



Board of Directors of the
Connecticut Green Bank
Regular Meeting Minutes

Friday, October 25, 2019
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 25, 2019 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

1. Call to order

Bryan Garcia called the meeting to order at 9:06 am.

Board members participating: Bettina Bronisz, Binu Chandy (by phone), John Harrity, Matthew Ranelli, Lonnie Reed, Mary Sotos

Members Absent: Eric Brown, Betsy Crum, Thomas Flynn, Kevin Walsh

Staff Attending: Emily Basham (by phone), Pintian Chen, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Alex Kovtunen, Matthew Macunas, Jane Murphy (by phone), Selya Price, Cheryl Samuels, Ariel Schneider, Eric Shrago, Nick Zuba (by phone)

Others in Attendance: Chris Magalhaes (by phone)

2. Public Comments

- No public in attendance. No public comments.

3. Consent Agenda

- a. Meeting Minutes from September 12, 2019
 - b. Connecticut Green Bank Progress to Targets for FY 2019 (Final)
 - c. Inclusive Prosperity Capital Progress to Targets for FY 2019 (Final) and PSA Revision
 - d. Board of Directors and Committees – Regular Meeting Schedule for 2020
 - e. Position Descriptions
 - f. Extension of C-PACE Transaction Timeline
- After the consent agenda items were approved, Bryan introduced the new Chair of the Connecticut Green Bank, Lonnie Reed. Lonnie Reed was appointed by Governor

Lamont to serve as the Chair of the Green Bank. After her introductions, Lonnie took over the meeting and Chaired it following the Consent Agenda item..

- a. Meeting Minutes from September 12, 2019

Resolution #1

Motion to approve the meeting minutes of the Board of Directors from the September 12, 2019 meeting.

- b. Connecticut Green Bank Progress to Targets for FY 2019 (Final)

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 through FY 2019, including an annual budget and targets for FY 2019, which was approved on June 28, 2018 and revised on December 14, 2018 per a Sustainability Plan as a result of the legislative sweeps; and

WHEREAS, on July 18, 2019, the Board of Directors of the Connecticut Green Bank approved of the draft Program Performance towards Targets for FY 2019 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 2019 memos dated October 25, 2019, which provide an overview of the performance of the Infrastructure, Residential, Commercial, Industrial, and Institutional sectors with respect to their FY 2019 targets.

RESOLVED, that Board has also reviewed and approved the Investment and Public Benefit Performance memo dated October 25, 2019.

- c. Inclusive Prosperity Capital Progress to Targets for FY 2019 (Final)

Resolution #3

WHEREAS, on July 18, 2019, the Board of Directors of the Connecticut Green Bank approved of the FY 2020 budget and has authorized the continued engagement of Inclusive Prosperity Capital, Inc. to achieve Green Bank targets in FY 2020.

NOW, therefore be it:

RESOLVED, that Board approves the four first amendments to the Professional Service Agreements with Inclusive Prosperity Capital, Inc as set forth as attachments to the memorandum to the Board dated October 18, 2019.

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 instruments.

d. Board of Directors and Committees – Regular Meeting Schedule for 2020

Resolution #4

Motion to approve the Regular Meeting Schedules for 2020 for the Board of Directors, ACG Committee, B&O Committee, and Deployment Committee.

e. Position Descriptions

Resolution #5

Motion to approve the position descriptions for Vice President of Financing Programs (Officer) and Director of Incentive Programs.

f. Extension of C-PACE Transaction Timeline

Resolution #6

WHEREAS, pursuant to Conn. Gen. Stat. 16a-40g (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, pursuant to the C-PACE program, the Green Bank Board of Directors (the “Board”) or the Green Bank Deployment Committee (the “Committee”) had previously approved and authorized the President of the Green Bank to execute financing agreements for the C-PACE projects described in the Memo submitted to the Board on October 18, 2019 (the “Finance Agreements”);

WHEREAS, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board or Committee and executed no later than 120 days from the date of such Board or Committee approval; and

WHEREAS, due to the property owner actions or omissions which delayed closing on the relevant transaction(s), the Green Bank will need more time to execute the Finance Agreements.

NOW, therefore be it:

RESOLVED, that the Board extends authorization of the Finance Agreements to no later than 120 days from the date of this Board and consistent in every other manner with the original Board or Committee authorization for the Finance Agreements.

Upon a motion made by John Harrity and seconded by Lonnie Reed, the Board voted to approve the Resolutions 1 through 6. Mary Sotos abstained, all others present voted to approve. Motion approved.

4. Committee Recommendations and Updates

Audit, Compliance and Governance Committee

- i. Comprehensive Annual Financial Report
- ii. APA Recommendations and Staff Responses
- iii. Proposed Revisions to Severance Agreement Policy
- iv. Board of Director Meeting Attendance

a. Audit, Compliance and Governance Committee

- i. Comprehensive Annual Financial Report

- Matthew Ranelli stated that he met with BlumShapiro twice to review the audit findings. The findings were clean and unmodified. He met this morning with quorum to accept the audit.
- Jane Murphy summarized the Fiscal Year 2019 Audit findings. The Green Bank will be issued an unmodified opinion. She will be giving a report on internal controls to the Board, but there were no internal weaknesses, inconsistencies, or issues of noncompliance found. The Audit Team has provided their contact information if anyone would like to discuss with them further. It was also recommended by the ACG Committee that the Board approve the CAFR.
- Brian Farnen suggested the Single Audit Report be stricken from Resolution 7 as it does not apply to Fiscal Year 2019 for the Green Bank.

Resolution #7

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 18, 2019 and recommends to the Board the approval of the proposed draft Comprehensive Annual Financial Report (CAFR) 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) 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.

Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed, the Board voted to approve to strike the Single Audit Report requirement from Resolution 7 and then approve Resolution 7. Motion approved unanimously.

ii. APA Recommendations and Staff Responses

- Brian Farnen stated a special ACG Committee meeting was held at the end of August to review the APA Response to the Findings from the 2016 Audit which the Green Bank. He reviewed each recommendation and action to be taken as agreed to by the Committee and staff.
 - Recommendation was made that the Green Bank reconcile its payroll records against the Core-CT records. Brian Farnen stated that the Green Bank had only some small monetary amounts to be reconciled, and it should not pose an issue and it is already being addressed by Accounting.
 - Recommendation was made that the Green Bank should require Severance Agreements be approved by the Board. The Severance Policy has been revised and the ACG Committee has made its recommendation to the Board for later in this agenda. Bryan Garcia noted that the draft was reviewed by the APA and it is consistent with the intent of the 2018 policy.
 - Recommendation was made that the Green Bank require a refundable application fee for potential C-PACE projects. Mackey Dykes stated that if there were an application fee implemented, it may cause potential problems to get projects started, and that it is not a good recommendation for the market. Brian Farnen explained further that because of how the C-PACE project finances are organized, it may unnecessarily complicate the process later. Mackey Dykes made an apt comparison to a vendor trying to charge a fee for samples if a company chose not to do business with them after reviewing their options. Instead, the Green Bank is charging all third-party C-PACE capital providers a program administration fee to offset the administrative costs of the program.
 - Recommendation was made that the Green Bank further ensure compliance with reporting requirements and timeliness. Brian Farnen clarified that the delays experienced recently were due to the transition from George Bellas to Jane Murphy, but that processes have been implemented by the Accounting team to prevent delays in the future. Bryan Garcia further clarified that there are quarterly and other regularly required reports that had missed deadlines during the transition from George Bellas to Jane Murphy, but efforts have already been made since then to make reporting easier. He noted that Jane Murphy has already built an automatic, online system that was approved recently by the OFA which simplifies the process, and that the ACG Committee will continue to remind the Green Bank when upcoming reports are due.
 - Matthew Ranelli suggested an email-tickler system programmed at the start of each year which will automatically send out reminders to relevant parties.

- John Harrity noted that there is no timeline for review of the reports, which makes responding to recommendations potentially difficult since recommendations can be given years later.
 - Recommendation was made to ensure all applications are properly completed prior to the execution of a financing agreement. Mackey Dykes stated that this response may be due to a miscommunication as to how C-PACE third party capital providers are approved since they are not required to fill out the same online application as other C-PACE projects. The C-PACE third party capital providers do however fill out documents set by the Statute that are completed and reviewed. Clarification has been made that the Green Bank does receive proper documentation for each project. Brian Farnen further stated that funding for each project is made in one of two ways. Either through a programmatic approach approved through the Board with established parameters or through a Strategic Selection process as laid out in our Operating Procedures. The Strategic Selection process requires a two-thirds vote from the Board due to each project's unique nature, timeliness, and other criteria. It was recommended that Strategic Selection project consideration have a more formalized process to further clarify why a specific project was chosen, including information as to which criteria were considered, so that a stronger record across all Strategic Selection projects can be established and followed. An application process for Strategic Selection projects will be created and brought to the Board for review in the future.
 - Recommendation was made to strengthen the RSIP Inspection reports and documentation. Selya Price clarified that some of the inspectors are also teachers within the Connecticut Technical High School system, and that date and time requirements were added to the inspection forms to verify that those inspectors were not also performing inspections on state time. She noted there only a few inspectors who this applies to.
 - Bettina Bronisz asked for clarification about the teachers' qualifications as inspectors. Selya Price verified that those inspectors have the necessary backgrounds, experience, and certifications to be inspectors, but that they also happen to be teachers within the Connecticut Technical High School system. Also, the teachers only perform inspections on a part-time basis.
 - Recommendation was made that the Green Bank strengthen controls to ensure compliance with the General Statute and request legislative change if any statutes are determined to be impractical or outdated. Brian Farnen stated that legislative fixes are being pursued to ensure the Green Bank does not run out of time at the end of the next legislative session, as has happened in the past. Unfortunately, this is not entirely within the Green Bank's control. Bryan Garcia stated this will be the third legislative session with the proposed technical fix.
- Matthew Ranelli stated there was no Resolution needed for the APA Response to the Findings.

iii. Proposed Revisions to Severance Agreement Policy

- Brian Farnen summarized the proposed revisions to the Severance Agreement Policy in response to the 2016-2017 Audit Report Findings. The Board must approve all Severance Agreements, there will be additional restrictions and analysis for agreements

over \$50,000, and the Severance Policy has been revised to include explicit protections for whistleblowers. Those protections were already incorporated into the previous Severance Agreement but were not as explicitly stated.

- Bettina Bronisz asked if this motion will include the revisions to policy. Brian Farnen confirmed it will. Bettina Bronisz stated that the Treasurer may have some concerns as it relates to the offering of a severance agreement but was agreeable to the improvements in the policy. Brian Farnen proposed the specific Severance Agreement be discussed further in the Executive Session but be separate from the Policy discussion. Bettina stated she will abstain in this vote and discuss further in the Executive Session.

Resolution #8

WHEREAS, pursuant to Section 5.3.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

WHEREAS, that the ACG Committee recommended to the Board of Directors approval of the proposed draft revisions to the Green Bank Severance Policy on October 17, 2019.

NOW, therefore be it:

RESOLVED, that the Board of Directors approve of the revisions to the Green Bank Severance Policy as set forth in the memorandum to the Board dated October 17, 2019.

Upon a motion made by Matthew Ranelli and seconded by Binu Chandry, the Board voted to approve Resolution 8. Bettina Bronisz abstained, all others present voted to approve. Motion approved.

iv. Board of Director Meeting Attendance

- Brian Farnen stated that the previous Board Chair would call Board Members with low attendance, but not make a record of those calls. The APA recommended a more formal process be created to record of action being taken. It was decided that annual letters will be sent to all Board members with a schedule of Board meetings and requirements for good standing, and that any Board member who misses three or more Board meetings will receive a reminder letter of their obligation. He is working with Loyola French and Matt Ranelli to review and revise the letters accordingly.
- No Resolution was made as this recommendation falls under the APA Response to the Findings of the 2016 Audit.

5. Financing Programs Recommendations

- a. Hampshire Foundation Impact Investment
- b. Sustainable CT – Partnership in Citizen Engagement
- c. State of Connecticut and Solar PV – Lead by Example
- d. Fuel Cell Energy – US Navy Submarine Base
- e. Capital for Change – LIME Loan Master Funding Facility
- f. Momentum Solar (Update)

a. Hampshire Foundation Impact Investment

- Bert Hunter summarized the Green Bank Comprehensive Plan for partnership with Sustainable CT and the Hampshire Foundation Impact Investment. He stated the idea with the project is to use investments from non-profit foundations and convert capital for impact investments into a structure that allows them to create grants for non-profits. The foundation being brought forward is Hampshire Foundation based in West Hartford. The Green Bank worked with them on the CT Solar Loan program; Hampshire Foundation invested in a portfolio of solar loans so the Green Bank could work with Solar Mosaic on a crowd sourcing platform.
 - Bryan Garcia added that Hampshire Foundation was an early foundation involved in Lead By Example, is a big supporter of Sustainable CT, is working on many interesting projects, and is a family foundation at its core.

- Bert Hunter summarized the scope of the project. The investments would be between \$1,000,000 and \$1,500,000 invested over 3-10 years. Returns generated from Green Bank portfolio investments would be partially retained by the Hampshire Foundation, and the surplus would be converted into a grant for Sustainable CT.
 - Bryan Garcia further clarified that the pilot project would be up to \$1,500,000. The goal of project is to use limited public investment, which is why the Green Bank is looking into other private investments. For this project the Hampshire Foundations wants to invest for a commercial rate of return, similarly to an endowment fund. A portion of the return earned by Hampshire Foundation for its investment would be retained by them and the portion not retained would be awarded as a grant to a non-profit designated by the Hampshire Foundation that aligns with the Green Bank's goals. The project is designed to help more foundations support nonprofit initiatives in the sustainability and climate space by introducing these foundations to more commercial investments that address climate change – and sharing these commercial investment returns with mission aligned nonprofits via an innovative investment and funding structure..
 - Bettina Bronisz asked if the Green Bank has identified recipient of the partial investment. Bryan Garcia answered that the Hampshire Foundation has identified Sustainable CT.
 - Bettina Bronisz asked if the Green Bank gives out returns on the Hampshire Foundation's behalf, or if the Hampshire Foundation gives out the returns on the Green Bank's behalf. Bert Hunter responded that the Green Bank will need to look further at the project process to maintain proper 501(c)(3) structure.
 - Bettina Bronisz stated that she wants to look at numbers and project structure more closely. Bryan Garcia and Bert Hunter stated there will be time to do so in next sessions.

- Bert Hunter reviewed an example of the project including example monetary figures. He stated that the Green Bank would like to push for longer period of investment for greater returns, but the project will be successful for both short or long investment periods
 - Bettina Bronisz asked if other types of recipients could be part of model. Bert Hunter replied that they could as long as they aligned with the Green Bank's purposes and that other types of recipients could be investigated later.

- Bert Hunter reviewed the project and SL3 Fund Structure flow chart briefly. He stated he would be happy to talk to any Board members later to go over it in more detail.

- Bert Hunter reviewed the Strategic Selection procedure and its importance. Bryan Garcia stated that there are now 89 registered towns (over half of Connecticut), and 47 certified sustainable towns, explaining that Emily Basham would explain in more detail later in the meeting.
- Bryan Garcia asked to change resolution to increase the investment amount from \$1,000,000 up to \$1,500,000. Bert Hunter explained that the Hampshire Foundation was initially a little uncomfortable with the proposed \$1,000,000 but after discussing the structure more, the foundation is comfortable and looking to increase their investment amount and duration.
 - Matthew Ranelli stated that this is great as a revenue stream but asked if the Green Bank can look for a way for regular people, citizens, to benefit from it. He suggested through a 529 Plan offering for people who want to be stakeholders. Bert Hunter agreed, clarifying there is potential through the Green Bonds campaign, which will be brought forward soon. Bryan Garcia added that they may also benefit through “mini bonds.” Matt Ranelli stated he was happy with those ideas since people will want to have say for or against legislation, etc.
 - John Harranty stated that other non-profits may want to get involved and that the Green Bank should be constantly looking for sources of funding. Bettina Bronisz asked if there a list of relevant non-profits available somewhere. John Harranty stated there probably is somewhere online. Matthew Macunas stated there is a Philanthropy Council, so they may have a list.

Resolution #9

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 (“SPEs”) to enter into an agreement with the Hampshire Foundation, or an organization related to Hampshire Foundation, for an impact investment of up to \$1,500,000 (the “Hampshire Foundation Impact Investment”) whereby the Hampshire Foundation Impact Investment would be used in order to reinvest funds in other Green Bank investments, programs or its operations and to deliver a grant or grants to Sustainable CT as explained in a memorandum to the Board dated September 5, 2019;

WHEREAS, the Hampshire Foundation 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), Hampshire Foundation could potentially be secured by a general non-exclusive pledge of a commercial solar PPA portfolio owned in part by Green Bank or its SPEs together with their related cash flows associated with the commercial solar PPA program;

WHEREAS, Green Bank staff recommends that the Board approve the proposed Hampshire Foundation Impact Investment, generally in accordance with memorandum summarizing the Hampshire Foundation Impact Investment and the terms generally presented to the Board in a memorandum dated September 5, 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 and to support Sustainable CT;

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 Hampshire Foundation Impact Investment as a strategic selection;

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 Hampshire Foundation 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 Matthew Ranelli and seconded by John Harrity, the Board voted to increase the amount stated in Resolution 9 to \$1,500,000 and then approve Resolution 9. Motion approved unanimously.

b. Sustainable CT – Partnership in Citizen Engagement

- Bryan Garcia introduced Emily Basham. Emily Basham reviewed the Sustainable CT Grant for Citizen Engagement. Sustainable CT is non-profit program to get all towns certified and increase impact. For FY20, Sustainable CT and the Green Bank are working together to further their impact across the state, working to:
 - Drive investment in projects in communities
 - Increase community-level engagement
 - Create a structure that harnesses all types of capital for impact
 - Develop a business model that covers the cost of the program
 - Create a qualitative and quantitative measurable impact.
 - The budget allocated is \$100,000 to support Sustainable CT's Community Engagement Agreement. Emily reviewed the budget breakdown and stated that it is primarily supported by regranting IAGA "Sparking the Green Bank Movement" grant funds. Of the grant funds, \$75,000 are matching funds. Sustainable CT's Fellows Program is used to drive more engagement. Emily also stated that the #1 factor impacting town certification is whether they engage with the Fellows Program.
- Emily reviewed the Strategic Selection process, noting that significant support from the IAGA grant will help to expand on the existing partnership to drive engagement and impact even further.
 - Mary Sotos asked is there an estimated revenue based on the campaign and channels provided to increase in use of CGB financing opportunities. She asked if the Green Bank has a goal or target. Emily Basham confirmed that yes in memo, expect increase in interest revenues from 2 additional solar projects

derived from \$800k invest in Green Bank funds to gen \$80k... cover personell and non-personell related expenses. Based on what will be generated through partnership.

- Mary Sotos stated she was curious about the partnership and how much more the campaign will enable. Bryan Garcia responded that Emily was brought on to help in communities, but the Board should fully expect more projects coming in. He also stated the Green Bank built quantitative projects for Emily to make even more new projects, and that the Green Bank is acting very utilitarian in regards to the grant, and that the project is designed to be self-sustaining by creating more deals than before that will help towns with certification while contributing to positive social impact caused by the Green Bank.
- Bettina Bronisz wanted to discuss more. She asked about Sustainable CT's experience.
 - Bryan Garcia stated that Sustainable CT comes out of the Institute for Sustainable Energy, which is from Eastern Connecticut State University. The Green Bank has been a supporter of ISE for a long time. Foundations went to ISE asking about a program in New Jersey called Sustainable NJ which engages citizens, and since many of those Foundations had a history of engaging at the community level, they were looking to use the Sustainable NJ model. The program was pulled into a rating applied to the towns in CT, and then taken to the next level of engagement. An online citizen platform was created where people could create their own projects to be crowdfunded by citizens and grant makers. He explained that the program created a 501(c)(3) in August 2019. It has gone through a rigorous process to get towns certified and they continue to work with towns not yet certified. It has been an ongoing effort to develop and then founded as a non-profit to continue the project even further.
 - Lonnie stated that originally many projects were confusing and difficult to organize. She noted that Sustainable CT is great at organizing and setting secondary missions in place to organize the passionate people who were unsure of the best process previously. She noted that Sustainable CT are great managers of those projects and people.

Resolution #10

WHEREAS, the Comprehensive Plan and FY 2020 budget identify Sustainable CT as a partner of the Connecticut Green Bank ("Green Bank"), including an allocation of \$100,000 from the FY 2020 Research and Development budget;

WHEREAS, Connecticut Green Bank ("Green Bank") staff has submitted to the Green Bank Board of Directors (the "Board") a proposal for Green Bank to enter into a grant agreement with Sustainable CT for \$100,000 for programmatic purposes in order to increase our impact by applying the green bank model through Sustainable CT's programs as explained in a memorandum to the Board dated September 5, 2019;

WHEREAS, Sustainable CT satisfies all criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic selection, (4) multiphase, follow-on investment and (5) urgency and timeliness;

WHEREAS, the Green Bank's \$100,000 Innovation in American Government Award is to be used to further the innovation and programs of the organization. The Green Bank has proposed and been approved to regrant \$75,000 of these proceeds to Sustainable CT;

WHEREAS, Green Bank staff recommends that the Board approve a grant between the Green Bank and Sustainable CT, generally in accordance with memorandum summarizing the grant to the Board in a memorandum dated September 5, 2019; and

WHEREAS, Green Bank would benefit from Sustainable CT's public awareness and engagement program to increase participation in Green Bank's incentive and financing programs. Through the partnership, Green Bank and Sustainable CT are driving investment in projects in communities throughout the state.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into a Grant Agreement with Sustainable CT as a strategic selection;

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 Sustainable CT grant agreement 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 Bettina Bronisz and seconded by Matt Ranelli, the Board voted to approve Resolution 10. Motion approved unanimously.

c. State of Connecticut and Solar PV – Lead by Example

- Mackey Dykes summarized the solar Lead By Example initiative. He stated the Green Bank had identified hurdles other than financing, such as legal, procurement, and technical expertise needed to know how to best progress projects. The Green Bank's role has expanded from just financing to helping fill in process gaps in those other areas. He stated the Green Bank has identified a set of pilot projects to help them work through the various issues.. On the legal side, the Green Bank's experience with the green energy market allowed it to design acceptable agreements with companies in the private market. The Green Bank has spent over almost two years working with different agencies to design a PPA that is acceptable to both the State and private investors.
- Mackey Dykes summarized the Solar Pilot timeline. The plan for these projects is to sign a PPA with the State then eventually hand the project off to a private owner. The ITC decreases in 2020 and Mackey stressed the Green Bank is trying to capture the 2019 ITC value for these projects.
 - Bettina Bronisz asked about the companies being considered. Mackey Dykes responded that they are about 40-60 firms. He emphasized there are a wide array of companies.
 - Matthew Ranelli asked if there is an off-taker ITC credits and what happens if the Green Bank doesn't meet the timeline for the 2019 ITC? Mackey Dykes explained that whoever wins the PPA pricing is whoever can provide best pricing and be a reliable counterparty. That company needs experience to be a counterparty to the State. Bert Hunter emphasized that the Green Bank will be

very diligent on record keeping as to where financing is coming from. Mackey Dykes stated the Green Bank will also be requesting 2020 pricing in the PPA pricing RFP

- John Harrity noted the difficulty in getting this done as there are many questions from the public. He stated this project seems very good to satisfy those parties, and it will hopefully be speedy resolution for all those parties' questions. John also stated he would love to see state facilities have fuel cells as a demonstration model for Lead By Example.
- Bettina Bronisz stated there will be four constitutional offices housed in one of the pilot project's building next year, and that setup would be great exposure for this project.

Resolution #11

WHEREAS, Connecticut Green Bank ("Green Bank") staff has been working with State of Connecticut ("State") agencies to develop certain pilot solar projects ("State Pilot Projects") identified in the Memorandum dated October 18, 2019 (the "Memo") and submitted to the Green Bank Board of Directors (the "Board");

WHEREAS, Green Bank has been providing assistance in site feasibility analysis, ZREC procurement, and facilitating a procurement process for construction and financing of the State Pilot Projects;

WHEREAS, Green Bank is conducting an RFP for engineering, procurement, and construction services for the State Pilot Projects. Once project costs are known, CGB will run an RFP with this pre-qualified group of financiers and project owners to select the owner/counterparty and ultimate power purchase agreement price for the State.

NOW, therefore be it:

RESOLVED, that the Board of Directors approves funding, in a total not-to-exceed amount of \$5 million in new credit for the continued development of the State Pilot Projects, to be utilized for the following purposes:

1. Development capital; and
2. Construction financing.

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 the State Pilot Projects on such terms and conditions as are materially consistent with the memorandum submitted to the Board on October 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 instruments.

Upon a motion made by John Harrity and seconded by Binu Chandry, the Board voted to approve Resolution 11. Motion approved unanimously.

- d. Fuel Cell Energy – US Navy Submarine Base

- Bert Hunter summarized the Fuel Cell Energy project. He stated the Green Bank is proposing to provide from financing to keep Fuel Cell Energy projects going. The structure is at the parent level, which take security at existing facilities and secures the loan with excess cash flow from the Bridgeport facility. The structure has already been approved. The Green Bank will have security in excess cash flows in case of catastrophic crash. This is following pattern of term of Strategic Selection.
- Matthew Ranelli stated he would abstain from discussion and voting on this Resolution.
- Bert Hunter stated the Green Bank had difficulties back in June 2019. The Fuel Cell Energy company violated its policy. The Green Bank spoke with Hercules and other lenders to given company short time to ___(I missed what was said)__. \$10,000,000 was raised with an Exxon contract plus \$40,000,000 in equity markets by selling stock, which has freed the Fuel Cell Energy project to entertain new corporate facility. The new facility choice is in discussion but a choice is scheduled to be selected no later than December 2019. There is a new CEO for Fuel Cell Energy named Jason Few. Construction is about 80% complete in terms of capital expenditure and should be done by April 2020. He stated the current Progress to Date timeline supported these figures.
- Bert Hunter summarized the Construction Loan Structure diagram.
 - Lonnie Reed inquired into the status of CMEEC. Bert Hunter stated the five individuals have been indicted, are not yet on trial, but will be soon. He stated CMEEC has been totally separated out from the current litigation with the Government and their only involvement is idemnification of legal expenses of those individuals. CMEEC indicated that they have insurance for that. CMEEC isn't involved in the indictment process except to provide evidence and support any requests for information from the US Government or the defendants. For towns that wanted their funds brought back to them, those amounts are all included in indictment process.
 - Bettina Bronisz asked if everything in Wallingford is done. She clarified they sued because they felt they weren't represented. Bert Hunter stated he will double check the result.¹
 - Mary Sotos asked if this is all related to the microgrid process. Bert Hunter confirmed it is and the microgrid will be completed after the new Fuel Cell Energy project is complete.
 - John Harrity stated this project is the fulfillment of promises made, as far as sustaining a subbase to provide fuel cells, which didn't happen, so it's great to see it finally be fulfilled.

Resolution #12

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut ("FCE") has outstanding from the Connecticut Green Bank ("Green Bank") a \$6 million loan that was used to successfully acquire a 15 megawatt fuel cell facility in Bridgeport, Connecticut (the "Bridgeport Project"), and FCE has operated and maintained the Bridgeport Project without material incident and is current on payments under the Bridgeport Loan;

¹ Subsequent to the meeting, Bert Hunter obtained confirmation from Michael Lane, acting CEO, CEMEEC, that CMEEC had reached a settlement with Wallingford, that there are no more litigation matters with any of the member towns outstanding and that no towns have indicated that they wish to withdraw from CMEEC.

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut (“FCE”) has outstanding from the Connecticut Green Bank (“Green Bank”) a \$1.8 million loan that was used to provide cash collateral in support of a letter of credit issued by Fifth Third Bank for the benefit of the Bridgeport Project (the “Project Assurance Financing Facility”), and FCE is current on payments under the Project Assurance Financing Facility;

WHEREAS, FCE has previously requested term loan 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 “Navy Project”);

WHEREAS, at its October 26, 2018 meeting, the Board approved a term loan facility in an amount not to exceed \$5,000,000 for the Navy Project, as a strategic selection and award pursuant to Green Bank Operating Procedures Section XII;

WHEREAS, FCE has requested that \$3 million of the term loan financing support from the Green Bank to the Navy Project be made available to the Navy Project to fund a portion of the Navy Project’s construction expenses (the “Construction Loan”); and

WHEREAS, Green Bank staff recommends that the Board approve of the Construction Loan in an amount not to exceed \$3,000,000 as set forth in staff’s memorandum to the Board dated October 18, 2019;

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby approves the Construction Loan in an amount not to exceed \$3,000,000 for the Navy 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 Construction Loan to FCE in an amount not to exceed \$3,000,000 with terms and conditions consistent with the memorandum submitted to the Board dated October 18, 2019, 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 Construction Loan.

Upon a motion made by John Harrity and seconded by Mary Sotos, the Board voted to approve Resolution 12. Matthew Ranelli abstained, all others present voted to approve. Motion approved.

e. Capital for Change – LIME Loan Master Funding Facility

- Bert Hunter summarized the Capital for Change (“C4C”) mission and focus. There is a big diversity emphasis in programs. Loans Improving Multifamily Energy (or “LIME”) loan is one of them. He stated it has been difficult for properties with HUD financing, etc. to get funding for energy efficiency upgrades, and that the LIME loan program helps provide support to the owners of those properties to make them more energy efficient. He summarized the LIME Program Highlights and stated the Green Bank’s participation so far has been in loan loss preservation, to get lines of credit from financial institutions

and loan to C4C (such as Opportunities Finance Network, or “OFN”). A portion of OFN’s loans to C4C are covered by the Green Bank loss reserve previously approved by the Board. In addition, the Green Bank previously approved capital at a concessionary interest rate for C4C – a \$1m loan facility and then an incremental \$2.5m loan facility.

- Bert Hunter stated the Green Bank is asking for approval of \$2,000,000 in additional capital for the LIME Program at a 3% interest rate. The cost is already incorporated into the current budget, as it is the same as previous terms. As well, staff is asking for additional capital of \$1,000,000 at a 5% interest rate. When loaned to new properties, the interest rate is usually at 6.5%, so the difference covers fees and expenses of C4C.
 - Bettina Bronisz asked if this request implies there will be further advancements at 5%? Or this is it? Bert Hunter stated there may be further advancements, but that for the time being, the Green Bank seeks to encourage other lenders to lend to the LIME Program and, in fact, Inclusive Prosperity Capital would be lending \$1.2 million along with the Green Bank as explained in the memorandum to the Board. The Green Bank is helping Capital For Change transform their balance sheet to be more flexible and scalable. At a meeting of C4C’s bank lending group at C4C headquarters in the previous week, Bert Hunter made the point to the bankers that the Green Bank has stepped up and now we need other banks to step up to increase their funding for C4C for LIME and other programs.
 - Bettina Bronisz asked would more funding be needed? Bert Hunter stated he didn’t believe so; he wants to see other lenders step forward and provide additional resources to C4C.

Resolution #13

WHEREAS, the Connecticut Green Bank (“Green Bank”) has an existing Low Income Multifamily Efficiency (“LIME”) loan Program with Capital for Change (“C4C”);

WHEREAS, C4C has been successful in deploying more than \$10 million in LIME Program loans, for 29 projects representing 1,973 housing units improved by the program;

WHEREAS, in order to continue the successful deployment of capital into the LIME Program C4C needs additional funding which it is sourcing from Green Bank and other capital sources;

WHEREAS, Green Bank staff recommends an increase in the LIME funding facility (the “LIME Loan Facility”) to \$6.5 million from the existing \$3.0 million substantially conforming to the terms and conditions explained in staff’s memorandum to the Green Bank Board of Directors (the “Board”) dated October 21, 2019, and inclusive of the term sheet for the proposed facility attached to said memorandum as Exhibit A;

NOW, therefore be it:

Resolved, that the Board approves the LIME Loan Facility to C4C in an amount of up to \$6.5 million in capital from the Green Bank balance sheet in support of the LIME Program;

Resolved, that the President of the Green Bank; and any other duly authorized officer of the Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to effect the LIME Loan Facility on such terms and conditions as are materially consistent with the memorandum submitted to the Board on October 21, 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 Mary Sotos and seconded by Matthew Ranelli, the Board voted to approve Resolution 13. Motion approved unanimously.

f. Momentum Solar

- Bryan Garcia stated the Green Bank is trying to bring another lender into the LMI residential solar PV market and that is why we are reviewing Momentum Solar. He noted that a potential investment may be coming in December to ensure more access to solar PV by LMI households.
- No Resolution was made.

6. Incentive Programs Recommendations

a. Step 15 – RSIP

- Selya Price summarized the RSIP Status. She stated the current target is 350 MW and it is currently at 296 MW and estimates reaching 350 MW by Q3 or Q4 of 2020. RSIP is only supported by net metering after RSIP is over, then net metering will end on December 31, 2021. Starting in 2022, a new tariff structure is set to go into place. RSIP has been very successfully managed by Dale Hedman and Bryan Garcia since inception in FY 2012. The statute governing RSIP specifies that the program decline incentives over time and support the sustained orderly development of the solar industry. Over time, the Green Bank has increased deployment while decreasing incentives.
- Selya Price stated the Green Bank is now proposing the final incentive level. The RSIP program is currently at Step 14 and it will be going to Step 15, reducing EPBBs by 10%, PBIs by 15%, and LMI PBIs by 10%. She stated that on advice by Matthew Ranelli, the Green Bank split up the EPBB reduction so that the first tier (up to 10 kW) is reduced at 8% and the second tier (from 10-20 kW, or for capacity greater than usage) is reduced at 18%, averaging out to 10% overall for EPBBs. Since the LMI market will face the steepest incentive cliff when the RSIP goes away, the Green Bank is keeping an eye on the LMI market and developing a strategy to continue to support the LMI market even after RSIP ends.

Resolution #14

WHEREAS, Public Act 19-35, “An Act Concerning a Green Economy and Environmental Protection” (the “Act”) updates Connecticut General Statutes 16-245ff and 16-245gg to require the Connecticut Green Bank (“Green Bank”) to design and implement a Residential Solar Photovoltaic (“PV”) Investment Program (“Program”) that results in no more than three hundred and fifty (350) megawatts of new residential PV installation in Connecticut on or before December 31, 2022 and extends through December 31, 2022 or after deployment of 350 MW the ability to create Solar Home Renewable Energy Credits (“SHRECs”) that the electric distribution companies are required to purchase through 15-year contracts;

WHEREAS, as of October 14, 2019, the Program has thus far resulted in nearly two-hundred and ninety three (293) megawatts of new residential PV installation application approvals and nearly two-hundred and fifty two (252) MW of completed projects in Connecticut;

WHEREAS, pursuant to Conn. Gen Stat. 16-245a, a renewable portfolio standard was established that requires that Connecticut Electric Suppliers and Electric Distribution Company Wholesale Suppliers obtain a minimum percentage of their retail load by using renewable energy;

WHEREAS, real-time revenue quality meters are included as part of solar PV systems being installed through the Program that determine the amount of clean energy production from such systems as well as the associated RECs which, in accordance with Connecticut General Statute 16-245gg will be sold to the Electric Distribution Companies through a master purchase agreement entered into between the Green Bank, Eversource Energy, and United Illuminating, and approved by the Public Utility Regulatory Authority;

WHEREAS, pursuant to the Act, the Green Bank has prepared a declining incentive block schedule (“Schedule”) that offers direct financial incentives, in the form of the expected performance based buy down (“EPBB”) and performance-based incentives (“PBI”), for the purchase or lease of qualifying residential solar photovoltaic systems, respectively, fosters the sustained orderly development of a state-based solar industry, and sets program requirements for participants, including standards for deployment of energy efficient equipment and building practices as a condition for receiving incentive funding;

WHEREAS, pursuant to the Act, to address willingness to pay discrepancies between communities, the Green Bank will continue to provide additional incentive dollars to improve the deployment of residential solar PV in low to moderate income communities (“LMI PBI”);

WHEREAS, pursuant to Section 16-245(d)(2) of the Connecticut General Statutes, a Joint Committee of the Energy Conservation Management Board and the Connecticut Green Bank (the “Joint Committee”) was established to “examine opportunities to coordinate the programs and activities” contained in their respective plans (i.e., Conservation and Load Management Plan and Comprehensive Plan);

WHEREAS, the Joint Committee has established a working group on battery storage deployment (“Working Group”) that includes DEEP, the Green Bank, Eversource, UI (Avangrid), and EEB consultants; potential battery storage incentives will be reviewed with this working group; and

NOW, therefore be it:

RESOLVED, that the Board approves of the RSIP Schedule of Incentives set forth in Tables 1, 6 and 7 in the memo “Residential Solar Investment Program – Step 15 Recommendation” dated October 25, 2019, reflecting the following incentive reductions for RSIP Step 15 as compared to Step 14:

- 10% for EPBB overall (consisting of an 8% reduction for capacity ≤10 kW and an 18% reduction for capacity >10 kW)
- 15% for PBI
- 10% for LMI PBI

Upon a motion made by Matthew Ranelli and seconded by John Harrity, the Board voted to approve Resolution 14. Motion approved unanimously.

7. Executive Session – Personnel Related Matters

Upon a motion approved unanimously, the Board went into Executive Session at 10:50 a.m. for personnel related matters. At 11:00 a.m., the Board came out of Executive Session

WHEREAS, Section 3.1 of the Connecticut Green Bank (Green Bank) Bylaws provides that the Board of Directors (Board) shall be responsible for determining or approving compensation for the officers;

WHEREAS, on July 18, 2019, the Board approved a 3.0% merit pool in its FY 2020 budget for annual merit adjustments that can range from 0.0% to 5.0%;

WHEREAS, the Green Bank has completed its annual performance review process based on the Board approved annual goals and 360-degree performance reviews from the staff;

WHEREAS, the President and C.E.O. of the Green Bank recommends a 3% merit increase for the Officers other than himself and authorizing the Chair to determine the President and C.E.O.

NOW, therefore be it:

RESOLVED, that all Officers other than the President and C.E.O. shall receive a 3% merit increase for Fiscal Year (FY) 2020; and

RESOLVED, that the Board authorizes the Chair of the Green Bank to determine the merit compensation adjustment for the President and C.E.O. for FY 2020 based on the (i) feedback of the Board members, (ii) performance towards meeting the Green Bank Board approved organizational goals for Fiscal Year 2019 and (iii) his Fiscal Year 2019 360-degree performance review.

Matthew Ranelli motioned to approve, Bettina Bronisz seconded. Mary Sotos abstained, all others present voted to approve. Motion approved.

Resolution #16

Upon a motion made by John Harrity, seconded by Bettina Bronisz, the Board of Directors voted to accept and approve the recommendations of the President regarding the release and separation agreement discussed in executive session and consistent with the approved guidelines set forth in the Green Bank Severance Policy. Bettina Bronisz voted no, all others present voted to approve. Motion approved.

8. Adjourn

Board back in regular session at 11:25 am.

Upon a motion made by Matthew Ranelli, and seconded by Bettina Bronisz, the meeting was adjourned at 11:30 am.

Respectfully submitted,

Lonnie Reed, Chairperson