BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK
Regular Meeting Minutes

Wednesday, March 25, 2020
2:00 – 3:30 p.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the "Green Bank")** was held on March 25, 2020.

Due to COVID-19, all participants joined via the conference call.

Board Members Present: Bettina Bronisz, Binu Chandry, Thomas Flynn, John Harrity, Michael Li, Matt Ranelli, Lonnie Reed, Kevin Walsh, Brenda Watson

Board Members Absent: Eric Brown

Staff Attending: Emily Basham, Brian Farnen, Louise Della Pesca, Bryan Garcia, Bert Hunter, Jane Murphy, Selya Price, Cheryl Samuels, Eric Shrago, Ariel Schneider, Michael Yu, Nicholas Zuba

Others present: Al Quintero, Patty McGrorry, and Brad Friedman from Ramirez and Co., Bruce Chudwick from Shipman and Goodwin, Eric McKean from Stifel, Bob Lamb from Lamont Financial, Mariana Trief from Monte Verde Consulting..

1. Call to Order

- Lonnie Reed called the meeting to order at 2:00 pm.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes from January 24, 2020

<u>Resolution #1</u>

Motion to approve the meeting minutes of the Board of Directors for January 24, 2020.

- Bryan Garcia summarized the Harvard grant, USDOE grant and how IPC would be applicable in issuing sub-grants to them.

Upon a motion made by John Harrity and seconded by Binu Chandry, the Board of Directors voted to approve Resolutions 1. Brenda Watson abstained. Motion approved by all other members present by voice vote.

__Resolution #2__

WHEREAS, Green Bank is a subrecipient to the Clean Energy States Alliance for U.S. Department of Energy Award No. DE-EE0008758, in support of Bringing Low and Moderate Income households (LMI) Solar Financing Models to Scale ("Project"); and

WHEREAS, Green Bank is the recipient of grant funds awarded by the Ash Center of Democratic Government and Innovation at the John F. Kennedy School of Government at Harvard University ("Ash Center") for the Innovations in American Government Award ("IAGA funds"); and

WHEREAS, the Green Bank has applied and received approval from the Ash Center to re-grant a portion of its IAGA funds to the Consultant for initiatives that further the innovation and programs of the Green Bank ("Initiative"); and

WHEREAS, the Initiative and the Project require the expertise of individuals with experience in the Connecticut Green Bank Model and specifically the Green Bank's LMI single-gamily solar homes program; and

WHEREAS, certain tasks to be conducted as part of the Initiative and the Project relate to work that is focused outside of the state of Connecticut that the Green Bank is unable to perform; and

WHEREAS, the staff of the Consultant are intimately familiar with the Green Bank's model and the Green Bank's initiatives in the LMI market segment and have the capacity and authority to work outside of Connecticut.

NOW, therefore be it:

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

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

Upon a motion made by John Harrity and seconded by Binu Chandry, the Board of Directors voted to approve Resolution 2. Bettina Bronisz abstained but none opposed either. Motion approved.

The Agenda was taken out of order. Items 6a, 6b, and 6c were addressed first. Then 5c, then 4a and 4b, then 5a and 5b were addressed last.

4. Other Business

a. COVID-19 Response – Operations and Stakeholder Impacts

- Bryan Garcia summarized the Green Bank's primary concerns pertaining to COVID-19. Staff are on mandatory telecommuting policy and the Green Bank is now looking at cash flows internally. Externally, staff are looking at "3 Cs": customers, contractors, and capital providers, to support communications and give appropriate responses given the circumstances. Some responses may require presentation to the Board for approval, but there haven't been any yet.
- The Green Bank is also now looking at the next fiscal year's planning and is acting as voice of leadership at the State level with regards to public policy. There is a job study underway which is examining the employment effects of COVID-19 in real time. Staff are also looking ahead and trying to anticipate the changes.

b. COVID-19 Market Outlook

- Al Quintero, Patty McGrorry, and Brad Friedman from Ramirez and Co. presented the information.
- Patty summarized financial effects on the global and municipal market, including a timeline of events from March 9 to March 20. They concluded that primary issuance is not viable at this time.
- Al noted that the impact on utilities might not be as severe as other sources, so given these are bonds related to utilities, the Green Bank might not be hit so hard.
- Bert Hunter wanted to make sure the Board has appreciation that the Green Bank staff is looking at this COVID-19 situation holistically for both our investment portfolio and how it's impacting our clients. He summarized the COVID-19 global impact in terms of active COVID-19 cases and economy. The Federal Reserve Bank of St. Louis estimates the loss of economic output to be $1.5 trillion for Quarter 2. However, James Bullard, President of the Federal Reserve Bank of St. Louis has said "This is a planned, organized, partial shut-down of the US Economy," and that this shutdown is unavoidable in order to contain the virus and protect US citizens.
- Bert Hunter summarized the consumer sentiment and confidence in US in response to COVID-19 which is at an understandable but unfortunately low, with trends continuing to decline.
- Bert Hunter concluded by noting that the COVID-19 situation will stress the fiscal situation of all impacted states, including Connecticut, with revenues being impaired and expenditures being increased, in particular for COVID-19 related expenditures for public health, unemployment insurance, small business assistance and other targeted economic support.
- Lonnie Reed asked if there is anything being discussed in terms of the stimulus package that might be directed towards the Energy industry. Bryan Garcia noted that construction and financing sectors are deemed essential, and the Green Bank and its financing partners are included in all that, so on the federal side he aims to connect with people to see how green energy will be impacted. He recently spoke on federal impact and the

need for a Green Bank stimulus via an online Congressional hearing, and thinks America is becoming more open to those ideas, but there is more advocacy that is needed. Brian Farnen also noted ACORE is pursuing for an extension of the federal investment tax credit, so many different angles are being examined. Lonnie Reed asked for an Executive Summary to be made to help the Board as they speak to federal legislators and delegators. Bryan agreed.

There were no Resolutions for items 4a and 4b.

Lonnie Reed requested meeting extension to cover items 5a and 5b. Matt Ranelli and Thomas Flynn had to leave but it did not affect the quorum. Meeting set to end at 4:00 p.m.

5. Investment Recommendations

a. Master Trust Indenture

- Bryan Garcia, Bert Hunter, and Bob Lamb summarized master bond indenture framework.
- Mike Yu further clarified that the credit enhancement provided by the MTI is at the Green Bank's option, that bond holders wouldn't have rights to call on the Master Trust Indenture to flow into their debt service.

b. Financing Indenture – Green Liberty Bonds: Series 2020

- Mike Yu summarized the structure of the SHREC Taxable Municipal Bond issuance. The Green Bank has decided SCRF was most appropriate. The original timeline is being adhered to, despite COVID-19, as closely as possible. The Earth Day launch may be postponed depending on the market, but staff want to be market ready by then. The Green Bank will be monitoring capital markets closely to determine when best to execute.
- Mike explained the SHREC Bond transaction flow and structure. It will be a $16 million to $19 million bond issuance keyed off a DSCR of 1.15x.
- Bettina Bronisz asked why the PAR amount was not downsized instead of setting up a reserve account. Bert Hunter answered that the choice was due to time constraints to enable the underwriter, Ramirez & Co., to optimize the appropriate bond sizes given the various scenarios, but either are possible. He stated it would be more efficient to find the optimal size of the bond, and this was an exercise to show the Green Bank can satisfy the constraint for self-sufficiency for cash flows. Mike Yu then summarized the self-sufficiency findings.
- John Harrity asked if the terms of the retail bonds are known and what the interest will be. Al Quintero answered that they do not know yet as they can't solicit any information from the market until closer to launch. Once it opens, there will be a couple weeks of solicitation to get a clear sense.

Resolution #3

WHEREAS, Connecticut Green Bank ("Green Bank") is authorized pursuant to Sections 16-245 and 16-245kk through 16-245mm of the Connecticut General Statutes (the "Act"), to finance and support financing or other expenditures that promote investment in sources of clean energy, as defined in the Act, by issuing its bonds, notes or other obligations in accordance with the Act; and

WHEREAS, the Act provides that, at the discretion of the Green Bank, any bonds issued under the Act may be secured by a trust agreement by and between Green Bank and a corporate trustee or trustees, and such trust agreement or the resolution providing for the issuance of such bonds may secure bonds by a pledge or assignment of any revenues to be received, any contract or proceeds of any contract, or any other property, revenues, moneys, or funds available to the Green Bank for such purpose; and

WHEREAS, a master trust agreement entered into by Green Bank and a master trustee will allow Green Bank to scale-up investment in and expand deployment of clean energy financing and infrastructure development, lower the cost of capital for such financing and development, deploy funding beyond the current revenue sources available to Green Bank, and provide for citizen engagement as retail purchasers of Green Bank bonds to provide such financing, all to achieve the greater societal benefits of Green Bank's programs (the "Green Bank Financing Goals"); and

WHEREAS, pursuant to Connecticut's Residential Solar Incentive Program ("RSIP"), Green Bank provides incentives to homeowners and third-party system owners ("TPOs") to deploy residential photovoltaic ("PV") systems (each, a "SHREC System"); and

WHEREAS, pursuant to Public Act No. 16-212 ad Public Act No. 15-194, Green Bank acquires a specific type of renewable energy credit called a "solar home renewable energy credit" and the related environmental and energy attributes (collectively, a "SHREC") from the homeowners and TPOs receiving RSIP incentives and producing PV energy, and then sells such SHRECs to each of The Connecticut Light and Power Company d/b/a Eversource Energy ("Eversource") and The United Illuminating Company ("United Illuminating" and together with Eversource, each a "Utility" and together, the "Utilities") pursuant to two 15-year contacts dated as of February 7, 2017 and amended as of July 30, 2018 (each a "Master Purchase Agreement and together the "Master Purchase Agreements"); and

WHEREAS, the SHRECs are divided into tranches based on the calendar year in which the related SHREC System was installed (each, a "SHREC Tranche"), and the revenue received from the Utilities under each Master Purchase Agreement from SHRECs actually produced at the price determined by Green Bank for each SHREC (the "SHREC Receivables") is established for each SHREC Tranche; and

WHEREAS, the SHRECs related to SHREC Systems for which a tranche was created in 2017 are referred to as "SHREC Tranche 1", and the SHRECs related to SHREC Systems for which a tranche was created in 2018 are referred to as "SHREC Tranche 2"; and

WHEREAS, as Green Bank acquires the SHRECs from the homeowners and TPOs and related to SHREC Systems for which a tranche was created in 2019 (the "SHREC Tranche 3") before selling the SHRECs to the Utilities, Green Bank desires to fund its cost recovery under the RSIP by selling bonds secured by the SHREC Receivables related to the SHREC Tranche 3 under the Master Purchase Agreements and other revenues of Green Bank; and

WHEREAS, Green Bank considers it necessary, appropriate and desirable to offer for sale, and to sell its Solar Home Renewable Energy Credit, Green Liberty Bonds, Series 2020, in an aggregate principal amount not to exceed $25,000,000 (the “Bonds”) in a public offering intended to be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”) by virtue of the exemption from such registration under Section 3(a)(2) of the Securities Act; and

WHEREAS, it is in the best interests of Green Bank to sell the Bonds and enter into an indenture of trust with a trustee that will allow Green Bank to pledge the SHREC Receivables and other revenues related to the SHREC Tranche 3, and if so determined as provided herein, to use the State’s Special Capital Reserve Fund (the “SCRF”), as security for the payment of the Bonds and interest thereon; and

WHEREAS, the Board of Directors of Green Bank (the “Board”) has determined that it is in the best interests of Green Bank to enter into and approve the issuance of the Bonds.

NOW, therefore be it:

RESOLVED, that in order to achieve the Green Bank Financing Goals, Green Bank shall enter into a master trust indenture with The Bank of New York Mellon Trust Company, N.A., as master trustee (the “Master Trust Indenture”) to provide the structure and mechanism for financing Green Bank’s programs, and the pledge or assignment of Green Bank’s revenues as provided wherein is hereby approved; and

RESOLVED, that in order to finance the SHREC Receivables and other revenues related to SHREC Tranche 3 under Green Bank’s RSIP program, Green Bank shall enter in to an indenture of trust with The Bank of New York Mellon Trust Company, N.A., as trustee (the “Indenture of Trust”) to finance said SHREC Receivables, and the pledge or assignment of Green Bank’s revenues as provided therein is hereby approved; and

RESOLVED, that to accomplish the financing of the SHREC Receivables for SHREC Tranche 3 and to fund its cost recovery under the RSIP and provide for long term financing of the SHRECs, the issuance of the Bonds by Green Bank is hereby authorized and approved. The Bonds shall be in an aggregate principal amount not to exceed $25,000,000 and the redemption provisions, if any, sinking fund installment payments, if any, interest rates, maturity dates (not to exceed twenty years from the date of the Bonds) and other terms of the Bonds shall be determined and/or approved by an Authorized Representative (as hereinafter defined) within such limitations permitted herein and by the Act, and the execution of the Purchase Contract (as defined herein) reflecting such terms by an Authorized Representative shall constitute conclusive evidence of such determination; and

RESOLVED, that the Bonds shall be special obligations of Green Bank, payable solely by a pledge or assignment of any revenues to be received, any contract or proceeds of any contract, or any other property, revenues, moneys or funds available to Green Bank for such purpose as described in the Indenture of Trust. Neither the State of Connecticut nor any political subdivision thereof shall be obligated to pay the principal of or the interest on the Bonds except from revenues of SHREC Receivables and other revenues pledged therefor under the Indenture of Trust. Neither the full faith and credit nor the taxing power of the State of Connecticut or any political subdivision thereof, including the Green Bank, is pledged to the payment of the principal of or interest on the Bonds; and

RESOLVED, that the Findings of Self Sufficiency Report (the “Report”) presented to the Board at this meeting, including each of the Findings and the Determination herein, is hereby approved and adopted, and an Authorized Representative (as defined herein) is (a) authorized to make revisions to the Report, provided such revisions do not materially change the Findings and Determination contained therein, and such Report as revised shall be and is hereby deemed approved by the Board, and (b) authorized to take appropriate actions to secure the SCRF for the Bonds when and if he or she determines, in his or her discretion, that it is in the best interests of Green Bank to secure the SCRF in connection with the issuance of the Bonds, and provided Green Bank complies with all statutory requirements for the SCRF, which will require among other things (1) State of Connecticut Office of Policy and Management approval, and (2) approval by the Office of the State Treasurer and other documentation required under the Act; and

RESOLVED, that the interest on the Bonds shall be includable in the gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, it being hereby found and determined by Green Bank that such issuance is necessary, is in the public interest, and is in furtherance of the purposes and powers of Green Bank; and

RESOLVED, that the Master Trust Indenture and the Indenture of Trust, substantially in the forms presented to this meeting, are hereby approved; provided, that if an Authorized Representative determines, as provided herein, that it is not in the best interests of Green Bank to secure the SCRF in connection with the issuance of the Bonds, the Master Trust Indenture and the Indenture of Trust may be revised to reflect any changes to the form, terms and provisions thereof, as determined by an Authorized Representative; and

RESOLVED, that the Bonds shall be sold to the Ramirez & Co., for itself and as representative for Stifel & Co., as the initial purchaser (the “Initial Purchaser”), under the terms and conditions of a bond purchase contract (the “Purchase Contract”) and subject to certain continuing disclosure requirements as provided in a continuing disclosure agreement (the “Continuing Disclosure Agreement”) entered into by Green Bank in connection with the issuance of the Bonds; and

RESOLVED, that the form, terms and provisions of the Preliminary Official Statement for the Bonds dated on or about April 9, 2020 as presented to the Board at this meeting be, and they hereby are, approved; provided, that if an Authorized Representative determines, as provided herein, that it is not in the best interests of Green Bank to secure the SCRF in connection with the issuance of the Bonds, the Preliminary Official Statement may be revised to reflect any changes to the form, terms and provisions thereof, as determined by an Authorized Representative; and further

RESOLVED, that in connection with the Bonds, the President and any Officer of Green Bank (each, an “Authorized Representative”) be, and each of them acting individually hereby is, authorized and directed in the name and on behalf of Green Bank, to prepare and deliver, or cause to be prepared and delivered, a final Official Statement relating to the Bonds, including any revisions thereof and amendments and supplements thereto, to execute and deliver the Bonds, the Master Trust Indenture, the Indenture of Trust, the Purchase Contract, the Continuing Disclosure Agreement, and any other documents or instruments, with such changes, insertions and omissions as may be approved by an Authorized Representative, as he or she deems advisable for the purpose of issuing the Bonds (collectively, the “Financing Documents”) and the execution and delivery of said Financing Documents shall be conclusive evidence of any approval required by this Resolution; and

RESOLVED, that to the extent that any act, action, filing, undertaking, execution or delivery authorized or contemplated by this Resolution has been previously accomplished, all of the same are hereby ratified, confirmed, accepted, approved and adopted by the Board as if such actions had been presented to the Board for its approval before any such action's being taken, agreement being executed and delivered, or filing being effected.

Upon a motion made by Binu Chandry and seconded by John Harrity, the Board of Directors voted to approve Resolution 3. Bettina Bronisz abstained but none opposed. Motion approved.

c. Green Bond Framework

- Eric Shrago summarized the Green Bond framework which was presented to and recommended by the Audit, Compliance, and Governance Committee. He noted the Green Bank's track record for transparency and establishment of a best in class evaluation regime. Eric walked through the hierarchy of standards for certification proposed and the efficiency gains of establishing a programmatic certification.
- Bettina Bronisz asked why the Green Bank was choosing the Climate Bond Route instead of Green Bond Route for certification. Eric answered that based on the technology that is associated with projects, the Climate Bond standard seemed the more mission-aligned choice due to its focus on carbon savings goals. Some of the Green Bank's projects might not meet those standards based on available metering information, or if the Climate Bonds Initiative has established standards, so those projects would then fall back on the Green Bank's own standard.
- Bettina Bronisz asked what the cost of this framework is. Eric answered that once framework in place, the Green Bank will be working w Kestrel and for the initial certification which will cost less than an individual verification for each. The programmatic framework allows the Green Bank to pay once then Kestrel does an annual review, and it covers all issuances. Bettina agreed that it sounded like a much more efficient structure.

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; and

WHEREAS, the Audit, Compliance and Governance Committee reviewed on March 11, 2020 and recommends the Green Bond Framework to the Board of Directors for approval.

RESOLVED, that the Board of Directors approves the proposed Green Bond Framework.

Upon a motion made by Bettina Bronisz and seconded by John Harrity, the Board of Directors voted to approve Resolution 4. None abstained or opposed. Motion approved unanimously.

6. Financing Programs Recommendations and Updates

a. Skyview Ventures

- Louise Della Pesca summarized an overview of Skyview Ventures and the transaction, including that it was presented to and recommended by the Deployment Committee. The goal is to refinance Skyview Venture's development capital to allow them to continue to develop more commercial solar assets.
- The structure is that CEFIA Holdings would be setting up an SPV term loan, which would be used in the long run repay CEFIA Holdings based on its structure.
- The collateral snapshot of the loan would be for 20 projects, a portfolio consisting of 1,503kW in capacity, with a weighted remaining PPA term of 18 years but the debt facility would be for 15 years. This would allow the Green Bank to not be in a position where any debt is outstanding beyond the life of the PPA contracts.
- Ms. Della Pesca explained that while there is an operational risk, the Green Bank staff reviewed the projects thoroughly and many have been in operation for 3 or more years, so the data shows they are successful projects. They perform at 95% to 105% expected production yearly. Production would have to drop 20% below expectation to break even, so the Green Bank is very comfortable with this portfolio.
- As for the risk of Skyview Ventures failing to make debt repayments, the DSCR is 1.30x so there is a healthy buffer with an advance rate of 70%. Also, staff is requiring 3 months interest and principal payments to be maintained in a reserve. If the worst happened, the Green Bank would take ownership of the collateral, but in staff's experience this seems unlikely to happen.
- Tom Flynn asked since last few days, given COVID-19 and the global market, will there be any risk or impact to this project? Tom Flynn said many of his clients are hesitant due to the uncertainty of the world. Ms. Della Pesca said the Green Bank did check in with Skyview Ventures when COVID-19 policies began, and they have an active pipeline to develop and continue to do business. Tom Flynn asked what happens if they give pause. Ms. Della Pesca clarified for this specific transaction, it is secured by existing and operational projects, so that shouldn't have an impact. Tom Flynn asked if the Green Bank gets paid by the existing facilities should the worst happen. Ms. Della Pesca answered yes. Bert Hunter reassured the Board that the Green Bank, as Ms. Della Pesca noted, also did extensive diligence on these projects as if they were being taken into the Green Bank's own portfolio directly and that they are stable.
- Kevin Walsh stated he is supportive of the project but noted that one of the transaction points mentioned is that the loan term is not longer than the life of the PPAs. He went on to explain that typically loan terms are shorter than the life of the underlying PPAs to provide a buffer for problems that might occur. Also, he asked if the projects are being financed as a portfolio or individually. Ms. Della Pesca clarified that the loan term is 15 years and the life remaining on the PPAs is about 18 years, which is a good buffer. The intent is to advance funds all at once, but they are secured by all of the assets they are advanced against. Kevin Walsh expressed his appreciation for the clarification and had no additional questions.

Resolution #5

WHEREAS, the Connecticut Green Bank ("Green Bank") has significant experience in the development and financing of commercial solar PPA projects in Connecticut;

WHEREAS, the Green Bank continually seeks new ways to work with private sector partners to meet the demonstrated need for flexible capital to continue expanding access to financing for commercial-scale customers looking to access solar and savings via a PPA;

WHEREAS, the Green Bank has established a working relationship with a private sector Connecticut solar developer, Skyview Ventures (“Skyview”), and through that relationship the Green Bank has an opportunity to deploy capital for the development of clean energy in Connecticut;

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

WHEREAS, based on diligence of Green Bank staff of the proposed senior secured loan facility (“Term Loan”) in an amount not to exceed $2.3M to a Special Purpose Vehicle (“SPV”) wholly owned by Skyview confirming that the Term Loan transaction meets Green Bank underwriting criteria, the Green Bank Deployment Committee (the “Deployment Committee”) passed resolutions at its meeting held on February 27, 2020 to recommend to the Green Bank Board of Directors (the “Board”) the approval of the Term Loan transaction as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII.

NOW, therefore be it:

RESOLVED, that the Board hereby approves the Term Loan transaction as described in the Project Qualification Memo submitted by the staff to the Board and dated March 18, 2020 (the “Memorandum”) and on terms and conditions substantially consistent with those described in the Memorandum as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, uniqueness, strategic importance, urgency and timeliness, and multi-phase characteristics of the Term Loan transaction; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents as they shall deem necessary and desirable to affect this Resolution.

Upon a motion made by Bettina Bronisz and seconded by John Harrity, the Board of Directors voted to approve Resolution 5. Brenda Watson and Matt Ranelli abstained but none opposed. Motion approved.

b. Expansion of Green Bank Solar PPA Program

- Louise summarized CGB’s commercial solar assets, whether they are owned or developed then sold.
- Ms. Della Pesca summarized opportunity to expand the commercial solar investment program to include debt facilities secured by CT commercial solar PPA assets that have been developed by third parties. This expansion represents a way to bring capital and further scale to the development of commercial solar projects in CT. This is a good market role for the Green Bank, she explained, because smaller scale projects in need of refinancing may not attract private financiers where CGB is well positioned to do so through its diligence process and understanding of the market. At the same time, this situation offers the Green Bank a chance to do more secured-debt transactions against

we would could raise capital once we aggregate them together. Also, she noted, there is a bit of urgency due to federal tax investment credit being on a declining path. The Skyview transaction which the Board just approved gives the Green Bank a precedential process to help build the framework for project criteria. This type of program was discussed by the board at least 2 times, most recently in July 2019, and this is an extension and expansion of that to do repeat transactions.

Resolution #6

WHEREAS, when the Green Bank Board of Directors (the "Board of Directors") passed resolutions at its October 26, 2018 meeting, as modified by resolutions passed at its July 18, 2019 meeting, approving funding in a total not-to-exceed amount of $15 million in new money, subject to budget constraints, for the continued development of commercial-scale solar PV PPA projects, for development capital; construction financing; financing one or more 3rd-party ownership platforms, in the form of sponsor equity and/or debt; and selling solar PPA projects developed by CEFIA Holdings LLC ("Holdings") to third parties, the resolutions restricted projects so financed to those developed by Holdings;

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

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

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

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

NOW, therefore be it:

RESOLVED, that the Board of Directors approves funding, in a total not-to-exceed amount of $30 million in new money (representing an increase of the previously approved not to exceed amount of $15 million), subject to budget constraints, for the continued development by Green Bank, and financing of development by 3rd parties, of commercial-scale solar PV PPA projects, to be utilized for the following purposes pursuant to market conditions and opportunities:

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

RESOLVED, that the President of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to continue to develop and finance commercial PPA projects on such terms and conditions as are materially consistent with the memorandum submitted to the Green Bank Board on March 18, 2020 ; and

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

Upon a motion made by John Harrity and seconded by Bettina Bronisz, the Board of Directors voted to approve Resolution 6. Brenda Watson and Matt Ranelli abstained but none opposed. Motion approved.

c. PosiGen

- Bert Hunter summarized PosiGen as the Green Bank's strategic partner. The Board last visited the PosiGen relationship in December 2019 when the structure for back leverage facility changed to Ares Capital and New Island Capital. Bert Hunter summarized the backleverage Financing Facility which is collateralized by a solar lease and energy efficiency financing agreement cash flows, which intentionally excluded PBI cash flows.
- Bert Hunter then summarized the restructuring of the PosiGen Backleverage Facility. The Green Bank sub-debt is to be taken out by a new lending party at the same time the corporate capital raise is implemented. New Island Capital, the senior lender on the REA portfolio (to which Green Bank is subordinated) is seeking to exit the REA backleverage facility and apply that same money into the corporate capital raise The Green Bank has offered in return for getting out of the sub-debt position on both back leverage facilities to be the sole financier of the REA backleverage facility which would affor the Green Bank its own discreet control of those cash flows. Finally, Inclusive Prosperity Capital ("IPC") has requested permission to withdraw from the PBI facility participation in order to free up capital for other transactions it anticipates closing over the next few months. Such permission would entitle the Green Bank to remove IPC as the senior lender of PBI debt, if the refinancing goes forward. IPC would like to redeploy their funds into other projects, and the Green Bank would be happy to do this for IPC if given approval by the Board.
- Bert Hunter explained the Backleverage facility and PBI facility structure changes, which includes a reduction in size overall from $19 million to $16.7 million. While it would increase Green Bank exposure in the PBI facility, this exposure amortizes over a 6-year period. Because the Green Bank is moving into a senior position, the rate would also decrease from 7.5% to 6.25%.
- Bettina Bronisz asked for clarification that IPC's portion is being removed and why. Bert Hunter answered that IPC has limited free capital and this investment in the PosiGen transaction is a portion of that, approximately $6 million total. They have other projects that they want to put that money towards. Bert Hunter expanded on the nature of those projects.
- Matt Ranelli asked whether the new funding is secured by PBI payments which originate from the Green Bank. Bert Hunter answered yes, the Green Bank would basically pay itself back over time. As the projects are generating energy, the Green Bank pays incentives based on their output which has been verified by independent engineers as part of the SHREC issuance process.
    - Matt asked if regardless of the 3,000 homes' repayment status, if the PBI payment will still be due to PosiGen. Bert Hunter said that is correct. So long as

the refinancing goes ahead, even given the market turmoil, PosiGen has good confidence this is all going to come together. With the additional capital, PosiGen are confident they will be able to continue to do good business and grow.

- Bettina Bronisz asked how PosiGen is fairing through the changes due to COVID-19. Bert Hunter stated very well. They have been closing transactions even this week at a good pace. They have a pipeline of transactions in the mid-400s currently and they will continue to close through March. Bettina Bronisz stated she is just concerned of what they have in the pipeline, as homeowners get laid off, etc. Bert Hunter answered that it's for sure a short-term concern, but the refinancers are fully aware of the situation. But due to that they are willing to help PosiGen get through any slow periods. In terms of actual transactions, on the PBI side the Green Bank is looking at payments related to generation from the Green Bank itself, and so the only exposed portion is the backleverage side, which this resolution aims to dramatically reduce.

Resolution #7

WHEREAS, the Connecticut Green Bank ("Green Bank") has an existing partnership with PosiGen, Inc. (together with its affiliates and subsidiaries, "PosiGen") to support PosiGen in delivering a solar lease and energy efficiency financing offering to LMI households in Connecticut;

WHEREAS, the Green Bank Board of Directors ("Board) previously authorized and later amended the Green Bank's participation in a credit facility (the "BL Facility") encompassing all of PosiGen's solar PV system and energy efficiency leases in the United States as part of the company's strategic growth plan, in an amount not to exceed $14 million;

WHEREAS, the Board previously authorized and later amended the Green Bank's ability to lend additional funds to PosiGen under the separate PBI-only facility (the "PBI Facility") in addition to the BL Facility, provided that Inclusive Prosperity Capital ("IPC") would participate in said PBI Facility and Green Bank capital outstanding under the PBI facility (net of IPC's participation) would not exceed $5 million total;

WHEREAS, PosiGen intends to refinance the existing BL Facility by replacing mezzanine capital sourced from the Green Bank with capital sourced from another capital provider, and plans to attract equity investors including New Island Capital ("New Island") (collectively, the mezzanine refinancing and the preferred financing referred to as the "PosiGen Refinancing") as explained in the memorandum to the Board dated March 23, 2020 (the Board Memo");

WHEREAS, in order to participate in the PosiGen Refinancing, New Island seeks to liquidate its senior loan to PosiGen secured by the REA portfolio and the Green Bank staff has recommended that the Green Bank redeploy a portion of the capital returned to the Green Bank by way of the PosiGen Refinancing into the senior lending position against the REA portfolio held by New Island;

WHEREAS, in order to make efficient use of performance based incentive collateral (the "PBI Collateral") and to redeploy a portion of the capital returned to the Green Bank by way of the PosiGen Refinancing, staff recommends (a) increasing the PBI Facility supported by the PBI Collateral to permit additional advances by Green Bank that can be supported by the PBI Collateral and (b), if requested (on one or more occasions) by IPC within ninety (90) days of these resolutions and provided the PosiGen Refinancing takes place in its entirety as explained in the Board Memo, the Green Bank may fund additional investment against the PBI Collateral in order to reduce IPC's participation, as it may request, to zero.

NOW, therefore be it:

RESOLVED, that the Board approves of the PosiGen Refinancing provided that Green Bank capital outstanding under the BL Facility does not exceed $6.8 million;

RESOLVED, that the Green Bank Board authorizes the Green Bank to lend additional funds to PosiGen under the PBI Facility provided that Green Bank capital outstanding under the PBI Facility does not exceed $10 million;

RESOLVED, that the Green Bank Board authorizes the Green Bank to consent to an increase in the advance rate by Ares Capital against the back leverage portfolio as explained in the Board Memo;

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

Upon a motion made by Matt Ranelli and seconded by Binu Chandry, the Board of Directors voted to approve Resolution 7. None abstained or opposed. Motion approved unanimously. (Note: Due to a technical issue with the conference call system, questions from Kevin Walsh concerning the propose transaction were addressed by Bert Hunter after the meeting. Kevin Walsh confirmed to the Chair he is a yes vote for the resolutions provided appropriate cash sweep mechanisms are put in place for the PBI Facility loan given it has only 1.05x coverage which, he observes, is quite low for senior debt.)

7. Adjourn

Upon a motion made by John Harrity and seconded by Bettina Bronisz, the Board of Directors Meeting adjourned at 3:58 pm.

Respectfully submitted,

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Lonnie Reed, Chairperson