



**DEPLOYMENT COMMITTEE OF THE
CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Wednesday, May 27, 2020
2:00 – 2:30 p.m.

A regular meeting of the Deployment Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on May 27, 2020.

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

Committee Members Present: Binu Chandry (DECD), , Michael Li (DEEP), Steven Meier, Matt Ranelli and Lonnie Reed

Staff Attending: Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Selya Price, Cheryl Samuels, Ariel Schneider, Eric Shrago, Nicholas Zuba

Others present: Brendan Crowley

The Committee agreed to let Bryan Garcia act as Chairperson given Mary Sotos’s absence.

1. Call to Order

- Bryan Garcia called the meeting to order at 2:03 pm.

2. Public Comments

- No public comments.

3. Consent Agenda

Resolution #1

Motion to approve the minutes of the Deployment Committee meeting for February 27, 2020.

Upon a motion made by Matt Ranelli and seconded by Lonnie Reed, the Deployment Committee voted to approve Resolution 1. None opposed or abstained. Motion unanimously approved.

4. Proposed Loan Loss Decision Framework and Process - Subsidiaries

- Bryan Garcia summarized the history of the Loan Loss Decision Framework including its establishment and recent changes. He reviewed the framework for the Loan Loss Decision Framework in application to Subsidiaries. The framework is based on the current practice of the Green Bank with respect to all requirements such as calculations, documentation, review and approval, reporting, and COVID-19 restructurings.
 - Matt Ranelli commented that it should be clear under restructuring for COVID-19, there is still a Staff reporting to the Board regularly about the restructurings. Bryan Garcia agreed that that is the case. Matt Ranelli also wanted it to be clear that the restructuring doesn't affect the principal, but just the terms for the loans, all which will be reasonable in time. Bert Hunter agreed and clarified that it is forbearance, not forgiveness. Commercial loans will be adjusted with a time-value adjustment so the whole value remains intact. Residential/consumer loans or leases will be adjusted by the convention of lenders generally for COVID-19 which is to allow forbearance for up to 3 monthly payments, and extend the contract with the customer for up to 3 months – all being in writing and handled by the loan or lease servicer.
 - Bryan Garcia added that he would alter the Board memo to include COVID-19 reporting for the Board.

Resolution #2

WHEREAS, on October 20, 2017, the Green Bank Board of Directors approved of a recommendation brought forth by both the ACG Committee and Deployment Committee to approve the authorization to amend the Staff Approval Policy to increase program funding requests for Projects Under \$300,000 to \$500,000 with an aggregate amount limit of \$1,000,000 from the date of the last Deployment Committee meeting; and

WHEREAS, based on a recommendation brought forth by both the Deployment and ACG Committees, the Board approved and authorized the Green Bank staff to implement the Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandum to the Board dated June 13, 2018 ("Loan Loss Decision Framework and Process") and for a similar framework to be developed at a future date for the Green Bank's special purpose vehicles (i.e., subsidiaries); and

WHEREAS, in response to the COVID-19 pandemic, the staff of the Green Bank proposed a modification to the Loan Loss Decision Framework and Process with regards to restructuring transactions, as well as the Green Bank's provision for loan losses, in order to help families and businesses manage through this public health crisis, which the Board approved on April 24, 2020.

WHEREAS, on May 19, 2020, the Audit, Compliance and Governance Committee recommended that the Board of Directors approve of the Staff proposed Loan Loss Decision Framework and Process for Subsidiaries for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandum presented to the Deployment Committee dated May 20, 2020.

NOW, therefore be it:

RESOLVED, that the Deployment Committee recommends that the Board of Directors approve of the Staff proposed Loan Loss Decision Framework and Process for Subsidiaries for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandum dated May 20, 2020.

Upon a motion made by Matt Ranelli and seconded by Binu Chandry, the Deployment Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Financing Programs

a. Overview of Solar MAP

- Mackey Dykes gave an overview of the Solar MAP program, which was built to help municipalities go solar using the Green Bank Power Purchase Agreements (PPA). MAP is short for Municipal Assistance Program. The Green Bank realized that Municipalities needed more assistance to be able to even get to the point with a project where they could consider financing. Through the Solar MAP program, the Green Bank will be providing support to simplify steps in the process to gaining renewable green energy. An RFP was done and CSW Energy was selected to help perform the technical work to develop the projects. Currently, 9 towns have been engaged in the program. Six others were prior to COVID-19, but of the 9 currently, 5 have already executed LOIs. These 9 towns' efforts total 30 projects and a total of 5.340 megawatts.
- Mackey Dykes continued to say that the hope is that by pooling projects the towns will be able to increase their savings and get better pricing than if they hadn't, which will be attractive to other towns in the future.
 - Matt Ranelli asked if CSW Energy was acting as an owner's representative to the towns. Mackey Dykes said CSW Energy is not the owner's representative and is working on behalf of CGB. Matt Ranelli also asked how the rest of the industry feels about this program. He expressed concern about the perceived competition. Mackey Dykes said this arrangement should be beneficial as some contractors would not have had an opportunity to bid on these projects otherwise, and for those municipalities that can complete a project with private funding and a private developer, the program wouldn't be considered anyway. Matt Ranelli agreed.
 - Lonnie Reed asked if a AAA bond rating is required for engagement with the towns. Mackey Dykes said it is reassuring but it is not a requirement, though it is obviously reassuring to the Finance team. Bert Hunter agreed.
 - Matt Ranelli commented that there may be an opportunity on other potential projects for energy savings while these projects are being developed. Mackey Dykes agreed that an energy audit would likely be beneficial. Matt Ranelli noted that taking a wholistic view from the start is often appreciated with schools, for example, based on his experience.

6. Adjourn

Upon a motion made by Lonnie Reed and seconded by Matt Ranelli, the Deployment Committee Meeting adjourned at 2:38 pm.

Respectfully submitted,

Bryan Garcia, acting Chairperson