



**BUDGET AND OPERATIONS COMMITTEE OF THE
CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Wednesday, May 13, 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 May 13, 2020.

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

Committee Members Present: John Harrity, Michael Li (in place of Mary Sotos), Lonnie Reed

Committee Members Absent: Eric Brown

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

Others present: None

1. Call to Order

- John Harrity called the meeting to order at 2:01 pm.

2. Public Comments

- No public comments.

3. Meeting Minutes from January 10, 2020

Resolution #1

Motion to approve the meeting minutes of the Budget and Operations Committee from January 10, 2020.

Upon a motion made by Lonnie Reed and seconded by John Harrity, the Budget and Operations Committee voted to approve Resolution 1. None opposed or abstained. Motion approved.

4. FY 2021 Comprehensive Plan – Budget and Targets

- Eric Shrago summarized the FY 2012 – 2019 and FY 2020 Targets and the Green Bank's current accomplishments towards those targets in terms of Projects completed, Capital, MW Capacity, and Tons of CO2 avoided.
- Eric Shrago noted that Expenses, Office Space Recommendations, and other topics will be reviewed at the upcoming June 10, 2020 meeting. There may be another meeting before the Board Meeting in June with final recommendations and updates as things change.
- He reviewed the FY21 Proposed Goals within a minimum and maximum range determined by a number of factors and data, especially given the changes due to COVID-19. Bryan Garcia noted that in terms of what is listed, the minimum is roughly 40-50% of FY 2020 Targets while the maximum is 65-85% of the FY 2020 Targets.
 - John Harrity commented that the contractors' predictions are grim. Bryan Garcia responded that approximately 55% of contractors believe they will rehire their former employees, while others are less confident that they will be able to return to business before COVID-19. The Green Bank continues to try to give them confidence and stimulate their success.
 - John Harrity asked further about how the recession affects customers and contractors, given that clean energy projects should keep their costs lower. Bryan Garcia confirmed that customers are seeing lower costs than those without clean energy projects and added that Eric Shrago and the Green Bank will be pushing the new technology and data gained to spread the message about how clean energy is helping cut energy costs.
- Eric Shrago continued by reviewing the Financing Programs Goals:
- CPACE has decreased activity, with estimates in line with CGB's prior worst years. John Harrity asked about other states' PACE Programs and asked if their experiences is similar to those of the Green Bank. Bert Hunter responded that in other states there has been a shift by PACE companies to an emphasis on using CPACE as a new construction tool, which saves the developers equity by being provided by CPACE. He stated there has not been as much new construction in Connecticut, and the construction that has taken place outside of Connecticut has been of a larger scale. He also said other programs have a longer look-back period for clean energy improvements already installed and not financed using C-PACE, which allows businesses to access the equity locked into their C-PACE projects. So, he added, across the country and in general, C-PACE projects have been slowing down, except for new construction projects.
- Eric Shrago continued: PPA goals includes State and Municipal pipelines, which are expected to do well. The SBEA/BEA program has been extended and is expected to do well at a set goal. The Smart-E goals are heavily dependent on customer comfort levels to allow contractors and installers into their homes, so the goal is more modest. The PosiGen goals is a percentage of RSIP in terms of LMI PBIs offered, so the goal range is based on whether the RSIP is extended or not. Multifamily program goals are heavily impacted, as they are the most difficult to complete and most sensitive to capital constraints. The Strategic Investments goals need to be developed further before more accurate goals can be presented.
 - Bryan Garcia added that for PPAs, the Solar MAP program was developed based on feedback from municipalities (e.g., Sustainable CT), and so now with changes due to COVID-19, the Green Bank is communicating with the Municipalities more to customize programs to best serve them. He also said that

the Green Bank will use the interest rate buy-down for the Smart-E Loan and C-PACE (i.e., Energy On the Line) as a stimulus for other loans to keep programs going.

- Eric Shrago reviewed the Incentive Programs Goals:
- There is an expectation of RSIP growth, but it is dependent on homeowner comfort in allowing access to their homes. In terms of battery storage, the Green Bank is submitting a response to the Request for Program Design for a combined electric storage and behind-the-meter residential solar PV program. Bryan Garcia added that this is related to the grid modernization efforts, with several re-openers related to the various aspects that affect it. There is more research being done on how to install projects efficiently, and while that is happening the Green Bank is preparing an application to contribute. The Requests for Program Design return to PURA on July 31, 2020, and then PURA will review the submissions and begin drafting proposals. If the Green Bank is selected, there could be a battery storage program beginning in January 2021.
 - Lonnie Reed asked if the Governor's Office is on board with the battery storage program and idea. Bryan Garcia said he suspects they would default to Mohit Agrawal, but the Green Bank has follow-ups with DEEP and PURA with respect to the RSIP. As for electric storage, he stated it's hard to tell at this point what would happen, but the Green Bank is still pushing for it (i.e., HB 5351) and will be keeping a sharp eye on things as they progress.
- John Harrity commented that the projections seem reasonable. Bryan Garcia also added that the Goals can be adjusted in the future (i.e., January 2021 per the revision process).
- Bryan Garcia discussed the carbon offset program being developed from EV charging stations. A standard has been developed, it went for public comment and was approved, so now Matt Macunas has now been working to onboard EV charger owners to continue to generate those carbon offsets. Groups are registering with the Green Bank and then the Green Bank is selling the offsets to purchasers in the market who are looking to offset their own emissions. The revenues from those likely offsets will need to be calculated, but the hope is to generate revenue for the Green Bank as well and use it to support EV rechargers in Connecticut's low income communities.
- Eric Shrago reviewed the Forecasted Revenues. There is a 5% decrease from the Clean Energy Fund due to electric demand. The RGGI allowances remain even, Interest Income has increased due to investment activity, and there is an increase in REC sales.
- Bryan Garcia discussed the Green Bank sustainability plan as detailed in the materials mailed to Committee members. The Green Bank revenues are still led by the system benefits fund (i.e., Clean Energy Fund), but now has SHREC revenues, and Interest Income more than RGGI revenues – this is a milestone and consistent with the intentions of the organization's sustainability plan. So far the Green Bank has been able to meet its sustainability plan by increasing its Interest Income. John Harrity noted that it seems that the Green Bank is maintaining a good balance of sustainability and profit. Bryan Garcia commented that the Green Bank isn't quite at self-sustaining yet, but the organization will continue its focus and pursuit of sustainability.

5. Update on the CGB RFP for Office Space

- Eric Shrago reviewed the current Rocky Hill and Stamford lease information as well as the future vision for the Green Bank. As for the timeline, things slowed due to COVID-19 but the Green Bank is still continuing negotiations. Discussions about improvements with building owners are beginning and seem to be pretty well received so far.

- There are 5 final options for the Rocky Hill/Hartford office. The Rent per square foot has been net averaged taking into account parking expenses, future increases, and other costs then calculated back down to the current comparable rate.
 - New space became recently available with the current location in Rocky Hill, and a new Average Annual Cost will need to be presented and considered.
 - Lonnie Reed asked if suburban versus urban desire has played a role in affecting any of the offers, as many people seem to be wanting to move to more suburban locations in the wake of COVID-19. Eric said the brokers haven't seen a big push for people to actually move out of the cities mostly because the suburban areas do not necessarily exist to accommodate those types of moves.
- For Stamford, there are 4 final options. Though many brokers believe there will be a push out of New York into Stamford or the suburbs, the Green Bank's broker for Stamford doesn't believe it is as likely to happen. The Stamford market should be stable for a while, but there may be some growth down the line. Bert Hunter commented that the impact probably won't be seen for 2-3 months at least, as banks have been given leniency for forbearance on loans. But once that period rolls forward, then changes and opportunities should be seen.
 - Lonnie Reed asked when the Green Bank has to begin putting in a deposit for a new location. Eric Shrago responded that though it is getting close to final negotiations, a deposit wouldn't likely be needed until after the start of FY 2021, so in July 2020.
- John Harrity asked if the plan was still to be moving by January 1, 2021. Eric Shrago said yes. The timeline has been managed to still make it achievable, even despite COVID-19 setbacks. John Harrity also asked due to COVID-19, if the increased remote-work model has been viable. Eric Shrago responded yes, and staff have been as effective as they were before. Eventually there will need to be a more face-to-face environment, but until then there are certain layout challenges that can be addressed now while everyone is at home, which weren't possible before.
- Lonnie Reed asked if anyone noticed if there has been a decline in creative solutions that normally come about from staff getting together in person. Eric Shrago said no, as people are still meeting regularly and having brainstorming sessions, the form is just different. Overall, the Green Bank staff seem to be adjusting well.

6. Adjourn

Upon a motion made by Lonnie Reed and seconded by John Harrity, the Budget and Operations Committee Meeting adjourned at 3:29 pm.

Respectfully submitted,

John Harrity, Chairperson