



Board of Directors of the
Connecticut Green Bank
Meeting Minutes

Thursday, July 18, 2019
9:00 – 11:00 a.m.

A meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on Thursday, July 18, 2019 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

Note – In the absence of a new Chairperson yet to be assigned by Governor Lamont, Mr. Garcia, President & CEO, acted as Chair for today’s meeting.

1. Call to order

Mr. Garcia called the meeting to order at 9:06 a.m.

Board members participating: Eric Brown, Binu Chandy (by phone), Betsy Crum (by phone), John Harrity, Mary Sotos (by phone), Matt Ranelli (by phone)

Members Absent: Thomas M. Flynn, Kevin Walsh

Staff Attending: Will DeTeso, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Matt Macunas, Jane Murphy, Cheryl Samuels, Eric Shrago, Louise Venables, Mike Yu

Others Attending: Mike Trahan from Solar CT

2. Public Comments

Mike Trahan from Solar CT stated their members are in support of solar battery storage and Solar Contractors see it as part of the next logical step in the industry. Mr. Trahan went on to say the CTGB (“Green Bank”) has industry support and hopes the Green Bank can move quickly to implement. Mr. Garcia explained that the Green Bank is working with electric distribution companies and DEEP through the Joint Committee and thanked Mr. Trahan for his comments.

3. Consent Agenda

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for June 28, 2019.

Resolution #2

WHEREAS, in July of 2011, the Connecticut General Assembly pass 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, the Board of Directors of the Connecticut Green Bank approved a Comprehensive Plan for FY 2017, FY 2018 and FY 2019 including approving annual budgets and targets for FY 2017, FY 2018 and FY 2019.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Program Performance towards Targets for FY 2019 memos dated July 18, 2019, which provide an overview of the performance of the Infrastructure, Residential, Commercial, Industrial, and Institutional sectors with respect to their FY 2019 targets.

Resolution #3

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”) and vests the power in a Board of Directors comprised of eleven voting and on non-voting member; and

WHEREAS, the structure of the Board of Directors is governed by the bylaws of the Connecticut Green Bank, including, but not limited to, its powers, meetings, committees, and other matters.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Overview of Compliance Reporting and the Board of Directors and Committees for FY 2019 memo dated July 18, 2019 prepared by staff, which provides a summary report of the FY 2019 governance of the Board of Directors and its committees of the Connecticut Green Bank.

Upon a motion made by Bettina Bronisz and seconded by John Harrity, the Board voted to approve Resolution 1, Resolution 2 and Resolution 3. Motions approved unanimously.

Green Bank Impact Report

Mr. Garcia shared that he, Mr. Hunter and Mr. Shrago attended the Green Bank Summit in Washington, DC recently and stated that CT has had a large impact on the industry. Mr. Harrity likes the Impact Investment sheet the social and environmental impact of which Mr. Garcia reviewed and how partnering with local banks and working with private investment industry has benefited the Green Bank as well.

4. Committee Recommendations and Updates

a. Budget & Operations Committee

i. Approval of FY 2020 Budget and Targets

Mr. Harrity worked a long time with committee and staff vetting the budget and determining where all want the Green Bank to move forward and stay sustainable no matter the “political” weather. Mr. Shrago shared that their work included sustainability with a plan to move forward and exceed goals.

In a memo to the Board, budget variances year-on-year were noted.

Incentive Programs – The unit’s budget is increasing due to contractual obligations (interest expense) and statutory programs (RSIP Incentives). These costs are recovered via SHREC or financed through federal dollars (ARRA).

Financing Programs – Operating expenses have increased, as have revenues, leading to a decrease in net revenues under expenses year-on-year of \$244K.

Operating Expense Variance – Consulting and professional fees (amortized bond issuance costs), personnel, research and product development) and depreciation—skewing numbers quite a bit.

Mr. Brown asked if there was a timeframe for self-sufficiency and asked for a forecast? Mr. Shrago provided a cash flow basis review but stated that the accounting basis is further out. . The plan is to use interest income to make investments in order to create self-sustainability. The Senior Team continues trying to balance the Investment Strategy and Mr. Brown wants to continue to understand these objectives. Mr. Shrago further announced that they will have a continual review of cash flow and expenses and are looking to automate with a new program.

Resolution #4

WHEREAS, on June 12, 2019 the Connecticut Green Bank (“Green Bank”) Budget and Operations (“B&O”) Committee recommended that the Green Bank Board of Directors (“Board”) approve the Fiscal Year 2020 Targets and Budget;

WHEREAS, staff of the Green Bank have reviewed the year-on-year variances in the budget and revised the proposal based upon this analysis and upon feedback from the Board of Directors; and

WHEREAS, the members of the B&O Committee recommends that the Board authorizes Green Bank staff to enter into or extend the professional services agreements (PSA’s) currently

in place with the in place with the following, contingent upon a competitive bid process having occurred in the last three years (except Cortland Capital Services and Inclusive Prosperity Capital):

- I. Adnet Technologies, LLC
- II. Clean Power Research, LLC
- III. Cortland Capital Services
- IV. CSW, LLC
- V. Inclusive Prosperity Capital
- VI. Locus Energy LLC
- VII. ReCurve Analytics, Inc.
- VIII. Stephen Turner, Inc.
- IX. Sustainable Real Estate Solutions, Inc.

For fiscal year 2020 with the amounts of each PSA not to exceed the applicable approved budget line item.

NOW, therefore be it:

RESOLVED, that the Green Bank Board hereby approves; (1) the FY 2020 Targets and Budget, and (2) the PSA's with the 8 strategic partners listed above.

Upon a motion made by John Harrity and seconded by Bettina Bronisz the Board voted to approve Resolution 4. No further questions—Motion approved unanimously.

Mr. Harrity thanked all who worked on the budget and resolution information.

- ii. Comprehensive Plan – FY 2020 and Beyond
Mr. Harrity suggested issuing the PowerPoint plan to complement and explain the Comprehensive Plan.
Previously Mr. Ranelli felt that draft 2 of the suggested Mission Statement did not fully reflect Green Bank's mission. Mr. Garcia reviewed the revised draft 2 of the Green Bank's Mission Statement and asked Mr. Ranelli to comment and provide feedback and suggestions. Mr. Brown asked if Mr. Ranelli looked back at enabling legislation? Although he did look back to review language, he did not review legislation and would be glad to do so.
Further discussion included how to quantify "prosperous", missing "all [of society]" to ensure inclusion of not just wealthy but LMI homeowners as well, include "private" capital, approval of the inclusion of "climate change", looking back at bi-partisan legislation to determine adding footnotes, include energy savings (as the most expensive state we should be conscience of fiscal responsibility.) Mr. Brown pointed out there is a company moving from CT to another state in order to save one-third of their current (CT) energy costs. Mr. Ranelli in agreement as flow of capital being a "net" positive—which mitigates the contrary.

Resolution #5

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the "Act"), "AN ACT CONCERNING TH 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, Article V of the Green Bank Operating Procedures requires the Green Bank Board of Directors (the "Board") to adopt an Annual Plan for each forthcoming fiscal year;

WHEREAS, the Board of Directors reviewed and approved the FY 2020 targets and budget on June 28, 2018 and July 18, 2019, which together with the Comprehensive Plan, are effectively the Annual Plan;

NOW, therefore be it:

RESOLVED, that the Board approves of the Comprehensive Plan for FY 2020 and Beyond as presented to the Board on June 28, 2019 and July 18, 2019, and subject to nonmaterial modifications made by the officers.

Upon a motion made by Bettina Bronisz and seconded by Betsy Crum the Board voted to approve—with changes and additions—Resolution 5. No further questions—Motion approved unanimously with changes and additions.

5. Green Bonds

Mr. Garcia began by reviewing the overall bond goals (scale-up investment and lower the cost of capital) and the team working on bond development. Mr. Garcia continued by sharing that he has watched the team bring together innovative green financing for the future. Mr. Garcia handed over the reins to Mr. Hunter and Mr. Bob Lamb to proceed with this subject.

Mr. Lamb reviewed the bond structure explaining the savings and rating benefit we can gain. He went on to state there are two underlying indentures; 'Municipal' and 'other' and we are looking to achieve the same rating as the State. Mr. Lamb stated his firm, Lamont Financial, continues to work with rating agency regarding the S&P ratings on "pool" of bond with the goal to create a rating of an A or higher. S&P established stress tests which any bonds issued by the Green Bank must pass to get to a rating and the S&P wants to work with the Green Bank to determine a rating.

Mr. Farnen reviewed the green bond issuance timeline which continues with Board, staff and additional Bond Team members developing and approving work over the next five months. This timeline may be adjusted for approvals.

Ms. Bronisz stated she has been working with Green Bank staff regarding municipal bond possibilities and is very excited with the development of this type of funding. She went on to say that these bond opportunities will put a spotlight on the Green Bank and "kudos" and "mazel tov" to the Green Bank. As Mr. Garcia pointed out, there is a feeling of excitement in the room for this financing opportunity. Ms. Bronisz feels an A rating is very possible and the structure is tailor-made for this bond issuance. Mr. Lamb shared that this is a great introduction to the Board and is very pleased with it. Mr. Ranelli is pleased with

the small investor possibilities to which Mr. Garcia agreed that the bond issuance is a priority for small investors and Mr. Harrity is also excited for the future.

6. Incentive Programs Updates and Recommendations

a. RSIP Step 15

Additional work is required on this issue as identified during the July 12, 2019 Deployment Committee meeting. This item has been removed from the agenda of this meeting with a plan to re-present at the next Board of Directors meeting.

b. SHREC Warehouse Funding Facility & SHREC Securitization Update

Mr. Mike Yu reviewed the underlying cash flows included in Tranche 3 executed on June 28, 2019 with Eversource and UI at \$48/SHREC and \$31.5M of nominal cash flows.

The Warehouse Proposal includes a joint proposal from Liberty Bank and Webster Bank and builds upon the prior facility backed by Tranche 1 and Tranche 2. Mr. Yu shared that Banks are willing to go higher in advance levels as they are more comfortable with investment now that the Green Bank has demonstrated it can sell SHREC-backed bonds in the capital markets. The Warehouse proposal has a revolving credit facility feature (Green Bank can draw and pay back) with interest only and a 12-month maturity. The strategic benefits of this proposal are solidifying banking relationships within the state (continue to come in with other deals with banks), improve Green Bank's securitization leverage and improve liquidity. Ms. Bronisz asked about any unused fee which Mr. Hunter addressed.

Mr. Yu reviewed the proposed structure diagram and when Mr. Ranelli asked if the information from the utilities has been accurate, Mr. Yu explained how the production estimates for the systems are reviewed by our engineering firm (DNV) for all Tranches to ensure reliability and accuracy; they are heavily examined and due diligence completed and the last component is to take out, under securitization.

The SHREC bond RFP is underway – Underwriting proposals are due to get rates in advance—due in early August—Balance of high advance rate and low cost of capital, ABS (open to all investors) or Municipal Bond, and retail component. Asking Board for approval to move forward and staff will come back with the additional figures. Mr. Hunter spoke of green bond investor and more participants in our structure. Mr. Harrity shared that “we make the road by walking (blazing trails)” and group deserves it! Ms. Bronisz added that the green bond movement is another ‘quiver’ in the pocket of the Green Bank for investors. Mr. Hunter shared that previously the Green Bank was not ready for bond investment – it did not have available revenue streams that could be readily securitized, but now we do.

Resolution #7

WHEREAS, Connecticut Green Bank (“Green Bank”) staff recommends to the Green Bank Board of Directors (“Board”) a proposal for Green Bank to enter into an agreement with Webster Bank and Liberty Bank (the “Lenders”) for a \$14,000,000 secured revolving line of credit (“SHREC Revolving Credit Facility”) whereby the SHREC Revolving Credit Facility would be used for a period of up to one year in order to bridge Green Bank’s short-term liquidity and working capital needs prior to funding anticipated from the permanent asset backed securitization (“ABS”) or municipal bond financing of Tranche 3 of the Solar Home Renewable Energy Credit (“SHREC”) program;

WHEREAS, along with a general repayment obligation by SHREC WAREHOUSE 1 LLC, a wholly-owned subsidiary of Green Bank (“CGB SPV Borrower”), Webster-Liberty would be secured by a Green Bank guaranty of CGB SPV Borrower’s obligations under the SHREC Revolving Credit Facility in addition to a first priority security interest in, and an absolute assignment of all cash flows associated with Tranche 3 of the SHREC program and, in the event of a payment default under the SHREC Revolving Credit Facility, such additional Tranches of SHRECs as required by the Lenders together with all commercially necessary rights thereunder (the “SHREC Collateral”); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed SHREC Revolving Credit Facility, generally in accordance with the terms of the summary term sheet presented to the Board on July 18, 2019.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the SHREC Revolving Credit Facility with the Lenders substantially as set forth in the memorandum to the Board dated July 11, 2019;

RESOLVED, that the Board approves and ratifies the establishment by Green Bank of SHREC WAREHOUSE 1 LLC as a wholly-owned subsidiary of Green Bank (“CGB SPV”) and to provide the Lenders with a guaranty of CGB SPV obligations as borrower under the SHREC Revolving Credit Facility in addition to the SHREC Collateral;

RESOLVED, that the President, and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank and CGB SPV any of the definitive agreements related to the SHREC Revolving Credit Facility and the establishment of CGB SPV 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; and

RESOLVED, that the proper Green Bank officers are authorized and empower 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.

Upon a motion made by Bettina Bronisz and seconded by John Harrity the Board voted to approve Resolution 7. No further questions—Motion approved unanimously.

7. Financing Programs Updates and Recommendations

a. C-PACE Warehouse Funding Facility

Mr. Hunter began with stating that a prior Revolving Credit facility was arranged with Amalgamated Bank pursuant to an RFP, backed by Solar Lease 1 program notes in December 2018.

The decision to pursue this C-PACE Warehouse Funding Facility will allow more funding flexibility, prepare investments for bond structure and the Warehouse Funding to be backed by C-PACE projects which can be repaid with proceeds from the master bond facility, asset sale, funded participation with a third-party or extending the short-term line.

The selection of Amalgamated Bank, as Mr. Hunter explained, as a “ready, willing & able” lender who will move quickly with existing documentation and same pricing as

with Revolving Credit Facility which includes low fees and a specific interest rate as explained in the memorandum circulated to the Board.

Resolution #8

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 arrangement with Amalgamated Bank (“Amalgamated”) for a \$10,000,000 secured line of credit (“Credit Facility”) extended to a Green Bank special purpose vehicle (“CGB SPV”) whereby the Credit Facility would be used in order to cover the short-term expenses of the C-PACE program and to extend C-PACE loans; and

WHEREAS, the selection of Amalgamated as the provider of the Credit Facility follows the closure of a similar credit facility transaction, for which Amalgamated was selected as provider after completion of a Request for Proposals (“RFP”) process in accordance with Green Bank operating procedures;

WHEREAS, the Board may alternatively consider the selection of Amalgamated by the Board under the Strategic Selection and Award process of Green Bank’s Operating procedures as the credit facility satisfies three of the requisite criteria: (1) Strategic Importance, (2) Follow-on Investment, and (3) Urgency and Timeliness;

WHEREAS, along with a general repayment obligation by the CGB SPV, Amalgamated would be secured by a first priority security interest in and portfolio of 36 C-PACE loans (the “Collateral”) and a guarantee by Green Bank of CGB SPV’s obligations; and

WHEREAS, Green Bank staff recommends that the Board approve the proposed Credit Facility, generally in accordance with memorandum summarizing the Credit Facility and the terms of the summary term sheet, both presented to the Board on July 19, 2019.

NOW, therefore be it:

RESOLVED, that the Board approves CGB SPV to enter into the Credit Facility with Amalgamated guaranteed by Green Bank and approves of Amalgamated to be the sole source provider of the 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 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.

Upon a motion made by Eric Brown and seconded by Matt Ranelli the Board voted to approve Resolution 8. No further questions—Motion approved unanimously.

Mr. Hunter congratulated the Board for finalizing the approvals required for funding arrangements that are needed for the Green Bank's capital requirements for FY20.

b. C-PACE Credit Enhancement RFP – Update

Mr. Yu stated it has been a challenge to continue to grow the 3rd party lender CPACE market and presented the results of an RFP to find new opportunities for CTGB to help. Noted that other C-PACE markets are opening-up with rates higher than 10-20 bps.

Greenworks Lending (“GWL”) recommends a \$5M proposal to lend for C-PACE deals. Interest rate will be based on number of CT deals, flow and cap and gain of interest income with less risk as C-PACE securitization is less risky.

Mr. Hunter shared that the finance business is a ‘basis point’ business and Mr. Dykes added that though they had a similar credit enhancement offer in the market when C-PACE became “open-market”, there were no previous takers. GWL is the largest capital provider in Connecticut and was the only lender who responded to Green Bank's RFP.

Discussion included with questions from Ms. Bronisz as to whether amounts were finalized (nothing set in stone and they continue to discuss), although CTGB had more in mind, GWL looking at a \$10M investment, GWL in good financial health (GWL has three securitizations which will back and secure plan.) Mr. Hunter and Mr. Dykes will continue to work on plan/proposal and thanked Ms. Bronisz for her questions.

c. Small Business Energy Advantage – Municipal and State Facilities

Financing facility with Eversource and Amalgamated Bank – Mr. Dykes reviewed existing program and current structure. Expanding availability in capital to fill gaps in program. Green Bank has received few requests to expand loans of programs (from Amalgamated.)

Facility has purchased nearly \$41M in SBEA loans in two purchases.

Request made to the Board includes expanding the loan term to seven years as well as a maximum individual original loan principal balance of \$1M for both state and municipal borrowers, clarifying the definition of ‘municipal borrower’ and clarifying the exemption from the \$1M aggregate outstanding loan balance for state borrowers.

Mr. Dykes related that many projects are currently on hold due to financing issues so hopefully these changes would release these projects so they can move forward.

Discussion included; any losses we incur are covered by CT Energy Efficiency Board and How to gather data on what portion of projects are state and municipal, Mr. Ranelli also stated there should be a non-appropriations clause for Board of Education loans.

As Mr. Ranelli has a concern that Boards of Education cannot incur debt, this issue will be taken off-line for review and clarification.

Resolution #9

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, Green Bank's Board of Directors (the “Board”) approved, at its October 26, 2018 meeting, a such approval was modified by the Board at its December 14, 2018 meeting, Green Bank's \$5,555,555 participation as a subordinated lender in a Master Purchase and Servicing Agreement (the “Master Agreement”) which was later entered into by Green Bank, AB,

each as a purchaser, and The Connecticut Light and Power Company (“CL&P”), as seller on December 20, 2018;

WHEREAS, the Board approved, at its April 18, 2019 meeting, certain modifications to the Master Agreement;

WHEREAS, staff recommends the Board approve: (i) further amendments to the Master Agreement (including, but not limited to, an increase of Green Bank’s commitment by \$1,111,112) as more particularly described in that certain memorandum dated July 11, 2019 and submitted to the Board, and (ii) an assignment of all of Green Bank’s interest in the Master Agreement and all SBEA loans previously purchased thereunder to CEFIA Holdings, LLC, Green Bank’s wholly owned subsidiary;

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 and amendment to the Master Agreement and assignment thereof to CEFIA Holdings, LLC materially consistent within the memorandum submitted to the Board dated July 11, 2019 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 affect the above-mentioned legal instruments.

Upon a motion made by John Harrity and seconded by Bettina Bronisz the Board voted to approve Resolution 9. No further questions—Motion approved unanimously.

Mr. Garcia took a break from the agenda to present the Executive Order #1 signed by newly elected Governor Lamont. The EO1 – ‘Directs executive branch state office buildings and vehicle fleets to become greener and more energy efficient through an expanded “Lead By Example” sustainability initiative aimed at reducing the state’s carbon footprint and reducing the cost of government operations.’ As a gift to Mr. Harrity—who was thinking of retiring from the Green Bank Board—Mr. Garcia asked Governor Lamont for the one pen he used to sign the EO1 and had his assistant Cheryl arrange for the EO1 and pen to be beautifully framed for presentation to Mr. Harrity. Since Mr. Harrity has decided to remain on the Board (lucky for the Green Bank!), Mr. Garcia thought the framed EO1 could be hung in the Rocky Hill office of the Green Bank to share with all who enter—until Mr. Harrity does retire from the Board. Mr. Harrity stated he enjoys the commitment of the Governor and State and likes the thought of it [the EO1] being prominently hung (in the Green Bank office) for all to see.

d. Impact Investor and Small Business Energy Advantage

Mr. Hunter presented the introduction to the New York Quarterly Meeting of the Society of Friends (“QMSF”) and the investment from an impact investor. This is a strategic investment to open the door to other impact investors which the Green Bank now plans to engage with more of these groups.

Introduction to Green Bank came from IPC with a \$250K, 3-year PRI. The Religious Society of Friends has had a historic commitment to social justice and charity and the Friends commitment to simplicity—to resisting materialism and consumerism—finds expression in work on behalf of sustainability which attracted QMSF to IPC and Green Bank in search of suitable impact investments.

The impact investment will likely be \$500K or up to \$1M with a ‘non-exclusive’ pledge of the economic interests held by Green Bank (CEFIA Holdings) in the portfolio of SBEA loans proceeds with an optional guaranty by CGB. This investment has a maximum duration of 3 years (1 year minimum with automatic annual renewals—with annual call @ QMSF’s option upon 90-days notice – as requested by Director Bronisz, Green Bank would have a similar “call” to retire the obligation if desired). The benefit to CGB is a loan to CGB at LIBOR +1.25% (impact investor would be paid the transaction yield less than 100 basis points). This will also allow CGB to ‘test’—via a short-term investment—how impact investors may respond to this and other portfolio offerings.

Resolution #10

WHEREAS, Connecticut Green Bank (“Green Bank”) staff has submitted to the Green Bank Board of Directors (the “Board”) a proposal for Green Bank or one of Green Bank’s wholly-owned entities to enter into an agreement with the New York Quarterly Meeting of the Society of Friends (QMSF), or an organization related to QMSF, for an impact investment of up to \$1,000,000 (the “QMSF Impact Investment”) whereby the QMSF Impact Investment would be used in order to reinvest funds in other Green Bank investments, programs or its operations; and

WHEREAS, the QMSF satisfies three criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) uniqueness, (2) strategic importance and (3) urgency and timeliness;

WHEREAS, along with a general repayment obligation by the Green Bank (or, if such obligation of general repayment is by a Green Bank SPE, a general repayment obligation by such SPE together with, if necessary, a guarantee of the Green Bank), QMSF would be secured by a general non-exclusive pledge of a portfolio of loans owned in part by Green Bank or its SPEs together with their related cash flows associated with the Small Business Energy Advantage financing facility;

WHEREAS, Green Bank staff recommends that the Board approve the proposed QMSF Impact Investment, generally in accordance with memorandum summarizing the QMSF Impact Investment and the terms of the summary term sheet, both presented to the Board on July 12, 2019; and

WHEREAS, Green Bank would benefit from a process that would open the door of the Green Bank to a broader array of impact investors to supplement funding sources for the Green Bank and diversify the Green Bank’s base of stakeholders;

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank (or one of its wholly-owned SPEs on behalf of Green Bank and, if necessary, with a guarantee of the Green Bank) to enter into the QMSF Impact Investment as a strategic selection;

RESOLVED, that the Board directs staff to develop a process in collaboration with members of the Deployment Committee for opening the door of the Green Bank to impact investment for the Board's approval prior to the end of calendar year 2019;

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 QMSF Impact Investment 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.

Upon a motion made by John Harrity and seconded by Matt Ranelli the Board voted to approve Resolution 10. Bettina Bronisz abstained. No further questions—Motion approved.

e. Connecticut Green Bank Solar PPA Program Updates

i. IPC Construction Financing Facility

Ms. Venables explained the IPC spinoff and its strategic partnership with Green Bank for the development and long-term ownership of commercial solar projects originated by the Green Bank. IPC is moving forward with its plans to finance projects. Per Mr. Hunter, with same secure arrangement using an SPV, CGB can take over as ultimate owner if necessary. Ms. Bronisz asked about financing details and Mr. Hunter explained that lending term funds to IPC for the solar fund program then IPC (if desired) would provide the construction loan. With dominion over projects and the SPV, CGB is in a safe position as a secured lender—so the arrangement is “a wash” as lender in terms of security. It was confirmed that the construction facility is only for financing CT assets. Mr. Hunter confirmed question from Ms. Bronisz that \$15M coming from the CGB balance sheet.

Resolution #11

WHEREAS, the Connecticut Green Bank (“Green Bank”) is uniquely positioned to continue developing a commercial solar power purchase agreement (“PPA”) pipeline through local contractors in response to continued demand from commercial-scale off-takers.

WHEREAS, the Green Bank has established a strategic partnership with Inclusive Prosperity Capital Inc. (“IPC”) for development and long-term ownership of commercial solar PPA projects originated by the Green Bank in order to leverage private capital and free up resources for the Green Bank;

WHEREAS, there is still a 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 as a lender 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 no-to-exceed amount of \$5million in new credit, subject to budget constraints, for a revolving construction financing facility provided by Green Bank to IPC to be utilized for the construction of commercial solar PPA projects in Connecticut.

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 create such facility and authorize advances from it on such terms and conditions as are materially consistent with the memorandum submitted to the Green Bank Board on July 18, 2019; 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.

Upon a motion made by Eric Brown and seconded by John Harrity the Board voted to approve Resolution 11. No further questions—Motion approved unanimously.

- ii. Modification of Board approval to accommodate sale of PPA projects
Ms. Venables shared how there is interest in commercial solar projects and a continued, demonstrated need for flexible financing to support development of commercial solar in CT and there are new market entrants with the ability to provide long-term financing and tax equity in order to energize projects that CGB develops. As such, there are third-parties interested in acquiring CGB-developed projects in exchange for a development fee and opportunity for CGB to provide long-term debt to third-party-ownership structures with on-going interest income to CGB. Therefore, staff requests modification of Board approval (granted October 19, 2018) to accommodate the sale of commercial PPA projects to third parties.

Resolution #12

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;
3. Financing one or more 3rd-party ownership platforms, in the form of sponsor equity and/or debt; and
4. Sell solar PPA projects developed by Holdings to third parties.

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.

Upon a motion made by Eric Brown and seconded by John Harrity the Board voted to approve Resolution 12. No further questions—Motion approved unanimously.

- f. Kresge Foundation PRI and Inclusive Prosperity Capital
In January 2017 the Green Bank Board approved a \$3M Program Related Investment (PRI) from the Kresge Foundation. For a variety of reasons, the pipeline of projects have been struggling to move forward. With more opportunities outside of CT, the Green Bank, IPC and Kresge agree the best way to deploy these funds is to “open the funnel” by expanding the use of funds into other states—including CT. Green Bank, IPC and Kresge agree to transition the PRI—through an assignment—from the Green Bank to IPC.

Resolution #13

WHEREAS, the Connecticut Green Bank (“Green Bank”) will continue to pursue opportunities to deploy private capital to support affordable, clean, and resilient energy to property owners in Connecticut in collaboration with Kresge and Inclusive Prosperity Capital (“IPC”);

WHEREAS, the Kresge Foundation (“Kresge”) is a private foundation that funds arts and culture, environment, education, health, community development and human resources;

WHEREAS, the Connecticut Green Bank’s (“Green Bank”) success in securing a Program Related Investment (“PRI”) through a Kresge competitive solicitation can be leveraged to expand investment opportunities for IPC in and beyond Connecticut;

WHEREAS, Kresge is eager to partner with IPC to support the deployment of clean energy systems that also provide energy resilience; and

WHEREAS, Green Bank staff recommends that the Board authorize staff to determine the final arrangements to effect the transfer of the Kresge PRI from Green Bank and its wholly-owned subsidiary, CGB KCF LLC, to IPC as outlined in the memorandum to the Board dated June 11, 2018 (the “Board Memo”).

NOW, therefore be it:

RESOLVED, that the Board approves staff’s proposal to transfer the PRI from Kresge to IPC using one of the approaches outlined in the Board Memo or such other approach that results in Green Bank and any of its subsidiaries from having any further payment obligation in respect of the Loan Agreement entered into by and between Kresge and CGB KCF LLC on December 6, 2017 or any material residual obligation (other than repayment) in respect of these arrangements; 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 and outcomes.

Upon a motion made by Bettina Bronisz and seconded by John Harrity the Board voted to approve Resolution 13. No further questions—Motion approved unanimously.

Board delayed discussion on agenda item 5. Green Bonds to await the attorney, Bob Lamb, (who worked on the bond development program) to join the meeting. Discussion occurred at this time during meeting.

8. Adjourn

Upon a motion made by John Harrity and seconded by Bettina Bronisz the meeting was adjourned at 11:15am.

Respectfully submitted,

Mary Sotos, Vice Chairperson