and Benefits					
Employee Compensation	1,489,773	1,435,415	54,358	3.8 %	4,146,754
Employee Benefits	1,373,465	1,177,040	196,424	16.7 %	3,400,338
Total Compensation and Benefits	2,863,238	2,612,455	250,782	9.6 %	7,547,092
Program Development and Administration	1,008,350	1,965,056	(956,706)	(48.7) %	3,968,360
Marketing Expense	82,826	390,835	(308,008)	(78.8) %	1,172,500
E M & V	149,098	226,248	(77,150)	(34.1) %	460,000
Commitment Fees	15,903	0	15,903	0.0 %	0
Consulting and Professional Fees					
Consulting/Advisory Fees	63,433	73,500	(10,067)	(13.7) %	228,000
Accounting and Auditing Fees	25,053	25,000	53	0.2 %	159,950
Legal Fees & Related Expenses	178,966	89,167	89,799	100.7 %	267,500
Bond Issuance Costs	0	0	0	0.0 %	88,889
Total Consulting and Professional Fees	267,452	187,667	79,785	42.5 %	744,339
Research and Development	16,625	13,333	3,292	24.7 %	40,000

Connecticut Green Bank
Budget to Actual Financial Analysis
For the Fiscal Year to Date ended October 31, 2018

	07/01/2018 Through				FY Ended
	Actual	Budget	\$ Variance	% Variance	06/30/2019
					Budget
Rent and Location Related Expenses					
Rent/Utilities/Maintenance	93,470	100,000	(6,530)	(6.5) %	300,000
Telephone/Communication	25,185	33,254	(8,069)	(24.3) %	99,760
Depreciation & Amortization	14,438	22,468	(8,030)	(35.7) %	67,406
Total-Rent and Location Related Expenses	133,093	155,722	(22,629)	(14.5) %	467,166
Office, Computer & Other Expenses					
Office Expense	28,734	33,334	(4,600)	(13.8) %	100,000
Insurance	26,994	30,000	(3,006)	(10.0) %	90,000
Subscriptions	22,497	24,165	(1,668)	(6.9) %	71,000
Training & Education	30,887	22,251	8,636	38.8 %	66,750
IT Operations	98,063	112,118	(14,055)	(12.5) %	336,355
Travel, Meeting & Related Expenses	19,658	46,000	(26,342)	(57.3) %	138,000
Total-Office, Computer & Other Expenses	226,833	267,868	(41,035)	(15.3) %	802,105
Total Operating Expenses	\$ 4,763,418	\$ 5,819,184	\$ (1,055,766)	(18.1) %	\$ 15,201,562
Program Incentives and Grants					
Financial Incentives-CGB Grants	0	33,333	(33,333)	(100.0) %	100,000
Program Expenditures-Federal Grants	14,000	31,567	(17,567)	(55.6) %	98,507
EPBB/PBI/HOPBI Incentives	5,290,851	4,620,438	670,413	14.5 %	12,746,354
Incr/(Decr) in Reserve for RSIP Payments	(362,018)	0	(362,018)	0.0 %	0
Interest Rate Buydowns-CGB	111,099	83,333	27,766	33.3 %	125,000
Total Program Incentives and Grants	\$ 5,053,933	\$ 4,768,671	\$ 285,261	6.0 %	\$ 13,069,861
Operating Income/(Loss)	\$ 3,905,028	\$ 2,553,788	\$ 1,351,240	52.9 %	\$ (5,427,867)
Non-Operating Expenses					
Interest Expense	69,974	228,917	(158,943)	(69.4) %	428,218
Realized (Gain) Loss	10,695	0	10,695	0.0 %	0
Provision for Loan Loss	1,175,096	1,100,096	75,000	6.8 %	2,923,674
Interest Rate Buydowns-ARRA	891,829	8,333	883,495	10,602.0 %	25,000
Total Non-Operating Expenses	\$ 2,147,594	\$ 1,337,346	\$ 810,247	60.6 %	\$ 3,376,892
Net Revenues Over (Under) Expenses	\$ 1,757,434	\$ 1,216,442	\$ 540,993	44.5 %	\$ (8,804,759)

Connecticut Green Bank

Budget to Actual Financial Analysis - Investment Business

For the Fiscal Year to Date ended October 31, 2018

	07/01/2018 Through 10/31/2018				FY Ended 06/30/2019
	Actual	Budget	\$ Variance	% Variance	Budget
Revenue					
Operating Income					
Utility Customer Assessments	9,648,558	9,325,100	323,458	3.5 %	25,969,100
Payments to State of Connecticut	0	0	0	0.0 %	(14,000,000)
RGGI Auction Proceeds-Renewables	0	0	0	0.0 %	750,700
CPACE Closing Fees	12,224	45,000	(32,776)	(72.8) %	135,000
Grant Income-Federal Programs	14,000	31,567	(17,567)	(55.6) %	98,507
Grant Income-Private Foundations	0	0	0	0.0 %	200,000
PPA Income	14,177	11,950	2,227	18.6 %	41,000
LREC/ZREC Income	0	490	(490)	(100.0) %	16,170
Total Operating Income	9,688,959	9,414,107	274,852	2.9 %	13,210,477
Interest Income	926,442	901,559	24,883	2.8 %	3,179,612
Interest Income, Capitalized	132,733	124,238	8,495	6.8 %	358,287
Other Income	379,567	117,200	262,367	223.9 %	236,600
Total Revenue	\$ 11,127,701	\$ 10,557,104	\$ 570,597	5.4 %	\$ 16,984,976
Operating Expenses					
Compensation and Benefits					
Employee Compensation	1,144,787	1,063,667	81,121	7.6 %	3,072,815
Employee Benefits	1,071,944	872,207	199,736	22.9 %	2,519,709
Total Compensation and Benefits	2,216,731	1,935,874	280,857	14.5 %	5,592,524
Program Development and Administration	508,810	828,422	(319,612)	(38.6) %	2,558,359
Marketing Expense	68,164	335,834	(267,670)	(79.7) %	1,007,500
E M & V	128,318	169,583	(41,265)	(24.3) %	360,000
Consulting and Professional Fees					
Consulting/Advisory Fees	38,434	61,833	(23,399)	(37.8) %	193,000
Accounting and Auditing Fees	25,053	25,000	53	0.2 %	159,950
Legal Fees & Related Expenses	171,431	84,167	87,264	103.7 %	252,500
Total Consulting and Professional Fees	234,918	171,000	63,918	37.4 %	605,450
Research and Development	16,625	13,333	3,292	24.7 %	40,000
Rent and Location Related Expenses					
Rent/Utilities/Maintenance	69,263	74,102	(4,839)	(6.5) %	222,306
Telephone/Communication	18,622	24,641	(6,019)	(24.4) %	73,925
Depreciation & Amortization	10,699	16,650	(5,951)	(35.7) %	49,949
Total-Rent and Location Related Expenses	98,584	115,393	(16,809)	(14.6) %	346,180

Connecticut Green Bank
Budget to Actual Financial Analysis - Investment Business

For the Fiscal Year to Date ended October 31, 2018

	07/01/2018 Through 10/31/2018				FY Ended 06/30/2019
	Actual	Budget	\$ Variance	% Variance	Budget
Office, Computer & Other Expenses					
Office Expense	22,310	24,701	(2,390)	(9.7) %	74,102
Insurance	26,995	30,000	(3,006)	(10.0) %	90,000
Subscriptions	22,497	24,165	(1,668)	(6.9) %	61,000
Training & Education	30,887	20,584	10,303	50.1 %	61,750
IT Operations	72,686	83,082	(10,396)	(12.5) %	249,246
Travel, Meeting & Related Expenses	18,046	42,667	(24,620)	(57.7) %	128,000
Total-Office, Computer & Other Expenses	193,421	225,199	(31,777)	(14.1) %	664,098
Total Operating Expenses	\$ 3,465,571	\$ 3,794,638	\$ (329,066)	(8.7) %	\$ 11,174,111
Program Incentives and Grants					
Financial Incentives-CGB Grants	0	33,333	(33,333)	(100.0) %	100,000
Program Expenditures-Federal Grants	14,000	31,567	(17,567)	(55.6) %	98,507
Interest Rate Buydowns-CGB	111,099	83,333	27,766	33.3 %	125,000
Total Program Incentives and Grants	\$ 125,099	\$ 148,233	\$ (23,134)	(15.6) %	\$ 323,507
Operating Income/(Loss)	\$ 7,537,030	\$ 6,614,233	\$ 922,797	14.0 %	\$ 5,487,359
Non-Operating Expenses					
Interest Expense	25,000	228,917	(203,917)	(89.1) %	428,218
Realized (Gain) Loss	10,695	0	10,695	0.0 %	0
Provision for Loan Loss	1,175,096	1,100,096	75,000	6.8 %	2,923,674
Interest Rate Buydowns-ARRA	891,829	8,333	883,495	10,602.0 %	25,000
Total Non-Operating Expenses	\$ 2,102,620	\$ 1,337,346	\$ 765,273	57.2 %	\$ 3,376,892
Net Revenues Over (Under) Expenses	\$ 5,434,411	\$ 5,276,887	\$ 157,524	3.0 %	\$ 2,110,467

Connecticut Green Bank
Budget to Actual Financial Analysis - Incentive Business
For the Fiscal Year to Date ended October 31, 2018

	07/01/2018 Through 10/31/2018				FY Ended 06/30/2019
	Actual	Budget	\$ Variance	% Variance	Budget
Revenue					
Operating Income					
REC Sales	2,568,629	2,558,539	10,090	0.4 %	5,780,580
Total Operating Income	2,568,629	2,558,539	10,090	0.4 %	5,780,580
Interest Income	25,148	26,000	(852)	(3.3) %	78,000
Other Income	900	0	900	0.0 %	0
Total Revenue	\$ 2,594,677	\$ 2,584,539	\$ 10,138	0.4 %	\$ 5,858,580
Operating Expenses					
Compensation and Benefits					
Employee Compensation	344,985	371,748	(26,763)	(7.2) %	1,073,939
Employee Benefits	301,522	304,833	(3,312)	(1.1) %	880,630
Total Compensation and Benefits	646,507	676,581	(30,075)	(4.4) %	1,954,569
Program Development and Administration	499,540	1,136,634	(637,094)	(56.1) %	1,410,000
Marketing Expense	14,662	55,001	(40,339)	(73.3) %	165,000
E M & V	20,780	56,665	(35,885)	(63.3) %	100,000
Commitment Fees	15,903	0	15,903	0.0 %	0
Consulting and Professional Fees					
Consulting/Advisory Fees	25,000	11,667	13,333	114.3 %	35,000
Legal Fees & Related Expenses	7,535	5,000	2,535	50.7 %	15,000
Bond Issuance Costs	0	0	0	0.0 %	88,889
Total Consulting and Professional Fees	32,535	16,667	15,868	95.2 %	138,889
Rent and Location Related Expenses					
Rent/Utilities/Maintenance	24,207	25,898	(1,691)	(6.5) %	77,694
Telephone/Communication	6,562	8,612	(2,050)	(23.8) %	25,836
Depreciation & Amortization	3,739	5,819	(2,079)	(35.7) %	17,456
Total-Rent and Location Related Expenses	34,508	40,329	(5,820)	(14.4) %	120,986
Office, Computer & Other Expenses					
Office Expense	6,423	8,633	(2,210)	(25.6) %	25,898
Subscriptions	0	0	0	0.0 %	10,000
Training & Education	0	1,667	(1,667)	(100.0) %	5,000
IT Operations	25,377	29,036	(3,659)	(12.6) %	87,110
Travel, Meeting & Related Expenses	1,611	3,333	(1,722)	(51.7) %	10,000
Total-Office, Computer & Other Expenses	33,411	42,669	(9,258)	(21.7) %	138,008
Total Operating Expenses	\$ 1,297,846	\$ 2,024,546	\$ (726,700)	(35.9) %	\$ 4,027,452
Program Incentives and Grants					
EPBB/PBI/HOPBI Incentives	5,290,851	4,620,438	670,413	14.5 %	12,746,354
Incr/(Decr) in Reserve for RSIP Payments	(362,018)	0	(362,018)	0.0 %	0
Total Program Incentives and Grants	\$ 4,928,833	\$ 4,620,438	\$ 308,395	6.7 %	\$ 12,746,354
Non-Operating Expenses					
Interest Expense	44,974	0	44,974	0.0 %	0
Total Non-Operating Expenses	\$ 44,974	\$ 0	\$ 44,974	0.0 %	\$ 0
Net Revenues Over (Under) Expenses	\$ (3,676,977)	\$ (4,060,445)	\$ 383,469	(9.4) %	\$ (10,915,226)

Connecticut Green Bank
Analysis of Compensation and Benefits
 For the Fiscal Year to Date October 31, 2018

		FY 2019 YTD		Budget Variance	FY 2018 YTD	Prior Year
		Actual	Budget		Actual	Variance
Compensation:						
	Full Time Employees	\$ 1,487,569	\$ 1,435,415	\$ 52,155	\$ 1,668,951	\$ (181,382)
	Interns	-	-	-	98,431	(98,431)
	Temporary Employees	2,203	-	2,203	17,955	(15,752)
	Total Compensation	\$ 1,489,773	\$ 1,435,415	\$ 54,358	\$ 1,785,337	\$ (295,564)
FY 2018 Budgeted % of Salary	Employee Benefits:					
	54.0% State Retirement Plan Contributions	\$ 1,047,576	\$ 868,426	\$ 179,150	\$ 992,432	\$ 55,143
	14.7% Medical Dental Rx Premiums	202,121	188,039	14,081	49,546	152,575
	6.9% Life & Disability & WC Premiums	113,471	98,326	15,145	244,407	(130,936)
	1.2% Payroll and Unemployment Taxes	10,297	22,249	(11,952)	121,822	(111,525)
	Total Employee Benefits	\$ 1,373,465	\$ 1,177,040	\$ 196,425	\$ 1,408,207	\$ (34,742)
	Total Compensation and Benefits	\$ 2,863,238	\$ 2,612,455	\$ 250,782	\$ 3,193,544	\$ (330,307)

Actual vs. Budget

Employee compensation costs are \$54,358 over budget due to employees not transitioning to IPC until 8/3/18 worth \$73,612. Related benefit costs for IPC employees are \$64,626. Actual benefits are 92.3% of full time compensation compared to a budgeted percentage of 82.0%. Actual retirement benefit costs are running 9.9% more than budget. Insurance premiums and payroll taxes are \$17,275 over budget.

Actual vs. Prior Year

Compensation and Benefit costs decreased \$295,564 and \$34,742, respectively over the comparable prior period. Compensation costs for full time employees and interns/temps declined by \$181,382 and \$114,183, respectively. Actual benefit percentages increased over the prior period from 84.4% to 92.3% of full time employee compensation. Actual contributions to the State employee retirement plan increased from 61.9% to 70.4% of full time employee compensation.

Connecticut Green Bank
Budget to Actual - Compensation & Benefits by Department
For the Fiscal Year to Date ended October 31, 2018

	Employee Compensation			Employee Benefits			Compensation & Benefits			
	10/31/2018			10/31/2018			10/31/2018			
	Actual	Budget	Budget Diff	Actual	Budget	Budget Diff	Actual	Budget	Budget Diff	% Var
Program Expenses										
Statutory & Infrastructure										
51100-Res Solar PV Invest Prgm	344,985	371,748	(26,763)	301,522	304,833	(3,312)	646,507	676,581	(30,075)	(4.4) %
51200-Anaerobic Digester Pilot	8,039	0	8,038	7,038	0	7,039	15,077	0	15,077	0.0 %
51300-MicroGrid and CHP Pilot Prgs	7,357	0	7,358	6,443	0	6,443	13,801	0	13,801	0.0 %
51350-Other S&I Initiatives	5,230	0	5,230	4,579	0	4,578	9,808	0	9,808	0.0 %
52600-SunShot	12,608	14,091	(1,483)	11,021	11,555	(533)	23,630	25,646	(2,016)	(7.9) %
Total	\$ 378,219	\$ 385,839	\$ (7,620)	\$ 330,603	\$ 316,388	\$ 14,215	\$ 708,823	\$ 702,227	\$ 6,595	0.9 %
Commercial, Industrial & Institutional										
51800-C&I CPACE	231,658	241,904	(10,246)	202,536	198,361	4,175	434,193	440,264	(6,070)	(1.4) %
51810-C&I New Product Develop.	14,765	0	14,765	12,931	0	12,931	27,696	0	27,695	0.0 %
51820-SL2/SL3 Commercial	36,463	35,550	913	31,885	29,151	2,734	68,348	64,701	3,647	5.6 %
51930-Institutional ESA	5,022	0	5,023	4,399	0	4,399	9,421	0	9,422	0.0 %
53002-SBEA	35,269	35,246	22	30,837	28,902	1,935	66,105	64,148	1,957	3.1 %
51830-Kresge	21,289	25,500	(4,211)	18,605	20,910	(2,305)	39,895	46,411	(6,516)	(14.0) %
Total	\$ 344,466	\$ 338,200	\$ 6,266	\$ 301,193	\$ 277,324	\$ 23,869	\$ 645,658	\$ 615,524	\$ 30,135	4.9 %
Residential										
52100-Solar Loan I Pgm-Residential	8,902	9,726	(824)	7,781	7,975	(194)	16,683	17,701	(1,018)	(5.8) %
52101-Solar Lease II Pgm-Residential	18,159	16,550	1,609	15,880	13,571	2,308	34,039	30,121	3,918	13.0 %
52210 Smart-E Loans	65,082	33,540	31,541	57,014	27,503	29,512	122,096	61,043	61,052	100.0 %
52220-LMI Programs	51,812	27,443	24,370	45,387	22,503	22,884	97,199	49,946	47,255	94.6 %
52215-Resi New Products	201	0	202	175	0	175	376	0	376	0.0 %
Total	\$ 144,156	\$ 87,259	\$ 56,898	\$ 126,237	\$ 71,552	\$ 54,685	\$ 270,393	\$ 158,811	\$ 111,583	70.3 %
Multifamily										
52230-CHIF Multifamily PEL	13,127	8,168	4,959	11,494	6,698	4,796	24,621	14,866	9,755	65.6 %
52250-Multifamily Programs	99,437	75,461	23,975	87,034	61,878	25,156	186,471	137,339	49,131	35.8 %
Total	\$ 112,564	\$ 83,629	\$ 28,934	\$ 98,528	\$ 68,576	\$ 29,952	\$ 211,092	\$ 152,205	\$ 58,886	38.7 %
Clean Energy Finance										
52200-Clean Energy Financing Pr	49,683	59,503	(9,820)	43,425	48,793	(5,368)	93,108	108,296	(15,188)	(14.0) %
52302-CREB-Clean Renewable Energy Bonds	(1,558)	0	(1,558)	(1,368)	0	(1,368)	(2,926)	0	(2,926)	0.0 %
52303-Solar Lease 3	62,409	59,216	3,193	54,575	48,557	6,018	116,985	107,773	9,212	8.5 %
52400-Lead by Example-State	12,665	11,223	1,441	11,079	9,203	1,876	23,742	20,426	3,316	16.2 %
52304-Onyx	31,059	31,620	(561)	27,164	25,928	1,235	58,223	57,548	675	1.2 %
52305-CGB Meriden Hydro	13,476	12,053	1,424	11,790	9,883	1,908	25,267	21,936	3,331	15.2 %
52306-Not for Profit Entity	50,336	14,389	35,948	44,212	11,799	32,413	94,548	26,188	68,360	261.0 %
52307-Solar Lease 4	32,406	32,859	(453)	28,360	26,944	1,416	60,766	59,803	963	1.6 %
Total	\$ 250,476	\$ 220,863	\$ 29,614	\$ 219,237	\$ 181,107	\$ 38,130	\$ 469,713	\$ 401,970	\$ 67,743	16.9 %
Total Program Expenses	\$ 1,229,881	\$ 1,115,790	\$ 114,092	\$ 1,075,798	\$ 914,947	\$ 160,851	\$ 2,305,679	\$ 2,030,737	\$ 274,942	13.5 %
Administrative Expenses	\$ 259,892	\$ 319,625	\$ (59,734)	\$ 297,667	\$ 262,093	\$ 35,574	\$ 557,559	\$ 581,718	\$ (24,160)	(4.2) %
Total Program & Admin Expenses	\$ 1,489,773	\$ 1,435,415	\$ 54,358	\$ 1,373,465	\$ 1,177,040	\$ 196,425	\$ 2,863,238	\$ 2,612,455	\$ 250,782	9.6 %

Connecticut Green Bank

Statement of Cash Flows

For the Fiscal Year to Date ended October 31, 2018

	10/31/2018	07/01/2018	07/01/2017
	Current Month	Through 10/31/2018	Through 10/31/2017
		FY to Date	Prior FY to Date
Cash Flows from Operating Activities:			
Net Income (Loss)	\$ 1,334,232	\$ 1,757,434	\$ (1,038,582)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	(4,941)	6,293	38,347
Changes in Operating Assets and Liabilities:			
Changes in Net Accounts Receivable	(5,719,171)	(6,015,637)	(778,801)
Changes in Prepaid Expenses	51,154	(89,834)	(65,388)
Changes in Other Assets	50,256	57,596	55,739
Changes to Accounts Payable	(55,686)	(629,372)	(4,083,492)
Changes to Accrued Liabilities	(2,656,127)	(265,564)	2,974,292
Changes to Other Liabilities	1,047,012	(416,591)	27,721,796
Changes to Deferred Revenue	5,000,000	5,000,000	0
Net cash provided by operating Activities	<u>(953,271)</u>	<u>(595,675)</u>	<u>24,823,911</u>
Cash Flows from Investing Activities:			
Capital Expenditures	11,258	11,258	(2,937)
Net sales (purchases) of ST investments	0	2,886,730	2,582,383
Purchase of long term investments and other assets	18,679	(4,593,902)	(33,425,762)
Net cash provided by investing activities	<u>29,937</u>	<u>(1,695,914)</u>	<u>(30,846,316)</u>
Cash Flows from Financing Activities:			
Changes to Intercompany			
Changes to Intercompany Receivable	(654,960)	(696,227)	(3,944,708)
Changes to Intercompany Payable	46,681	(114,818)	225,539
Changes in Debt Proceeds	0	5,000,000	0
Net cash provided by financing activities	<u>(608,279)</u>	<u>4,188,955</u>	<u>(3,719,169)</u>
Net increase (decrease) in cash	(1,531,613)	1,897,366	(9,741,574)
Cash - Beginning of Period	34,013,938	30,584,958	37,025,431
Cash - End of Period	<u>\$ 32,482,325</u>	<u>\$ 32,482,325</u>	<u>\$ 27,283,857</u>
Cash			
Cash - Unrestricted	13,026,880	13,026,880	2,590,921
Cash - Restricted	19,455,445	19,455,445	24,692,936
Total Cash	<u>\$ 32,482,325</u>	<u>\$ 32,482,325</u>	<u>\$ 27,283,857</u>

Connecticut Green Bank
Summary of Unfunded Commitments

As of October 31, 2018

(in thousands)

	EPBB	PBI	PBI-Solar	HOPBI	CPACE	Non CPACE	All Projects		
	Balance	Balance	Lease 2	Program	Loans	Loans	Balance	Balance	Increase /
	10/31/2018	10/31/2018	10/31/2018	10/31/2018	10/31/2018	10/31/2018	10/31/2018	06/30/2018	(Decrease)
Solar - SHREC Eligible	3,329	31,080	1,586	144	0	0	36,138	34,474	1,664
Solar - Not SHREC Eligible	72	10,746	1,631	97	0	0	12,547	14,258	(1,711)
AD/CHP Programs	0	0	0	0	0	4	3	4	0
Multifamily/LMI Solar PV & EE	0	0	0	0	0	6,260	6,261	3,296	2,964
SBEA	0	0	0	0	0	5,000	5,000	0	5,000
Fuel Cells	0	0	0	0	0	10,000	10,000	5,000	5,000
CPACE	0	0	0	0	5,078	0	5,078	8,744	(3,666)
Hydropower	0	0	0	0	0	1,500	1,500	0	1,500
Other Technologies	0	0	0	0	0	272	272	271	0
Total Unfunded Commitments	\$ 3,401	\$ 41,826	\$ 3,217	\$ 241	\$ 5,078	\$ 23,036	\$ 76,799	\$ 66,047	\$ 10,751

Connecticut Green Bank
Schedule of Loan Guarantees
As of October 31, 2018

Guarantor	Issuer	Beneficiary of Guaranty	Relationship of guarantor to Issuer	Type of obligation guaranteed	Maximum amount of guaranty	Obligations guaranteed as of 10/31/2018	Obligations guaranteed as of 06/30/2018	Funds Deposited in Pledge Account
CGB	Owners of multifamily dwellings in Connecticut	Housing Finance Development Fund	Issuers participate in program administered by CGB and the Housing Development Fund to install energy upgrades in multifamily dwellings	Commercial and consumer loan products with various terms	\$ 5,000,000	\$ 3,710,141	\$ 3,743,966	\$ -
CGB	CT Solar Loan I LLC	The Reinvestment Fund Inc.	Blended unit of primary government	Non revolving term note	2,510,837	1,467,242	1,588,934	-
CGB	CT Energy Efficiency Finance Company	Webster Bank	Issuer provides loans for the installation of energy efficiency measures in single family homes to credit challenged households to meet the goals outlined in CGB's Comprehensive Plan.	Guarantee limited to \$600,000 on revolving credit note of \$6,000,000	600,000	600,000	600,000	603,007
CGB	New England Hydropower Company	Webster Bank	Issuer is the developer of hydropower project in Connecticut approved by the CGB Board of Directors.	Line of Credit	300,000	300,000	300,000	602,959
CGB	CEFIA Solar Services Inc.	Onyx Development Group LLC	Holdings is the sole shareholder of Services and an affiliate of CGB	City of Hartford's payments to Onyx under the Barrett II VNM PPA dated June 12, 2018.	3,154,576	3,154,576	-	-
CEFIA Holdings LLC	CEFIA Solar Services Inc.	CT Housing Finance Authority (CHFA)	Holdings is the sole shareholder of Services and an affiliate of CGB	Promissory Note for funds received from CHFA upon their issuance of Qualified Energy Conservation Bonds (QECBs) for State Sponsored Housing Projects (SSHP)	1,895,807	1,714,125	1,745,722	-
CGB	Canton Hydro, LLC	The Provident Bank - Holder of Senior Debt	Issuer is the developer of hydropower project in Connecticut approved by the CGB Board of Directors.	Unfunded guaranty not to exceed \$500,000	500,000	500,000	-	-
					\$ 13,961,220	\$ 11,446,084	\$ 7,978,622	\$ 1,205,966

Connecticut Green Bank
Loan Loss Reserve Analysis
As of October 31, 2018

Loan Program	Project	Dept	Program	Loan Portfolio			Loan Loss Reserve Balance 7/1/2018	FY19 YTD Budgeted Additions to Provisional Reserve	FY19 YTD Portfolio Loan Write-Offs	Loan Loss Reserve Balance As of October 31, 2018	Reserve as a % of Portfolio Balance	Write-offs as a % of Portfolio Balance	Loan Portfolio Carrying Value As of October 31, 2018	
				Balance 7/1/2018	FY19 YTD Investments	FY19 YTD Repayments								Balance As of October 31, 2018
CPACE Program	Various	CI&I	51800-C&I CPACE	\$ 25,225,460	\$ 1,398,654	\$ (342,658)	\$ 26,281,456	\$ (2,522,546)	\$ (679,096)	\$ -	\$ (3,201,642)	12.2%	0.0%	\$ 23,079,814
Fuel Cell Projects	Fuel Cell Energy	Other Pgms	51600-Loans Commercial	6,026,165	-	-	6,026,165	(1,205,233)	-	-	(1,205,233)	20.0%	0.0%	4,820,932
CHP Pilot	Bridgeport MicroGrid	SI	51300-MicroGrid / CHP Pilot	489,121	-	(6,806)	482,315	(48,912)	-	-	(48,912)	10.1%	0.0%	433,402
Anaerobic Digester	Quantum Biopower	SI	51200-Anaerobic Digester Pilot	1,797,663	-	(44,387)	1,753,276	(179,766)	-	-	(179,766)	10.3%	0.0%	1,573,510
Other Loans	Nu Power Thermal	Other Pgms	50800-Grid-Tied R.E. Projects	155,205	-	-	155,205	(155,204)	-	-	(155,204)	100.0%	0.0%	1
	Terrace Heights Condos	CI&I	51810-C&I New Product Develop.	89,000	-	-	89,000	(8,900)	-	-	(8,900)	10.0%	0.0%	80,100
Multifamily / Affordable Housing / Credit Challenged / LMI	Capital for Change	Multi	52230-CHIF Multifamily PEL	3,178,596	-	(45,894)	3,132,701	(317,860)	-	-	(317,860)	10.1%	0.0%	2,814,842
	Pre-Dev Loans	Multi	52250-Multifamily Programs	90,927	35,727	-	126,654	(18,185)	(120,000)	-	(138,185)	109.1%	0.0%	(11,532)
	Posigen	Resi	52220-LMI Programs	6,819,075	2,462,042	(152,278)	9,128,839	(681,907)	(250,000)	-	(931,907)	10.2%	0.0%	8,196,932
Energy Efficiency	Univ of Hartford & Univ of New Haven	Other Pgms	51910-Campus Efficiency NOW	169,755	-	(31,150)	138,605	(16,976)	-	-	(16,976)	12.2%	0.0%	121,630
	RENEW Energy Efficiency Bridgeport	CI&I	51810-C&I New Product Develop.	130,000	-	-	130,000	(13,000)	(51,000)	-	(64,000)	49.2%	0.0%	66,000
Solar Hot Water	Two Roads Brewery	Other Pgms	51600-Loans Commercial	6,535	-	(5,223)	1,312	(327)	-	-	(327)	24.9%	0.0%	985
Alpha Program	Anchor Science	Other Pgms	50100-Alpha Program	150,000	-	-	150,000	(75,000)	-	-	(75,000)	50.0%	0.0%	75,000
Op Demo Program	New England Hydropower Co.	Other Pgms	50200-Op Demo Program	500,000	-	-	500,000	(499,999)	-	-	(499,999)	100.0%	0.0%	1
Wind Financing	Wind Colebrook	Other Pgms	50800-Grid-Tied R.E. Projects	2,350,263	-	(18,304)	2,331,959	(235,026)	-	-	(235,026)	10.1%	0.0%	2,096,933
Total:				\$ 47,177,765	\$ 3,896,423	\$ (646,700)	\$ 50,427,487	\$ (5,978,841)	\$ (1,100,096)	\$ -	\$ (7,078,937)	14.0%	0.0%	\$ 43,348,550
CPACE Loans				\$ 25,225,460	\$ 1,398,654	\$ (342,658)	\$ 26,281,456	\$ (2,522,546)	\$ (679,096)	\$ -	\$ (3,201,642)	12.2%	0.0%	\$ 23,079,814
Program Loans				\$ 21,952,305	\$ 2,497,769	\$ (304,042)	\$ 24,146,031	\$ (3,456,295)	\$ (421,000)	\$ -	\$ (3,877,295)	16.1%	0.0%	\$ 20,268,736
Total:				\$ 47,177,765	\$ 3,896,423	\$ (646,700)	\$ 50,427,487	\$ (5,978,841)	\$ (1,100,096)	\$ -	\$ (7,078,937)	14.0%	0.0%	\$ 43,348,550

Analysis:

Number of loans written off:	None
Dollar amount of loans written off:	\$ -
Write-offs as a percent of portfolio:	0.0%

Connecticut Green Bank Executive Summary - Affiliates

October 2018

Overview

This financial package contains financial information for the Connecticut Green Bank's affiliate companies through October 2018. These entities operate on a calendar year basis, with the exception of CGB Meriden Hydro which operates on CGB's fiscal year.

- The October 2018 Balance Sheets are compared to the balance sheet for the same period in the prior year.
- The October 2018 Profit and Loss Statements compare the current year operations to the same period in the prior year.

CEFIA Holdings LLC

Balance Sheet: Total assets of \$13.8m decreased by \$7.4m from the prior year due decreases in advances to CTSL3 of \$6.8m, cash of \$0.9m and commercial PPA projects of \$0.6m, partially offset by an increase in other current assets of \$0.9m for Onyx and IPC project receivables.

Profit and Loss: Net Income of \$0.5m is \$0.6m above the prior year due to higher project margins. The SL2 Commercial Lease program completed in Jun-17. The SL3 Commercial Program began in Aug-17 and completed Sep-18. Sales of Commercial systems worth \$3.2m are \$10.2m below prior year. Gross Margin of 18.0% is 17.1 pts above prior year due to higher profit margins on SL3 projects and true-ups for Daughters of Mary.

CT Solar Loan I LLC

Balance Sheet: Total assets of \$3.3m decreased by \$3.3m from the prior year due to decreases in cash of \$2.8m and Residential Solar Loans of \$0.5m.

Profit and Loss: Net Income of \$30k is consistent with the prior year.

CEFIA Solar Services, Inc.

Balance Sheet: Total assets of \$38.6m increased by \$3.1m from the prior year. An increase the investment in CT Solar Lease 3 of \$7.4m is partially offset by decreases in receivables from CT Solar Lease 2 of \$3.0m and cash of \$1.3m.

Profit and Loss: Net Income of \$45k is \$71k below the prior year due to higher SL3 Commitment Fees.

CT Solar Lease 2 LLC

Balance Sheet: Total assets of \$77.0m decreased by \$6.1m from the prior year. Energy equipment decreased by \$2.5m; Commercial projects and Residential PV systems decreased by \$1.5m and \$1.0m, respectively. Cash and Current Assets decreased by \$2.3m and \$0.8m, respectively.

Profit and Loss: The Net Loss of \$465k is \$904k below the prior year. Total revenue is \$232k below prior year due to lower PPA income of \$214k. Total operating expenses are \$769k below prior year due to lower warranty expenses of \$770k. Depreciation, Interest and Taxes are \$71k above prior year due to higher interest expense of \$64k. The Unrealized Gain on Interest Rate Swap is \$438k above prior year.

CT Solar Lease 3 LLC

Balance Sheet: Total assets of \$13.9m increased by \$4.8m from the prior year. Energy equipment increased by \$4.0m, the Asset Retirement Obligation increased by \$0.5m and Current Assets increased by \$0.3m. The commercial leasing program completed in Sep-18.

Profit and Loss: Net Income of \$64k is \$430k above the prior year. Total revenue is \$407k above prior year due to higher PPA income of \$271k and higher LREC/ZREC income of \$135k. Operating Expenses are \$309k below prior year due to lower legal and structuring fees. Depreciation/Accretion is \$285k above prior year due to project volume.

CGB Meriden Hydro LLC

Balance Sheet: Total Assets of \$4.7m are \$0.8m above prior year due to a \$0.6m purchase price adjustment on the Meriden Hanover Pond Hydroelectric facility.

Profit and Loss: Net Income of \$17k is \$61k above prior year due to insurance payments received for loss of use, net of related repair expenses. October includes depreciation catchup back to Aug-17 related to the purchase price adjustment.

CEFIA Holdings LLC

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Assets					
Current Assets					
Cash and Cash Equivalents-Unrestricted	4,554,432	5,531,983	(977,551)	4,004,462	549,970
Other Current Assets	953,655	46,521	907,134	2,071,303	(1,117,649)
Total Current Assets	5,508,087	5,578,504	(70,417)	6,075,765	(567,679)
Energy Equipment					
Commercial PPA Projects - Costs in Excess of Billings	0	623,350	(623,350)	0	0
Total Energy Equipment	0	623,350	(623,350)	0	0
Other Assets					
Investment in/Advances to Affiliates	6,935,625	13,782,039	(6,846,414)	6,935,626	0
Performance Assurance Deposits	3,277	905	2,373	904	2,373
Solar Thermal Equipment	100,166	100,166	0	100,167	0
Restricted Assets					
Cash - Restricted - Escrow and Custodial Liabilities	1,262,838	1,162,606	100,232	1,253,344	9,494
Total Restricted Assets	1,262,839	1,162,606	100,232	1,253,344	9,494
Total Other Assets	8,301,907	15,045,716	(6,743,809)	8,290,041	11,867
Total Assets	\$ 13,809,994	\$ 21,247,570	\$ (7,437,576)	\$ 14,365,806	\$ (555,812)
Liabilities					
Current Liabilities					
Accrued Expenses	4,750	4,750	0	4,750	0
Deferred Revenue	455,910	554,860	(98,950)	1,114,810	(658,900)
Total Current Liabilities	460,660	559,610	(98,950)	1,119,560	(658,900)
Other Liabilities					
Due to Affiliates	2,300,000	10,365,345	(8,065,344)	2,300,000	0
Contractor Holdbacks	1,262,839	1,162,605	100,232	1,253,345	9,494
Total Other Liabilities	3,562,839	11,527,950	(7,965,112)	3,553,345	9,494
Total Liabilities	\$ 4,023,499	\$ 12,087,560	\$ (8,064,062)	\$ 4,672,905	\$ (649,406)
Equity					
Member Contributions					
CGB Capital Contributions	99,000	99,000	0	99,000	0
CI Capital Contributions	1,000	1,000	0	1,000	0
Total Member Contributions	100,000	100,000	0	100,000	0
Members Equity - Prior Year	9,139,504	9,135,071	4,433	9,139,504	0
Net Income (Loss)	546,991	(75,062)	622,053	453,397	93,594
Total Members Equity	\$ 9,786,495	\$ 9,160,009	\$ 626,486	\$ 9,692,901	\$ 93,594
Liabilities and Equity	\$ 13,809,994	\$ 21,247,570	\$ (7,437,576)	\$ 14,365,806	\$ (555,812)

CEFIA Holdings LLC
Profit & Loss Statement
Year to Date ended October 31, 2018
(Calendar Year Entity)

	<u>10/31/2018</u>	<u>01/01/2018 Through 10/31/2018</u>	<u>01/01/2017 Through 10/31/2017</u>	<u>\$ Change</u>
	Current Month	Current Year to Date	Prior Year to Date	Year over Year
Sales				
Sales-Commercial PPA Projects	658,900	3,163,960	13,388,188	(10,224,228)
Total-Sales	\$ 658,900	\$ 3,163,960	\$ 13,388,188	\$ (10,224,228)
Cost of Sales				
Cost of Sales - Commercial PV Systems	565,701	2,595,472	13,272,573	(10,677,101)
Total Cost of Sales	\$ 565,701	\$ 2,595,472	\$ 13,272,573	\$ (10,677,101)
Gross Profit	\$ 93,199	\$ 568,488	\$ 115,615	\$ 452,873
Expenses				
Operating Expenses				
Program Development and Administration				
Project Inspections	0	5,435	13,895	(8,460)
Total Program Development and Administration	0	5,435	13,895	(8,460)
Lease Origination Services				
Lease Origination Fees	0	0	300	(300)
Monthly Bank/Servicing Fees	400	3,219	4,199	(980)
Total Lease Origination Services	400	3,219	4,499	(1,280)
Consulting and Professional Fees				
Consulting/Advisory Fees	0	14,668	155,091	(140,423)
Legal Fees & Related Expenses	0	1,350	1,134	216
Total Consulting and Professional Fees	0	16,018	156,225	(140,207)
Structuring Fees	0	0	25,000	(25,000)
Other Expenses	0	10,870	(31,925)	42,795
Total Operating Expenses	400	35,542	167,694	(132,152)
Other (Income) Expense	(795)	(14,046)	22,982	(37,028)
Total Expenses	\$ (395)	\$ 21,496	\$ 190,676	\$ (169,180)
Net Income (Loss)	\$ 93,594	\$ 546,992	\$ (75,061)	\$ 622,053

CT Solar Loan I LLC

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Assets					
Current Assets					
Cash and Cash Equivalents-Unrestricted	316,478	3,155,615	(2,839,136)	285,698	30,781
Other Current Assets					
Other Receivables	15,607	19,050	(3,444)	15,424	181
Total Other Current Assets	15,607	19,050	(3,444)	15,424	181
Total Current Assets	332,085	3,174,665	(2,842,580)	301,122	30,962
Other Assets					
Residential Solar Loans-Complete	2,629,137	3,123,943	(494,806)	2,677,673	(48,536)
Restricted Assets					
Cash - Restricted - Loan Loss Reserve	301,168	300,960	208	301,141	29
Total Restricted Assets	301,168	300,960	208	301,141	29
Total Other Assets	2,930,305	3,424,903	(494,598)	2,978,814	(48,507)
Total Assets	\$ 3,262,390	\$ 6,599,568	\$ (3,337,178)	\$ 3,279,936	\$ (17,545)
Liabilities					
Current Liabilities					
Accounts Payable	0	2,426	(2,426)	1,637	(1,637)
Accrued Expenses and Other Current Liabilities	1,874	2,051	(177)	1,847	27
Total Current Liabilities	1,874	4,477	(2,603)	3,484	(1,610)
Other Liabilities					
Due to Affiliates					
Due to CGB	1,217,500	4,072,500	(2,855,000)	1,217,500	0
Total Due to Affiliates	1,217,500	4,072,500	(2,855,000)	1,217,500	0
Notes Payable					
Note Payable-Solar Mosaic	355,662	447,810	(92,149)	360,308	(4,646)
Note Payable-Reinvestment Fund	1,467,241	1,890,708	(423,465)	1,484,454	(17,213)
Total Notes Payable	1,822,903	2,338,518	(515,614)	1,844,762	(21,859)
Total Other Liabilities	3,040,403	6,411,018	(3,370,614)	3,062,262	(21,859)
Total Liabilities	\$ 3,042,277	\$ 6,415,495	\$ (3,373,217)	\$ 3,065,746	\$ (23,469)
Equity					
Members Equity - Prior Year	189,767	155,085	34,683	189,767	0
Net Income (Loss)	30,346	28,988	1,357	24,423	5,923
Total Equity	\$ 220,113	\$ 184,073	\$ 36,040	\$ 214,190	\$ 5,923
Liabilities and Equity	\$ 3,262,390	\$ 6,599,568	\$ (3,337,178)	\$ 3,279,936	\$ (17,545)

CT Solar Loan I LLC
Profit & Loss Statement
Year to Date ended October 31, 2018
(Calendar Year Entity)

	10/31/2018	01/01/2018 Through 10/31/2018	01/01/2017 Through 10/31/2017	\$ Change
	Current Month	Current Year to Date	Prior Year to Date	Year over Year
Revenue				
Interest Income	15,606	155,351	185,687	(30,337)
Other Income	18	93	394	(300)
Total Revenue	\$ 15,624	\$ 155,444	\$ 186,081	\$ (30,637)
Expenses				
Loan Origination Services				
Loan Origination Fees	0	5,193	5,988	(795)
Monthly Bank/Servicing Fees	452	18,871	22,172	(3,302)
Total Loan Origination Services	452	24,064	28,160	(4,097)
Operating Expenses				
Other Expenses	0	0	29	(28)
Total Operating Expenses	0	0	29	(28)
Depreciation, Amortization, Interest & Taxes				
Interest Expense	9,249	101,034	128,903	(27,869)
Total Depreciation, Amortization, Interest & Taxes	9,249	101,034	128,903	(27,869)
Total Expenses	\$ 9,701	\$ 125,098	\$ 157,092	\$ (31,994)
Operating Income/(Loss)	\$ 5,923	\$ 30,346	\$ 28,988	\$ 1,357
Net Income (Loss)	\$ 5,923	\$ 30,346	\$ 28,988	\$ 1,357

CEFIA Solar Services Inc.

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Assets					
Current Assets					
Cash and Cash Equivalents-Unrestricted	169,621	1,524,914	(1,355,293)	167,444	2,177
Total Current Assets	169,621	1,524,914	(1,355,293)	167,444	2,177
Other Assets					
Investment in/Advances to Affiliates					
Due From CT SL2 - SSHP Sub Debt	1,941,167	1,893,821	47,347	1,937,129	4,038
Due From CT SL2 - WC Advance	5,950,000	8,450,000	(2,500,000)	5,950,000	0
Due From CT SL2 - Admin Fee	0	542,454	(542,455)	0	0
Investment in CT Solar Lease 2 LLC	19,182,460	19,182,460	0	19,182,460	0
Investment in CT SL2 LLC - Non-ARRA Funds	3,500,000	3,500,000	0	3,500,000	0
Investment in CT Solar Lease 3 LLC	7,841,070	417,917	7,423,153	7,841,069	0
Total Investment in/Advances to Affiliates	38,414,697	33,986,652	4,428,045	38,410,658	4,038
Total Other Assets	38,414,697	33,986,652	4,428,045	38,410,658	4,038
Total Assets	\$ 38,584,318	\$ 35,511,566	\$ 3,072,752	\$ 38,578,102	\$ 6,215
Liabilities					
Current Liabilities					
Accrued Expenses	12,270	8,519	3,751	12,303	(33)
Total Current Liabilities	12,270	8,519	3,751	12,303	(33)
Other Liabilities					
Due to Affiliates					
Due to CGB	33,266,325	30,166,325	3,100,000	33,266,325	0
Due to CEFIA Holdings	2,994,126	2,994,125	0	2,994,126	0
Total Due to Affiliates	36,260,451	33,160,450	3,100,000	36,260,451	0
Notes Payable	1,714,125	1,808,916	(94,790)	1,722,024	(7,899)
Total Other Liabilities	37,974,576	34,969,366	3,005,210	37,982,475	(7,899)
Total Liabilities	\$ 37,986,846	\$ 34,977,885	\$ 3,008,961	\$ 37,994,778	\$ (7,932)
Equity					
Common Stock	1	1	0	1	0
Additional Paid In Capital	99	99	0	99	0
Retained Earnings	552,400	417,442	134,958	552,400	0
Net Income (Loss)	44,972	116,139	(71,167)	30,824	14,147
Total Equity	\$ 597,472	\$ 533,681	\$ 63,791	\$ 583,324	\$ 14,147
Liabilities and Equity	\$ 38,584,318	\$ 35,511,566	\$ 3,072,752	\$ 38,578,102	\$ 6,215

CEFIA Solar Services Inc.
Profit & Loss Statement
Year to Date ended October 31, 2018
(Calendar Year Entity)

	10/31/2018	01/01/2018 Through 10/31/2018	01/01/2017 Through 10/31/2017	\$ Change
	Current Month	Current Year to Date	Prior Year to Date	Year over Year
Revenue				
Administrative Services Fee	11,314	111,485	108,766	2,719
Interest Income	4,067	41,140	45,899	(4,759)
Other Income	6,270	6,269	0	6,269
Total Revenue	\$ 21,651	\$ 158,894	\$ 154,665	\$ 4,229
Expenses				
Operating Expenses				
Commitment Fees	3,949	77,521	0	77,521
Other Expenses	0	0	150	(150)
Total Operating Expenses	3,949	77,521	150	77,371
Depreciation, Amortization, Interest & Taxes				
Interest Expense-CHFA Note	3,554	36,452	38,426	(1,974)
State Tax Filing Fees	0	(50)	(50)	0
Total Depreciation, Amortization, Interest & Taxes	3,554	36,402	38,376	(1,974)
Total Expenses	\$ 7,503	\$ 113,923	\$ 38,526	\$ 75,397
Net Income (Loss)	\$ 14,147	\$ 44,972	\$ 116,139	\$ (71,167)

CT Solar Lease 2 LLC

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Assets					
Current Assets					
Cash and Cash Equivalents-Unrestricted	1,848,033	4,149,687	(2,301,653)	2,286,084	(438,050)
Other Current Assets					
Accounts Receivable	10,676	164,166	(153,491)	20,890	(10,215)
Other Receivables	608,104	428,559	179,545	554,254	53,850
Prepaid Assets	0	842,818	(842,818)	0	0
Total Other Current Assets	<u>618,780</u>	<u>1,435,543</u>	<u>(816,764)</u>	<u>575,144</u>	<u>43,635</u>
Total Current Assets	<u>2,466,813</u>	<u>5,585,230</u>	<u>(3,118,417)</u>	<u>2,861,228</u>	<u>(394,415)</u>
Energy Equipment					
Residential PV Systems - In Service, net	38,781,789	40,238,522	(1,456,733)	38,903,184	(121,395)
Commercial Systems (PPA & PV) - In Service, net	28,105,786	29,127,417	(1,021,631)	28,190,922	(85,136)
Total Energy Equipment	<u>66,887,575</u>	<u>69,365,939</u>	<u>(2,478,364)</u>	<u>67,094,106</u>	<u>(206,531)</u>
Other Assets					
Investment in/Advances to Affiliates					
Due From CGB - PBI	385,000	733,405	(348,405)	338,319	46,681
Total Investment in/Advances to Affiliates	<u>385,000</u>	<u>733,405</u>	<u>(348,405)</u>	<u>338,319</u>	<u>46,681</u>
Deferred Financing Fees, net	334,602	363,283	(28,680)	336,992	(2,390)
Performance Assurance Deposits	2,715	40,319	(37,605)	2,715	0
Asset Retirement Obligation, net	2,389,006	2,535,104	(146,098)	2,389,006	0
Restricted Assets					
Cash - Restricted - O&M Reserve	1,000,000	1,000,000	0	1,000,000	0
Cash - Restricted - Loan Loss Reserve	3,514,176	3,505,652	8,524	3,513,451	725
Total Restricted Assets	<u>4,514,176</u>	<u>4,505,652</u>	<u>8,524</u>	<u>4,513,451</u>	<u>725</u>
Total Other Assets	<u>7,625,499</u>	<u>8,177,763</u>	<u>(552,264)</u>	<u>7,580,483</u>	<u>45,016</u>
Total Assets	<u>\$ 76,979,887</u>	<u>\$ 83,128,932</u>	<u>\$ (6,149,045)</u>	<u>\$ 77,535,817</u>	<u>\$ (555,930)</u>
Liabilities					
Current Liabilities					
Accrued Expenses	177,817	765,255	(587,438)	301,231	(123,414)
Deferred Revenue	806,257	855,350	(49,092)	810,349	(4,091)
Accrued Interest - CCB Note	322,229	258,721	63,507	316,747	5,481
Accrued Interest - Key Bank Note	0	0	0	232,450	(232,450)
Other Current Liabilities	(90,750)	61,278	(152,028)	1,985	(92,736)
Total Current Liabilities	<u>1,215,553</u>	<u>1,940,604</u>	<u>(725,051)</u>	<u>1,662,762</u>	<u>(447,210)</u>

CT Solar Lease 2 LLC

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Other Liabilities					
Due to Affiliates					
Due to CGB	10,932	235,064	(224,132)	10,933	0
Due to CEFIA Solar Services	0	542,455	(542,455)	0	0
Due to Managing Member - WC Advances	5,950,000	8,450,000	(2,500,000)	5,950,000	0
Due to Managing Member - SSHP Sub Debt	1,941,167	1,893,820	47,347	1,937,129	4,038
Total Due to Affiliates	7,902,099	11,121,339	(3,219,240)	7,898,062	4,038
Notes Payable					
Note Payable-CGB	2,300,000	2,300,000	0	2,300,000	0
Note Payable-Key Bank	23,448,055	23,940,957	(492,902)	23,549,916	(101,862)
Total Notes Payable	25,748,055	26,240,957	(492,902)	25,849,916	(101,862)
Fair Value - Interest Rate Swap	(171,478)	540,877	(712,355)	(171,478)	0
Asset Retirement Obligation	3,087,868	3,020,406	67,462	3,087,868	0
Total Other Liabilities	36,566,544	40,923,579	(4,357,035)	36,664,368	(97,824)
Total Liabilities	\$ 37,782,097	\$ 42,864,183	\$ (5,082,086)	\$ 38,327,130	\$ (545,034)
Equity					
Member Contributions & Distributions					
Capital Contributions - Firststar Development	26,137,446	26,022,691	114,755	26,137,446	0
Capital Contributions - CEFIA Solar Services	19,182,459	19,182,459	0	19,182,459	0
Capital Contributions - CEFIA Solar Services-Non-ARRA	3,500,000	3,500,000	0	3,500,000	0
Priority Return-Firststar Development	(1,416,832)	(906,690)	(510,142)	(1,416,832)	0
Prepaid Priority Return-Firststar Development	(74,479)	(74,479)	0	(74,479)	0
Deferred Syndication Costs	(853,480)	(853,480)	0	(853,480)	0
Total Member Contributions, Net	46,475,114	46,870,501	(395,387)	46,475,114	0
Members Equity - Prior Year	(6,812,502)	(5,236,430)	(1,576,071)	(6,812,502)	0
Net Income (Loss)	(464,821)	(1,369,321)	904,499	(453,925)	(10,896)
Total Members Equity	\$ 39,197,791	\$ 40,264,750	\$ (1,066,959)	\$ 39,208,687	\$ (10,896)

CT Solar Lease 2 LLC
Profit & Loss Statement
Year to Date ended October 31, 2018
(Calendar Year Entity)

	10/31/2018	01/01/2018 Through 10/31/2018	01/01/2017 Through 10/31/2017	\$ Change
	Current Month	Current Year to Date	Prior Year to Date	Year over Year
Revenue				
Rental Income	126,549	1,257,472	1,190,486	66,987
PBI Income	55,000	840,844	918,365	(77,522)
PPA Income	68,774	546,364	759,978	(213,614)
LREC/ZREC Income	40,000	366,093	364,891	1,202
Interest Income	1,852	14,146	23,087	(8,941)
Total Revenue	\$ 292,175	\$ 3,024,919	\$ 3,256,807	\$ (231,888)
Expenses				
Operating Expenses				
Implementation Fees	688	2,590	1,383	1,207
Lease Origination Services	7,609	78,841	145,175	(66,334)
Consulting and Professional Fees	7,232	62,318	68,527	(6,210)
Insurance	0	217,213	216,643	571
Commitment Fees	0	0	8,505	(8,505)
Administrative Services Fee	11,314	111,485	108,766	2,719
Warranty Management	1,946	179,049	948,572	(769,523)
O&M Expense	9,923	95,228	0	95,228
Other Expenses	0	0	18,632	(18,632)
Total Operating Expenses	38,712	746,724	1,516,203	(769,479)
Depreciation, Amortization, Interest & Taxes				
Depreciation-Energy Equipment	206,530	2,134,729	2,104,664	30,064
Accretion Expense-Energy Equipment	0	45,771	40,408	5,364
Amortization-Financing Fees	2,390	23,900	23,900	0
Interest Expense	55,373	1,009,188	945,268	63,920
Use Tax	67	2,516	28,256	(25,740)
Property Tax	0	(2,150)	0	(2,151)
Total Depreciation, Amortization, Interest & Taxes	264,360	3,213,954	3,142,496	71,457
Unrealized Losses				
Unrealized (Gain)/Loss on Interest Rate SWAP	0	(470,937)	(32,571)	(438,365)
Total Unrealized Losses	0	(470,937)	(32,571)	(438,365)
Total Expenses	\$ 303,072	\$ 3,489,741	\$ 4,626,128	\$ (1,136,387)
Net Income (Loss)	\$ (10,896)	\$ (464,822)	\$ (1,369,321)	\$ 904,499

CT Solar Lease 3 LLC

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Assets					
Current Assets					
Cash and Cash Equivalents-Unrestricted	739,398	690,004	49,394	734,520	4,878
Other Current Assets					
Accounts Receivable	18,619	27,865	(9,246)	27,609	(8,990)
Other Receivables	219,086	0	219,086	189,628	29,458
Total Other Current Assets	237,705	27,865	209,840	217,237	20,468
Total Current Assets	977,103	717,869	259,234	951,757	25,346
Energy Equipment					
Commercial Systems (PPA & PV) - In Service, net	12,395,367	7,171,765	5,223,602	12,430,965	(35,599)
Commercial Systems (PPA & PV) - In Construction	0	1,263,157	(1,263,157)	0	0
Total Energy Equipment	12,395,367	8,434,922	3,960,445	12,430,965	(35,599)
Other Assets					
Performance Assurance Deposits	7,055	0	7,055	6,370	686
Asset Retirement Obligation, net	538,680	0	538,680	538,680	0
Total Other Assets	545,735	0	545,735	545,050	686
Total Assets	\$ 13,918,205	\$ 9,152,791	\$ 4,765,414	\$ 13,927,772	\$ (9,567)
Liabilities					
Current Liabilities					
Accounts Payable	3,098	0	3,098	0	3,098
Accrued Expenses	29,800	0	29,800	46,218	(16,418)
Deferred Revenue	124,172	0	124,172	126,445	(2,273)
Other Current Liabilities	11,652	0	11,652	11,487	165
Total Current Liabilities	168,722	0	168,722	184,150	(15,428)
Other Liabilities					
Due to Affiliates					
Due to CGB	1,000	1,000	0	1,000	0
Due to CEFIA Holdings	1,641,400	8,487,814	(6,846,414)	1,641,400	0
Total Due to Affiliates	1,642,400	8,488,814	(6,846,414)	1,642,400	0
Asset Retirement Obligation	571,125	0	571,125	571,125	0
Total Other Liabilities	2,213,525	8,488,814	(6,275,289)	2,213,525	0
Total Liabilities	\$ 2,382,247	\$ 8,488,814	\$ (6,106,567)	\$ 2,397,675	\$ (15,428)

CT Solar Lease 3 LLC

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Equity					
Member Contributions & Distributions					
Capital Contributions - Firststar Development	4,070,521	611,846	3,458,675	4,070,521	0
Capital Contributions - CEFIA Solar Services	7,841,070	417,917	7,423,153	7,841,070	0
Priority Return-Firststar Development	(48,238)	0	(48,238)	(48,238)	0
Deferred Syndication Costs	(313,613)	0	(313,613)	(313,613)	0
Total Member Contributions, Net	<u>11,549,740</u>	<u>1,029,763</u>	<u>10,519,977</u>	<u>11,549,740</u>	<u>0</u>
Members Equity - Prior Year	(77,972)	0	(77,972)	(77,972)	0
Net Income (Loss)	64,190	(365,786)	429,977	58,330	5,861
Total Members Equity	<u>\$ 11,535,958</u>	<u>\$ 663,977</u>	<u>\$ 10,871,982</u>	<u>\$ 11,530,098</u>	<u>\$ 5,861</u>

CT Solar Lease 3 LLC
Profit & Loss Statement
Year to Date ended October 31, 2018
(Calendar Year Entity)

	10/31/2018	01/01/2018 Through 10/31/2018	01/01/2017 Through 10/31/2017	\$ Change
	Current Month	Current Year to Date	Prior Year to Date	Year over Year
Revenue				
PPA Income	30,522	299,008	27,865	271,144
LREC/ZREC Income	15,000	135,323	0	135,323
Interest Income	0	153	0	153
Total Revenue	\$ 45,522	\$ 434,484	\$ 27,865	\$ 406,620
Expenses				
Operating Expenses				
Lease Origination Services				
Monthly Bank/Service Fees	10	100	601	(501)
Total Lease Origination Services	10	100	601	(501)
Consulting and Professional Fees				
Consulting/Advisory Fees	0	0	17,280	(17,280)
Accounting and Auditing Fees	0	900	0	900
Legal Fees & Related Expenses	0	0	235,000	(235,000)
Total Consulting and Professional Fees	0	900	252,280	(251,380)
Insurance	0	6,966	9,265	(2,299)
O&M Expense	4,053	24,051	0	24,050
Structuring Fees	0	0	78,613	(78,613)
Total Operating Expenses	4,063	32,017	340,759	(308,743)
Depreciation, Amortization, Interest & Taxes				
Depreciation-Energy Equipment	35,598	330,349	52,892	277,458
Accretion Expense-Energy Equipment	0	7,928	0	7,927
Total Depreciation, Amortization, Interest & Taxes	35,598	338,277	52,892	285,385
Total Expenses	\$ 39,661	\$ 370,294	\$ 393,651	\$ (23,358)
Net Income (Loss)	\$ 5,861	\$ 64,191	\$ (365,787)	\$ 429,977

CGB Meriden Hydro LLC

Balance Sheet

As of October 31, 2018

	As of 10/31/2018	As of 10/31/2017	YOY \$ Change	As of 09/30/2018	MTD \$ Change
Assets					
Current Assets					
Cash and Cash Equivalents					
Cash - Unrestricted	138,595	643	137,952	67,331	71,264
Total Cash and Cash Equivalents	138,595	643	137,952	67,331	71,264
Other Current Assets					
Prepaid Assets	42,049	0	42,049	50,459	(8,410)
Total Other Current Assets	42,049	0	42,049	50,459	(8,410)
Total Current Assets	180,644	643	180,001	117,790	62,854
Fixed Assets					
Furniture & Equipment, net	4,371,135	3,879,108	492,028	3,759,583	611,552
Total Fixed Assets	4,371,135	3,879,108	492,028	3,759,583	611,552
Total Assets	\$ 4,551,779	\$ 3,879,751	\$ 672,029	\$ 3,877,373	\$ 674,406
Liabilities					
Other Liabilities					
Due to Affiliates					
Due to CGB	4,691,467	3,924,388	767,080	4,041,987	649,480
Total Due to Affiliates	4,691,467	3,924,388	767,080	4,041,987	649,480
Total Other Liabilities	4,691,467	3,924,388	767,080	4,041,987	649,480
Total Liabilities	\$ 4,691,467	\$ 3,924,388	\$ 767,080	\$ 4,041,987	\$ 649,480
Net Position					
Investment in Capital Assets	4,371,136	3,879,108	492,028	3,759,584	611,552
Unrestricted Net Position	(4,510,823)	(3,923,745)	(587,079)	(3,924,198)	(586,626)
Total Net Position	\$ (139,688)	\$ (44,637)	\$ (95,051)	\$ (164,614)	\$ 24,926

CGB Meriden Hydro LLC

Profit & Loss Statement

For the Fiscal Year to Date ended October 31, 2018

	10/31/2018	07/01/2018 Through 10/31/2018	07/01/2017 Through 10/31/2017	\$ Change
	Current Month	FY to Date	Prior FY to Date	Year over Year
Revenue				
Other Income	270,396	438,873	0	438,873
Total Revenue	\$ 270,396	\$ 438,873	\$ 0	\$ 438,873
Operating Expenses				
Program Development and Administration	199,132	314,097	6,602	307,495
Consulting and Professional Fees				
Legal Fees & Related Expenses	0	0	5,180	(5,180)
Total Consulting and Professional Fees	0	0	5,180	(5,180)
Rent and Location Related Expenses				
Depreciation & Amortization	37,927	70,525	32,598	37,928
Total-Rent and Location Related Expenses	37,927	70,525	32,598	37,928
Office, Computer & Other Expenses				
Office Expense	0	0	168	(168)
Insurance	8,410	37,697	0	37,696
Total-Office, Computer & Other Expenses	8,410	37,697	168	37,528
Operating Expenses	\$ 245,469	\$ 422,319	\$ 44,548	\$ 377,771
Net Income (Loss)	\$ 24,926	\$ 16,554	\$ (44,548)	\$ 61,102

Connecticut Green Bank and Component Units
Consolidated Balance Sheet
As of October 31, 2018

	CGB		Total CGB +		CEFIA	Total CGB-	Discrete-Component Units					CGB	CGB	
	Connecticut Green Bank	Meriden Hydro LLC	Eliminations	Single Member LLCs			CT Solar Loan I LLC	Holdings LLC	Eliminations	Primary Government	CT Solar Lease 2 LLC	CT Solar Lease 3 LLC	CEFIA Solar Services Inc.	Eliminations
Assets														
Current Assets														
Cash and Cash Equivalents	13,026,880	138,595	-	13,165,475	316,478	4,554,432	-	18,036,384	1,848,033	739,398	169,621	-	20,793,437	17,643,766
Accounts Receivable	7,645,104	-	-	7,645,104	-	14,576	-	7,659,680	10,676	18,619	-	-	7,688,975	1,070,354
Utility Remittance Receivable	2,450,314	-	-	2,450,314	-	-	-	2,450,314	-	-	-	-	2,450,314	2,410,040
Other Receivables	212,542	-	-	212,542	467	939,079	-	1,152,088	608,103	219,086	-	-	1,979,278	1,111,672
Due From Component Units	41,809,453	-	(4,691,467)	37,117,986	-	6,935,526	(3,517,500)	40,536,012	385,000	-	7,891,167	(48,812,179)	-	-
Prepaid Expenses and Other Assets	604,608	42,049	-	646,657	15,139	103,443	-	765,239	337,317	7,055	-	-	1,109,611	2,443,931
Total Current Assets	65,748,901	180,644	(4,691,467)	61,238,077	332,085	12,547,055	(3,517,500)	70,599,717	3,189,129	984,158	8,060,788	(48,812,179)	34,021,614	24,679,762
Noncurrent Assets														
Portfolio Investments	1	-	-	1	-	-	-	1	-	-	-	-	1	1
Bonds Receivable	3,328,530	-	-	3,328,530	-	-	-	3,328,530	-	-	-	-	3,328,530	3,328,530
Solar Lease I Promissory Notes, net of reserves	7,034,467	-	-	7,034,467	-	-	-	7,034,467	-	-	-	-	7,034,467	7,902,874
Program Loans, net of reserves	45,009,014	-	-	45,009,014	2,629,137	-	-	47,638,151	-	-	-	-	47,638,151	45,180,627
Renewable Energy Certificates	547,556	-	-	547,556	-	-	-	547,556	-	-	-	-	547,556	654,767
Investment in Component Units	99,100	-	(100)	99,000	-	100	(99,000)	100	-	-	30,523,529	(30,523,629)	-	-
Capital Assets, net	58,291	4,371,136	-	4,429,427	-	-	-	4,429,427	66,887,576	12,395,367	-	(9,470,811)	74,241,558	72,714,471
Asset Retirement Obligation, net	-	-	-	-	-	-	-	-	2,389,006	538,680	-	-	2,927,686	2,535,105
Restricted Assets														
Cash and Cash Equivalents	19,455,445	-	-	19,455,445	301,169	1,262,838	-	21,019,452	4,514,176	-	-	-	25,533,628	30,662,154
Total Noncurrent Assets	75,532,403	4,371,136	(100)	79,903,439	2,930,306	1,262,938	(99,000)	83,997,682	73,790,758	12,934,047	30,523,529	(39,994,440)	161,251,576	162,978,528
Total Assets	141,281,304	4,551,779	(4,691,567)	141,141,516	3,262,390	13,809,994	(3,616,500)	154,597,400	76,979,887	13,918,205	38,584,318	(88,806,619)	195,273,190	187,658,291
Deferred Outflows of Resources														
Deferred Amount for Pensions	8,778,670	-	-	8,778,670	-	-	-	8,778,670	-	-	-	-	8,778,670	9,978,107
Deferred Amount for OPEB	1,999,011	-	-	1,999,011	-	-	-	1,999,011	-	-	-	-	1,999,011	-
Deferred Payments to State of Connecticut	14,000,000	-	-	14,000,000	-	-	-	14,000,000	-	-	-	-	14,000,000	28,000,000
Total Deferred Outflows of Resources	24,777,681	-	-	24,777,681	-	-	-	24,777,681	-	-	-	-	24,777,681	37,978,107
Liabilities														
Current Liabilities														
Accounts Payable & Accrued Expenses	5,060,491	-	-	5,060,491	1,874	4,750	-	5,067,115	87,067	44,551	12,270	-	5,211,002	7,645,304
Due to Component Units	385,000	4,691,467	(4,691,467)	385,000	1,217,500	2,300,000	(3,517,500)	385,000	10,524,328	1,642,400	36,260,451	(48,812,179)	-	-
Line of Credit-SHREC	6,000,000	-	-	6,000,000	-	-	-	6,000,000	-	-	-	-	6,000,000	-
Custodial Liability	582,048	-	-	582,048	-	1,262,838	-	1,844,886	-	-	-	-	1,844,886	1,912,890
Deferred Revenue	6,500,000	-	-	6,500,000	-	455,910	-	6,955,910	806,258	124,171	-	-	7,886,339	1,410,210
Total Current Liabilities	18,527,539	4,691,467	(4,691,467)	18,527,539	1,219,374	4,023,499	(3,517,500)	20,252,911	11,417,652	1,811,122	36,272,721	(48,812,179)	20,942,227	10,968,404
Other Liabilities														
Asset Retirement Obligation	-	-	-	-	-	-	-	-	3,087,868	571,125	-	-	3,658,992	3,020,406
Notes Payable	-	-	-	-	1,822,903	-	-	1,822,903	23,448,055	-	1,714,125	-	26,985,083	28,088,390
Bonds Payable-CREBs	12,006,283	-	-	12,006,283	-	-	-	12,006,283	-	-	-	-	12,006,283	2,957,971
Fair Value - Interest Rate Swap	-	-	-	-	-	-	-	-	(171,478)	-	-	-	(171,478)	540,877
OPEB Liability	24,636,114	-	-	24,636,114	-	-	-	24,636,114	-	-	-	-	24,636,114	25,245,439
Pension Liability	24,875,889	-	-	24,875,889	-	-	-	24,875,889	-	-	-	-	24,875,889	-
Payable to State of Connecticut	14,000,000	-	-	14,000,000	-	-	-	14,000,000	-	-	-	-	14,000,000	28,000,000
Reserve for RSIP Payments	47,266,677	-	-	47,266,677	-	-	-	47,266,677	-	-	-	-	47,266,677	46,897,059
Total Other Liabilities	122,784,963	-	-	122,784,963	1,822,903	-	-	124,607,866	26,364,444	571,125	1,714,125	-	153,257,560	134,750,142
Total Liabilities	141,312,502	4,691,467	(4,691,467)	141,312,502	3,042,277	4,023,499	(3,517,500)	144,860,777	37,782,097	2,382,247	37,986,846	(48,812,179)	174,199,787	145,718,546
Deferred Inflows of Resources														
Deferred Pension Inflow Liability	47,042	-	-	47,042	-	-	-	47,042	-	-	-	-	47,042	-
Deferred OPEB Inflow Liability	624,950	-	-	624,950	-	-	-	624,950	-	-	-	-	624,950	-
Total Deferred Inflows of Resources	671,992	-	-	671,992	-	-	-	671,992	-	-	-	-	671,992	-
Net Position														
Investment in Capital Assets	58,291	4,371,136	-	4,429,427	-	-	-	4,429,427	66,887,576	12,395,367	-	(9,470,811)	74,241,558	72,714,471
Restricted-Energy Programs	19,455,445	-	-	19,455,445	301,169	1,262,838	-	21,019,452	4,514,176	-	-	-	25,533,628	30,662,154
Unrestricted Net Position	4,560,756	(4,510,823)	(100)	49,832	(81,056)	8,523,657	(99,000)	8,393,433	(32,203,961)	(859,409)	597,472	(30,523,629)	(54,596,094)	(23,458,773)
Total Net Position	24,074,491	(139,688)	(100)	23,934,703	220,113	9,786,495	(99,000)	33,842,312	39,197,791	11,535,958	597,472	(39,994,440)	45,179,092	79,917,852

Connecticut Green Bank and Component Units
Consolidated Statement of Revenues and Expenditures
For the Fiscal Year to Date October 31, 2018
(All Entities are presented using CGB's Fiscal Year)

	Discrete-Component Units												CGB Consolidated FYTD	CGB Consolidated FYTD	
	CGB		Total CGB +		CEFIA		Total CGB-		CT Solar		CEFIA	Eliminations			
	Connecticut Green Bank	Meriden Hydro LLC	Single Member LLCs	CT Solar Loan I LLC	Holdings LLC	Eliminations	Primary Government	Lease 2 LLC	Lease 3 LLC	Solar Services Inc.					
Operating Income (Loss)															
Operating Revenues															
Utility Remittances	9,648,558	-	-	9,648,558	-	-	-	9,648,558	-	-	-	-	-	9,648,558	9,019,037
Grant Revenue	14,000	-	-	14,000	-	-	-	14,000	-	-	-	-	-	14,000	1,514,856
RGGI Auction Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy System Sales	-	-	-	-	-	1,582,400	-	1,582,400	-	-	-	(1,582,400)	-	-	2,782,406
REC Sales	2,568,629	-	-	2,568,629	-	-	-	2,568,629	160,000	60,000	-	-	-	2,788,629	1,303,472
Other Income	406,868	438,873	-	845,741	91	-	-	845,832	1,185,144	129,682	51,526	(415,922)	-	1,796,261	934,448
Total Operating Revenues	12,638,055	438,873	-	13,076,928	91	1,582,400	-	14,659,418	1,345,144	189,682	51,526	(1,998,322)	-	14,247,448	15,554,218
Operating Expenses															
Cost of Goods Sold-Energy Systems	-	-	-	-	-	1,347,055	-	1,347,055	-	-	-	(1,347,055)	-	-	2,997,798
Grants and Incentive Payments	5,945,762	-	-	5,945,762	-	-	-	5,945,762	-	-	-	(370,666)	-	5,575,095	7,133,921
Program Administration Expenses	4,201,935	422,319	-	4,624,254	7,217	23,870	-	4,655,341	984,644	155,493	16,002	(114,221)	-	5,697,259	6,226,848
General and Administrative Expenses	796,720	-	-	796,720	1,781	2,871	-	801,372	63,060	40	-	(45,256)	-	819,216	1,328,367
Total Operating Expenses	10,944,416	422,319	-	11,366,735	8,998	1,373,796	-	12,749,529	1,047,704	155,533	16,002	(1,877,198)	-	12,091,570	17,686,934
Operating Income (Loss)	1,693,638	16,554	-	1,710,193	(8,908)	208,604	-	1,909,889	297,440	34,149	35,524	(121,124)	-	2,155,878	(2,132,716)
Nonoperating Revenue (Expenses)															
Interest Income-Promissory Notes	1,029,898	-	-	1,029,898	60,486	-	-	1,090,384	534	138	-	-	-	1,091,056	947,252
Interest Income-Short Term Cash Deposits	122,942	-	-	122,942	105	3,400	-	126,447	5,149	0	353	-	-	131,949	108,119
Interest Expense-LT Debt	-	-	-	-	(37,747)	-	-	(37,747)	(336,373)	-	(14,383)	-	-	(388,503)	(411,574)
Interest Income-Component Units	21,747	-	-	21,747	-	-	-	21,747	-	-	16,020	(37,768)	-	-	-
Interest Expense-Component Units	-	-	-	-	-	-	-	-	(37,768)	-	-	37,768	-	-	-
Distributions to Member	-	-	-	-	-	-	-	-	(128,584)	(17,631)	-	-	-	(146,215)	(128,005)
Realized Loss on Investments	(10,695)	-	-	(10,695)	-	-	-	(10,695)	-	-	-	-	-	(10,695)	(501,421)
Unrealized Gain (Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized Gain (Loss) on Interest Rate Swap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Loan Losses	(1,100,096)	-	-	(1,100,096)	-	-	-	(1,100,096)	-	-	-	-	-	(1,100,096)	(75,740)
Total Nonoperating Revenue (Expenses)	63,796	-	-	63,796	22,844	3,400	-	90,040	(497,041)	(17,493)	1,990	-	-	(422,504)	(61,370)
Net Revenues Over (Under) Expenditures	1,757,434	16,554	-	1,773,989	13,936	212,004	-	1,999,929	(199,601)	16,656	37,514	(121,124)	-	1,733,374	(2,194,086)

Investment and Incentive Segments Combined

Cash on hand at end of month (000's):	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	
Investment Segment	\$ 16,495.0	\$ 16,234.6	\$ 17,562.9	\$ 18,784.5	\$ 20,598.0	\$ 26,112.9	\$ 8,473.0	\$ 8,726.5	\$ 16,335.9	\$ 18,978.3	\$ 19,735.0	\$ 19,076.8	\$ 1,539.8	\$ 4,750.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0	\$ 4,000.0
Incentive Segment	\$ (5,484.9)	\$ (7,527.7)	\$ (2,746.5)	\$ (3,343.2)	\$ (6,593.0)	\$ (678.3)	\$ 902.2	\$ 262.3	\$ (68.6)	\$ 4,331.6	\$ 3,697.3	\$ 2,279.2	\$ 3,198.6	\$ 4,990.3	\$ 5,192.0	\$ 5,838.5	\$ 6,174.3	\$ 6,573.5	\$ 6,957.9	\$ 7,327.3	\$ 7,681.7	\$ 8,020.8	\$ 8,344.4	
Combined	\$ 11,010.1	\$ 8,706.9	\$ 14,816.5	\$ 15,441.3	\$ 14,005.0	\$ 25,434.5	\$ 9,375.2	\$ 8,988.7	\$ 16,267.3	\$ 23,310.0	\$ 23,432.3	\$ 21,356.0	\$ 4,738.4	\$ 9,740.3	\$ 9,192.0	\$ 9,838.5	\$ 10,174.3	\$ 10,573.5	\$ 10,957.9	\$ 11,327.3	\$ 11,681.7	\$ 12,020.8	\$ 12,344.4	

PROJECTED CASH FLOWS FOR THE INVESTMENT (CORE) SEGMENT

Connecticut Green Bank -Investment Business

	\$ -	- Further Non-Personnel Related Operating Expense Reductions										
Personnel Related Operating Expense Reductions from Affiliate	\$ 1,125	\$ 1,240	\$ 1,240	\$ 620	\$ 620	\$ 620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Current Law (if yes, then "x")										

Summary		Summary																							
Projection	Nov 2017 to	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	July 2018 to										
Assumptions	Jun 2018	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jun 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	

1. Cash On Hand																									
[Beginning of month]		\$13,450.0	\$16,495.0	\$16,234.6	\$17,562.9	\$18,784.5	\$20,598.0	\$26,112.9	\$8,473.0	\$8,726.5	\$16,335.9	\$18,978.3	\$19,735.0	\$19,076.8	\$16,495.0	\$1,127.6	\$4,750.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0
2. Cash Receipts																									
Receipts based on investments thru FY18	0.10%	6,286.5	630.3	805.1	535.6	284.9	710.6	273.5	276.4	666.1	719.1	284.8	125.2	174.7	\$ 5,486.2	\$ 5,491.7	\$ 5,497.1	\$ 5,502.6	\$ 5,508.1	\$ 5,513.7	\$ 5,519.2	\$ 5,524.7	\$ 5,530.2	\$ 5,535.7	\$ 5,541.3
CGB Meriden Hydro receipts		273.4	5.2	168.5	2.7	270.4	-	-	-	-	-	-	-	-	446.74	-	-	-	-	-	-	-	-	-	-
RGGI Proceeds and ACP payments		1,276.8	-	284.7	-	-	-	-	-	-	720.0	-	-	-	1,004.73	927.0	-	-	-	-	-	-	-	-	-
Receipts (P&I) on investments made in FY19 and forward	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	5,934.4	6,938.2	8,547.4	10,582.8	12,730.1	15,127.1	17,885.8	20,842.7	24,281.8	28,135.4	
Payment Amortization (Years)	10.00																								
SBC, net of sweep		2,957.0	1,981.9	2,379.4	2,685.1	2,528.9	2,050.3	2,155.6	2,432.8	2,149.2	2,065.7	1,995.6	1,786.3	(11,848.4)	12,362.42	12,362.4	12,362.4	12,362.4	12,362.4	12,362.4	12,362.4	12,362.4	12,362.4	12,362.4	12,362.4
Growth rate for SBC	0.00%																								
Repayment of WC Loans by affiliates		8,055.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Posigen Loan - Restructuring		-	-	-	-	-	-	-	-	5,500.0	-	-	-	-	5,500.00	-	-	-	-	-	-	-	-	-	-
Repayment of FCE Sub Base Bridge Loan		-	-	-	-	-	-	-	-	3,500.0	-	-	-	-	3,500.00	-	-	-	-	-	-	-	-	-	-
Kresge Loan		-	-	-	-	-	-	1,000.0	-	-	-	-	-	-	1,000.00	-	-	-	-	-	-	-	-	-	-
Release of restricted cash to unrestricted cash		269.0	-	-	-	-	-	-	-	-	1,000.0	-	-	-	1,000.00	-	-	-	-	-	-	-	-	-	-
(Disbursements to) repayments from CPACE timeliness reserve		-	-	-	(219.2)	256.7	-	-	-	-	-	-	-	-	37.54	-	-	-	-	-	-	-	-	-	-
Proceeds from Amalgamated LOC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEEP Grant for Low Income and Multifamily (returned to IPC for future investments)		-	-	-	-	-	5,000.0	(1,000.0)	-	-	-	-	-	-	4,000.00	-	-	-	-	-	-	-	-	-	-
Repayment of RSIP expenses paid by CORE		-	-	-	-	-	-	-	-	-	16,000.0	-	-	2,000.0	18,000.0	1,000.0	1,000.0	1,000.0	-	-	-	-	-	-	-
3. Total Cash Receipts		\$ 19,118.2	\$ 2,617.4	\$ 3,637.7	\$ 3,004.1	\$ 3,340.9	\$ 7,760.9	\$ 2,429.1	\$ 2,709.2	\$ 11,815.3	\$ 19,784.8	\$ 3,000.4	\$ 1,911.5	\$ (9,673.7)	\$ 52,337.6	\$ 25,715.4	\$ 25,797.8	\$ 27,412.5	\$ 28,453.3	\$ 30,606.2	\$ 33,008.7	\$ 35,772.9	\$ 38,735.3	\$ 42,179.9	\$ 46,039.1
4. Total Cash Available	\$0.00	\$ 32,568.2	\$ 19,112.4	\$ 19,872.3	\$ 20,567.0	\$ 22,125.4	\$ 28,358.9	\$ 28,542.0	\$ 11,182.2	\$ 20,541.7	\$ 36,120.7	\$ 21,978.7	\$ 21,646.5	\$ 9,403.1	\$ 68,832.6	\$ 26,843.0	\$ 30,547.8	\$ 31,412.5	\$ 32,453.3	\$ 34,606.2	\$ 37,008.7	\$ 39,772.9	\$ 42,735.3	\$ 46,179.9	\$ 50,039.1

PROJECTED CASH FLOWS FOR THE INVESTMENT (CORE) SEGMENT

Connecticut Green Bank -Investment Business

	\$ -	- Further Non-Personnel Related Operating Expense Reductions										
Personnel Related Operating Expense Reductions from Affiliate	\$ 1,125	\$ 1,240	\$ 1,240	\$ 620	\$ 620	\$ 620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Summary														Summary											
	Projection	Nov 2017 to	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	July 2018 to											
	Assumptions	Jun 2018	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jun 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
5. Cash Paid Out																										
Compensation and Benefits	2.00%	4,875.7	632.0	866.0	422.1	450.1	452.8	424.4	424.4	424.4	636.6	424.4	424.4	424.4	6,006.0	6,126	6,249	6,374	6,501	6,631	6,764	6,899	7,037	7,178	7,321	
Other administrative expenses	2.00%	2,917.8	622.3	187.1	177.8	588.3	327.0	365.8	365.8	365.8	365.8	365.8	365.8	365.8	4,389.2	4,477	4,567	4,658	4,751	4,846	4,943	5,042	5,143	5,246	5,350	
Financial Incentives - non RSIP		-	76.9	32.3	-	68.3	5.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	198.5	-	-	-	-	-	-	-	-	-	-	
Investments per Year		5,506.8	1,530.2	793.4	1,215.9	221.6	270.7	14,445.3	1,649.0	3,117.9	16,123.4	1,437.0	1,481.8	3,537.3	45,823.5	7,752	12,426	15,717	16,581	18,509	21,302	22,832	26,556	29,757	33,367	
Investments visa vis Affiliate		-	-	-	-	-	500.0	3,500.0	-	-	-	-	-	-	4,000	-	-	-	-	-	-	-	-	-	-	
IPC Fee - Human Capital Component		-	-	281.2	-	-	187.5	-	-	281.3	-	-	281.3	-	1,031.2	1,240	1,240	620	620	620	-	-	-	-	-	
Subtotal		\$ 13,300.3	\$ 2,861.4	\$ 2,160.0	\$ 1,815.9	\$ 1,328.3	\$ 1,743.5	\$ 18,752.0	\$ 2,455.8	\$ 4,205.9	\$ 17,142.3	\$ 2,243.7	\$ 2,569.7	\$ 4,344.0	\$ 61,448.5	\$ 19,594.8	\$ 24,480.9	\$ 27,368.0	\$ 28,453.3	\$ 30,606.2	\$ 33,008.7	\$ 34,772.9	\$ 38,735.3	\$ 42,179.9	\$ 46,039.1	
Kresge loan principal repayment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000.0	-	-	-	
Advances to CREBS trustee to make bond payment (return of advances by trustee)		-	-	-	-	-	433.0	(433)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CGB Meriden Hydro expenditures		329.7	16.4	115.0	-	199.1	69.5	-	-	-	-	-	-	-	400	-	-	-	-	-	-	-	-	-	-	
WC advances net of (repayments)		-	-	34.4	(36.0)	-	-	750.0	-	-	-	-	-	-	748	(750.0)	-	-	-	-	-	-	-	-	-	
Transfers to restricted cash		2,443.2	-	-	2.7	-	-	1,000.0	-	-	-	-	-	-	1,003	-	-	-	-	-	-	-	-	-	-	
SBC for Non-SHREC PBIs net of REC recovery		-	-	-	-	-	-	-	-	-	-	-	-	3,519.3	4,105.5	3,248.2	2,066.9	44.5	-	-	-	-	-	-	-	
6. Total Cash Paid Out		\$16,073.2	\$2,877.8	\$2,309.4	\$1,782.5	\$1,527.4	\$2,246.0	\$20,069.0	\$2,455.8	\$4,205.9	\$17,142.3	\$2,243.7	\$2,569.7	\$7,863.3	\$67,705.0	\$22,093.0	\$26,547.8	\$27,412.5	\$28,453.3	\$30,606.2	\$33,008.7	\$35,772.9	\$38,735.3	\$42,179.9	\$46,039.1	
7. Cash Position		\$16,495.0	\$16,234.6	\$17,562.9	\$18,784.5	\$20,598.0	\$26,112.9	\$8,473.0	\$8,726.5	\$16,335.9	\$18,978.3	\$19,735.0	\$19,076.8	\$1,539.76	\$1,127.6	\$4,750.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0
Required \$4 million cash																										
CORE BUSINESS NET		-\$1,507.0	\$ (624.00)	\$ (247.98)	\$ (64.40)	\$ (753.52)	\$ (69.13)	\$ (516.64)	\$ (513.76)	\$ (124.07)	\$ (283.29)	\$ (505.39)	\$ (664.96)	\$ (615.48)	\$ (5,940.3)	\$ (417.1)	\$ 380.2	\$ 2,398.6	\$ 4,218.8	\$ 6,146.6	\$ 8,939.6	\$ 11,469.7	\$ 14,193.2	\$ 17,394.2	\$ 21,004.9	

PROJECTED ANNUAL CASH FLOW FROM INCENTIVE SEGMENT

Connecticut Green Bank - Incentive Business Summary

	Nov 2017 to							July 2018 to																	
	June 2018	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	June 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18		Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1. Cash On Hand																									
[Beginning of month]	\$0.00	-\$5,484.90	-\$7,527.72	-\$2,746.46	-\$3,343.18	-\$6,592.99	-\$678.34	\$902.22	\$262.28	-\$68.57	\$4,331.62	\$3,697.27	\$2,279.25	-\$5,484.90	\$3,784.77	\$4,990.25	\$5,191.97	\$5,838.47	\$6,174.30	\$6,573.46	\$6,957.87	\$7,327.35	\$7,681.72	\$8,020.79	
2. Cash Receipts																									
REC Sales - Non-SHREC	\$ 558.4	-	-	-	-	-	-	-	-	-	-	256.9	-	\$ 256.9	\$ 600.0	\$ 750.0	\$ 918.3	\$ 913.7	\$ 909.2	\$ 904.6	\$ 900.1	\$ 895.6	\$ 891.1	\$ 886.7	
REC Sales - SHREC (not securitized)	\$ 1,858.6	-	634	205	-	1,729	-	-	1,587	-	-	621	-	\$ 4,776.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds - RBC SHREC term Loan	\$ -	-	-	-	-	-	-	-	-	40,000	-	-	-	\$ 40,000.0	\$ 18,000.0	\$ 16,500.0	\$ 15,000.0	\$ 8,424.7	\$ 6,683.5	\$ 4,530.8	\$ 2,816.7	\$ 1,114.9	\$ 128.7	\$ -	
Proceeds - Webster/Liberty SHREC warehouse	\$ 1,000.0	-	5,000.0	-	-	5,000	5,000	-	-	-	-	-	-	\$ 15,000.0											
SBC for Non-SHREC PBLs net of REC recovery	\$ -	-	-	-	-	-	-	-	-	-	-	-	3,519.3	\$ 4,105.5	\$ 3,248.2	\$ 2,066.9	\$ 44.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Total Cash Receipts	\$ 3,416.9	\$ -	\$ 5,634.5	\$ 204.8	\$ -	\$ 6,729.3	\$ 5,000.0	\$ -	\$ 1,586.9	\$ 40,000.0	\$ -	\$ 878.2	\$ 3,519.3	\$ 64,139.2	\$ 21,848.2	\$ 19,316.9	\$ 15,962.8	\$ 9,338.5	\$ 7,592.6	\$ 5,435.4	\$ 3,716.7	\$ 2,010.4	\$ 1,019.8	\$ 886.7	
4. Total Cash Available	\$ 3,416.9	\$ (5,484.9)	\$ (1,893.2)	\$ (2,541.6)	\$ (3,343.2)	\$ 136.3	\$ 4,321.7	\$ 902.2	\$ 1,849.2	\$ 39,931.4	\$ 4,331.6	\$ 4,575.5	\$ 5,798.5	\$ 58,654.3	\$ 25,633.0	\$ 24,307.2	\$ 21,154.8	\$ 15,176.9	\$ 13,766.9	\$ 12,008.9	\$ 10,674.6	\$ 9,337.8	\$ 8,701.5	\$ 8,907.4	
5. Cash Paid Out																									
Compensation and Benefits	% inflation	\$ 1,124.7	114.5	223.3	148.3	166.4	148.7	167.9	167.9	167.9	251.9	167.9	167.9	167.9	\$ 2,060.8	\$ 2,102.0	\$ 2,144.0	\$ 2,186.9	\$ 350.0	\$ 357.0	\$ 364.1	\$ 371.4	\$ 378.9	\$ 386.4	\$ 394.2
Interest	\$ -	-	4.1	19.6	21.3	24.3	25.0	40.0	40.0	40.0	-	-	-	\$ 214.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Costs - SHREC WH	\$ 50.7	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commitment Fees - SHREC WH	\$ 95.0	-	6.9	4.9	4.2	4.3	-	-	-	-	-	-	-	\$ 20.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond issuance costs	\$ -	-	74.2	-	-	86.7	-	-	-	1,691.5	-	-	-	\$ 1,852.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liquidity and Expense Reserves	\$ -	-	-	-	-	-	-	-	-	1,150.0	-	-	-	\$ 1,150.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other administrative expenses	% inflation	\$ 237.2	446.0	11.8	14.9	35.5	37.0	82.0	82.0	82.0	116.4	116.4	116.5	82.0	\$ 1,222.5	\$ 1,247.0	\$ 1,271.9	\$ 1,297.4	\$ 150.0	\$ 153.0	\$ 156.1	\$ 159.2	\$ 162.4	\$ 165.6	\$ 168.9
Total Administrative Expenses	\$ 1,507.5	560.4	320.4	187.7	227.3	301.0	274.9	289.9	289.9	3,249.8	284.3	284.4	249.9	\$ 6,520.3	\$ 3,349.0	\$ 3,416.0	\$ 3,484.3	\$ 500.0	\$ 510.0	\$ 520.2	\$ 530.6	\$ 541.2	\$ 552.0	\$ 563.1	
Financial Incentives PBI SHREC	\$ 2,072.7	499.4	45.6	158.6	1,316.4	38.1	1,313.4	-	600.6	-	-	781.0	-	\$ 4,753.0	\$ 8,202.3	\$ 9,900.6	\$ 9,869.2	\$ 8,424.7	\$ 6,683.5	\$ 4,530.8	\$ 2,816.7	\$ 1,114.9	\$ 128.7	\$ -	
Financial Incentives PBI NON SHREC	\$ 2,900.2	563.1	51.4	178.9	1,484.4	43.0	1,481.1	-	677.2	-	-	880.7	-	\$ 5,359.8	\$ 3,848.2	\$ 2,816.9	\$ 962.8	\$ 77.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financial Incentives EPBB	\$ 2,421.4	419.9	435.9	276.4	221.7	432.6	350.0	350.0	350.0	350.0	350.0	350.0	350.0	\$ 4,236.4	\$ 4,243.2	\$ 1,981.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Incentives	\$ 7,394.3	1,482.4	532.8	613.9	3,022.5	513.6	3,144.5	350.0	1,627.8	350.0	350.0	2,011.8	350.0	\$ 14,349.2	\$ 16,293.8	\$ 14,699.2	\$ 10,832.0	\$ 8,502.6	\$ 6,683.5	\$ 4,530.8	\$ 2,816.7	\$ 1,114.9	\$ 128.7	\$ -	
Subtotal	\$ 8,901.8	\$ 2,042.8	\$ 853.2	\$ 801.6	\$ 3,249.8	\$ 814.7	\$ 3,419.4	\$ 639.9	\$ 1,917.7	\$ 3,599.8	\$ 634.3	\$ 2,296.2	\$ 599.9	\$ 20,869.5	\$ 19,642.8	\$ 18,115.2	\$ 14,316.3	\$ 9,002.6	\$ 7,193.5	\$ 5,051.0	\$ 3,347.3	\$ 1,656.1	\$ 680.8	\$ 563.1	
Reimburse CORE for RSIP expenses paid	\$ -	-	-	-	-	-	-	-	-	16,000	-	-	2,000	\$ 18,000.0	\$ 1,000.0	\$ 1,000.0	\$ 1,000.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of Webster/Liberty SHREC warehouse	\$ -	-	-	-	-	-	-	-	-	16,000	-	-	-	\$ 16,000.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Total Cash Paid Out	8,901.8	2,042.8	853.2	801.6	3,249.8	814.7	3,419.4	639.9	1,917.7	35,998.8	634.3	2,296.2	2,599.9	54,869.5	20,642.8	19,115.2	15,316.3	9,002.6	7,193.5	5,051.0	3,347.3	1,656.1	680.8	563.1	
7. Net Cash Position	\$ (5,484.9)	\$ (7,527.7)	\$ (2,746.5)	\$ (3,343.2)	\$ (6,593.0)	\$ (678.3)	\$ 902.2	\$ 262.3	\$ (68.6)	\$ 4,331.6	\$ 3,697.3	\$ 2,279.2	\$ 3,198.6	\$ 3,784.8	\$ 4,990.3	\$ 5,192.0	\$ 5,838.5	\$ 6,174.3	\$ 6,573.5	\$ 6,957.9	\$ 7,327.3	\$ 7,681.7	\$ 8,020.8	\$ 8,344.4	



Memo

To: Connecticut Green Bank Board of Directors

From: Bryan Garcia (President and CEO), George Bellas (Vice President of Finance and Administration), Jane Murphy (Controller) and Eric Shrago (Managing Director of Operations)

Date: December 11, 2018

Re: Proposed updates to FY2019 Targets and Budget

The Budget and Operations Committee met on December 6 to review and discuss the targets and budget for the organization for Fiscal Year 2019. The Committee unanimously approved of the below updates to the budget and targets.

I. Targets

After nearly two quarters of assessing program performance and market conditions, the Green Bank staff has proposed keeping targets where we initially set them for all programs except for the RSIP. The program is currently running ahead of targets and we are seeking to increase those targets and those for the organization as follows:

	Closed Total	Closed Target	% to Target	New Closed Target	Capital Deployed Amount	Capital Deployed Target	% to Target	New Capital Target	Capacity installed (MW):	Capacity Installed Target (MW):	% to Target	New Capacity Target
CPACE Total	7	57	12%		\$3,282,732	\$24,082,500	14%		0.9	6.6	14%	
Commercial Lease Total	3	25	12%		\$1,393,485	\$14,062,500	10%		0.4	6.3	7%	
SBEA		0	0%			\$0	0%					0%
CI&I Total	9	73	12%		\$4,226,644	\$33,082,500	13%		1.2	10.6	11%	
Smart-E Total	216	540	40%		\$2,622,492	\$8,775,000	30%		0.2	1.3	12%	
Low Income Loans/Leases (PosiGen)	155	586	26%		\$4,164,151	\$15,565,855	27%		1.0	3.6	28%	
Multi-Family Term Total	1	15	7%		\$1,080,886	\$2,500,000	43%		0.0	0.1	0%	
Multi-Family Pre-Dev Total	2	4	50%		\$0	\$70,000	0%		0.0		0%	
Residential Total	374	1,145	33%		\$7,867,529	\$26,910,855	29%		1.2	5.0	23%	
Residential Solar	2,145	6,000	36%	7,250	\$70,345,216	\$168,000,000	42%	\$203,000,000	17.7	48.0	37%	58.0
Infrastructure Total	2,145	6,000	36%	7,250	\$70,345,216	\$168,000,000	42%	\$203,000,000	17.7	48.0	37%	58.0
Strategic Investment Total	0	1	0%		\$0	\$15,000,000	0%		0.0	3.7	0%	
Total Green Bank	2,355	6,498	36%	7,748	77,843,768	\$223,917,500	35%	\$258,917,500	19	62.3	30%	72.3

II. Proposed Changes to the Green Bank Investment and Operating Budgets

Enclosed is a proposed updated budget for the Green Bank as well as the financial package for the period ending October 31, 2018 where you can see our actual spend against the budget.

The proposed updated budget differs from the original, approved budget in the following ways:

Incentive Business:

Staff proposes a total of \$2,123,873 in additional expenses and investment in the Incentive Business to reflect the increased RSIP targets and to ensure a smooth orderly transition to the post RSIP market. Note that all of these expenses in the Incentive Business are cost recoverable through the SHREC's.

Incentive Business			
	Budget - Revised	Budget - Original	Variance
<u>Revenue Changes:</u>			
SHREC generation update			(160,396)
Non-SHREC Rec pricing updates			(586,208)
Total Revenue Change	5,111,976	5,858,580	(746,604)
<u>Personnel Changes:</u>			
Personnel Changes			(30,160)
Increase in Benefits Rate			(76,050)
Net Impact of Personnel Changes	2,060,779	1,954,569	(106,210)
<u>Program Related Expenses:</u>			
O&M service for RSIP RGMs under Locus PSA			(150,000)
EEPP application Fees			(125,000)
Minibond sales costs			(57,500)
Marketing expense reductions			70,000
IT updated pricing from MSFT and Phone migration			(8,559)
Total Program Related Changes	2,343,942	2,072,883	(271,059)
<u>Financial Incentives and Grants:</u>			
Higher Incentives due to project acceleration			(1,000,000)
Total Financial Incentive and Grants Changes	13,746,354	12,746,354	(1,000,000)
Total Budget Changes			(2,123,873)

- Revenues from RECs have been updated (decreased by \$746,604 to reflect actual generation (which was 2.4% above expected for non-SHREC RECs and 3.3% below expected for SHREC RECs) and the current market pricing for non-SHREC RECs which is significantly down (approximately 69.1% below estimated)
- The following expenses are all cost recoverable and help the organization reach the RSIP target of 300MW quicker, thereby incurring fewer fixed cost expenses (such as staff time and technology), however, will require cash flow management:
 - Increased PBI expenses by \$1,000,000 to reflect the faster rate at which we are seeing deployment;

- \$150,000 to fix and/or replace faulty revenue grade meters for RSIP participants to ensure all SHREC's are captured;
- \$125,000 to cover the costs related to program development of a new Battery storage program for the Green Bank that will ensure a smooth and orderly market transition from the RSIP and increased revenue to the Incentive Business should the application be approved;
- \$106,210 in additional personnel expenses reflect a higher overhead rate from the state than originally budgeted;
- \$57,500 for the development of a way for regular citizens of the state to co-invest in the Green Bank's investments through green mini-bonds.
- As the RSIP demand is strong, Staff is cancelling the planned expense of \$70,000 for RSIP marketing.

Investment Business

The Green Bank is proposing an additional \$5,000,000 in investment along with additional expenses of \$39,343 in the Investment Business to cover the resourcing needed to hit targets.

Investment

- The Small Business Energy Advantage (SBEA) financing takeout is coming to a close and this budget includes the \$5,000,000 of principal needed to close the transaction and to finance the ongoing investment into SBEA. This is consistent with the sustainability plan and actually help us deploy capital more rapidly thus earning a return sooner

Changes to Profit and Loss

- Staff proposes the following changes to the Investment business's profit and Loss that result in an additional \$39,343 expenses. It breaks down as follows:

Investment Business			
	Budget - Revised	Budget - Original	Variance
Revenue Changes:			
Interest Income from SBEA LLC Subordinated Debt			98,849
Total Revenue Change	17,083,826	16,984,976	98,849
Personnel Changes:			
Personnel Changes			(199,226)
Increase in Benefits Rate			(214,292)
Total Compensation and Benefits	6,006,041	5,592,524	(413,517)
IPC Human Capital Fee Reduction	1,039,194	1,124,960	85,766
Net Impact of Personnel Changes			(327,751)
Program Related Expenses:			
Marketing expense reductions			356,000
State and muni solar development			(100,000)
Strategic Planning			(27,500)
IT updated pricing from MSFT and Phone migration			(13,941)
Organizational EMV			(25,000)
Total Program Related Changes	4,267,068	4,456,627	189,559
Total Budget Changes			(39,343)

- Reflective of the addition of the SBEA investment, staff is adding \$98,849 in interest income to the budget.
- Personnel Expenses are \$327,751 higher due to some staffing changes, an increase in the benefit rate charged by the state, and additional overhead incurred due to the delta in IPC's transition.
- Staff seeks to make the following changes to Program Expenses that net to a cost savings of \$189,559:
 - Adding \$100,000 needed for state and municipal solar development to support LBE and help the State of Connecticut reduce its energy costs;
 - Adding \$27,500 to cover strategic planning;
 - Adding \$25,000 program assessment;
 - Adding \$13,941 in updated technology pricing;
 - Reducing CPACE and PPA marketing (\$90k);
 - Scaling back general marketing operations (\$266K).

We look forward to our meeting this week and to discussing these with you at that time.

Connecticut Green Bank
FY 2019 Operating and Program Budget - Dec2018 Update
Table of Contents

Presented to B&O Committee on December 6, 2018

Page	Primary Schedules
P1	Projected Revenues and Expenses FYE June 30, 2019 (Total CGB, Investment Business and Incentive Business Detail)
P1a	Revenue Detail
P4	Projected REC Revenue
P5	Employee Staffing Plan
Page	Supplementary Schedules
S1	Program Loans and Working Capital Advances
S10	Marketing and External Relations Budget
Page	Program Administration Expenses from Inclusive Prosperity Capital, Inc.
S16	Summary of Program Administration Expenses

Connecticut Green Bank
FY 2019 Operating and Program Budget - Dec2018 Update
Statement of Revenues and General Operations and Program Expenses

	FY19 Budget-Revised			FY19 Budget-Original			FY19 Sep YTD Actuals
	General Operations	Programs	Total Operations & Programs	Total Operations & Programs	\$ Incr / (Decr)	% Incr / (Decr)	Total Operations & Programs
Revenues							
Utility customer assessments	\$ 25,969,100	\$ -	\$ 25,969,100	\$ 25,969,100	\$ -	0 %	\$ 7,598,244
Utility customer assessments - Sweep	(14,000,000)	-	(14,000,000)	(14,000,000)	-	0 %	-
RGGI auction proceeds - renewables	3,050,700	-	3,050,700	3,050,700	-	0 %	-
RGGI auction proceeds - Sweep	(2,300,000)	-	(2,300,000)	(2,300,000)	-	0 %	-
Interest Income, cash received	259,968	3,096,493	3,356,461	3,257,612	98,849	3 %	741,244
Interest Income, capitalized	-	358,288	358,288	358,288	-	0 %	98,357
Investment Income from IPC	-	-	-	-	-	0 %	-
Grant income (Federal Programs)	-	98,507	98,507	98,507	-	0 %	14,000
Grant income (Private Foundations)	-	200,000	200,000	200,000	-	0 %	-
Grant income (DEEP)	-	-	-	-	-	0 %	-
REC sales, general	-	256,852	256,852	843,059	(586,208)	(70)%	-
REC Sales, SHREC program	-	4,777,124	4,777,124	4,937,520	(160,396)	(3)%	839,316
CPACE Loan closing fees	-	135,000	135,000	135,000	-	0 %	12,225
Other income	200,000	93,770	293,770	293,770	-	0 %	20,582
Total Revenues:	\$ 13,179,768	\$ 9,016,033	\$ 22,195,801	\$ 22,843,556	\$ (647,755)	(3)%	\$ 9,323,968
Expenses							
Employee compensation	\$ 953,014	\$ 3,315,913	\$ 4,268,927	\$ 4,146,754	\$ 122,173	3 %	\$ 1,204,409
Employee benefits - Pension	642,326	2,234,139	2,876,465	2,508,786	367,678	15 %	858,106
Employee benefits - Insurance, Payroll Tax	205,840	715,588	921,427	891,552	29,875	3 %	274,373
Temporary Employees	-	-	-	-	-	0 %	1,631
Pension Expense	-	-	-	-	-	0 %	-
Program development and administration	-	3,077,650	3,077,650	2,702,650	375,000	14 %	743,242
IPC Fee Human Capital Component	-	1,039,194	1,039,194	1,124,960	(85,766)	(8)%	-
IPC Fee Program Expenses Component	-	140,750	140,750	140,750	-	0 %	-
Marketing	141,000	605,500	746,500	1,172,500	(426,000)	(36)%	59,791
EM&V	160,000	325,000	485,000	460,000	25,000	5 %	85,130
Consulting & advisory fees	113,000	200,000	313,000	228,000	85,000	37 %	58,230
Commitment Fees	-	-	-	-	-	0 %	15,903
R&D expenditures	40,000	-	40,000	40,000	-	0 %	16,625
Professional fees: legal and accounting	209,950	217,500	427,450	427,450	-	0 %	104,998
Bond Issuance Costs	-	88,889	88,889	88,889	-	0 %	-
Debt Issuance Costs	-	-	-	-	-	0 %	-
Rent and location related expenses	107,210	359,956	467,166	467,166	-	0 %	101,154
Office, computer & other expenses	356,139	468,466	824,605	802,105	22,500	3 %	159,161
Expenses before Financial Incentives:	\$ 2,928,479	\$ 12,788,544	\$ 15,717,023	\$ 15,201,562	\$ 515,461	3 %	\$ 3,682,753
Financial Incentives							
RSIP Financial Incentives	\$ -	\$ 13,746,354	\$ 13,746,354	\$ 12,746,354	\$ 1,000,000	8 %	\$ 4,685,871
RSIP Reserve	-	-	-	-	-	0 %	(1,497,040)
Financial Incentives - Grants	-	198,507	198,507	198,507	-	0 %	14,000
Interest Rate Buydowns - CGB Funds	-	125,000	125,000	125,000	-	0 %	63,377
Financial Incentives:	\$ -	\$ 14,069,861	\$ 14,069,861	\$ 13,069,861	\$ 1,000,000	8 %	\$ 3,266,208
Non-Operating Expenses							
Provision for Loan Loss	\$ -	\$ 2,923,674	\$ 2,923,674	\$ 2,923,674	\$ -	0 %	\$ 936,286
Interest Expense	-	428,218	428,218	428,218	-	0 %	48,690
Interest Rate Buydowns - ARRA	-	25,000	25,000	25,000	-	0 %	891,829
Bad Debt Expense	-	-	-	-	-	0 %	75,000
Unrealized (Gain) / Loss	-	-	-	-	-	0 %	-
Realized (Gain) / Loss	-	-	-	-	-	0 %	-
Non-Operating Expenses:	\$ -	\$ 3,376,892	\$ 3,376,892	\$ 3,376,892	\$ -	0 %	\$ 1,951,805
Total Expenditures:	\$ 2,928,479	\$ 30,235,297	\$ 33,163,776	\$ 31,648,315	\$ 1,515,461	5 %	\$ 8,900,765
Total Revenues over (under) Expenditures:			\$ (10,967,975)	\$ (8,804,759)	\$ (2,163,216)		\$ 423,202

Connecticut Green Bank
FY 2019 Operating and Program Budget - Dec2018 Update
Statement of Revenues and General Operations and Program Expenses - INVESTMENT BUSINESS

	FY19 Budget-Revised			FY19 Budget-Original			FY19 Sep
	General Operations	Programs	Total Operations & Programs	Total Operations & Programs	\$ Incr / (Decr)	% Incr / (Decr)	Total Operations & Programs
Revenues							
Utility customer assessments	\$ 25,969,100	\$ -	\$ 25,969,100	\$ 25,969,100	\$ -	0 %	\$ 7,598,244
Utility customer assessments - Sweep	(14,000,000)	-	(14,000,000)	(14,000,000)	-	0 %	-
RGGI auction proceeds - renewables	3,050,700	-	3,050,700	3,050,700	-	0 %	-
RGGI auction proceeds - Sweep	(2,300,000)	-	(2,300,000)	(2,300,000)	-	0 %	-
Interest Income, cash received	259,968	3,018,493	3,278,461	3,179,612	98,849	3 %	721,680
Interest Income, capitalized	-	358,288	358,288	358,288	-	0 %	98,357
Investment Income from IPC	-	-	-	-	-	0 %	-
Grant income (Federal Programs)	-	98,507	98,507	98,507	-	0 %	14,000
Grant income (Private Foundations)	-	200,000	200,000	200,000	-	0 %	-
Grant income (DEEP)	-	-	-	-	-	0 %	-
REC sales, general	-	-	-	-	-	0 %	-
REC Sales, SHREC program	-	-	-	-	-	0 %	-
CPACE Loan closing fees	-	135,000	135,000	135,000	-	0 %	12,225
Other income	200,000	93,770	293,770	293,770	-	0 %	20,582
Total Revenues:	\$ 13,179,768	\$ 3,904,058	\$ 17,083,826	\$ 16,984,976	\$ 98,849	1 %	\$ 8,465,087
Expenses							
Employee compensation	\$ 953,014	\$ 2,225,524	\$ 3,178,538	\$ 3,072,815	\$ 105,723	3 %	\$ 945,515
Employee benefits - Pension	642,326	1,501,890	2,144,216	1,859,053	285,163	15 %	685,935
Employee benefits - Insurance, Payroll Tax	205,840	477,446	683,286	660,655	22,631	3 %	219,323
Temporary Employees	-	-	-	-	-	0 %	1,631
Pension Expense	-	-	-	-	-	0 %	-
Program development and administration	-	1,392,650	1,392,650	1,292,650	100,000	8 %	343,573
IPC Fee Human Capital Component	-	1,039,194	1,039,194	1,124,960	(85,766)	(8)%	-
IPC Fee Program Expenses Component	-	140,750	140,750	140,750	-	0 %	-
Marketing	141,000	510,500	651,500	1,007,500	(356,000)	(35)%	49,441
EM&V	160,000	225,000	385,000	360,000	25,000	7 %	64,350
Consulting & advisory fees	113,000	107,500	220,500	193,000	27,500	14 %	33,230
Commitment Fees	-	-	-	-	-	0 %	-
R&D expenditures	40,000	-	40,000	40,000	-	0 %	16,625
Professional fees: legal and accounting	209,950	202,500	412,450	412,450	-	0 %	97,463
Bond Issuance Costs	-	-	-	-	-	0 %	-
Debt Issuance Costs	-	-	-	-	-	0 %	-
Rent and location related expenses	107,210	237,591	344,801	346,179	(1,378)	(0)%	74,917
Office, computer & other expenses	356,139	323,278	679,417	664,098	15,319	2 %	133,735
Expenses before Financial Incentives:	\$ 2,928,479	\$ 8,383,824	\$ 11,312,303	\$ 11,174,111	\$ 138,192	1 %	\$ 2,665,738
Financial Incentives							
RSIP Financial Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	\$ -
RSIP Reserve	-	-	-	-	-	0 %	-
Financial Incentives - Grants	-	198,507	198,507	198,507	-	0 %	14,000
Interest Rate Buydowns - CGB Funds	-	125,000	125,000	125,000	-	0 %	63,377
Financial Incentives:	\$ -	\$ 323,507	\$ 323,507	\$ 323,507	\$ -	0 %	\$ 77,377
Non-Operating Expenses							
Provision for Loan Loss	\$ -	\$ 2,923,674	\$ 2,923,674	\$ 2,923,674	\$ -	0 %	\$ 936,286
Interest Expense	-	428,218	428,218	428,218	-	0 %	48,690
Interest Rate Buydowns - ARRA	-	25,000	25,000	25,000	-	0 %	891,829
Bad Debt Expense	-	-	-	-	-	0 %	51,310
Unrealized (Gain) / Loss	-	-	-	-	-	0 %	-
Realized (Gain) / Loss	-	-	-	-	-	0 %	-
Non-Operating Expenses:	\$ -	\$ 3,376,892	\$ 3,376,892	\$ 3,376,892	\$ -	0 %	\$ 1,928,115
Total Expenditures:	\$ 2,928,479	\$ 12,084,223	\$ 15,012,702	\$ 14,874,510	\$ 138,192	1 %	\$ 4,671,230
Total Revenues over (under) Expenditures:			\$ 2,071,124	\$ 2,110,467	\$ (39,343)		\$ 3,793,857

Connecticut Green Bank
FY 2019 Operating and Program Budget - Dec2018 Update
Statement of Revenues and General Operations and Program Expenses - INCENTIVE BUSINESS

	FY19 Budget-Revised			FY19 Budget-Original			FY19 Sep
	General Operations	Programs	Total Operations & Programs	Total Operations & Programs	\$ Incr / (Decr)	% Incr / (Decr)	Total Operations & Programs
Revenues							
Utility customer assessments	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	\$ -
Utility customer assessments - Sweep	-	-	-	-	-	0 %	-
RGGI auction proceeds - renewables	-	-	-	-	-	0 %	-
RGGI auction proceeds - Sweep	-	-	-	-	-	0 %	-
Interest Income, cash received	-	78,000	78,000	78,000	-	0 %	19,564
Interest Income, capitalized	-	-	-	-	-	0 %	-
Grant income (Federal Programs)	-	-	-	-	-	0 %	-
Grant income (Private Foundations)	-	-	-	-	-	0 %	-
Grant income (DEEP)	-	-	-	-	-	0 %	-
REC sales, general	-	256,852	256,852	843,059	(586,208)	(70)%	-
REC Sales, SHREC program	-	4,777,124	4,777,124	4,937,520	(160,396)	(3)%	839,316
CPACE Loan closing fees	-	-	-	-	-	0 %	-
Other income	-	-	-	-	-	0 %	-
Total Revenues:	\$ -	\$ 5,111,976	\$ 5,111,976	\$ 5,858,580	\$ (746,604)	(13)%	\$ 858,880
Expenses							
Employee compensation	\$ -	\$ 1,090,389	\$ 1,090,389	\$ 1,073,939	\$ 16,450	2 %	\$ 258,894
Employee benefits - Pension	-	732,248	732,248	649,733	82,515	13 %	172,170
Employee benefits - Insurance, Payroll Tax	-	238,142	238,142	230,897	7,245	3 %	55,050
Temporary Employees	-	-	-	-	-	0 %	-
Pension Expense	-	-	-	-	-	0 %	-
Program development and administration	-	1,685,000	1,685,000	1,410,000	275,000	20 %	399,669
Marketing	-	95,000	95,000	165,000	(70,000)	(42)%	10,350
EM&V	-	100,000	100,000	100,000	-	0 %	20,780
Consulting & advisory fees	-	92,500	92,500	35,000	57,500	164 %	25,000
Commitment Fees	-	-	-	-	-	0 %	15,903
R&D expenditures	-	-	-	-	-	0 %	-
Professional fees: legal and accounting	-	15,000	15,000	15,000	-	0 %	7,535
Bond Issuance Costs	-	88,889	88,889	88,889	-	0 %	-
Debt Issuance Costs	-	-	-	-	-	0 %	-
Rent and location related expenses	-	122,365	122,365	120,987	1,378	1 %	26,237
Office, computer & other expenses	-	145,188	145,188	138,007	7,181	5 %	25,427
Expenses before Financial Incentives:	\$ -	\$ 4,404,720	\$ 4,404,720	\$ 4,027,452	\$ 377,269	9 %	\$ 1,017,015
Financial Incentives							
RSIP Financial Incentives	\$ -	\$ 13,746,354	\$ 13,746,354	\$ 12,746,354	\$ 1,000,000	8 %	\$ 4,685,871
RSIP Reserve	-	-	-	-	-	0 %	(1,497,040)
Financial Incentives - Grants	-	-	-	-	-	0 %	-
Interest Rate Buydowns - CGB Funds	-	-	-	-	-	0 %	-
Financial Incentives:	\$ -	\$ 13,746,354	\$ 13,746,354	\$ 12,746,354	\$ 1,000,000	8 %	\$ 3,188,831
Non-Operating Expenses							
Provision for Loan Loss	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	\$ -
Interest Expense	-	-	-	-	-	0 %	-
Interest Rate Buydowns - ARRA	-	-	-	-	-	0 %	-
Bad Debt Expense	-	-	-	-	-	0 %	23,690
Unrealized (Gain) / Loss	-	-	-	-	-	0 %	-
Realized (Gain) / Loss	-	-	-	-	-	0 %	-
Non-Operating Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	\$ 23,690
Total Expenditures:	\$ -	\$ 18,151,074	\$ 18,151,074	\$ 16,773,806	\$ 1,377,269	8 %	\$ 4,229,535
Total Revenues over (under) Expenditures:			\$ (13,039,099)	\$ (10,915,226)	\$ (2,123,873)		\$ (3,370,655)

Connecticut Green Bank
FY 2019 Operating and Program Budget - Dec2018 Update
Revenue Detail

	FY19 Budget Revised	FY19 Budget Original	\$ Increase / (Decrease)	FY19 Sep YTD Actuals
Revenues				
Utility customer assessments	\$ 25,969,100	\$ 25,969,100	\$ -	7,598,244
Utility customer assessments - Sweep	(14,000,000)	(14,000,000)	-	-
RGGI auction proceeds - renewables	3,050,700	3,050,700	-	-
RGGI auction proceeds - renewables - Sweep	(2,300,000)	(2,300,000)	-	-
Interest Income - Cash Intercompany	64,544	64,544	-	16,266
Interest Income - Cash deposits	195,424	195,424	-	86,799
Interest Income - Delinquent CPACE payments	-	-	-	700
Interest Income - Capitalized construction interest	358,288	358,288	-	98,357
Interest Income - CPACE Warehouse, benefit assessments	1,271,250	1,271,250	-	253,815
Interest Income - Loan portfolio, other programs	1,395,651	1,296,801	98,849	282,203
Interest Income - CPACE Selldown Bonds	180,187	180,187	-	45,245
Interest Income - HA CPACE Promissory Notes	171,405	171,405	-	36,696
Interest Income - Solar lease I promissory notes, net	78,000	78,000	-	19,519
CPACE closing fees	135,000	135,000	-	12,225
Grant income (federal programs)	98,507	98,507	-	14,000
Grant income (DEEP)	-	-	-	-
Grant income (private foundations)	200,000	200,000	-	-
REC sales	256,852	843,059	(586,208)	-
REC sales to utilities under SHREC program	4,777,124	4,937,520	(160,396)	839,316
Other income - Programs	93,770	93,770	-	20,582
Other income - General	200,000	200,000	-	-
Total Sources of revenue:	<u>\$ 22,195,801</u>	<u>\$ 22,843,556</u>	<u>\$ (647,755)</u>	<u>9,323,968</u>

Connecticut Green Bank
FY 2019 RSIP - Dec2018 Update
REC Revenue

Tranche	Description	FY19 Budget-Revised					FY19 Budget-Original	Increase / (Decrease)	FY19 Sep YTD Actuals
		Fiscal Q1 2019	Fiscal Q2 2019	Fiscal Q3 2019	Fiscal Q4 2019	Total Fiscal 2019			
		Calendar Q1 2018	Calendar Q2 2018	Calendar Q3 2018	Calendar Q4 2018	Total Calendar 2018	Total Calendar 2018	Total Calendar 2018	
SHREC T1	Generation Month P90 Generation (mWh)	7,926.6	15,733.2	13,943.5	6,031.1	43,634.4	43,827.6	(193.2)	
SHREC T1	Revenue @ \$50 / mWh	\$ 396,331	\$ 786,662	\$ 697,173	\$ 301,554	\$ 2,181,719	\$2,191,381	\$ (9,661)	
SHREC T2	Generation Month P90 Generation (mWh)	9,043.5	19,239.2	18,158.5	6,526.2	52,967.4	56,043.7	(3,076.2)	
SHREC T2	Revenue @ \$49 / mWh	\$ 443,132	\$ 942,721	\$ 889,766	\$ 319,786	\$ 2,595,405	\$2,746,139	\$ (150,735)	
	Total SHREC Revenue	\$ 839,463	\$ 1,729,383	\$ 1,586,939	\$ 621,340	\$ 4,777,124	\$4,937,520	\$ (160,396)	\$ 839,316
		Calendar Q1 2018	Calendar Q2 2018	Calendar Q3 2018	Calendar Q4 2018	Total Calendar 2018	Total Calendar 2018	Total Calendar 2018	
Non-SHREC Residential	Residential P90 Generation (mWh)	7,337.2	13,118.0	12,784.5	6,330.6	39,570.3	38,269.0	1,301.4	
Non-SHREC Residential	YTD Residential P90 Generation (mWh)	7,337.2	20,455.2	33,239.7	39,570.3	39,570.3	38,269.0	1,301.4	
Non-SHREC Residential	Revenue @ \$5.00* / mWh	\$ -	\$ -	\$ -	\$ 197,852	\$ 197,852	\$ 698,409	\$ (500,557)	
Non-SHREC Commercial	P90 Generation (mWh)	-	-	-	15,000.0	15,000.0	15,000.0	-	
Non-SHREC Commercial	YTD Residential P90 Generation (mWh)	-	-	-	15,000.0	15,000.0	15,000.0	-	
Non-SHREC Commercial	Revenue @ \$5.00# / mWh	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 160,651	\$ (85,651)	
	Commission Expense	-	-	-	(16,000)	(16,000)	(16,000)	-	
	Total Non-SHREC Revenue	\$ -	\$ -	\$ -	\$ 256,852	\$ 256,852	\$ 843,059	\$ (586,208)	\$ -

Notes:

* Resi Class 1 REC price based on current market estimates @ \$5.00/REC. Original budget pricing @ \$18.25/REC.

C&I Class 1 REC price based on current market estimates @ \$5.00/REC. Original budget pricing @ \$10.713/REC.

Connecticut Green Bank
FY 2019 Operating and Program Budget - Dec2018 Update
Staffing Plan

Position / Department	Name	FY19 Revised Staffing Budget Hours	FY19 Original Staffing Budget Hours	Increase / (Decrease)	FY18 Staffing Budget Hours
Associate, Residential Programs	Basham, Emily	2,080	2,080	-	-
VP, Finance and Administration	Bellas, George	1,360	2,080	(720)	2,080
Associate Manager, Residential Programs	Buonannata, Joe	-	-	-	2,080
Manager of Evaluation Measurement and Verification	Charpentier, Lucy	2,080	2,080	-	2,080
Associate Director, Commercial & Industrial Programs	Clark, Anthony	2,080	2,080	-	2,080
Manager, Statutory & Infrastructure Programs	Colonis, Bill	2,080	2,080	-	2,080
Managing Director of Marketing	Connolly, Craig	2,080	2,080	-	2,080
Associate Director, Residential Programs, Multifamily	D'Agostino, John	-	-	-	2,080
Loan Investment Administrator	Duncan, Catherine	2,080	2,080	-	2,080
VP Commercial & Industrial Programs	Dykes, Mackey	2,080	2,080	-	2,080
General Counsel & Chief Legal Officer	Farnen, Brian	2,080	2,080	-	2,080
Senior Manager, Clean Energy Finance	Fidao, Laura	2,080	2,080	-	2,080
Contracts Administrator	French, Loyola	2,080	2,080	-	2,080
President & Chief Executive Officer	Garcia, Bryan	2,080	2,080	-	2,080
Associate Manager, Statutory & Infrastructure Programs	Hazlewood, Isabelle	2,080	2,080	-	2,080
Director, Clean Energy Finance	Healey, Ben	-	-	-	2,080
Managing Director, Statutory & Infrastructure Programs	Hedman, Dale	2,080	2,080	-	2,080
Executive Vice President and Chief Investment Officer	Hunter, Bert	2,080	2,080	-	2,080
Associate Manager, Marketing	Janecko, Andrea	2,080	2,080	-	2,080
Administrative Coordinator	Johnson, Barbara	2,080	2,080	-	2,080
VP, Human Resources (P/T)	Kaswan, Suzanne	520	520	-	1,040
Senior Manager & Senior Counsel, Commercial and Industrial Programs	Kovtunenکو, Alex	2,080	2,080	-	2,080
Associate Manager, Statutory & Infrastructure Programs	Kranich, Ed	2,080	2,080	-	2,080
Senior Accountant (P/T)	Landry, Joe	1,560	1,560	-	1,560
Senior Associate, Commercial & Industrial Programs	Lembo-Buzzelli, Alysse	2,080	2,080	-	2,080
Senior Assistant, Statutory & Infrastructure Programs	Lewis, Lynne	2,080	2,080	-	2,080
Legislative Liaison & Senior Manager, Marketing	Macunas, Matt	2,080	2,080	-	2,080
Associate Director, Clean Energy Finance	Magalhaes, Christopher	-	-	-	2,080
Marketing Assistant, Marketing	Magnano, Tyler	-	-	-	2,080
Senior Associate, Statutory & Infrastructure Programs	McCarthy, Neil	-	-	-	2,080
Controller	Murphy, Jane	2,080	2,080	-	2,080
Vice President, Residential Programs	O'Neill, Kerry	-	-	-	2,080
Senior Manager, Statutory & Infrastructure Programs	Price, Selya	2,080	2,080	-	2,080
Manager, Residential Programs	Priest, Madeline	-	-	-	2,080
Senior Associate, Statutory & Infrastructure Programs	Pyne, Sara	2,080	2,080	-	2,080
Associate Director, Statutory & Infrastructure Programs	Ross, Rick	-	-	-	2,080

Connecticut Green Bank
FY 2019 Operating and Program Budget - Dec2018 Update
Staffing Plan

Position / Department	Name	FY19 Revised Staffing Budget Hours	FY19 Original Staffing Budget Hours	Increase / (Decrease)	FY18 Staffing Budget Hours
Executive Assistant	Samuels, Cheryl	2,080	2,080	-	2,080
Associate Manager, Marketing	Schmitt, Robert	2,080	2,080	-	2,080
Director of Operations	Shrago, Eric	2,080	2,080	-	2,080
Senior Accountant	Soares, Natalia	2,080	2,080	-	2,080
Director, Multifamily Housing Programs	Stevenson, Kim	2,080	2,080	-	2,080
Associate Manager, Clean Energy Finance	Stewart, Fiona	2,080	2,080	-	2,080
Senior Associate, Marketing	Sturk, Rudy	2,080	2,080	-	2,080
Staff Accountant/Contracts Administrator (CI)	Turker, Irene	2,080	2,080	-	2,080
Senior Manager, Clean Energy Finance (Durational)	Venables, Louise	2,080	2,080	-	2,080
Senior Assistant, Statutory & Infrastructure Programs	Vigil, Marycruz	2,080	2,080	-	2,080
Associate Director, Marketing	Waters, Barbara	2,080	2,080	-	2,080
Associate Director, Clean Energy Finance	Yu, Mike	2,080	2,080	-	2,080
Senior Manager, Commercial & Industrial Programs	Zuba, Nick	2,080	2,080	-	2,080
		80,400	81,120	(720)	98,280
New Hires					
Controller		800	-	800	2,080
Staff Accountant		800	-	800	2,080
Program Assistant, Residential 1-4 programs (Contingent)		-	-	-	1,733
Program Associate, Residential 1-4 programs (Durational)		-	-	-	1,907
Senior Manager, CI&I - Institutional Programs (Contingent)		-	-	-	1,733
		82,000	81,120	880	107,813
		39.42	39.00	0.42	51.83

Dollars:	YOY				
CGB Employees	\$ 3,969,163	\$ 3,968,186	\$ 977	\$ 5,072,399	Incr / (Decr)
Subtotal:	\$ 3,969,163	\$ 3,968,186	\$ 977	\$ 5,072,399	\$(1,103,236)
(1) Merit Pool	119,046	119,046	0	144,933	(25,887)
(2) Promotion Pool	59,523	59,523	0	76,086	(16,563)
(3) Delay in Movement of IPC Employees	121,196	-	121,196	-	121,196
Intern Pool-CGB	-	-	-	96,000	(96,000)
Total:	\$ 4,268,927	\$ 4,146,754	\$ 122,173	\$ 5,389,418	\$(1,120,491)

Notes:

- (1) FY18 Merit Pool was dropped from 3% to 0% in the FY18 Revised Budget.
(2) FY18 Promotion Pool was dropped from 1% to 0.5% in the FY18 Revised Budget.
(3) Employees did not move to IPC until 08/03/18, four pay periods.

**Connecticut Green Bank
FY 2019 Program Budget - Dec2018 Update
Program Loans**

Program Type - CGB portfolio loan (Asset) advances												
Dept	Prg Code	Prg Name	Description	Interest Rate	Term	FY19 Budget-Revised					FY19 Budget-Original	FY19 Sep YTD Actuals
						Q1	Q2	Q3	Q4	Total		
MultiFamily	52250	MF Programs	Pre Development Loan Fund-affordable and market rate housing-Sherpa	0.0%	2 yrs	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ 180,000	\$ 180,000	
MultiFamily	52250	MF Programs	Pre Development Loan Fund-marketrate housing-Navigator Loan			-	-	-	-	-	-	
MultiFamily	52250	MF Programs	Catalyst Fund			-	-	-	-	-	-	
MultiFamily	52250	MF Programs	Health and Safety Revolving Loan Fund			-	-	-	-	-	-	
Total MultiFamily Program Loans:						\$ 90,000	\$ 90,000	\$ -	\$ -	\$ 180,000	\$ 180,000	
Resi 1-4	52220	LMI Programs	Posigen - LMI solar PV Lease and EE financing - Term Loan 1			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Resi 1-4	52220	LMI Programs	Posigen - LMI solar PV Lease and EE financing	5.0%	10 yrs	2,500,000	-	-	-	2,500,000	2,500,000	
Total Resi 1-4 Program Loans:						\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	
S&I	51200	AD Pilot	Anaerobic Digester Pilot			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
S&I	51300	MicroGrid/CHP	MicroGrid program			-	-	-	-	-	-	
Total S&I Program Loans:						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CI&I	51800	CPACE	CGB Portfolio	Current & Future Pipeline	6.05%	18 yrs	\$ 6,715,124	\$ 1,964,468	\$ 710,687	\$ 600,000	\$ 9,990,279	\$ 9,990,279
CI&I	51800	CPACE	Hannon Portfolio - CGB Subordinated Debt	Projects to be determined			-	-	-	-	-	
CI&I	51800	CPACE	Purchase of Hannon CPACE Portfolio		4.56%	15 yrs	-	5,300,000	8,200,000	-	13,500,000	13,500,000
CI&I	51810	New Product Dev.	Kresge Foundation Loan	Projects to be determined	3.0%	10 yrs	300,000	900,000	900,000	900,000	3,000,000	3,000,000
CI&I	51810	New Product Dev.	ESA & CI&I pilot loans	Projects to be determined	5.0%	10 yrs	-	100,000	-	100,000	200,000	200,000
CI&I	51810	New Product Dev.	DEEP MicroGrid Prog	Projects to be determined			-	-	-	-	-	
CI&I	53002	CGB SBEA LLC	Working Capital Loan	CGB SBEA LLC			-	-	-	-	-	
CI&I	53002	CGB SBEA LLC	Subordinated Debt	CGB SBEA LLC			-	4,000,000	1,000,000	-	5,000,000	-
Total CI&I Program Loans:						\$ 7,015,124	\$ 12,264,468	\$ 10,810,687	\$ 1,600,000	\$ 31,690,279	\$ 26,690,279	
Finance	52200	CE Finance Prg	Subordinated Debt - Fuel Cell	FCE/ Triangle Street Danbury	6.0%	15 yrs	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	3,000,000
Finance	52200	CE Finance Prg	Equity investment in IPC's Solar PPA Fund	Debt financing	5.0%	10 yrs	-	1,500,000	1,000,000	1,000,000	3,500,000	3,500,000
Total CE Finance Program Loans:						\$ -	\$ 4,500,000	\$ 1,000,000	\$ 1,000,000	\$ 6,500,000	\$ 6,500,000	
Total of all Program Loans:						\$ 9,605,124	\$ 16,854,468	\$ 11,810,687	\$ 2,600,000	\$ 40,870,279	\$ 35,870,279	

Program Type - CGB Loans: Provisions for Loan Losses												
Dept	Prg Code	Prg Name	Description	Interest Rate	Term	FY19 Budget-Revised					FY19 Budget-Original	FY19 Sep YTD Actuals
						Q1	Q2	Q3	Q4	Total		
Total MultiFamily Program Loans:				100%	100%	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ 180,000	\$ 180,000	\$ 90,000
Total Resi 1-4 Program Loans:				100%	10%	250,000	-	-	-	250,000	250,000	250,000
Total S&I Program Loans:				100%	10%	-	-	-	-	-	-	-
Total CI&I Program Loans:				85%	10%	596,286	702,480	833,908	136,000	2,268,674	2,268,674	596,286
Total CE Finance Program Loans:				75%	10%	-	225,000	-	-	225,000	225,000	-
Total Other Program Loans:						-	-	-	-	-	-	-
Total Provision for Loan Losses:						\$ 936,286	\$ 1,017,480	\$ 833,908	\$ 136,000	\$ 2,923,674	\$ 2,923,674	\$ 936,286

Program Type - Interest Expense												
Dept	Prg Code	Prg Name	Description	Interest Rate	Term	FY19 Budget-Revised					FY19 Budget-Original	FY19 Sep YTD Actuals
						Q1	Q2	Q3	Q4	Total		
Multi	52251	Multifamily	Multifamily-HDF/MacArthur Interest Expense - current \$2.0m draw	1%	15	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000	\$ 20,000	\$ 25,000
Multi	52251	Multifamily	Multifamily-HDF/MacArthur Interest Expense- remaining \$3.0m draw	1%	15	7,500	7,500	7,500	7,500	30,000	30,000	-
CI&I	53002	CGB SBEA LLC	Subordinated Debt - SBEA	1%	10	-	-	-	7,500	7,500	7,500	-
Finance	52200	CE Finance Prg	Liberty/Webster SHREC Warehouse	5%	MtoM	153,750	180,000	-	-	333,750	333,750	23,690
Resi 1-4	52220	LMI Programs	Posigen loans	1%	10	2,000	2,000	2,000	2,000	8,000	8,000	-
Finance	52302	CREB-Clean Ren	New England Hydro CREBs Interest expense	1%	20	-	7,242	-	21,726	28,968	28,968	-
Total:						\$ 168,250	\$ 201,742	\$ 14,500	\$ 43,726	\$ 428,218	\$ 428,218	\$ 48,690

**Connecticut Green Bank
FY 2019 Operations Budget - FINAL
Department: Marketing**

Code - Program Name	51100-RSIP		TOTAL CI&I		TOTAL RESIDENTIAL		52250-Multifamily Programs		TOTAL PROGRAM RELATED		Total 99999-General Ops		Total Marketing		Total Marketing	
	FY19 Budget-Revised	FY18 Actuals	FY19 Budget-Revised	FY18 Actuals	FY19 Budget-Revised	FY18 Actuals	FY19 Budget-Revised	FY18 Actuals	FY19 Budget-Revised	FY18 Actuals	FY19 Budget-Revised	FY18 Actuals	FY19 Budget-Revised	FY18 Actuals	FY19 Budget	Increase / (Decrease)
Project Code Project Name																
Marketing Expenses																
Marketing-Advertising and Branding	-	525	30,000	3,374	-	32,647	-	-	30,000	36,546	1,900	361,121	31,900	397,667	244,550	(212,650)
Marketing-Agency Expenses	-	521	5,000	13,082	-	28,246	-	2,311	5,000	44,160	20,200	31,942	25,200	76,102	72,000	(46,800)
Marketing-Collateral Production	-	-	20,000	6,778	-	31,891	-	2,704	20,000	41,372	-	14,084	20,000	55,457	51,500	(31,500)
Marketing-Events & Consultants	-	-	-	1,127	-	206	-	-	-	1,333	-	4,096	-	5,429	6,000	(6,000)
Marketing-Membership Dues	30,000	-	9,900	995	-	-	-	600	39,900	1,595	16,250	77,267	56,150	78,862	37,000	19,150
Marketing & Outreach Campaigns	-	-	-	-	-	15,384	-	93,929	-	109,313	-	6,311	-	115,623	80,000	(80,000)
Marketing-Paid Media	50,000	120	21,500	-	-	34,321	-	-	71,500	34,441	50,000	1,188	121,500	35,629	42,500	79,000
Marketing-Public Relations	-	-	1,000	498	-	2,098	-	-	1,000	2,596	-	60,780	1,000	63,376	66,000	(65,000)
Marketing-Relationship Managers	-	-	150,000	96,400	-	-	-	76,238	150,000	172,638	-	3,000	150,000	175,638	145,000	5,000
Marketing-Event Sponsorships	-	-	20,600	10,850	-	7,700	-	9,502	20,600	28,052	-	18,170	20,600	46,222	44,450	(23,850)
Marketing-Website Design and Maint	14,000	893	42,000	93,091	-	11,137	-	150	56,000	105,271	52,650	24,879	108,650	130,150	84,000	24,650
Marketing-Other	1,000	36,251	-	10,590	130,000	-	80,500	-	211,500	46,841	-	-	211,500	46,841	299,500	(88,000)
Total Marketing Expenses	95,000	38,309	300,000	236,785	130,000	163,629	80,500	185,434	605,500	624,157	141,000	602,838	746,500	1,226,995	1,172,500	(426,000)

Connecticut Green Bank
FY 2019 Operations Budget - FINAL
Program Administration Expenses - ICP

	FY19 Budget- Revised	General Operations (52306)	Residential Smart-e	Residential LMI	Multifamily	Solar PPA Fund	FY19 Budget-Orig	Increase / (Decrease)
<u>Administrative Expenses</u>								
<u>Compensation and benefits</u>								
- Salaries & Wages	\$ 735,139	\$ -	\$ 221,309	\$ 184,057	\$ 217,339	\$ 112,433	\$ 796,400	\$ (61,261)
- Employee Benefits	294,055	-	88,524	73,623	86,936	44,973	318,560	(24,505)
- Temporary employees	10,000	-	-	-	10,000	-	10,000	-
Total Personnel Expense from IPC	\$ 1,039,194	\$ -	\$ 309,833	\$ 257,680	\$ 314,275	\$ 157,406	\$ 1,124,960	\$ (85,766)
<u>Program development and administration</u>								
- Program development costs	-	-	-	-	-	-	-	-
- Program administration costs	-	-	-	-	-	-	-	-
- Technology support costs	75,000	-	75,000	-	-	-	75,000	-
- Project Inspection fees	15,000	-	-	-	15,000	-	15,000	-
<u>EM&V</u>								
<u>Marketing expenses</u>								
<u>Legal expenses (BF to budget)</u>								
<u>Other expenses</u>								
- Consulting/Advisory	-	-	-	-	-	-	-	-
- Subscriptions	-	-	-	-	-	-	-	-
- Training/education	18,000	5,000	4,000	4,000	5,000	-	18,000	-
- Training/education (Allocations)	-	(5,000)	1,505	1,252	1,478	765	-	-
Subtotal Training/education	18,000	-	5,505	5,252	6,478	765	18,000	-
- Travel,meeting& related expenses	32,750	12,000	6,000	4,750	10,000	-	32,750	-
- Travel,meeting& related expenses (Allocations)	-	(12,000)	3,613	3,004	3,548	1,835	-	-
Subtotal Travel,meeting& related expenses	32,750	-	9,613	7,754	13,548	1,835	32,750	-
<u>Overhead Costs Allocated to Program:</u>								
<u>Rent and location related expenses</u>								
- Rent/Utilities/Maintenance	-	-	-	-	-	-	-	-
- Telephone/Communications	-	-	-	-	-	-	-	-
- Depreciation FF&E	-	-	-	-	-	-	-	-
<u>Office, computer & other expenses</u>								
- Office expense	-	-	-	-	-	-	-	-
- IT operations	-	-	-	-	-	-	-	-
Program Expense from IPC	\$ 140,750	\$ -	\$ 90,118	\$ 13,006	\$ 35,026	\$ 2,600	\$ 140,750	\$ -
Total Program Administration Expense from ICP	\$ 1,179,944	\$ -	\$ 399,950	\$ 270,687	\$ 349,301	\$ 160,006	\$ 1,265,710	\$ (85,766)



845 Brook Street
Rocky Hill, Connecticut 06067

300 Main Street, 4th Floor
Stamford, Connecticut 06901

T: 860.563.0015
F: 860.563.4877
www.ctcleanenergy.com

Connecticut Municipal Electric Energy Cooperative & US Naval Submarine Base – Groton, CT Fuel Cell Project

A Fuel Cell Debt Financing Program

Green Bank Construction Bridge Loan Approval Request

December 14, 2018



Document Purpose: This document contains background information and due diligence on a proposed credit facility for the FuelCell Energy, Inc. (“FCE” and NASDAQ: FCEL) fuel cell project under a power purchase agreement between FCE and the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and located at the US Naval Submarine Base – Groton, CT. The information herein is provided to the Connecticut Green Bank Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Connecticut Green Bank.

In some cases, this package may contain, among other things, trade secrets and commercial or financial information given to the Connecticut Green Bank in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public disclosure under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential.

Program Qualification Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP & CIO

Cc: Bryan Garcia, President & CEO; Brian Farnen, General Counsel & CLO; Dale Hedman, Managing Director, Statutory & Infrastructure Programs

Date: December 14, 2018

Re: FuelCell Energy Credit Facility – CMEEC / Groton Fuel Cell Project – Construction Bridge Loan

Purpose

The purpose of this memo is to request approval from the Connecticut Green Bank (“Green Bank”) Board of Directors (the “Board”) for the ability of the Green Bank to use \$3.5 million of \$5 million of credit exposure already approved by the Board toward the proposed 7.4 megawatt FuelCell Energy, Inc. (“FCE”) fuel cell project located at the US Naval Submarine Base, Groton, CT (the “Project”) as a secured bridge loan (“Bridge Facility”) at the FCE “ HoldCo level” (explained below) during Project construction in order to bridge a timing gap between advances from the construction lender, Fifth Third Bank, and capital needs of the Project developer, FCE. On October 26, 2018, the Board approved a \$5 million Subordinated Secured Credit Facility (the “Term Facility”) for the Project at the Project level (i.e., ProjectCo”).

In proposing the utilization of a portion of the approved \$5 million of credit exposure as a bridge loan, the Bridge Facility would be entered into and advanced in December 2018, independent of, but simultaneously with or following, execution of closing documents between Fifth Third Bank and FCE for a \$22.4 million construction financing facility (the “Construction Facility”), which is also expected to occur in December 2018. The Bridge Facility would then be repaid in full (inclusive of principal and accrued interest) in February 2019 using cash from FCE (primarily in the form of a cash collateral account pledged to the Green Bank upon advance), and would also be backstopped by both a corporate parent guaranty from FCE and a pledge of FCE membership interests in the Project (which is structurally subordinated to Fifth Third, which will maintain a senior secured lien on all Project assets during construction).

Once repaid, the Green Bank Bridge Facility would then be re-advanced in full upon the Project reaching its commercial operating date (“COD”) as part of the overall senior-subordinated \$23,000,000 term loan package (the “Term Facility”) under the same terms, conditions, and structure approved at the Board meeting held October 26, 2018.

Background

At the October 26, 2018 Board meeting, the Board approved the Term Facility as a Strategic Selection and award, pursuant to Green Bank Operating Procedures Section XII, as the anticipated use of funds for the Project satisfied all relevant criteria: Special Capabilities, Uniqueness, Strategic Importance, Urgency and Timeliness, and Multiphase Project.

Since that time, Fifth Third Bank has issued a Construction Facility term sheet for \$22.4 million. This is a major achievement for the Green Bank and FCE – as this is one of the largest facilities to be arranged for the Connecticut-based fuel cell manufacturer for a stand-alone project. One of the conditions of the Construction Facility would be for FCE to advance all of its equity contribution before the Construction Facility is drawn, thus significantly collateralizing debt secured by the Project (including draws during construction of the Bridge Facility) but also sequestering a material amount of FCE equity in the Project. In response, the Green Bank has been asked by FCE to consider bridge financing to enable FCE to free up capital so that FCE can continue to develop its largest pipeline in history. So, at its core, the Bridge Facility provides to the Project a “pre-advance” for Project financing which, but for the restrictive condition of Fifth Third Bank under the Construction Facility, would have been – on the basis of the required proportion of equity to total investment in Project construction expenditures (which is approximately 45%) – eligible for an advance under that facility of more than \$14 million. Fifth Third Bank expects to advance about \$7 million – for a total shortfall for FCE of about \$7 million. The Green Bank under the Bridge Facility would advance approximately 50% of this shortfall (\$3.5 million) which FCE requires for overall liquidity purposes given the significant size of their transaction pipeline (which was detailed to the Board during the Oct 26 meeting). The \$3.5 million advance, however, will be fully collateralized as well as guaranteed by FCE Parent Co as explained below.

With regards to the Term Facility’s role in the term financing structure of the Project (approved by the Board October 26, 2018), that is, as a subordinated investment in a project-level financing structure, the Term Facility relies on typical project finance structural elements (PPA revenues, REC income, etc.) to mitigate risks across the financing term as well as additional protections in the form of a 3rd party independent engineering report and cash sweeps adequate for downside scenarios¹. Importantly, as it relates to the use of the Green Bank Bridge Facility in the overall credit exposure, nothing requested herein will change the anticipated Term Facility’s structure and mitigants applied to Green Bank capital at risk during the Project’s operating term. Given Green Bank’s participation during construction under the Bridge Facility would be repaid prior to COD, whereas Green Bank’s participation during the operating term would be repaid by operating cashflows post-COD, the use of the Bridge Facility under these two scenarios is structurally distinct and mutually exclusive. Importantly, Green Bank would benefit from a full payment guaranty from FCE at the parent level for its exposure during the construction period, a pledge of a depository account with a requirement that the balance in such account shall not be less than the Green Bank’s exposure under the Bridge Facility at any time, as well as a pledge of HoldCo membership interests in ProjectCo.

¹ For a more complete outline of risks and mitigants, please refer to the Board memo dated October 26, 2018 outlining the approval request for the Term Facility.

Use of a portion of the approved credit exposure during construction does however anticipate a change in risk profile to the Green Bank during the time that capital is at risk during that construction period, and those risks, along with mitigating factors and considerations, are provided in the sections below.

After considering the risks associated with the requested use of a portion of the approved credit exposure as a construction bridge loan, Green Bank staff recommends approval for such use of funds.

Use of a Portion of the Approved FCE Credit Exposure as a Construction Bridge Loan

As a construction bridge loan, the Bridge Facility would be advanced in December 2018 and would be fully repaid, inclusive of accrued interest, by February 2019. The Green Bank will make a single, initial advance during construction of \$3,500,000, which will be placed at the “HoldCo” level, or one level removed from the Project, in a limited liability company that maintains a direct ownership interest in the “ProjectCo”, or Project-level limited liability company (as shown in the “Structure Diagram” section below). The Green Bank will receive a pledge of all HoldCo membership interests in ProjectCo. However, in keeping with Fifth Third’s position as a senior secured lender in the ProjectCo, Green Bank’s rights vis-à-vis its security interest in HoldCo membership interests in ProjectCo will be subordinated to Fifth Third’s rights.

In addition, upon execution of the Bridge Facility, FCE will place \$3.5 million of cash in a depository account pledged to the Green Bank (the “Groton Cash Collateral Account”) in order to mitigate the Green Bank’s risk during construction. Though the Groton Cash Collateral Account will be an unrestricted account, the Green Bank will require a level of monitoring and a minimum balance at all times that conforms to staff’s requirements. The FCE corporate parent guaranty backstopping full repayment of the Bridge Facility advances is an additional layer of protection, on top of the Groton Cash Collateral Account and pledge of ProjectCo membership interests, for the benefit of the Green Bank.

The Bridge Facility will bear interest at a rate of 30-Day LIBOR + 2.25% (approximately 4.6% in the current market rate environment), accrued on a monthly basis and repaid in full in February 2019, along with final repayment of the principal outstanding under Bridge Facility. The interest rate during construction is lower than the term rate of 8.00% due to the shorter-term exposure of the construction period, and the fact that while structurally subordinated from a Project collateral perspective, the Green Bank funding effectively gets repaid ahead of Fifth Third and benefits from the layers of security discussed above – and as such the construction rate mirrors the rate at which Fifth Third is providing the Construction Facility.

Strategic Selection and Importance

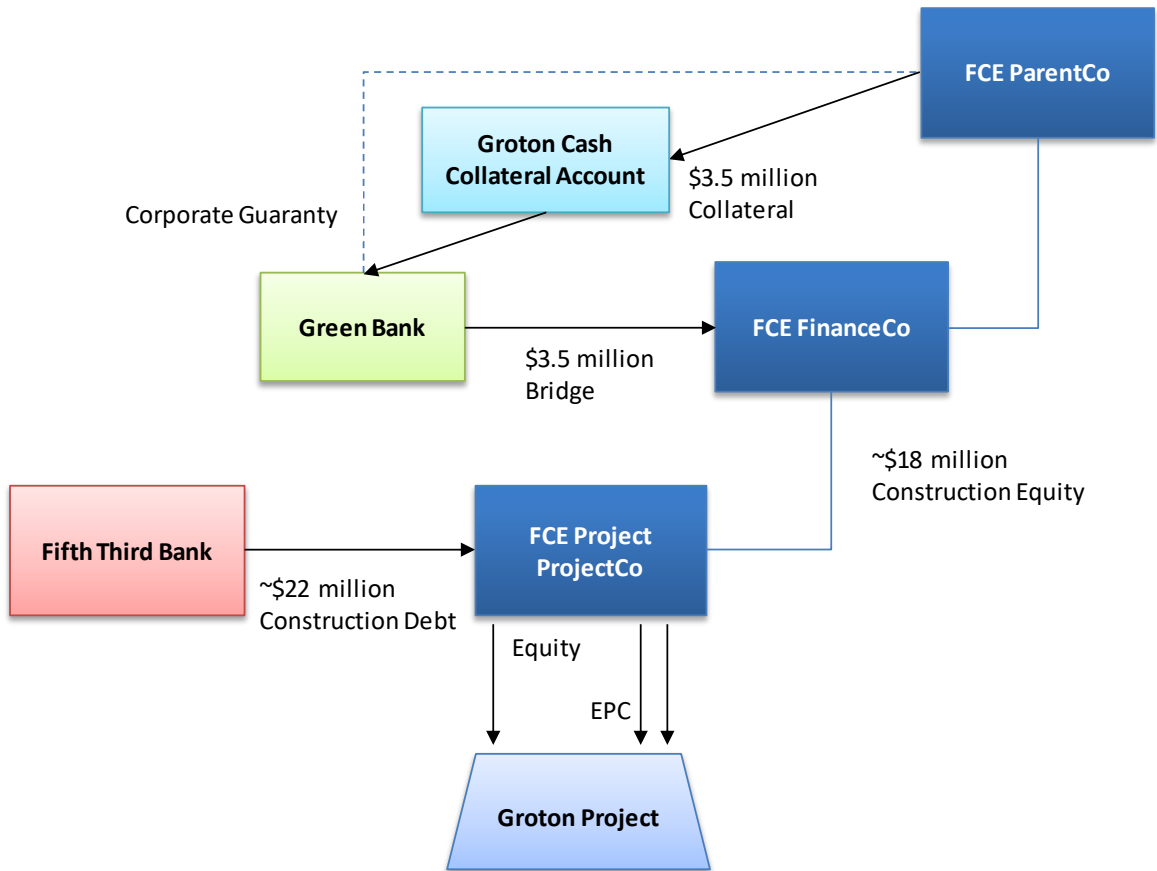
With the goal of creating a viable market for the transition from subsidy-based to financing-based models of development for fuel cells in Connecticut, financing the Project is also of strategic importance to the Green Bank, as the Project exhibits the following criteria, which are required of all Green Bank strategic selection and award investments:

- **Special Capabilities** – FCE has significant experience in manufacturing and developing fuel cells (as discussed in the “Project Background – Highlights” section above), and is a locally-domiciled

market leader in the industry. FCE can spearhead the pivot away from tax incentives and state procurement subsidies via cost reductions derived from technological innovation and market penetration.

- **Uniqueness** – The Project is of strategic national importance, supporting the U.S. Navy submarine base in Groton, CT, and it has already been sited and is under construction, backed by approximately \$5.6 million of developmental and construction capital by FCE to date.
- **Strategic Importance** – The Project is aligned with Green Bank goals, including the creation and retention of local jobs associated with FCE, the deployment of an innovative technology that will play an integral role in the economic transformation of the fuel cell industry, and the development of a clean energy generating asset that, both on an individual basis and as similar projects are deployed at scale, will continue to provide a combination of cleaner, cheaper, and more reliable energy, while creating jobs and supporting local economic development.
- **Urgency and Timeliness** – There is an urgent need to act on the opportunity as the Project is already under construction and is currently being financed in full by cash from FCE’s balance sheet. This approach is inefficient, as it soaks up development capital that could be used for other projects in FCE’s development pipeline, and it necessarily means that every month and construction milestone that passes foregoes an opportunity to match FCE’s capitalization/liquidity needs with interested lending parties.
- **Multiphase Project** – Successful execution of the Credit Facility will set the stage for the Green Bank to support the development of similarly strategic projects both for FCE (e.g., the CT DEEP RFP projects) and for the greater fuel cell industry within Connecticut.

Structure Diagram



Construction Bridge Loan Risks & Mitigants

There are several risks attributable to advances of the Bridge Facility during the construction period which are naturally and fully contained within the construction period because any term advance of the Term Facility would only occur upon successful completion of Project construction and repayment of the portion of the Bridge Facility outstanding during the construction period.

Risks to the Project construction process and repayment of Bridge Facility funds advanced during that construction process include:

Fifth Third Bank Construction Facility Risk

Advances of the Bridge Facility during construction will receive a pledge of HOLDCo membership interests in the Project, making the development of the Project an important part of the Bridge Facility repayment risk during construction. Because the Project will be financed during the remainder of construction through a combination of FCE equity and Fifth Third debt, the ability of Fifth Third to advance on its Construction Facility is an essential aspect of the Project, FCE, and the Green Bank. Risk

to the Fifth Third Construction Facility comes from either (a.) Fifth Third Bank being unable to advance construction loan funds, or (b.) Fifth Third Bank being unwilling to advance construction loan funds under the Construction Facility.

Fifth Third Construction Facility Risk Mitigants:

- Fifth Third Bank is a \$140 billion super-regional depository financial institution which is active in the retail banking market in 10 states as well as maintaining a national presence for commercial loans. The bank has a substantial renewable energy portfolio, particularly utility scale solar. The bank has investment grade ratings across all categories and entities².
- The Bridge Facility would only be advanced after (i.) the execution of closing documents for the Fifth Third Bank Construction Facility, ensuring FCE and the Project remain in compliance with the Fifth Third Bank facility before any Green Bank capital is at risk, (ii.) review of DAI Management Consultants' "FuelCell Energy SureSource™ Technology Review" report (published November 5, 2018) to the satisfaction of both Green Bank and Fifth Third Bank which, similar to the 3rd party independent engineering report detailing the compliance and viability of the as-complete Project which is to be a condition of advance for the term financing use of the Green Bank Term Facility, will provide 3rd party validation of FCE overall manufacturing and product soundness, and (ii.) evidence to the satisfaction of both Green Bank and Fifth Third Bank that there exist no circumstances or matters that would prevent or materially delay construction completion (be it by virtue of appropriate permits, environmental reviews, material or long lead time components, etc.) by the expected completion date of July 2019.
- Fifth Third has engaged an independent engineer for the purposes of reviewing construction progress at various points during Fifth Third's draw schedule – anticipated at 1st advance, 2nd advance, and final advance. The review and confirmations of the independent engineer will help ensure the Project remains in compliance with Fifth Third's loan advance requirements across the construction period.
- The Green Bank will benefit from the Groton Cash Collateral Account, pledge of HoldCo membership interests in ProjectCo, and a FCE parent-level full payment guaranty.

Construction Period Delays

There is risk that the construction period experiences unforeseen delays, increasing any construction financing exposure during construction.

Construction Period Risk Mitigants:

² <https://ir.53.com/deposit-and-debt-ratings>.

- By the time that Green Bank would be expected to advance during the construction period, FCE will have already expended approximately \$26 million on a \$40 million project (65% of total expected expenditure). As of December 6, 2018 all major equipment procurement and fabrication has been completed, and site construction excavation and piping has begun. Equipment delivery to the site is expected to begin in February 2019, with installation occurring from February 2019 – June 2019, final testing through July 2019, and final completion in August 2019. Construction milestone information is attached at Exhibit 2 and site pictures attached at Exhibit 3.
- FCE has, to date, met the construction expenditure timeline shared with Green Bank back in early September 2018.
- The Green Bank will benefit from the Groton Cash Collateral Account and a FCE parent-level full payment guaranty.
- The Green Bank will maintain a security interest in the Project assets, via the pledge of ProjectCo membership interests held by HoldCo, and given the significant equity cushion in the Project and construction progress to date, if there would be a liquidation/sale of the asset during construction the Green Bank may recover its capital at risk during that recovery event (assuming all other security measures fail).

Counterparty and Role Fulfillment Risks

There is risk that the various counterparties associated with development and construction of the Project are either unwilling or unable to fulfill their anticipated obligations associated with either the construction or term periods (any adverse impact to a counterparty's expected role during the term could in turn adversely impact a willingness or ability to construct and/or fund the Project for the remainder of the construction period). The risk that FCE could fail to perform its duties, either with regards to the Project or to the repayment of the Green Bank Bridge Facility advance during construction, is especially important to the Green Bank.

Counterparty Risk Mitigants:

- FCE: The Groton Cash Collateral Account is the Green Bank's primary mitigant for FCE repayment risk. In addition, the Project is of strategic importance to FCE, as evidenced by the approximately \$26 million in construction equity it will have contributed to the project by December 2018 and its pursuits of a term financing structure wherein FCE retains ownership of the asset. Construction of the Project also benefits from a full EPC wrap provided by FCE (which is in charge of all construction, development, and sub-contracting work). While FCE has clearly improved its prospects for business over the past year, its stock price has been volatile and recently was the subject of a notice from The Nasdaq Stock Market ("Nasdaq") stating that the Company is not in compliance with Nasdaq Listing Rule 5450(a) (1) because the closing bid price of the Company's common stock was below the required minimum of \$1.00 per share for the

previous 30 consecutive business days. This notification has no immediate effect on the listing of the Company's common stock and in the opinion of management is manageable (see Exhibit I).

- **CMEEC:** Green Bank staff would like to bring attention to recent events at CMEEC in which several members of CMEEC's senior staff/leadership and board were indicted by the federal government for misuse of funds³. As the counterparty in the Project power purchase agreement ("PPA") expected to purchase power over a 20-year term, the ability of CMEEC to honor its obligations is of paramount importance to the financing structure of the Project. Green Bank attended the CMEEC Board meeting with Webster Bank and had conversations that day and subsequently with the Interim CEO (also the CFO), the General Counsel, head of Business Development and the Groton Sub Base project manager for CMEEC. The indicted officials have been suspended without pay and an investigation by the law firm of Sussman and Shapiro is underway. Additional assurances, including confirmation that the transaction was fully and properly approved by CMEEC's Board of Directors (not staff), have been given to the lenders, Green Bank and FCE about the strategic importance of the project to CMEEC and the US Navy – and that they are fully committed to the project. Further, after careful review of CMEEC's founding legislation, its membership agreements with underlying utilities, and the Replacement Power Sales Contract ("RPSC") entered into by each utility member, as facilitated by FCE's General Counsel, it has been determined that certain obligations of CMEEC (specifically "Fixed Costs" (as defined under the RPSC) and including certain designated energy supply contracts such as the PPA associated with the Project) must be honored by member utilities (or certain permitted assignees of the member utilities subject to approval by CMEEC) regardless of the future existence of, or their future participation in, CMEEC. This means that member utilities have an "absolute and unconditional" obligation to cover power-related costs (such as those related to the Project and its PPA), and that obligation cannot be transferred out of (without CMEEC approval), disposed out of, voided, defaulted on, or otherwise withdrawn from.
- **U.S. Navy:** The Project is of strategic importance to the Groton, CT submarine base, which in turn is of national importance from a strategic defense perspective. The resiliency benefits of the Project provided the initial incentive for the U.S. Navy to agree to the Project's location on the submarine base, and Green Bank staff has confirmed the U.S. Navy's desire to continue to pursue the Project via direct conversations. This project is also being supported by a \$5 million grant from DEEP's microgrid program in order to enhance the base's resiliency and energy security by allowing the base to continue powering critical loads (e.g. submarines) even during periods of power disruption to the utility grid⁴.

³ <https://www.justice.gov/usao-ct/pr/five-individuals-connected-connecticut-energy-cooperative-charged-misusing-funds>.

⁴ <https://portal.ct.gov/Office-of-the-Governor/Press-Room/Press-Releases/2018/09-2018/Gov-Malloy-Announces-State-Will-Create-a-Microgrid-at-US-Naval-Submarine-Base-New-London>

Strategic Plan

Is the program proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

As confirmed in the Bridgeport Fuel Cell Project Qualification Memo approved by the Board and Deployment Committee on November 30, 2012, pursuant to the Green Bank's mandate to foster the growth, development, and commercialization of renewable energy sources and related enterprises, and to stimulate demand for renewable energy and the deployment of renewable energy sources that serve end use customers in Connecticut, the Board has determined that is in keeping with Conn. Gen. Stat. Section 16-245n for Green Bank to fund certain commercial activities that support projects involving the use of fuel cell technology for distributed generation ("DG") power production.

Staff recommends that these same criteria be applied to fuel cell facilities, such as the Project, for the reasons included throughout this Memo, and in particular as the Term Facility was approved by the Board at the Board meeting on October 26, 2018.

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the program versus the dollars of ratepayer funds at risk?

The Project is expected to produce 56,239 MWh during the first year of operation, and up to 1,087,686 MWh during its 20-year useful life. Compared with \$5,000,000 of ratepayer funds at risk, the Project is expected to yield up to 218 kWh per \$1 of ratepayer funds over a 20-year term.

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

During construction, the Bridge Facility carries at interest rate of 30-Day LIBOR + 225 basis points (approximately 4.6% in today's market rate environment). Advance during construction would occur in December 2018, with repayment by February 2019, and the source of repayment would be from FCE, as backstopped by the Groton Cash Collateral Account, a corporate parent full payment guaranty, and a pledge of membership interests in the Project from the HoldCo level.

During the operating term, the Term Facility carries an interest rate of 8.00% over a 15-year, fully amortizing term. The Term Facility will be advanced upon COD, expected in July 2019, and will be secured by a subordinated lien and position on Project assets and cashflows. In addition, the Term Facility will benefit from a payment guaranty from FCE to backstop a minimum REC value.

Capital Expended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

\$3,500,000 during construction (Bridge Facility), repaid in full before COD, and then \$5,000,000 after COD (Term Facility).

Risk

What is the maximum risk exposure of ratepayer funds for the program?

\$3,500,000 during construction, repaid in full before COD, and then \$5,000,000 after COD.

Financial Statements

How is the program investment accounted for on the balance sheet and profit and loss statements?

The Bridge Facility loan would result in a \$3,500,000 reduction of cash and a \$3,500,000 increase in promissory notes (Statutory & Infrastructure program).

Target Market

Who are the end-users of the engagement?

The U.S. Navy submarine base located in Groton, CT.

Green Bank Role, Financial Assistance & Selection/Award Process

Lender via Strategic Selection process pursuant to the Green Bank Operating Procedures.

Program Partners

FuelCell Energy, Inc., and Inclusive Prosperity Capital, Inc.

Risks and Mitigation Strategies

Lending risks and mitigation strategies have been addressed in the **Construction Bridge Loan Project Risks and Mitigants** section of this Memo.

Resolutions

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut (“FCE”) has used previously committed funding (the “Bridgeport Loan”) from the Connecticut Green Bank (“Green Bank”) to successfully develop a 15 megawatt fuel cell facility in Bridgeport, Connecticut (the “Bridgeport Project”), and FCE has operated and maintained the Bridgeport Project without material incident, is current on payments under the Bridgeport Loan, and has received approval from the Green Bank for funding from the Green Bank (the “Triangle Loan”) to develop a 3.7 megawatt high efficiency fuel cell project in Danbury, Connecticut (the “Triangle Project”);

WHEREAS, FCE has requested financing support from the Green Bank to develop a 7.4 megawatt fuel cell project in Groton, Connecticut located on the U.S. Navy submarine base and supported by a power purchase agreement (“PPA”) with the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) (the “Project”) and the Green Bank Board of Directors (the “Board”) approved a \$5,000,000 credit facility (the “Term Facility”) at its meeting held October, 26, 2018;

WHEREAS, staff has been requested to consider in addition to the Term Facility a \$3,500,000 bridge facility (the “Bridge Facility”) to be utilized by FCE during the construction of the project, with the Bridge Facility to be repaid from a combination of advances under the Construction Facility from Fifth Third Bank and a full payment corporate-parent guaranty from FCE, and other security as set forth in the memorandum to the Green Bank Board of Directors (“Board”) dated December 14, 2018;

WHEREAS, Green Bank staff recommends that the Green Bank Board of Directors (“Board”) approve of the Bridge Facility, in an amount not to exceed \$3,500,000.

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby approves the Bridge Facility in an amount not to exceed \$3,500,000 for the Project, as a strategic selection and award pursuant to Green Bank Operating Procedures Section XII; and

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to provide the Bridge Facility to FCE (or a special purpose entity wholly-owned by FCE) in an amount not to exceed \$3,500,000 with terms and conditions consistent with the memorandum submitted to the Board dated December 14, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from the date of authorization by the Board of Directors; 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 effect the above-mentioned Bridge Loan.

Submitted by: Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO;

Exhibit 1

From: Bishop, Michael <mbishop@fce.com>
Sent: Wednesday, December 5, 2018 7:46 PM
To: Bert Hunter <Bert.Hunter@ctgreenbank.com>; Davis, Lawrence <LMDavis@WebsterBank.com>; Cantor, David <DCantor@LIBERTY-BANK.com>
Cc: Chris Magalhaes <Chris.Magalhaes@Inclusiveteam.org>; Gnedey, Elliot <egnedey@fce.com>
Subject: FCE Update
Importance: High

Hi Bert, Lawrence and David -

Just wanted to give you background on a SEC filing that FCE did on Tuesday regarding a notice from NASDAQ.

Despite our strong backlog, impressive recent announcements and commercial progress, our stock price has been trading in a range below \$1.00 for 30 consecutive business days, causing us not to meet one of the listing requirements of the NASDAQ Global Stock Market where FCEL is listed. FCEL has always been a volatile stock with a trading range of over \$2.00 for a good part of this year. We do comply with all other listing requirements of NASDAQ. Under the NASDAQ rules, we now have one year window to bring our share performance into compliance. The principle way which we look to resolve this is to increase the share price to closing value of \$1.00 or greater for ten consecutive business days. We are confident that we will do this. There are also other mechanisms to achieve compliance during this period which are completely within the Company's control.

The broader stock market has seen recent negative performance and volatility. The Cleantech sector certainly has not been immune to this dynamic with a lot of fourth quarter selling. Interest in FuelCell Energy's business outlook and strategy remains quite high, however, and we feel strongly that the various matters we are working to execute over the coming weeks and months will provide a significant boost to investor appetite to invest in FCEL. Chip and I have both had many meetings with institutional investors over the past several months - they are following our execution story closely. Wall Street analysts are also supportive and like the business model with an average future price target of \$2.76.

This notice does not impact FCE's trading on NASDAQ at all, business operations or any of our underlying agreements. FCE has received this type of notice once before and was able to resolve rather quickly.

Please call or email if you have questions and would be happy to discuss further.

Best regards,

Michael Bishop | Senior Vice President, CFO and Treasurer
Direct: 203.825.6049 | mbishop@fce.com

FuelCell Energy | 3 Great Pasture Rd | Danbury, CT 06810
www.fuelcellenergy.com |   

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 28, 2018

FUELCELL ENERGY, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-14204
(Commission
File Number)

06-0853042
(IRS Employer
Identification No.)

3 Great Pasture Road
Danbury, Connecticut
(Address of Principal Executive Offices)

06810
(Zip Code)

Registrant's telephone number, including area code: (203) 825-6000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On November 28, 2018, FuelCell Energy, Inc. (the “Company”) received a letter from The Nasdaq Stock Market (“Nasdaq”) stating that the Company is not in compliance with Nasdaq Listing Rule 5450(a)(1) because the closing bid price of the Company’s common stock was below the required minimum of \$1.00 per share for the previous 30 consecutive business days.

This notification has no immediate effect on the listing of the Company’s common stock.

In accordance with Nasdaq Listing Rules, the Company has a period of 180 calendar days, or until May 28, 2019, to regain compliance with the minimum bid price requirement. If at any time before May 28, 2019 the closing bid price of the Company’s common stock is at least \$1.00 per share for a minimum of 10 consecutive business days, Nasdaq will provide the Company with written confirmation that it has regained compliance with the minimum bid price requirement and this matter will be closed.

The Company has notified Nasdaq of its intention to regain compliance with the Nasdaq minimum bid price requirement. The Company is currently in compliance with all other Nasdaq quantitative continued listing standards.

If the Company is unable to demonstrate compliance with Rule 5450(a)(1) by May 28, 2019, the Company can submit an application to transfer its securities to The Nasdaq Capital Market and request an additional 180 day period to regain compliance with the minimum bid price requirement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FUELCELL ENERGY, INC.

Date: December 4, 2018

By: /s/ Michael S. Bishop

Michael S. Bishop

Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 2

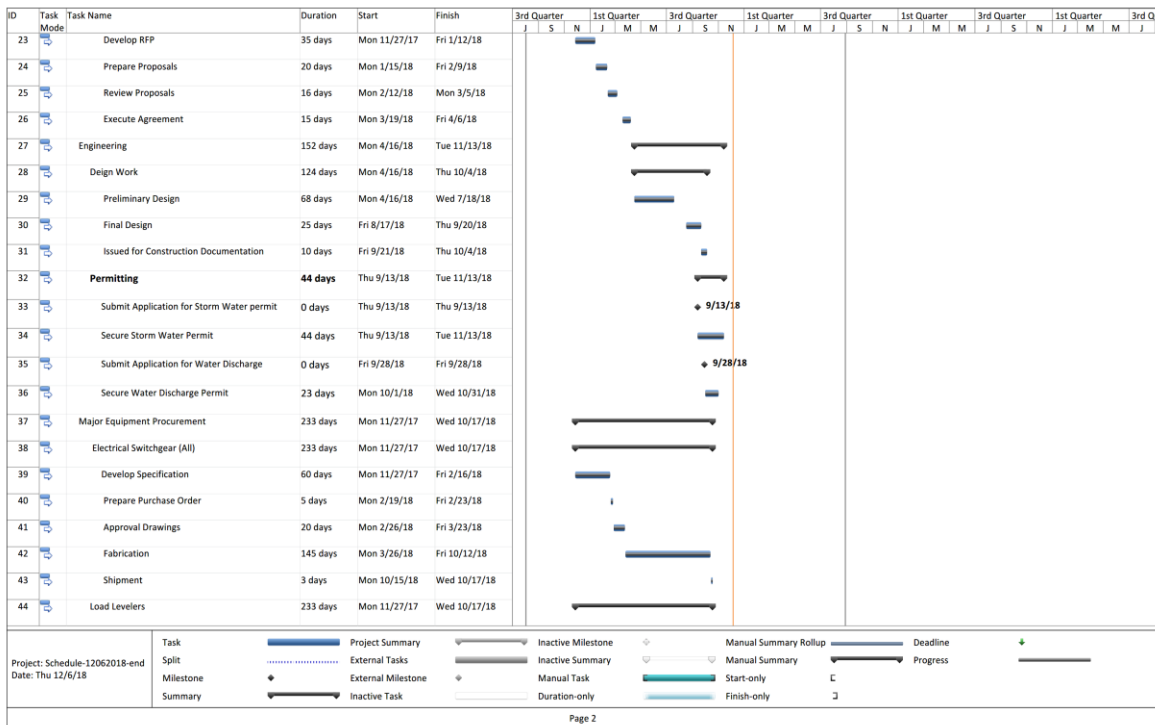
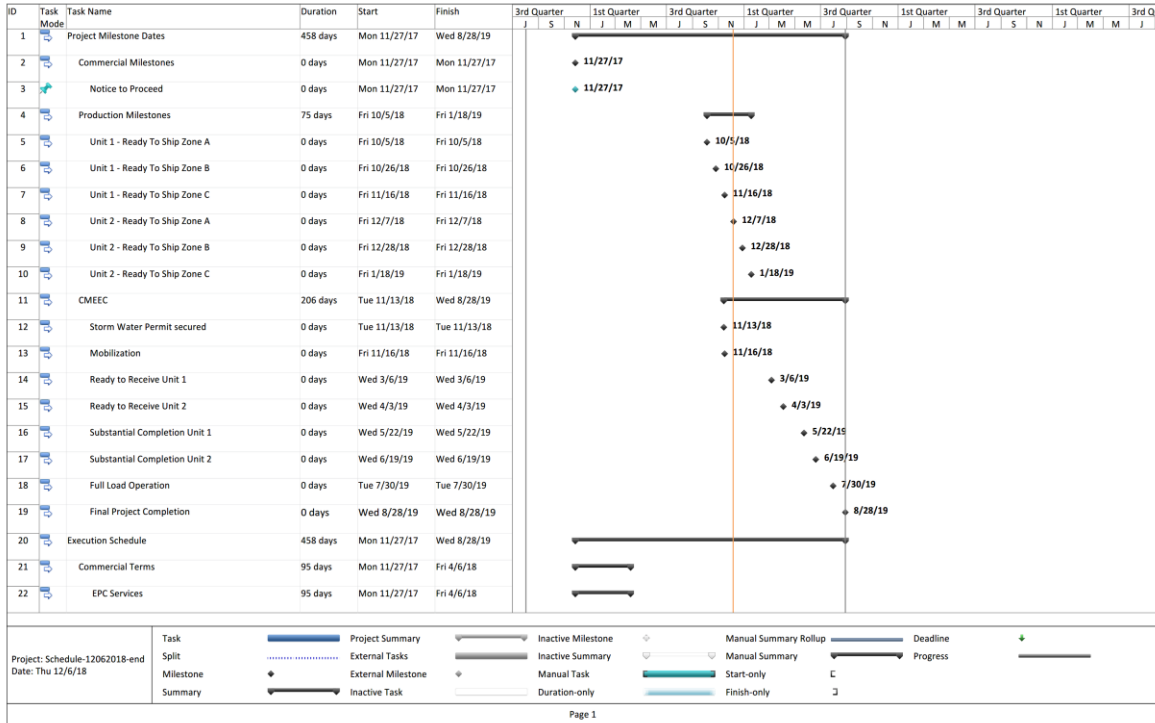


Exhibit 3

Navy Sub Base – Fuel Cell Installation photos. 12/6/18





845 Brook Street
Rocky Hill, Connecticut 06067

300 Main Street, 4th Floor
Stamford, Connecticut 06901

T: 860.563.0015
F: 860.563.4877
www.ctcleanenergy.com

Bridgeport, CT Fuel Cell Project

A 14.9 MW Operating Fuel Cell Repurchase Financing Facility

Green Bank Loan Refinancing Approval Request

December 14, 2018



Document Purpose: This document contains background information and due diligence on a proposed financing facility for FuelCell Energy, Inc. (“FCE” and NASDAQ: FCEL) to be part of a funding facility for the acquisition of a fuel cell project designed, built, and operated by FCE and currently owned by Dominion Energy, Inc. (“Dominion” and NYSE: D) and located in Bridgeport, CT. The information herein is provided to the Connecticut Green Bank Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Connecticut Green Bank.

In some cases, this package may contain, among other things, trade secrets and commercial or financial information given to the Connecticut Green Bank in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public disclosure under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential.

Program Qualification Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP & CIO¹

Cc: Bryan Garcia, President & CEO; Brian Farnen, General Counsel & CLO; Dale Hedman, Managing Director, Statutory & Infrastructure Programs

Date: December 14, 2018

Re: FuelCell Energy Repurchase Financing Facility – Bridgeport Fuel Cell Project – Loan Refinancing

Summary

The purpose of this memo is to request approval from the Connecticut Green Bank (“Green Bank”) Board of Directors (the “Board”) for the ability of the Green Bank to refinance its current \$6,026,165.34 outstanding term loan with FuelCell Energy, Inc. (“FCE”) that was utilized in 2013 for the development, construction, and funding of an operating reserve and performance escrow account (the “Original Use Loan”) of a 14.9 MW fuel cell project located in Bridgeport, CT (the “Project”). The Project was developed by FCE and sold to Dominion Energy, Inc. (“Dominion”) as a strategic asset sale, with FCE retaining a position as the plant operator via an O&M agreement with a term matching an underlying 15-year power purchase agreement (“PPA”) with Eversource Energy (“Eversource”). At the time of its commissioning in December 2013, the Project was the largest fuel cell project in North America and the largest project FCE has completed in its history. Green Bank funding of the Original Use Loan was critical to the overall successful development and sale of the Project.

The Original Use Loan was approved by the Green Bank Board on November 30, 2012 as a Strategic Selection and Award pursuant to Green Bank Operating Procedures Section XII, as the anticipated use of funds for the Project satisfied all relevant criteria: Special Capabilities, Uniqueness, Strategic Importance, Urgency and Timeliness, and Multiphase Project. The Original Use Loan is current and in good standing with FCE, and as it is in interest-only repayment until December 1, 2021, the Original Use Loan has generated over \$1.5 million in monthly interest payments from FCE to the Green Bank since the beginning of the interest-only period starting February 2014.

Reasoning for Refinancing

The reason behind the requested refinancing of the Original Use Loan is so that the Green Bank can participate in a financing facility alongside senior lenders, currently expected to be Webster Bank and Liberty Bank (the “Senior Lenders”), for a bid by FCE to repurchase the Project from Dominion. The purchase by FCE is the result of a competitive bid process undertaken by Dominion. The result of the

¹ Prepared with the assistance of Chris Magalhaes, CIO, Inclusive Prosperity Capital

refinancing however, given the new structure and terms that will govern the Green Bank's participation in the Project, is that in comparison to the Original Use Loan the refinancing will be more beneficial the Green Bank from both a risk and a return perspective. In addition, participation in the financing facility in order to facilitate the repurchase of the Project by FCE aligns with the Green Bank's goals of deploying fuel cells in Connecticut because FCE views the Project as a strategic asset that it intends to operate and keep in good standing even after the end of the 15-year Eversource PPA.

Under the refinancing structure and terms, the Green Bank will repurpose \$6,026,165.34 of principal of the Original Use Loan into a subordinated loan, secured by a lien on all Project assets and assignment of Project contracts and cashflows, second in priority to up to approximately \$28 million in senior loans from the Senior Lenders (the "Refinanced Loan")². The Refinanced Loan will carry an interest rate of 8.00% (P.A.) and will have a fully amortizing, mortgage-style principal repayment schedule across a 7-year term (December 2018 to December 2025). In comparison, the Original Use Loan carries a 5.00% (P.A.) interest rate, is interest-only until December 2021 and then amortizes over even-principal payments across a 4-year term (final repayment November 2025), and is secured by (i.) a second priority, subordinated security interest (behind Dominion) in the \$15 million reserve and performance escrow account (the "Escrow Account"), and (ii.) a first priority interest in FCE's right to receive interest on the balance of the Escrow Account.

Background

Green Bank Participation

On November 30, 2012 the Green Bank Board approved the use of \$5.8 million in loan funding (through the combination of a \$5.0 million new loan issuance and the assumption of a pre-development loan in the amount of \$0.8 million) for the Project through a Strategic Selection and Award, owing to the Project's importance to the state and sitting alongside a \$1.55 million grant from the Green Bank's predecessor organization, the Connecticut Clean Energy Fund ("CCEF"):

"In early 2008, CCEF released a Request for Proposals in the third round of solicitations for renewable energy projects to participate in Project 150. Project 150, mandated by the Connecticut legislature, is an initiative aimed at increasing clean energy supply in Connecticut by at least 150MW of installed capacity and the program is designed to encourage financing of renewable energy projects through the stability of long-term energy purchase agreements for grid-tied projects. [FCE] submitted a proposal...and, after a thorough review, was ultimately selected and ranked by CCEF as the number one project out of the nine projects submitted in the third round. Projects were reviewed by CCEF based on a number of criteria, including

² The amount of senior debt is under negotiation and ranges from \$25m to \$28m.

project feasibility and financial viability.” – Project Memo to the Green Bank Board, November 30, 2012

The purpose of the Original Use Loan was to facilitate the development and construction of the Project, with a total cost of \$67 million, for an intended strategic asset sale from FCE to Dominion. Specifically, the Green Bank funds were used to (i.) fund a third of the \$15 million Escrow Account used as a credit enhancement and security for FCE’s performance under its construction and O&M agreements, and (ii.) fund general Project-related expenses associated with development and construction.

During construction of the Project, the \$5.8 million in loan principal increased to the current amount outstanding of \$6,026,165.34 through capitalized interest until February 2014, at which point the Original Use Loan converted over to an interest-only payment structure where FCE would pay Green Bank accrued interest monthly in arrears. Through its participation, the Green Bank has realized a steady stream of interest payments and received quarterly Project production and performance reports (discussed further in the “**Risks & Mitigants**” section below) – allowing the Green Bank to monitor FCE’s commitment to honoring its obligations both financially and operationally.

FCE Asset Repurchase

As Dominion approached the upcoming 5-year anniversary of its purchase of the Project in December 2018, it set up a competitive bid process to identify and select a bidder to purchase the Project from Dominion. Dominion’s decision to sell the Project can be attributed to two overarching factors: (i.) A strategic decision on Dominion’s end to rebalance its portfolio of generating assets, and (ii.) after the 5-year anniversary in December 2018 the 30% Investment Tax Credit (“ITC”) that Dominion realized upon its purchase will have fully vested and will be clear of recapture risk from the IRS, allowing the Project to change owners without adverse impact to Dominion’s after-tax economic return on the Project. Importantly, the project remains performing and producing under its PPA obligations with Eversource, which has 10 years remaining under contract, and so Dominion’s decision to sell was not due to Project-related issues or shortcomings.

FCE, upon receiving notice of the bid process, submitted an indicative bid to purchase the Project for \$36.6 million, inclusive of \$1.0 million of working capital that would come with the Project (i.e. a net bid of \$35.6 million). Dominion selected the FCE indicative bid, with the intention of reaching a financial close by the end of December 2018. Should FCE be unable to close on financing for its bid, Dominion would be in a position to move forward with another bidder.

The FCE bid itself is a vote of confidence in the Project, as FCE built the Project through its own vertically integrated manufacturing process and continues to operate and maintain the asset under its O&M agreement with Dominion. Further, given the size of the Project, its geographic proximity to FCE’s corporate headquarters in CT, and its ability to continue to produce cashflows under the remaining 10 years of its PPA with Eversource and thereafter via wholesale/merchant sales to the grid, FCE views the Project as a strategic asset and thus is motivated through economic as well as market-driven incentives to keep the Project in good standing and performing to expectations. Notwithstanding FCE’s motivations however, in the course of its diligence Green Bank staff has reviewed Project-related risks

and mitigants, including performance risk. Further detail of the Green Bank's exposure vis-à-vis the Refinanced Loan can be found in the "**Risks & Mitigants**" section below.

Assessing FCE's net bid of \$35.6 million relative to expected Project cashflows, looking at just contracted revenue under the Eversource PPA, the Project delivers \$105.5 million in revenue over the next 10 years relative to \$46.8 million in operating expenses over that same period (inclusive of expected restacking expenditures), resulting in \$58.7 million of contracted EBITDA or a 9.8% unlevered, pre-tax rate of return on those contracted net cashflows. In addition to PPA cashflows, the Project also monetizes Class I RECs, which are uncontracted and the price of which is determined through supply and demand dynamics in the Connecticut Class I REC market. Assuming a Class I REC price of \$5.00 per REC across the remaining 10-year PPA term, which is where the market has been trading recently but which is materially lower than both historic prices and expected future prices, the unlevered, pre-tax rate of return on FCE's bid increases to approximately 12.0%.

Financing Facility

In order to facilitate its bid, FCE intends to utilize a financing facility for the Project purchase composed of Project-secured debt that will be repaid by contracted Project cashflows, with a senior debt component provided by the Senior Lenders fully amortizing in 6 years and a subordinated component provided by the Green Bank fully amortizing in 7 years (and thus with 4-year and 3-year and remaining tails on the PPA term, respectively) (the "Bridgeport Financing Facility"). Given (i.) the Green Bank's participation in the Project to date, (ii.) the Green Bank's familiarity with FCE projects and its portfolio generally, (iii.) the advisory and transaction work the Green Bank is doing for FCE's Groton, CT project to raise and place 3rd party private capital for a construction and a term financing facility, and (iv.) the Green Bank's relationships with regional and local lenders, and in particular the Senior Lenders, FCE approached Green Bank to see if Green Bank could participate in structuring and placing the Bridgeport Financing Facility.

Green Bank staff, staff of Inclusive Prosperity Capital ("IPC"), and the Senior Lenders have worked to structure the Bridgeport Financing Facility so that it balances risk exposure and mitigants to the lenders with meeting FCE's bid requirements and subsequent cashflow/economic expectations. Under the proposed structure, the total amount of the Bridgeport Financing Facility is expected to be approximately \$34 million, consisting of up to \$28 million of senior debt from the Senior Lenders and approximately \$6 million of subordinated debt from the Green Bank in the form of the Refinanced Loan, relative to the \$35.6 million net purchase price of the FCE bid. The Bridgeport Financing Facility is sized against contracted Project revenues under the Eversource PPA and all preventative O&M fees and operating expenses (property taxes, water expenses, and admin & insurance costs). Cash sweeps for module/stack replacements are not including in the debt sizing because (i.) the Project benefits from production insurance for the first 5 years the debt is outstanding, covering substantially all of principal repayment on a cash basis over time, and (ii.) the Bridgeport Financing Facility will benefit from a to-be-determined amount of cash/O&M reserve fund that will further support Project shortfalls. The Bridgeport Financing Facility pro forma can be found in **Exhibit A**, and further discussions of the facility can be found below in both the "**Green Bank Loan Comparison**" and "**Risk & Mitigants**" sections below.

Strategic Selection and Importance

As discussed in the sections above, the Original Use Loan was approved as a Strategic Selection and Award based on its satisfaction of all relevant criteria pursuant to Green Bank Operating Procedures Section XII.

The Project, and its ownership and continued operation by FCE, by means of utilizing the Refinanced Loan as part of the overall FCE bid for the Project, continues to satisfy the required Strategic Selection and Award criteria:

- **Special Capabilities:** FCE not only continues to maintain significant experience in manufacturing, developing, and operating fuel cells, for the Project is it also especially suited to own and operate because of its role developing and constructing the Project and then operating the Project continuously for the past 5 years as part of its O&M agreement with Dominion.
- **Uniqueness:** At the time of its commissioning, the Project was the largest fuel cell project in North America, and it continues to be one of the largest such plants in the world. The Project contributes materially to the goals set forth by the Connecticut legislature under Project 150, and is expected to continue to do so into the future.
- **Strategic Importance:** The Project is aligned with Green Bank goals, including the creation and retention of local jobs associated with FCE, the deployment of an innovative technology that will play an integral role in the economic transformation of the fuel cell industry, and the development of a clean energy generating asset that, both on an individual and a portfolio basis, will continue to provide a combination of cleaner, cheaper, and more reliable energy, while creating jobs and supporting local economic development.
- **Urgency and Timeliness:** FCE must reach financial close by the end of this year (December 2018) for its bid to meet the requirements set forth by Dominion and be accepted.
- **Multiphase Project:** The Bridgeport Financing Facility, and the participation of both the Green Bank and the Senior Lenders, is part of a multi-step effort to finance strategic fuel cell assets in Connecticut.

Green Bank Loan Comparison

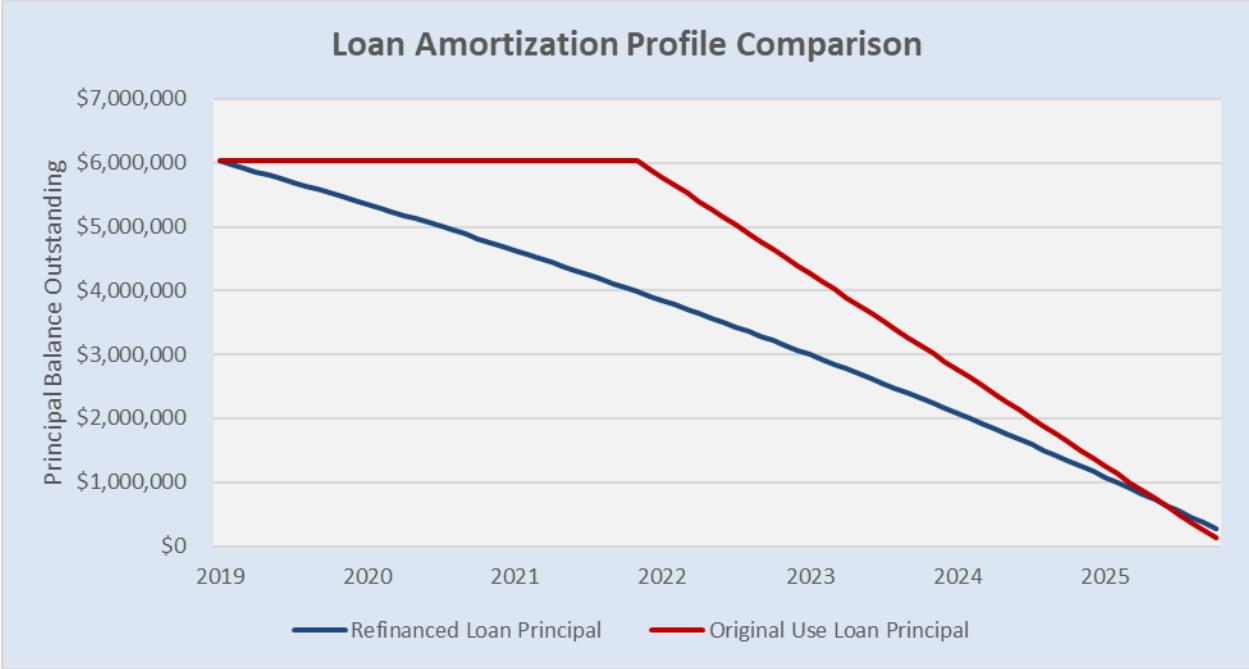
In evaluating the merits of the Refinanced Loan, staff recommends the conversion of the Original Use Loan to the Refinanced Loan under the terms and structures considered herein because (i.) converting to the Refinanced Loan as part of the Bridgeport Financing Facility will allow FCE to action on its bid for the Project, resulting in FCE owning and operating the Project which, as noted above, is in strategic alignment with the Green Bank's goals, and (ii.) the Green Bank's exposure, from both risk and return perspectives, is enhanced under the Refinanced Loan relative to the Original Use Loan.

To be clear, it is a requirement of the Original Use Loan that if the Escrow Account is released for any reason other than its intended purpose of Project-related shortfalls then the Green Bank would receive full repayment of the Original Use Loan upon release. Staff believes however that if another 3rd party bidder were to purchase the Project, it is quite likely that the bidder would keep the Escrow Account in place (which secures FCE’s O&M “restack risk” beyond year 6 of the proposed transaction) and therefore the Green Bank’s exposure would remain as the Original Use Loan.

The below table directly compares the terms and conditions of the Original Use Loan vs. Refinanced Loan:

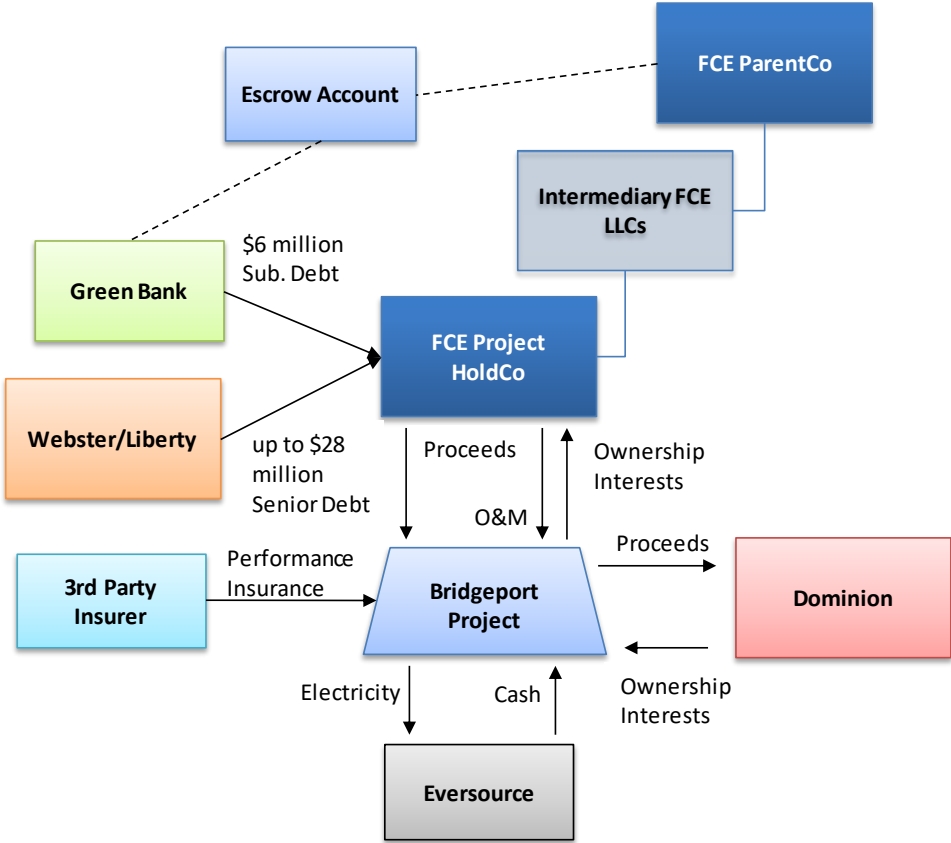
CATEGORY	Original Use Loan	Refinanced Loan
Collateral	<ul style="list-style-type: none"> Subordinated (2nd priority) interest in \$15 million Escrow Account First priority interest in FCE’s right to receive interest on Escrow Account Balance 	<ul style="list-style-type: none"> Subordinated (2nd priority) lien in (a.) all Project assets and (b.) assignment of Project cashflows
Debt Service Coverage Ratio (“DSCR”)	<ul style="list-style-type: none"> N/A 	Contracted cashflow DSCR: <ul style="list-style-type: none"> 1.40x min. senior debt coverage 1.16x min. Green Bank coverage (i.e., DSCR for CGB is inclusive of the debt service burden of the senior debt.
Interest Rate (P.A.)	<ul style="list-style-type: none"> 5.00% 	<ul style="list-style-type: none"> 8.00%
Amortization; Term (Yrs)	<ul style="list-style-type: none"> Interest only until December 2021 4-year level principal payments Final payment November 2025 	<ul style="list-style-type: none"> Fully amortizing 7-year term (expected start January 2019) Mortgage-style P&I Payments Final payment December 2025
Weighted Average Life (“WAL”) from January 2019	<ul style="list-style-type: none"> 4.88 Years 	<ul style="list-style-type: none"> 3.87 Years

As the table above shows, the Refinanced Loan provides a higher rate of return (8.00% vs. 5.00%) for a lower WAL (3.87 years vs. 4.88 years), and is secured against Project assets and cashflows as opposed to Escrow Account. In addition, the following chart shows how the principal balance outstanding changes over time across the two loan profiles (as articulated via the WAL comparison):



For a more complete review of the Refinanced Loan expected cashflows see **Exhibit A**.

Structure Diagram



Risks & Mitigants

The Refinanced Loan is secured by, and repaid with, Project collateral and cashflows, and therefore the primary risk exposure to the Green Bank lies with the Project, its performance, and the ability of counterparties to perform as expected across the term at-risk Green Bank capital is outstanding. In addition, there are secondary and tertiary considerations and risks the Green Bank may face that lay outside of the context of the Project but nonetheless warrant discussion: e.g. Green Bank portfolio exposure to FCE projects and general finance/economic market risks.

Such risks, and their mitigants, are discussed below. Staff recommends the conversion of the Original Use Loan to the Refinanced Loan on the basis that risks have been reasonably considered and mitigated, and that the strategic importance of the Project, to both the state and Green Bank, warrant the investment.

Performance Risk

Project cashflows available for debt service can fluctuate due unexpected operational issues, resulting in lowered production which, in turn under a PPA structure, results in lower than expected contracted cashflows.

Performance Risk Mitigants:

- 1.) The Project has been operating for 5 years, and Green Bank has received regular performance reports over that period given its participation in the Original Use Loan. Since 2014 the Project has performed at annual rates of 101%, 94%, 79%, 84%, and has been on pace for 90% this year, respectively. Green Bank staff has interviewed FCE regarding the underperformance and reviewed an independent engineering report detailing Project history, and historical underperformance was primarily due to inverter issues that have since been identified and mitigated under an ongoing correction and replacement plan.
- 2.) The Green Bank pro forma sensitivity model shows that expected production going forward could drop to 90% of expectations and the Green Bank debt would still be covered by contracted cashflows. Factoring in revenue from Class I REC sales at a conservative price of \$5.00 per REC, expected production could drop to 85% of expectations and the Green Bank debt would still be covered.
- 3.) The Project benefits from Output Performance Warranty (“OPW”) insurance coverage from Energi, a leading provider of risk management and insurance for energy projects³. The OPW is a production guarantee that covers payment shortfalls that arise from the Project failing to meet a minimum guaranteed production schedule. The guaranteed production schedule in the Energi policy is above the production curve provided by FCE for the Green Bank pro forma, and project-

³ <https://www.energi.com/>

secured lenders will be added as “loss payees” under the policy.

- 4.) In addition to the insurance coverage, the Green Bank will benefit from a to-be-determined amount of cash/O&M reserve fund that will further support Project shortfalls.
- 5.) As a condition precedent to advancing, all lenders in the Bridgeport Financing Facility will have to approve of the Project-specific independent engineering report written by DAI Management Consultants and dated December 5, 2018. The report provides a Project overview, an assessment on the production forecast, and an O&M overview.
- 6.) By the time of advance, FCE will have substantially completed its first phase of module replacement/restackings associated with the Project (expected final completion in January 2019), and the next set of module replacements will occur gradually over time starting with 2020 (1 of 10 modules replaced), and then 2021 (2 of 10 modules replaced), 2022 (4 of 10 modules replaced), and 2023 (1 of 10 modules replaced). The gradual module replacement process, as funded through a combination of residual Project cashflows an O&M reserves and as covered under the overarching OPW insurance coverage from Energi, minimizes the Green Bank’s exposure to restacking risk.
- 7.) The Refinanced Loan will fully amortize in 7 years, and there is 10 years remaining on the Eversource PPA, resulting in a 3-year PPA “tail” by which additional debt service could be made. That 3-year “tail” alone is expected to produce \$33 million of contracted revenue from Eversource.

O&M Counterparty Risk

There is the risk that FCE is unable to perform its O&M duties on the plant, jeopardizing production through both inadequate preventative O&M and restacking/module replacement efforts.

O&M Counterparty Mitigants:

- 1.) FCE views the Project as a strategic asset, from both economic and reputational perspective (as mentioned in the sections above), and is therefore motivated to keep the Project in good standing. There is still the risk however that, as a corporate entity, FCE could fail to continue to be a going concern and would therefore be unable to perform its O&M duties. Green Bank staff has reviewed the latest preliminary financial statements from FCE and has determined that FCE remains both solvent and liquid: as of 10/31/2018 FCE has \$130 million in total current assets relative to \$62 million in total current liabilities (~2.1x current ratio), and \$340 million in total assets relative to \$165 million in total liabilities. In addition, while FCE has clearly improved its prospects for business over the past year, its stock price has been volatile and recently was the subject of a notice from The Nasdaq Stock Market (“Nasdaq”) stating that the Company is not in compliance with Nasdaq Listing Rule 5450(a) (1) because the closing bid price of the Company’s common stock was below the required minimum of \$1.00 per share for the previous 30 consecutive business days. This notification has no immediate effect on the listing of the

Company's common stock and in the opinion of management is manageable (see Exhibit B).

- 2.) Should FCE go out of business despite its current financial position, the pro forma cashflows have built in \$15.2 million of preventive O&M cash that could be utilized to incent a 3rd party servicer to take FCE's position in the O&M Agreement. In addition, there is a substantial amount of post-debt residual cashflow that can be utilize for either additional O&M expenditures (e.g. restacking), sweeps into a buffeted reserve account, or for a new equity owner: using baseline production estimates, after debt service across both the Senior Lenders and the Green Bank there is \$43.6 million of residual contracted cashflow (Revenue minus preventative O&M and operating expenses) available across the 10-year PPA term with Eversource. Class I REC sales priced at \$5.00 per REC provide an additional \$6 million in cash.
- 3.) The OPW insurance coverage with Energi (point #3 in the Performance Risk subsection), the lack of restacking/module replacement risk to the Refinanced Loan (point #6 in the Performance Risk subsection), and the to-be-determined amount of cash/O&M reserve fund (point #4 in the Performance Risk subsection) will also all act to mitigate O&M counterparty risk.

Structural/Subordinated Risk

The Green Bank's position as subordinated to the Senior Lenders in the Bridgeport Financing Facility exposes the Green Bank to the risks that less-than-expected cashflows will result in debt repayment shortfalls or that the Senior Lenders act in a way that is not in the best interest of the Green Bank.

Structural/Subordinated Risk Mitigants:

- 1.) Green Bank staff has modeled out debt service coverage relative to contracted cashflows and the repayment of Green Bank debt, and feels comfortable with the levels of coverage (1.94x min. DSCR of post senior debt service payment contracted cashflow relative to Green Bank debt service payment and 1.16x DSCR of total debt service cashflow relative to Green Bank debt service payments). If Class I RECs priced at \$5.00 per REC are included in the calculations, the DSCR's increase to 2.43x and 1.24x respectively.
- 2.) Green Bank staff will negotiate an intercreditor agreement with the Senior Lenders, protecting the Green Bank's interest in line with both market expectations and protections the Green Bank has instilled in previous intercreditor agreements.
- 3.) All of the mitigants listed under the Performance Risk and O&M Counterparty Risk subsections above will also act to mitigate Structural/Subordinated Risk.

Counterparty Credit/Payment Risk

All of the debt in the Bridgeport Financing Facility is sized against contracted cashflows under the Eversource PPA, the counterparty credit/payment risk the Green Bank faces is with Eversource. Eversource is an investment grade rated utility, and has performed to-date during the 5-year operating history of the Plant.

Commodity Risk – Natural Gas

Because the terms of FCE’s PPA with Eversource dictate that Eversource is responsible for fuel (natural gas) and fuel costs for the Project, there is no natural gas/commodity risk to the Project and/or the Green Bank.

Class I REC Risk

Because all of the debt in the Bridgeport Financing Facility is sized against contracted cashflow under the Eversource PPA, there is no Class I REC risk to the Project and/or Green Bank. However, Class I REC revenue will still support the Project and buffer any shortfalls in expected cashflows – providing a benefit to the Green Bank’s risk exposure.

Green Bank Portfolio/Exposure Risk

The Green Bank currently has an approval to place up to \$5 million on the FCE Triangle project in Danbury, CT – though that debt placement is on hold as the project has since become eligible for a 30% Investment Tax Credit (“ITC”) and FCE is currently reviewing alternative financing structures that monetize the ITC. In addition, the Green Bank also has approval to place up to \$5 million on the FCE U.S. Navy submarine base project in Groton, CT. The total approved exposure of the Green Bank to FCE, inclusive of the Refinanced Loan, is approximately \$16 million – which is the limit at which staff intends to keep total exposure to FCE projects.

As a mitigation strategy to portfolio concentration, Green Bank has the ability to syndicate all or a portion of its loans in any of the above-mentioned FCE projects to 3rd party capital providers.

Market Risk

There is the general risk that adverse conditions in the financial markets cause either the Refinanced Loan to become less appealing to the Green Bank (e.g. if interest rates increase and the interest rate is less attractive relative to other investment opportunities), or impairment to the counterparties in the transaction (e.g. if interest rates increase and increased cost of capital causes economic hardship on counterparties).

The short term and amortization of the Refinanced Loan will help to mitigate market risks: the shorter time the loan is outstanding, the less exposure the loan has to market volatility.

Next Steps & Execution

Upon approval of the Bridgeport Financing Facility by the respective governing bodies of the Senior Lenders and the Green Bank, the timing of those decisions expected to occur between December 7, 2018 – December 14, 2018, the Senior Lenders, Green Bank, and FCE will work jointly on documentation in order to reach financial close. If all necessary approvals are granted and all parties are able to move forward as planned with legal review, the Bridgeport Financing Facility is expected to close by December 31, 2018, which advance occurring shortly thereafter. Expected legal documents include (i.) Senior Lender credit agreement, security & pledge agreements, and any other agreements deemed necessary to secure the Senior Lenders’ interests in Project assets and cashflows, (ii.) Green Bank credit agreement, security & pledge agreements, and any other agreements deemed necessary to secure the Green Bank’s interests in Project assets and cashflows, and (iii.) subordination & intercreditor

agreements, and any other agreements deemed necessary to secure the interplay of interests and repayment between all creditors in the Bridgeport Financing Facility.

Strategic Plan

Is the project proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

Pursuant to the Green Bank's mandate to foster the growth, development, and commercialization of renewable energy sources and related enterprises, and to stimulate demand for renewable energy and the deployment of renewable energy sources that serve end use customers in Connecticut, the Board has determined that is in keeping with Conn. Gen. Stat. Section 16-245n for Green Bank to fund certain commercial activities that support projects involving the use of fuel cell technology for distributed generation ("DG") power production.

The conversion of the Original Use Loan to the Refinanced Loan continues to satisfy the required Strategic Selection and Award criteria, as noted in the **Strategic Selection and Award** section above.

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the program versus the dollars of ratepayer funds at risk?

Over the remainder of the Project's contracted term under the Eversource PPA, the Project is expected to produce 1,185,200 MWh, compared with \$5.8 million of original ratepayer funds at risk, which were advanced in 2013 and subsequently accrued capitalized interest, and which now stand at \$6,026,165. Compared with \$6,026,165, the remainder of the Project's contracted term is expected to yield 197 kWh per \$1 of funds.

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

The Refinanced Loan carries an interest rate of 8.00% over a 7-year, fully amortizing term. The Refinancing Loan will be advanced upon consummation of FCE's acquisition bid for the Project, expected in January 2019, and will be secured by a subordinated lien and position on Project assets and cashflows.

Capital Expended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

\$5.8 million of originally advanced Green Bank capital, the principal of which has since increased to \$6,026,165 due to capitalized interest.

Risk

What is the maximum risk exposure of ratepayer funds for the program?

\$5.8 million of originally advanced Green Bank capital, the principal of which has since increased to \$6,026,165 due to capitalized interest.

Financial Statements

How is the program investment accounted for on the balance sheet and profit and loss statements?

There would be no net change to the financial statements, as the Original Purpose Loan and the Refinanced Loan are categorized both as promissory notes (Statutory & Infrastructure program).

Target Market

Who are the end-users of the engagement?

Eversource, and through its utility services to the general public, the ratepayers of the state of Connecticut.

Green Bank Role, Financial Assistance & Selection/Award Process

Lender via Strategic Selection process pursuant to the Green Bank Operating Procedures (see **Strategic Selection and Importance** section of this Memo).

Program Partners

FCE and the Senior Lenders

Risks and Mitigation Strategies

Lending risks and mitigation strategies have been addressed in the **Risks and Mitigants** section of this Memo.

Resolutions

WHEREAS, in early 2008, the Connecticut Clean Energy Fund (“CCEF”) released a Request for Proposals in the third round of solicitations for renewable energy projects to participate in statutorily mandated Project 150, an initiative aimed at increasing clean energy supply in Connecticut by at least 150MW of installed capacity and the program is designed to encourage financing of renewable energy projects through the stability of long-term energy purchase agreements for grid-tied projects;

WHEREAS, FuelCell Energy, Inc. (“FCE”) submitted a proposal for the 14.9 MW fuel cell project located in Bridgeport, CT (the “Project”) in response which, after thorough review, was ultimately selected and ranked by CCEF as the number one project out of the nine projects submitted in the third round;

WHEREAS, CCEF, by Board resolution dated October 27, 2008, approved grant funding for the Project in an amount of \$1,550,000 subject to conditions set forth in the Project 150 Program;

WHEREAS, the Connecticut Green Bank (“Green Bank”), by Board resolution dated November 30, 2012, approved loan financing for the Project in an amount not to exceed \$5.8 million for the purposes of funding Project development costs and an operational and performance reserve account;

WHEREAS, the Green Bank has maintained its commitment to the growth, development, and commercialization of renewable energy sources and related enterprises, and to stimulate demand for renewable energy and the deployment of renewable energy sources that serve end use customers in Connecticut, including projects that utilize fuel cell technology;

WHEREAS, the Green Bank intends to refinance the original \$5.8 million loan approved for the Project (the “Original Use Loan”), which has since increased in principal to \$6,026,165 due to capitalized interest, as a subordinate loan secured by all Project assets and cashflows for the purpose of participation in a financing facility that facilitates FCE’s acquisition of the Project from its current owner (the “Refinanced Loan”);

NOW, therefore be it:

RESOLVED, that the Board of Directors hereby approves the conversion of the Original Use Loan to the Refinanced Loan as described in the Project Qualification Memo submitted by the staff to the Board of Directors and dated December 14, 2018 (the “Memorandum”) as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, uniqueness, strategic importance, urgency and timeliness, and multi-phase characteristics of the Bridgeport Fuel Cell Project;

RESOLVED, that the Board of Directors authorizes the Green Bank staff to execute definitive documentation based on the terms and conditions set forth in the Memorandum;

RESOLVED, that the Board of Directors’ approval is conditioned upon the completion of Green Bank staff’s due diligence review, including review and reasonable satisfaction with all relevant project documentation;

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 effect the above-mentioned Refinanced Loan.

Submitted by: Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO;

EXHIBIT A – PRO FORMA

Status	B'Port Advance	Term	Term	Term	Term	Term	Term	Term	Term	Term	Term	Term	Term
Period End Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028		
Debt Term Year Period	0	Debt Year 1	Debt Year 2	Debt Year 3	Debt Year 4	Debt Year 5	Debt Year 6	Debt Year 7	Debt Year 8	Debt Year 9	Debt Year 10		
Project Term Year Period		Proj. Year 6	Proj. Year 7	Proj. Year 8	Proj. Year 9	Proj. Year 10	Proj. Year 11	Proj. Year 12	Proj. Year 13	Proj. Year 14	Proj. Year 15		
Contracted Revenue													
Bridgeport Production (MWh)		113,622	111,475	110,444	117,053	119,259	118,447	123,781	124,963	123,684	122,472		
Sensitivity		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Bridgeport Contracted Offset Power Revenues		\$3,866,557	\$3,793,494	\$3,758,409	\$3,983,314	\$4,058,384	\$4,030,751	\$4,212,267	\$4,252,491	\$4,208,967	\$4,167,722		
Bridgeport Contracted P100 Adder Revenues		\$6,249,210	\$6,131,125	\$6,074,420	\$6,437,915	\$6,559,245	\$6,514,585	\$6,807,955	\$6,872,965	\$6,802,620	\$6,735,960		
Total Bridgeport Contracted Revenue		\$10,115,767	\$9,924,619	\$9,832,829	\$10,421,229	\$10,617,629	\$10,545,336	\$11,020,222	\$11,125,456	\$11,011,587	\$10,903,682		
Preventative O&M + OpEx													
Bridgeport Preventative O&M		(\$1,738,904)	(\$1,423,233)	(\$1,419,935)	(\$1,696,289)	(\$1,990,052)	(\$1,208,415)	(\$1,745,621)	(\$1,158,833)	(\$1,316,535)	(\$1,539,660)		
Bridgeport Property Taxes		(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)		
Bridgeport Water Expense		(\$32,562)	(\$33,213)	(\$33,878)	(\$34,555)	(\$35,246)	(\$35,951)	(\$36,670)	(\$37,404)	(\$38,152)	(\$38,915)		
Bridgeport Bridgeport Admin & Insurance		(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)		
Total Bridgeport Preventative O&M + OpEx		(\$2,171,466)	(\$1,856,446)	(\$1,853,813)	(\$2,130,844)	(\$2,425,299)	(\$1,644,366)	(\$2,182,291)	(\$1,596,236)	(\$1,754,687)	(\$1,978,575)		
Contracted Cash Flow Available for Debt Service (CFADS)													
Bridgeport CFADS		\$7,944,300	\$8,068,173	\$7,979,017	\$8,290,384	\$8,192,330	\$8,900,970	\$8,837,931	\$9,529,220	\$9,256,900	\$8,925,108		
Senior Debt													
Senior Debt CFADS		\$7,944,300	\$8,068,173	\$7,979,017	\$8,290,384	\$8,192,330	\$8,900,970	\$8,837,931	\$9,529,220	\$9,256,900	\$8,925,108		
Senior Debt Service		(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	-	-	-	-		
Net Contracted Cash Available Post Senior Debt Service		\$2,250,147	\$2,374,020	\$2,284,863	\$2,596,231	\$2,498,176	\$3,206,816	\$8,837,931	\$9,529,220	\$9,256,900	\$8,925,108		
Senior Debt DSCR		1.40x	1.42x	1.40x	1.46x	1.44x	1.56x	-	-	-	-		
Green Bank Debt													
Green Bank CFADS		\$2,250,147	\$2,374,020	\$2,284,863	\$2,596,231	\$2,498,176	\$3,206,816	\$8,837,931	\$9,529,220	\$9,256,900	\$8,925,108		
Green Bank Debt Service		(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)		
Net Contracted Cash Available Post Green Bank Debt Service		\$1,092,687	\$1,216,560	\$1,127,403	\$1,438,771	\$1,340,716	\$2,049,356	\$7,680,471	\$9,529,220	\$9,256,900	\$8,925,108		
Green Bank DSCR		1.94x	2.05x	1.97x	2.24x	2.16x	2.77x	7.64x	-	-	-		
Total Debt Summary													
Bridgeport CFADS		\$7,944,300	\$8,068,173	\$7,979,017	\$8,290,384	\$8,192,330	\$8,900,970	\$8,837,931	\$9,529,220	\$9,256,900	\$8,925,108		
Senior Debt Service		(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	(\$5,694,154)	-	-	-	-		
Green Bank Debt Service		(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)	(\$1,157,460)		
Net Contracted Cash Available Post Total Debt Service		\$1,092,687	\$1,216,560	\$1,127,403	\$1,438,771	\$1,340,716	\$2,049,356	\$7,680,471	\$9,529,220	\$9,256,900	\$8,925,108		
Total Debt DSCR		1.16x	1.18x	1.16x	1.21x	1.20x	1.30x	7.64x	-	-	-		

EXHIBIT B

From: Bishop, Michael <mbishop@fce.com>
Sent: Wednesday, December 5, 2018 7:46 PM
To: Bert Hunter <Bert.Hunter@ctgreenbank.com>; Davis, Lawrence <LMDavis@WebsterBank.com>; Cantor, David <DCantor@LIBERTY-BANK.com>
Cc: Chris Magalhaes <Chris.Magalhaes@Inclusiveteam.org>; Gneddy, Elliot <egneddy@fce.com>
Subject: FCE Update
Importance: High

Hi Bert, Lawrence and David -

Just wanted to give you background on a SEC filing that FCE did on Tuesday regarding a notice from NASDAQ.

Despite our strong backlog, impressive recent announcements and commercial progress, our stock price has been trading in a range below \$1.00 for 30 consecutive business days, causing us not to meet one of the listing requirements of the NASDAQ Global Stock Market where FCEL is listed. FCEL has always been a volatile stock with a trading range of over \$2.00 for a good part of this year. We do comply with all other listing requirements of NASDAQ. Under the NASDAQ rules, we now have one year window to bring our share performance into compliance. The principle way which we look to resolve this is to increase the share price to closing value of \$1.00 or greater for ten consecutive business days. We are confident that we will do this. There are also other mechanisms to achieve compliance during this period which are completely within the Company's control.

The broader stock market has seen recent negative performance and volatility. The Cleantech sector certainly has not been immune to this dynamic with a lot of fourth quarter selling. Interest in FuelCell Energy's business outlook and strategy remains quite high, however, and we feel strongly that the various matters we are working to execute over the coming weeks and months will provide a significant boost to investor appetite to invest in FCEL. Chip and I have both had many meetings with institutional investors over the past several months - they are following our execution story closely. Wall Street analysts are also supportive and like the business model with an average future price target of \$2.76.

This notice does not impact FCE's trading on NASDAQ at all, business operations or any of our underlying agreements. FCE has received this type of notice once before and was able to resolve rather quickly.

Please call or email if you have questions and would be happy to discuss further.

Best regards,

Michael Bishop | Senior Vice President, CFO and Treasurer
Direct: 203.825.6049 | mbishop@fce.com

FuelCell Energy | 3 Great Pasture Rd | Danbury, CT 06810
www.fuelcellenergy.com |   

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 28, 2018

FUELCELL ENERGY, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-14204
(Commission
File Number)

06-0853042
(IRS Employer
Identification No.)

3 Great Pasture Road
Danbury, Connecticut
(Address of Principal Executive Offices)

06810
(Zip Code)

Registrant's telephone number, including area code: (203) 825-6000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On November 28, 2018, FuelCell Energy, Inc. (the "Company") received a letter from The Nasdaq Stock Market ("Nasdaq") stating that the Company is not in compliance with Nasdaq Listing Rule 5450(a)(1) because the closing bid price of the Company's common stock was below the required minimum of \$1.00 per share for the previous 30 consecutive business days.

This notification has no immediate effect on the listing of the Company's common stock.

In accordance with Nasdaq Listing Rules, the Company has a period of 180 calendar days, or until May 28, 2019, to regain compliance with the minimum bid price requirement. If at any time before May 28, 2019 the closing bid price of the Company's common stock is at least \$1.00 per share for a minimum of 10 consecutive business days, Nasdaq will provide the Company with written confirmation that it has regained compliance with the minimum bid price requirement and this matter will be closed.

The Company has notified Nasdaq of its intention to regain compliance with the Nasdaq minimum bid price requirement. The Company is currently in compliance with all other Nasdaq quantitative continued listing standards.

If the Company is unable to demonstrate compliance with Rule 5450(a)(1) by May 28, 2019, the Company can submit an application to transfer its securities to The Nasdaq Capital Market and request an additional 180 day period to regain compliance with the minimum bid price requirement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FUELCELL ENERGY, INC.

Date: December 4, 2018

By: /s/ Michael S. Bishop

Michael S. Bishop

Senior Vice President, Chief Financial Officer and Treasurer



845 Brook Street
Rocky Hill, Connecticut 06067

300 Main Street, 4th Floor
Stamford, Connecticut 06901

T: 860.563.0015
F: 860.563.4877
www.ctcleanenergy.com

Small Business Energy Advantage
Recapitalization with Private Sector Funds
Commitment Expansion Request
December 14, 2018

Document Purpose: This document contains background information and a request for a modest expansion of the Green Bank commitment to a facility with Amalgamated Bank to recapitalize the Small Business Energy Advantage program approved in October 2018. This information is provided to the Connecticut Green Bank Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Connecticut Green Bank.

In some cases, this package may contain among other things, trade secrets, and commercial or financial information given to the Connecticut Green Bank in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public discourse under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential.

Program Qualification Memo

To: Connecticut Green Bank Board of Directors

From: Anthony Clark, Associate Director, Commercial, Industrial and Institutional Programs

Cc: Bryan Garcia, President & CEO; Bert Hunter, EVP & CIO, Clean Energy Finance; Mackey Dykes, Vice President, Commercial, Industrial and Institutional Programs

Date: December 14, 2018

Re: Recapitalization of Small Business Energy Advantage Program – Expansion Request

Background & Summary

In October 2018, Green Bank Board approved a request for a \$5MM commitment to support a facility to recapitalize the Small Business Energy Advantage (SBEA) program and deliver lower-cost capital to support financing for Eversource SBEA customers in Connecticut. Through the facility, Amalgamated Bank will purchase an undivided 90% interest and the Green Bank will purchase an undivided 10% interest in all SBEA “Qualifying Loans” originated by Eversource that meet established underwriting and servicing requirements. The general parameters for SBEA loans are currently up to 4 years in term; up to \$100K per electric meter for commercial and industrial customers or \$500K for municipalities; and repaid on the customer’s electric bill.

Amalgamated has committed to making available a maximum of \$50MM for this facility. Making use of the full Amalgamated commitment and abiding by the 90/10 split would result in an Amalgamated commitment of \$50MM, a Green Bank commitment of approximately \$5.56M and a total facility size of approximately \$55.56M. Additionally, during continued negotiations with Eversource and Amalgamated in November and December, we have recognized the value of and agreed upon increasing the outstanding loan limit for municipalities from \$500K to \$1MM. This increase will increase the likelihood of taking advantage of the full \$55.56MM commitment contemplated above. Should the Green Bank commitment remain at the lower amount of \$5 million approved by the Board in October, Eversource will be limited to a \$50 million facility, or \$5.56 million less than the facility that will be possible by a slight upsizing in the Green Bank commitment.

Revised Commitment Request

To make use of the full \$50MM Amalgamated commitment and be responsive to the potential for increased demand for SBEA loan capital due to the proposed municipal limit increase, staff requests a \$600K increase in the approved Green Bank commitment from \$5MM to \$5.6MM.

Resolutions

WHEREAS, pursuant to Conn. Gen. Stat. Section 16-24n the Connecticut Green Bank (“Green Bank”) has a mandate to develop programs to finance clean energy investment for small business, industrial, and municipal customers in the State;

WHEREAS, recapitalizing the Small Business Energy Advantage (“SBEA”) program with private sector capital is a recognized priority in the Green Bank’s Comprehensive Plan and is a goal of the CT Energy Efficiency Board and Green Bank Joint Committee;

WHEREAS, The Connecticut Light and Power Company d/b/a Eversource Energy and The United Illuminated Company (together, the “Utilities”) have requested the Green Bank’s assistance sourcing low cost private sector capital;

WHEREAS, the Green Bank released a Request for Proposals for Small Business Energy Advantage Program Alternative Financing Solutions (the “RFP”) on May 2, 2018;

WHEREAS, Amalgamated Bank responded to the RFP with a comprehensive and flexible solution offering the lowest cost capital to recapitalize the SBEA program;

WHEREAS, Green Bank staff, together with Utility staff and the EEB, selected Amalgamated’s proposal to recapitalize the SBEA program and the Green Bank’s Board of Directors (the “Board”) approved at its October 26, 2018 meeting Green Bank’s \$5,000,000 participation as a subordinated lender in a loan purchase facility proposed by Amalgamated;

WHEREAS, Green Bank staff now recommends that the Green Bank support the recapitalized SBEA Loan Purchase Facility by raising its participation in the loan purchase facility with Amalgamated from \$5.0 million previously approved to \$5.6 million as set forth in the memorandum submitted to the Board dated December 14, 2018; and

WHEREAS, all other terms and conditions set forth in the memorandum submitted to the Board dated October 26, 2018 remain substantially the same as presented to the board, including the fact that Eversource will continue to make funding available from the Connecticut Energy Efficiency Fund (“CEEF”) to reimburse loan losses and administrative costs associated with the recapitalized SBEA program.

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 agreements with the relevant parties (including but not limited to Amalgamated, the Utilities, and CEEF) to invest in the SBEA Loan Purchase Facility in an amount not to exceed \$5.6 million with terms and conditions materially consistent within the memorandums submitted to the Board dated October 26, 2018 as modified by the memorandum dated December 14, 2018, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 270 days from the date of authorization by the Board; 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 effect the above-mentioned legal instruments.

Submitted by: Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; Mackey Dykes, Vice President, Commercial, Industrial & Institutional Programs; Anthony Clark, Associate Director, Commercial, Industrial & Institutional Programs

CONFIDENTIAL TO THE BOARD

(ACTIVE FINANCING FACILITY PROPOSAL UNDER NEGOTIATION)

Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO and Louise Venables, Senior Manager, Clean Energy Finance

CC: Bryan Garcia, President and CEO; George Bellas, Vice President of Finance and Administration; Brian Farnen, General Counsel and CLO; Eric Shrago, Director of Operations

Date: December 14, 2018

Re: Amalgamated Bank Revolving Credit Facility Proposal

Purpose

This memo seeks approval from the Connecticut Green Bank (“Green Bank”) Board of Directors (the “Board”) for Connecticut Green Bank (“Green Bank”) to enter into an agreement with Amalgamated Bank (“Amalgamated”) for a \$5,000,000 secured revolving line of credit (the “Revolving Credit Facility”). The Revolving Credit Facility would be provided by Amalgamated, to the Green Bank, in order to meet the Green Bank’s short-term liquidity and working capital needs. Along with a general repayment obligation by the Green Bank, Amalgamated would be secured by a first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Lease 1 Notes portfolio (the “Collateral”).

The selection of Amalgamated as the provider of the Revolving Credit Facility follows the completion of a Request for Proposals (“RFP”) process that closed October 19, 2018.

Background

On April 27, 2018 the Board passed a resolution approving the Green Bank to enter into a Revolving Credit Facility with Union Savings Bank (“USB”), following a strategic selection process. However, after Board approval was obtained, the Green Bank was unable to reach financial close with USB because the USB credit committee did not approve the transaction (the transaction with USB had achieved staff approval which was the basis for bringing the USB transaction to the Board). The need for a Revolving Credit Facility remained, so a RFP process was conducted in October 2018 in order to find a suitable lender.

Business need for a Revolving Credit Facility

Shortly following the announcement of the budget sweeps, the VP Finance and Administration (the “VP F/A”) and the Chief Investment Officer (the “CIO”) together with their teams assessed future liquidity needs of the Green Bank given the material redirection of funding that needs to pass from the Green Bank to the

General Fund prior to the end of FY2018 (\$14 million in June 2018) and during FY2019 (approximately \$1.167 million each month).

Related to the need for liquidity are covenants associated with guaranties by the Green Bank to various financial institutions, notably US Bank under the Solar Lease 2 and Solar Lease 3 facilities (required minimum cash balance of \$4 million).

After weighing the requisite minimum cash balance requirement plus the difficulty in predicting from one month to the next the swings in cash advances needed for various projects, in particular C-PACE and CT Solar PPA transactions – along with the Green Bank commitment to the Small Business Energy Advantage (SBEA) collaboration with the utilities, the VP F/A and CIO jointly determined the benefits to the Green Bank of a short term revolving credit facility. The Board agreed with the benefits of having access to such liquidity for short term cash management purposes when it passed resolutions in April 2018 in favor of the USB facility.

The decision by staff to pursue a liquidity facility in order to meet upcoming cash flow needs is predicated on the pursuit of an effective, yet flexible, means of managing transaction timelines without having to sacrifice optimal closing terms and conditions for liquidity concerns. By effectively managing gaps between uses of cash, in the form of outgoing program and project related investments, and sources of cash, in the form of capitalization from the system benefit charges and Regional Greenhouse Gas Initiative funds, inflows from Green Bank’s portfolio, the SHREC securitization or otherwise, Green Bank staff can optimize its cash flow management while minimizing the risk of short-term liquidity squeezes. The results of effective cash flow management include increased market confidence in the Green Bank’s capacity to close transactions, and an increased ability in the Green Bank to be opportunistic with its investment decisions.

Request for Proposals Process

Staff posted a notice of Request for Proposals on the Green Bank website at the end of September, 2018. An informational webinar was held, which was attended by representatives from four financial institutions. At the close of the RFP window, two financial institutions submitted proposals.

Comparison between Like Terms of Proposals Received:

	Bidder X	Amalgamated
Borrower	Connecticut Green Bank (“CGB”)	Connecticut Green Bank
Guarantor	CT Solar Lease 1, LLC (entity to be created – name might be slightly different)	CT Solar Lease 1, LLC (entity to be created – name might be slightly different)
Security	Security interest in all business assets of CGB, secured by UCC filing 1st Security Interest in all assets of CT Solar Lease 1, LLC, secured by UCC filing Collateral assignment of leases / loans of CT Solar Lease 1, LLC	General repayment obligation of the CGB Absolute assignment of the revenues associated with the CT Solar Lease 1, LLC (“Collateral Portfolio”), secured by UCC filing

Interest Rate	30 Day Libor + 2%	30 Day Libor + 1.6%; or 4.3% fixed for one year
Debt Service Coverage Ratio	1.0x for Borrower 1.2x for Guarantor	Collateral Portfolio must maintain a debt service coverage ratio of 2.0x, tested quarterly
Upfront fee	\$25,000	\$20,000
Unused fee	Not specified	0.2% of unused portion of line

Staff considered the terms offered by Amalgamated more favorable on account of the lower upfront fee, more relaxed debt service coverage ratio, and the choice of interest rate options.

Revolving Credit Facility Structure (NOTE: subject to modification during transaction documentation negotiation)

In June 2018, the Green Bank secured a SHREC Warehouse Facility with Liberty Bank and Webster Bank. In order to move forward with closing a Revolving Credit Facility, the Green Bank must first obtain a waiver from or an amendment to the Credit Facility with Webster Bank.

The Revolving Credit Facility will be structured as a revolving line of credit whereby the Green Bank may, at any point in time while the line of credit is available, borrow funds in an amount not to exceed the maximum borrowing limit of \$5,000,000. The Green Bank is required to pay monthly, interest-only payments on borrowed funds, together with an unused fee in the amount of 0.2% of the portion of the facility that is not drawn.

Amalgamated has offered the Green Bank a choice of interest rates on the Revolving Credit Facility: either fixed at 4.30% or variable at 1-month LIBOR plus 1.60% (3.98% as of December 4, 2018). The Revolving Credit Facility will mature 364 days after the closing date.

The financial covenants of the Revolving Credit Facility require that cash collections under the Collateral (i.e. the customer repayments under the CT Solar Lease 1 Notes portfolio) must maintain a ratio of two times (2.0x) the debt service due on the loan, tested quarterly. Staff is comfortable that this covenant is easily met, even under the assumption that the full \$5million loan is drawn on 'day 1' of the facility. Staff has confirmed the DSCR test with Amalgamated.

Additional key requirements and conditions associated with the Revolving Credit Facility include [the full set of terms and conditions can be found in the **Appendix I – Term Sheet** section below]:

- An upfront facility fee of \$20,000;
- An unused fee equal to 0.2% of the unused portion of the Revolving Credit Facility
- Payment of Amalgamated's reasonable legal fees;
- Annual clean-up requirement (Green Bank must pay off all outstanding borrowings and have no debt under the Revolving Credit Facility for a period of at least thirty consecutive days during each 365-day period during which the facility is in place).
- Quarterly circulation of internally prepared balance sheet and related financial statements (including cash flow and income statements and a schedule of accounts receivable aging with year to date aging information); and

- Annual submission to Amalgamated of Green Bank’s CAFR.

Based on staff’s experience with structuring credit facilities, and given conversations with other providers of short-term liquidity facilities, Staff is confident that the above-listed requirements and conditions are both reasonable and manageable.

Strategic Plan

Is the program proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

Yes – the proposed facility enables Green Bank to fund advances in respect of various programs active under Green Bank’s Comprehensive Plan (C-PACE, Commercial Solar PPA, etc.).

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the program versus the dollars of ratepayer funds at risk?

N/A (funds from the Revolving Credit Facility are being borrowed, not advanced)

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

N/A (funds from the Revolving Credit Facility are being borrowed, not advanced); however, see **Appendix I – Term Sheet** section below for terms of the Amalgamated Revolving Credit Facility.

Capital Expended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

N/A (funds from the Revolving Credit Facility are being borrowed, not advanced)

Risk

What is the maximum risk exposure of ratepayer funds for the program?

N/A (funds from the Revolving Credit Facility are being borrowed, not advanced)

Financial Statements

How is the program investment accounted for on the balance sheet and profit and loss statements?

When funds are borrowed:

\$x	Debit: Cash
\$x	Credit: Short Term Borrowings

When funds are repaid:

\$x	Debit: Short Term Borrowings
\$x	Credit: Cash

Target Market

Who are the end-users of the engagement?

The end users of the Revolving Credit Facility are Green Bank as well as the underlying programs and projects that receive short-term funding from the underlying line of credit.

Green Bank Role, Financial Assistance & Selection/Award Process

The Green Bank role is as the borrower, and Amalgamated was chosen as the lender via an RFP process.

Program Partners

Amalgamated Bank.

Established 95 years ago, Amalgamated Bank is the largest socially responsible bank in America. Through its treasury management, lending and investment management capacities, Amalgamated aims to provide the financial support to its clients who pursue socially and economically responsible objectives. Amalgamated provides the day-to-day banking services and clean finance solutions to environmentally-focused organizations.

Risks and Mitigation Strategies

The main risk associated with the Revolving Credit Facility is that, in the event of default by the Green Bank, the amount outstanding under the facility becomes due. Such repayment risk is mitigated by the following structural components of the Revolving Credit Facility:

- 1.) The Green Bank is able to repay the Revolving Credit Facility with available cash held in accounts on its balance sheet, and given the overall health of the Green Bank's long-term balance sheet position, there is ample coverage in the form of available net assets relative to the size of the line of credit to raise other credit facilities if needed.
- 2.) Because the Revolving Credit Facility is short-term in nature, to be used in between a financing opportunity and a capital sourcing/monetization event, there is less uncertainty with regards to the economic position of the Green Bank while amounts drawn are outstanding relative to other types of longer-term credit facilities. The Green Bank will operationalize the utilization of the Revolving Credit Facility so that a definitive "source" of short term revenue is identified to repay the "use" of the Revolving Credit Facility within the requirements of the definitive transaction documentation.

Resolutions

WHEREAS, Connecticut Green Bank ("Green Bank") staff has submitted to the Green Bank Board of Directors ("Board") a proposal for Green Bank to enter into an agreement with Amalgamated Bank ("Amalgamated") for a \$5,000,000 secured revolving line of credit ("Revolving Credit Facility") whereby the Revolving Credit Facility would be used in order to meet the Green Bank's short-term liquidity and working capital needs; and

WHEREAS, the selection of Amalgamated as the provider of the Revolving Credit Facility follows the completion of a Request for Proposals (“RFP”) process in accordance with Green Bank operating procedures that closed October 19, 2018;

WHEREAS, along with a general repayment obligation by the Green Bank, Amalgamated would be secured by a first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Lease 1 Notes portfolio (the “Collateral”); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed Revolving Credit Facility, generally in accordance with memorandum summarizing the Revolving Credit Facility and the terms of the summary term sheet, both presented to the Board on December 14, 2018.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the Revolving Credit Facility with Amalgamated and approves of Amalgamated as a competitive selection to be the sole source provider of the Revolving Credit Facility; and

RESOLVED, that the President, Chief Investment Officer and General Counsel of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the Revolving Credit Facility and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions.

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

Submitted by: Bert Hunter, EVP and CIO and Louise Venables, Senior Manager, Clean Energy Finance

Appendix I – Term Sheet

Summary Term Sheet

Amalgamated Bank

1. **Borrower:** Connecticut Green Bank
2. **Amount and Loan Type:** Up to \$5,000,000 Revolving Line of Credit
3. **Purpose:** Provide for working capital
4. **Interest Rate:** Borrower's option of:
 - i. Variable rate of 30 Day Libor + 1.60%
 - ii. Fixed at 4.30%
5. **Maturity:** 364 days from the closing date
6. **Monthly payments:** Interest-only in arrears.
7. **Upfront Fee:** \$20,000.00
8. **Unused Fee:** An amount equal to 0.20% of the unused amount under the facility
9. **Collateral:**
 - i. General repayment obligation of the Connecticut Green Bank
 - ii. Absolute assignment of the revenues associated with the CT Solar Lease 1, LLC portfolio

CORRECTED COPY

Gina McCarthy
Professor of the Practice of Public Health
Center for Climate, Health, and the Global
Environment (C-CHANGE)
Harvard T.H. Chan School of Public Health
401 Park Drive, 4th Floor West
Boston, MA 02215

December 14, 2018

Dannel P. Malloy
Office of the Governor
State Capitol
210 Capitol Avenue
Hartford, CT 06106

Dear Governor Malloy

I am writing to submit my resignation from the Board of Directors of the Connecticut Green Bank effective as of 5:00 p.m. on December 31, 2019.

It has been an honor and a privilege to serve as your appointee to the Connecticut Green Bank. This appointment has allowed me to take part in advancing the nation's first green bank and supporting its efforts to ensure inclusive prosperity through the green economy. Your leadership in its creation has been a catalyst to green banks across the country, including in the nation's capital.

Thank you for the opportunity to serve the State of Connecticut and the Connecticut Green Bank.

Respectfully,

A handwritten signature in black ink, appearing to read "Gina McCarthy", written in a cursive style.

Gina McCarthy

cc: Catherine Smith, Chair of the Board of Directors
Bryan Garcia, President and CEO



CONNECTICUT
GREEN BANKSM

845 Brook Street
Rocky Hill, CT 06067

| 300 Main Street, 4th Floor
Stamford, CT 06901