



Audit, Compliance and Governance Committee

Meeting Date

May 18, 2021





Audit, Compliance, & Governance Committee Members

<p>Matthew Ranelli, Chairman Partner, Shipman & Goodwin LLP</p>	<p>Lonnie Reed Board Chair</p>
<p>Thomas M. Flynn Managing Member, Coral Drive Partners, LLC</p>	<p>Michael Li Connecticut Department of Energy and Environmental Protection (DEEP)</p>

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T 860.563.0015
ctgreenbank.com



May 11, 2021

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

We look forward to our meeting on Tuesday, May 18th via GoToMeeting, <https://global.gotomeeting.com/join/195878213> from 8:30 a.m. to 9:30 a.m. We will be discussing the following agenda items:

1. Status of the APA Audit for FY2018 & FY2019 Report Out
2. Proposed Update to Tuition Reimbursement Benefit
3. Proposed Methodology to Assess Equity Impact and Reach to Vulnerable Communities
4. Legislative and Regulatory Policy Update
5. Update on Statutory Policy Update
6. BOD Membership Terms Update

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
75 Charter Oak Avenue, Suite 1-103
Hartford, CT 06106

Tuesday, May 18, 2021
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 15, 2020* – 5 minutes
4. Status of the APA Audit for FY2018 & FY2019 Report Out – 10 minutes
5. Proposed Update to Tuition Reimbursement Benefit** – 5 minutes
6. Proposed Methodology to Assess Equity Impact and Reach to Vulnerable Communities** – 5 minutes
7. Legislative and Regulatory Policy Update – 5 minutes
8. Update on Statutory Report Status – 5 minutes
9. BOD Membership Status Update – 5 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/195878213>

Or call in using your telephone:

Dial +1 (571) 317-3122

- One-touch: <tel:+15713173122,195878213#>

Access Code: 195-878-213

Next Regular Meeting: Monday, October 12, 2021
Connecticut Green Bank, 75 Charter Oak Ave., Suite 1-103, Hartford, CT



RESOLUTIONS

Audit, Compliance and Governance Committee of the
Connecticut Green Bank
75 Charter Oak Avenue, Suite 1-103
Hartford, CT 06106

Tuesday, May 18, 2021
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 15, 2020* – 5 minutes

Resolution #1

Motion to approve the minutes of the Audit, Compliance and Governance Committee meeting for October 15, 2020. Second. Discussion. Vote.

4. Status of the APA Audit for FY2018 & FY2019 Report Out – 10 minutes – Bryan Garcia
5. Proposed Update to Tuition Reimbursement Benefit** - 5 minutes – Eric Shrago

Resolution #2

WHEREAS, pursuant to Section 5.2.2 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance and Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding employee policies and oversight of the administrative functions of the organization; and

WHEREAS, the Budget, Operations, and Compensation (BOC) Committee is reviewing this recommendation for recommendation of approval to the Board at its May 12, 2021 meeting;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook presented on May 18, 2021.
Second. Discussion. Vote

6. Proposed Methodology to Assess Equity Impact and Reach to Vulnerable Communities** – 5 minutes – Eric Shrago

Resolution #3

WHEREAS, the Connecticut Green Bank has long sought to gauge and assess the reach of its programs in terms of their equity and inclusion; and

WHEREAS, the State of Connecticut has adopted the definition set forth in Public Act 20-05 of Vulnerable Community; and

WHEREAS, the Green Bank established Incentive and Financing Program goals for investment and benefits in these Vulnerable Communities by 2025; and

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 organizational policies and procedures;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the above methodology for assessing the equity and inclusion of the organization's Incentive and Financing Programs including, but not limited to, the number of projects, investment, and deployment in Vulnerable Communities.
Second. Discussion. Vote

7. Legislative and Regulatory Policy Update – 10 minutes –Matt Macunas
8. Update on Statutory Report Status – 5 minutes – Matt Macunas
9. BOD Membership Status Update – 5 minutes – Brian Farnen
10. Adjourn

*Denotes item requiring Committee action

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

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Access Code: 195-878-213

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Connecticut Green Bank, 75 Charter Oak Ave., Suite 1-103, Hartford, CT

ANNOUNCEMENTS

- **Mute Microphone and turn on Video**– in order to prevent background noise that disturbs the meeting, if you aren't talking, please mute your microphone or phone.
- **Chat Box** – if you aren't being heard, please use the chat box to raise your hand and ask a question.
- **Recording Meeting** – per Executive Order 7B (i.e., suspension of in-person open meeting requirements), we need to record and post this board meeting.
- **State Your Name** – for those talking, please state your name for the record if you cannot be on video.



CONNECTICUT
GREEN BANK SM

Audit, Compliance and Governance Committee

May 18, 2021

ACG Committee

Agenda Item #1

Call to Order

ACG Committee

Agenda Item #2

Public Comments

ACG Committee

Agenda Item #3

Approve Meeting Minutes for October 15, 2020

ACG Committee

Agenda Item #4

Status of the APA Audit for FY2018 & FY2019

Report Out

Connecticut Green Bank



***AUDITORS' REPORT
CONNECTICUT GREEN BANK
(FORMERLY THE CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY)
FISCAL YEARS ENDED JUNE 30, 2018 AND 2019***

ACG Committee

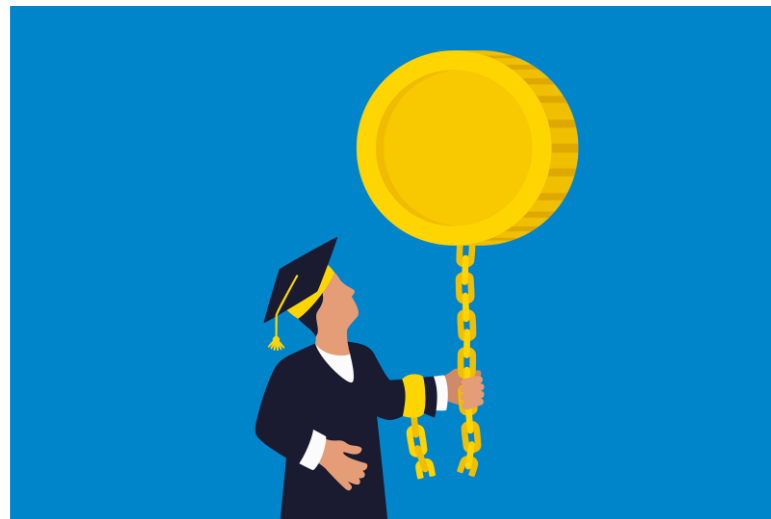
Agenda Item #5

Proposed Update to Tuition Reimbursement
Benefit

Educational Assistance



- Green Bank has an existing program for tuition reimbursement
- Proposing expanding the program to take advantage of the CARES Act provisions that allow employers to pay a portion of an employee's student debt without tax implications
- The expanded program would allow employees to both pursue new degrees while paying off the debt on old ones
- Use of this Federal Policy makes Green Bank compensation dollars go further
- Increases employee retention

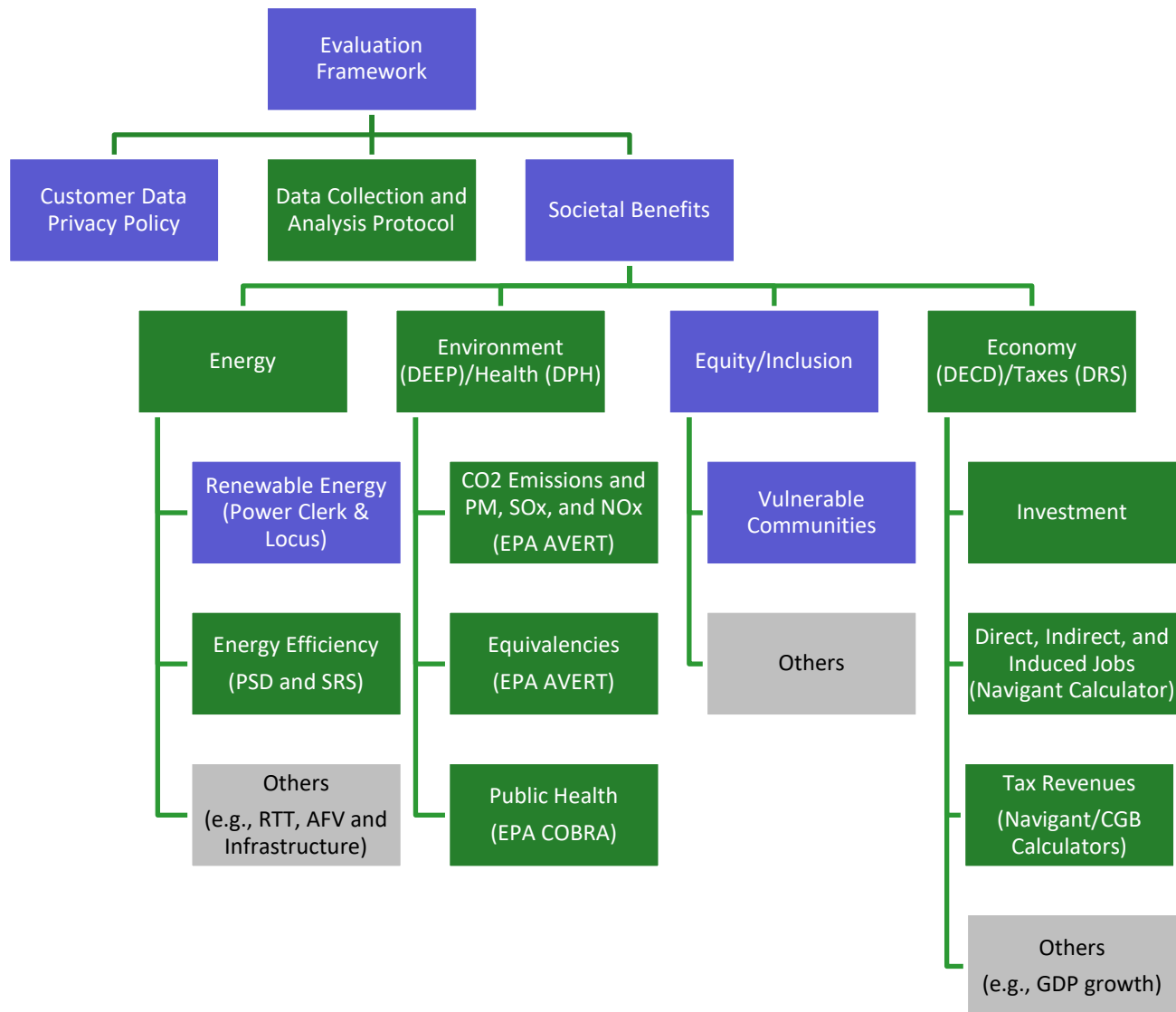


ACG Committee

Agenda Item #6

Proposed Methodology to Assess Equity Impact
and Reach to Vulnerable Communities

Evaluation Framework



Equity and Inclusion – Vulnerable Communities



- Goal: Use an establish standard that describes and measures the organization's reach and inclusion
- Public Act 20-05 defines vulnerable communities and seeks to build inclusion by ensuring needs are addressed by EDC's
- The Green Bank established goals for reaching these communities in the latest Comprehensive Plan
- This establishes and makes clear how we will assess this and brings the organization in line with the rest of the state government

Vulnerable Communities – How its measured



- **Low-to-Moderate Income Census Tracts:** a project/investment/benefits will count if the mean income of a census tract is less than 100% of its Metropolitan Census Area's mean income
- **Community Reinvestment Act Eligible:** If the project is in a census tract that meets the requirements of the 1977 CRA, it will be counted as one in a vulnerable community.
- **Environmental Justice Communities:** defined by statute as census blocks where the average income (at the block group level) is less than 200% of the federal poverty level or is located in a distressed municipality (as designated by DECD)
- **Other Communities at risk of the impacts of climate change** (Defined by DEEP).

ACG Committee

Agenda Item #7

Legislative and Regulatory Policy Update

2021 Legislative Session

Selected Highlights



Climate Adaptation + CGB Scope	<u>6441</u>
CPACE Resilience + EV charging	<u>6571</u>
Quasi-Agency Oversight	<u>6664</u> , <u>6194</u>
Property Taxes and Class I Sources	<u>6106</u> , <u>993</u>
Anaerobic Digesters	<u>6503</u> , <u>930</u>
Energy Storage	<u>952</u>
Climate Change Mitigation	<u>882</u>
VNM for Manufacturers	<u>6523</u>
Fuel Cell Project Solicitation	<u>6524</u>
Transportation & Climate Initiative	<u>884</u>
Just Transition, Climate + Labor	<u>999</u>
Affordable Housing Retrofits	<u>356</u>

2021 Regulatory Activity

Selected Highlights



Energy Storage	<u>17-12-03(RE03)</u>
DER Tariffs	<u>20-07-01</u>
SCEF Year 2	<u>19-07-01(RE02)</u>
DER Program Reviews	<u>17-12-03(RE09)</u>
DER Rate Design	<u>17-12-03(RE11)</u>
EV Charging	<u>17-12-03(RE04)</u>
Innovation Pilots	<u>17-12-03(RE05)</u>
LREC-ZREC Years 9-10	<u>19-06-36</u>
EDC Storm Response	<u>20-08-03</u>
Eversource Rate Case	<u>20-01-01</u>
UI Rate Case	<u>16-06-04</u>

ACG Committee

Agenda Item #8

Statutory Report Status

Connecticut Green Bank

Statutory Reports



Report	Last Delivered	On time?
Quarterly Cash Flow	3/11/21	✓
Quarterly Human Resources	4/1/21	✓
Sec. 1-123 Annual Report	12/30/20	✓
REEEFA Bonding	12/30/20	✓
SCRF Notice	12/7/20	✓
RSIP (biannual)	12/31/2020	✓
Annual Report	12/31/20	✓
Open Checkbook	3/15/21	✓
Board Diversity	9/25/19	✓

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		
Quarter End	Submitted	Quarter End	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	10/1/2021	
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	3/15/21	3/15/21		
6/30/14	4/21/15	7/1/14	8/5/14	1/1/2018	12/27/2017	1/1/16	12/23/15	CSCU, Meriden, SHREC	12/7/20	1/1/2021	12/31/2020	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				
12/31/14	6/16/16	1/1/15	1/12/15	1/1/2020	12/31/2019	1/1/18	12/1/17					1/1/20	12/27/19	6/17/16	regular	6/13/18	regular				
3/31/15	6/16/16	4/1/15	4/12/15	1/1/2021	12/30/2020	1/1/19	12/31/18					1/1/21	12/31/20	7/6/16	special	6/28/18	regular				
6/30/15	6/16/16	7/1/15	7/9/15			1/2/19	12/30/19							7/22/16	regular	7/27/18	regular				

ACG Committee

Agenda Item #9

BOD Membership Status Update

Board of Directors

Membership Term Updates



Position	Appointer	Name	Appointment Period
Commissioner of DECD ¹	Ex Officio	Binu Chandy	ex officio
Commissioner of DEEP ¹	Ex Officio	Mike Li	ex officio
State Treasurer ¹	Ex Officio	Steven Meier	ex officio
Finance of Renewable Energy	Governor	Adrienne Farrar Houël	03/02/2021- 03/01/2025
Finance of Renewable Energy	Governor	Kevin Walsh	09/02/2014 – 06/30/2018 ³
Labor Organization	Governor	John Harrity	06/02/2015 – 06/30/2019 ³
R&D or Manufacturing ²	Governor	Lonnie Reed	10/10/2019 – 10/9/2023
Investment Fund Management	House (Min)	Eric Brown	08/03/2017 – 06/30/2021
Residential or Low Income	House (Maj)	Brenda Watson	02/20/2020 – 06/30/2023
Finance or Deployment	Senate (Min)	Tom Flynn	07/21/2015 – 06/30/2019 ³
Environmental Organization	Senate (Maj)	Matt Ranelli	11/09/2015 – 06/30/2019 ³
President of Green Bank	Ex Officio	Bryan Garcia	ex officio

REFERENCES

1. or designee
2. Chair appointed by the Governor
3. or until a successor is named and qualified.

ACG Committee

Agenda Item #10
Adjourn



**AUDIT, COMPLIANCE AND GOVERNANCE COMMITTEE OF THE
CONNECTICUT GREEN BANK**
Special Meeting Minutes

Thursday, October 15, 2020
8:30 – 9:30 a.m.

A Special Meeting of the Audit, Compliance and Governance Committee (the “ACG Committee”) of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on October 15, 2020.

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

Committee Members Present: Michael Li, Matt Ranelli, Lonnie Reed

Committee Members Absent: Thomas Flynn

Staff Attending: Sergio Carrillo, Brian Farnen, Bryan Garcia, Bert Hunter, Karl Johnson, Matt Macunas, Jane Murphy, Cheryl Samuels, Ariel Schneider, Eric Shrago

Others present: Jessica Aniskoff, Ronald Nossek, and Dan Smith from Blum Shapiro

1. Call to Order

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

2. Public Comments

- No public comments.

3. Approve Meeting Minutes for May 19, 2020

Resolution #1

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for May 19, 2020.

Upon a motion made by Lonnie Reed and seconded by Michael Li, the ACG Committee voted to approve Resolution 1. None opposed and Michael Li abstained. Motion approved.

Subject to Changes and Deletions

4. BOD Membership Term Updates and Attendance Review

- Brian Farnen explained that letters were sent to every Board member with their attendance to meetings. He noted there is one vacancy in the Finance position that is in the process of being filled. He also noted that a Board Member's term membership remains valid and in place after its expiration until a new appointee is installed or the person steps down.

5. Governance Review

a. Governance Documents

- i. Resolution of Purpose
- ii. Bylaws of the Connecticut Green Bank
- iii. Bylaws of the Joint Committee of the Energy Efficiency Board and the Connecticut Green Bank
- iv. Operating Procedures
- v. Ethics Statement
- vi. Ethical Conduct Policy – Board of Directors
- vii. Ethical Conduct Policy – Staff

- Brian Farnen overviewed the Governance Documents, noting that the Bylaws were revised and changed earlier this year in a response to State Auditor best practice recommendations.

b. Reporting Requirements

- Brian Farnen reviewed the Reporting Checklist that was created out of an audit finding a few years ago which makes adhering to reporting requirements easier.
 - Matthew Ranelli noted there are many reporting requirements and commented that it would be nice to try and streamline the requirements to align with legislature.
 - Michael Li asked if the Green Bank ever reviewed the reporting requirements and removed obsolete or outdated requirements. Brian Farnen asked Michael Li to send a list that was mentioned on how to clean up efforts while maintaining adherence since there is a new effort to evaluate requirements for state agencies.

6. Discuss Proposed Draft Comprehensive Annual Financial Report (CAFR)

- Ronald Nossek reviewed the audit results from the Financial Audit for FY2020. The opinion under the Generally Accepted Auditing Standards is an unmodified audit opinion. Under Generally Accepted Government Auditing Standards he reported that there were no internal control material weaknesses or significant deficiencies identified. With respect to compliance, there were no instances of noncompliance identified.
- Ronald Nossek reviewed the Financial Highlights from the audit including a summary of year over year variances for the Statement of Net Assets and the Statement of Changes in Net Position.
- Ronald Nossek also reviewed the audit team's use of Qualitative Aspects of Accounting Practices. He noted that Management is responsible to select and use appropriate accounting policies. He noted that in the audit there were no transactions entered into

Subject to Changes and Deletions

during the year that lacked authoritative guidance or consensus, and that all significant transactions have been recognized in the financial statements in the proper period. Additionally he discussed four areas of reporting where management has used estimates in the financial statements, which are loan loss reserves, interest rate swap fair values, net pension and OPEB liabilities and asset retirement obligations for leased solar facilities. The audit team evaluated these estimates and determined that they are reasonable. As well, the audit determined that financial statement disclosures are neutral, consistent, and clear.

- Ronald Nossek noted there were no significant difficulties encountered in dealing with management in performing and completing the audit. There were also no uncorrected misstatements identified. There were no significant difficulties in dealing with management in performing and completing the audit. Management representations have not yet been obtained but will be prior to final issuance. There is no knowledge of other independent accounting consultations requested. Any discussions that occurred during the audit were normal and not a condition of their retention.
- Ronald Nossek discussed their review of supplementary information accompanying the financial statements. He noted the good, professional relationship between Blum Shapiro and the Green Bank and made it clear that any of the audit team can be contacted with additional questions if need be.
- Matthew Ranelli thanked the Blum Shapiro team for their work.
 - Michael Li asked for clarification on the level of detail that is done within the audit, noting a poor acquisition choice in a business transaction that happened to another company recently. Ronald Nossek noted that it's possible that that audit team did not do a deep enough evaluation into the purchased company beforehand, but that the Green Bank has been transparent and cooperative with its financial statements.
 - Matthew Ranelli asked for clarification on the decrease in cash and cash equivalents. Ronald Nossek responded that the decreased liquidity would be the first marker for a going-concern but because the ratio is over 100% there is still strong liquidity despite the decrease. Ronald Nossek offered a more detailed analysis. Bryan Garcia highlighted the increase in Program Loans and the change in sustainability strategy which affected the cash flows. Bert Hunter also noted the Green Bank has lines of credit which are secured by assets, and as of the end of FY2020 there was approx. \$13 million available in those lines of credit which allows the Green Bank access to short term liquidity if needed.

Resolution #2

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, 2020.

Upon a motion made by Lonnie Reed and seconded by Michael Li, the ACG Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

7. Evaluation Framework – Energy Burden

- Eric Shrago reviewed the evaluation framework which allows the Green Bank to quantify the beneficial impacts it makes. Eric introduced a new proposed methodology to estimate the reduction of the end customer's energy burden due to clean energy. Eric

Subject to Changes and Deletions

reviewed the approach, methodology, and other considerations being used to do so.

- Michael Li asked if the equations being used ultimately lead to a dollar value, which Eric Shrago responded yes and gave an example. Matthew Ranelli suggested a chart to show percentage in relation to AMI.
- Matthew Ranelli asked if perhaps other considerations could be included into the equations to give a more comprehensive view. Eric Shrago agreed that it would be helpful to include some of the other information available, but it isn't as easy to integrate, and so the equations are representing a minimal savings, which would be made clear in any presentations.

Resolution #3

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed Residential and Commercial Energy Burden Reduction (Solar) methodology fact sheets.

Upon a motion made by Lonnie Reed and seconded by Matthew Ranelli, the ACG Committee voted to approve Resolution 3. None opposed and Michael Li abstained. Motion approved.

8. Legislative Update

- Brian Farnen gave the legislative update in Matt Macunas absence but made it clear he does not have legislative responsibilities at the Green Bank. He explained there was legislation passed to increase accountability of energy providers given the recent storms and a perceived less than acceptable response by energy providers.

9. Adjourn

Upon a motion made by Michael Li and seconded by Matthew Ranelli, the Audit, Compliance and Governance Committee Meeting adjourned at 9:39 am.

Respectfully submitted,

Matthew Ranelli, Chairperson

Memo

To: Audit, Compliance, & Governance Committee of the Connecticut Green Bank Board of Directors

From: Eric Shrago (Managing Director of Operations)

Date: May 11, 2021

Re: Proposed updates to Tuition Reimbursement Policy

Since the inception of the Green Bank, one of the keys to the organization's success has been our high performing staff. We are focused on attracting and retaining the staff that we need for our organization to continue to be a success. Recognizing that our organization does not have the ability to compensate employees at rates that are always competitive with similar roles the private sector we are keen to find ways that allow us to make up for some of those differences.

One such benefit offered by the organization of which staff have taken advantage is our tuition assistance. Under the existing policy, the Green Bank will reimburse up to \$10,000 per year of tuition for the current pursuit of education. Since 2018, 11 members of our organization have availed themselves of this. These staff have used this to pursue undergraduate and graduate degrees, advanced certificates, and skill building programs, all of which have increased their value to the organization while allowing them to advance their personal goals.

In a recent review of regulatory changes, senior staff noticed that there is a temporary change to the Internal Revenue Code due to the Section 2206 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that allows the employers to pay or reimburse staff for payment of student loans up to \$5250 per year. These payments would not be taxable income for the employee. This is a temporary regulation in place through January 1, 2026. The program started in the year 2020; consequently, there are 5 years remaining under the program.

A recent survey of staff shows that 25% of Green Bank staff have outstanding student loans. These loans were most often incurred pursuing degrees that made these employees attractive candidates to the Green Bank. They learned skills from which the organization is benefiting.

We recommend that the Board of Directors take advantage of this federal tax incentive program¹ to expand the tuition reimbursement policy to allow for the employees to be reimbursed for payments of their student debt. This new provision benefits both the employee and the Green Bank as the employer. The employee is able to retire student loan indebtedness at a faster rate than otherwise possible (Green Bank would make student loan payments made on their behalf – non-taxable to the employee), while the Green Bank gets a payroll tax exclusion (i.e., no social security tax) on these payments.

This will make the entire policy more inclusive, allowing employees who are presently pursuing education to participate as well as those who did so at an earlier point in their careers. This added benefit is something often offered by private sector employers and will make up for the Green Bank not being able to compensate our staff at levels commensurate with the private sector. In this way, the program promotes staff retention as eligible employees will know that they are able to avail themselves of the benefit for each year they stay in the employ of the Green Bank. The combined policy will now be called the Educational Assistance policy.

Proposed new policy: Educational Assistance

Any employee who has satisfactorily completed six months of service (and receives a rating of “meets expectations” or higher as a result of their six month review) and is either continuing his/her education in a job related area, in an area that will assist the employee in upward mobility or promotional opportunities; or is making principal and/or interest payments on qualifying debt incurred in the pursuit of such an educational opportunity shall be eligible to receive tuition assistance as follows:

- **Part A:** For credit courses at accredited institutions of higher education, full-time employees will be reimbursed 100% of the cost of tuition and laboratory fees up to a maximum of \$400 per credit taken for undergraduate courses and \$750 per credit for graduate courses. There will be a maximum dollar limit of \$10,000 for Part A tuition assistance per employee per fiscal year.
- **Part B:** Employees may also be reimbursed for their payment of their student debt as defined by the Internal Revenue Service in chapter 11 of Pub. 970. Employees will be reimbursed for actual payments of principal and interest on these loans up to \$5250 per calendar year, through December 31, 2025.
- The maximum aggregate dollar limit of Part A and Part B tuition assistance per employee per fiscal year is \$10,000.

Part-time employees who work at least 20 hours per week will be eligible for Part A and Part B educational assistance on a pro-rated basis based on their work schedule. The employee

¹ Section 2206 of the CARES Act.

must maintain an overall rating of “meets expectations” during the annual review process in order to continue to be eligible for assistance under this program.

Requests for Part A tuition assistance must be in writing and will be reviewed and approved by the employee’s department head and the President and/or his designee based on individual merits. Management will consider the relevance of the program to the employee’s current position, job responsibilities and promotional path prior to approval of the tuition assistance request. The employee must maintain a grade point average (GPA) of C for undergraduate courses and B for graduate courses to continue receiving tuition assistance under this program. If an employee’s GPA falls below these minimums, further eligibility for tuition assistance will be suspended until the required GPA is achieved.

Employees interested in applying for tuition assistance under this program should complete a tuition assistance form on SharePoint and follow the steps below to assure prompt tuition assistance.

1. Complete the Educational Assistance Form and submit it.
2. The request will be reviewed and if appropriate, approved by your department head and the President/Designee.
3. Once approved and subsequent to enrollment in the program, submit a copy of course registrations, invoices, proof of loan payments, and any other related documents to the director of operations for review and payment approval through a payment request on SharePoint. Part B reimbursements will only be made to the extent the employee submits evidence of loan payments at least in the amount requested (not to exceed statutory maximums and overall Part A and Part B program limits).
4. Upon completion of the semester, the director of operations will require a copy of all grades. Failure to do so may render you ineligible for tuition assistance for future course. Employees are financially responsible to reimburse CGB for payments made on their behalf under this program if they resign from their employment with CGB within (6) months of the signed date on the most recent consent authorization section of the Educational Assistance Form.
5. Employee Tax Liability: CGB follows the current IRS guidelines pertaining to annual reporting of employee educational benefits. Employees should consult with their tax advisor regarding this matter.

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 employee policies and oversight of the administrative functions of the organization;

WHEREAS, the Budget, Operations, and Compensation (BOC) Committee is reviewing this recommendation for recommendation of approval to the Board at its May 12, 2021 meeting;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook presented on May 18, 2021.

Second. Discussion. Vote

Memo

To: Audit, Compliance, & Governance Committee of the Board of Directors of the Connecticut Green Bank

From: Bryan Garcia (President and CEO) and Eric Shrago (Managing Director of Operations)

Date: May 12, 2021

Re: Proposed Impact Assessment Methodology for Equity

The Green Bank has long sought to ensure that clean energy is available to all in Connecticut. We have refined program guidelines and added new offerings to ensure that the organization has the intended reach into communities that were not being adequately served.

In so doing, we have not had an overarching method or standard by which we assess or measure our offerings in terms of equity.

I. Public Act 20-5 definition of Vulnerable Communities

During the fall 2020 Special Session, the Connecticut General Assembly passed Public Act 20-5 to address emergency response by the state's electric utilities during recent storms. Within the resiliency aspects of the bill, a definition for "vulnerable communities" was included:

"Vulnerable communities" means populations that may be disproportionately impacted by the effects of climate change, including, but not limited to, low and moderate income communities, environmental justice communities pursuant to section 22a-20a, communities eligible for community reinvestment pursuant to section 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et seq., as amended from time to time, populations with increased risk and limited means to adapt to the effects of climate change, or as further defined by the Department of Energy and Environmental Protection in consultation with community representatives¹.

¹ Per Public Act 20-05, "An Act Concerning Emergency Response by Electric Distribution Companies, the Regulation of Other Public Utilities and Nexus Provisions for Certain Disaster-Related or

In response to this definition being adopted, the Green Bank Board of Directors approved updating the second goal of the organization in the current comprehensive plan to:

To strengthen Connecticut’s communities, especially vulnerable communities, by making the benefits of the green economy inclusive and accessible to all individuals, families, and businesses.

The Board also directed staff, in the same Comprehensive Plan to achieve no less than 40% of the investment and benefits in vulnerable communities by 2025 through its Incentive and Financing Programs.

II. Green Bank Methodology for Equity

To assess the progress made by the organization towards the above goal and gage how programs are doing from an equity perspective, we will look at the census track of where projects, investment, and deployment are located. We will count projects that are located in what we define as a vulnerable community census track that meets one of the following criteria established by the above statute:

- **Low-to-Moderate Income Population** – We will use our existing definition of Low-to-Moderate Income as being a census track where the tract’s mean income is less than 100% of the Metropolitan Statistical Area’s Adjusted Mean Income for the local Census Area for the present year. For example, for the past three fiscal years, the following is a breakdown of residential activity – see Table 1.²

Table 1. Residential Activity in MSA AMI Bands below 100% by FY Closed

Fiscal Year	# Projects		Investment (\$MM's)		Deployment (MW)	
	#	%	#	%	#	%
2018	5,062	61%	\$92.6	50%	21.1	49%
2019	5,966	62%	\$138.3	55%	29.4	49%
2020	4,757	51%	\$120.8	48%	32.0	47%

- **Eligible for Community Reinvestment Act Investment** – The Green Bank will use the standards established in the CRA of 1977 to identify which census tracks are

Emergency-Related Work Performed in the State,” “vulnerable communities” means populations that may be disproportionately impacted by the effects of climate change, including, but not limited to, low and moderate income communities, environmental justice communities pursuant to section 22a-20a, communities eligible for community reinvestment pursuant to section 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et seq., as amended from time to time, populations with increased risk and limited means to adapt to the effects of climate change, or as further defined by the Department of Energy and Environmental Protection in consultation with community representatives. Inclusion of “vulnerable communities” within the goals of the Green Bank would ensure that it’s incentive (e.g., RSIP), financing (e.g., multifamily), and investment (e.g., Green Bank Capital Solutions) programs incorporate it as a priority.

² FY2020 Comprehensive Annual Financial Report (140)

eligible (generally those where the median income is less than 80% of the Metropolitan Statistical Area’s Adjusted Mean Income). For example, for the past three fiscal years, the following is a breakdown of residential activity from a CRA perspective – see Table 1.³⁴

Fiscal Year	# Projects		Investment (\$MM's)		Deployment (MW)	
	#	%	#	%	#	%
2018	3,603	43%	\$55.4	30%	11.5	27%
2019	3,679	38%	\$88.6	35%	16.1	27%
2020	2,818	30%	\$66.7	27%	17.2	26%

- **Environmental Justice Communities** – as defined by statute, these are census block where the average income is less than 200% of the federal poverty level or is located in a distressed municipality.
- **Other Communities at risk of the impacts of climate change** – The Green Bank will annually engage DEEP for a list of these census tracks/blocks.

The Green Bank will include reporting on these in the Consolidated Annual Financial Report’s Non-Financial Statistics Section on a numerical and on a percentage basis in comparison with the rest of the organization’s activities. This percentage can then be compared to the split of the state population that lives in vulnerable communities to track progress towards the 40 percent by 2025 target.

III. Resolution

WHEREAS, the Connecticut Green Bank has long sought to gauge and assess the reach of its programs in terms of their equity and inclusion;

WHEREAS, the State of Connecticut has adopted the definition set forth in Public Act 20-05 of Vulnerable Community;

WHEREAS, the Green Bank established Incentive and Financing Program goals for investment and benefits in these Vulnerable Communities by 2025;

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 organizational policies and procedures;

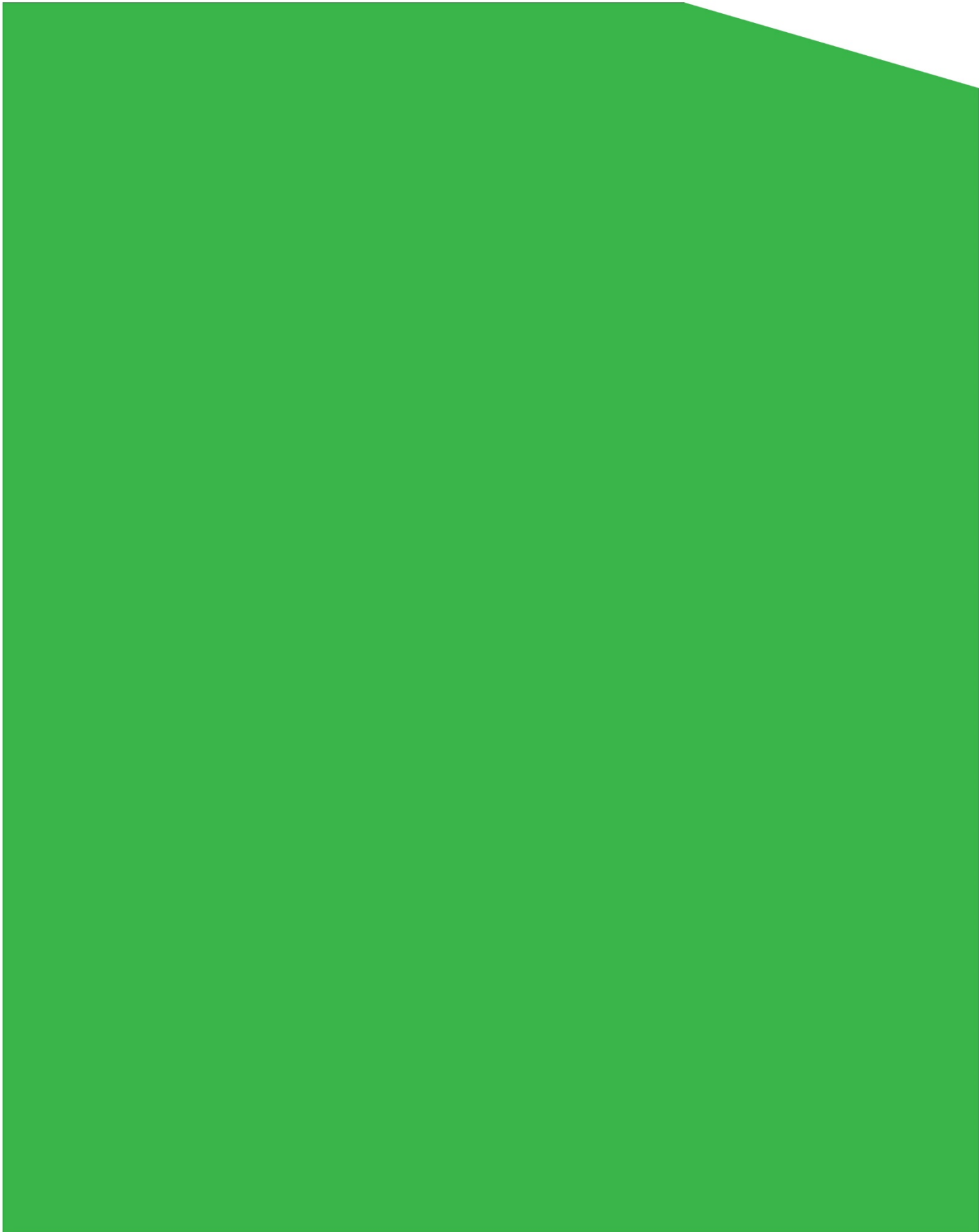
NOW, therefore be it:

³ FY2020 Comprehensive Annual Financial Report (147)

⁴ It should be noted that CRA defines low income as less than 50% AMI and moderate income as 50-80% AMI

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the above methodology for assessing the equity and inclusion of the organization's Incentive and Financing Programs including, but not limited to, the number of projects, investment, and deployment in Vulnerable Communities.

Second. Discussion. Vote



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