



## Audit, Compliance and Governance Committee

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### **Meeting Date**

**March 11, 2020**





## **Audit, Compliance, & Governance Committee Members**

### **Matthew Ranelli, Chairman**

Partner, Shipman & Goodwin LLP

### **Thomas M. Flynn**

Managing Member, Coral Drive Partners LLC

### **Mary Sotos**

Senior Policy Advisor of Energy, DEEP

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



March 11, 2020

Dear Audit, Compliance and Governance (ACG) Committee Members,

We look forward to our meeting on Wednesday, March 11<sup>th</sup> at the Connecticut Green Bank in Rocky Hill from 8:30 a.m. to 9:30 a.m. We will be discussing the following agenda items:

1. Proposed Revisions to the Bylaws
2. Proposed Revisions to the BOD Ethical Conduct Policy
3. Green Bond Framework
4. Update on Statutory Report Status for 2019
5. BOD Membership Terms Update
6. Legislative Update (time permitting)

As always, please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Brian Farn" followed by a long horizontal flourish.

Brian Farn  
General Counsel & Chief Legal Officer



## **AGENDA**

Audit, Compliance and Governance Committee of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Wednesday, March 11, 2020  
8:30 – 9:30 a.m.

Staff Invited: Jane Murphy, Brian Farnen, Bryan Garcia, Bert Hunter, Matt Macunas and Eric Shrago

Others invites:

1. Call to order
2. Public Comments
3. Approve Meeting Minutes for October 25, 2019\* – 5 minutes
4. Proposed Revisions to Bylaws – 15 minutes
5. Proposed Revisions to BOD Ethical Conduct Policy – 5 minutes
6. Green Bond Framework – 15 minutes
7. Update on statutory report status for 2019 – 5 minutes
8. BOD membership terms update – 5 minutes
9. Legislative Update – 10 minutes
10. Adjourn

\*Denotes item requiring Committee action

\*\* Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online at

<https://global.gotomeeting.com/join/367477061>

Or call in using your telephone:

Dial +1 (571) 317-3112

- One-touch: <tel:+15713173112..367477061#>

Access Code: 367-477-061

Next Regular Meeting: Tuesday, May 19, 2020  
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



## **RESOLUTIONS**

Audit, Compliance and Governance Committee of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Wednesday, March 11, 2020  
8:30 – 9:30 a.m.

Staff Invited: Jane Murphy, Brian Farnen, Bryan Garcia, Bert Hunter, Matt Macunas and Eric Shrago

Others invites:

1. Call to order
2. Public Comments
3. Approve Meeting Minutes for October 25, 2019\* – 5 minutes

### **Resolution #1**

Motion to approve the minutes of the Audit, Compliance and Governance Committee meeting for October 25, 2019. Second. Discussion. Vote.

4. Proposed Revisions to Bylaws\*\* – 15 minutes – Brian Farnen

### **Resolution #2**

**WHEREAS**, pursuant to Section 5.2.1 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 of Directors (Board) regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

**NOW**, therefore be it:

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board for approval the proposed draft revisions to the Green Bank Bylaws.

Second. Discussion. Vote

5. Proposed Revisions to BOD Ethical Conduct Policy\*\* – 5 minutes – Brian Farnen

### **Resolution #3**

**WHEREAS**, pursuant to Section 5.2.1 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 of Directors

("Board") regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

**NOW**, therefore be it:

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board for approval the proposed draft revisions to the Board of Directors and Advisory Committee Members Ethic Conduct Policy.  
Second. Discussion. Vote

6. Green Bond Framework – 15 Minutes – Bryan Garcia

**Resolution #4**

**WHEREAS**, The Connecticut Green Bank seeks to provide transparency to the general public and set the standard in impact assessment;

**WHEREAS**, The Connecticut Green Bank intends to issue bonds with greater frequency and wishes to do so more efficiently;

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval on its consent agenda the proposed Green Bond Framework.  
Second. Discussion. Vote

7. Update on statutory report status for 2019 – 5 minutes – Matt Macunas
8. BOD membership terms update – 5 minutes – Brian Farnen
9. Legislative Update – 10 minutes –Matt Macunas
10. Adjourn

\*Denotes item requiring Committee action

\*\* Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online at

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Next Regular Meeting: Tuesday, May 19, 2020  
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



CONNECTICUT  
**GREEN BANK** SM

# Audit, Compliance and Governance Committee

March 11, 2020

# ACG Committee

## Agenda Item #1

### Call to Order



# ACG Committee

## Agenda Item #2

### Public Comments

# ACG Committee

## Agenda Item #3

### Consent Agenda

# Consent Agenda

## Resolution 1



1. **Meeting Minutes** – approval of meeting minutes of October 25, 2019

# ACG Committee

## Agenda Item #4

### Proposed Revisions to Bylaws

# Proposed Revisions to Bylaws



In response to the independent audit of the Connecticut Port Authority in 2019, we propose the following revisions to the Bylaws:

1. Adding the purpose and function of CGB;
2. Adding Treasurer to the BOD;
3. Adding the requirement BOD members to take an oath, which is already done in practice;
4. Renaming the Budget and Operations Committee to the Budget, Operations and Compensation Committee;

# Proposed Revisions to Bylaws



5. Based on the “Loan Loss Decision Framework and Process” approved by the Board of Directors on June 13, 2018, inclusion of additional language in the bylaws to reflect the importance of the establishment and modification of such process;
6. Expanding Conflicts of Interest to include immediate family members of BOD;
7. adding “Restrictions on Directors and Employees Leaving Green Bank”; and
8. Adding “Clean Energy” to definitions.

# ACG Committee

## Agenda Item #5

### Proposed Revisions to BOD Ethical Conduct Policy

# Proposed Revisions to BOD Ethical Conduct Policy



In response to the independent audit of the Connecticut Port Authority in 2019, we propose the following revisions. To the BOD Ethical Conduct Policy:

1. Adding language for possible consequences to ethics violations;
2. Adding an acknowledgment section for all Directors to sign.



# ACG Committee

## Agenda Item #6

### Green Bond Framework

# Connecticut Green Bank Green Bond Framework



- The Green Bond Framework is best practice and is the backbone for the labeling of our debt issuances as “Green”
- Runs in parallel to the Master Trust Indenture
- Clearly defines Use of proceeds, process for project selection, management of proceeds, and reporting requirements
- Built to use the Climate Bonds Initiative Standard as the primary standards for certification

Activity	Technology	Primary Methodology for Green Certification
Generation	Solar	CBI Standard
	Wind	CBI Standard
	Geothermal Generation	CBI Standard
	Biomass Facilities	Green Bond Principles
	Hydropower	Green Bond Principles
	Landfill Gas Capture/Anaerobic Digestion	Green Bond Principles
	Wave or Tidal Power	Green Bond Principles
	Ocean Thermal Power	Green Bond Principles
Energy Efficiency	New Buildings	CBI Standard
	Commercial Building Upgrades/Retrofits	CBI Standard
	Residential Retrofits	Green Bond Principles
Alternative Fueled Vehicles	Electric and Hydrogen Vehicles	CBI Standard
	Alternative fuel and Charging infrastructure	CBI Standard
	Other Alternative Fueled Vehicles	Green Bond Principles

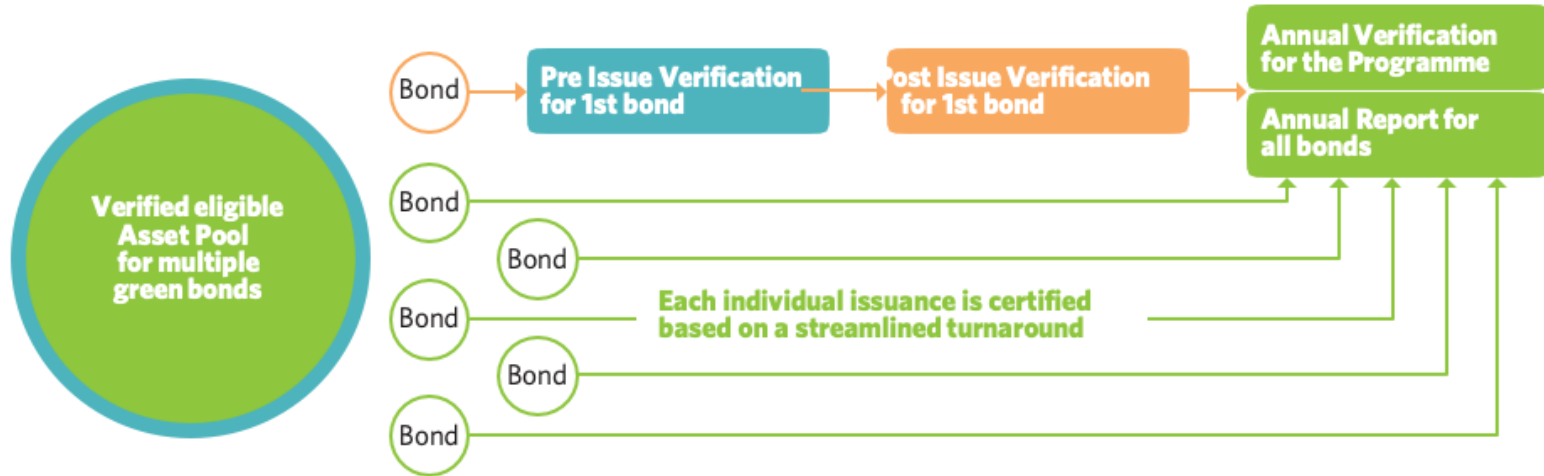
- Designed to be the basis for a programmatic certification by our outside verifier so that the Green Bank can issue Green Bonds more efficiently



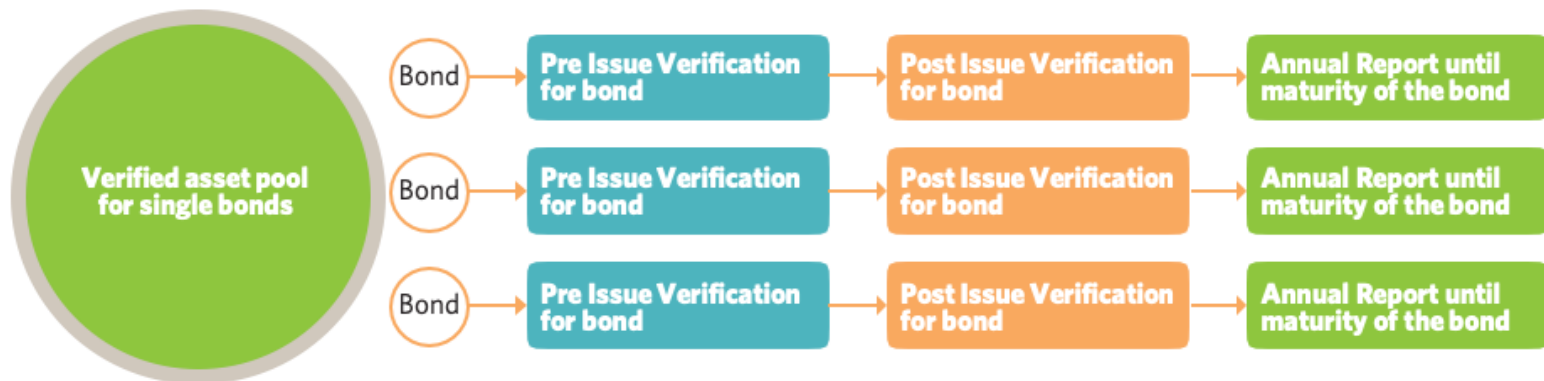
# Green Bond Certification Routes



## Programmatic Certification for multiple green issuance



## Basic Certification for individual green issuance



# ACG Committee

## Agenda Item #7

### Statutory Report

# Connecticut Green Bank Statutory Report



Report	Last Delivered	On time?
Quarterly Cash Flow	12/27/19	✓
Quarterly Human Resources	1/3/20	✓
Sec. 1-123 Annual Report	12/31/19	✓
REEEFA Bonding	12/30/19	✓
SCRF Notice	12/30/19	✓
RSIP	N/A	N/A
Annual Report	12/27/19	✓
Open Checkbook	1/31/20	✓
Board Diversity	9/25/19	✓

1 Checklist of Statutorily Required Reports																						
Quarterly Cash Flow		Quarterly Human Resources		Sec. 1-123		REEEFA Bonding		SCRF Notice		RSIP		Annual Report		Board Meetings				OpenCT Checkbook Data to Comptroller		Board Diversity		
Due	Submitted	Due	Submitted	Due	Submitted	Due	Submitted	Reason Required	Submitted	Due	Submitted	Due	Submitted	Held	Type	Held	Type	Requested by	Delivered	Due	Submitted	
9/30/13	3/14/14	10/1/13	6/17/14	1/1/2015	12/30/2014	1/1/13	2/8/13	CSCU deal	12/1/17	1/1/2014	-	1/1/15	12/30/14	12/16/15	regular	1/26/18	regular	1/15/19	1/10/19	10/1/2019	9/25/2019	
12/31/13	3/14/14	1/1/14	6/17/14	1/1/2016	12/31/2015	1/1/14	1/15/14	CSCU, Meriden	11/30/18	1/1/2017	1/30/2017	1/1/16	12/31/15	1/15/16	regular	2/15/18	special	2/1/20	1/31/20			
3/31/14	4/21/15	4/1/14	6/17/14	1/1/2017	12/29/2016	1/1/15	3/15/15	CSCU, Meriden	12/30/19	1/1/2019	1/11/2019	1/1/17	10/17/16	2/26/16	special	4/3/18	regular					
6/30/14	4/21/15	7/1/14	8/5/14	1/1/2018	12/27/2017	1/1/16	12/23/15	Program Sunset 1/1/2021		1/1/18	12/1/17	3/3/16	special	4/27/18	regular							
9/30/14	6/16/16	10/1/14	10/2/14	1/1/2019	12/31/2018	1/1/17	12/15/16			1/1/19	1/11/19	4/22/16	regular	5/25/18	special							

# ACG Committee

Agenda Item #8

BOD Membership Terms Update

## Connecticut Green Bank BOD Membership Terms Update

### New Members(s):

Brenda Watson – Welcome! 2/10/2020 – 6/30/2023

### Terms Expiring:

Kevin Walsh	6/30/2018 (until successor appointed & qualified)
John Harrity	6/30/2019 (until successor appointed & qualified)
Matt Ranelli	6/30/2019
Tom Flynn	6/30/2019

### Vacancy:

Governor (R & D) - Formerly filled by Gina McCarthy



# ACG Committee

## Agenda Item #9

### Legislative Update



# 2020 Legislative Session

## Testimony on Bills



GB 10 – Climate Change



SB 177 – Energy Consumption & Labeling



SB 178 – Energy Efficiency Standards



SB 179 – Green Bank

- SB 298 – Anaerobic Digesters



HB 5237 – Property Tax Exemption



HB 5223 – Voltage Standards



HB 5225 – Competitive Standards



HB 5226 – EV Charging



HB 5228 – C-PACE

- HB 5348 – CCA
- HB 5349 – EDC Ownership of Solar



HB 5351 – Storage

- HB 5411 – State Properties

*Proposed by  
state agency*



*Proposed by  
Green Bank*



# ACG Committee

## Agenda Item #9

### Adjourn



## **MEETING MINUTES**

Audit, Compliance, and Governance Committee of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Friday, October 25, 2019  
8:30-9:00 a.m.

A special meeting of the Audit, Compliance and Governance Committee 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**

Matthew Ranelli called the meeting to order at 8:34 am.

Committee members participating: Michael Li, Matthew Ranelli (by phone), Lonnie Reed, Mary Sotos (by phone)

Members Absent: Tom Flynn

Staff Attending: Pintian Chen, Brian Farnen, Bryan Garcia, Bert Hunter, Alex Kovtunenکو, Jane Murphy, Cheryl Samuels, Ariel Schneider, Eric Shrago

Others in Attendance: None

**2. Public Comments:** No public in attendance. No public comments.

**3. Consent Agenda:**

**Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed, the ACG Committee voted to take the Consent Agenda out of order and begin with Item 7. Motion approved unanimously.**

a. Approval of Meeting Minutes for August 26, 2019 and October 18, 2019.

### **Resolution #1**

Motion to approve the minutes of the Audit, Compliance and Governance Committee from the October 18, 2019 meeting and August 26, 2019 meeting.

**Upon a motion made by Lonnie Reed and seconded by Mary Sotos, the ACG Committee voted to approve Resolution 1. Motion approved unanimously.**

#### **4. Board Member Attendance Review**

- Brian Farnen summarized the issue of Board Member attendance and the plan for better attendance tracking. He stated the Green Bank will send letters out to each Board member explaining the attendance policy on annual basis, and additional reminder letters as needed based on attendance.

**Matthew Ranelli stated no vote was needed.**

#### **5. Severance Policy Revisions\*\***

- Brian Farnen summarized the Severance Policy revisions. He stated the passage of Public Act 18-7 included restrictions of severance payments over \$50,000 and included protections for whistleblowers that were previously included in our severance agreements but not specifically referenced in the policy. The policy didn't explicitly mention those specific policies before but now they do. The Severance Policy was reviewed by the APA and outside counsel.

#### **Resolution #2**

**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;

**NOW**, therefore be it:

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed draft revisions to the Green Bank Severance Policy.

**Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed, the ACG Committee voted to approve Resolution 2. Motion approved unanimously.**

#### **6. Governance Review**

- Brian Farnen stated the annual review of operations, procedures, bylaws, etc. lead to no suggested changes currently. There may be potential expansion of the Budget and Operations Committee to include a review of compensation policies and procedures. The Committee looked at the best practices document set forth by Governor Rell's administration, and the Green Bank is well aligned with those best practices.
- Matthew Ranelli suggested the setup of a Compensation Committee was a worthy initiative that should be investigated further, but also stated it may be more beneficial to instead incorporate that into the Budget and Operations Committee. He suggested the

Green Bank may want to investigate that more.

**Matthew Ranelli stated no motion or vote is needed.**

**7. Discuss proposed draft Comprehensive Annual Financial Report (CAFR)\*\***

- Matthew Ranelli stated that a full presentation from our outside auditors. He stated Jane Murphy, Bert Hunter, and Brian Farnen all worked hard on it.
- Bryan Garcia summarized the CAFR. He stated BlumShapiro and the Green Bank staff have been helpful in providing information for the audit and provided an accurate representation of the Green Bank.
- Matthew Ranelli added the Audit resulted in the Green Bank being issued an unmodified, clean opinion with no instances of non-compliance in financial records.
- Brian Farnen also noted there were no significant difficulties in completing the audit, no disagreements, no corrected misstatements, or other similar issues. He said everything looked straight forward and there were no red flags through the process.
- Jane Murphy stated everything was found in the proper period, nothing moved from one fiscal year to next, the process was smooth throughout. She stated there were some estimates used on significant transactions which were given to the Green Bank by the State, and the audit team agreed to what the Green Bank presented. She gave the contact information for the audit team and stated if anyone has questions, they will be happy to help and discuss.

**Resolution #3**

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed draft Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2019.

**Upon a motion made by Lonnie Reed and seconded by Mary Sotos, the ACG Committee voted to approve Resolution 3. Motion approved unanimously. The ACG Committee then returned to the Consent Agenda in order as originally scheduled.**

**8. Other – Legislative Update**

- Due to time constraints, this item was tabled.

**9. Adjourn**

**Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed the meeting was adjourned at 8:50 am.**

Respectfully Submitted,

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Matthew Ranelli, Chairperson

DRAFT



# Memo

**To:** Connecticut Green Bank Audit, Compliance and Governance Committee  
**From:** Bryan Garcia (President and CEO) and Brian Farnen (General Counsel and CLO)  
**CC:** Senior Staff of the Green Bank  
**Date:** March 4, 2020  
**Re:** Proposed Revisions to the Bylaws of the Connecticut Green Bank

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## Background

For the past several years, there has been growing concerns raised with respect to quasi-public agencies in Connecticut,<sup>1,2,3</sup> and the Connecticut Green Bank is certainly not immune to such criticism.<sup>4</sup> The issues that have been raised, include, but are not limited to: compensation, severance agreements, ethics, conflicts of interest, reporting, and contract agreements.

The Connecticut Green Bank will always strive to be a leader and best in class as it relates to good governance and takes these issues very seriously as evidence by its oversight, transparency, and accountability, including:

- **Appointments** – the executive and legislative branches have eleven (11) political appointments to the Board of Directors of the Green Bank, including ex officio members (i.e., three members, each from the Office of the Treasurer, Commissioner of DEEP, and Commissioner of DECD), as well as political appointments for the Governor (i.e., four appointments with expertise in finance of renewable energy, labor, and R&D or manufacturing), Speaker of the House (i.e., one appointment with expertise in low income – residential), Minority Leader of the House (i.e., one appointment with expertise in investment fund management), President Pro Tempore of the Senate (i.e., one appointment with expertise on the environment), and Minority Leader of the Senate (i.e., one appointment with expertise in financing or deploying renewable energy);
- **Public Meetings** – disclosure of all meeting agendas, minutes and materials provided to its board members on its website,<sup>5,6</sup> while inviting public comments as part of each of its meetings and frequently presenting and testifying before its committee of cognizance (i.e., Energy & Technology Committee);

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<sup>1</sup> “Big Quasi-Public Agencies Lag in Unlocking Information for Taxpayers,” by Jon Lender in the Hartford Courant (October 17, 2018)

<sup>2</sup> “Momentum Grows to Curb Irregularities and Improprieties at Quasi-Public Agencies such as the CT Lottery and Port Authority,” by Jon Lender in the Hartford Courant (August 1, 2019)

<sup>3</sup> “Landmark CT Harbor Deal Renews Debate Over Quasi-Public Agencies,” by Keith Phaneuf in the CT Post (February 11, 2020)

<sup>4</sup> “Green Bank Audit Further Emphasizes Need for Better Control of State’s Quasi-Publics” in press release from Senator Len Fasano (July 31, 2019)

<sup>5</sup> <https://ctgreenbank.com/about-us/governance/connecticut-grboard-meetings/>

<sup>6</sup> <https://ctgreenbank.com/about-us/governance/connecticut-grittee-meetings/>

- **Governance and Operations** – access to the organization’s resolution of purpose,<sup>7</sup> bylaws,<sup>89</sup> operating procedures,<sup>10</sup> ethics statements and conduct policies,<sup>111213</sup> Comprehensive Plan<sup>14</sup> and Budget<sup>15</sup> on its website; and
- **Auditing and Reporting** – access to audited annual reports and comprehensive annual financial reports, including the Auditors of Public Account operational audits,<sup>16</sup> and links to the Comptroller’s Open Connecticut initiative where the Green Bank discloses all transactional (i.e., Open Checkbook) and compensation related information available on its website.

For the past six months, the Governor’s Office, led by Paul Mounds (Chief of Staff) with assistance from Ben Arsenault (Deputy Chief Operating Officer), have been coordinating an effort of the Presidents and CEO’s of the fourteen (14) quasi-public agencies in the State of Connecticut,<sup>17</sup> to inform each other of their respective missions, share best practices, and improve on each other’s operations.

Through this effort, each of the respective quasi-public organization leaders have learned more information and grown a greater appreciation for continuous improvement as we deliver greater value to the families, businesses, and institutions that we serve in Connecticut. For example, we learned that Governor Rell issued a report on quasi-public compensation in 2005, and we received the independent audit of the Connecticut Port Authority in 2019 – both providing instructive guidance to all quasi-publics on areas of improvement. Based on these instructive documents, we propose that the Green Bank proactively adopt many of their recommendations and insights.

### Proposed Revisions to Bylaws

In an effort to continue to improve the oversight of the Connecticut Green Bank, we are proposing that the Audit, Compliance, and Governance Committee consider the following revisions to the organization’s bylaws – see attached “redline” edits for discussion and consideration:

- **Article I, Section 1.3** – adding the purpose and function of the Green Bank;
- **Article II, Section 2.5** – adding Treasurer to the Board of Director positions;

<sup>7</sup> <https://www.ctgreenbank.com/wp-content/uploads/2016/01/Financial-and-Gov.-CT-Green-Bank-Resolution-of-Purpose.pdf>

<sup>8</sup> [https://ctgreenbank.com/wp-content/uploads/2019/09/Green-Bank\\_BOD\\_Bylaws\\_-Revised\\_102017.pdf](https://ctgreenbank.com/wp-content/uploads/2019/09/Green-Bank_BOD_Bylaws_-Revised_102017.pdf)

<sup>9</sup> [https://www.ctgreenbank.com/wp-content/uploads/2015/12/ECMB\\_CGB\\_Joint\\_Committee\\_Bylaws\\_October\\_2014FINAL.pdf](https://www.ctgreenbank.com/wp-content/uploads/2015/12/ECMB_CGB_Joint_Committee_Bylaws_October_2014FINAL.pdf)

<sup>10</sup> <https://www.ctgreenbank.com/wp-content/uploads/2017/02/CTGreenBank-Operating-Procedures-sec16-245n-CTGS-r12162016.pdf>

<sup>11</sup> [https://www.ctgreenbank.com/wp-content/uploads/2017/02/Green-Bank\\_Ethics-Statement-CLEAN-REVISED-102214.pdf](https://www.ctgreenbank.com/wp-content/uploads/2017/02/Green-Bank_Ethics-Statement-CLEAN-REVISED-102214.pdf)

<sup>12</sup> [https://www.ctgreenbank.com/wp-content/uploads/2017/08/Green-Bank\\_Ethical-Conduct-Policy\\_BOD\\_CLEAN\\_REVISED-101714.pdf](https://www.ctgreenbank.com/wp-content/uploads/2017/08/Green-Bank_Ethical-Conduct-Policy_BOD_CLEAN_REVISED-101714.pdf)

<sup>13</sup> [https://www.ctgreenbank.com/wp-content/uploads/2016/01/Financial-and-Gov.\\_Staff-Ethical-Conduct-Policy.pdf](https://www.ctgreenbank.com/wp-content/uploads/2016/01/Financial-and-Gov._Staff-Ethical-Conduct-Policy.pdf)

<sup>14</sup> <https://ctgreenbank.com/strategy-impact/planning/>

<sup>15</sup> [https://ctgreenbank.com/wp-content/uploads/2019/07/4ai\\_FY20-Budget-BOD-07-15-19.pdf](https://ctgreenbank.com/wp-content/uploads/2019/07/4ai_FY20-Budget-BOD-07-15-19.pdf)

<sup>16</sup> <https://ctgreenbank.com/strategy-impact/reporting-transparency/>

<sup>17</sup> Access Health CT, Capital Region Development Authority, Connecticut Airport Authority, Connecticut Green Bank, Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Innovations, Connecticut Lottery Corporation, Connecticut Port Authority, Connecticut Retirement Security Authority, Connecticut Student Loan Foundation, Materials Innovation and Recycling Authority, and Student Education Resource Center



- **Article II, Section 2.7** - adding the requirement of Board of Director members to take an oath (including a sample oath), which is practiced, but not memorialized in the bylaws;
- **Article III, Section 3.6 and Article V, Sections 5.2 & 5.2.2** – renaming the Budget and Operations Committee to the Budget, Operations, and Compensation Committee, while including additional responsibilities;
- **Article V, Section 5.2.3** – based on the “Loan Loss Decision Framework and Process” approved by the Board of Directors on June 13, 2018, inclusion of additional language in the bylaws to reflect the importance of the establishment and modification of such process;
- **Article VII, Section 7.1** - expanding Conflicts of Interest to include immediate family of the Board of Director members;
- **Article IX** – adding “Restrictions on Directors and Employees Leaving Green Bank”; and
- **Article XII, Section 12.1.4** – adding “Clean Energy” to definitions.

With these improvements to the bylaws, the Green Bank will continue its role as a leader amongst the quasi-public agencies and its commitment to the highest levels of oversight, transparency, and accountability.

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## Resolution

**WHEREAS**, pursuant to Section 5.2.1 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 of Directors (“Board”) regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

**NOW**, therefore be it:

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board for approval the proposed draft revisions to the Green Bank Bylaws.

Second. Discussion. Vote

CONNECTICUT GREEN BANK

BYLAWS

PURSUANT TO

Section 16-245n of the  
Connecticut General Statutes

Adopted: October 17, 2015

Revised: ~~April 24, 2020~~

Deleted: October 20

Deleted: [redacted]

Deleted: 2017

**ARTICLE I**  
**NAME, PLACE OF BUSINESS**

1.1. **Name of the Green Bank.** The name of the Green Bank shall be, in accordance with the Statute, the "Connecticut Green Bank".

1.2. **Office of the Green Bank.** The office of the Green Bank shall be maintained at such place or places within the State of Connecticut as the Board may designate.

1.3. Green Bank Purpose and Function. As stated in its Resolution of Purpose adopted on September 29, 2011, the purpose of the Green Bank is to stimulate, support and increase the use of clean energy, investment in clean energy projects and sources, demand for clean energy, the development of technologies that support clean energy, and the development of the state's energy-related economy.

The function of the Green Bank is to achieve the foregoing objectives to the fullest extent authorized or permitted by Section 16-245n of the Connecticut General Statutes, as amended, or any other provisions of the Connecticut General Statutes pertaining to the responsibilities or activities of the Green Bank. Such functions include but are not limited to: (1) implementing the Comprehensive Plan developed by the Green Bank pursuant to Section 16-245n(c) of the Connecticut General Statutes, as amended; (2) developing programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects, and such others as the Green Bank may determine; (3) supporting financing or other expenditures that promote investment in clean energy sources to foster the growth, development, and commercialization of clean energy sources and related enterprises; and (4) stimulating

[demand for clean energy and the deployment of clean energy sources within the state](#)  
[that serve end-use customers in the state.](#)

## **ARTICLE II BOARD OF DIRECTORS**

- 2.1. **Powers.** The powers of the Green Bank are vested in and exercised by a Board of Directors which may exercise all such authority and powers of the Green Bank and do all such lawful acts and things as are necessary to carry out the Comprehensive Plan and the purposes of the Green Bank as provided in the Resolution of Purposes, or as are otherwise authorized or permitted by the Statute or other provisions of the General Statutes, including the authorization of expenditures and use of funds from the Clean Energy Fund created by Section 16-245n(c) of the General Statutes, formerly known as the Renewable Energy Investment Fund, and the Green Connecticut Loan Guaranty Fund created by Section 16a-40f(b) of the General Statutes.
- 2.2. **Chairperson.** The Chairperson of the Board shall be appointed by the Governor. The Chairperson shall perform the duties imposed by the Statute, these Bylaws, and by resolution of the Board, and shall preside at all meetings of the Board which he or she attends. At each meeting the Chairperson shall submit such recommendations and information as the Chairperson may consider appropriate concerning the business, affairs, and policies of the Green Bank. The Chairperson shall serve at the pleasure of the Governor but no longer than the term of office of the Governor or until the Chairperson's successor is appointed and qualified, whichever is longer.

2.3. **Vice Chairperson.** The Board shall elect from its members a Vice Chairperson. The Vice Chairperson shall perform the duties imposed by the Statute, these Bylaws, and by resolution of the Board. In the absence or incapacity of the Chairperson, the Vice Chairperson shall perform all the duties and responsibilities of the Chairperson. In the absence or incapacity of the Vice Chairperson, or in case of his or her resignation or death, the Board shall elect its members an acting Vice Chairperson during the time of such absence or incapacity or until such time as the Board shall elect a new Vice Chairperson. The Vice Chairperson shall serve until a successor is elected by the Board.

2.4. **Secretary.** A Secretary may be elected by the Board. The Secretary shall perform the duties imposed by the Statute, these Bylaws, and by resolution of the Board. In the absence or incapacity of the Secretary, or in case of a resignation or death, the Board shall elect from their number an acting Secretary who shall perform the duties of the Secretary during the time of such absence or incapacity or until such time as the Board shall elect a new Secretary. The Secretary shall serve until a successor is elected by the Board.

2.5. **Treasurer.** A Treasurer may be elected by the Board. The Treasurer shall perform the duties imposed by the Statute, these Bylaws, and by resolution of the Board. In the absence or incapacity of the Treasurer, or in case of a resignation or death, the Board shall elect from their number an acting Treasurer who shall perform the duties of the Treasurer during the time of such absence or incapacity or until such time as the Board shall elect a new Treasurer. The Treasurer shall serve until a successor is elected by the Board.

2.6. **Delegation of Powers.** The Board may, by resolution, delegate to the President or other officers of the Green Bank such powers of the Green Bank as they believe are necessary, advisable, or desirable to permit the timely performance of the functions of the Green Bank and to carry out the plans, policies, procedures, and decisions of the Board, except that such delegation shall not include any duties or responsibilities required by the Statute or these Bylaws to be performed by the Chairperson or the Board or otherwise in conflict with law.

2.7. **Directors.** The Directors shall be appointed and serve as provided in the Statute. Each prospective Director will take an oath to the Board prior to commencing service as set forth below:

GREEN BANK OFFICIAL OATH

YOU DO SOLEMNLY SWEAR THAT YOU WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OF THE STATE OF CONNECTICUT; AND THAT YOU WILL FAITHFULLY DISCHARGE, ACCORDING TO LAW, THE DUTIES OF A DIRECTOR OF THE CONNECTICUT GREEN BANK, INCLUDING ALL GOVERNANCE AND ETHICAL OBLIGATIONS, TO THE BEST OF YOUR ABILITIES; SO HELP YOU GOD.

**ARTICLE III  
OFFICERS AND EMPLOYEES**

3.1. **Officers.** The Board shall have the power to create positions for such officers as it may deem to be in the interests of the Green Bank, and shall define the powers and duties of all such officers. All such officers shall be subject to the orders of the Board and serve at its pleasure. Such officers shall include a President and may include a Director of Finance and Chief Investment Officer, a General Counsel and such other officers as the Board

may determine to be appropriate. The Board shall be responsible for determining or approving compensation for each officer.

- 3.2. **President.** The Board shall hire a President. The President shall be the chief executive officer of the Green Bank and shall have such duties and responsibilities as may be determined by the Board, except that the duties and responsibilities of the office of President shall not include those required by the Statute or these Bylaws to be performed by the Chairperson or the Board or otherwise in conflict with law. The President shall be a non-voting, *ex officio* member of the Board pursuant to the Statute. The Board may delegate to such other person or persons all or part of the duties of the President. The President may, with the approval of the Board, assign or delegate to the officers and employees of the Green Bank any of the powers that, in the opinion of the President, may be necessary, desirable, or appropriate for the prompt and orderly transaction of the business of the Green Bank.
- 3.3. **Acting President.** The Board may, by resolution adopted by a majority vote, appoint some other person to serve as Acting President and perform the duties of the President in the event of the death, inability, absence, or refusal to act of the President. The Acting President shall be subject to all of the same restrictions placed upon the President.
- 3.4. **Chief Investment Officer.** The Board may appoint a Chief Investment Officer (CIO). The CIO shall have such duties and responsibilities as may be determined by the Board, except that the duties and responsibilities of the office of CIO shall not include those required by the Statute or these Bylaws to be performed by the Chairperson or the Board or otherwise in conflict with law. The CIO shall not be a Director.

3.5. **General Counsel.** The Board may appoint a General Counsel. The General Counsel shall be the chief legal officer of the Green Bank and shall have such duties and responsibilities as may be determined by the Board, except that the duties and responsibilities of the office of General Counsel shall not include those required by the Statute or these Bylaws to be performed by the Chairperson or the Board or otherwise in conflict with law. The General Counsel shall not be a Director.

3.6. **Additional Officers and Other Personnel.** The Green Bank may from time to time employ such other personnel as it deems necessary to exercise its powers, duties, and functions pursuant to the Statute and any and all other laws of the State of Connecticut applicable thereto. The President shall develop a staffing plan which shall include without limitation a chart of positions and position descriptions for the Green Bank, personnel policies and procedures, and related compensation levels. Such staffing plan may provide for officers of the Green Bank in addition to those specifically provided for in these Bylaws, and the appointment of such officers shall be in the discretion of the President, except as the Board may otherwise determine. The President shall deliver the staffing plan to the Budget, Operations, and Compensation Committee for its review and approval pursuant to Article V, Section 5.3.2 hereof.

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3.7. **Signature Authority; Additional Duties.** The President and officers of the Green Bank shall have such signature authority as is provided in the Green Bank's Operating Procedures, and as may from time to time be provided by resolution of the Board. The officers of the Green Bank shall perform such other duties and functions as may from time to time be required.



**ARTICLE IV**  
**BOARD MEETINGS**

- 4.1. **Regular Meetings.** Regular meetings of the Board or any Committee for the transaction of any lawful business of the Green Bank shall be held in accordance with a schedule of meetings established by the Board or such Committee, provided that the Board shall meet at least six (6) times per fiscal year through either a regularly scheduled or special meeting.
- 4.2. **Special Meetings.** The Chairperson may, when the Chairperson deems it expedient, call a special meeting of the Board for the purpose of transacting any business designated in the notice of such meeting. The Committee Chair of any Committee may, when the Committee Chair deems it expedient, call a special meeting of such Committee for the purpose of transacting any business designated in the notice of such meeting.
- 4.3. **Legal Requirements.** All meetings of the Board or any Committee shall be noticed and conducted in accordance with the applicable requirements of the Statute and the Connecticut Freedom of Information Act, including without limitation applicable requirements relating to the filing with the Secretary of the State of any schedule of regular meetings and notices of special meetings, meeting notices to Directors and Committee members, public meeting requirements, the filing and public availability of meeting agenda, the recording of votes and the posting or filing of minutes, the addition of agenda items at any regular meeting, and the holding of any executive session.
- 4.4. **Order of Business.** The order of business of any meeting of the Board or any Committee shall be as set forth in the agenda for such meeting, provided that the Board or Committee may vary the order of business in its discretion.

4.5. **Organization.**

4.5.1. At each meeting of the Board, the Chairperson, or in the absence of the Chairperson, the Vice Chairperson, or in the absence of both, a Director chosen by a majority of the Directors then present, shall act as Presiding Officer. The Secretary, or a staff member designated by the President, shall prepare or direct the preparation of a record of all business transacted at such meeting. Such record when adopted by the Directors at the next meeting and signed by the Chairperson or the Secretary shall be the official minutes of the meeting.

4.5.2. At each meeting of a Committee, the Committee Chair, or in the absence of the Committee Chair any other Committee member designated by the majority of the Committee members then present, shall act as Presiding Officer. The President, a staff member designated by the President, or any Committee member chosen by the Presiding Officer, shall prepare or direct the preparation of a record of the business transacted at such meeting. Such record when adopted by a majority of the Committee members in attendance at the next meeting and signed by the Committee Chair shall be the official minutes of the Committee meeting.

4.6. **Attendance.** A Director or a member of a Committee may participate in a meeting of the Board or of such Committee by means of teleconference, videoconference, or similar communications equipment enabling all Directors and Committee members participating in the meeting to hear one another, and participation in a meeting pursuant to this Section shall constitute presence in person at such a meeting. Directors or their designees who miss more than three (3) consecutive meetings shall be asked to become more active on

the Board. In the event of further absence, the Board may decide by majority vote to recommend to the appointing authority that the appointment be reconsidered.

4.7. **Quorum.**

4.7.1. A majority of the Directors then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Green Bank.

4.7.2. A majority of the Director-members of a Committee shall constitute a quorum, provided that, except in the case of an advisory committee, such quorum shall consist of a minimum of three (3) Directors, at least one (1) of which shall not be a State employee.

4.8. **Enactment.** When a quorum is present, an affirmative vote of a majority of Directors in attendance at Board or Committee meetings shall be sufficient for action, including the passage of any resolution, except as may otherwise be required by these Bylaws or applicable law. Non-Director members of any Committee may participate in the Committee's discussions and deliberations and may join in the Committee's recommendations to the Board, but shall not have a vote on any matters as to which the Committee is exercising the powers of the Board, including without limitation, any funding decisions.

4.9. **Designation of Substitutes for Directors.** If authorized by the Statute, then a Director may appoint a designee to serve as the Director's representative on the Board with full power to act and to vote on that Director's behalf. For the purposes of maintaining consistency and efficiency in Board matters, alternating attendance between the Director and his or her designee is strongly discouraged. If not authorized by statute, then a Director may not name or act through a designee. An authorized appointment of a

designee shall be made by filing with the Board a short bio of the designee, the designee's CV, and a certificate substantially similar to the following:

"Certificate of Designation

I, \_\_\_\_\_, a member of the Board of Directors of the Connecticut Green Bank, do hereby designate \_\_\_\_\_ [Name & Title] to represent me at the meetings of the Board or committees thereof with full powers to act and vote on my behalf. This designation shall be effective until expressly revoked in writing.

\_\_\_\_\_  
[Name]"

## **ARTICLE V COMMITTEES**

5.1. **Delegation Generally.** The Board may delegate any and all things necessary or convenient to carry out the purposes of the Green Bank to three (3) or more Directors, provided that at least one (1) of which shall not be a State employee, and, to the extent of powers, duties, or functions not by law reserved to the Board, to any officer or employee of the Green Bank as the Board in its discretion shall deem appropriate.

5.1.1. **Appointments; Quorum; Transaction of Business; Recordkeeping.**

5.1.2. **Appointments.** The Chairperson shall appoint all Committee Chairs. The Committee Chair need not be a Director on the Deployment Committee any *ad hoc* committee, or an advisory committee.

5.1.3. **Quorum.** If necessary to achieve a quorum at any meeting of a Committee other than an advisory committee, then the Chairperson or the Vice Chairperson

may sit, participate, and vote as an alternate member of such committee at such meeting.

5.1.4. **Report of Committee Actions.** Each Committee shall report to the Board on such Committee's actions and activities at the Board meeting next following each Committee meeting.

5.1.5. **Recordkeeping.** Committee recordkeeping shall be in accordance with Article IV, Section 4.5.2 hereof.

5.2. **Standing Committees.** The Green Bank shall have four (4) Standing Committees of the Board consisting of an Audit, Compliance, and Governance Committee, a Budget, Operations, and Compensation Committee, a Deployment Committee, and a Joint Committee of the Energy Conservation Management Board and the Connecticut Green Bank. Each Standing Committee may form subcommittees in its discretion, but no such subcommittee shall exercise powers of the Board unless authorized by the Board to do so.

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5.2.1. **Audit, Compliance, and Governance Committee.** The Audit, Compliance, and Governance Committee shall consist of no less than three (3) Directors appointed by the Chairperson on a biennial basis, at least one (1) of which shall not be a State employee. The principal functions, responsibilities, and areas of cognizance of the Audit, Compliance, and Governance Committee shall be as follows: (i) recommendation to the Board as to the selection of auditors; (ii) meetings with the auditors to review the annual audit and formulation of an appropriate report and recommendations to the Board with respect to the approval of the audit report; (iii) review of the audit and compliance findings of the Auditors of Public Accounts, and meetings with the staff auditors there as

appropriate; (iv) review with the auditors, President, and senior finance staff of the adequacy of internal accounting policies, procedures and controls; (v) review of the sufficiency of financial and compliance reports required by statute; (vi) recommendation to the Board as to the selection of the Green Bank's ethics liaison and ethics compliance officer(s); (vii) review of the adequacy of employee education and training on ethics and related legal requirements; (viii) 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, corporate governance policies, committee structure and membership, management qualifications and evaluation, and Board and Standing Committee self-evaluation; (ix) oversight of the Green Bank's legal compliance programs, including but not limited to compliance with state contracting and ethics requirements; (x) management succession planning; (xi) oversight of any Director conflict of interest matters; (xii) as-needed review of any staff recommendations to the Board regarding the Green Bank's regulatory or policy initiatives including but not limited to the Comprehensive Plan and other clean energy regulatory or policy evidentiary matters before the Public Utilities Regulatory Authority and other state and federal commissions and tribunals that may affect clean energy development and/or the Green Bank's statutory mandate; (xiii) acting as a resource to the appointing authorities with respect to the identification and recruitment of qualified and interested private sector Director candidates; and (xvi) the exercise of such authority as may from

time to time be delegated by the Board to the Audit, Compliance, and Governance Committee within its areas of cognizance.

5.2.2. **Budget, Operations, and Compensation Committee.** The Budget, Operations, and Compensation Committee shall consist of no less than three (3) Directors appointed by the Chairperson on a biennial basis, at least one (1) of which shall not be a State employee. Additionally, the Chairperson or the Vice Chairperson shall be a non-voting *ex officio* member of the committee, subject to the provisions of Article V, Section 5.2.2 hereof. The principal functions, responsibilities, and areas of cognizance of the Budget, Operations, and Compensation Committee shall be as follows: (i) to recommend and monitor compliance with prudent fiscal policies, procedures, and practices to assure that the Green Bank has the financial resources and financial strategy necessary to carry out its statutory responsibilities and mission, including oversight of the Green Bank's budget process, asset and liability management, asset risk management, insurance and loss prevention, and performance measurement; (ii) recommendation to the Board as to approval of the annual operating budget and plan of operation; (iii) oversight of space planning and office leases, systems, and equipment, and procedures and practices with respect to purchasing; (iv) to recommend the establishment of and monitor compliance with policies, programs, procedures, and practices to assure optimal organizational development, the recruitment and retention of qualified personnel and the just and fair treatment of all employees of the Green Bank, including employment policies and practices, employee training, development, evaluation and

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advancement, employee compensation and benefits, and matters of employee separation and severance; (v) recommend the adoption of a formal compensation philosophy, (vi) annually review compensatory time to assure compliance with Green Bank's policy; (vii) annually review paid or reimbursable education assistance to assure compliance with Green Bank's policy; (viii) review and approval of the Green Bank staffing plan as developed by the President; (ix) with respect to reallocation of amounts between approved budget line items in excess of ten thousand dollars (\$10,000) but not exceeding seventy-five thousand dollars (\$75,000) in total, approval of such reallocation; (x) with respect to increases to the operating budget or unbudgeted disbursements in amounts in excess of ten thousand (\$10,000) but not exceeding seventy-five thousand (\$75,000), approval of such increases; and (xi) the exercise of such authority as may from time to time be delegated by the Board to the Budget, Operations, and Compensation Committee within its areas of cognizance.

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5.2.3. **Deployment Committee.** The Deployment Committee shall consist of no more than six (6) members total, consisting of no less than three (3) Directors and up to three (3) non-Directors, all appointed by the Chairperson on a biennial basis, and at least one (1) of the Director-members shall not be a State employee. Additionally, the State Treasurer, or her or his designee, shall be a voting *ex officio* member of the committee. Additionally, the Chairperson or the Vice Chairperson shall be a non-voting *ex officio* member of the committee, subject to the provisions of Article V, Section 5.2.2 hereof. The non-Director members



of the Deployment Committee shall each have expertise in such areas as: project finance, levelized cost of clean energy, investment banking, commercial lending, tax-exempt or tax-advantaged financing or municipal banking, or clean energy policy. The principal functions, responsibilities, and areas of cognizance of the Deployment Committee shall be as follows: (i) to recommend and monitor compliance with program, project, and investment guidelines, criteria, policies, and practices supporting the Green Bank's statutory mission and management of such by the Green Bank's professional staff; (ii) with respect to loans, loan guarantees, loan loss reserves, credit enhancements, debt support programs, debt, debt-like, grants, equity, near-equity, and related measurement and verification studies and evaluation audit funding requests, including but not limited to the Residential Solar program, the Combined Heat and Power pilot program, the Anaerobic Digestion pilot program, and the Condominium Renewable Energy grant program, between five hundred thousand dollars (\$500,000) and two million five hundred thousand dollars (\$2,500,000), evaluation and approval of such requests on behalf of the Board so long as such approval is within the Green Bank's approved Operations and Program Budget; (iii) with respect to loans, loan guarantees, loan loss reserves, credit enhancements, debt support programs, debt, debt-like, grants, equity and near-equity funding requests which exceed two million five hundred thousand dollars (\$2,500,000), evaluation of such requests and recommendation to the Board regarding such requests; (iv) oversight of policies and practices relating to the evaluation and recommendation of initial investments, follow-on investments,

investment modifications and restructurings, and the sale or other disposition of investments by the Green Bank’s professional investment staff; (v) oversight of policies and practices relating to investment management by the Green Bank’s professional investment staff, including implementation of investment exit strategies; (vi) except to the extent of any investment powers expressly reserved to the Board itself in any resolution of the Board, to approve on behalf of the Board investments, follow-on investments, investment modifications and restructurings, and the sale or other disposition of investments; (vii) to review and recommend to the Board the issuance of bonds, notes or other obligations of the Green Bank, and upon such approval, to sell, issue and deliver such bonds, notes or obligations on behalf of the Green Bank; (viii) on a periodic basis, but not less frequently than annually, to review and recommend to the Board the establishment and modification of a provision for losses with respect to loans, loan guarantees, loan loss reserves, credit enhancements, debt support programs, debt, debt-like instruments, and any other extensions of credit or the undertaking of risk where it is determined the Green Bank (a) may not recover its investment of capital or its expected rate of return, (b) is contractually or otherwise obligated to pay or commit additional Green Bank capital to such transactions without a reasonable expectation for the return of such capital, or (c) is for any other reason more likely than not to suffer a loss due to an investment or program and (ix) the exercise of such other authority as may from time to time be delegated by the Board to the Deployment Committee within its areas of cognizance.

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**5.2.4. Joint Committee of the Energy Conservation Management Board and the**

**Connecticut Green Bank.** The Standing Committee Related to the Joint Committee of the Energy Conservation Management Board and the Board of Directors of the Green Bank shall consist of no more than (2) voting Directors and (2) nonvoting members who shall be appointed by the Chairperson on a biennial basis to serve on both this Standing Committee and the Joint Committee. Said Directors of this Standing Committee shall be charged with joining with four (4) members, no more than (2) voting Directors and (2) nonvoting members, from the Energy Conservation Management Board to form the Joint Committee as required pursuant to 16-245m(d)(2) of the General Statutes.

5.2.4.1. The principal functions, responsibilities and areas of cognizance of this Standing Committee shall be as follows: (i) to work with the Joint Committee to examine opportunities to coordinate the programs and activities contained in the plan developed under section 16-245n (c) of the General Statutes with the programs and activities contained in the plan developed under section 16-245m(d)(1) of the General Statutes; and (ii) to work with the Joint Committee to provide financing to increase the benefits of programs funded by the plan developed under section 16-245m(d)(1) of the General Statutes so as to reduce the long-term cost, environmental impacts and security risks of energy in the state.

5.2.4.2. This Standing Committee, in consultation with and upon approval of the Joint Committee, is authorized to vote and allocate funding in an

amount not to exceed three hundred thousand dollars (\$300,000.00) per program or project so long as such program or project is within the Green Bank's approved Operations and Program Budget, consistent with the Green Bank's Comprehensive Plan, within an approved program of the Board or Deployment Committee and consistent with the credit and investment guidelines, criteria, policies, and practices approved by the Board. No resolution of the Joint Committee to approve an expenditure of funds may be approved without an affirmative vote of at least two (2) voting Directors of the Connecticut Green Bank.

5.2.4.3. Notwithstanding anything contained in these Bylaws to the contrary, the Joint Committee may adopt its own bylaws which shall govern the conduct and operations of the Joint Committee. If there are conflicting provisions between these Bylaws and any bylaws adopted by the Joint Committee, these Bylaws shall be controlling.

5.2.5. Additional Standing Committees or *ad hoc* committees of the Board may be formed by the Board at its discretion by resolution setting forth the purposes and responsibilities of such additional Standing Committee or *ad hoc* committee. Each additional Standing Committee or *ad hoc* committee shall have at least three (3) members who are Directors, at least one (1) of which shall not be a State employee.

### 5.3. **Advisory Committees.**

- 5.3.1. The Board may form such advisory committees as the Board in its discretion may determine to be appropriate to advise and assist the Board, any Standing Committee of the Board, or management of the Green Bank in the performance of its statutory responsibilities. Such advisory committees may include as members such individuals as may be knowledgeable in the subject matter whether or not Directors or employees of the Green Bank.
- 5.3.2. Members of an advisory committee who are not Directors or employees of the Green Bank shall be considered "members of an advisory board" for purposes of the Connecticut Code of Ethics for Public Officials.
- 5.3.3. Public confidence in the recommendations and other actions of an advisory committee requires that advisory committee members avoid both actual conflicts of interest and situations that might give the appearance of a conflict of interest. It is to be expected, however, that many advisory committee members will have outside business or professional interests relating to the Green Bank's statutory mission. It is not intended that such outside business or professional interests be considered a conflict of interest, provided that an advisory committee member shall not participate in any deliberation or vote, and shall not take any other affirmative action as an advisory committee member, with respect to a matter in which such member has an interest which is in substantial conflict with the proper discharge of the duties and responsibilities of membership on the advisory committee. For this purpose, the determination of whether an advisory committee member has an interest which is in substantial conflict with the duties and responsibilities of membership on the advisory

committee shall be made in the same manner as provided in Section 1-85 of the Connecticut General Statutes for conflicting interests of public officials. In addition to disclosures required by law, the existence and nature of any such substantial conflict shall be promptly disclosed to the Committee Chair.

## **ARTICLE VI FISCAL YEAR**

- 6.1. **Fiscal Year.** The fiscal year of the Green Bank shall extend from July 1 through the following June 30 except as the same may be otherwise determined by resolution of the Board.

## **ARTICLE VII CONFLICTS OF INTEREST**

- 7.1. Public confidence in the recommendations and other actions of the Board and Committees requires that Directors avoid both actual conflicts of interest and situations that might give the appearance of a conflict of interest. Given the statutory qualifications for membership on the Board, it is to be expected, however, that some Directors, [or Directors' immediate family members](#), will have outside business or professional interests relating to the Green Bank's statutory mission. It is not intended that such outside business or professional interests be considered a conflict of interest, provided that a Director shall not participate in any deliberation or vote, and shall not take any other affirmative action as a Director or Committee member, with respect to a matter in which such Director [or immediate family member](#) has an interest which is in substantial conflict with the proper discharge of the duties and responsibilities of membership on the Board or such Committee. For this purpose, the determination of whether a Director [or](#)

[immediate family member](#) has an interest which is in substantial conflict with the duties and responsibilities of membership on the Board or a Committee shall be made in the manner provided in Section 1-85 of the Connecticut General Statutes for conflicting interests of public officials. The existence and nature of any potential conflict of interest shall be promptly disclosed to the Chairperson (or, in the case of the Chairperson, to the Vice Chairperson) and otherwise as may be required by Section 1-86 of the Connecticut General Statutes.

- 7.2. With respect to potential conflicts of interest, as defined in Section 1-86(a) of the Connecticut General Statutes and pursuant thereto and pursuant to Section 1-81-30(c) of the Regulations of Connecticut State Agencies, the Member shall either (1) excuse himself or herself from participating in any deliberation or vote on the matter and may not otherwise take any affirmative action on the matter or (2) shall prepare a written statement prepared under penalty of false statement describing the matter requiring action and the nature of the potential conflict and explaining why, despite the potential conflict, such Member is able to vote and otherwise participate fairly, objectively, and in the public interest, and shall deliver a copy of such statement to the Office of State Ethics and shall enter a copy of the statement in the minutes of the Board or committee, as applicable.
- 7.3. In addition to the steps described in Section 7.1 and 7.2, above, a conflicted or potentially conflicted Director:
  - 7.3.1. is strongly encouraged to leave the room during discussion and vote on the matter at hand; and
  - 7.3.2. shall not participate in such discussion and vote; and

7.3.3. shall not have access to non-public confidential information regarding the matter at hand.

**ARTICLE VIII  
COMPENSATION**

8.1. No Director or Committee member shall at any time receive or be entitled to receive any compensation for the performance of his or her duties as a Director, but may be reimbursed by the Green Bank for reasonable and necessary expenses incurred in the performance of such duties.

**ARTICLE IX**

**RESTRICTIONS ON DIRECTORS AND EMPLOYEES LEAVING  
GREEN BANK**

9.1. Green Bank Directors and employees are required to comply with the Code of Ethics provisions pertaining to post-state activity and to familiarize themselves with the statutes pertaining to post-state service restrictions which can be found at Connecticut General Statutes Sections 1-84a and 1-84b and in the *Guide to the Code of Ethics for Public Officials and State Employees*.

**ARTICLE X  
PARLIAMENTARY AUTHORITY**

10.1. Robert's Rules of Order, current revised edition, shall govern the proceedings of the Board when not in conflict with these Bylaws.

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**ARTICLE XI**  
**AMENDMENT**

11.1. **Amendment or Repeal.** These Bylaws may be amended or repealed or new Bylaws may be adopted by the affirmative vote of a Super Majority of the Directors then in office. The Green Bank may adopt rules for the conduct of its business, and the adoption of such rules shall not constitute an amendment of these Bylaws.

**ARTICLE XII**  
**DEFINITIONS**

12.1. **Definitions.** Unless the context shall otherwise require, the following words and terms shall have the following meanings:

12.1.1. "Green Bank" means the Connecticut Green Bank, as created and existing pursuant to the Statute.

12.1.2. "Board" means the board of directors of the Green Bank appointed and serving pursuant to the Statute.

12.1.3. "Chairperson" means the Chairperson of the Board appointed pursuant to the Statute.

12.1.4. "Clean Energy" means solar photovoltaic energy, solar thermal, geothermal energy, wind, ocean thermal energy, wave or tidal energy, fuel cells, landfill gas, hydropower that meets the low-impact standards of the Low-Impact Hydropower Institute, hydrogen production and hydrogen conversion technologies, low emission advanced biomass conversion technologies, alternative fuels, used for electricity generation including ethanol, biodiesel or other fuel produced in Connecticut and derived from agricultural produce, food waste or waste vegetable oil, provided the Commissioner of Energy and

Environmental Protection determines that such fuels provide net reductions in greenhouse gas emissions and fossil fuel consumption, usable electricity from combined heat and power systems with waste heat recovery systems, thermal storage systems, other energy resources and emerging technologies which have significant potential for commercialization and which do not involve the combustion of coal, petroleum or petroleum products, municipal solid waste or nuclear fission, financing of energy efficiency projects, projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure, any related storage, distribution, manufacturing technologies or facilities and any Class I renewable energy source.

- 12.1.5. "Committee" means any committee of or formed by the Board, including any Standing Committee, *ad hoc* committee, or advisory committee.
- 12.1.6. "Committee Chair" means the Chairperson of a Committee.
- 12.1.7. "Comprehensive Plan" means the plan developed by the Green Bank pursuant to section 16-245n(c) of the General Statutes.
- 12.1.8. "Connecticut Freedom of Information Act" means the Connecticut Freedom of Information Act, Connecticut General Statutes § 1-200 *et seq.*, as amended.
- 12.1.9. "Director" means a voting member of the Board appointed pursuant to the Statute.
- 12.1.10. "General Statutes" means the Connecticut General Statutes, as amended.
- 12.1.11. "Majority", whether capitalized or lowercase, means one more than half.
- 12.1.12. "President" means the President of the Green Bank hired by and serving at the pleasure of the Board of Directors of the Green Bank.

- 12.1.13. "Presiding Officer" has the meaning attributed to that term in Article IV, Section 4.5 of these Bylaws.
- 12.1.14. "Resolution of Purposes" means a resolution of the Board adopted pursuant to the penultimate sentence of Section 16-245n(d) of the General Statutes.
- 12.1.15. "Secretary" means the Secretary of the Board elected pursuant to the Statute and these Bylaws.
- 12.1.16. "Standing Committee" means a Standing Committee established by these Bylaws or another standing committee appointed by the Board for a specified period of time for the purpose of carrying out one or more functions of the Green Bank.
- 12.1.17. "Statute" means Connecticut General Statutes § 16-245n, as amended.
- 12.1.18. "Super Majority" means two thirds rounded up to the next whole integer.
- 12.1.19. "Vice Chairperson" means the Vice Chairperson of the Board elected pursuant to these Bylaws.

### **ARTICLE XIII AUTHORITY**

- 13.1. These Bylaws are adopted pursuant to the Statute and effective as of [ ].

**Deleted:** December 16, 2016



# Memo

**To:** Connecticut Green Bank Audit, Compliance and Governance Committee  
**From:** Bryan Garcia (President and CEO) and Brian Farnen (General Counsel and CLO)  
**CC:** Senior Staff of the Green Bank  
**Date:** March 4, 2020  
**Re:** Proposed Revisions to BOD Ethical Conduct Policy of the Connecticut Green Bank

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## Background

In response to the independent audit of the Connecticut Port Authority in 2019, we propose that the Green Bank proactively adopt their recommendations and insights concerning its Board of Directors and Advisory Committee Members Ethical Conduct Policy.

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## Proposed Revisions to BOD Ethical Conduct Policy

In an effort to continue to improve the oversight of the Connecticut Green Bank, we are proposing that the Audit, Compliance, and Governance Committee consider the following revisions to the organization's Board of Directors and Advisory Committee Members Ethic Conduct Policy – see attached “redline” edits for discussion and consideration:

- **Section 4. Enforcement** – adding language for possible consequences to ethics violations;
  - **Director Acknowledgment Form** – adding an acknowledgment section for all Directors to sign;
- 

## Resolution

**WHEREAS**, pursuant to Section 5.2.1 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 of Directors (“Board”) regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

**NOW**, therefore be it:

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board for approval the proposed draft revisions to the Board of Directors and Advisory Committee Members Ethic Conduct Policy.

Second. Discussion. Vote



## CONNECTICUT GREEN BANK

### BOARD OF DIRECTORS AND ADVISORY COMMITTEE MEMBERS ETHICAL CONDUCT POLICY

#### **Section 1. Purpose**

Ethical conduct and transparency in the conduct of its business are core values of the Connecticut Green Bank (“Green Bank”). The directors of the Green Bank are expected to maintain the highest standards in the conduct of their duties to maintain public trust and confidence in the Green Bank. It is the purpose of this Ethics Policy to establish the highest standards of honesty, integrity and quality of performance for all Green Bank directors, recognizing the need for compliance with all relevant statutes, executive orders, rules and regulations to avoid even the appearance of impropriety in the performance of Green Bank’s statutory mandate.

In particular, each director is responsible for his or her conduct, and should become familiar with, the Code of Ethics for Public Officials. A copy of the *Guide to the Code of Ethics for Public Officials and State Employees* may be found by clicking [here](#).

Deleted: 2014

This Ethics Policy is intended to be a general guide for Green Bank directors in determining what conduct is prohibited so that it may be avoided.

#### **Section 2. Values**

In performance of their duties, Green Bank directors shall:

- Maintain ethical standards beyond strict compliance with relevant statutes and regulations;
- Fulfill the statutory mandate of the Green Bank in fostering the growth, development and commercialization of clean energy sources and related enterprises and in stimulating demand for clean energy and in the deployment of clean energy resources which serve end use customers in the State of Connecticut;
- Make all decisions strictly on a public purpose and financial basis, without regard to political affiliation or personal interest;
- Fulfill their obligation to applicants, the public, ratepayers, the Executive Branch of the State of Connecticut, the Connecticut General Assembly and all other stakeholders in the Green Bank;

- Maintain transparency and honesty in all operations of the Green Bank;
- Act as a responsible stewardship of all the Green Bank assets;
- Provide for the timely distribution of all public information to any interested party; and
- Maintain the public trust by strict adherence to the public purpose for which the Green Bank was created.

### **Section 3. Applicability**

This Ethics Policy is applicable to all directors of the Green Bank and, to the extent required by law, all non-director voting members of any advisory committees formed by the Green Bank.

### **Section 4. Enforcement**

Any questions or concerns regarding violations or suspected violations of either the Code of Ethics for Public Officials or this Ethics Policy shall be brought to the attention of the Chairperson or Vice-Chairperson of the Board of Directors in writing who shall then transmit such questions or concerns to the Board of Directors. Persons subject to this Ethics Policy may also seek advice from the Office of State Ethics at 860-566-4472 regarding known or suspected violations of the Code of Ethics. Further, persons subject to this Ethics Policy may seek advice from the Office of State Ethics should any questions arise concerning his or her conduct.

Intentional violations of either the Code of Ethics for Public Officials or this Ethics Policy will not be tolerated and will be reported to the Board and the Office of State Ethics [which could result in disciplinary action such as probation or an ethics hearing](#) and, if applicable, [referral](#) to the appropriate federal and state agencies.

### **Section 5. Code of Ethics Compliance**

As public officials of the State of Connecticut, Green Bank directors are subject to all relevant ethics statutes, regulations, and the like of the State of Connecticut. Key provisions of the Code of Ethics for Public Officials include:

- **GIFTS** – In general, public officials are prohibited from accepting gifts from anyone doing business with, seeking to do business with, or directly regulated by the official's agency or department or from persons known to be a registered lobbyist or lobbyist's representative. There are also restrictions on gifts between public officials in certain circumstances. (See the *Guide to the Code of Ethics for Public Officials and State Employees*, and Selected Statutory References, Sections 1-79(e) and 1-84(m) found therein.)
- **FINANCIAL BENEFIT** – A public official is prohibited from using his/her office or

non-public information obtained in state service for the financial benefit of the individual, certain family members, or that of an associated business. (See Selected Statutory References, Section 1-84(c))

- **FINANCIAL DISCLOSURE** – All Green Bank directors are required to file a financial disclosure statement with the Office of State Ethics. Some or all of the information contained in the financial disclosure statement may be considered public information. (See the *Guide to the Code of Ethics for Public Officials and State Employees* and Selected Statutory References, Sections 1-79(e) and 1-84(m))
- **RECUSAL OR REPORTING IN CASE OF POTENTIAL CONFLICTS** – The Code of Ethics requires that public officials avoid potential conflicts of interest. If a director would be required to take official action that would affect a financial interest of such director, certain family members or a business with which they are associated, they must excuse themselves from participating in deliberations, voting or otherwise taking affirmative action on the matter. (See Selected Statutory References, Section 1-86(a) and the Green Bank's Bylaws, Article VII, found by clicking [here](#)). Additionally the Green Bank has prepared a written Ethics Statement (as noted in sec. 1-86 (a) of the statutes and Article VII of the Bylaws) which can be found on the Green Bank web site [here](#).

The foregoing items are not an exhaustive list of prohibited activities, and each director should familiarize himself or herself with the Code of Ethics for Public Officials.

#### **Section 6. Outside Business Interests**

Because of the statutory qualifications for membership on the Green Bank Board of Directors, it is expected that some directors will have outside business or professional interests related to energy resources or policy. Such outside interests are not considered to create a conflict of interest, provided that a director shall not participate in any deliberation or vote, and shall not take any other affirmative action as a director, with respect to a matter in which the director has an interest which is in substantial conflict with the proper discharge of the director's duties and responsibilities as a director of the Green Bank. Determination of whether a "substantial conflict" exists is made in the manner provided in Section 1-85 of the Connecticut General Statutes. (See Selected Statutory References, Section 1-85 and Green Bank Bylaws, Article VII)

#### **Section 7. Additional Green Bank Policies**

Given that the Green Bank is partially funded through a surcharge on consumers of electric services in the State of Connecticut and the Green Bank's statutory mandate is to foster the growth, development, and commercialization of clean energy resources, and to stimulate demand for clean energy, among other things, the Green Bank expects that, in

addition to complying with the Code of Ethics for Public Officials and State Employees, that its directors will:

- Protect the confidential information to which Green Bank directors have access
- Avoid actual or potential conflicts of interest
- Neither interfere with nor solicit contracts on behalf of any person
- Submit the Statement of Financial Interests disclosure documents to the Office of State Ethics in a timely manner.

### **Section 8. Post-State Employment Restrictions**

Green Bank directors are required to comply with the Code of Ethics provisions pertaining to post-state employment, which are commonly known as the "revolving door" provisions. For example, there are restrictions on accepting employment with a party to certain contracts (which would include contracts relating to investments or other financial assistance) if the director was involved in the negotiation or award of the contract, restrictions on representing other parties before the Green Bank during a one-year period following departure from state service, and restrictions on accepting employment as a lobbyist or acting as a registrant if the director were convicted of any felony involving corrupt practices, abuse of office or breach of the public trust.

Directors should familiarize themselves with the statutes pertaining to post-state employment generally, which can be found at Connecticut General Statutes Sections 1-84a and 1-84b. (See Selected Statutory References). You may access these statutes [here](#). A summary of these requirements is included in the *Guide to the Code of Ethics for Public Officials and State Employees* found above.

### **Section 9. GREEN BANK Staff**

Directors understand that Green Bank employees are subject to the Green Bank Ethical Conduct Policy. Known or suspected breaches of the Green Bank Ethical Conduct Policy by such employees may require reporting to the Green Bank's General Counsel acting as the Green Bank's Ethics Compliance Officer and may require disciplinary action as provided by the Green Bank's employment policies, in addition to sanctions provided by state law.

It is the responsibility of each Green Bank employee to inquire of the Green Bank's Ethics Compliance Officer or the Office of State Ethics at 860-566-4472 should any question arise concerning his or her conduct.

Approved by the Connecticut Green Bank Board: \_\_\_\_\_, 20 .

Deleted: 2012



Director Acknowledgment Form

I have received a copy of the Connecticut Green Bank Board of Directors and Advisory Committee Members Ethical Conduct Policy and understand that it is my responsibility to read and comply with this policy and any revisions made to it. Should the contents of this policy be changed, I understand that I may be required to provide a written acknowledgment that I have received and understand the change(s).

\_\_\_\_\_  
Director's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Director Name



# Memo

**To:** Connecticut Green Bank Audit, Compliance and Governance Committee  
**From:** Bryan Garcia (President and CEO) and Eric Shrago (Managing Director of Operations)  
**CC:** Senior Staff of the Green Bank  
**Date:** March 6, 2020  
**Re:** Proposed Green Bond Framework

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## Background

The Green Bank has previously issued green bonds. The first two issuances were not certified/verified as “Green” by a third party but the third issuance, our SHREC offering from 2019 was certified by Kestrel Verifiers as compliant with the Climate Bonds Initiative (CBI) standards.

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## Green Bond Framework

The Green Bank intends to make bond issuance a greater part of our capitalization strategy and is preparing a Master Trust Indenture. The Green Bond Framework is a document that creates the organization’s plan in terms of how the organization will seek to label, certify, and verify bonds as “green” in the future. It creates a plan of what external standards will be used for future issuance, impact reporting, and external assurance. By implementing this framework, the Green Bank will be able to more efficiently (from both a cost and time perspective) certify future issuances as “green.”

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## Resolution

**WHEREAS,** The Connecticut Green Bank seeks to provide transparency to the general public and set the standard in impact assessment;

**WHEREAS,** The Connecticut Green Bank intends to issue bonds with greater frequency and wishes to do so more efficiently;

**RESOLVED,** that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval on its consent agenda the proposed Green Bond Framework.

Second. Discussion. Vote

# Green Bond Framework

## Introduction

The Connecticut Green Bank (“the Green Bank”) was established by the Governor and Connecticut’s General Assembly on July 1, 2011 through Public Act 11-80 as a quasi-public agency that supersedes the former Connecticut Clean Energy Fund<sup>1</sup>. As the nation’s first state green bank, the Connecticut Green Bank leverages public and private funds to drive investment and scale-up clean energy<sup>2</sup> deployment in Connecticut.

The Green Bank supports the Governor’s and Legislature’s energy strategy to achieve cleaner, less expensive, and more reliable sources of energy while creating jobs and supporting local economic development. The Green Bank aims to create a thriving marketplace to accelerate green energy adoption in Connecticut by making green energy financing accessible and affordable for homeowners, businesses and institutions.

The Green Bank has become a model for other states, counties and even countries—that are seeking to use public resources in a smarter way to attract more private capital investment in the acceleration and deployment of clean energy. From its inception in 2011, the Green Bank has mobilized over \$1.7 billion of public and private capital in clean energy deployment in Connecticut<sup>3</sup>.

The Green Bank’s programs and investments have a significant impact for the state of Connecticut and society as a whole. The Green Bank has established an [evaluation framework](#) to assess performance and impacts. This framework has been reviewed by the organization’s Audit Compliance and Governance Committee and approved by the Board of Directors.

Associated with this framework are specific [supporting impact methodologies that define how the organization will quantify its impact in specific areas](#). Each methodology has been developed with guidance from experts in the relevant fields and officials from Connecticut state government. Methodologies are reviewed by the Green Bank Audit Compliance and Governance Committee and are approved by the Board of Directors.

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<sup>1</sup> Public Act 11-80 repurposed the Connecticut Clean Energy Fund (CCEF) administered by Connecticut Innovations, into a separate quasi-public organization called the Clean Energy Finance and Investment Authority (CEFIA). Per Public Act 14-94, CEFIA was renamed to the Connecticut Green Bank.

<sup>2</sup> Clean energy is defined in public Act 11-80.

<sup>3</sup> Green Bank Annual Report 2019

At present the Green Bank has the following methodologies approved or under development:

- **Environmental (Air Quality) Impact** – Environmental Protection Agency (EPA)’s Avoided Emissions and Generation Tool (AVERT), model to estimate the changes in air quality associated with projects in terms of Carbon Dioxide, Sulfur Dioxide, Nitrogen Oxides and Particulate Matter. The Green Bank also has adopted the EPA’s environmental equivalency calculator as a way to make these impacts more relateable.
- **Health Impact** – EPA’s CoBenefit Risk Assessment (CoBRA) estimates the economic value of improved health outcomes associated with improved air quality.
- **Jobs Created** – a Navigant Consulting model that estimates the number of jobs created per dollar of investment in each technology supported by the Green Bank.
- **Tax Revenue Generated** – estimated tax revenue generated for the state of Connecticut from sales, and personal and corporate income taxes associated with Green Bank supported projects.
- **Community Reinvestment Act Compliance (under development)** – qualifying if specific projects are eligible to submitted to regulators as counting towards requirements to invest in underserved communities.
- **Equity (under development)** – evaluation of the reach of Green Bank Programs in terms of serving communities that have been historically underserved.
- **Energy Burden (under development)** – the relief that is provided to families and businesses by the savings achieved through participation in Green Bank programs.

The impact from the Green Bank’s projects and programs can also be viewed as advancing the following United Nations Sustainable Development Goals – see Figure 1.

Figure 1. Connecticut Green Bank Impact Metrics from the Perspective of the UN Sustainable Development Goals



Progress against these goals also advances society toward the vision of the Connecticut Green Bank: a world powered by the renewable energy of community.

## Goals of the Green Bond Issuance

Connecticut has been at the forefront of state-level efforts to combat the threat of global climate change.. Created as the successor to the Connecticut Clean Energy Fund, the Green Bank has increased annual investment on a per capita basis by a factor of 10 (from \$8 in 2011 to \$80 in 2018)<sup>4</sup> and is now a recognized leader in Green Finance.

Now the Green Bank is prepared to increase annual clean energy investment by another factor of 10—to \$800 per person—which is the level needed to hold off the worst effects of climate change as identified by the Intergovernmental Panel on Climate Change<sup>5</sup>.

Working to advance its mission to “confront climate change and provide all of society a healthier and more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy,” the Green Bank will continue its work through the following goals:

<sup>4</sup> <https://www.ctgreenbank.com/wp-content/uploads/2018/04/Inclusive-Prosperity-and-the-Green-Economy.pdf>

<sup>5</sup> [Green Bank Comprehensive Plan Fy 2020 and beyond.](#)

- Leverage limited public resources to scale-up and mobilize private capital investment in the green economy of Connecticut;
- Strengthen Connecticut’s communities by making the benefits of the green economy inclusive and accessible to all individuals, families, and businesses; and
- Pursue investment strategies that advance market transformation in green investing while supporting the organization’s pursuit of financial sustainability.

These support implementation of Connecticut’s clean energy policies be they statutory (i.e., CGS 16-245ff, Public Act 13-298), planning (i.e., Comprehensive Energy Strategy, Integrated Resources Plan), or regulatory in nature.

This is also in line with the Green Bank’s enabling statute<sup>6</sup> which empowers the organization to:

- Develop programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects and such other programs as the Green Bank may determine;
- Support financing or other expenditures that promote investment in clean energy sources to foster the growth, development and commercialization of clean energy sources and related enterprises; and
- Stimulate demand for clean energy and the deployment of clean energy sources within the state that serves end-use customers in the state.

In order to grow deployment by the necessary factor of 10, the Green Bank will use its statutory authority (CGS 16-245kk) to issue bonds, including Green Bonds. These are key to sourcing capital for clean energy projects and providing a way for all residents of Connecticut to invest in the green economy.

## Overview of Green Bond Framework

This Green Bond Framework (“Framework”) sets out how the Green Bank proposes to use its Master Trust Indenture in a manner consistent with its purpose and provide the transparency and disclosures investors require to make investment decisions. This Framework is specifically intended for the Master Trust Indenture approved and adopted March 2020, which establishes the purposes for which the Connecticut Green Bank may issue bonds or other debt.

The Framework is established in accordance with the Climate Bonds Initiative (CBI) Standard and adheres to the Green Bond Principles issued by the International Capital Market Association. Both

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<sup>6</sup> CGS 16-245n

the CBI Standard and the Green Bond Principles focus on these four pillars: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting.

## Use of Proceeds

### Eligibility Criteria

By statute, the Connecticut Green Bank may invest in projects and programs that further the deployment of generation of clean energy (from solar, wind, fuel cells, landfill methane gas capture, ocean thermal power, wave or tidal power, hydropower, & sustainable biomass facilities), energy efficiency or the deployment of alternative fueled vehicles. The Green Bank recognizes that there are different standards for Green Bond verification and will use the following criteria to evaluate eligibility for green bonds designation.

The Green Bank will always seek to apply the CBI standards to its bonds and will use the Green Bond Principles where either CBI methodology has yet to be developed or does not cover that particular activity. The Green Bank staff actively monitor developments of new CBI standards and Green Bond principles in order to keep up to date with which standard should be applied.

Based on the existing mission of the Green Bank and the standards available at this time, the Green Bank will use the following methodology for the below activities:

Activity	Technology	Primary Methodology for Green Certification
<b>Generation</b>	Solar	CBI Standard
	Wind	CBI Standard
	Geothermal Generation	CBI Standard
	Biomass Facilities	Green Bond Principles
	Hydropower	Green Bond Principles
	Landfill Gas Capture/Anaerobic Digestion	Green Bond Principles
	Wave or Tidal Power	Green Bond Principles
	Ocean Thermal Power	Green Bond Principles
<b>Energy Efficiency</b>	New Buildings	CBI Standard
	Commercial Building Upgrades/Retrofits	CBI Standard
	Residential Retrofits	Green Bond Principles
<b>Alternative Fueled Vehicles</b>	Electric and Hydrogen Vehicles	CBI Standard
	Alternative fuel and Charging infrastructure	CBI Standard
	Other Alternative Fueled Vehicles	Green Bond Principles

If the Green Bank can not apply the CBI standard for any reason to an issuance, it will seek to apply the Green Bond Principles as the method of certifying that issuance as “Green.” The Green Bank also reserves the right to apply additional certifications to its issuances (i.e. social bonds, sustainability bonds).

This list of project types is fully aligned with the Bank’s stated vision, mission statement, and overall goals. Connecticut Green Bank will finance projects that align with this mission statement and those that align with the statutory definition of clean energy (see Appendix B).

### Process for Project Evaluation and Selection Process

Connecticut Green Bank plans to finance existing programs with Green Bonds including Certified Climate Bonds. The Green Bank’s programs are centered around the deployment of clean energy (as defined in statute) offered to homeowners, residential and commercial contractors, towns and cities, non-profits, and capital providers. These programs are implemented through a variety of structures shown in Appendix C.

Connecticut Green Bank utilizes a robust and transparent planning process that identifies market needs and tailors programming to address those needs. Per the organization’s bylaws, Green Bank programs are reviewed by the organization’s Deployment Committee and approved by its Board of Directors. Each year, staff of the Green Bank recommend program targets that are reviewed by the Budget and Operations Committee and approved by the Board of Directors. While the Board has authorized staff to approve expenditures up to a certain threshold for projects that are within specific approved programs, the Deployment Committee or the Board of Directors reviews and approves projects and programs. In this way, the Board of Directors ultimately approves all projects that are not part of a program or are above thresholds. All bond issuance must be approved by the Board of Directors.

### Management of Proceeds

Proceeds from green bonds issued under the Master Trust Indenture or a separate financing indenture, will be earmarked for the Green Bank’s investments into the eligible project types listed. Funds will be either deployed after issuance or refinance Green Bank balance sheet capital that was previously used to finance eligible project types, in order to achieve a timely green impact. The Green Bank will maintain a set of internal procedures for the management of proceeds to ensure that proceeds from green bonds issuance can only be used for green projects, as described in the Master Trust Indenture. Ensuring that the proceeds from a Green Bond issuance are used according to established procedures will be the responsibility of the Green Bank’s Operations Department.

The Green Bond proceeds will be held in the appropriate fund within the respective indenture structure and used exclusively to fund Green Bank eligible programs/projects or refinance eligible



green projects, funded by other means. Green Bond proceeds may also be used to pay the cost of issuance and underwriter's fees. These costs will be specifically delineated in closing documents.

## Reporting

### Allocation Reporting

**New Projects:** Connecticut Green Bank will produce a voluntary annual report detailing how the Green Bond proceeds were used to finance existing programs that meet the eligibility criteria of this framework. When necessary, an Approved Verifier will produce an annual program report meeting the Climate Bonds Standard and covering third party verification of program allocations and impacts.

**Refunded Projects:** In the future, Green Bond proceeds may be used to refund prior debt financing of eligible projects. The annual report following such future issuance will include the relevant details of the selected projects that were financed by the initial issuance.

### Impact Reporting

The Green Bank presents impact data from both these tools in a Comprehensive Annual Financial Report which is produced at the end of each Fiscal Year. Furthermore, the Green Bank commits to provide reporting on specific key performance indicators (KPIs), which are shown in Appendix A.

## Assurance

Connecticut Green Bank will seek a Second Party Opinion on the Master Trust Indenture Green Bond Framework from a Climate Bonds Initiative Approved Verifier. The Green Bank plans to follow a programmatic approach to Green Bond issuance following this Green Bond Framework. A programmatic approach allows the Green Bank to issue Green Bonds based off of the Framework Second Party Opinion. Furthermore, for Certified Climate Bonds, the Green Bank may issue certified bonds without pre-issuance verifier engagement for issuances that align with the Eligibility Criteria. The streamlined process will allow the Green Bank to issue a higher volume of bonds while consolidating Post-Issuance Reports into a single Annual Program Report as required by the Climate Bonds Initiative.

## Appendix A - Key Performance Indicators

Sector	Metrics
<b>Renewable Energy</b>	Total capacity installed in MW GHG emissions avoided per year based on this capacity Where possible- actual generation achieved
<b>Clean Transportation</b>	Estimated Vehicle miles traveled
<b>Green Buildings and Energy Efficiency</b>	Estimated MWh saved/reduced per year
<b>Financial</b>	Total capital deployed

## Appendix B- Connecticut Green Bank Statutory Definition of Clean Energy

Clean Energy – clean energy means:

- solar photovoltaic energy
- solar thermal
- geothermal energy
- wind
- ocean thermal energy
- wave or tidal energy
- fuel cells
- landfill gas
- hydropower

that meets the low-impact standards of the

- Low-Impact Hydropower Institute
- hydrogen production and hydrogen conversion technologies
- low emission advanced biomass conversion technologies

Alternative fuels used for electricity generation<sup>7</sup> including

- ethanol
- biodiesel
- other fuel produced in Connecticut and derived from agricultural produce
- food waste or waste vegetable oil

Usable electricity from combined heat and power systems with waste heat recovery systems and thermal storage systems

Energy resources and emerging technologies which have significant potential for commercialization, and which do not involve the combustion of coal, petroleum or petroleum products, municipal solid waste, or nuclear fission

Financing of energy efficiency projects, projects that seek to deploy

- reduce the use of electricity consumption
- reduce a building's use of fossil fuels for thermal purposes
- provide energy storage
- enhance electricity distribution
- other Class I renewable energy source.

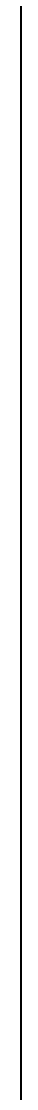
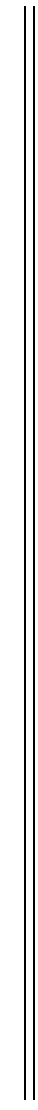
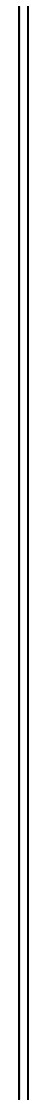
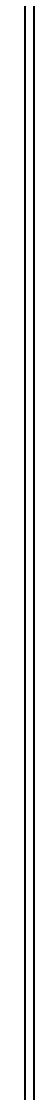
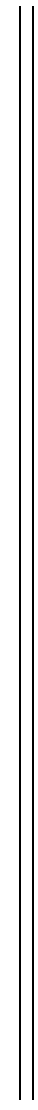
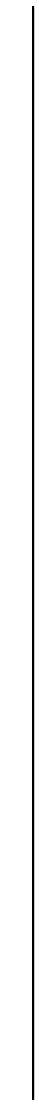
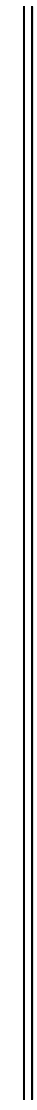
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<sup>7</sup> provided the Commissioner of Energy and Environmental Protection determines that such fuels provide net reductions in greenhouse gas emissions and fossil fuel consumption

## Appendix C - Existing Programs

<b>Program</b>	<b>Program Description</b>
Smart- E Loan	A low-interest loan financing program offered through participating community banks and credit unions to help homeowners upgrade their home’s energy performance with no money down.
C-PACE	An innovative financing program that lets facility owners pay for green energy improvements over time through a voluntary benefit assessment on their property tax bill.
Residential Solar Investment Program (RSIP)	<p>An Incentive program to help homeowners solar PV systems. RSIP offers two incentives:</p> <ul style="list-style-type: none"> <li>• Expected Performance-Based Buydown incentive (EPPB): an upfront rebate available to homeowners who purchase a PV system from contractor.</li> <li>• Performance-Based Incentive (PBI): a performance-based incentive paid out quarterly over a 6-year period that allows homeowners to benefit from solar PV systems for little to no upfront cost.</li> </ul>
PosiGen Solar + Efficiency	An innovative approach that offers low-to-moderate income homeowners a solar lease that also combines money-saving energy efficiency measures. The program takes away the concern of being turned down based on credit profile, making solar affordable for all.
Multifamily Energy Financing Programs	<p>A number of programs are offered by the Connecticut Green Bank to help developers and owners of multifamily housing.</p> <ul style="list-style-type: none"> <li>• Navigator Pre-Development Energy Loan funds 75% of eligible energy-related pre-development expenses</li> <li>• Low Income Multifamily Energy (LIME) Loan funds energy improvement projects for low- and moderate-income properties.</li> <li>• Solar power purchase agreement (PPA) allows residents to deploy solar PV systems with no money down through a third-party owned and maintained system.</li> <li>• EnergizeCT Health &amp; Safety Revolving Loan Fund provides low interest loans that allow owners of multifamily housing serving low income residents to make health and safety improvements</li> </ul>







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Description: **Quarterly Cash Flow Report to OFA**

Statute: **Section 1-123 (b)**

Such Report shall include, but not be limited to, for each fund and account of the agency: (1) The beginning fiscal year balance;(2) all funds expended and all revenue collected by the end of the quarter; and (3) total expenditures and revenues estimated at the end of the fiscal year.

Unit:	Accounting
Filing Responsibility:	<b>Jane Murphy</b>

		Reporting		
		Due	Submitted	
		9/30/13	3/14/14	FY14
		12/31/13	3/14/14	
		3/31/14	4/21/15	
		6/30/14	4/21/15	FY15
		9/30/14	6/16/16	
		12/31/14	6/16/16	
		3/31/15	6/16/16	FY16
		6/30/15	6/16/16	
		9/30/15	5/31/16	
		12/31/15	5/31/16	FY17
		3/31/16	5/31/16	
		6/30/16	8/10/16	
		9/30/16	11/8/16	FY18
		12/31/16	2/23/17	
		3/31/17	5/10/17	
		6/30/17	8/9/17	FY19
		9/30/17	12/21/17	
		12/31/17	2/28/18	
		3/31/18	5/17/18	FY20
		6/30/18	9/5/18	
1		9/30/18	11/28/18	
2		12/31/18	7/11/19	FY19
3		3/31/19	9/23/19	
4		6/30/19	9/23/19	
1		9/30/19	12/27/19	FY20
2		12/31/19		
3		3/31/20		
4		6/30/20		

	<b>Quarter</b>	<b>Quarter Beginning</b>	<b>Quarter Ending</b>	<b>Report Filing Date</b>
Fiscal Year	1	July 1, 2019	September 30, 2019	December 31, 2019
	2	October 1, 2019	December 31, 2019	March 31, 2019
	3	January 1, 2019	March 31, 2019	June 1, 1931
	4	April 1, 2019	June 30, 2019	September 30, 2019

Description: **Quarterly Personnel Status Report to OFA**

Statute: **Section 1-123 (c)**

For the quarter commencing July 1, 2010, and for each quarter thereafter, the board of directors of each quasi-public agency shall submit a personnel status report to the Office of Fiscal Analysis. Such report shall include, but not be limited to: (1) The total number of employees by the end of the quarter; (2) the positions vacated and the positions filled by the end of the quarter; and (3) the positions estimated to be vacant and the positions estimated to be filled at the end of the fiscal year.

Unit: Human Resources

Filing

Responsibility: **Chris Baisden**

Reporting	
Due	Submitted
10/1/13	6/17/14
1/1/14	6/17/14
4/1/14	6/17/14
7/1/14	8/5/14
10/1/14	10/2/14
1/1/15	1/12/15
4/1/15	4/12/15
7/1/15	7/9/15
10/1/15	10/9/15
1/1/16	1/8/16
4/1/16	3/31/16
7/1/16	7/5/16
10/1/16	10/5/16
1/1/17	2/21/17
4/1/17	4/10/17
7/1/17	7/17/17
10/1/17	10/6/17
1/1/18	1/9/18
4/1/18	4/2/18
7/1/18	7/5/18
10/1/18	10/3/18
1/1/19	1/3/19
4/1/19	4/1/19
7/1/19	7/1/19
10/1/19	10/1/19
1/1/20	1/3/20
4/1/20	
7/1/20	
10/1/20	

Description: **Comprehensive Annual Financial Report**

Statute:	<b>Section 1-123 (a)</b>
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Such report shall include, but not be limited to, the following: (1) A list of all bond issues for the preceding fiscal year, including, for each such issue, the financial advisor and underwriters, whether the issue was competitive, negotiated or privately placed, and the issue's face value and net proceeds; (2) a list of all projects other than those pertaining to owner-occupied housing or student loans receiving financial assistance during the preceding fiscal year, including each project's purpose, location, and the amount of funds provided by the agency; (3) a list of all outside individuals and firms receiving in excess of five thousand dollars in the form of loans, grants or payments for services, except for individuals receiving loans for owner-occupied housing and education; (4) a balance sheet showing all revenues and expenditures; (5) the cumulative value of all bonds issued, the value of outstanding bonds, and the amount of the state's contingent liability; (6) the affirmative action policy statement, a description of the composition of the agency's work force by race, sex, and occupation and a description of the agency's affirmative action efforts; and (7) a description of planned activities for the current fiscal year.

Reporti
Due
1/1/2015
1/1/2016
1/1/2017
1/1/2018
1/1/2019
1/1/2020

Unit:	Operations
Filing	
Responsibility:	<b>Eric Shrago</b>

Transmittal to Governor, Auditors of Public Accounts, and until 2017 the Legislative Program Review and

Email for Governor:  
OTG.Reports@ct.gov

ng
Submitted
12/30/2014
12/31/2015
12/29/2016
12/27/2017
12/31/2018
12/31/2019

I Investigations Committee

Description: **Renewable Energy and Efficient Energy Finance Account**

Statute: <b>Section 16-245aa (d)</b>
The Green Bank shall report on the effectiveness of the Renewable Energy and Efficient Energy Finance program to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

Reporting	
Due	Submitted
1/1/13	2/8/13
1/1/14	1/15/14
1/1/15	3/15/15
1/1/16	12/23/15
1/1/17	12/15/16
1/1/18	12/1/17
1/1/19	12/31/18
1/1/20	12/30/19

Unit:	CEO
Filing Responsibility:	<b>Matt Macunas</b>

Sec. 11-4a. Submission of reports to the General Assembly and State Librarian. Each commission, task force or committee appointed by the Governor or the General Assembly, or both, and required to report its findings and recommendations, and each state agency which submits a report to the General Assembly or any committee of the General Assembly, shall submit its report electronically to the clerks of the Senate and the House of Representatives and the Office of Legislative Research, and shall file one copy with the State Librarian.

Description: **Special Capital Reserve Fund**

Statute:	<b>Section 16-245mm (d)</b>
<p>On or before December first, annually, but after said authority has made such required deposit, there is deemed to be appropriated from the General Fund such sums, if any, as shall be certified by the chairperson or vice-chairperson of the Clean Energy Finance and Investment Authority to the Secretary of the Office of Policy and Management, the State Treasurer and the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding and energy, as necessary to restore each such special capital reserve fund to the amount equal to the required minimum capital reserve of such fund, and such amounts shall be allotted and paid to said authority.</p>	

Reporting	
Reason Required	Submitted
CSCU deal	12/1/2017
CSCU, Meriden	11/30/2018
CSCU, Meriden	12/30/2019

Unit:	CEO
Filing Responsibility:	<b>Matt Macunas</b>

Transmittals due to 1) Office of Policy and Management; 2) State Treasurer; and 3) the legislative Energy & T

Assembly and State Librarian. Each commission, task force or committee appointed by the Governor or the General Assembly, or both, and required to report its findings and recommendations, and each state agency which submits a report to the General Assembly or any committee of the General Assembly, shall submit its report electronically to the clerks of the Senate and the House of Representatives and the Office of Legislative Research, and shall file one copy with the State Librarian.

(signed 12/1/2019)

Technology Committee and the Finance, Revenue & Bonding Committee



Description: **Residential Solar Investment Program**

Statute: **Section 16-245ff (j)**

On or before January 1, 2017, and every two years thereafter for the duration of the program, the Connecticut Green Bank shall report to the joint standing committee of the General Assembly having cognizance of matters relating to energy on progress toward the goals identified in subsection (b) of this section.

Unit:	CEO
Filing Responsibility:	<b>Bryan Garcia</b>

Reporting

Due	Submitted
1/1/2014	-
1/1/2017	1/30/2017
1/1/2019	1/11/2019
Program Sunset	

Sec. 11-4a. Submission of reports to the General Assembly and State Librarian. Each commission, task force or committee appointed by the Governor or the General Assembly, or both, and required to report its findings and recommendations, and each state agency which submits a report to the General Assembly or any committee of the General Assembly, shall submit its report electronically to the clerks of the Senate and the House of Representatives and the Office of Legislative Research, and shall file one copy with the State Librarian.

\* Obligated but not submitted, however statute was since rewritten by PA 15-194

Description: **Annual Report**

Statute: **Section 16-245n (f) (1)**  
 The board shall issue annually a report to the Department of Energy and Environmental Protection reviewing the activities of the Connecticut Green Bank in detail and shall provide a copy of such report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce. The report shall include a description of the programs and activities undertaken during the reporting period jointly or in collaboration with the Energy Conservation and Load Management Funds established pursuant to section 16-245m.

Reporting	
Due	Submitted
1/1/15	12/30/14
1/1/16	12/31/15
1/1/17	10/17/16
1/1/18	12/1/17
1/1/19	1/11/19
1/1/20	12/27/19

Unit:	CEO
Filing Responsibility:	<b>Matt Macunas</b>

Transmittals due to 1) DEEP; 2) legislative Commerce Committee; and 3) Energy & Technology Committee

Sec. 11-4a. Submission of reports to the General Assembly and State Librarian. Each commission, task force or committee appointed by the Governor or the General Assembly, or both, and required to report its findings and recommendations, and each state agency which submits a report to the General Assembly or any committee of the General Assembly, shall submit its report electronically to the clerks of the Senate and the House of Representatives and the Office of Legislative Research, and shall file one copy with the State Librarian.

Description: **Board of Directors Meetings**

Statute: <b>Section 16-245aa (d)</b>
Green Bank bylaws require a minimum of 6 Board of Directors meetings per fiscal year.

Unit:	Legal
Filing Responsibility:	<b>Matt Macunas</b>

Reporting		
Fiscal Year	Held	Type
FY16	12/16/15	regular
	1/15/16	regular
	2/26/16	special
	3/3/16	special
	4/22/16	regular
	6/17/16	regular
	7/6/16	special
FY17	7/22/16	regular
	10/21/16	regular
	12/16/16	regular
	1/5/17	special
	1/20/17	regular
	3/10/17	special
	4/28/17	regular
	6/9/17	special
	6/23/17	regular
	7/21/17	regular
FY18	9/28/17	regular
	10/3/17	special
	10/20/17	regular
	11/6/17	special
	11/13/17	special
	12/1/17	special
	12/15/17	regular
	1/26/18	regular
	2/15/18	special
	4/3/18	regular
	4/27/18	regular
	5/25/18	special
	6/13/18	regular
	6/28/18	regular
7/27/18	regular	
FY19	8/21/18	special
	9/18/18	special
	10/26/18	regular
	12/14/18	regular
	2/22/19	regular
	3/29/19	regular
	4/26/19	regular

	6/28/19	regular
FY20	7/18/19	regular
	9/12/19	regular
	10/25/19	regular
	11/20/19	special
	12/20/19	regular

Description: **OpenConnecticut Checkbook-Level Data**

Statute: **Section 16-245n (f) (1)**

State Comptroller Lembo created a public portal to view fiscal information for government operations. Quasi-public agencies in particular are strongly encouraged to participate and volunteer their data. The Green Bank was one of the 1st quasi-agencies to voluntarily partner and will do so on an ongoing basis.

Reporting

Requested By	Submitted
1/15/19	1/10/19
2/1/20	1/31/20

Unit:	Accounting
Filing Responsibility:	<b>Jane Murphy</b>

Transmittals due to State Comptroller's office. Josh Wojcik.

Description: **Board Diversity Report**

Statute:	<b>Section 9-4b</b>
Online submission:	<a href="https://surveymonkey.com/r/CTBoardDiversityReport">https://surveymonkey.com/r/CTBoardDiversityReport</a>

Due	Submitted
10/1/2019	9/25/2019

Unit:	Legal
Filing Responsibility:	<b>CEO or Board Chair</b>

Description: **Renewable Energy and Efficient Energy Finance Account**

Statute:	<b>Public Act 15-152 Sec. 1c</b>
<p>Connecticut Green Bank shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the program established pursuant to subsection (a) of this section and whether such program should continue. On or before January 1, 2018, the Connecticut Green Bank shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the program established pursuant to subsection (b) of this section and whether such program should continue.</p>	

Reporting	
Due	Submitted
1/1/2018	12/29/2017

Unit:	CEO
Filing Responsibility:	<b>Bryan Garcia</b>



**Audit** - Evidence of annual review and approval of policies and procedures for the SoC 2 Audit.

Connecticut Green Bank  
Report Coordinator: Matt Macunas

Statutory Reporting Requirement Checklist

		FY14				FY15				FY16				FY17				FY18			
Individual Responsible for Filing	Due date	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
G. Bellas	Submitted Date	03/17/14	03/14/14	04/21/15	04/21/15	06/16/16	06/16/16	06/16/16	06/16/16	05/31/16	05/31/16	05/31/16	08/10/16	11/8/2016	2/23/2017	5/10/2017	8/9/2017	12/21/2017	2/28/2018	5/17/2018	9/5/2018

**Accounting** - Section 1-123 subsection (b): Quarterly Financial Cash Flow Report to OFA. Such Report shall include, but not be limited to:

C. Baisden	06/17/14	06/17/14	06/17/14	08/05/14	10/02/14	01/12/15	04/12/15	07/09/15	10/09/15	01/08/16	03/31/16	07/05/16	10/05/16	2/21/2017	4/10/2017	7/17/2017	10/06/17	1/9/2018	4/2/2018	7/5/2018
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**Annual Report / CAFR** - (1) A list of all bond issues for the preceding fiscal year, including, for each such issue, the financial advisor and

FY14-16: M. Dykes FY16: E. Shrago, M. Macunas	Governor	Auditors of Public Accounts	Legislative Program Review and Investigations Committee (2 copies)	Governor	Auditors of Public Accounts	Legislative Program Review and Investigations Committee (2 copies)	Governor	Auditors of Public Accounts	Legislative Program Review and Investigations Committee (2 copies)	Governor	Auditors of Public Accounts	Legislative Program Review and Investigations Committee (2 copies)	Governor	Auditors of Public Accounts	Legislative Program Review and Investigations Committee (2 copies)	Governor	Auditors of Public Accounts	DISCONTINUED: Legislative Program Review and Investigations Committee	
	12/30/2014	12/30/2014	12/30/2014	12/30/2014	12/31/2015	12/31/2015	12/31/2015	12/29/2016	12/29/2016	12/29/2016	12/29/2016	12/29/2016	12/29/2016	12/29/2016	12/29/2016	12/27/2017	12/27/2017	-	-

**REEEFA bonding** - Section 16-245aa subsection (d): CGB shall report on the effectiveness of the Renewable Energy and Efficient Energy Finance program to the joint standing committee of the General Assembly having cognizance of matters relating to energy

B. Garcia	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Date Filed:	2/8/2013	1/15/2014	15-Mar-2015	12/23/2015	12/15/2016	12/1/2017

**SOE** - Sec. 16-245mm(d): On or before December first, annually, but after said authority has made such required deposit, there is deemed to be appropriated from the General Fund such sums, if any, as shall be certified by the chairperson or vice-chairperson of the Clean Energy Finance and Investment Authority to the Secretary of the Office of Policy and Management, the State Treasurer and the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding and energy, as necessary to restore each such special capital reserve fund to the amount equal to the required minimum capital reserve of such fund, and such amounts shall be allotted and paid to said authority

Office of Policy and Management	State Treasurer	Legislative Committees: Energy & Technology Finance, Revenue & Bonding
12/1/2017	12/1/2017	12/1/2017

**RSIP** - Section 16-245ff report by January 1, 2017 and every two years thereafter to the Legislative Energy and Technology Committee on its progress toward deploying 300 MW of residential solar PV

FY15: D. Goldberg, A. Brydges FY17: M. Macunas	January 1, 2014 (obligation prior to PA 15-194)	January 1, 2017	January 1, 2019
Date filed:	-	1/30/2017	

DEEP	Energy & Technology Committee	Commerce Committee	DEEP	Energy & Technology Committee	Commerce Committee	DEEP	Energy & Technology Committee	Commerce Committee	DEEP	Energy & Technology Committee	Commerce Committee
12/30/2014	12/30/2014	12/30/2014	12/31/2015	12/31/2015	12/31/2015	10/17/2016	10/17/2016	10/17/2016	12/1/2017	12/1/2017	12/1/2017

**Annual Report** - Section 245n(1) The board shall issue annually a report to the Department of Energy and Environmental Protection reviewing the activities of the Connecticut Green Bank in detail and shall provide a copy of such report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce. The report shall include a description of the programs and activities undertaken during the reporting period jointly or in collaboration with the Energy Conservation and Load Management Funds established pursuant to section 16-245m.

M. Macunas	12/30/2014	12/30/2014	12/30/2014	12/31/2015	12/31/2015	12/31/2015	10/17/2016	10/17/2016	10/17/2016	12/1/2017	12/1/2017	12/1/2017
------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------

**Board Meetings** - At least 6 per fiscal year, per CGB Bylaws

FY16						FY17						FY18						FY19															
12/16/2015	1/15/2016	2/26/2016	3/3/2016	4/22/2016	6/17/2016	7/6/2016	7/22/2016	10/21/2016	12/16/2016	1/5/2017	1/20/2017	3/10/2017	4/28/2017	6/9/2017	6/23/2017	7/21/2017	9/28/2017	10/3/2017	10/20/2017	11/6/2017	11/13/2017	12/1/2017	12/15/2017	1/26/2018	2/15/2018	4/3/2018	4/27/2018	5/25/2018	6/13/2018	6/28/2018	7/27/2018	8/21/2018	9/18/2018
regular	regular	special	special	regular	regular	special	regular	regular	regular	special	regular	special	regular	special	regular	regular	regular	special	regular	special	special	regular	regular	regular	regular	special	regular	regular	regular	regular	regular	regular	special

**Audit** - Evidence of annual review and approval of policies and procedures for the SoC 2 Audit.

Due before 1/1/18

**Anaerobic Digester Pilot** - PA 15-152 - progress of AD pilot, lessons learned, and recommendations

Energy Comr	Senate/House	OLR/State Librarian
12/29/2017	12/29/2017	12/29/2017

Individual  
Responsible  
for

Section 4a-60g (l) On or before August first of each year, each awarding agency setting aside contracts or portions of contracts shall prepare a report establishing small and minority business state set-aside program goals for the twelve-month period

Date Filed:

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Individual  
Responsible  
for

Section 4a-60g (m) Status report on implementation and results of small business and minority business enterprise state set-aside program goals during the three-month period ending one month before the due date for the report. Any awarding agency that achieves less than fifty per cent of its small contractor and minority business enterprise state set-aside program goals by the end of the second reporting period in any twelve-month period beginning on July first shall provide a written explanation to the Commissioner of Administrative Services and the Commission on Human Rights and Opportunities detailing how the awarding

Date Filed:

FY15	FY16	
		#####

FY15	FY16			
	#####	#####	#####	#####





**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
March 5, 2020

**Regarding Governor's Bill 10**  
**AN ACT CONCERNING**  
**CERTAIN RECOMMENDATIONS REGARDING CLIMATE CHANGE.**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports Governor's Bill 10**. This bill seeks to adopt improved air emission standards for medium and heavy-duty vehicles, establish a zero-carbon electric grid by 2040 within Connecticut's GHG emission reduction goals, and significantly increase zero carbon resources from energy efficiency, including active and passive demand response, and distributed energy resources like energy storage through competitive procurements administered by DEEP.

These policies are consistent with Connecticut's climate change policies:

- Section 1 would complement the policy passed in Section 93 of PA 19-117 by improving availability in the Connecticut market of medium- and heavy-duty electric trucks.
- Section 2 codifies the analysis performed by DEEP for its Integrated Resources Plan as directed by Executive Order #3 – to target a zero-emissions electric sector by 2040.
- Section 3 unlocks innovation by allowing DEEP the flexibility to competitively procure energy efficiency resources, to the benefit of Connecticut ratepayers.

Please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
February 27, 2020

**Regarding Senate Bill 177**  
**AN ACT CONCERNING ENERGY CONSUMPTION AND DATA LABELING**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The original data transparency policy from Section 16-245ii as passed by Public Act 11-80,<sup>1</sup> was long thought by the Green Bank to hold promise. Data availability is a key enabler of energy transformation, putting power in the hands of ratepayers and the market to address their energy burdens through energy efficiency and renewable energy improvements and programs. The original statute, to commence January 1, 2012, proved difficult to implement than was anticipated by the legislature. As such the Green Bank is pleased to see this statute revisited and **supports Senate Bill No. 177.**

Our suggestions for the bill include the following:

- Section 1(a)(1) – Consider allowing DEEP flexibility to determine other equivalent ratings systems in case others growing in popularity present legitimate alternatives.
- Section 1(c)(1) –Suggest updating the language to be more specific and allow access to third party owners: "Each electric distribution and gas company shall maintain and make available to a residential property owner or third party system owner (on behalf of a property owner), free of charge and in a reasonable timeframe (e.g., less than one month), records of the energy consumption data for the residential building owned by the residential property owner, for at minimum 12 months of historical data

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<sup>1</sup> The second data transparency policy from PA 11-80 was Section 126, stating "Commencing January 1, 2012, each electric distribution, electric and gas company shall provide aggregate town customer usage information by customer class that preserves the confidentiality of individual customers to any legislative body of a municipality that requests such information."

(if available) and at least at hourly granularity (if available based on the applicable metering system), unless less granular data is requested.

Please find attached to this testimony the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.





**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
February 27, 2020

**Regarding Senate Bill 178**  
**AN ACT CONCERNING ENERGY EFFICIENCY STANDARDS**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports Senate Bill No. 178** as an efficient method of delivering energy cost savings to homeowners and businesses. The inclusion of new standards for products will reduce the energy burden on families and businesses by avoiding millions of dollars a year in energy costs.

Please find attached to this testimony the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
February 27, 2020

**Regarding Senate Bill 179**  
**AN ACT CONCERNING THE CONNECTICUT GREEN BANK**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports Senate Bill 179**. This bill seeks two outcomes: 1) the legislature's approval of the Green Bank's intent to seek funding from the United States Department of Agriculture (USDA) and other federal programs; and 2) a technical fix to the Green Bank's governance statute.

**Access to USDA Funds and Other Federal Programs**

Section 1, lines 106-107 and 167-172 of the bill would enable the Green Bank to potentially access low-cost and long-term federal loan funds from the USDA for the deployment of clean energy in rural communities.<sup>1</sup> The USDA has vast lending authority under the Rural Electrification Act of 1936, which enables direct loans, project financing and loan guarantees to a variety of borrowers. Although the likelihood of the Green Bank receiving USDA funds is uncertain, this is an opportunity for Connecticut to try to bring additional federal dollars to the citizens and ratepayers of the state.

The USDA's Energy Efficiency and Conservation Loan Program (EECLP) provides loans and loan guarantees, typically at 15-year terms (but available for up to 25 years), to finance energy efficiency and renewable energy projects for commercial, industrial, and residential customers in rural areas. Eligible borrowers can borrow low-cost and long-term capital tied

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<sup>1</sup> "Rural" communities are defined by USDA in various ways depending on the program, but the most common threshold is a population of 20,000. As a measure of electricity usage, an estimated 55% of residential consumed electricity in the Eversource and Avangrid combined territories is from "rural" USDA-designated areas.

to the U.S. Treasury Rates plus 1/8% interest and re-lend the capital to end-use customers in rural service territories.

The Green Bank has had intermittent conversations with the USDA over the course of the past four years to become a borrower of federal funds to support its decarbonization and grid modernization efforts in rural communities. We received preliminary approval from the USDA indicating that the Green Bank may be a potential borrower under the Rural Utilities Service’s programs. Although we currently have statutory authorization to seek federal funding in general (i.e., lines 185-186), we request this additional statutory language as a way to further communicate the state’s intent that the Green Bank may access low-cost and long-term federal funds from the USDA and others. This enablement might be used to support a variety of state policies including shared clean energy facilities, grid-side procurements, alternative fuel vehicle infrastructure, and grid modernization, including behind-the-meter residential and commercial deployments under tariffed compensation.

It should also be noted that the Green Bank is working with Connecticut’s congressional delegation on federal legislation through the U.S. Green Bank Act.<sup>2</sup> If passed, the legislation would enable \$50 billion of capital through the U.S. Department of Treasury to be lent at low-cost and long-terms to state green banks in support of clean energy projects, as well as reforestation, regenerative agriculture, transit-oriented development, mass transit, waste and recycling, water, and other environmental infrastructure investments.

**Technical Fix**

Section 2, lines 231 and 253 would clarify the Green Bank’s governance structure to accurately reflect the number of nonvoting members that serve on its Board of Directors.

CGS Section 16-245n(e)(1) states that the powers of the Green Bank shall be vested in and exercised by a Board of Directors – see Table 1.

**Table 1. Overview of the Board of Directors of the Connecticut Green Bank**

<b>Position</b>	<b>Appointee</b>	<b>Voting</b>
Commissioner of DECD (or designee)	Ex Officio	Yes
Commissioner of DEEP (or designee)	Ex Officio	Yes
State Treasurer (or designee)	Ex Officio	Yes
Finance of Renewable Energy	Governor	Yes
Finance of Renewable Energy	Governor	Yes
Labor Organization	Governor	Yes
R&D or Manufacturing	Governor	Yes
Investment Fund Management	Minority Leader of House	Yes
Environmental Organization	President Pro Tempore of Senate	Yes

<sup>2</sup> In 2019, Senators Blumenthal and Murphy released S. 1528 and Congressman Himes released H.R. 3423 – U.S Green Bank Act. It should also be noted that in 2019, Senators Markey and Blumenthal released S. 2057 and in 2020 Congresswoman Dingell released H.R. 5416 – National Climate Bank Act.

Finance or Deployment	Minority Leader of Senate	Yes
Residential or Low Income	Speaker of the House	Yes
President of the Green Bank	Ex Officio	No
President of Connecticut Innovations	Ex Officio	No

As a result of the revisions to the Board of Directors of the Green Bank through Public Act No. 16-212, an ex officio board position was explicitly removed from the Board of Directors in 2016. However, the Public Act was passed without a conforming change in the same statutory subsection of C.G.S. Sec. 16-245n(e)(1); presently this subsection still erroneously references two “non-voting” members even though the previous ex officio board position was removed, leaving only one remaining non-voting member – the President of the Connecticut Green Bank. The Auditors of Public Account have noted this as a finding in their FY16-FY17 Auditors’ Report of the Green Bank.

To address the discrepancy, the Green Bank requests this technical fix to remove the erroneous reference to a second nonvoting member (i.e., Connecticut Innovations) from the Board of Directors in line 231, and a clarification of the term of one of the four Governor appointments (i.e., experience in research and development or manufacturing of clean energy) in line 253.

Attached to this written testimony are the Green Bank’s Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

The Green Bank looks forward to working with the Energy & Technology Committee to enable additional federal funds to come into Connecticut that the Green Bank can use to mobilize more private investment into our growing green economy.

Questions on this document may be submitted to the Green Bank’s Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Planning and Development Committee  
February 21, 2020

**Regarding House Bill 5137**  
**AN ACT EXPANDING THE PROPERTY TAX EXEMPTION FOR CERTAIN RENEWABLE ENERGY SOURCES AND NONRESIDENTIAL HYDROPOWER FACILITIES**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports** House Bill 5137 as it clarifies existing exemptions by providing greater specificity on the original intent of legislators. The existing property tax exemptions for Class I renewable energy resources were established through Sections 46 and 47 of Public Act 07-242, which converted a municipal property tax abatement option for Class I renewable resources into a mandatory exemption. It is important to make clear that this legislation *prospectively* clarifies the intent of the original exemption in the context of the solar photovoltaic market, and it is not intended to change state policy with regard to hydropower facilities.

Property taxes are levied on a recurring basis and over time would likely erode the economic case for installing clean energy resources. Exempting such renewable generation systems from local taxation was truly helpful in securing the economic viability of such projects. In the process this has and continues to be the overarching state policy in hastening the deployment of clean energy resources.

For many years, assessors throughout Connecticut have properly accepted applications filed pursuant to C.G.S. § 12-81 (57) by solar photovoltaic (PV) developers for residential use, and properly exempted the solar PV systems from local property taxation. In fact, the Green Bank, including its predecessor the Connecticut Clean Energy Fund, has been involved with the financing of solar PV systems in almost all of Connecticut's 169 municipalities, with installations starting in 2004. Once an assessor accepts an application and exempts the personal property pursuant to this statute, the personal property remains exempt from taxation for the remainder of its useful life so long as the personal property is not altered in a manner which would require a building permit, pursuant to C.G.S. § 12-81(57)(E).

In recent years a small number of assessors have begun to either improperly deny new applications for exemption, or improperly take away previously granted exemptions. It is our understanding that these assessors believe some projects should be ineligible for exemption because electricity that is being created on the homeowner's property flows, in part, to the electric grid, or because the systems are not owned by the residential owner. Neither reason is a proper basis to justify assessing a local tax.

The solar PV systems are designed in compliance with Connecticut's net metering requirements for onsite energy consumption. When the legislature converted a municipal property tax abatement option for Class I renewable resources into a mandatory exemption, it was aware of the fact that these solar PV systems will provide electricity that physically flows to the grid after satisfying onsite demand. It is unfortunate that some assessors have been attempting to improperly assess these solar PV systems based upon a misunderstanding of Connecticut's net metering policy. Per Connecticut's net metering requirements for home energy consumption, and from the perspectives of both accounting and physics, electricity that is created by the solar PV system first goes for immediate consumption by the residential home. Only electricity in excess of immediate home consumption flows to the grid and in the context of billing is banked (stored) for future home consumption. Connecticut's net metering program is set forth in C.G.S. § 16-243h and it allows consumers who generate some or all of their own electricity to use that electricity anytime instead of only when it is generated. This public purpose is especially important for certain types of renewable energy sources such as wind and solar, where the production and consumption is variable during the day (e.g., when solar PV is producing power during the day, while the homeowner is consuming less power because they are at work, and therefore some power is going to the grid) as well as seasonally (e.g., more solar PV is generated in the summer than in the winter). Homeowners receive a credit on their utility bills for any electricity generation that is not immediately used by the home, in an amount equal to the utility price for electricity (i.e., at a rate of one kilowatt-hour for one kilowatt-hour produced). The kWh credits are carried over from monthly billing period to monthly billing period, until they are reconciled at the end of the utility billing year.

The other basis that we have seen for improper assessment of a portion of systems (that are installed via a lease or power purchase agreement) has been that homeowners do not technically own the systems. The underlying statute, C.G.S. § 12-81(57), provides for a mandatory local tax exemption for these solar PV systems regardless of whether the systems are owned by the homeowner or owned by a third party. It is improper for any assessor to infer an ownership requirement in C.G.S. § 12-81(57) where the statute clearly does not provide for any such ownership requirement. Furthermore, it would be impractical to provide for such an ownership requirement because most homeowners are not willing to invest in the significant up-front cost to purchase and install the solar PV system for the purpose of gaining savings on electricity costs in the distant future. The third-party ownership model is particularly beneficial to low to moderate income customers from a cash flow perspective; also, these customers generally have less tax liability with which to benefit from the federal tax credit. The Green Bank observes that approximately 75% of the market serving Connecticut structures agreements whereby the installation company or its equity partner owns the systems so as to maximize federal tax credit benefits, while setting up a lease arrangement or long-term power purchase agreement with the homeowner. The evolution of financing innovations like these has grown the market for solar power to an increasing degree over the past decade. Systems installed using these models should be

similarly considered exempt under current statute and yet seem to be getting targeted specifically.

The residential solar PV market is in a continuing state of evolution. The improper imposition of property taxes on systems at this critical stage will (i) render previously constructed projects to no longer be viable and (ii) cause many future projects to become uneconomic in paying back a consumer's investment. To this point, we are aware of at least one solar PV installer stating that they did not intend to target a particular community for marketing and project fulfillment specifically because of inconsistent application of this exemption. Major policy changes have occurred at the federal level with the imposition of import tariffs for foreign panel modules and balance of system equipment that has prevented solar PV cost reductions. The federal Investment Tax Credit – based upon installed costs after state incentives - is continuing its phasedown, from 30% in 2019 to 26% in 2020 and 22% in 2021; the credit will decline to 0% for homeowner-owned systems starting in 2022 and 10% for third-party owned systems for which construction begins in 2022 or later. Major changes are also ongoing at the state level - Public Act 18-50, amended by Public Act 19-35, initiated reform of compensation for solar PV, away from the current net metering regime; the Public Utilities Regulatory Authority is examining the establishment of a different tariffed compensation method which many installers fear will reduce their engagement with our market. All this while the Green Bank-administered Residential Solar Investment Program is winding down the state incentive, projected to sunset in Q3 2020 and currently worth roughly \$2,100 on an average sized system. The reductions in both federal and state incentives that are already in process will significantly impact customer economics. The property tax exemption is therefore even more critical to continuing support of solar PV deployment in Connecticut.

Municipalities that inconsistently honor the exemption may result in them arbitrarily applying it depending on whether the town is itself engaged in a third-party owned solar PV contract. Virtually all clean energy projects municipalities engage in use third-party owned structures because municipalities otherwise cannot monetize the value of the federal Investment Tax Credit. To this end – and apart from this legislation - the Green Bank has recently established a Solar Municipal Assistance Program, simplifying each step of the process for municipalities to acquire renewable energy; more information can be found at <https://ctgreenbank.com/solarmap/>.

For your reference, attached please find a February 2018 letter from Senator Bob Duff, writing in his capacity as a former Energy and Technology Committee chairperson, confirming the legislative intent of the original statute in exempting residential solar PV systems from local taxation.

Also, please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
February 27, 2020

**Regarding House Bill 5223**  
**AN ACT CONCERNING VOLTAGE STANDARDS**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank supports the state and the Public Utilities Regulatory Authority's ("PURA") pursuit of an equitable, modern grid that facilitates the reduction of ratepayer energy burden and the interconnection of low-emission generation resources on our distribution system. To this end, the Green Bank **supports House Bill No. 5223** as a means to ensure our regulations are in line with national standards and best practices that will help the state achieve its greenhouse gas emission reduction and energy affordability goals.

The Green Bank would like to acknowledge the role of PURA in providing leadership on the issue of grid modernization through its ongoing proceeding in Docket 17-12-03(RE06).

Please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.





**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
February 27, 2020

**Regarding House Bill 5225**  
**AN ACT CONCERNING**  
**CONSUMER PROTECTIONS FOR CUSTOMERS OF ELECTRIC SUPPLIERS**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank places a high priority on not just lowering the energy burden (i.e., percentage of household income spent on energy) and reducing the energy affordability gap (i.e., the amount of income over-spent on energy) of Connecticut residents, businesses and institutions through deployment of clean energy, but also in prioritizing affordable and reliable electric service to hardship customers (e.g., those in Low Income Home Energy Assistance Programs) for whom an electricity bill poses a high proportional cost to a household's budget. Policymakers are wise to acknowledge the special vulnerabilities low income customers face, the various consumer protections that may be necessary in preventing intentional or inadvertent predation on those same customers, and might consider placing such customers back on the Standard Offer. The Green Bank **supports House Bill No. 5225.**

To this end, to the Green Bank would like to acknowledge the role of the Public Utilities Regulatory Authority ("PURA") in providing leadership on the issue of energy affordability through its ongoing grid modernization proceeding in Docket 17-12-03RE01.

Please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
February 27, 2020

**Regarding House Bill 5226**  
**AN ACT CONCERNING ELECTRIC VEHICLE CHARGING STATIONS**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports House Bill No. 5226** as a means of addressing a potential issue of concern to a nascent market for electric vehicle recharging, setting ground rules in advance of the dramatic growth expected in the deployment of electric vehicles (EVs) and associated charging infrastructure. The establishment of state guidance of this sort can help prevent inequities in access to EV charging based upon one's place of residence giving everyone a "right to charge".

For years a similar issue has been observed in other clean energy markets, involving home or unit ownership under a shared governance structure (e.g., homeowner or condo associations), or tenancy in a rented property. These could preclude a resident from getting solar power or energy efficiency improvements, due to restrictions borne out of others' concerns over factors like aesthetics or blended ownership. This proposal smartly addresses what is bound to be a comparable concern affecting a growing population; while there are currently around 12,000 registered plug-in EVs in Connecticut, state policy targets aim at 125,000 by 2025 and 500,000 by 2030. A wide body of research indicates the environmental and economic benefits conferred by increased EV deployment, so it is appropriate for the state to consider at this stage what ground rules should exist for areas where deployment will be a challenge due to accessibility hurdles on EV recharging infrastructure.

Please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
February 27, 2020

**Regarding House Bill 5228**  
**AN ACT CONCERNING**  
**THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports House Bill 5228** as a way to make it more attractive for private capital to invest into Connecticut's green economy. The policy proposal would further enhance the Green Bank's successful Commercial Property Assessed Clean Energy ("C-PACE") program in the following ways.

**Include New Areas for EV Infrastructure and Resiliency Investment** - to complement state climate change policies,<sup>1</sup> zero-emission vehicle ("ZEV") refueling infrastructure (e.g., EV chargers), and resiliency measures (e.g., hardening properties against the impacts of climate change) would be made eligible for C-PACE financing.

- **Refueling Infrastructure for ZEVs** – although already a "clean energy"<sup>2</sup> resource that is eligible for C-PACE, exempting refueling infrastructure from the program's Savings to Investment Ratio ("SIR") requirement is important because EV chargers add additional electric use to a property rather than reduce it like other eligible C-PACE energy measures; and
- **Resiliency** – not a "clean energy" resource, nor currently eligible for C-PACE in Connecticut. By enabling resiliency measures to be financed through C-PACE, private capital can invest in resiliency improvements for property owners. Note, the Green Bank would not be able to use its resources to invest in resiliency because it is not statutorily considered "clean energy." However other private capital providers

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<sup>1</sup> Public Acts 08-98, 18-50, 17-3, 18-82, and 19-71, as well as Governor Lamont's Executive Order 3

<sup>2</sup> As defined by CGS 16-245n

participating in the Green Bank administered program would be enabled to do so. Resiliency is a key component in other state C-PACE programs,<sup>3</sup> and in attracting private investment in such improvements, including:

- **California** – improving safety in the event of seismic activity (i.e., earthquakes) at a medical center in Daly City whereby the improvements were not subject to SIR requirements; and
- **Florida** – hurricane-proofing a rehabilitation and nursing center in Pensacola with upgrades to the properties windows and roof to resist hurricane-force winds.

With respect to the proposed language within the bill, the Green Bank proposes the following changes:

- **Definition** – the proposed definition of “resiliency” is ambiguous and vague. The Green Bank would propose that the Department of Energy and Environmental Protection (“DEEP”) and Connecticut Institute for Resilience and Climate Adaptation (“CIRCA”) be consulted with respect to providing a definition of “resiliency” to be consistent with state policy. We propose that one of the best definitions available may be the following:
  - “The ability to anticipate, prepare for, and adapt to changing climate conditions and withstand, respond to, and recover rapidly from climate disruptions.”<sup>4</sup>
- **Savings to Investment Ratio Exemption** – although the Green Bank supports resiliency measures being exempt from the SIR, it is important to collect information so as to discern the potential savings that accrue to the property owner for investing in resiliency (e.g., reduction in insurance premiums) so that at a later point an SIR test might prove useful for investment by property owners in resiliency measures. The Green Bank would propose the following change in lines 112-116:
  - (1) Require performance of an energy audit, [or] renewable energy system feasibility analysis, or resiliency study on the qualifying commercial real property that assesses the expected energy or resiliency cost savings of the energy or resiliency improvements over the useful life of such improvements before approving such financing,”

It should be noted that the Green Bank was approached by the Bridgeport Economic Development Corporation in the Fall of 2019 to explore how the Green Bank might support resiliency to reduce vulnerabilities of property owners from the impacts of climate change.

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<sup>3</sup> Better Buildings fact sheet entitled “Commercial PACE Financing for Resiliency”

<sup>4</sup> This definition derives from that listed in the federal Notice of Funding Availability for the National Disaster Resilience Competition, page 12. The term “climate” is added here to further specify the domain of resilience, and because climate change impacts are required inclusions throughout the Notice including on pages 5 and 18. Available at: <https://files.hudexchange.info/resources/documents/NDRC-Phase-2-NOFA.pdf>

**Program Streamlining** – The bill proposes several changes to streamline C-PACE administration, including those regarding:

- **Billing and Collections** - The Green Bank would be given the option to bill and collect for C-PACE assessments, as opposed to municipalities which must currently perform these functions for the program. Centralizing billing and collection processes could make these functions quicker and more efficient, streamlining the program for participants and removing an obligation from municipalities that many see as a burden.
- **Lien Assignment** – Liens may be assigned directly to third-party capital providers, when applicable, instead of first assigning such liens to the Green Bank. This will reduce the amount of legal documents required for projects, with less paperwork for municipalities to handle.
- **Savings-to-Investment** – Clarifies that “savings” are based on expected rather than actual savings, given that these calculations are made prospectively. Also clarifies that associated savings such as tax benefits (e.g., the federal investment tax credit) are included in the calculation.

The bill would also make clear that a PACE lien could be used to secure energy services agreements – common in the clean energy world – in addition to the financing, leases and power purchase agreements that already could be secured with PACE liens.

Several examples of C-PACE marketing material are included as appendices to this testimony. Please also find attached the Green Bank’s Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

The Green Bank looks forward to working with the Energy & Technology Committee to attract low-cost and long-term private funds into Connecticut that we can use to energize the green economy.

Questions on this document may be submitted to the Green Bank’s Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
March 5, 2020

**Regarding House Bill 5348**  
**AN ACT CONCERNING THE STUDY OF COMMUNITY CHOICE AGGREGATION.**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports House Bill 5348**. This bill would require DEEP to conduct a study regarding the creation of a community choice aggregation program. If DEEP would like assistance from the Green Bank in conducting such study, the Green Bank would welcome an opportunity to be a part of the bill.

The Green Bank would suggest that the study consider the following:

- **Zero-Carbon Energy Procurement** – to be consistent with the goals of reducing greenhouse gas emissions, focus on allowing buying consortia to only be able to procure zero emission electricity, renewable energy, demand response, energy efficiency, storage, and carbon offsets – only carbon neutral resources as opposed to natural gas or other fossil fuel-based resources;
- **Low Income Rates** – to support a just transition for low income residential customers, the community choice aggregation would seek to feature an electric rate that is lower than the standard offer for low income households; and
- **Assessment of Market Impact** – in order to better understand how community choice aggregation would impact the competitive market for electricity in Connecticut, including the Standard Offer, include an assessment of what impact community choice aggregation might have on those non-participants both within the participating municipality, but more importantly, those outside the aggregation program.

Sustainability is becoming increasingly important for Connecticut's cities and towns. Connecticut's cities and towns that are pursuing sustainability may welcome an opportunity

to go beyond compliance (e.g., Class I RPS, GHG emission reduction targets, etc.) and voluntarily take actions to pursue zero-carbon electricity consumption. There are now 102 registered cities and towns within the Sustainable CT framework – of which 47 of them are certified (i.e., 33 bronze and 14 silver).<sup>1</sup>

Please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.

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<sup>1</sup> <https://sustainablect.org/>





**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
March 5, 2020

**Regarding Raised Bill No. 5349**  
**AN ACT CONCERNING THE OWNERSHIP OF CERTAIN SOLAR ENERGY PROJECTS**  
**BY ELECTRIC DISTRIBUTION COMPANIES**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

This bill seeks to allow the electric distribution companies the ability to own and operate one or more solar power electrical generation facilities up to an aggregate fifty megawatts. As long as this bill is additional and does not replace existing public policy on grid-tied renewable energy, requires a competitive procurement for all market participants, requires that utilities participate through a subsidiary so as not to place risks on ratepayers, and is as transparent on pricing as existing clean energy programs have been over the past 10 years (e.g., competitive procurements, ZREC, LREC, RSIP, VNM, etc.), then the Green Bank **supports Raised Bill No. 5349.**

Section 127 of Public Act 11-80, and Public Act 17-144, are public policies that have been passed, and already allow utility development and ownership of Class I resources. For those projects supported through these policies, the pricing has been made available and transparent to the market, and any future policies should follow this model.

The Green Bank would propose that the Energy & Technology Committee consider changing "may" to "shall" in line 3. If the utilities are considering making such grid-tied solar PV investments, then it is important for market participants to have certainty that utilities intend to pursue such investments. DEEP's role in approving these project proposals – and PURA's in approving cost recovery – should retain the optionality of the existing language, such that approval is conditioned on being in the best interests of ratepayers.

Please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.



**Legislative Testimony of the Connecticut Green Bank**  
Energy and Technology Committee  
March 5, 2020

**Regarding House Bill 5351**  
**AN ACT CONCERNING CERTAIN PROGRAMS**  
**AND TO INCENTIVIZE AND IMPLEMENT ELECTRIC ENERGY STORAGE RESOURCES**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank **supports House Bill 5351**. This bill seeks to establish a battery storage target of 1,000 MW by December 31, 2030, prompt associated PURA proceedings to develop and implement programs to achieve the target and purpose of the policy, and authorize demonstration projects solicited by DEEP.

As the members of the Energy & Technology Committee are aware, through the Residential Solar Investment Program (i.e., CGS § 16-245ff), the Green Bank is responsible for administering an incentive program with the goals of deploying no more than 350 MW of residential solar PV (i.e., energy and environmental policy), and fostering the sustained, orderly development of a state-based solar industry (i.e., economic development policy).

The Green Bank's administration of the RSIP has resulted in the following:

- **Significant Deployment** – as of March 3, 2020, the Green Bank has approved nearly 40,000 projects, totaling 315 MW of residential solar PV systems – of which 33,800 projects, totaling 276 MW of residential solar PV have been commissioned. The Green Bank expects to reach the 350 MW public policy target in Q3 of 2020. The Green Bank's administration of the RSIP policy has led to the deployment of more clean renewable energy than any other policy or program in Connecticut.
- **Equity and Inclusion in Deployment** – the residential solar PV market in Connecticut is one of only a few in the United States that has achieved "solar parity"

in reaching low-to-moderate-income (“LMI”) families,<sup>1</sup> and made significant progress in reaching communities of color (i.e., Black and Hispanic families).<sup>2</sup> The Green Bank’s administration of the RSIP policy has made Connecticut a nationally recognized leader when it comes to “Solar with Justice”.<sup>3</sup>

- **Public vs. Private Investment** – through a declining incentive block structure, the Green Bank has provided nearly \$140 million in upfront<sup>4</sup> and performance-based<sup>5</sup> incentives<sup>6</sup> – the equivalent to a little over one round of a ZREC auction<sup>7</sup> – that has attracted \$1.2 billion in private investment on top of that for a total investment of over \$1.3 billion in Connecticut’s green economy – an 8.5 to 1 leverage ratio of private to ratepayer funds. The Green Bank’s administration of the RSIP policy has provided incentives on average, through the life of the program, equivalent to a \$30-\$35 ZREC – making the RSIP more efficient than its commercial and industrial counterpart programs (i.e., ZREC-LREC programs).
- **Energy Efficiency Requirement** – since the beginning of its implementation, the RSIP has required a home energy audit (e.g., Home Energy Solutions, Home Energy Scorecard, BPI-certified Audit, etc.) as part of the program for households that want to receive the incentive from the Green Bank. No other state program in the Northeastern U.S. has required energy efficiency to be conducted alongside solar PV as has the Green Bank through the RSIP. The Green Bank’s administration of the RSIP has helped support participation in the utility-administered Home Energy Solutions program.
- **Ratepayer Benefits** – beyond reducing the burden of energy costs from participating households, these systems also reduce peak demand for all ratepayers as evidenced by recent summer heatwaves. For example, during the summer heatwave in Connecticut in July of 2019,<sup>8</sup> the fleet of residential solar PV systems operating through the RSIP reduced peak demand by 230 MW, the equivalent to over half the size of the coal-fired Bridgeport Harbor Generating Station – see “Solar Battles the New England Heatwave” fact sheet attached. Each year, as weather gets hotter and more humid in the summer in Connecticut, this portfolio of residential solar PV systems will reduce peak demand and the associated public health risks, and thereby be of continuous and ongoing benefit to all Connecticut ratepayers.

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<sup>1</sup> [https://emp.lbl.gov/publications/income-trends-residential-pv-adopters/?utm\\_source=newsletter98&utm\\_medium=email&utm\\_campaign=Constant%20Contact](https://emp.lbl.gov/publications/income-trends-residential-pv-adopters/?utm_source=newsletter98&utm_medium=email&utm_campaign=Constant%20Contact)

<sup>2</sup> “Sharing Solar Benefits: reaching Households in Underserved Communities of Color in Connecticut” by the Connecticut Green Bank (May 2019).

<sup>3</sup> Winning the State Leadership in Clean Energy (“SLICE”) Award in 2018 from the Clean Energy States Alliance. “Solar with Justice” by the Clean Energy States Alliance (December 2019) – see “Connecticut Green Bank Brings Solar to LMI Homeowners”.

<sup>4</sup> Approximately 25% of participating households “own” their solar PV system and receive an upfront incentive.

<sup>5</sup> Approximately 75% of participating households have “third-party owned” solar PV systems through a lease or power purchase agreement and receive a performance-based incentive paid out quarterly for a six-year period.

<sup>6</sup> Associated with 315 MW of completed or approved RSIP projects thus far.

<sup>7</sup> For each round of the ZREC, the policy allocates \$8 million of ZREC resources a year for fifteen (15) years to be procured through a competitive auction – or \$120 million over 15 years for each round of the ZREC. There are 10 ZREC rounds per statute – or \$1.2 billion of ZREC incentives available over the 10-year life of the program.

<sup>8</sup> “July on Track to become Hottest on Record with another Hartford Heat Wave” by Christine Dempsey and Zach Murdock in the Hartford Courant (July 31, 2019)

The Green Bank's administration of the RSIP will achieve the public policy target of 350 MW in the summer or fall of 2020, all the while reaching underserved communities, achieving significant leveraging of ratepayer resources to attract private investment, supporting energy efficiency markets, and socializing the benefits of such investments to all ratepayers by reducing peak demand and reducing risks to public health.

To achieve the final goal of "fostering the sustained, orderly development of a state-based solar industry," the **Green Bank does not support an extension of the RSIP beyond 350 MW – instead the Green Bank supports the need for a battery storage incentive program** as contemplated in House Bill 5351. As stated in House Bill 5351, "[t]he Authority [PURA] shall establish a program or programs for the residential class of electric customers," speaking to the objective of "fostering the sustained, orderly development of a state-based electric energy storage industry." The Green Bank believes that ratepayer resources would be better served by prioritizing a new energy storage policy versus extending the RSIP.

In the Green Bank's opinion, the future of residential solar PV – beyond transitioning from net metering to a tariff-based compensation structure (which begins January 1, 2022)<sup>9</sup> – is not REC-based incentives for solar PV through the RSIP, but instead a complementary incentive program administered by the Green Bank, in collaboration with the utility-administrators of the Conservation and Load Management Programs, for the inclusion of battery storage as part of the balance-of-plant of a residential solar PV system. Such a program structure would ensure that the full potential of solar PV production to reduce peak demand is realized and that these benefits are socialized to reduce costs for all ratepayers. The Green Bank envisions implementing a residential energy storage incentive program through solar contractors, in collaboration with the electric utilities and DEEP, that meets the purposes and objectives of the House Bill 5351.

Please find attached the Green Bank's Impact Report for FY 2019, the "Solar Battles the New England Heatwave" fact sheet, and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

Questions on this document may be submitted to the Green Bank's Legislative Liaison Matt Macunas, reachable at [matt.macunas@ctgreenbank.com](mailto:matt.macunas@ctgreenbank.com) or at (860) 257-2889.

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<sup>9</sup> Per PA 18-50 and PA 19-35



**Legislative Testimony of the Connecticut Green Bank**  
Government Administrations and Elections Committee  
March 6, 2020

**Regarding Raised Bill No. 5411**  
**AN ACT CONCERNING THE STATE PROPERTIES REVIEW BOARD**

*As the nation's first green bank, the Connecticut Green Bank ("Green Bank") leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Since its inception, the Green Bank has mobilized nearly \$1.7 billion of investment into Connecticut's clean energy economy at nearly a 7 to 1 leverage ratio of private to public funds, supported the creation of over 20,000 direct, indirect and induced jobs, reduced the energy burden on over 40,000 families and businesses, deployed nearly 360 MW of clean energy, helped reduce over 5.8 million tons of CO2 emissions over the life of the projects, and generated nearly \$90 million in individual income, corporate, and sales tax revenues to the State of Connecticut through fiscal year 2019.*

The Green Bank has concerns on the implications of this bill language on certain operations specific to us and **opposes House Bill 5411** as written.

Section 1(f)(4) and Section 4 include under the purview of the State Properties Review Board "any lease or sublease, licensing or other contractual arrangement concerning real property" entered into by a quasi-public agency. The catch-all clause of "other contractual arrangement concerning real property" has the potential to inadvertently hobble our financing programs through overly-broad interpretation.

The Green Bank's flagship commercial financing program is Commercial Property Assessed Clean Energy (C-PACE). This financing mechanism is recorded on land records as a lien to be repaid, thus it may be interpreted to "concern" real property. Some onsite generation improvements are attached to a property while others like insulation and window improvements become part of the real property itself. Under the broadest interpretation of statute, it could unintentionally make the State Properties Review Board an intermediary to each such energy improvement financing transaction.

The bill language could also capture the agreements we enter into with third-party capital providers for the purposes of certain services that relate to a property. This would affect not only C-PACE, but also instances in which we provide power purchase agreements (PPAs) to commercial properties, for which repayment of the lending is secured by C-PACE benefit assessments.

The Green Bank opposes this bill as written, which might otherwise benefit from the addition of carve-out language to exempt financing programs, along the lines of the following insertion at lines 93-95:

The provisions of this section shall not be construed to apply to any mortgage loan granted by or arrangements for commercial property assessed clean energy administered by a quasi-public agency.

Although this would carve out our specific financing program, there may be other unforeseen consequences of this legislation as drafted which should be further considered. As one example, the committee may want to examine whether the installation of electric vehicle chargers at state-owned or leased facilities would be adversely impacted as well.

Thank you for your consideration. As further background on our agency, please find attached the Green Bank's Impact Report for FY 2019 and in recognition of the 50<sup>th</sup> anniversary of Earth Day, a promotion on the Green Liberty Bonds to be marketed by the Green Bank this spring.

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